

## Summary for the press

Istat presents the fifth edition of the Report on Equitable and Sustainable Well-being (Bes). The Report offers an analysis of well-being in its various dimensions, paying particular attention to territorial aspects and to the inclusion of a subset of well-being indicators in the budget documents<sup>1</sup>. The 129 Bes indicators, are structured as usual in 12 domains: Health; Education and training; Work and life balance; Economic well-being; Social relations; Politics and institutions; Safety; Subjective well-being; Landscape and cultural heritage; Environment; Innovation, research and creativity (previously called Research and innovation); Quality of services.

In this edition, besides the expansion of composite indexes for all the 12 domains considered, a thorough review of the set of indicators was carried out, revisiting in particular the domains related to Landscape and cultural heritage, Environment, Innovation, Research and creativity, Quality of services. Together with the 2017 edition of the Bes Report, Istat updates and expands the set of indicators on sustainable development (SDGs), which is part of a wider list approved by the United Nations Assembly within the Agenda 2030.

### The summary framework

In 2016 Italy definitively exit from a deep and prolonged crisis that changed the productive structure, individual behavior, public policies of the Country. The improvement, registered in many areas of the socio-economic context, has had wide repercussions on different aspects of well-being. However, its diffusion did not uniformly affect all population groups and all territories.

The positive evolution of well-being in the recent period is supported by three elements: the continuation of the positive trend in some domains, such as education and training, characterized by constant improvement in some indicators such as the percentage of people having completed tertiary education (aged 30-34 years); the progress of the indicators more linked to the dynamics of the economic cycle, such as the employment rate or disposable income; the return of positive signs, after a few years, for some important aspects of well-being, such as the quality of work and life satisfaction.

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<sup>1</sup> In November 2017, the Official Journal published the decree defining the 12 indicators that will be included in the policy cycle starting from the next Economic and Financial Document (see List of indicators at the end of this document).

The trend of composite indices<sup>2</sup> allows to synthesize the evolution of the different dimensions of well-being. Considering the three-year period 2014-2016, four groups of domains are identified: those which have progressively improved in the period considered; those which have improved, even if with some discontinuity; those which have recovered and those which have worsened in the last year.

In the three-year period 2014-2016 the domains Education and training, Employment, Politics and institutions, Safety (homicides and predatory crimes) show constant improvement.

Among the domains that showed discontinuity in the positive trend it is possible to distinguish two groups. The first - including Health, Environment, Innovation, research and creativity - for which the trend has been characterized by specific circumstances that explain its discontinuity. The second group - referred to Economic well-being (with reference to the composite index on Minimum living conditions) and subjective well-being - for which, after having reached the lowest level in the two-year period 2013-2014, there was a significant increase in the last year.

Regarding the domains which have recovered, in 2016 the composite indexes of Landscape and cultural heritage and of Quality of work are both improving after the negative trend registered in the previous years.

A deterioration is recorded for three domains: Social relations, Quality of services and Income and inequality. For the latter, despite the significant growth in household disposable income and in their power of purchase, the composite index deteriorates due to the increase in inequalities.

At the territorial level, the presence of structural gaps between the North and the South was also confirmed in the last year, with the Center closer to the North than the South in several domains.

## Health

### **Life expectancy is once more increasing, some positive signs on lifestyles**

In 2016 life expectancy at birth in Italy, equal to 82.8 years, completely recovers the decline registered in 2015 (recorded in conjunction with the peak of mortality in many European countries) and increased by over one year comparing to 2010 (+1.3 for men, +0.7 for women). Italy is among the longest-lived countries in Europe, preceded only by Spain.

Even at old ages Italians have a life expectancy well above the European average but the picture changes if we consider the quality of survival: the disadvantage for Italians in the life expectancy at 65 years without limitations is equal to 1.6 years for men and rises to 1.9 for women.

The main mortality indicators show a positive trend overall; in particular infant mortality, which summarizes the ability of the health system to protect maternal and newborn health, falls in 2014 below 3 per 1,000 live births. Mortality for malignant tumors also - the main cause of

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<sup>2</sup> In the appendix (table A2), for each composite index we report the details of the elementary indicators considered in the calculation.

death among adults - is further reduced in line with medical progress in this field (9 deaths per 10 thousand residents).

The mortality rate for road accidents among young people aged 15 - 34 is stable in 2016, after the constant improvement recorded up to 2013 (0.7 for 10 thousand, with a clear prevalence among men).

The lifestyles indicators in 2016 show limited improvements with an increase in the consumption of fruit and vegetables (19.8% of the population consumes at least 4 servings a day). At the same time the proportion of sedentary population decreases (39.4%). On the other hand, the diffusion of some risk behaviors (connected to the onset of pathologies in the medium / long term) such as alcohol consumption, smoking and excess body weight. For this last indicator, particularly relevant when the phenomenon starts at early ages, it is estimated that 25% of children and young people between 6 and 17 years of age is obese or overweight (2015-2016 average), a percentage that rises to 35% if both parents are obese or overweight.

## **Education and training**

### **Growing participation in formal and non-formal education**

Participation in formal and non-formal education is growing in 2016, reducing, at least partially, the gap accumulated in previous decades comparing to other European countries.

The proportion of young people (aged 18-24 years) leaving education and training without a qualification or a diploma (13.8%) is also declining in 2016, following a steady decline in the last 8 years. The proportion of people aged 30-34 years having completed tertiary education is also increasing (over 26% in 2016). In both cases national targets for Europe 2020 (respectively 16% and 25/26%) are met, however Italy remains far below the EU average. Adult participation in continuous training also improved (8.3% of the population aged 25-64); the incentives for training activities related to the digitization envisaged in the "National Plan for Industry 4.0" will possibly bring further improvements in the coming years, bringing Italy closer to the EU average (10.8%).

