

2020 Gender Budget Report - Summary and main results

Gender budgeting aims at assessing the different impact of budgetary policies on women and men, in terms of money, services, time and unpaid work. At national level, it was introduced on a pilot basis by Article 38-septies of Law 196 of 2009 and conducted for the first time on the State Final Accounts 2016. It follows the methodological indications outlined in the Decree of the President of the Council of Ministers, in agreement with the Minister of Economy and Finance, of June 16, 2017 and the more detailed criteria identified by subsequent circulars of the State General Accounting Department. The relevance of a budget analysis from a gender perspective has become even more evident after the international health crisis, which began in 2020 and has brought significant economic and social consequences for most of the population. In this circumstance, the risks associated with the exacerbation of existing gender gaps have become evident and, a year later, numerous studies have highlighted the amplification of these gaps, primarily in the labor market, and in the increasing exposure of women to domestic violence.

Despite current improvements, there are still some challenges for the State's gender budget and its inclusion within a strategic framework of objectives to reduce gender gaps. Positive signals come from the presentation of the first National Strategy for Gender Equality 2021-2026, held in August 2021. The National Recovery and Resilience Plan (NRRP) will also contribute to consolidating the State's gender budget, overcoming the current experimentation and, above all, incorporating the gender perspective (gender mainstreaming) into the budgeting process, thus strengthening the potential impact of this latter. In particular, according to NRRP, the 2024 budget law will provide for the classification of budget items, following the gender and environmental balance criteria underlying both the 2030 Agenda and sustainable development goals.

The current gender budgeting is carried out from an end-of-year perspective, looking at both the expenditure and revenue sides.

In short, the gender budget consists of:

- an analysis of the main gender gaps in the economy and society;
- an analysis of existing gaps within the staff of central government administrations and the Presidency of the Council of Ministers
- a review of the legislation introduced to promote equal gender opportunities or act upon well-known inequalities;
- an analysis of the gender impact of the tax levy, of the main tax policies and some specific tax benefits;
- a reclassification of expenses in the State Budget Account according to a gender perspective, together with a summary of specific sectorial policies implemented by the administrations and an in-depth analysis of off-budget expenses.

It should be noted that not all public policies entail costs for the State budget (e.g., when it comes to regulation) or are fully represented there in terms of resource allocation, implementation and beneficiaries of the measures (e.g., those consisting of transfers to other public administrations or off-budget funds). This also applies to a number of policies that have the explicit purpose of reducing gender gaps, such as the rules relating to "gender quotas" (regulation), nurseries and childcare services (falling under the responsibility of municipalities), personal

Gender balance analysis of the State Final Accounts

<p>income tax deductions for the “brain return” (a tax incentive for the repatriation of highly skilled Italian citizens that have left their home country and are working abroad) or contributions for domestic workers (these latter are not separately recorded in the budget), the "Guarantee Fund for small and medium-sized enterprises" - special section dedicated to women's businesses (an extra-budgetary fund).</p> <p>The full version of the 2020 Gender Budget Report to the Parliament is available on the State General Accounting Department's website (http://www.rgs.mef.gov.it/VERSIONEI/attivita_istituzionali/formazione_e_gestione_del_bilancio/rendiconto/bilancio_di_genere/) together with a review of law provisions aimed at reducing gender gaps in Italy since the Second World War (Appendix I), the answers given by the administrations to questionnaires on personnel and sector-specific policies from a gender perspective (Appendix II) and statistical indicators (Appendix III). Several findings are also disseminated through the Open Budget App (the “Bilancio Aperto” App is available at: http://bilancioaperto.mef.gov.it/landing.html).</p>	
<p>Gender equality can be defined as the absence of gender gaps in certain dimensions of well-being. The Gender Equality Index by EIGE (European Institute for Gender Equality) summarizes six "domains" (work, money, knowledge, time, power and health) with 31 indicators pointing out critical areas for action. From 2010 to 2018, Italy has achieved the greatest progress, gaining eight positions in the index ranking, with an overall increase of 10.2 percentage points. It ranks 14th in Europe with a score of 63.5 points compared to a European average of 67.9. Nevertheless, some criticalities persist: Italy remains the last among European countries in the employment domain. The health domain, with 88.4 points, is the only one in which Italy's sub-domain scores are not lower than those of the EU. In the work domain Italy's score is 63.3, the lowest at European level and with a rather modest progress since 2010. In the money domain, Italy's overall score is 79, corresponding to an intermediate position in the ranking of EU countries, with almost irrelevant improvements since 2010 (+0.1 points). In the knowledge domain, the score obtained by Italy is 61.9, again lower than the European average (63.6), but significantly better than in 2010 (+8.1 points). As to the time domain, Italy's score is 59.3, lower than the European average of 65.7 but improving with respect to 2010. Italy's score in the decision-making power domain (48.8 points) is less distant from the European average (53.5 points). The effects of digitization on the labor market, and the consequences for gender equality, have been gaining importance over the years, especially in the light of the Covid-19 pandemic and the deep transformations, in digital terms, that affect working life. Women surfing the web daily are increasing, to a slightly lesser extent than men. However, the gender gap in high-level digital skills and participation in education and employment in ICT-related fields is pronounced, with women still less involved in these activities than men.</p> <p>The 2020 Gender Budget Report uses a wide range of indicators to highlight different characteristics and behavior of men and women with respect to multiple economic and social phenomena. The indicators are split by typical areas of intervention of public policies and highlight the main trends reported below:</p> <ul style="list-style-type: none"> • labor market: the female employment rate is 49 percent, down for the first time since 2013, mainly for younger women and residents in the South and 	<p>Gender gaps related to the economy and society</p>

