2018 Gender Budget Report - Summary and main results

The gender budget report aims to perform an assessment of the different impact of budgetary policy on women and men, in terms of money, services, time and unpaid work. At national level, it was introduced as a pilot project by article 38-septies of Law 196 of 2009 and performed for the first time on the 2016 State final accounts. The methodological instructions for the gender budget report are laid out by Decree of the President of the Council of Ministers in concert with the Minister of Economy and Finance of 16 June 2017, and the more detailed criteria are identified in subsequent circulars of the State General Accounting Department. The gender budget report is drafted to provide end-of-year data, looking at both expenditure and revenues.

In brief, the gender budget report consists of:

- an analysis of the main gender gaps in the economy and in society;
- an analysis of the gaps existing in the personnel of the central administrations of the State and Presidency of the Council of Ministers;
- a review of the provisions and laws introduced to promote equal gender opportunities or take action with respect to certain known inequalities;
- an analysis of the impact of taxation on gender and of the main tax policies and some specific facilitations;
- a reclassification of the expenditure of the State budget accounts from a gender perspective, along with a summary of the sector-based policies enacted by the administrations.

It should be recalled that not all policies of interest entail expenditure for the State budget (e.g., those which are regulatory in nature or under the exclusive responsibility of other levels of government) or are exhaustively represented therein (e.g., those consisting of transfers to other public administrations or funds managed off budget). This is true for various measures that have the explicit intent of reducing gender gaps, like the rules relating to “female quotas” (regulation), nursery and childhood services (under the responsibility of the municipalities), personal income tax deductions and reductions for the “brain return” or for domestic services (which are quantified as specific measures in the budget) and the guarantee fund for small and medium enterprises - female business section (off budget).

The complete version of the Report to the Parliament on the 2018 gender budget report is available on the website of the State General Accounting Department (http://www.rgs.mef.gov.it/VERSIONE-I/attivita_istituzionali/formazione_e_gestione_del_bilancio/rendiconto/bilancio_di_genere/) along with the review of the provisions aiming to reduce gender gaps adopted in Italy post World War II to date (Appendix I), the answers of the administrations to questionnaires relating to personnel and sector-based policies from a gender perspective (Appendix II) and machine readable databases of the statistical indicators monitored (Appendix III). Some results are also distributed through the Open Budget App (http://bilancioaperto.mef.gov.it/landing.html).

The topic of gender inequality is discussed extensively all over the world,
including using statistical indicators which seek to measure the gaps present in the various countries. By measuring and combining the various aspects, summary indicators and rankings are constructed between the countries to highlight critical areas and strive for policies to take action with respect to existing gaps. This is the case of the **EU Gender Equality Index** consisting of six “domains” linked to 31 indicators. Out of the 28 countries in the EU, Italy was in 26th position in 2005, and reached 14th by 2015. The domain in which the greatest progress has been made is that of power, thanks to the increased presence of women in top decision-making and political positions. Improvements have also been made in education and in the domain of money, although women’s pay remains significantly below that of men. On the other hand, for the work domain, progress has been slight and is due not so much to the improvement in the condition of women as to the deterioration in that of men. The health situation is substantially stable while the most critical domain, not exclusively for Italy, is represented by the use of time for care work.

The gender budget report for 2018 relies on a broad range of indicators to underscore the various characteristics and different behaviours of men and women with respect to multiple economic and societal phenomena. The indicators are broken down according to several areas of intervention of public policies for which the main trends are highlighted:

- **the labour market:** female employment is up (by around 0.6 percentage points compared to 2017, reaching 49.5 percent), but the gender gap continues to penalise women, particularly young women and those living in the South. Young women between 15 and 34 years of age are also the most discouraged in seeking employment. The employment of women with preschool aged children has declined and only 60 percent of the youngest women with children (25-34 years old) are employed compared to childless women their same age. More than 40 percent of young employed women are overeducated for their job, up compared to the past and with a greater incidence in Central Italy. After years of crisis, employed women appear to be more secure about their employment (to an extent similar to men) and job stability has increased. Involuntary part time remains more widespread amongst men, but it is up for women by roughly 3.1 percentage points compared to 2017, reaching 64.4 percent in 2018. The percentage of low-paid female workers has declined over the years, although it is 3.3 percentage points higher than for men. The horizontal segmentation of the job market continues: female entrepreneurs have not increased, while female employees remain in the service sectors, like commerce, healthcare and education. However, access to the Guarantee fund for small and medium enterprises by female entrepreneurs and professionals has increased.

- **life-work balance:** on average, Italian women do more work (paid and unpaid) than men. In 2014, they dedicated 2 hours per day to paid work and 5 to unpaid work, while men do professional work for nearly 4 hours and household work for less than two. Women employed full time have a higher total work load, paid and unpaid, than that of women who do not work full time (8 hours and 40 minutes, or more, of work every day, compared to 7 hours and 37 minutes on average for
a homemaker). One positive sign is being seen in the progressive increase in recourse to leave taken by men to take care of children. In 2018, 67 thousand men in the private sector took parental leave (+14 percent compared to 2017), representing 19.8 percent of all beneficiaries. The number of companies receiving incentives for having introduced work-life balance measures in their second-level bargaining agreements doubled between 2017 and 2018. These are companies which on average are smaller in size and make use of relief in smaller amounts. The percentage of children going to nursery and taking advantage of supplementary childhood services has remained stable over the years (roughly 11.9 percent in 2016). From 2017 to 2018, recourse to vouchers to pay for babysitting services declined considerably (from around 14 thousand to roughly 7 thousand applications accepted), as did contributions for enrolment in nursery to replace parental leave by working mothers (from around 2 thousand to about 900) (“childhood bonus”), while use of the “nursery bonus” rose (from 108 thousand to 196 thousand).

