



CASE STUDY

Public Incentives to Address Care Increase Firms' Competitiveness in Trento, Italy

INITIATIVE PROFILE

The Italian Province of Trento is a municipality that is engaging with the public and private sector around work-life balance and care initiatives as a vehicle for promoting more gender equitable labor markets.ⁱ Carried out by the Agency for Family, Birth and Youth Policies, the municipality of Trento conducts a family audit using a well-established and verified methodologyⁱⁱ that is advised and overseen by an external consulting agency. Each private sector organization seeking to promote organizational change and to compete for and obtain government contracts and services commits to undertaking an internal audit to develop a three-year Family Work-Life Balance Plan. The Work-Life Balance Plan identifies actions that the organization plans to undertake in six areas: work organization; work-family balance culture; communication; fringe benefits and services; family district; new technologies. The process takes about three and a half years to complete: six months for the initial audit and three years for the full adoption of the internal work-life balance plan. The municipality covers eighty percent of the costs of the audit and certification.

ADDRESSING CARE

Once the process is complete, the organization or firm obtains the family audit certificate and can brand their organization using the certificate to compete for or to offer family friendly employment and services. This enables them to compete for contracts and to offer family friendly services in the marketplace. As a result, the initiative “crowds-in” family-friendly services creating an active market for services and products that are branded as being produced under gender equitable and family friendly conditions. The firm can also use the certificate for additional points in any public-sector procurement process, so the system embeds incentives for organizations seeking to service the public sector.ⁱⁱⁱ

Organizations that conduct the family audit are also eligible for a number of tax credits and support for training and further capacity building offered by the public sector or among branded organizations relevant to the organization. The firm is also eligible for reduced price family friendly services such as local transportation services that they can offer to their employees.

The certification brands the organization as being a family friendly place to work and increases the likelihood that women and workers with dependents and care responsibilities will apply for work, increasing the pool of workers and stimulating more participation among groups that may be more easily discouraged from working.

“ORGANIZATIONS THAT HAVE IMPLEMENTED THIS FAMILY AUDIT HAVE MORE CREDITS AND POINTS IN THE PUBLIC PROCUREMENT SYSTEM. THEY ARE THEREFORE MORE COMPETITIVE.”

– Interviewee, Municipality of Trento

This initiative by the Municipality of Trento must be seen in light of labor force dynamics in Italy which reveal marked gender differences in men's and women's labor force participation, high rates of part time work by women compounded by challenges presented by care needs and deficits. Although women's labor force participation in Italy rose steadily from 46 percent in 2000 to 56% in 2017,^{iv} the Organisation for Economic Cooperation and Development (OECD) data underscore that Italy has a very low female labor force participation rate that reflects similar rates in Turkey and Mexico.^v Almost one-third of Italian working women work part-time compared to 8% of men, against the OECD average of 20% and 10%.^{vi} Moreover, European time use data demonstrate that the average Italian woman spends about 200 minutes per day doing paid work, and 320 doing unpaid work – an aggregate which includes a range of activities such as cleaning, cooking, washing, doing repair work, but not time spent caring for children and other family members – while the same breakdown for men is 350 versus 100.^{viii}

MEASURING RESULTS

Thus far over 301 organizations in the public and private sector have participated in the Family Audit process and they are all operating for the certificate benefitting over 153,439

workers. Several of the studies on subsets of the organizations demonstrate that the impact of resolving work-life balance and care conflicts has increased worker well-being and productivity. The benefits deriving from the audit and certification process are seen at a number of different levels:

- **FOR THE EMPLOYEE:** To choose to work for an organization that operates positive work-life balance policies, enhancing employee welfare and satisfaction and fostering more productive and supportive work relationships.
- **FOR THE ORGANIZATION:** Raising employee attachment to the organization and increasing productivity, reducing turnover, absenteeism and presenteeism.
- **FOR THE LOCALITY:** Fostering social cohesion and community and as a platform for improved social responsibility that enables the community, workers and their families reconcile work and caring responsibilities.
- **ENGAGE HEALTHCARE SYSTEMS:** Create innovative opportunities and share best practices across the broader healthcare community to recognize caregiver needs, intervene, and link to meaningful support and solutions.

A study conducted by the University of Bologna examined the Work-Life Balance Plans of a sample of 18 certified organizations and the impact of certification on the work, family and private lives of workers highlights the following conclusions:

- The audit fosters greater gender diversity, improves working environments and promotes work-life balance in those firms and organizations undertaking the certification process.
- The initiative has encouraged firms and organizations to apply solutions such as flexible working hours, telecommuting, part-time work, the use of more inclusive language in business documents and procedures, create opportunities for time banks and time sharing and customized work schedules.
- The work-life balance plan and its continuous monitoring stimulate rapid and sustainable changes in the organizations.
- The certification benefits companies and organizations seeking tenders for public contracts.
- The approach is highly transferrable and adaptable and can be exported to other regions and contexts.

The certification is clearly seen as a management tool by both the public and private sector organizations engaged in the initiative. The intent is to promote cultural and organizational change within the commercial or public sector through the adoption of human resource policies that improve the wellbeing of employees and their families. The data collected on the initiative demonstrate that it has been remarkably effective to date.^{ix}

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Conclusions and opinions expressed in this brief and study are those of the authors and do not necessarily reflect the views or official positions of EBRD.

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ⁱSee <https://www.trentinofamiglia.it/Certificazioni-e-reti/Family-Audit> for more information about the Family Audit and this case study.

ⁱⁱThe Family Audit drew on the experience of the Audit Beruf und Familie introduced in Germany in 1995 and similar experiences in Austria and the Italian Autonomous Province of Bolzano.

ⁱⁱⁱMunicipality of Trento. 2015. Family Audit Certification in Trento, Italy.

^{iv}OECD (2017a), LFS by sex and age (indicators). OECD.Stat.

^vDvorkin, M. and H. Shell. 2015. A Cross-Country Comparison of Labor Force Participation, Economic Synopsis, 17, 2015, Federal reserve Bank of Saint Louis, MO.

^{vi}ILO. 2016. Women at Work in G20 Countries: A Background paper. ILO, OECD, IMF, and World Bank Background paper, G20 Employment Working Group Meeting, 19-21 December 2016, Berlin.

^{vii}OECD (2017b), Share of employed in part-time employment, by sex and age group (indicator). OECD.Stat.

^{viii}OECD (2017c), Time spent in paid and unpaid work, by sex (indicator). OECD.Stat.