

## Foresight Future of an Ageing Population - International Case Studies

### Case Study 10: Carers leave in Italy

Foresight Themes: Supporting families and communities and Promoting productivity

Public and private sector employees in Italy are entitled to three days of leave per month, up to a maximum of two years over their working life, paid for from public funds, to care for a child or disabled relative. The case study will look at the context and effectiveness of this policy.

### Context

Italy, with a population of nearly 61 million in 2015, is the fourth largest nation in the European Union but noted for significant economic and social disparities between its northern, central and southern regions. Italy's population has the second highest proportion of older people in the EU with 21.2% aged 65 and over in 2013. This is expected to rise to 29.9% by 2050.<sup>1</sup>

The level of 'social protection' expenditure per inhabitant in Italy is roughly the same as that in the United Kingdom. This is about average for the European Union as a whole (EU28) but lower than in all Northern European nations, excluding former communist states, while being higher than in all Southern European nations and former communist states.<sup>2</sup>

The primary support for disabled older people at home, in Italy, takes the form of a "Companion" or "Attendance" Allowance (Indennità di Accompagnamento), paid at a rate of around €500 per month. This allowance is paid as a cash benefit to households by the National Institute of Social Security (INPS) and can be spent in any way chosen by the recipient, including to employ low-cost migrant help at home.<sup>5</sup> The allowance is not means tested and is paid to the carer who may also be eligible to purchase a car without having to pay VAT.<sup>3</sup> This allowance makes up most of the 0.86% of Italy's GDP spent on cash allowances.<sup>4</sup>

In recent years there has been a transfer of expenditure from state provided social services to payments to individuals with a need for care. Between 2008 and 2013, while payments to individuals have increased, there has been a 60% cut in state funding of social services for dependent older and disabled people.<sup>2</sup>

Italy has a strong tradition of family care, and women in Italy provide the majority (77%)<sup>5</sup> of informal care for older generations within the family.<sup>2</sup>

Women are however becoming increasingly active in the workforce and participating in 'formal' labour force activities outside the family. The overall labour force participation rate for women in Italy has risen from 25% in 1970 to 40% in 2014 (Source: OECD). [Figure 1]

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<sup>1</sup> European Commission (2015) - *The 2015 Ageing Report*

<sup>2</sup> European Parliament, Directorate-General for Internal Policies (2014), *The social and employment situation in Italy*

<sup>3</sup> <http://www.alzheimer-europe.org/Policy-in-Practice2/Country-comparisons/Social-support-systems/Italy>

<sup>4</sup> Jessoula and Pavolini (2014), ASISP Country Document Update 2014, *Pensions, health and long-term care - Italy*

<sup>5</sup> Di Santo and Ceruzzi (2010), *Migrant care workers in Italy*

Despite this, at all ages, the labour force participation rate for women in Italy still remains among the lowest in the OECD.

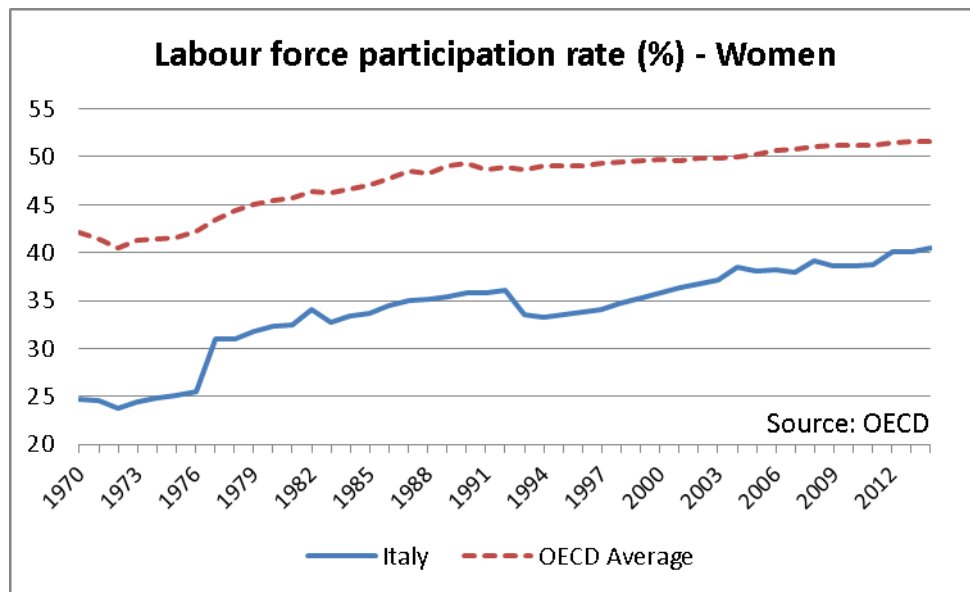


Figure 1

There is a large gender gap in employment rates in Italy between men, at 64.8% in 2013, and women at 46.5%. While this gap has lessened since 2008 this is almost entirely as a result of a fall in the employment rate for men which had been 70.3% in 2008.<sup>2</sup>

Italy also experiences marked regional differences in its labour market with, in 2013, overall employment rates of 64% in northern regions compared with 42% in the south<sup>2</sup>, where gender disparities are also greater.

