

The Role of Caregivers in the Italian Welfare System

by Veronica Merotta



September 2016

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(translated by Luca Merotta)

Over the recent years caregivers have become increasingly important in the Italian society in meeting the growing family demand for care that public administrations often underestimate or even neglect. Historically, the Italian welfare system has always approached the issue of a growing population mainly by funding the pension system, at the expenses of other social policies, including those on family welfare. The current organization of work no longer allows family members to take charge of other members personally as it happened in the past, and this has contributed to the emergence of caregivers. However, this puts a heavy economic, tax and organizational burden on households, while it constitutes for caregivers an absorbing occupation that is often hard to handle, in terms of emotional and physical load. Many caregivers are confronted with a dual life between their country of origin and their host country. One in two caregivers is indeed foreign-born, and most of the labour force is constituted by women. The national and international contexts provide both families and caregivers with viable alternatives to the current self-produced and costly welfare system.

1. Recent developments and limitations of the Italian welfare system

The Italian welfare system is a family-centred solidarity-based model where family networks act as the key player in social protection and the State only intervenes complementarily. This type of welfare is underpinned by the ideas of mutual responsibility and intergenerational solidarity.

Despite the critics, this model is not necessarily the product of mismanagement as long as family caregivers are allowed to reconcile work and family life. Reconciliation becomes hard to achieve when care begins to require family members to be constantly present on a daily basis.

The distribution of care entails considerable economic and organizational costs that can be a disadvantage for young people and women in particular, namely in pursuing their career and emancipating from their family. The creation of in-house family welfare is reportedly connected to the increasing age people get married and women give birth to a child. (Ferrera, 2015). On the other hand, the current working conditions based on great flexibility and availability make it hard for family members to cater for children, parents and grandparents.

In order to address these challenges, families have shifted their attention from public to private service providers – babysitters and caregivers. The low labour cost has enabled families to continue meeting the needs of their loved ones through own solutions while outsourcing the actual service to third persons.

Domestic care and work have become increasingly present in Southern Europe since the 90s, especially in countries whose public policies were inadequate to address the ageing population and the related social challenges, e.g. dependency. This inadequacy was partly the consequence of governments designing their national welfare systems around pension schemes, while minimising public expenditure and political commitment on other social policies. Public expenditure on welfare in Italy is close to the European average, although it is strongly focused on the risk of old age at the expense of other social policies, like poverty reduction and early intervention, maternal and child support, housing, retraining and employability (Salvati, 2013; Ferrera 2015).

A study (Employment e Social Development in Europe - ESDE) published by the European Commission shows that in some EU countries the situation of welfare policies is particularly critical. Italy has particularly come under criticism for its policies on family support. In particular, it was indicated in Italy families are being failed in addressing their own social challenges, and that proper structural reforms are needed (Ferrera, Fargion, Jessoula, 2012).

To sum this up, outsourcing the care of a family member to a private service provider solves or helps tackling the need for home care while supporting work-life balance. However, this comes with a price.

1.1 The economic costs

Managing own welfare services places a big burden on the finances of households and diverge resources from other expenditure items. On average, Italian families spend €689 on care of older people every month (Findomestic, 2016).

Caregivers for old people are among the most demanded professional profiles. More than 2 million Italian families have employed caregivers and babysitters to perform housework of care, in 91% of cases without any form of public support. The estimation of the number of households in need of family support include, alongside the explicit demand, the underlying demand of families who do not request any service because they cannot afford them. This number is estimated at 12% of the total number of families, i.e. 2,9 million families.

Hiring a full-time caregiver (54 h/week) can cost families between €1,150 and €1,180. Caregivers with no experience (A-Super level) cost €1,150 a month (€733 of which covering salary), caregivers with minimal experience and catering for a self-sufficient persons (B-Super level) cost €1,270 a month (€846 of which covering salary), caregivers catering for care-dependent persons (C-Super level, the most common one) cost 1.400€ (€958 of which covering salary), and skilled professional caregivers (e.g. certified nurses) can cost €1,860 a month (€1,350 of which covering salary). This calculation does not consider overtime and leave.

