

Gender policies and support programs for early childhood

Topic: SAM and Multiplier Analysis

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The demographic dynamics characterizing the main developed economies, in particular the shrinking working-age population and the changes on typical family structure, shift the focus on the women work participation and consequently on the female employment rate. However, the measurement from a gender perspective of the main indicators concerning the labor market both in Europe confirms the rooted critical issues linked to the female labor segment (Cardinali 2012). In particular, the total employed workforce in Italy is still far below the EU average and concentrated in only a few professional fields, often associated with increasing levels of “over-qualification” (ISTAT 2013). In this context, where the level of female employment appears to be lagging behind, policies targeted to increase women labor participation take on remarkable importance. Indeed, supporting a greater women inclusion in economic and social life might have a direct impact on household disposable income, consumption and, in a virtuous income circular flow, on total production (Presidenza Del Consiglio dei Ministri 2008).

Since the female participation is structurally related with the difficulty of having to balance different needs, the supply of practical and potential support is therefore crucial. Based on OECD surveys on public spending on households, it emerges that Italy spends quite less than OECD average on both childcare and benefits and services to support families with minors (OECD, 2011). This condition is worsened by the disparities between northern and southern regions, where there are low coverage rates of educational services for children and households manifest difficulties to bear education fees. Increasing the female participation in production processes might represent an important channel through which the income can be generated. Therefore, the policy maker should identify appropriate tools to stimulate the demand for female labor by production activities, counteract the lack of facilities and expand the expenditure on services related to early childhood, in order to encourage also the supply of female labor.

The purpose of this paper is to analyze the gender situation in Italy, design a set of policies aiming at stimulating the female labor employment and test the impact of these policies on the economic system. For this purpose, a multi-sector extended model and the Social Accounting Matrix for Italy (SAM) are developed (Keuning, SJ 1991). More specifically, the exigency to test the effectiveness of policies aimed to stimulate female occupation imposes the disaggregation of the employment component in the value-added by industry according to the gender and the Household Institutional Sector by macro-regions (North-Centre-South) and household head gender. The final SAM is able to highlight gender specific contributions in all the phases of the income circular flow and represents the proper database to develop the extended multi-sector model. This model allows quantifying the impact on the main macroeconomic variables of two alternative policies: the first one is designed to stimulate the production capacity of services related to early childhood, the second provides direct transfers to Household with female head conditioned to the purchase of childhood services.

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