- **protection of work, social welfare and assistance**: in 2017, the risk of poverty (after welfare benefits) struck 21 percent of women and 19 percent of men. Families with dependent children have a 24.8 percent probability of being at risk of poverty, while for single people with children the risk is 37.8 percent. The gender gap appears to be more accentuated in terms of absolute poverty, which has worsened over the last decade, particularly for minors for whom the percentage has tripled from 4 to 13 percent. Pension systems may mitigate or worsen economic inequalities between more elderly men and women by acting on factors such as retirement age, whether periods of maternity leave are covered, the criteria for determining the amount to be paid out and any dependent’s pension conditions. In 2017, the average gross annual amount of the pension income of Italian women was around 7 thousand euros lower than that of men in the 60-79 age range, and 45 percent of women received less than one thousand euros per month, compared to 27 percent of men. Specific instruments in the pension/welfare system are intended especially for women, such as the “woman option” early retirement system (which involved roughly 25 thousand women in 2018) and the support mechanism known as “Ape sociale donna”.

- **education and gender stereotypes**: early school leaving remains higher in Italy than in the EU on average and, although it impacts primarily men (around 16 percent), it is showing signs of deterioration primarily for girls, who in the last year increased from 11.2 percent to 12.3 percent. In reading, female students tend to be better than male students, while the reverse is true for math, and the gender gap in these skills increases throughout the education cycle. In addition, the marks earned by students in the north are higher than those reported in the south. There are also gender gaps in the transition to secondary school; indeed, males primarily choose technical institutes, while females are more oriented towards high schools. There was a slight decline from 2017 to 2018 in young people who are not studying or
working (from 21.7 to 20.9 for men and from 29.4 to 28.9 for women), but in recent years the gap has been growing, to the disadvantage of women. The share of young people with university qualifications (degree and other higher education qualifications) has increased more quickly for women than for men (from 2006 to 2018 the percentage of women went from 21.1 to 34 percent, while for men it went from 14.2 percent to 21.7 percent) and the percentage is higher in all geographical macro-areas considered. In the sciences, tech and math, the female component continues to be underrepresented, and this has become worse in more recent years, both amongst women with university degrees and those with PhDs, with a disadvantage for women of 21 and 15 percentage points, respectively (according to the most recent data available). Furthermore, high academic qualifications favour the employment of young people and the reduction in the gap to the detriment of women. Indeed, there has been a slow improvement in the level of employment of young people with secondary and post-secondary but not higher education and the gender gap to the detriment of women has attenuated over the years, from roughly 13 percentage points in 2006 to around 10 percentage points in 2018. Italy has lost more young university graduates than it has gained, and while domestically the North is capable of attracting them, the South has recorded a negative imbalance for both genders, which is higher for men. Participation in continuous training is growing slowly and continues to involve primarily women. In 2018, 8.6 percent of women participated (compared to 6.5 percent in 2006), while for men the percentage is lower, at 7.6 percent against 5.7 percent in 2006.

- **participation in economic, political and administrative decision-making processes:** the percentage of women on the boards of directors of the largest companies listed in the Italian Stock Exchange continues to rise, by roughly 2 percentage points compared to the previous year, reaching 36.4 percent. The presence of women on the whole in the top level decision-making bodies of unlisted companies under public control also rose decisively between 2014 and 2018, from 17.6 percent to 32.1 percent. In politics, with the XVIII legislature, the share of women elected to National Parliament has reached its highest level in the history of the Republic (35.8 percent of deputies and 34.4 of senators). However, in the current executive administration, women account for just 25 percent (5 women out of 20 ministers), less than in the governments immediately prior (29.4 percent in 2016 and 41.2 percent in 2014). The representation of women in regional and municipal councils is on the rise, also as a result of laws aiming to incentivise gender equality. Civic and political participation in Italy appears to be declining for both genders (from 2011 to 2017 there was a decline in civic and political participation for everyone, from 74.9 percent to 66.6 percent for men and from 60.4 percent to 52.7 percent for women) and gender differences are even sharper in the more elderly age ranges, while they reduce significantly amongst the younger population.
• **combating gender violence**: this matter continues to produce significant attention at both domestic and international level. Gender violence, which is manifested in multiple ways, is difficult to measure because for the most part it remains hidden. Surveys on the security of women show signs of an improvement, but at the same time the severity of the violence suffered is on the rise. However, women have become more aware and increasingly often consider this type of violence a crime and report it, talk about it or ask for help from specialised centres. Positive signals are also being seen from the declining number of homicide victims; in 2017 there were 357 homicides in Italy, of which 234 victims were men and 123 were women, a significant drop compared to 2007 when there were 632 victims, of which 482 men and 150 women. While males are primarily victims of unknown perpetrators, women are mostly victims of partners and former partners. Concern about the possibility of suffering from sexual violence is also declining on the whole, although it remains widespread amongst young women. The action and the number of anti-violence centres and safe houses are on the rise; in 2017, they reached 296 and 258, respectively, spread throughout the country. Recourse to paid leave for female employees who are victims of violence has increased since 2017 (the applications received increased from 145 to 195).