This analysis portrays old people as passive objects of expenditure while in fact they contribute to the family savings actively. A family can spend around €689 a month on care services for old people, but in return it gets free babysitting and housework services that are estimated around €385 a month (Finomestic, 2016). However, this mutually beneficial relationship is enjoyed by only 12% of households. In other cases families can either rely disproportionately on old people for specific services or have to cater for them personally and entirely (Finomestic, 2016).

1.2 The administrative and fiscal cost

Providing own care services does not only have an economic impact on households, it also entails administrative and fiscal costs.

When outsourcing family care to a private provider, family members take up the role of an employer and have to dedicate time and energy to understanding how the hiring process works. They have to familiarise with legislation and norms (particularly intricate if the caregiver is foreign-born and requires a VISA), tax and pension procedures and perform other time-consuming complex tasks where a costly intermediary is often required. They have to abide by all legal duties a regular job contract entails (rights, leaves, holidays, maternity leave) and follow the complex accountancy related to payslips (often with the support of a tax consultant). They have to meet all the deadlines related to contracts, payments and taxes. All this has a considerable impact on the quantity and quality of time family members enjoy in their personal life.

In this perspective it can be argued that while families should be supported in addressing their needs, they are not only left with a considerable economic burden, they also have to bear the administrative and fiscal costs of this care option, as they were acting as a private party.

2. Caregivers: who they are and where they come from.

Caregivers (“badante”, from the Italian verb “badare”, “take care of”, “to cater for”) are specific professionals in the homecare sector¹ who cater for a vulnerable member of a family with limited self-sufficiency, namely old people, persons with disabilities and sick people. This, together with housework-related tasks, makes it an under skilled job profile where no specific skill or experience in social and health care is required.

This form of care has become increasingly present in the Italian society since the 90s. The number of people employed in this sector has increased almost fivefold between 1995 and 2013 (IRS-Soleterre, 2015).

In 2014 foreign-born caregivers accounted for nearly half of caregivers, in line with the recent trend (459,000 out of 900,000). They are mainly women (81%) aged between 30 and 49 (54%) from 5 countries: Ukraine (23%), Philippines (16%), Moldova (11%),

¹ They are the major professionals in the sector as regard the care of dependent old people. Other important professionals in home care are babysitters and domestic workers, who are tasked respectively with child care and housework.

Peru (7%) and Sri Lanka (6%). In recent years the number of caregivers coming from Eastern Europe, namely Romania, has increased, while the number of caregivers from South America has decreased. All in all, these women have left their home country and entrusted their children to the father or close relatives.

In terms of geographical distribution, caregivers are mainly located in the North-West (36%) and the Centre region (27%), probably due to higher presence of full-time contracts and employment rate in households. Caregivers in the North-East region represent 21%. In South Italy and in Sardinia/Sicily the number is greatly low (11% and 4% respectively), perhaps because traditional family is strongly rooted and the organisation of work allows for a greater involvement of family members (IRS-Soleterre, 2015).

The contract between caregivers and families usually goes beyond the provision of day care services. Because caregivers cater for people aged over 75, families often agree to provide them with food and accommodation. Old people often live in apartments that are too large for them, and hosting the caregiver in a room can be an additional salary for caregivers and convenient for both parties.

The most requested form of assistance is the full-time care with housing commitment. However, some time-based contracts are often chosen, in particular to provide care overnight. In general Italian-born caregivers tend to prefer time-based contracts, while foreign-born caregivers tend to opt for full-time with housing commitment (Altarimini, 2016).