Islands. The gap between female and male employment rates in Italy is slightly increasing, reaching 18.2 percentage points. In the EU, employed women are 62.7 percent, while the employment gender gap is equal to 10.1 percentage points. The share of women who do not actively search for a job is significant and even more striking among younger women aged 15-34 (+1.7 percentage points compared to 2019) and those living in the South. The employment rate of women with children under 5 is more than 25 percent lower compared to their childless peers and has worsened further as a result of the pandemic crisis. 13.5 per cent of women are hired through tax incentives or tax relief, mainly through an apprenticeship contract, the so called "Decontribuzione sud" (partial exemption from the payment of social security contribution in disadvantaged areas) and women's exemption under Law no. 92 of 2012 (the so-called Fornero Reform). In 2020, women with a stable job (with at least 60 months of work) accounted for 66.7 percent and up compared to the past, with a narrower gender gap. As a matter of fact, this is also a sign of a downturn in the labor market especially for recently signed contracts, which are decreasing in number. In 2020, women who were insecure about their employment were 7.2 percent, down from 2013. Women working part-time slightly decreased during the year, after a steady increase over the past decade. For 60 percent of female workers, this is a condition they suffer rather than a choice. Involuntary part-time, along with the higher incidence of low-wage jobs (12.1 percent in 2020), contributes to a deterioration of pay levels for women. Employed women who are overeducated in relation to their jobs are increasing, and a horizontal segregation in the labor market persists. Employed women are mostly employees in the trade, healthcare and education sectors. Self-employed and entrepreneurs women have not increased in number. The pandemic has slowed down the growth of women-owned businesses in Italy, after a steady increase since 2014. In 2020, they accounted for 21.9 percent of the total and, compared to male businesses, are small-sized, located in the South and younger. Reliance upon the Guarantee Fund for Small and Medium-sized Enterprises has virtually doubled in the last year; female entrepreneurs and professionals have been granted financing amounting to approximately 2,116 million euros.

- **Work-life balance:** in Italy, between 2015 and 2021, paternity leave days increased from 3 (one of which is mandatory) to 11 (10 of which are mandatory), but the propensity of fathers to take optional leave remains low. Although the incidence of male beneficiaries out of the total number of users of parental leave before the child's 12th birthday has increased over the years, the number of fathers taking such leave is lower than that of mothers. Parental leave was used on an emergency basis during the pandemic, when the family workload was even heavier for women. Smart working, a measure to contain the Covid-19 outbreak, has meant, especially for women, an increased burden of family and domestic care, especially when schools and childcare services could not operate fully. In 2020, according to ISTAT estimates, the asymmetry of workload in couples was less pronounced than in previous years, but it still disadvantaged women, especially in the South. Compared to 2017/2018, in the 2018/2019 school year the percentage of

children in kindergartens increased, while supplementary services for children decreased slightly. The so called "Spring sections" (a pilot project set up in 2006 to encourage a gradual transition of children from 24 to 36 months to kindergartens) are more prevalent in kindergartens than in nurseries, and the highest percentage of those associated with state preschools is in the South. Overall, in southern Italy the number of places in public and private early childhood services has increased in relation to potential beneficiaries (+5.6 per cent compared to 0.3 per cent at national level), while anticipated registrations of children (from 24 to 36 months) to kindergartens have decreased. In 2020, childcare services were temporarily closed due to the Covid-19 pandemic and emergency instruments (such as baby-sitting bonuses) were introduced to make up for this shortfall. Nursery schools account for the largest spending in absolute terms, followed by supplementary services for children and spring sections. User cost-sharing rates are highest in northern Italy. Between 2019 and 2020, the number of applications accepted for the "nursery school bonus" decreased, alike overall payments, while the spending limits increased. In 2020, the Covid-19 pandemic led to the introduction of emergency work-life balance measures, including extraordinary baby sitting allowances.

- **Labor protection, welfare, and assistance:** in Italy there is a reduction in the median disposable income. Prior to the pandemic, the median equivalent disposable income of women was rising and had reached an average of 19.1 thousand euros (year 2018), including social transfers. The gender gap was still significant (about 800 euros), partly because social transfers tend to have a more favorable effect for men, who participate more actively in the labor market. Eurostat's advance estimates of the poverty risk for 2020 showed an increase for Italy. Pre-pandemic data (year 2018) indicated a higher poverty risk for single-parent families, families with children, and youth. Gender gaps to the disadvantage of women are exacerbated for older age groups. In 2020, absolute poverty in Italy has reached its highest level since 2005. Gender gaps did not look significant; 9.4 percent of women were in absolute poverty in 2020 (+1.8 percentage points compared to 2019). Relative poverty has declined as a result of lowering the poverty line and of the differentiated dynamics that have characterized the consumption pattern. In 2019, women who reported being in great economic difficulty or living in households with severe material deprivation were declining and amounted to 8.3 percent and 7.7 percent, respectively. No gender differences were evident. Numerous instruments have been used to support workers and businesses in order to counter the effects of the pandemic crisis. In particular, the Covid-19 Wage Guarantee Fund has played a crucial role as a countercyclical buffer (also for women) and to tackle the increase in inequality. In addition, 1.47 million women (35 percent of 4.2 million beneficiaries) received specific support tools to protect self-employed women and certain categories of employees. Households that received the Guaranteed Minimum Income/Pension (RdC/PdC) for at least one month in 2020 were about 1.6 million. Compared to 2019, both the number of beneficiaries and the average amount of the benefit increased. During the pandemic, the Emergency Income (ERM) was also temporarily introduced, covering 425 thousand families until March

