IMPACT OF LOCAL WELFARE SYSTEMS ON FEMALE LABOUR FORCE PARTICIPATION AND SOCIAL COHESION. THE CASE OF BOLOGNA

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DAStU Working Papers
n. 5/2013
ISSN 2281-6283
Abstract

Italy constitutes an environment with few envy conditions for the integration of women in the labor market for the character familial of its welfare system. However, Bologna represents a never an exception for the standard comparability with other European welfare systems, pointing out the following four main issues. In present paper, we will present the characteristics of the Italian welfare system compared to other European welfare systems. The main feature of Italian welfare compared to other European welfare systems is the efficiency of the system, which is similar to the efficiency of the Italian welfare system. The Italian welfare system is built on a model in which every family is composed of a male breadwinner and a female primarily responsible for reproductive duties. In fact, as noted by Lewis (2002), the labor contract at the base of the Italian welfare system was built on a model in which every family was composed of a regularly employed male breadwinner, while women and children were their dependants: “it was assumed that the primary responsibility of men was to earn and of women was to care” (Lewis, 2002: 332).

Actually, we can resume the main feature of Italian welfare compared to other European countries, pointing out the following four main issues:

- The fragmentation of interventions: most of the measures are offered outside a national organic framework. Quite often resources are not equally distributed among risks; as for example most of resources are devoted to finance pensions instead of care.
- An unbalanced distribution of resources: social services and care have just residual resources in a context characterized by a disorganised management.
- Patronages and particularism: the stratification of measures within time has been quite often made in relation to interests of political parties.
- A passive subsidiarity: Italian National strategy for welfare state has always implied the devolution of responsibilities to other actors, especially families (but also third sector and local authorities). However, this hasn’t been done in a context of an adequate financial support from the State (Kazepov, 2011).

As a consequence of these aspects, supports for care in Italy are underdeveloped as long as care is almost totally delegated to families’ capacity to services its members; the intervention of the state is residual and public services intervene only in the most vulnerable cases (Costa, 2012b). Such model has had strong influences on women attitudes to family: Italy has one of the lowest fertility rates all over Europe (only partially compensated by the recent arrival of migrants) and
it will be suffering in the next years of an increasingly high old age dependency ratio, thus worsening the care overload of women.

Nevertheless, Italian peculiarities of welfare system aren't related with the total amount of expenditure, which is actually comparable with other countries, but in the relative important of voices in such expenditure, especially those reserved to pensions. Pension for age and pensions for surviving attracts almost the 60% of the total national social expenditure compared to a European average of 40% and as you can see from the chart 2 Italy still spend about 20% of its GDP in pensions.

Chart 1 – Old age dependency ratio in FLOWS countries, 2011 – Source: Eurostat

Chart 2 – Public expenditure in % of gross domestic product, comparison among Italy and UE15, 2009 - Source: Eurostat

Therefore, this distortion results in an under-protection of the risks connected to other phases of life cycle, such as poverty, need for care, housing distress, unemployment or temporary employment, without really giving assistance for dependency in the old age as long as all the
In conclusion, your system is strongly dualistic, unequal among different categories, which are dependent on the type of occupational integration of workers (Ferrera, 2006). For example, protection against unemployment isn’t universalistic and some categories such as collaborators (which are mostly young and women) and self-employed workers are totally excluded by the system; such distortion is valid also in the protection against dismissals which has different criteria for permanent workers hired in companies under 15 employees. From this primary stratification, it derives an unequal treatment in pension, whose amount is of course related to the previous integration into the labour market. Since the pension is the most important form of redistribution financed by the State in Italy, the system of public transfers usually reproduce disparities and quite often give advantage to men on women, whose professional lives are more likely to experience interruptions due to maternity, an higher risk to be caught in non-standard contracts, less opportunity in careers and an higher attitude to part-time because the State doesn’t support them with the necessary services of care.

