



EUROPEAN SOCIAL POLICY NETWORK (ESPN)

National monitoring frameworks for public social spending

Italy

Matteo Jessoula, Emmanuele Pavolini, Michele Raitano
and Marcello Natili



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Directorate-General for Employment, Social Affairs and Inclusion
Directorate D — Social Rights and Inclusion
Unit D.2 — Social Protection

Contact: Flaviana Teodosiu

E-mail: flaviana.teodosiu@ec.europa.eu

European Commission
B-1049 Brussels

European Social Policy Network (ESPN)

**ESPN Thematic Report on
National monitoring frameworks
for public social spending**

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The ESPN brings together into a single network the work that used to be carried out by the European Network of Independent Experts on Social Inclusion, the Network for the Analytical Support on the Socio-Economic Impact of Social Protection Reforms (ASISP) and the MISSOC (Mutual Information Systems on Social Protection) secretariat.

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Summary

Italy has no single, all-encompassing framework for monitoring levels and trends in relation to public social spending, apart from obligations related to the Classification of the Functions of Government (COFOG) and the European System of integrated Social Protection Statistics (ESSPROS). This report shows, however, that several public bodies conduct different monitoring activities, including the National Statistical Institute (ISTAT), the National Social Insurance Institute (INPS), the General Accounting Office within the Ministry of Economy and Finance (RGS), the Parliament Budgetary Office (UPB), the Court of Auditors, and the Ministry of Health.

ISTAT and INPS are the two institutes most substantially involved in regular monitoring of social protection spending. ISTAT has two main monitoring frameworks: the Social Protection Accounts framework, which monitors total social protection expenditure as well as its main components (health, social insurance, and social assistance); and the Healthcare Accounts System, which provides detailed information on healthcare expenditure. The INPS statistical observatories provide detailed data about expenditure (and beneficiaries) for some components of the social protection system: primarily pensions and expenditure on the main long-term care (LTC) cash transfer, companion's allowance (CA). Importantly, data from these monitoring frameworks are publicly available on online platforms and regularly updated, often more than once per year. In addition to online databases, several monitoring exercises – by ISTAT (on retirees' life conditions), INPS (Annual Budget, Annual Report, and Annual Social Budget) and the RGS (on medium- and long-term trends in the pension and healthcare systems; and on healthcare expenditure) – feed into regularly issued online publications providing information on past and current pensions (ISTAT and RGS), healthcare and LTC expenditure, projections of medium- and long-term expenditure trends (RGS), and expenditure on the various welfare benefits provided by INPS (pensions, unemployment benefits and short-term work allowances, family benefits, and minimum-income schemes). Expenditure levels and trends are typically reported in nominal terms, sometimes also as shares of GDP, year-on-year variations, and variations as shares of GDP. Some national monitoring exercises make a distinction between current expenditure and capital expenditure – the ISTAT Public Administration Accounts and Statistical Yearbook; the INPS Annual Budget and Annual Social Budget reports; and the UPB Planning Report and Budget Policy Report. Only a few monitoring frameworks break down expenditure by specific population groups – typically gender, household type, territorial area, age bracket, and sector of employment – among which are the ISTAT report on retirees' life conditions, the INPS statistical observatories, and the RGS report on medium- and long-term trends in the pension and healthcare systems.

Overall, monitoring activities are comprehensive, but fragmented across several institutions analysing social protection expenditure from different angles and applying different methodologies. In most cases, spending levels are not reported in accordance with the COFOG/ESSPROS categories: rather, they reflect either the mandate of the institution concerned or some traditional national distinctions between different branches of social protection – most typically the differentiation between health, social insurance, and social assistance. Such broad monitoring of social protection spending (and beneficiaries in many cases), including the *ex ante* monitoring (by both INPS and RGS) of the expected costs of bills/acts in the field of social protection, constitutes the main strength of the system. By contrast, the main weakness concerns the limited evidence of robust reporting frameworks aimed at assessing the effectiveness of social protection expenditure. Where this occurs, the following outcomes are typically monitored: the share of working-age people not participating to the labour market; and the ratio between the employment rates of women with and without children aged 0-5.

Finally, given the traditionally modest role of private welfare providers in Italy, monitoring of such schemes is limited to the Supervisory Authority on Pension Funds (COVIP), which covers supplementary funded pensions – but which reports neither expenditure data nor outcomes. In light of the significant expansion of the private healthcare (and to some extent, pension) sector in the last two decades, more effective monitoring of supplementary pillars is needed.