Flexible working arrangements and carers leave policies might be expected to have a positive impact on the desire and willingness of women to join the labour market, although the effect on employers' attitudes towards employing women might be less clear.

#### Care leave

Most care leave policies, both in Italy and internationally, have been developed in the context of caring for dependent children.<sup>6</sup> This is, at least in part, because the highest time spent in unpaid care work occurs in households with children, where the youngest child is aged 1-3. In Italy 72% of the total value of informal care may be attributed to child care.<sup>7</sup>

<sup>6</sup> Department for Business Innovation and Skills (2010), International review of leave policies and related research 2010

<sup>7</sup> Francavilla et al (2011), Use of time and value of unpaid family care work: A comparison between Italy and Poland

## History and Implementation

Legislation to provide for state-funded care leave was introduced in Italy in 1992. Public and private sector employees are entitled to three days of leave per month, up to a maximum of two years over their working life, to care for a child or disabled relative. The relative does not have to be co-resident. The scheme is paid for by the National Institute of Social Security (INPS), not the employer.

### Paid leave

Article 33 of Law 5.2.1992 n.104 deals with paid time off work for people who have a relative with a severe handicap (e.g. a person with dementia or who has been officially declared an “invalid” under the “Invalidity Law”). The spouse or relative (up to third degree i.e. brother-in-law, father-in-law etc.) is entitled to up to 3 days’ leave per month. This leave is fully paid by the INPS (the national social security agency) or another social security agency. It is not necessary to live under the same roof as the severely handicapped person. The leave is taken on a daily basis and can be continuous or staggered. However, it cannot be accumulated from one month to the next. Furthermore, under this law the relative can request to be transferred, when feasible, to another place of work (of his/her company), which is closer to the disabled relative, but cannot be transferred without his/her consent.<sup>3</sup>

### Unpaid leave

Article 4 of Law 8.3.2000 n.53 deals with long-term unpaid leave for people with serious family problems e.g. whereby a member of the family is dependent and unable to manage activities of daily living. It is granted to the spouse or relatives up to the third degree. Up to 2 years’ unpaid leave can be taken in a staggered manner. At the end of the agreed period of time, the worker has the right to return to his or her job. The employee also has the right to return earlier if not otherwise stipulated by the company.<sup>3</sup>

Paid employment leave for the care of older people in Italy is unusual in two ways, both in that it exists and in that it is paid for by the state. As elsewhere, the policy is not specifically aimed at the care of older people but is for the care of family members of any age who are in need of care.

## Impact

It might be expected that care leave, paid for by the state would have a positive effect on the willingness of women to join the labour force and that, at no cost to the employer other than the cost of organising a replacement, the negative impact for the employer would be minimal. However what we see is an immediate drop-off in the labour force participation rate for women following implementation of the legislation in 1992, although this is soon recovered and there is no discernible effect in the longer-term. [Figure 1]

Although legislation on paid and unpaid care leave to look after a family member in need of care is the same for employees in all sectors, these benefits often only represent a true opportunity for public sector workers where the risk of negative repercussions on career prospects is less.<sup>5</sup>

A random sample of Italian carers demonstrated a very poor level of uptake of carers leave because of the perception of the policy by employers and colleagues. As one respondent said...

*“there is the 104 Law which I could take advantage from, however it would damage me very much, given my present working position, it would be risky to use the 104 Law that is... I would be regarded as the black sheep of the group because maybe I cannot give to work what I potentially could. They might possibly even transfer me from the office where I am, and I would be sorry because I like the work I do. So since my husband has retired, so far I have preferred not to draw on the 104 Law for this reason but now I think it is necessary, especially after my dad’s worsening. So I’ll have to sacrifice myself in some way within my work”<sup>8</sup>*

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<sup>8</sup> Hamblin et al, (2012), Carers@Work- Reconciling employment and care for older family members in Germany, Italy, Poland and the UK