A second remark is also that Italy deal with a second distortion, which is more related to the mechanism of redistribution: there are strong differences in terms of generosity and access among different categories, which are dependent on the type of occupational integration of workers (Ferrera, 2006). For example, protection against unemployment isn’t universalistic and some categories such as collaborators (which are mostly young and women) and self-employed workers are totally excluded by the system; such distortion is valid also in the protection against dismissals which has different criteria for permanent workers hired in companies under 15 employees. From this primary stratification, it derives an unequal treatment in pension, whose amount is of course related to the previous integration into the labour market. Since the pension is the most important form of redistribution financed by the State in Italy, the system of public transfers usually reproduce disparities and quite often give advantage to men on women, whose professional lives are more likely to experience interruptions due to maternity, an higher risk to be caught in non-standard contracts, less opportunity in careers and an higher attitude to part-time because the State doesn’t support them with the necessary services of care.

In conclusion, our system is strongly dualistic, unequal among different categories of workers and among gender and generations, while is financially unbalanced in favour of cash transfers, which are normally regulated at a National level. Services in kind on the contrary are regionally and locally designed and provided; so, all regions plays a fundamental role in all the three main domains of policies that are related to women labour market integration as identified in FLOWS project (childcare, elderly care and lifelong learning), mainly identifying general criteria for the realization, management, qualification and accreditation for the private and third sector actors. As a consequence, the situation in Italy is highly unbalanced within regions, since the wealthiest (as Emilia Romagna) can afford more services than others.

The main features of the local welfare system in the Bologna area

In general, the level of services offered in Emilia-Romagna is higher than in other part of Italy, thanks to a stronger commitment of the local governments toward social policies, more resources available and a tradition of civic engagement; this has result in a quite higher participation of women in the labour market, especially in Bologna. Plus, quite often women are

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1 The following sections has been developed on the basis of three intermediate reports in the FLOWS project (www.flows-eu.eu) on the three main scopes of local welfare policies considered to be relevant in favoring female participation to labour market: childcare, elderly care and lifelong learning. The thee report were written by: Roberta Cucca and Stefania Sabatinelli for childcare (2011), Giuliana Costa and Lara Maestripieri for elderly care (2012), Roberta Cucca and Tatiana Saruis for Lifelong Learning (2012). See references for more details.
more educated than men, as well as they show lower school dropout and best returns in terms of profit. Nevertheless, this better achievement in education hasn’t result in a reduction of gender gaps in integration in the labour market: women are constantly less active and more unemployed than men even in this area. This is in part caused by their concentration in certain fields of study, especially those oriented to services and the humanities, which represent a sort of weakness, because of a general lower marketability of these sectors on the Italian labour market.

Anyway, Emilia Romagna is the region in which the participation of women to labour market is higher and more equally distributed in a range, which is in most of cases above the Barcelona target fixed by UE of 60%. Thus, those results might support our hypothesis that a better welfare provision has resulted in an easier access to labour market for those women who are already willing to participate to it. In fact, care provisions of Region Emilia Romagna are more generous compared to other regions, thus resulting in a better level of services offered in local welfare systems (especially in Bologna). Plus, Emilia Romagna is one of the regions that invest more resources in social expenditure, even if it’s surpassed by the autonomous regions such as Trentino/Alto Adige or Valle d’Aosta (which have special regulations and more resources from the central state).

In general, regional laws are entitled to set standards for accreditation of the private actors, to fix criteria for access and determine the minimum quality standards for the services provided, while municipalities provide services even if they might add some local specifications in the guidelines. This scheme however is not completely valid for lifelong learning policies: even if in this domain the region is again the most important actor in planning policies, there is also a central role from province, whose responsibility is to match the Regional Guidelines with the specific needs of the territory. As well as the other Italian regions, Emilia-Romagna offers privileged access to certain categories in its welfare provisions, such as access and integration of disabled children and for children with social and cultural difficulties and elderly that are in a condition defined as vulnerable because disabled, abandoned or poor. Those are the criteria by which funds are then distributed for sustain the demand of those families for paid services (as for example, domiciliary care for elderly people or vouchers to pay crèches).

Caring responsibilities are usually spread among different and non-coordinated policy fields and national, regional and local agencies; being in need of care is a condition not defined by any national law with common criteria. Each region has defined it in different ways and in different contexts, sometimes within regional laws, sometimes by administrative norms. In general, the local welfare system in Emilia Romagna is organised following regional guidelines, which substantially act as a sort of soft standardization of the offer at regional level thought the system of accreditation.