1 Country-specific monitoring frameworks for public social spending

1.1 Country-specific dedicated monitoring framework(s)

Italy has no single, comprehensive framework to monitor public social spending outside of COFOG/ESSPROS obligations. However, several public bodies carry out monitoring exercises on a more or less regular basis (depending on the specific monitoring activity). The following institutions perform monitoring activities: ISTAT, INPS, the RGS (*Ragioneria Generale dello Stato*), the UPB, the Court of Auditors (*Corte dei Conti*), and the Ministry of Health.

ISTAT's main monitoring framework is the Social Protection Accounts (*Conti della protezione sociale*). It monitors total social protection expenditure and its main components: i) health; ii) social insurance (*previdenza*) – typically expenditure on social insurance and contributory benefits; and iii) social assistance (*assistenza*) – typically expenditure on social assistance means-tested benefits. Within the latter two categories, expenditure is then broken down by ESSPROS functions: sickness/healthcare; disability; old age; survivors; unemployment; family; housing; and social exclusion. Within this framework, expenditure on both cash benefits and benefits in kind is included and separately reported.

Within the data collected by ISTAT on social protection there is a specific section with further and more specific information on healthcare – the Healthcare Accounts System (*Sistema dei Conti della Sanità*) – than the ones provided in the Social Protection Accounts. In particular, the Healthcare Accounts System provides information on healthcare expenditure.

ISTAT has a Public Administration Accounts system (*Conti ed aggregati economici delle pubbliche amministrazioni*), in which information is reported on expenditure related to all the main public administration functions, including healthcare and all other social protection fields.

Another, relatively circumscribed, monitoring exercise by ISTAT consists of a report on retirees' life conditions (*condizioni di vita dei pensionati*).

The ISTAT Statistical Yearbook also contains information regarding the expenditure (and revenue) of public social insurance institutions and funds, with a focus on pension expenditure.

Finally, ISTAT collects information on welfare policies managed at the local level (see Section 1.8). Through an online platform managed by the Ministry of Labour and Welfare, ISTAT collects information about total expenditure and number of beneficiaries of social services managed by municipalities (individually or in associations¹) and by regions.

INPS is the national institute that collects social contributions and provides almost all monetary welfare benefits in the fields of old age and survivors, disability (apart from those related to work injuries), sickness, maternity and paternity, family, and poverty / minimum-income schemes. INPS also manages several monitoring frameworks. However, it should be noted that INPS statistics refer to the various benefits provided by the Italian welfare system (e.g. the various types of unemployment benefits, old-age and early-retirement pensions, and the various anti-poverty schemes), and the data therefore do not strictly rely on the ESSPROS classification. Among the various monitoring frameworks managed by INPS, the most relevant are the following.

¹ In Italy, two or more (usually small) municipalities may decide to 'associate' in order to jointly perform functions or provide services of municipal competence (see Decree Law No 267 of August 2000).

The INPS Annual Budget includes detailed information on the beneficiaries, revenue and expenditure of the several funds managing different welfare benefits.

The Annual Social Budget (*Rendiconto Sociale*) reports figures for beneficiaries and expenditure in the various fields of the social protection system managed by INPS.

INPS Annual Reports (*Rapporto Annuale*) include the main figures for revenue and spending related to unemployment benefits, pensions, and the main welfare schemes, as well as further ad hoc analyses of some components of the social protection system which have been affected by major reforms in that year.

Statistical observatories (*osservatori statistici*) are a set of online databases where detailed data about beneficiaries and spending in relation to some components of the social protection system are reported and updated on a regular basis. Statistical observatories collect information on, for example: annual flows and stocks of pensioners; pension spending; beneficiaries of unemployment and family benefits; recipients of the social allowance (i.e. social pension); and the citizenship income (the ordinary Italian minimum-income scheme).

Among statistical observatory databases, the current pensions observatory (on provision for individuals with severe invalidity) contains information on expenditure for the main Italian social transfer programme for LTC – CA (*indennità di accompagnamento*).