2021, made up equally of women and men. The distribution of RdC/PdC was characterized by a strong prevalence in Southern Italy. Italian women receive, on average, a 33.2 percent lower pension than men but have a longer life expectancy and this contributes to increasing their pension wealth. In Europe, the gender gap for pensions is 29.4 percent, lower than in Italy.

- **Education and measures against gender stereotypes:** the evidence shows that early school leaving remains a significant phenomenon. Since 2006, Italian early school leavers have been decreasing (10.4 and 15.6 per cent in 2020 for girls and boys, respectively) but this rate is still higher than the European average (8.0 and 11.8 per cent in 2020). In recent years, the skills gap between 15-year-old male and female students has decreased in both mathematics and science, while it has increased in reading, as found by OECD through the PISA (Program for International Student Assessment) survey. Italian female students underperform in financial literacy. They perform worse than both Italian males and peers in OECD countries. The Bank of Italy and the Committee for Planning and Coordination of Financial Education activities organize interventions and financial education courses aimed, amongst others, at reducing the gender gap. Italian women graduates aged between thirty and thirty-four are steadily increasing and outnumber men (34.4 percent versus 21.4 percent). Female undergraduates enrolled in STEM faculties are still few, though increasing; the largest number of women earning doctoral degrees are in the STEM area (43.1 percent of Ph.D. women), though they are slightly down from 2019. Young women college graduates holding a job are 61.2 percent, fewer than men and down from previous years. The gender gap has been widening in recent years. The employment of women with secondary education is also declining. Young women "neet" in Italy were increasing in 2020, after several years of decline. In this regard, gender gaps persist, as well as differences with other European countries where, on average, this phenomenon is less widespread. The migration rate of Italians with tertiary education, aged between 25 and 39, has decreased over the years and Italian women with a university degree migrated less than men in 2019. Women who access the internet and use personal computers daily are on the rise, with slightly lower figures than men. Nineteen percent of Italian women say they have high digital skills, a lower number than men (25.2 percent).
- **Participation in economic, political and administrative decision-making processes:** with the support of the relevant legislation, it is worth noting the growing number of women in the management and control bodies of listed companies and unlisted public-controlled companies. In 2020, almost all listed companies had a mixed management where women accounted for 38.8 percent of board members. However, in the absence of regulatory constraints and given the characteristics of board members who are mainly independent and interlockers, women holding leadership positions are significantly fewer than those sitting on the boards of directors. In the largest companies listed on the Italian stock exchange, in fact, a lower incidence of women in the position of Chairman is observed, although increasing compared to the past (17.6 percent in 2020 versus 5.4 percent in 2014) as

well as the absence of women among Italian CEOs in 2020 (after a meager presence of around 3 percent in 2018 and 2019). Moreover, between 2014 and 2019, in companies not required to comply with gender quotas, the presence of women on governing bodies remained stable (in private companies it went from 22.5 percent in 2014 to 23.5 in 2019) or grew modestly (in banks, from 10.3 percent to 15.1 percent). In the current legislature, which began on March 23, 2018, the representation of women in both chambers of Parliament exceeds one-third of the total. It is the highest since the beginning of the republican period and higher than the average of other European countries. During the “Conte II” government, the share of women increased, although the percentage remained lower than in 2014. Because of the redistribution of seats after the exit of the United Kingdom from the Union, the representation of Italian women MPs in the European Parliament slightly declined to around 40 percent. Within local authorities, after various reforms aimed at encouraging gender equality, the presence of women has increased especially among aldermen and municipal councilors, while their presence at regional and provincial levels is more limited. The Covid-19 pandemic has been instrumental in interrupting the progressive decline in civic and political participation of Italians as well as in generating a renewed interest among women. Compared to 2019, the percentage of women who have engaged in at least one civic and political participation activity has increased more than twice compared to men.