• **health, lifestyle and safety**: in 2017, the trend of the previous years was confirmed and it was found that while life expectancy at birth (around 81 years for men and 85 for women) and life expectancy at 65 years (roughly 19 years for men and 22 for women) are higher for women than men, on average men have a greater healthy life expectancy than women (roughly 60 years for men and 58 for women) and a better life expectancy without limitations on activities at 65 years of age (roughly 10 years for men and 9 for women). The mental health index also shows a difference to the detriment of women, who in 2017 reported a score of roughly 66 against a score of around 69 for men, out of a total of 100 points. Risky behaviours such as drinking, smoking, obesity and the risk of road accidents impact primarily men, while a sedentary lifestyle, being underweight and domestic accidents are risks primarily for women. The mortality rate from cancer per 10,000 residents has declined over the last decade from 12.7 in 2006 to 9.9 in 2015 for men and from 8.8 to 8 for women, also thanks to better prevention. Indeed, over the years more attention has been paid to screening programmes, with an increase in participation primarily by women.

The 2018 Gender Budget Report contains some evaluations on gender gaps in employment and income expectations for young people who are not working, on the use of maternity leave amongst private sector employees, on the knowledge of social security of men and women and on gender and origin differences in academic performance.

As regards the personnel of the State’s central administrations, aside from the usual battery of indicators on the breakdown of permanent and management

| Gaps relating to personnel in the |
staff, turnover, academic qualifications, training and recourse to work-life balance measures, the 2018 gender budget report conducts a series of analyses on the age of central administration employees. The distribution by gender of employees of the Ministries and the Presidency of the Council of Ministers sees a substantial balance on the whole between men and women. However, the situation is very uneven across the different sectors. Women are employed especially in the educational, economic/social and cultural heritage sectors, while they are a minority in the defence, infrastructure and transport, environmental and agricultural and forestry policy areas, although there has been a progressive attenuation in sector specialisation over the last decade. In 2017, the percentage of employees under thirty years of age was higher for men than for women (roughly 7.2 percent compared to 1.5 percent), although the gap has narrowed over the last decade (11.8 percent compared to 2.4 percent). Similarly, the percentage of those who are sixty and over is currently higher for women and the gap with men has been becoming more accentuated. This circumstance derives largely from the fact that a significant portion of more elderly personnel belongs to the School sector, which is that with the highest number of staff and with a high percentage of women. For age cohorts between thirty and fifty-nine years of age, which represent more than eighty percent of employees, male and female values tend to be balanced. Women on average have higher levels of education than men, for all qualification levels, including executives, where the incidence of employees with post-graduate qualifications is steadily higher for the female component. In 2017, women with a post-graduate academic qualification represented 24 percent, while men represented roughly 19 percent. However, in terms of responsibilities and the pay received, in the State’s central administrations the presence of women tends to decrease as we reach higher positions. Management personnel in the Ministries tends to be primarily men, with a gender gap that widens as we move from second level managers to first grade executives. In 2017, amongst first grade executives, the presence of men is greater across all Ministries except for the Ministry of Defence and the Ministry of Education, Universities and Research. The men and women making up the management staff of the Ministries and the Presidency of the Council of Ministers have rather different characteristics from the demographic standpoint. Considering the cohort of first grade executives under 45 years of age, from 2008 to 2017 the figure for women is almost always higher than that for men (11.4 percent for women and 8.5 percent for men in 2008 and 5.4 percent for women and 3.3 percent for men in 2017). In the 45-59 years cohort, the percentage of women and men amongst first grade executives is significantly higher than that of the previous cohort, and equal to 58.5 percent in 2017 for both genders. Instead, amongst those over sixty years of age, the percentage of female first grade executives, lower than that of men (38.2 percent for men and 36.2 percent for women) has increased over the years (35.1 percent for men and 22 percent for women in 2008).