The **RGS** carries out two main monitoring exercises. The first results in a yearly publication on medium- and long-term trends in the pension and healthcare systems (*le tendenze di medio-lungo periodo del sistema pensionistico e socio sanitario*²). This report covers three main social policy fields: pensions, healthcare, and LTC. Within this framework, expenditure on both cash benefits and benefits in kind are included: with regard to LTC, expenditure on CA and on healthcare services for people with disabilities are reported separately. The second monitoring exercise is the Healthcare Expenditure Monitoring report (*Il monitoraggio della spesa sanitaria*), which contains information on current healthcare expenditure.

The **UPB** publishes bi-annual reports that set out an assessment of both the government's macro-economic and public finance forecasts and their compliance with European and national budget rules. In the spring, when Italy's Stability Programme is published, it produces the Budget Planning Report. In the autumn, during the debate over the Budget Law, it publishes its Budget Policy Report. Both documents, in addition to a medium-/long-term forecast of the sustainability of Italy's finances, provide specific expenditure forecasts dedicated to the measures adopted in the Budget Law – including all new social policy measures.

The **Court of Auditors** has several tasks in relation to public social spending. Two are the most relevant ones: an *ex ante* "legitimacy check", which is an evaluation of the financial provisions of legislative proposals that deal with public expenditure, to determine whether they are sufficient and appropriate; and an *ex post* evaluation of the state of public social spending. Within public social spending the Court focuses on social insurance, healthcare, and social assistance. The two main publications of the Court are the Quarterly Reports (*Rapporti Quadrimestrali*), which include the results of the *ex ante* evaluation, and the Report on Public Finance Co-ordination (*Rapporto sul coordinamento della finanza pubblica*).

The **Ministry of Health** collects its own data on healthcare expenditure, which are then shared with ISTAT. There is a unit within the ministry in charge of NHS planning, funding, and monitoring (*piani, finanziamenti e monitoraggio del SSN*).

² https://www.rgs.mef.gov.it/VERSIONE-I/attivita_istituzionali/monitoraggio/spesa_pensionistica/index.html

1.2 Separate monitoring framework(s) linked to schemes provided by employers

The monitoring frameworks listed above do not encompass collectively agreed employment-related social insurance schemes. However, **COVIP**³ monitors the activity of all types of supplementary pension schemes – including both second-pillar occupational and third-pillar individual pension funds (see Jessoula 2011, 2018 for details). Two main monitoring exercises – *not* including expenditure, however – are carried out⁴:

- a. an Annual Report (*Relazione Annuale*)⁵, generally published in May every year, which includes data on supplementary pensions (main data also available in English since 2015); and
- b. a quarterly publication with the main statistical data on supplementary pensions (*previdenza complementare – principali dati statistici*)⁶.

1.3 Distinction between current expenditure and capital expenditure

Only some national monitoring exercises make a distinction between current expenditure and capital expenditure.

Among these, the ISTAT Public Administration Accounts provide information on total expenditure on healthcare and in all other social protection fields, distinguishing between current expenditure and capital expenditure.

The ISTAT Statistical Yearbook reports the social expenditure of public social insurance institutions by distinguishing between expenditure on benefits, personnel salaries, and purchases of goods and services.

The INPS Annual Budget and Social Budget Reports provide information distinguishing current and capital revenue, and current and capital expenditure.

The UPB Planning Report and Budget Policy Report distinguish between current and capital expenditure.

1.4 Type of monitoring: level and outcomes

Only the level of spending is monitored in the ISTAT Social Protection Accounts, Healthcare Accounts System, Public Administration Accounts, and Statistical Yearbook.

The ISTAT report on retirees' life conditions monitors pension spending levels and pensioners' incomes (both pensions and total income), and also assesses the relationship between the presence of pensioners in households and the risk of poverty.

The INPS monitoring frameworks only report information on spending and beneficiaries, and no analyses of the link between spending and social outcomes are carried out on a regular basis. Nevertheless, the Annual Report includes ad hoc studies focusing on some social outcomes, in some cases also investigating the link between the characteristics of some components of the social protection system and major social outcomes (e.g. the 2021 report included the effect of short-term work allowances on the fall in the Gini index of annual earnings during the pandemic peak; and the 2020 report estimated the redistributive effect of some emergency measures introduced during the pandemic).

³ <https://www.covip.it/>

⁴ The main items included in the monitoring concern the number of members of the various types of pension funds, asset accumulation, portfolio composition, the annual mean rate of return, and administrative costs characterising the different types of pension funds.