- **Fight against gender-based violence:** the emergence of the epidemiological crisis has led to an increased number of violence episodes against women, especially at home. This was due to a greater exposure to the risk of violence during the lockdown and to the increased difficulty for victims living with the abuser to report and turn to support services. On a global level, the rise of gender-based violence as a result of the pandemic has been clearly defined by the United Nations as a "shadow pandemic", precisely to emphasize its devastating impact. In this context, even in Italy, there has been an explosion of cases of violence. In fact, the numbers of calls to the national anti-violence hotline 1522, from March 1 to April 16, 2020, increased by 73 percent compared to the same period in 2019, with a 59 percent increase in the number of victims asking for help. Although murders declined in 2019 compared to previous years, more women have been murdered, mostly by their partners or ex-partners, especially in the South. Violence against women is also a public health problem for its repercussions on healthcare and welfare systems: indeed, victims suffer from both short- and long-term negative effects on their physical, mental, sexual and reproductive health. Consequently, women may also suffer from isolation, inability to work, and limited ability to care for themselves and their children. In addition, gender-based violence affects the well-being of the entire community: children who witness violence within the family (witnessing violence) may also suffer from emotional and behavioral disorders. In this regard, figures are staggering: 31.5 percent of women have suffered physical or sexual violence, with the most serious forms of violence perpetrated by partners, relatives or friends. The National Health Service helps women victims of violence, making available a network of community-based, inpatient and outpatient, social

and health services to all women. This measure includes facilities operating in the maternal-child sector, such as family counseling centers, in order to offer an integrated model of intervention. Victims of violence are most often encountered in the emergency room. To ensure a prompt and adequate treatment of women victims of violence who turn to the Emergency Room, specific "National Guidelines" have been adopted for Health Authorities and Hospitals in terms of rescue and healthcare. The role of Anti-Violence Centers and Shelter Homes is increasingly important; after the March 2020 lockdown, they adopted new support strategies, using phone interviews and email. In the first five months of 2020, 20,525 women contacted the Anti-Violence Centers; in 8.6 percent of cases, violence originated from pandemic-related situations such as forced cohabitation and loss of employment by the perpetrator or the woman. The use of paid leave for female victims of violence in 2020 rose over 2019. At an international level, several awareness campaigns were held in 2020, focusing on a global preventive action to improve life-saving services for women; during the 65th edition of the United Nations Commission on the Status of Women (CSW65), the UN member states reached consensus on fighting against all forms of gender-based violence.

- **Health, lifestyle and safety:** as a result of the Covid-19 pandemic, the upward trend in life expectancy at birth, in 2020 suddenly stopped and significantly reversed, with a reduction of 1.4 years for men (from 81.1 to 79.7 years) and 1 year for women (from 85.4 to 84.4 years). The infant mortality rate had a positive trend for both genders until 2017 and a narrowing of the gender gap in favor of women, which decreased from 2006 to 2018 from 3.8 to 3.1 for men and from 3 to 2.6 for women. Life expectancy at age 65 is higher for women, showing a gender gap of 3.5 years in 2020 (calculated as the simple difference, in absolute values, between the figure for men and the figure for women). The mental health index reported a gender gap of 5 points in 2020 (71.0 for men and 66.0 for women). More specifically, for depression, the women's indicator is higher than men's one. As to people's lifestyle habits (obesity, smoking and alcohol consumption), men show higher risk behaviors. As for alcohol, as well as other risk behaviors, women are catching up with men. People who do not do any physical activity account for a high proportion of the population. Sedentariness is more frequent among women. Looking at the cancer mortality rate per 10,000 residents, there has been an overall decrease over the past decade, partly thanks to a more widespread prevention. In 2020, negative effects on prevention were seen as a result of the Covid-19 pandemic; for instance, the National Screening Observatory reported a 26.6 percent reduction in invitations/contacts for breast cancer prevention (namely, a reduction of 980 thousand women invited/contacted). Even more significant was the decrease in women actually screened (-37.6 percent compared to 2019). On the other hand, the car accident fatality rate has shown an overall improvement; compared with 80.6 deaths per million inhabitants in 2008, it went down to 53.3 in 2019. The indicator relating to people who have suffered accidents in the domestic environment confirms, as it is easy to suppose that women are most exposed

<p>to this risk: about 15.6 women out of 1000 had domestic incidents in 2019 compared to only 9.2 out of 1000 men.</p>	
<p>Within central state administrations, the share of female workers increased from 53 to 56.8 percent between 2008 and 2019, with 88.0 percent of them employed in the school sector. Women workers represent the majority of employees in preschool, primary, and secondary schools, while they are a minority in universities. Female presence is high in the Prison Career and gains are also seen in the Prefectural Career and the Judiciary. However, a high male prevalence is found in the Armed Forces, the Police Corps and the Fire Brigade, as is the case for the Diplomatic Career and the Institutes of Higher Education in Artistic and Musical Education. With regard to ministries and employees of the Presidency of the Council, in 2019, women accounted for 53.0 percent of the workforce, with very high percentages in some ministries, such as those of Labor and Social Policy, Justice, and the Interior. By contrast, men make up more than half of the employees in the ministries of Defense, Infrastructure and Transport, Agricultural, Food and Forestry Policies, and Economic Development. In 2019, the number of men in the other central state administrations was not much different from the number of women and, for the Presidency of the Council of Ministers, the number was virtually equal. Among managerial staff, the male presence appears more pronounced especially towards top positions. Postgraduates are more prevalent among female executives than male ones; moreover, number of under forty-five executives is higher among women than men. In 2019, the turnover rate was 88.4 percent for women and 83.8 percent for men resulting in a relatively greater decline in the number of male employees. Men are able to ensure a more regular presence in the workplace and, from 2013 to 2020, earned on average more in terms of overtime pay than women, who instead tend to be more likely to adopt a part-time work pattern and take time off work, especially for family care needs. In 2020, both genders made the greatest use of part-time contracts at the Ministry of the Environment and Protection of Land and Sea (15.0 per cent of female employees and 7.8 per cent of male employees), while the gap was widest at the Ministry of the Interior (11.6 per cent of women on part-time contracts and 0.7 per cent of men). In almost all administrations, however, the number of part-time employees has fallen sharply, especially among women. Over the years, however, there has been an increase in the number of fathers and/or mothers with young children choosing to work part-time at the Ministry of Economy and Finance, the Ministry of Education, Universities and Research and the Ministry of the Interior. Between 2019 and 2020, the days of mandatory maternity leave increased only for the employees of the Ministries of Economy and Finance, Justice, Health, Agriculture, Food and Forestry, and the Ministry of Cultural Heritage and Activities and Tourism. Moreover, in 2020 many ministries showed no days spent on paternity leave in lieu of maternity leave. The gender distribution of the ministries' staff has an influence on the number of women and men taking a parental leave: in 2020, more men than women took it at the Ministries of the Economy and Finance, Justice, Agricultural, Food and Forestry Policies and the Interior. In terms of days of absence for parental leave, fathers at the Ministry of the Economy and Finance took more leave than mothers, as did those at the Ministries of the Interior, Justice and Agricultural, Food and Forestry Policies. On the other hand, the length of parental leave taken by mothers is</p>	<p>Gender Gaps relating to personnel in the State Central Administrations</p>