Part-time work is often used to balance work and household requirements, and those who primarily take advantage of it are women. The Ministry of the Environment, Land and Sea and the Ministry of Infrastructure and Transport have a higher degree of both female and male employees working part-time.
up slightly since 2015. For women, although it is down slightly there is significant recourse to part-time work for employees of the Ministry of Economy and Finance, the Ministry of Labour and Social Policies and the Ministry of the Interior. Instead, for men, there is an increase in part-time work in the Ministry of Labour and Social Policies and in the Ministry of Education, Universities and Research. The number of new mothers whose children were enrolled in the population register in the two years prior to the survey in the central administrations of the State and in the Presidency of the Council of Ministers declined significantly from 2015 to 2018, from roughly 1,220 to around 730. The decision of new mothers to opt to reduce their working hours is quite variable over the years amongst the various Ministries. Indeed, while in some there was growth (Ministry of Cultural Heritage and Activities and Tourism which from 7.5 percent of new mothers part-time in 2015 reached 15.4 percent in 2018, followed by the Ministry of Education, Universities and Research, which from 16.7 percent of new mothers part-time reached 22.4 percent), for others there was a decrease in part-time work (Ministry of Agricultural, Food and Forestry Policies from 20 percent in 2015 to 6.7 percent in 2018 and Ministry of Economic Development from 12.1 percent in 2015 to zero in 2018). In 2018, the administrations in which new mothers worked part-time most were the Ministry of Defence, the Ministry of Education, Universities and Research and the Ministry of Cultural Heritage and Activities and Tourism. For the administrations for which data are available, amongst all workers working part-time, the share of those who have children under 12 years of age is not particularly significant. In addition, for some Ministries (Presidency of the Council of Ministers and Ministry of the Interior), the percentage of men working part-time with small children is higher than that of women with the same characteristics. On the other hand, for other administrations it is primarily women working part-time who have children under 12 years of age. Restricting the analysis only to employees with children under 12 years of age, it can be seen that across all administrations, it is primarily women who opt to work part-time.

To protect jobs, there are periods of mandatory leave for women while they are pregnant and immediately after they give birth (compulsory maternity leave) and for men leave is available in lieu of maternity leave when specific events take place. The total number of days of absence for compulsory maternity leave used by female employees of the Ministries and the Presidency of the Council of Ministers from 2015 to 2018 varied from a peak of roughly 123 thousand days per year in 2016 to 118 thousand in 2018. In some Ministries, absences for maternity leave increased, such as in the Ministry of Economy and Finance and the Ministry of Justice, while in the majority of the Ministries there was a reduction in the use of maternity leave, such as in the Ministries of the Interior, Infrastructure and Transport and Agricultural, Food and Forestry Policies. Paternity leave in lieu of maternity leave is instead down on the whole, except for in the Ministry of Justice and the Ministry of the Interior. A mechanism that is different from those described above is parental leave, which provides an optional period of leave from work for parents to take care of their children in the first twelve years of life and for a total period between the two parents not to exceed 10 months by the time the children turn 12 years old. Recourse to parental leave tends to reflect the
gender breakdown of the Ministries or the segments to which the workers belong; this is the case of the Ministry of Economy and Finance, where men request leave more, due to the Finance Police segment, which is made up of mostly men. However, women request more days of leave in nearly all administrations. The average number of days of parental leave used from 2015 to 2018 tended to decline for both men and women, but it remains higher for women across all administrations considered, even in those with a higher proportion of men.

The requests accepted in 2018 for flexible work or smart working increased for the Presidency of the Council of Ministers as well as the Ministry of Economy and Finance, which started trials already in 2017. The surveys conducted show that the main reasons for participating in smart working are difficulties with commuting and work-life balance requirements, in particular the presence of children up to 12 years of age or caring for other people in need. The majority of the other administrations launched smart working projects for the first time in 2018 and for others internal regulations are currently being adopted that will enable employees to try out smart working. Telecommuting is a method adopted only by a few Ministries and also in this case is preferred by female employees. The Ministry of Economic Development, the Ministry of Health and the Ministry of Infrastructure and Transport saw an increase in personnel from 2015 to 2018, both men and women, who make use of telecommuting.

Several administrations provide services to support the work-life balance of their employees, such as nursery (for children from 3 to 36 months of age) and summer and/or after school centres. In the 2016-2018 period, the nursery service at the Ministry of Defence stood out due to the significant number of users requesting the service, primarily men, but with an increase in requests from women as well. Also for the national police force there is significant use of the nursery service but, unlike in the previous cases, the requests are submitted primarily by mothers.

Gender culture training initiatives carried out in the course of 2018 regarded a higher number of administrations than in previous years (however, for the Presidency of the Council of Ministers, the Ministry of Economy and Finance and the Ministry of Labour and Social Policies, participation is down). This is due in part to the organisation of a series of courses in preparation for the introduction of smart working, but also other specific training initiatives on topics of gender and equal opportunities. Primarily women take part in this training, with the exception of the Ministry of Justice (penitentiary administration), which saw significantly higher male participation than female.

A number of important innovations were introduced with the 2018 budget law on the protection of maternity. In particular, a fund was established to protect maternity leave for amateur athletes, the contractual term will now be suspended for limited-term female university researchers during the compulsory maternity leave period and protections were established for pregnant defence attorneys with respect to the scheduling of hearings by the judge. The budget law also introduced new legal protections to defend victims of gender violence. Of these, retaliatory or discriminatory dismissal of any party reporting workplace harassment is deemed null and void. Paid leave for female victims of gender violence was also extended to domestic workers and
social cooperatives that hire women who are victims of the same type of crime on a limited-term basis. In terms of work-life balance, a fund was established to support legislative interventions for the recognition of the social and economic value of the non-professional care activities of family care providers, or caregivers. Furthermore, to combat social exclusion and favour entrepreneurship through access to microfinancing instruments, the 2018 budget law established a specific contribution to the National Agency for Microcredit intended specifically for women and young people. The provisions for women also include the extension of the group of beneficiaries of the pension advance known as “ape sociale”. The new elements introduced allow mothers to make use of the “ape sociale” with a further contribution discount of 12 months for each child, up to a maximum of two years.

