

## Low fertility, social rigidity and government policies in Italy

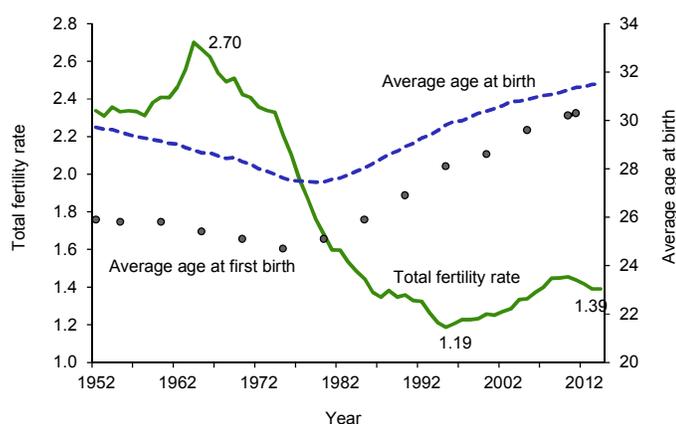
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Italy was one of the first countries in the world to reach "lowest-low" fertility levels, with a total fertility rate (TFR) of 1.19 births per woman in the mid-1990s. Since 2000, a slight recovery brought the Italian TFR close to 1.46 births per woman. The ensuing economic recession called a halt to this positive trend, however, and fertility has stalled at around 1.4 births per woman in recent years. The number of births is declining and is expected to decline even further in the future because there will be fewer women in the Italian population at reproductive age.

Historically, fertility was higher in southern Italy, which tends to be more traditional in terms of family values and gender roles, than in the north. Today, however, fertility is higher in the north, where the economy is more robust, childcare services are more developed, and there are more migrants in the population.

Low fertility has been accompanied by a transition towards later births, with a woman's average age at first birth now at 30.6 years. Another change has been a dramatic increase in childlessness. Among women born in 1970, 21 per cent have not had a child.

### Total fertility rate, mother's average age at birth, and mother's average age at first birth, Italy, 1952–2014



### A difficult transition to adulthood

More than 44 per cent of Italians aged 25–35 still live with, and are supported by, their parents. This pattern is partly related to lack of opportunities in the labour market, limited rental housing, and a low level of public welfare available to young people.

One major barrier to the transition to adulthood is the uncertainty associated with the labour market. Among Italians aged 15–24, 43 per cent work on temporary contracts, which typically have no minimum wage, no protection in case of job loss, and reduced health benefits and maternity leave. Between 1992 and 2012, youth unemployment was consistently almost 10 per cent higher than the general unemployment rate. Apart from the uncertain job market, young adults tend to live with their parents because of high rents and difficulties obtaining a mortgage, which act as barriers to establishing a home of their own.

### The unresolved work-life balance

Inflexible work schedules make it difficult for parents, especially mothers, to reconcile work and family responsibilities. Women who are employed under temporary contracts also face a high level of job insecurity. In addition, most Italians have a negative view of working mothers, stating in opinion surveys that young children suffer when their mothers work.

Combine these problems with the limited availability of part-time positions, and it is not surprising that many young women drop out of the labour market after they have children. As of 2011, only 60 per cent of women aged 20–54 were employed, one of the lowest levels among Organization for Economic Cooperation and Development (OECD) countries. Paradoxically, low fertility among working women is not compensated by high fertility among housewives.

Balancing work and child-rearing is made particularly difficult by the limited supply of public childcare for young children. Starting at age 3, children have access to state-run kindergarten, which is widely available and almost free. Nearly all (96 per cent) children aged 3–5 attend kindergarten, but only 24 per cent of children aged 0–2 attend centre-based childcare.

Italy's particularly asymmetrical gender division of labour also has the effect of discouraging both fertility and women's labour-force participation. Even among young couples who both hold full-time jobs, the woman is generally responsible for nearly all housework and childcare. In addition, outside institutions are often organized on the assumption that mothers are housewives — for instance, the school day is generally much shorter than the typical work day.

Given the inadequacy of centre-based childcare and short school days for older children, grandparents play an important role, providing regular childcare for 81 per cent of dual-earner families with children. Recent studies confirm that the availability of grandparents is often a critical factor in the decision to have children as well as the probability that a mother will have a career.

### Policy deficiencies and inconsistencies

Taken as a whole, Italy lacks a coherent system of policies to support childbearing or to facilitate work-family reconciliation. A lack of shared consensus between political parties on the right and left and between Catholic and non-Catholic visions of society has impeded the formulation of consistent family-friendly policies. Another impediment has been Italy's huge public debt, which has been a structural characteristic of the national economy since the end of the 1980s.

Maternity leave is quite generous. Mothers working under temporary or permanent contracts are entitled to 21 weeks of maternity leave compensated at 80 per cent of previous earnings. Fathers are entitled to one day of paternity leave with 100 per cent salary compensation. Mothers and fathers can also take parental leave for up to 10 months. If fathers take parental leave for at least three months (even if not consecutive), the couple gets an additional "bonus" month. Parental leave is not well compensated, however, providing only 30 per cent of the pre-existing salary. As of 2010, 45 per cent of entitled mothers took at least some parental leave, but only 9 per cent of fathers.

There is no universal children's allowance, tax deductions for children are small, and family allowances are modest and strongly means tested. Over the past 15 years, there has been a debate over whether benefits to families with children or other dependants should be means tested — as they are at present — and whether they should be offered as tax deductions or as cash payments. Some one-off measures have been introduced but without a long-term strategy or clear targets.

The welfare system is characterized by a preference for income transfers (particularly pensions) over transfers in kind (e.g., care services), by a preponderance of transfers to older persons, and by the marginality of family policies in general. In 2009, Italy spent only 1.58 per cent of gross domestic product on family benefits, compared to the OECD average of 2.61 per cent.

The problem is not only the paucity of family policies, but also their inconsistency with policies in other areas. Importantly, a more inclusive labour market would make it easier for young people to move away from their parents and start families of their own. In 2015, the Government made a start in this direction with a Jobs Act that provided a single, uniform contract with gradually increasing job protections over three years leading to a permanent position. Policies to speed up the transition to adulthood could also include a minimum wage, easier access to credit and a larger supply of publically subsidized housing.

Effective work-family reconciliation policies could include more flexible work schedules, reversible part-time work for parents of young children, longer school days and more daycare centres for young children with more flexible schedules. Bold gender policies are also needed that promote the role of active fathers and lessen discrimination against working mothers.

Improving the support system for families in Italy will require long-term, consistent and courageous policies combined with the appropriate investment of public resources. In a country with a large public debt and an older electorate, it will not be easy to find the financial resources or the political support for the programmes required to increase fertility. The future costs of inertia, however, will surely be greater.

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### NOTES

This policy brief was prepared as background material for the United Nations Expert Group Meeting on Policy Responses to Low Fertility. It can be found online at <http://esa.un.org/PopPolicy/publications.aspx>. Queries can be sent to [PopPolicy@un.org](mailto:PopPolicy@un.org).

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