<p>greater than that of fathers in all other administrations. The average number of days of leave taken by mothers is higher in the various ministries, except the Ministry of Foreign Affairs and International Cooperation. In addition, the average days of parental leave taken by fathers and/or mothers decreased in most administrations between 2019 and 2020. In 2020, ordinary remote working became more widespread among women than men. In those ministries in which remote working is now used and adequately regulated, monitoring procedures have been initiated on employees and managers who, in most cases, have expressed their overall satisfaction. On the other hand, regarding the extraordinary extension of this instrument due to the Covid-19 pandemic, as of March 2020 the ministries have regulated and organized themselves to allow most employees to work from home on an emergency basis. In general, in most ministries, the number of remote workers decreased between the period March/September 2020, when remote working had become the rule in public administrations, and in September/December 2020, when remote working was applied to 50 percent of the staff employed in jobs that could be performed in this way. However, in contrast with this trend, there has been an increase in the number of employees engaged in emergency remote working in the second half of 2020, both according to the data provided by the Presidency of the Council of Ministers and those relating to the Ministry of Health. On the other hand, at Ministry of Defense the number of women on emergency remote working rose in the period September/December 2020. Many Administrations have also introduced specific mechanisms for monitoring emergency remote working and the development of this trend: it turns out that employees, especially women, exhibit a medium-high level of satisfaction. Nevertheless, feelings of discomfort were reported due to the difficulty in separating private and working life, especially among women. In 2020, almost all administrations provided their staff with services to promote a suitable work-life balance. In most cases, the nursery service is under direct management. Compared to 2019, the use of nurseries decreased for nearly all administrations, with the only exception of the Ministry of Foreign Affairs and International Cooperation. As in previous years, women use this service more, except at the Ministries of Foreign Affairs and International Cooperation, Infrastructure and Transport, and Defense. In 2020, summer and/or after-school centers were active only at the Presidency of the Council of Ministers, the Ministry of the Interior and the Ministry of Foreign Affairs and International Cooperation. On the other hand, the Ministry of Economy and Finance offered vouchers to its employees for home care expenses for disabled parents, children under 13 years of age or disabled people regardless of their age. In 2020, almost all administrations offered specific training courses on topics related to the gender culture and equal opportunities or gender budgeting, mainly attended by women. Several administrations organize courses on: gender-based violence, remote working, work wellbeing, gender balance and Diversity Management in the Public Administration.</p>	
<p>In 2020, lawmaking in the area of equal opportunity and the reduction of gender inequality resulted in numerous measures, including those aimed at addressing the Covid-19 pandemic. Among the measures introduced by the 2020 Budget Law, mention should be made of the creation of two funds for the construction or maintenance of nurseries and kindergartens, and for the universal allowance</p>	<p>New legislation enacted for reducing gender gaps</p>