As long as regions in Italy are entitled more with a role of coordination and planning most of services are managed at local or district level; nevertheless, the role of municipalities in the local welfare system is quite different regarding the type of policy domain we’re focusing on. So, the outstanding performance in terms of labour market integration of women has been possible thanks to higher investments of Bologna’s municipal resources for families and childcare compare to other municipalities. In fact, childcare provisions have been strongly promoted and they’re still one of the most important elements of cost in the public budget of the city of Bologna. This investment has permitted in the past to develop strong networks of crèches and kindergarten that are directly managed by the municipality and also to start up experimental services, almost direct to deal with flexibility of the labour market and hours’ schedule of parents.
Bologna itself has had a very innovative attitude towards childcare services, because of a high demand of women that had already a strong attitude towards paid job, thanks also to an abundance of jobs due to the vital industrial environment. Without affirming that one was the cause of the other, we might anyway say that such fertile combination of cultural attitude, economic growth and welfare system has made Bologna an exemplary city in Italy for female participation to labour market. In fact, Bologna has been the first city in Italy to implement municipal kindergarten in 1906 and the same happened with crèches, which were financed and introduced in the city and in region about ten years before the national state actually set up a law for them in 1971. As we can see from the chart above, Emilia Romagna tops the ranking in Italy both in coverage and in take up rates: about 39% of children under 3 years old have access to this service compared to 19% of the Italian standard.

Nevertheless, such innovative attitude of local welfare system towards childcare isn’t recognizable in elderly care and lifelong learning domains. In fact, the system of elderly care policies is mainly based on cash transfers and even if the provisions are more generous than in other part of Italy, the structure of intervention are based on delegating care responsibilities to family, with only a financial support of cash-for-care. For lifelong learning, instead, there isn’t really any additional resource or policy from local governance and most of the interventions derives from the European Social Fund.

Actually, the specific role of municipality of Bologna for dependency in old age is to coordinate with the national health system in order to deliver domiciliary services. In fact, elderly care is provided in the public system mainly within social assistance policies and partly by health policies with some integration among them, at least in home care. Plus, the municipality of Bologna make just the coordination of social workers unit, while access, management and evaluation of cases are more territorially spread and at level of neighbourhood (9 in the city). This is a specific orientation of policy, which is aimed to be the nearest possible to citizens. Furthermore, as its primary goal of policy in terms of elderly care, Emilia Romagna region has built a system in which the permanence of elderly at home is promoted as much as possible, in order to avoid institutionalization in residential facilities: in this context, many resources are invested to sustain families in order to provide domiciliary care (mainly by transfers).

In Italy the concept of lifelong learning policy is quite recent, because just in 1993 the Law 236/93 for “Urgent strategies to promote employment” has introduced it in the general policy framework. The central actor in the field of the LLL policies is the Region, since the largest...
amount of public expenditure devoted to LLL is from European Funds (ESF). Emilia Romagna Region sets up the main aims of the policies and plans the service provision in accordance with the Provinces, through special Agreements. The most recent one, “Agreement between the Region and the Provinces 2011-2013”, identifies the general objectives and the resources (regional, national and European) to implement those policies. The provincial planning must take into account the different skills and socio-economic features of the province, also consulting together with Unions and Employers’ associations. Nevertheless, for what it concerns LLL investments level, Italy is still late if compared to average UE. In facts, expenditure on human capital interests just a small percentage of population in working age even if there is a tendency towards the growth in the last decade.

![Chart 4 – Rates of LLL participants on population 25-64, comparison among Italy and UE27 (2000/2005) - Source: Eurostat](image)

Conversely, municipalities have weak competences on this area of policy (Riva, 2008). In province of Bologna there are few actions devoted to women affected by social disadvantage and advanced training courses on both traditional and innovative technical professions, where women are still underrepresented such as ITC industries. Actually, this might be an interesting measure in order to reduce the horizontal and vertical segregation of women, which puts in question the effective quality of work of women affected by temporary contracts, scarce chance of careers and motherhood penalty. Despite those residual initiatives, however, most of the resources are devoted to passive policies of wage integration, which are available just for a part of workers depending on the type of collective contracts and the occupational status of worker (self-employed and collaborators are excluded by all the measures).