Other provisions issued in 2018 aim to favour greater integration of gender policies in public action (gender mainstreaming). First and foremost, it is necessary to highlight the amendment to article 38-septies of the accounting and public finance law, which strengthens the substantial value of the gender budget report and highlights the importance of considering the performance of the “fair and sustainable well-being” indicators used in the Economy and Finance Document when redefining and reallocating resources. Furthermore, action has been taken on gender gaps in the field of health protection, preparing a plan for the spread of gender-specific medicine through the dissemination of, training on and the indication of healthcare practices that take into account gender differences. Lastly, note decree of 3 May 2018 of the Ministry of Labour and Social Policies, which orders the electronic transmission of data for the “Report on the situation of male and female personnel”, in which the status of hirings, training, professional promotion, resort to the unemployment fund, dismissals, early retirement and retirement is reported, in addition to actual wages paid.

Also at European level, the Parliament recognised in a resolution that women should have fair representation in the United Nations Climate Change panel, considering that it is primarily women who handle the majority of decisions on day-to-day consumption. With respect to safety and combatting gender violence, the Council of the European Union has adopted a Decision affirming its support of the integration of the gender component in policies regarding combatting the trafficking and improper use of small calibre arms in line with the women, peace and security agenda.

Some existing measures were reinforced in the 2019 budget law. For example, pregnant women are able to postpone their entire compulsory leave (five months) to the period subsequent to the birth of their child; the allowance was increased for the payment of tuition to attend public and private nursery, defined as the “nursery bonus”, which also provides forms of support at home in favour of children suffering from severe chronic diseases; the Fund to support the care and assistance role of caregivers has been increased.

Starting from the 1970s-80s, the majority of the countries in the European Union abolished the tax systems that caused explicit differences between men and women, opting for taxation on an individual basis at progressive rates, with deductions for household dependents. However, this solution does not exclude indirect effects on gender, especially considering the unequal primary distribution of income between men and women.
In previous editions of the gender budget report in 2016 and 2017, the effectiveness of the redistribution effect of the income tax system was analysed by gender and income brackets, using the Department of Finance’s tax benefit microsimulation model. The analysis highlights how earners of different sexes are essentially equally distributed by “equivalent” tenths of income with a slight “U” shaped trend for men, who are slightly more numerous in the two extremes of the distribution. The average income of women represents around 59.5 percent of that of men overall and within each equivalent income bracket, the average of women is between 50 and 70 percent of that of men. The main reason for this is that spouses tend towards an implicit “specialisation” of labour. A second reason can be identified in the circumstance that, if a certain number of homemakers were included amongst earners for modest income from real estate, the average of the gender-based income would reduce, with the applicable tenths remaining the same. Lastly, there would be the (residual) possibility of a discrimination in female pay ceteris paribus. The progressive taxation of such different income determines a lower taxation for women, and focusing our attention on the tail ends of the income distribution, it is evident that women are underrepresented at the top of the distribution and their share tends to decline as the income scale increases. In summary, neither the redistribution action of the tax benefit system in determining disposable income nor the household composition for the determination of equivalent income take on relevance. Therefore, the distribution results from the primary distribution of income.

Although the personal taxation system is basically gender neutral in terms of redistribution, it results in a different implicit marginal rate for entry into the labour market for people who are not working or have low income. This can be measured in terms of the share of the gross salary earned, in the case of entry into the labour market or an increase in the income received, taking into account direct taxes (income taxes and social contributions) and benefits not received (due, for example, to the fact that certain welfare benefits depend on overall income). The indicators calculated at international level are the average tax wedge for the nuclear family (ratio between the increase in overall personal taxation and contributions due from the employee and the employer and the increase in the cost of labour) and the individual net rate (which measures the tax burden only on the worker). For childless couples, the average tax wedge for the nuclear family is 44.9 percent for Italy, which is in seventh place in the ranking of OECD countries (2014 data). In the case of a second earner with two children, Italy is in eighth place with a percentage of 47.4 percent. The individual net rate for the second income earner in a childless nuclear family is 27.3 percent in Italy, in 15th place in the OECD country ranking. As regards the nuclear family with two children, Italy has a percentage of 30.5 percent, again in 15th place.

Similar conclusions can be drawn by estimating the unemployment trap (the short-term financial incentive for an unemployed person who is not entitled to unemployment benefits, but potentially receives other benefits such as welfare assistance, to transfer from unemployment to paid work) and the low-salary trap (the financial incentive to increase a low salary, for example by working more hours, for a second earner earning 67 percent of the average salary). In the case of a couple with two children, entry into the labour market...
for the unemployed spouse results in taxation of around 40 percent (2018 data). Low-income second earners who intend to increase their salary by 1 percent are even more penalised, with taxation on the additional income reaching 42 percent, while those who intend to improve it by 33 percent would suffer from a penalty of 55 percent on the additional gross income. In the case of a childless couple (in which the second earner again earns 67 percent of the average salary of the first), there is a reduction in the unemployment trap and it decreases to around 34 percent. The low-salary trap also decreases, albeit slightly (41 percent if the salary increases by 1 percent and 53 percent if the salary increases by 33 percent), thus marking a relative disadvantage for low-income couples with two children, compared to other countries.