and family services, respectively. This latter was designed to finance, among other things, existing measures such as the birth allowance (the so-called baby bonus) and the nursery bonus. In addition, more resources have been allocated to combat gender-based violence. Further measures included gender studies courses in university curricula; interest-free loans for investments in farms run by women entrepreneurs; a fund to help purchase breast milk substitutes; resources to support study and research and assess the incidence of endometriosis. Compulsory paternity leave has been extended also for 2020, increasing its duration from five to seven days, then further extended to ten days throughout 2021 by the subsequent budget law. In addition, women's social benefits and the "women's option" have been extended in 2020. Provisions on the protection of the lesser represented gender on the boards of directors and boards of statutory auditors of listed companies have been strengthened (Golfo-Mosca law). Finally, tax exemptions have been envisaged to promote professionalism in women's sports. Even more space was dedicated to gender issues by the 2021 Budget Law. In terms of work-life balance, interventions have included a fund for the recognition of the social and economic value of non-professional care activities by family caregivers and an increase in the resources of the municipal solidarity fund to expand the number of places available in municipal nurseries. Labor policies include: exemption from social security contributions for hiring women workers in the 2021-2022 two-year period; establishment of a fund to support women's businesses; annual funding, as of 2021, of the National Micro-Credit Board; a fund to support gender pay equality and refinance the venture capital support fund, for investment in highly innovative female entrepreneurship projects. As part of the fight against gender-based violence, funding has been provided both for the cognitive-behavioral treatment of perpetrators of crimes against women, in penitentiary institutions, and for the establishment of the fund against discrimination and gender-based violence. In the area of labor protection, social security and assistance, a fund has been set up to accommodate parents in prison, with accompanying children, in protected family homes and residential homes; a monthly contribution has also been granted to unemployed or single-income mothers belonging to single-parent families with dependent disabled children. As to health, as of 2021, a fund has been created to reimburse public and contracted hospitals for expenses incurred to purchase genomic tests for early-stage hormone-responsive breast cancer; finally, in terms of equal rights, the implementation of the action plan in compliance with UN Security Council resolution no. 1325/2000 on women, peace and security has been financed. In addition to the 2021 budget law, other measures relating to gender issues were issued in 2020. As part of the work-life balance, priority in accepting requests for remote work was acknowledged for private sector workers with serious illnesses and a reduced working capacity, immunocompromised people, and their cohabiting family members. By January 31 of each year, public administrations are required to draw up a remote working organizational plan (POLA), to identify the implementing procedures and ensure that at least 60 percent of employees can avail themselves of this option. In the event the plan is not adopted, remote working would apply to at least 30 percent of employees; subsequently, the minimum share of employees authorized to work from home was reduced to 15 percent. The national fund for an integrated education and training system has

<p>been strengthened, too. As to combating gender-based violence, additional resources have been provided both for the fund for the establishment and strengthening of rehabilitation centers for men who commit violence as of 2020, and to prevent and counter violence due to sexual orientation and gender identity and to support victims; this intervention, initially envisaged only for 2020, has since become structural. As a matter of fact, other measures against gender-based violence introduced during the emergency phase may lead to a permanent change in the lives of victims. Examples are the additional resources allocated in favor of public and private shelters and the establishment of the freedom income fund for women victims of violence to promote their empowerment and emancipation. To protect the health of those who undergo a gender transition process, it has been established that hormonal drugs for transgender men are fully paid for by the National Health Service. The year 2020 was also characterized by interventions aimed at countering the effects of the health emergency; most of these were limited in time and only a few were of a structural nature. In an effort not to increase already existing inequalities, including those between women and men, several measures concerned the work-life balance (for example, in the area of agile work, extraordinary leave and baby-sitting bonus), the fight against gender-based violence in the domestic environment and the labor market (income support for domestic workers, mostly women). Finally, the European Union's Recovery Fund has been set up for the year 2020. This facility was conceived to counter the economic and health crisis linked to the Covid-19 pandemic, through a strategy based on investments in energy and digital transition and sound public finance. The European Union Regulation on the Recovery Fund explicitly required that national plans for recovery and resilience adopt a gender mainstreaming approach to interventions. Within the European framework, the Strategy for Gender Equality 2020-2025 has been planned. Priorities include combating violence and gender stereotypes, reducing the gender gap in the labor market and family care, achieving equality in participation in the various economic sectors, at decision-making and political level, and addressing issues like gender pay and pension gap.</p>	
<p>Tax systems and fiscal policy affect the choices of men and women differently, for example, in terms of careers, reproductive choices and the decision to purchase care and household management services on the market. In most European countries too, where taxation is progressive and individual, with deductions for family responsibilities and therefore irrespective of the gender of the taxpayer, indirect effects on gender are evident.</p> <p>The adoption of a gender mainstreaming approach in tax policy choices, as well as attention to the effects of tax provisions from a gender perspective, are still limited; the analysis below focuses on some tax policies. As to the redistribution effects of the tax system on income, by gender and income classes, it should be noted that the average "equivalent" income of women (i.e. adjusted per capita income to consider the number of family members) is around 59.5 percent of that of men and, within each class of equivalent income, the average income of women is between 50 percent and 70 percent of that of men. This finding can be explained primarily by the observation that women in couples, much more frequently than men, take on household chores and childcare, often accepting a lower pay (against a greater flexibility and free time). Progressive taxation on such</p>	<p>Revenues in the 2020 State budget from a gender perspective</p>