Furthermore, during the last two decades, the preference for public services has dropped overall Italy and even in region Emilia-Romagna a strong attitude towards a more mixed system has emerged both at government level and in the public opinion thus giving the opportunity for cooperatives to enter the market, now becoming the second most important provider in the region after the state. Actually, this is quite a specific feature of this region whose economy has always been livening up by the strong presences of cooperatives in all the economic sectors. Plus, in order to answer to the severe economic crisis, the National Government is planning an austerity policy, which is going to define limits to Municipality expenditure. Because in Bologna elderly care and childcare services (especially kindergartens) represent a huge expenditure for the local government, drastic changes in the next years may occur in these areas of policies. In addition, the postponement of the retiring age due to the recent reform of pensions (December 2011) may decrease the grandparents’ availability to take care about their grandchildren, which in Italy has still to be considered as an asset for women employability.

Similar trends are occurring for what it concerns the services for elderly care. The main source of financing is a National Fund for Dependency, which has been created at National level in 2006 and distributed among regions (Costa, 2012b). This ring-fenced fund, which had since the beginning quite a low amount, has been used in different ways at Regional level but only some
regions like Emilia-Romagna and Liguria have substantially increased their financial commitment allocating their own specific resources to complement the National Fund. So, in 2007 Emilia Romagna created its own fund for dependent people called FNRA in which national resources and regional ones have been collected. Such fund represented the occasion to completely redesign the welfare systems for this population. It gave priority to improve residential services and to increase the coverage rate of home services and cash transfer as well as to develop innovative services, as for example e-care services and consultancy for home adaptations for elderly people. From 2008 with the election of the new right-wing coalition and the worsening of the financial crisis, however, resources by national state have been drastically reduced and in 2011 the found has been abandoned. Such contraction of resources at national level will put in question the sustainability of social policies, which are managed by regions but financed nationally, especially in the poorest regions where there isn’t any additional contribution at local level. 

This situation constitutes a problematic issue that might put in question the sustainability of the local welfare at the present state of financing. Without national resources, it might be impossible to keep the local welfare system as it is now organized in Bologna and some of the services have already shrunken in 2011 and in 2012 (as for example, domiciliary care for elderly, regional transfer for cash-for-care or municipal kindergarten).

For what it concerns LLL, the largest part of funds available originate from ESF (67%), while the rest is covered by companies’ investments and intervention of employers/trade unions organizations. So, LLL will be less effected by the intervention of the austerity orientation of Italian government, but it has already been affected by the shrinking of founds for ESF.

The missing integration

One of the biggest problems in policies in Italy is their fragmentation, which is partially due to the fact that specific domains quite rarely coordinate with others and partially because there are three level of governance under national state (regions, provinces, municipalities), which have different competencies – just in some cases with exclusive jurisdictions. The coordination in the domain of social policies should be done thought CTSS, which is a governance body of the province of Bologna, composed by the 50 mayors of the townships of the area. The CTSS body is in charge of the planning, coordination, orientation and control of all the health, social and territorial policies of the area and should be coordinating with the local health area of the province of bologna, which manage all the intervention for domiciliary care and dependency. However, the coordination is still a problematic issue and public bodies quite often don’t coordinate.

In general, each of our domain of interest (childcare, elderly care and LLL) it’s supposed to have privileged interlocutors, such as employment and economic development and combining competitiveness with social protection for LLL or health prevention policies for elderly care. Nevertheless, even within a single goal – as for example domiciliary assistance for dependency – many different actors intervenes, just overlapping without keeping control of possible superimpositions. In fact, even if in Italy resources are scarce, it is quite common that many interventions from different actors are directed to solve the vulnerability of just one case, thus leaving others just without support because all resources have been already devoted to the first one.