The tax benefits intending to favour gender rebalancing in terms of paid and unpaid work include the deduction of social security and welfare contributions for domestic service and family support workers, deductions for expenses incurred to pay caregivers for people who are not self-sufficient and the deduction for expenses incurred for nursery tuition. In the 2006-2017 period, there were no significant differences either in the number of beneficiaries or in the amount of corresponding deductions, especially since 2010. The deductions for expenses for personal support workers and deductions of contributions for domestic service and family workers are used primarily by women (63 percent and 56 percent, respectively, in terms of amount of expenditure). On the other hand, the deduction of expenses for attending nursery is used primarily by men (54 percent).

The regulation on the “brain return” provides for a facilitated tax regime which consists of only partially counting income from employment, self-employment or business activities for personal income tax purposes. On the basis of the most recent data available (on the 2017 tax year), 8,531 people took advantage of this measure, 32.4 percent of them female. The average income from employment declared by the returning individuals is much higher than the average income from employment declared by Italian taxpayers, demonstrating the effectiveness of the measure. While the average income declared by women is lower than that declared by men (75,556 euros compared to 121,744 euros), it is in any event much higher than the average income of Italian taxpayers. Compared to the 2016 tax period, there was a decline in the share of female employees (at 36.9 percent in 2016) and an increase in both total average income (100,501 euros in 2016) and the average income of women (72,583 euros in 2016).

The reporting of State budget expenditure from a gender perspective requires it to be “reclassified” into the following categories:

- **neutral** expenditure, relating to measures not linked to gender;
- expenditure **aimed at reducing gender disparities** relating to the measures directly linked to or intending to reduce gender inequality or favour equal opportunities;
- **sensitive** expenditure relating to measures that have a different impact on men and women.

The reclassification is made by each administration, through direct knowledge of the activity carried out and the subject of the expenditure. The reclassification of personnel expenses, considered instrumental in
implementing interventions financed by the State budget, was instead analysed separately through a pro-rata allocation based on budget commitments for expenses that are neutral, sensitive or intended to reduce gender inequality.

The total actual expenditure of the State budget for the year 2018 came to 816.7 billion in terms of commitments (796.7 billion in terms of payments). Net of personnel expenses, total expenditure committed in 2018 amounted to 731.1 billion euros. Roughly 80 percent (584.9 billion) is considered gender neutral, 19.7 percent (144.0 billion) gender sensitive and 0.3 percent (roughly 2.3 billion) linked to interventions intended to reduce gender disparities.

Expenditure aimed at reducing gender disparities in 2018 marked an increase of roughly 120 million compared to the previous year (+6 percent), while that considered gender sensitive and neutral decreased (-5 percent in both cases). The increase in expenditure most connected to gender depends for the most part on an increase in resources spent for interventions already identified in 2017 (around 68 percent) and only roughly one-third is due to the identification of new interventions (around 32 percent). They are highly concentrated in three Missions: “Social rights, social policies and family” (1.4 billion in commitments); “Italy in Europe and in the world” (0.16 billion); “Social security policies” (0.6 billion). The State budget expenditure aimed at reducing gender gaps therefore mainly consists of current transfers to public administrations (roughly 93 percent of the commitments) operating both in Italy and abroad; this is followed by acquisitions of financial assets (around 6 percent), while intermediate consumption, income from employment, fixed investments and current transfers to households and social institutions, businesses and abroad, make up a total of 1 percent of the expenditures that have a gender-related purpose. Furthermore, the public administrations to which resources are transferred are primarily social security institutions (roughly 95 percent of the commitments), the Italian Agency for cohesion and development (around 2 percent) and the Presidency of the Council of Ministers (3 percent).

Excluding budget programme personnel expenses, current transfers to the public administrations represent the majority of the expenditure considered gender sensitive (123.6 billion in terms of commitments, or 86 percent of the total). They include primarily current transfers to households and private social institutions (roughly 5 billion, equivalent to 3 percent) and several types of expenditure classified as income from work consisting primarily of welfare interventions for personnel, one-off indemnities and clothing for uniformed personnel (12.9 billion, or 9 percent). They are concentrated in the “Social security policies” (64 percent of the commitments), “Social rights, social policies and family” (22 percent) and “Labour policies” (7 percent) Missions, while the remainder (roughly 7 percent) is distributed across multiple missions. However, it should be noted that the figure of some missions like “Scholastic education” (2.4 billion in expenditure considered gender sensitive) is relatively low because the majority of gender sensitive expenditure consists of personnel expenses which are the main productive factor for the provision of the service.

A number of missions in the State budget have no direct or indirect effects on gender, and the relative expenditure (in terms of commitments) is considered completely neutral. This is the case in particular for the Missions of “Public
debt”, which includes programmes relating to the repayment of government debt and expenses for debt servicing; “Energy and energy source diversification”; “Market regulation”; “Public infrastructure and logistics”; “Communications”; “International trade and internationalisation of the production system”; “Home and urban lay-out”; “Protection and enhancement of cultural and landscape assets and activities”; and “Tourism”.