⁵ <https://www.covip.it/la-covip-e-la-sua-attivita/pubblicazioni-statistiche/relazioni-annuali>

⁶ <https://www.covip.it/search/node/La%20previdenza%20complementare.%20Principali%20dati%20statistici>

The data on the LTC-CA programme taken from the INPS current pensions observatory report only the level of spending and the number of beneficiaries.

The latest RGS report on medium- and long-term trends in the pension and healthcare systems monitors spending levels for the period 2000-2021, and elaborates projections of public expenditure in the three fields covered (pensions, healthcare, and LTC) under different scenarios, for the period 2021-2070. It also includes projections of theoretical pension replacement rates and provides some information concerning policy outputs (not outcomes), such as the ratio of pensions to pensioners, the ratio of pensioners to the population aged 70+, the average pension/employee productivity ratio, and average pension/GDP per employee ratio.

The UPB Budget Policy Report is divided into two sections. The first focuses on public finances, and also monitors the level of social spending. Moreover, it briefly analyses changes in overall social expenditure due to the introduction of new measures in the Budget Law. The ultimate aim of this analysis is to keep budgetary policy under control and to monitor its sustainability in the short and in the medium term, with explicit reference to European stability rules. The second part of the report is dedicated to the policy changes included in that year's Budget Law. It provides detailed estimates of the evolution of social spending, and of the number of beneficiaries due to these changes in the short term under different scenarios. Generally, these in-depth analyses do not include information regarding social outcomes, although in some specific cases they have included analysis of the redistributive effect of specific measures or estimates of their ability to reduce poverty (see Section 2).

The Court of Auditors provides not just data on public expenditure but also a general assessment of the efficiency of expenditure, and some basic information designed to help monitor social outcomes.

The Ministry of Health provides not just data on public expenditure but also a general assessment of both the efficiency and the effectiveness of expenditure, and some basic information designed to help monitor social outcomes (e.g. outputs, and level of coverage and adequacy of provision at the regional level).

1.5 Level of granularity of public social spending

In the ISTAT Social Protection Accounts, expenditure levels are presented year by year, in nominal terms.

The ISTAT Healthcare Accounts System provides information on a yearly basis on healthcare expenditure in nominal terms, by source of funding (social insurance, taxation, voluntary private insurance, non-profit organisations, companies, and households), by function (acute hospital care, non-acute hospital care, LTC, home care, territorial and healthcare specialists' care outside hospitals, public health, drugs and pharmaceuticals, and health equipment), and by type of provider (hospitals, residential care facilities, and ambulatory facilities).

The ISTAT Public Administration Accounts report information on healthcare by function year by year, in nominal terms.

The ISTAT report on retirees' life conditions presents pension expenditure in nominal terms and as a percentage of GDP, spending levels and pensioners' incomes (both pensions and total income), and assesses the relationship between the presence of pensioners in households and the risk of poverty.

The ISTAT Statistical Yearbook reports expenditure in nominal terms, year by year. Pension expenditure is reported in nominal terms, as year-on-year variations, as a percentage of GDP, and as variations as a percentage of GDP (percentage points).

The INPS monitoring frameworks, including the statistical observatories, present data with a high level of granularity, since information is distinguished by social protection sector (i.e. pensions, unemployment benefits and short-term work allowances, family benefits,

and minimum-income schemes), as well as providing breakdowns by the various measures within each sector (e.g. old-age and early-retirement pensions, disability and survivor's pensions, and the various types of social assistance benefits). Usually, data on social spending report nominal numbers and year-on-year growth rates in nominal terms. Mean per capita benefits are also often reported. Furthermore, the INPS current pensions observatory provides constantly updated data (there is currently information on 2021).

The RGS report on medium- and long-term trends in the pension and healthcare systems includes spending levels as a percentage of GDP, as well as per capita (healthcare). The analysis also monitors percentage yearly expenditure variations, yearly variations of expenditure relative to GDP (percentage points), and the percentage of pension expenditure consisting of spending on cash benefits.

In addition, the UPB reports present expenditure levels on an annual basis in nominal terms. Social policy expenditure is disaggregated at the policy level (i.e. providing data regarding the specific policies). No systematic information regarding growth rates in either real or nominal terms is given.

The Court of Auditors data are reported by function year by year, in nominal terms.