Anyway, it must be highlighted that compared to other regions, Emilia Romagna is trying to deal with this problem by setting up guidelines, coordination body and data collection at regional level and keeping social assistance at municipal level as the only gatekeeper for accessing social interventions. Although this effort, however, directors of different department aren’t really aware of what is happening outside their competencies and there isn’t really any survey to monitor if the people followed by a service receive other forms of support.
Women and Welfare

The local welfare system in Bologna has been designed for supporting women in employment even when they are entitled with childcare responsibilities. Such attitude of policy design has rewarded the area of Bologna with the highest rate of female employment in all Italy. However, the same attention for women is not relevant in elderly care, since until now family carer have been women already outside the labour market (such as pensioners), and in LLL, as long as improving women in labour market is not considered a strategic goal. Especially for what it concerns LLL, women aren’t considered a privileged target, as long as their rate of LM participation is already above the Barcelona standard, despite any deeper qualitative consideration of what type of occupation women actually are able to get. Moreover, the few active policies are dependent on ESF founds and local welfare system is not putting any specific investments or policy orientation in them.

From our analysis we can conclude that one of the most important assets of the local welfare system of Bologna has been a conspicuous investment in services for childcare, which has been effective in reducing the gap in women participation to labour market. Despite this fact, however, we must underline that a good provision of childcare facilities has not resulted into an increased fertility rate of women in Bologna compared to the rest of Italy, which is still quite low in general (1,27) and lower compared to region Emilia Romagna (1,46), Italy (1,40) and Europe (1,6) in 2010, even if there has been quite a reprise after its lowest peak (in 1991, the number of children per women was 0,85). Such increase from early ‘90s has been mostly due to migrants and a catch up of late thirties women which have had their maternity later than the previous cohort.

Furthermore, there are other issues that might still constitute a tension for the women living there. Such as the general Italian system, the local system of elderly care is highly gendered and it is designed especially for female carer; policies take this situation as a matter of fact and don’t promote any action to reduce the gender gap in care. Almost all the measures developed in Italy (such as cash-for-care support, dependency in old age grants from region Emilia, paid leaves for mothers) just give financial transfers to families instead of promoting services. This is a challenge for women as long as they’re considered the natural caregivers. Furthermore, the impact of local elderly care on female propensity to participate to labour market is still very modest and at the present times it does not depend so much on the level of care services. Indeed, in Italy the demographic change has postponed the timing of the dependency and now it usually regards mostly elderly of above 80 years old. This fact implies that women in charge of care are usually the children of those elderly, aged between 50 and 60 years old, and they are quite likely to be already pensioner (around 60 years old). Probably, being involved in elderly care for those women has instead a negative effect on childcare more than reducing the propensity on being active on the labour market, because the children of those women cannot be fully supported if their mothers are involved in their grandparent’s care. Plus, some policies, as for example Zerododici (a cash-for-care program for low income parents who wants to take care directly of their children), might have a depressing influence on the participation of women to labour market, especially in the most fragile cases such as low income single mother. In fact, favouring mothers that stays at home taking care of their children might imply a more difficult re-insertion of them into the job place after this period.

Nevertheless, the Italian investments on cash-for-care instead of promoting services always assume that there will be someone who takes care of the person in need for care; such role has usually been played by women in the past and it has been strongly favoured by an orientation of the State which has allowed women to become pensioner earlier than men (even if that has had as a side consequence to have lower pensions). This equilibrium will be put in question in the next years as the new reform of pension introduced in 2011 reduced such possibility for women
to exit the labour market before men: in fact, women between 50/60 years old have had a strategic role in providing care in past and in the next decades they will be more and more overloaded as long as they will be asked to participate in labour market while taking care of a growing number of dependants on a single women.

In fact, as demonstrated by the chart below, the old age dependency ratio is growing all over Europe but especially in Italy. Moreover, Bologna is experiencing already an emergency with a value of such index around 40, but it doesn't look like they're trying to set up any innovative policy to get over the model of cash-for-care.