Overall, the administrations have demonstrated a significant improvement in their capacity to analyse expenditure from a gender perspective, although some critical issues remain. For example, difficulties have been identified in recognising expenditure aimed at reducing gender disparities, often associated with expenditure intended for women without an effective assessment of its impact on gender; there is not always complete consistency between the information provided in questionnaires and the reclassification of expenditure items; a certain difficulty remains in distinguishing neutral expenditure and gender sensitive expenditure; for items and management plans relating to expenditure partially aimed at reducing gender disparities, it was not always possible to estimate the percentage of the expenditure actually allocated to the specific gender-related purpose. To improve the gender-focused expenditure analysis and classification capacity, it is therefore indispensable to strengthen the ability of administrations to integrate a gender perspective in the interventions under their direct management.

| A significant portion of State expenditure, across all Ministries, goes towards employee remuneration (roughly 14 percent of state budget commitments net of the repayment of financial liabilities). To provide a complete framework of the budget from a gender perspective, expenditure is estimated for the personnel used in the production of services or in the provision of the budget interventions. As an initial approximation, the estimate is made by allocating personnel expenses, within the scope of each budget programme, in proportion with the size of the budget commitments for expenditure that is neutral, sensitive or aimed at reducing gender disparities (pro-rata). The analysis considers the remuneration of the personnel of the Ministries (all contractual segments), but not the Presidency of the Council of Ministers, as it receives transfers from the State budget for its functioning, which it manages autonomously. The identification of the personnel expenses of the individual spending programmes is facilitated by the presence in the State budget structure of a specific action (named “programme personnel expenses”) which includes the wage items for employees of the corresponding centre of responsibility committed to the same programme. The overall amount of personnel expenses amounts to roughly 85.6 billion in the actual 2018 figures (in terms of commitments). These expenses are broken down for each programme into the three gender reclassification codes, in relation to the share of the programme expenditure that can be considered neutral, sensitive or aimed at reducing gender disparities. Expenses for school personnel (and administrative personnel in schools) of the “First cycle education”, “Second cycle education” and “Advanced artistic, musical and dance training institutions” Programmes constitute an exception, since they are always classified as sensitive as they contribute to providing educational services.

On the basis of this approach, 0.2 billion in personnel expenses (equal to 0.21
percent of total commitments) are attributed to activities connected to a specific gender purpose; personnel expenses linked to gender neutral activities absorb 37.5 billion (roughly 44 percent of commitments), while the majority of personnel expenses, or 48 billion euros (roughly 56 percent of the total) can be associated with activities classified as gender sensitive. The relevance of the remuneration expenditure classified as gender sensitive depends to a significant extent on the financial weight of the resources intended for school personnel, always classified as sensitive.

With regard to the applicable sector policies, each administration performed an examination of the interventions enacted in 2018, with a particular focus on the actions undertaken and/or the specific policies issued with the intent of reducing gender disparities, also highlighting the measures that may have a different impact on men and women.

In the course of 2018, some administrations adopted specific policies on equal opportunities by issuing circulars and acts, which joined any instructions on the matter set forth in the Three-year plan of positive actions.

In 2018 various administrations adopted specific actions intended to reduce gender disparities or favour equal opportunities. In the majority of cases, several of the interventions already enacted in 2017 continued. Only the Presidency of the Council of Ministers, the Ministry of Health and the Ministry of Economy and Finance implemented new actions. The Presidency of the Council of Ministers introduced the fund for economic support for athlete maternity leave, allowing athletes to make use of a contribution for 10 months during their pregnancy. Some of the main interventions carried out again were the promotion at national level of the “Family Audit” standards; the “STEM is learned in the summer” project, with the organisation of summer camps focusing on science, maths, IT and coding; the integration of the endowment of the “Presidency of the Council of Ministers - Equal opportunities department” special section within the Central guarantee fund for small and medium enterprises, in order to facilitate access to credit by women by providing a public guarantee; the C.L.E.A.R. project as part of the EU project REC-Rights, Equality and Citizenship Programme 2014/2020 which aims to improve knowledge, in particular of women, of the impacts in terms of pension levels of decisions made throughout one’s work life; the public number 1522 to provide an initial response to the needs of victims of gender violence and stalking and the service linked to the toll-free number “800.290.290” for victims of trafficking for sexual exploitation, forced labour, begging and in general within the scope of illegal economies.

The Ministry of Economy and Finance, specifically the State General Accounting Office, entered into an agreement with INPS in 2018 to expand the available information to analyse and evaluate how budget policies act on some known gender gaps through the development of materials to support the annual drafting of the Gender Report.

The Ministry of Health developed a Plan for the application and spread of Gender-based medicine in order to guarantee the quality and appropriateness of the services provided by the National Healthcare Service in a standardised manner throughout the country. Other new interventions regarded the publication of National Guidelines for Healthcare Facilities and Hospitals to help and provide public healthcare support to female victims of violence, the
agreement on a protocol for a multidisciplinary approach in schools on eating disorders and the prevention of food waste in schools and a final intervention was dedicated to the prevention of thyroid and metabolic disorders and the promotion of women’s health by organising free prevention days. Also in 2018, the Ministry promoted a national day focusing on healthcare prevention in the various phases of women’s lives and additional interventions focused on communication campaigns on those relevant matters. Particular attention was also placed on women who are victims of female genital mutilation and an additional intervention identified new late presenter HIV diagnoses in order to ensure the protection of access to HIV/AIDS prevention services for women.