<p>different incomes results in a lower levy (i.e., a lower average rate) for women, with the sole and relevant exception of taxpayers belonging to the lowest income class, excluded from the "80 euro monthly bonus". Taxation on second income earners is a gender-based issue: when entering the labor market, tax systems can determine a different implicit marginal tax rate for inactive or low-income earners (more frequently, therefore, for women). In Italy, the average tax wedge on the second income earner in a household with two children is estimated at 45.4 percent in 2020, lower than in the previous year (45.8 percent) due to the measures to reduce the tax wedge introduced in our country as of July 1, 2020. Although improving, it is still higher than in other European countries (in 2019, it was 45 percent and 40 percent in France and Spain, respectively). Some tax benefits can help minimize gender differences. For example, deduction of expenses for caregivers and nursery school enrollment, but also deduction of contributions for domestic and family service workers. For the fiscal years 2006 - 2017, there were no significant differences either in the number of beneficiaries or in the amount of the corresponding deduction/allowance, except for enrolment in nursery schools; as of 2018, both the number of deductions (without substantial changes with reference to gender ratios) and their amount have generally decreased. Although the favorable tax regime for the so-called "reverse brain drain" does not directly cover gender differences, women seem to have proportionally benefited from it more than men. In the 2019 fiscal year, 12,945 individuals received benefits, with about 31 percent of them being women. The average employment income declared by women, although lower than that declared by men (70,701 euros versus 121,950 euros), is still much higher than the average income of Italian taxpayers. An analysis of all medium-high income employees (over 55,000 euros) shows that only 25.9 percent of them are women, rising to 31 percent among qualified workers who have returned from abroad thanks to this tax relief. Finally, for the 2019 fiscal year, the limit to join the flat-rate scheme was extended. Apparently, this measure has had a gender-neutral impact since women accounted for about 34.2 percent of the total, a figure very similar to the previous year considering all tax regimes (about 32.7 percent of the total).</p>	
<p>The State's gender budget provides for a "reclassification" of expenditure in the Statement of Accounts in the light of a variable impact on gender gaps. The reclassification categories are as follows:</p> <ul style="list-style-type: none"> • expenses "aimed at reducing gender inequalities", related to measures against gender inequalities or promoting equal opportunities; • "sensitive" expenditure related to measures that have or could have an impact, even indirectly, on gender inequality; • "neutral" expenditure related to measures that do not have any direct or indirect impact on gender. <p>The classification guidelines for financial year 2020 have retained the method of reclassification of expenses. As to the identification of personnel expenses, they largely refer to the criteria of the past edition. Personnel expenditure is excluded from the classification exercise and is analyzed separately because it does not have a purpose of its own but is instrumental to implement various state interventions. They may or may not have an impact on gender depending on the budget mission, program or action within which they are placed.</p>	<p>The 2020 expenditure reclassification from a gender perspective</p>

<p>The health emergency brought about a significant expansion of the State budget's total expenditure, which, at the end of the year, amounted to approximately 1,076.1 billion in terms of commitments (+30.7 per cent compared to 2019) and 980,6 billion in terms of payments (+18.1 per cent). Net of personnel expenditure, committed spending in 2020 amounted to 937.2 billion (up 35.1 percent from the previous year). Concerning that amount, the 85.8 percent (+2.6 percentage points over 2019) of expenditure is classified as gender-neutral, 13.6 percent is recognized as gender-sensitive, while the expenditure to reduce gender inequality is just 0.56 percent of commitments (about 5.5 billion and +0.26 percentage points over 2019).</p> <p>The year 2020 is characterized by an increased spending for work-life balance and the protection of parental rights. These items account for about 56 percent of the expenditure allocated to reduce gender inequality. These enhanced measures have been adopted to respond to the pandemic emergency and the resulting increased time spent for the family. This is followed by expenses to protect maternity and parenthood (24.3 per cent), as well as to financially help families in distress because of illness and non-self-sufficiency. Within the central government, expenses aimed at reducing gender inequality are primarily intended for company nurseries, summer centers or after-school care for employees' children and, in some cases, training for a gender culture or infrastructure adaptation of premises to better accommodate the different needs of men and women. Interventions aimed at reducing gender inequality are mainly concentrated in three missions of the state budget, "Social rights, social policies and the family" (4.31 billion in terms of commitments) "Italy in Europe and the world" (0.55 billion); "Social security policies" (0.47 billion) and are largely transfers to other public bodies. These are primarily transfers to social security agencies, the Presidency of the Council of Ministers and international organizations. Expenditure classified as gender-sensitive is largely made up of transfers to other public administrations to finance monetary contributions to individuals (and to a lesser extent to businesses) in the area of welfare and assistance and employment policies. Expenditure in the area of educational service provision, reception of immigrants and asylum seekers, and justice is also considered sensitive. Gender-sensitive spending increases if labor costs are also included. In fact, a significant share of the government personnel appears to be engaged in activities that can have an impact, even indirect, on inequality.</p>	
<p>In the gender budget, the central administrations of the State and the Presidency of the Council of Ministers report their actions and any specific guidelines issued to impact upon the reduction of gender inequality during the year 2020 through a special questionnaire.</p> <p>The Department for Equal Opportunities of the Presidency of the Council of Ministers has highlighted, among the specific policies promoted to reduce gender gaps, the fight against trafficking in human beings; support for businesses; gender quotas and equal opportunities in PA; work-life balance; sexual and gender-based violence; genital mutilation and forced marriages; the fight against pedophilia and child pornography and scientific culture and gender stereotypes.</p> <p>The Ministry of Labor and Social Policies, through the National Committee for Equal Work and the Equality Councilor, took action for work-life balance and issued the 2020 Third Sector guidelines to identify, amongst others, the</p>	<p>Actions undertaken by the administrations – Sector policies</p>

achievement of gender equality and the empowerment of women and girls. Finally, a special inter-ministerial decree has identified, for the year 2021, sectors and professions characterized by a gender gap greater than at least 25.0 per cent, for which incentives are granted to hire employees. In its guidelines, the Ministry of Foreign Affairs and International Cooperation has set the protection of the most vulnerable refugees (women and minors) among the objectives to be pursued and, within the scope of development aid, the enhancement of the role of women. As part of its own administrative action, the Ministry has also promoted work-life balance, organizational wellbeing, and gender equality. The Ministry of Education, Universities and Research, in support of teachers, school staff and families, has created a special web platform where schools' experience on equal opportunities is gathered and information, exchange and support tools are offered.