![Dependency in the old age index](image)

As a consequence, the design of Italian welfare system and the quite spread model of double-earning family in Bologna has resulted in a high demand of care services unanswerered by the state, which at the present moment has been mainly filled by low-cost migrants care work migrating from less developed countries (and mostly employed in unregulated jobs). This has just partially solved the problem of female overload, as long as financial transfer from the state has been used to pay the low cost care work from migrants that might help women in sustain care (Costa, 2012). The phenomenon, anyway, has been growing consistently unregulated in the past decade. To give an idea, we had an act of indemnity in Italy in 2002 in order to regularize workers that were employed in family care: between 2001 and 2002 migrant family workers passed from 142.196 domestic services’ assistant to 419.808 (Catanzaro, Colombo, 2009). In 2008, there has been another act of indemnity which has been oriented to regularize unregistered caregivers and domestic worker: there has been about 300.000 request in all Italy (about 115.000 for carers), 6.500 of which just for the province of Bologna (Ministero dell’interno, 2009).

In fact, as we've seen in the introduction the Italian welfare state considers family as the main provider care, thus resulting in a high level of informal family care that is supported by the state mainly through financial support. Migrant workers are central in this mechanism, as long as they provide the care work needed which is actually partially covered by the cash for care transfers from the State, as long as there is a little development of formal market provision (Lyon, 2009). Nevertheless, many scholars agree with the fact that only thanks to black market (and subsequently low salary) Italian families have been able in the last years to combine female work with care, thanks to this sort of soft marketization of services.

Briefly, our analysis of local welfare system of Bologna has shown that even if there are specific features of Bologna compared to the rest of Italy that make this area an excellence for what it concerns the childcare provisions, still its local welfare system is deeply rooted in the Italian approach, mostly based on financial transfer and total delegation of care responsibilities to family. Women pay the price of such conservative orientation in welfare policies, by being overloaded by care when they're in their 50s/60s.
Conclusions

In the analysis of Bologna local welfare systems we have been allow to highlight the intrinsic gendered approach of the Italian welfare system. Even if the situation is better compared to the rest of Italy – especially for the childcare services offered locally by the municipality, women and families are still the main welfare provider for their dependents.

The features of Bologna can be summarized in some points. First of all, a good provisions of childcare facilities has resulted in a higher female participation to LM, but hasn’t got any influence on fertility rate which remains still one of the lowest in Italy. Female propensity to maternity should have been influenced by the good level of childcare services but it has not significantly been promoted compared to the rest of Italy; this might help us conclude that there are other factors at stakes that prevents women to fully engage in family, such for example the instability of jobs which affects women and young more than men and the scarce promotion of gender equality policies.

More than investing on services, the past choices of Italian legislator has been oriented to provide cash-for-care sustain to families. Bologna hasn’t departed from such an approach, especially in elderly care that is generally oriented in keeping dependant elderly within families with a financial support by the state or a limited domiciliary assistance. This result is due to both a cultural orientation towards ‘ageing in place’ and to economic reasons, since institutionalization in residential facilities is more costly. The shrinking number of women available for care and the increasing number of dependants (both children and elderly) has put in tension such equilibrium. By now, this has been solved by a strong diffusion of the model of co-resident migrant familial assistant, which complements 50s/60s women in the everyday management of dependants’ needs. Anyway, it is still unanswered how would it be possible to maintain it in the future when women will be asked to be more active and for longer time in the labour market, in the context of shrinking resources for public services.

Labour Policies have been mostly oriented to passive measures, instead of promoting the activation of people involved. Moreover, as a consequence of the inequality of unemployment provisions, an important part of labour force has been totally excluded by passive interventions. Active policies have been mostly financed by ESF, in the substantial absence of a strong orientation of local public bodies; furthermore, women aren’t really considered as the main target of policies as long as their participation to LM is considered achieved.

To conclude, gender inequality is still the most important factor that explains the quantity of informal work provided within families in Italy, even in the exemplary context of Bologna. The important role of women in combining reproductive role and labour market is still not fully understood by the public bodies, both at local and national levels, which simply tend to delegate all the care responsibilities to family without really support them with services or by promoting better policies for combining family responsibility and work. This situation is destined to worsen as long as there will be a postponing of age of retirement for women and a wider generation gap, with a concentration of care responsibilities as long as the old age dependency ratio will become worse in the next years. The conservative orientation of Italian policies, both at local and national level, will probably put seriously in question the sustainability of the actual care model.
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