The Ministry of Health data are collected by function, by type of provider (public, or private), and by region.

1.6 Breakdown of public social spending

Only a few monitoring frameworks break down expenditure by specific population groups and the demographic characteristics of these groups.

The ISTAT report on retirees' life conditions breaks down pension expenditure by types of pensions (old age/survivors/invalidity vs social assistance pensions) and by gender of beneficiaries.

Figures collected in the INPS monitoring frameworks often present data and tables broken down by population groups. In particular, the online statistical observatories present data on spending, and on the number of beneficiaries and the mean benefit, distinguishing beneficiaries by their main characteristics (e.g. gender, age, class, and occupation). All figures are broken down by broad geographical areas (North West, North East, Centre, South and Islands) and in most cases by regions and provinces. Databases concerning short-term work allowances (whose main outcome is the number of authorised hours of short-term work allowances in a given month) report data broken down by worker categories, qualifications (white- and blue-collar) and sectors of activity. Observatories on family benefits and parental leave report data broken down by gender, number of minors in households, and contractual arrangements (e.g. distinguishing employees in the private sector, agricultural and domestic workers, para-subordinate workers, and self-employed people). Databases on pensions, unemployment benefits, and the CA present data broken down by gender, benefit level (grouped in various income classes), and age bracket. Observatories on minimum-income schemes break down figures by household size, as well as the presence of minors or disabled people in households. The observatory on ISEE⁷ applications reports the number of individuals and households making applications, distinguished by the value of the ISEE (in classes), the number of household members, and tenure status.

The RGS report on medium- and long-term trends in the pension and healthcare systems breaks down spending levels by some population groups. In particular, pension expenditure is broken down by gender, type of pension (direct vs indirect pensions) and type of worker (private sector employees, public sector employees, and self-employed people). As for healthcare, per capita expenditure is broken down by type of expenditure – acute care, acute care pharmaceutical, acute care hospital assistance, acute care

⁷ ISEE is the Indicator of Equivalised Economic Situation, needed to apply for most means-tested transfers.

specialised assistance – as well as by gender and age of the beneficiary for each of the four categories. Concerning LTC, expenditure is broken down by type of care (cash benefits/services, residential/home) and then by gender and age of the beneficiary.

1.7 Timing and public accessibility of data

All ISTAT data are public and easily accessible through an online database⁸. They are updated twice per year, in April and October: the figures for the previous year are already available in April.

The ISTAT report on retirees' life conditions is published annually and made publicly available on the ISTAT website⁹. There is a substantial time lag between publication and the period covered by the data (e.g. the report issued in 2021 included data for 2018-2019).

The ISTAT statistical yearbook is easily available on ISTAT website¹⁰.

INPS annual reports are public and easily accessible on the INPS website (through pdf documents and Excel files, with figures and tables that are also available in most cases). Furthermore, all statistical observatories are easily accessible through an online platform¹¹. In addition, pdf documents summarising the main tables and figures are also available online. Each observatory has its predefined update schedule and most observatories are updated on a monthly basis at a certain date¹².

The Court of Auditors publishes Quarterly Reports and an annual Report on Public Finance Co-ordination. The Quarterly Reports are usually more timely than the requirements regarding COFOG and ESSPROS, whereas the Report on Public Finance Co-ordination follows a similar timing to that for COFOG and ESSPROS.

The RGS report on medium- and long-term trends in the pension and healthcare systems is published in July/August every year and publicly available on its website¹³.

The reports published by the UPB are published twice a year – in spring and in autumn – and they are easily accessible through the website¹⁴.

The Ministry of Health makes data available every year.

1.8 Sub-national frameworks

ISTAT collects information on a yearly basis on welfare policies managed at the local level (i.e. on total expenditure of social services managed by municipalities, individually or in associations) and by regions, and on the number of beneficiaries. Data are collected each year between July and October through an online platform managed by the Ministry of Labour and Welfare, and they are made public and easily accessible through an online database. The Municipalities' Spending on Social Services report disaggregates data on sub-national social expenditure by government level (macro-areas, regions, and municipality), by type of expenditure (in-kind vs cash benefits), and by function (family and children, poverty and social exclusion, disability, old age and LTC, migration, and housing). Moreover, this report provides information regarding the evolution of local expenditure (year-on-year growth rates in nominal terms).