The Ministry of Economic Development also implemented support and incentive measures in 2018 for the founding and growth of innovative start-ups across the country by financing business plans with specific characteristics linked to innovation, the digital realm and research. The facilitations are increased for people under 36 and/or women. There are also incentives for entrepreneurship. These are subsidised (zero interest) loans for investments for companies whose corporate structure has people between 18 and 35 years of age and/or women making up more than 50 percent of partners and shareholdings. With a focus on female businesses, measures were established to support the founding and development of female SMEs in a range of sectors such as: agriculture, manufacturing and related fields, commerce, tourism and services.

The Ministry of Labour and Social Policies is offering support for mothers returning to work, such as babysitting vouchers and bonuses to pay for nursery. In addition, the activities connected to the National Equality Councillor have continued in order to reduce gender inequalities and favour equal opportunities in the workplace.

Measures to protect maternity for imprisoned mothers and for the protection of minors present in the penitentiary system were confirmed by the Ministry of Justice, while the Ministry of Education, Universities and Research promoted a number of initiatives in schools to raise the awareness of young people regarding education on respect and on combatting all forms of violence and intolerance in schools; in addition, transfers have been made in favour of State Universities to incentivise enrolment in degree courses in the sciences, with a particular focus on the enrolment of female high school graduates.

Lastly, the Ministry of Agricultural, Food and Forestry Policies enacted interventions for training and promoting businesswomen, especially in rural development.

Considering the gender sensitive initiatives enacted by the administrations, a reduction in the dimensions of the actions described is immediately evident. Amongst the initiatives highlighted, the Presidency of the Council of Ministers announced that it would enact awareness-raising activities to integrate gender strategies in the implementation of national anti-drug policies. The Ministry of Labour and Social Policies announced contribution subsidies for specific production sectors and employment categories and specific measures to combat poverty.

The Ministry of Justice again offered the solidarity fund to protect separated spouses in need who are unable to maintain themselves and their minor children if they have not received child support due to the breach of the
spouse required to provide it. In addition, in the penitentiary system, paid work projects were again implemented entailing the employment of inmates to facilitate their development of professional skills and their sense of responsibility. Also in the penitentiary system, cultural, recreational and sports activities are provided. Lastly, the Ministry of Health again offered a primary prevention and andrological clinical screening programme for students in upper secondary school, involving local doctors, general practitioners and family consultants.

The 2018 Gender Budget Report presents some analyses of the expenditure of interest for the reduction of gender gaps which are not shown in the budget, like policies financed by EU funds, such as European structural funds and development cooperation initiatives to combat gender gaps in third countries. In the current cycle of the European structural funds 2014-2020, equality between men and women is promoted as well as non-discrimination transversally across all programming. The set of interventions and the financial effort aiming to promote gender equality are not automatically identifiable. An analysis was performed of the projects financed by ERDF and ESF funds, recorded in the single national monitoring system and published in the OpenCoesione portal until the end of December 2018, through text search aiming to identify those targeted at the employment of women, female business, women entering the world of work and offering care services such as creches and other childhood services. The overall public cost of the individual projects is roughly 340 million euros for more than 70 thousand projects, out of a total of more than 29 billion euros for roughly 268 thousand projects. Looking at the more than 70 thousand projects identified, more attention was paid to gender policies in the implementation of interventions financed with ESF funds, where 77 percent of resources were assigned to ESF Regional Operational Programmes (ROP), also considering the three multi-fund regional programmes (Calabria, Molise and Puglia). Of these, the Lombardy ESF ROP stands out due to its capacity to implement projects aimed at female inclusion, representing roughly 40 percent of the total extracted in terms of public cost, while projects oriented towards equal opportunities are concentrated primarily in the northern provinces. The result indicators associated with those projects show a concentration of resources across four main objectives: access to the world of work, training, the creation or improvement of services that offer work-life-care balance opportunities and the social inclusion of at-risk categories.

As part of the development cooperation initiatives promoted by the Ministry of Foreign Affairs and International Cooperation, a number of projects have been carried out to promote gender equality in third countries. The most frequent themes of the interventions regard the economic and social empowerment of women, combatting gender violence and protecting women’s rights, food security and female business in rural areas, and support for basic public services, in particular healthcare and education, to favour access to them by women. The majority of those initiatives were enacted by the Agency for development cooperation or through international organisations. The Agency autonomously manages contributions from the State budget, for roughly 28.8 million committed to projects for the reduction of gender gaps. In addition, in 2018, the Ministry of Foreign Affairs committed

Some further analyses on off budget expenditure: contribution of European structural funds 2014-2020 and development cooperation initiatives.
total State budget resources of roughly 1.35 million euros (and payments of 1.16 million euros) to initiatives to promote equal gender opportunities. These are activities managed by the Directorate-General for globalisation and global affairs as well as resources of the Directorate-General for political affairs and security and resources of the Directorate-General for Italian citizens abroad and migration policies. Lastly, in 2018, the Italian Agency for Cooperation and Development and the Directorate-General for development cooperation of the Ministry of Foreign Affairs drafted the Italian cooperation gender guidelines and launched a dialogue with civil society.