Some administrations have identified **actions aimed at reducing gender inequality in 2020**; however, only a few of them have established monitoring systems equipped with data and indicators by gender, and even fewer have conducted context-based gender analyses and/or an analysis of the potential impact of policies. In most cases, this was a continuation of actions already reported in 2019. Only the Presidency of the Council of Ministers, the Ministry of Economy and Finance, the Ministry of Labor and Social Policies, the Ministry of Foreign Affairs and International Cooperation, and the Ministry of Education and Universities have indicated new actions. The largest number of new interventions was carried out by the Presidency of the Council of Ministers, including the Fund in support of the role of care and assistance of family caregivers; strengthening daytime summer centers and local socio-educational services; publication of the "STEM2020" notice to finance educational projects in STEM subjects for girls and young women; and distribution of the Fund for freedom income for women victims of violence. The Ministry of Economy and Finance has implemented a new initiative dedicated to publishing projects for women about financial, insurance and pension education through the Committee for planning and coordination of financial education activities. The Ministry of Labor and Social Policies has reported a tax relief in favor of social cooperatives that hire women victims of gender-based violence through open-ended employment contracts, initiatives in favor of women's sports clubs entering into employment contracts with female athletes and maternity protection aimed at reducing gender or gender-sensitive inequalities. The Ministry of Foreign Affairs and International Cooperation indicated its initiatives for the implementation of the Third National Action Plan related to United Nations Security Council Resolution 1325 (2000) on "Women, Peace and Security". The Ministry of Education, Universities and Research has issued a call for proposals for "Promotional initiatives in support of youth distress" aimed at local schools to select and fund projects against any form of discrimination and to promote guidance courses. The Ministry of Health indicated a financing, split among the Regions, of interventions for the prevention and prohibition of female genital mutilation practices.

Few **gender-sensitive initiatives** are reported by central government bodies in 2020, with the exception of the Presidency of the Council of Ministers which reported, among others, initiatives to support the development of Family Centers, the agreement with the Italian Public Insurance Services Dealer (Consap)

<p>for access to credit and the "Time to Care" notice aimed at encouraging intergenerational exchange. The Ministry of Labor and Social Policies outlined tax benefits for specific industries and labor categories, as well as specific measures to combat poverty, whilst the Ministry of Justice's Prison Administration Department continued to organize paid work activities in prisons to employ inmates, primarily women.</p>	
<p>Public policies aimed at promoting gender equality are also funded outside the state budget. The gender dimension in the design of policies financed by Community funds has been incorporated since the 1990s. Gender equality is a cross-cutting principle considered in the programming, implementation and evaluation of interventions, as well as a specific intervention axis, in the cycle of European Structural Funds since 1994-1999. The Strategy for gender equality 2020-2025, presented in March 2020 by the European Commission, confirms the Commission's desire to ensure the incorporation of the gender dimension within the instruments provided for in the multiannual financial framework.</p> <p>In Italy, according to data from the National Monitoring System (published on the OpenCoesione portal), updated as of December 31, 2020, under the European Regional Development Fund and the European Social Fund (2014-2020 cycle), projects designed to promote gender equality were about 103 thousand out of a total of 473 thousand, for a total public cost of about 489.9 million euros, compared to a total cost of 49.0 billion euros. Compared to last year's analysis, which referred to December 31, 2019, almost 6 thousand new projects have entered the monitoring phase for a total public cost of 95.8 million euros and over 24.0 million euros spent. Resources were mainly focused on four areas: access to employment, training, creation or improvement of services for the work-life balance and, finally, care services and social inclusion of categories at risk.</p> <p>The Ministry of Foreign Affairs and International Cooperation supports numerous interventions in third countries for gender equality and women's empowerment. These are implemented by the Italian Agency for Development Cooperation (AICS). In 2020, 41.6 per cent (over 244 million euros) of the resources available to AICS was addressed to reduce gender inequality out of the total amount of resources committed (approximately 587.3 million). Compared to the previous two-year period, the share of resources committed to reduce gender inequality has increased substantially (in 2019 it was 9 percent, and in 2018 it was 8 percent). The activities launched with these resources mainly concern humanitarian aid (including some projects concerning the fight against gender-based violence) and the health sector, in order to improve living conditions of women and girls, especially as regards sexual, reproductive, maternal and child health, in a context of global crisis caused by the Covid-19 pandemic. Other initiatives were split among the remaining sectors, including banking and finance and protection and prevention of gender-based violence.</p>	<p>Some further analysis on extra-budget funds: contribution of the European Structural Funds 2014-2020 and international cooperation initiatives</p>