⁸ <http://dati.istat.it/Index.aspx>

⁹ <https://www.istat.it/it/archivio/pensioni+e+pensionati>

¹⁰ <https://www.istat.it/it/archivio/annuario+statistico+italiano>

¹¹ <https://www.inps.it/dati-ricerche-e-bilanci/osservatori-statistici-e-altre-statistiche>

¹² The calendar of dates when the various observatories are updated is available at: <https://www.inps.it/dati-ricerche-e-bilanci/osservatori-statistici-e-altre-statistiche/calendario-osservatori-statistici>.

¹³ https://www.rgs.mef.gov.it/VERSIONE-I/attivita_istituzionali/monitoraggio/spesa_pensionistica/index.html

¹⁴ <https://www.upbilancio.it/rapporti/>

Accordingly, the ISTAT Statistical Yearbook also contains information regarding social protection expenditure at the sub-national level. In particular, per capita expenditure on social services provided by municipalities is presented. In addition, some output indicators are reported, such as the number of hospital (acute and non-acute) beds available at the regional level, and the total number of individuals in residential care.

2 Reporting/review tools for public social spending

In Italy there is no all-encompassing framework aimed at monitoring the effectiveness of public social expenditure.

However, the cost of reform bills/acts in the field of social protection is subject to *ex ante* monitoring by both INPS and the RGS. These institutions also employ micro-simulation models in order to estimate the redistributive effects of proposed social protection reforms, but these models and related results are not publicly available¹⁵. The projections included in the RGS report on medium- to long-term trends in the pension and healthcare systems are most often taken into consideration when interventions in the field of pensions are planned and designed.

Moreover, several monitoring exercises by diverse public bodies may report on the main social outcomes.

ISTAT publishes an annual report on the situation of the country. Although it focuses each year on different social and economic aspects, this report generally provides information on social conditions and includes data concerning social objectives – such as reducing poverty – and labour market conditions (e.g. activity rates, job insecurity among young people, and human capital and the training system). In 2016, one of the five chapters of the report was dedicated to the social protection system and generational challenges, providing information regarding: the effectiveness of the Italian welfare state in reducing poverty and inequality by looking at the at-risk-of-poverty rate before and after social transfers, including differentiating between different age groups; the peculiar distribution of social expenditure among functions in Italy in a comparative perspective (i.e. the unbalanced allocation of resources between the various welfare sectors, favouring pensions compared with social assistance and family policies; and the comparatively low expenditure on in-kind services, in particular for households with children) – see also Natili and Jessoula (2018); the inter-generational transmission of disadvantage in Italy; and child poverty in Italy and in a comparative perspective. Since 2015, this has been the only report with a specific focus on the effectiveness of the Italian welfare state, although, as mentioned, the report frequently outlines the social and labour market conditions of the Italian population.

The ISTAT report on retirees' life conditions includes figures on pensioners' incomes (both pensions and total income), broken down by the number of retirees by gender, household type, and territorial area (North, South, and Centre); it also provides data and information on working pensioners, and assesses the relationship between the presence of pensioners in households and the risk of poverty.

As mentioned in Section 1, INPS provides many figures on social protection spending distinguishing between the various fields of such spending (i.e. old-age, disability, and survivors' benefits; family allowances; unemployment benefits; and minimum-income schemes); but it does not carry out either regular or ad hoc analysis of the effectiveness of social protection spending on social objectives.

Italy was one of the first EU Member States to introduce an analysis of trends in some social outcomes in the annual budgetary process. Indeed, since 2017 (Law No 163/2016) the Economic and Finance Document (*Documento di Economia e Finanza*) has had to

¹⁵ For instance, the Ministry of Economy and Finance has recently developed a dynamic microsimulation module to analyse long-term distributive effects of pension reforms; http://www.dt.mef.gov.it/en/attivita_istituzionali/analisi_programmazione_economico_finanziaria/attivita_ricerca/progetti_europei/mospi.html.

include an annex in which are reported¹⁶ the trends in major variables included in the multidimensional concept of fair and sustainable well-being (*benessere equo e sostenibile* – BES) proposed by ISTAT, thus providing estimates for these trends for the four-year period covered by the budgetary cycle. Furthermore, the annex also includes a qualitative assessment of the expected impact on BES components of some measures included in the Budget Law. In more detail, the annex has to report estimates on expected trends in the following 12 indicators of BES: i) per capita gross disposable income; ii) disposable income inequality (captured by the S80/S20 ratio); iii) the absolute poverty headcount; iv) healthy life expectancy at birth; v) excess weight; vi) school drop-out rates; vii) the share of working-age people not participating to the labour market; viii) the ratio between the employment rates of women with and without children aged 0-5; ix) the number of robberies and thefts; x) the duration of civil judicial proceedings; xi) CO2 emissions; and xii) the extent of illegal building.