Considering that 800,000 caregivers are estimated to be working in Italy and that part of them could cater for two persons at the same time (more or less continuously), the number of assisted persons is likely to be around 2 million. This number is far higher than the population that benefits from public care programmes: twofold for old people accessing complementary care services, and fivefold for dependent people aged over 65 and accessing local home care services (IRS-Soleterre, 2015).

3. The conditions of caregivers

3.1 Irregular status

Caregivers are mostly hired regularly in countries with highly regulated migration policies (e.g. Denmark, United Kingdom, France), while they are hired irregularly in countries with weak public care services and migration policies (e.g. Spain, Italy, Greece) (IRS-Soleterre, 2015; ISMU-Censis, 2013).

The number of caregivers in Italy is estimated at 830,000 – 25% of which face a two-fold irregularity, i.e. without a regular contract and a regular residence permit, 30% of which have a regular residence permit but no regular contract, and 43% of which have both regular contract and residence permit. Therefore, it can be argued that two in three caregivers working in Italy face some sort of irregular status (IRS-Soleterre, 2015). Interestingly enough, irregular status is more a sensible issue for Italian-born caregivers, with 53.1% of them reporting complete irregularity, than it is for foreign-

born caregivers, with only 2 in 10 of them reporting complete irregularity (ISMU-Censis 2013). This could be due to the delicate legal status of foreign-born caregivers, as the complex red-tape they are confronted with (e.g. concerning the residence permit) gives employers great responsibilities and exposes them to the risk of severe fines. On the other hand, Italian-born caregivers usually work for multiple families at the same time and in a discontinuous way, which makes their professional status less stable (ISMU-Censis, 2013).

Cases of irregular status seem to have increased for caregivers over the past years, also due to the economic crisis. Membership to the INPS (National Social Insurance Agency) has dropped, meaning that while the demand for care has remained stable or has increased, contracts are increasingly undeclared (Superabile INAIL, 2016).

Irregular contracts can have a significant impact on the life and work perspectives of foreign-born caregivers. They enable both employers and employees to save money, and more specifically they increase the income of caregivers, who are willing to give up some guarantees and protection in order to reach the expected monetary goal at the core of their migration project as quickly as possible. A lot of foreign-born caregivers consider working as a caregivers in Italy as a very specific project. It is limited in time and aimed at earning enough money to improve their life and the life of their family and eventually go back to their home countries to enjoy better economic and social conditions. In order to do that, they often prefer irregular contracts and dissuade families from regularising their status.

Irregular contracts between caregivers and families are characterised by high insecurity and many disadvantages for both parties, since they are not bound to any sort of guarantees (period of notice, respect of the conditions agreed upon etc.). This has often a negative impact on the life of caregivers, as work segregation and relational insecurity increases their vulnerability (IRS-Soleterre, 2015).

3.2 Social and relational challenges

Working as a caregiver can be very demanding, overwhelming and hard to handle, especially for foreign-born caregivers, who have a different linguistic and cultural background than the one of employers. Several factors contribute to the raising of mental and physical stress: the physical stress resulting from catering for an old person and doing the housework, or the mental stress resulting from living a transnational life and having to internalise and coping with new and overwhelming daily routines. Some caregivers also face discrimination and abuses from their employers.

Due to the all-embracing nature of the job, the family house not only constitutes the work place for caregivers, it is also the environment where they can live their (scarce) intimacy and reach self-determination in the new country.

Along with physical assistance, caregivers are often asked to provide old people with emotional support. However, this request is an additional duty for caregivers and is often perceived by the assisted person as some sort of intrusion into his/her private

life. The caregiver has to be careful about how to act within the framework of the whole family and how to adapt to new habits, daily practices and delicate balances.

On top of these criticalities within the family of the assisted person, caregivers face relational challenges with regard to their previous life and their own family. Caregivers live a dual life where they engage physically in Italy and emotionally in their home countries, while trying to establish human relationships within the host country (Chiaretti, 2005).