Also note that the Italian government has in recent years carried out a spending review exercise in order to monitor trends in public spending and tax expenditure¹⁷. However, this exercise has mostly focused on items of public spending other than social protection spending (e.g. trends in ministries' expenditure) since, as noted in previous sections, social protection spending is already monitored in detail by several public authorities in Italy.

In the field of healthcare, the Ministry of Health adopts three main tools to monitor public interventions.

First, since the late 1990s the ministry has increasingly used the information contained in hospital discharge records (*schede di dimissioni ospedaliere*) to calculate a long set of indicators. These indicators are published annually in a report that can be downloaded easily from the ministry's website¹⁸. Data are available at the national and regional level, and the time series goes back to 1998. As previously stated, the information available has increased over time. Indicators refer to: healthcare outputs (by function, type of treatment and disease, length of stay, and acute vs non-acute care); efficiency (however, efficiency is not measured in relation to expenditure, but in relation to human and structural – e.g. hospital beds – resources and outputs in terms of services provided); efficacy and appropriateness of care provided; and inter-regional healthcare migration. Economic data are used mainly to compare the costs of providing each specific type of healthcare (e.g. a caesarean section) between regions, using usually diagnosis related groups (data are also standardised by age and gender in order to compare costs across regions in a very accurate way).

Second, the ministry has a system for monitoring the provision of essential healthcare services (*sistema di garanzia di monitoraggio dei livelli essenziali di assistenza*)¹⁹, which currently includes 33 indicators (with benchmarks) on public health provision, territorial and domiciliary care, and hospital care. The data are available for each region.

Finally, the Ministry of Health and the Ministry of Finance have a joint monitoring programme in order to supervise the regions with structural economic and organisational problems that are under a Recovery Plan (*Piano di Rientro*)²⁰. This monitoring programme assesses the improvement of the regions in several respects: regional healthcare deficit/surplus; outputs; efficiency; efficacy and appropriateness; and the 33 indicators of the system for monitoring the provision of essential healthcare services.

¹⁶ Information on BES characteristics are available at <https://www.istat.it/en/well-being-and-sustainability>.

¹⁷ See <http://revisionedellaspesa.gov.it/>.

¹⁸

https://www.salute.gov.it/portale/temi/p2_6.jsp?lingua=italiano&id=1237&area=ricoveriOspedaliere&menu=vuoto

¹⁹

<https://www.salute.gov.it/portale/lea/dettaglioContenutiLea.jsp?lingua=italiano&id=4744&area=Lea&menu=monitoraggioLea>

²⁰ <https://www.salute.gov.it/portale/pianiRientro/homePianiRientro.jsp>

Furthermore, in the annual RGS Healthcare Expenditure Monitoring report on healthcare expenditure and NHS functioning, information is provided not just on expenditure, but also on the implementation of various policies (e.g. digitalisation, and regional healthcare recovery plans) and an evaluation of the efficiency of healthcare expenditure.

As mentioned in Section 1, the UPB Budget Policy Report does not generally present detailed information on social outcomes, although in some specific cases it has included analyses of the redistributive effects of specific measures or estimates of their ability to reduce poverty. As an example, in 2018, when the inclusion income was introduced (Jessoula *et al.* 2018), a specific analysis of its effectiveness in reducing poverty, disaggregated by age groups, working conditions, and tenure status, was included in the report. However, when in 2019 the new anti-poverty measure called citizenship income (Jessoula *et al.* 2019) was introduced, no analysis of its redistributive consequences was carried out.

Finally, the Municipalities' Spending on Social Services report assesses the evolution of local expenditure on social services in a comparative perspective, and also monitors the evolution of the distribution of expenditure between different functions (disability, poverty, immigration, etc.). Nevertheless, no systematic reviews of the effectiveness of social spending at the sub-national level, assessing the ability to meet social objectives, are carried out in this report.

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