4. Suggestions for a more sustainable care

This welfare systems relying exclusively on families for the provision of care services addressed to old people is not sustainable in the long term, as it deprives households of key resources that should be spent on their basic needs and creates economic, social and family distress. There are national and international practices on care can be useful for policy-makers to review the current policies.

4.1. Public support: practices from the European Union

Several European countries have put in place policies and tools aimed at meeting the needs of both families and the assisted ones.

In Denmark, for instance, dependent old persons are hosted in State-funded individual rooms. In France, a country with an institutional organisation similar to the Italian one, home caregivers are provided by municipalities and expenses can be deducted up to 100%. Similarly, in the UK agencies that provide care services are the main focal point for families and expenses are covered by public authorities.

The German system is particularly articulated. Social services can assist old persons up to 5 hours a day, while dependent people are hosted in dedicated centres and financed through a mandatory insurance that covers care at an old age and is added to the pension rights throughout everyone's working life (Rosana, 2010).

4.2 Total tax deductions

The National Association of Home Care Employers (Assindatcolf in short) suggested shifting family taxation from home care to other items of expenditure by including new entries such as investing in children (which would help increase the birth-rate).

Reforming taxation regimes on home care would enable families to save money, but it would also mean a €675 million loss in tax revenue for the State. However, the consequences of this are far from being catastrophic. On the one hand this would create around 80,000 new jobs in the care industry, which in turn would boost tax revenues. On the other hand, it would enable families to decrease family expenditure on care-related taxes and increase expenditure on several goods, which would increase State revenues from VAT. The net economic cost for the State would only be €72 million, a very small share of what the State invests on other major services.

4.3 Direct economic support to families and caregivers

The Municipality of Sesto San Giovanni has put in place a form of direct economic support aimed at Italian-born and foreign-born female caregivers who want to provide private home care services with the idea of helping them reconcile work and family life. Caregivers receive coupons they can use to access local services addressed to their children and parents (e.g. education and care for children, old people and persons with disabilities) (IRS-Soleterre, 2015).

Other local authorities provide economic support to tackle the irregular recruitment of caregivers, for instance by monitoring the respect of labour rights and enable behavioural change. The R.O.S.A. (The Network for Employment and Social Services) Project in the Apulia Region goes in this direction. The regional authorities have agreed to allocate €2,500 to families that decide to recruit caregivers registered in the departmental list. In other cases families that decide to opt for a regular contract are entitled with an economic contribution ranging between 10 and 300 euros per month (IRS-Soleterre, 2015).

4.4 Practices on “soft welfare”

Practices on “soft welfare” are solidarity- and network-based actions where multiple caregivers support one another, e.g. by sharing rent expenses.

This types of practices have been identified in the Municipality of Cologno Monzese in partnership with the neighbouring Municipality of Vimodrone (“Casa Badante Cercasi”) and in the Municipality of Ferrara (“Portierato Condiviso”). Both foresee a shared home care service provided by a few caregivers with the support of a sponsor association. In areas with a high density of lonely elderly the service aims at meeting the minor care needs on an occasional basis that would not make it convenient to hire a full- or part-time caregiver.

These forms of “soft welfare” practices enable families to limit their expenditure on care services while allowing caregivers to support one another, improve their precarious conditions and pursue economic and housing independence.

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ISMU Foundation is an independent research centre founded in 1992. It is committed to conducting research, as well as providing consultancy, training and education, in the area of migration and integration. To develop a better understanding of these phenomena, it provides its expertise to research projects on all aspects of multiculturalism in contemporary society.

It works with national, European and international organisations and institutions, in both the private and the public sector. It is inserted in academic networks, it cooperates with welfare and healthcare agencies, and it exchanges with libraries and documentation centres in Italy and beyond.

ISMU organises conferences and seminars on migration and produces a wide-range of publications. It has its own Documentation Centre (CeDoc) – which, over the years, has built a comprehensive collection of volumes, periodicals and audio-visual material to contribute to the sharing of information on migration.

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