Despite the initiatives promoted to support the inclusion of foreigners in the school system, the students born abroad face greater difficulties in the training path: young immigrants who leave early the studies are 30% (compared to 11.8% of Italian natives) and graduates are 13.4% compared to 29.5% of 30-34 year-olds born in Italy.

From the point of view of skills, the results of the evaluation carried out by OECD (PISA) show that in 2015 Italians aged 15 are below the average of participating countries in the comprehension of texts while in the mathematical field, for the first time, the score of Italian students is equivalent to the OECD average.

At a territorial level, the analysis of functional skills conducted by INVALSI highlights the permanence of notable differences: the distance between North and South is almost 17 points in alphabetic skills and 27 points in numerical skills (average Italy = 200 points).

## **Work and life balance**

### **Improvements in the labor market, significant gender differences**

In 2016 continues the positive trend for the Italian labor market, both with regard to the employment rate (61.6%) and the non-participation rate (21.6%) but the distance with the European average has not decreased.

Some indicators of quality of work show improvements, especially with reference to the incidence of workers with low pay (-0.3 percentage points), of people who remain in non-standard jobs (+2.9 points of employment in standard jobs) and subjective aspects, related to insecurity for own job (-1.2 percentage points in the proportion of employees who are afraid of losing their jobs or of not being able to easily find a similar one). Also there proportion of those who consider themselves very satisfied with their work remains stable between 2015 and 2016, at a higher level than that observed in 2014; the strengths and weaknesses are closely related to the type of job and to the working hours.

Diversified trends are recorded in the evolution of gender differences: the gap between men and women is reducing for the permanence in non-standard jobs and the low pay while it is expanding for the share of over-qualified employees. Constant, but further diverging from the EU average, the share of employed in involuntary part-time, which is just under 12% and remains particularly high among women (19.1% against 6.5% for men).

For the female component, signs of difficulty come also from the ratio of employment rate of women with young children and that of women without children who, after five years of increase, returns to decline (from 78% to 76%), due to the reduction in the rate for the former and an increase for the latter.

All quality indicators show wider improvements for foreigners than for Italian citizens, reducing a gap that is still very broad.

## **Economic well-being**

### **Growing income and inequalities, the conditions of new generations are getting worse**

In 2016 the disposable income of consumer households continues its positive trend (+1.6% compared to the year previous one); the average disposable pro capita income is equal to 18.191 euro.

According to data from national accounts, the growth of income in 2016 confirms the positive trend already observed in 2015. The availability of data on the distribution of income in 2015 allows to see a steeper increase for the richest fifth of the population, driven by the growth in the high range of income from self-employment, which recorded large declines in previous years. Consequently inequalities increased: the ratio between the income held in 2015 by the 20% of the population with in the highest income to the 20% with the lowest went up to 6.3, comparing to 5.8 recorded in 2014.

The number of people in difficult conditions remains high: in 2016 the incidence of absolute poverty, more than doubled during the crisis, remained high (7.9%) and has further increased among people under 18 (12.5%, corresponding to 1 million 292 thousand) while the elderly are confirmed as the least fragile group (3.8%). The incidence of absolute poverty reaches the maximum value among foreigners (both in mixed families and in families of foreigners only) which are absolutely poor in one third of the cases (against less than 1 in 20 among Italians).

## **Social relationships**

### **Satisfaction with family and friends relations and political participation are decreasing**

In 2016 the social fabric of Italian society shows critical issues, with decreasing satisfaction for relationships with family (from 34.6% to 33.2%) and with friends (from 24.8% to 23.6%). Trust in others remains fairly low: only one in five people believe that most people are trustworthy.

Civic and political participation also decreased significantly, reaching 63.1% (-3.3 percentage points compared to 2015). In decline also the percentage of people who talk about politics (from 41.3% to 36.7% of the population aged 14 and over) or who get informed on politic matters at least once a week (from 62.2% to 58,2%). The decline is generalized, although more intense in the central age groups. Most frequent reason for not getting informed is the lack of interest (in 61.8% of cases) followed by the lack of confidence in Italian politics (30.4%).

Other things being equal, civic and political participation is much less common among people with a low level of education, among workers, among people who do not have the habit of reading newspapers or books, among residents in the South and in small size municipalities.

## **Politics and institutions**

### **Strong dissatisfaction with institutions; more women in decisional positions**

Indicators exploring the relationship between governance and well-being show a widespread dissatisfaction with institutions. The voter turnout has steadily declined over the last few years and confidence in the Parliament, the justice system and political parties remains poor, albeit slightly improving.

In 2016, only 25.1% of people voted at least 6 over 10 for the Parliament (with an increase of 3 points compared to 2014), 12.8% for political parties (2 points more than in 2014) and 36.8% for the judicial system (without changes compared to 2014). The distance between citizens and these institutions is grasped in the share of those who give a zero vote: for political parties it is 36.2%, for the Parliament 22.2% and for the justice system 17.1. %. A high degree of trust is only received by institutions with a operational and technical role such as firefighters and law enforcement (average score 7.2).

Progress is recorded for the presence of women in decision-making areas, thanks to recent legislative interventions. Italy reached the European average for the share of women in

parliamentary assemblies and in municipal councils, it surpasses it, as early as 2014, for the percentage of women on the boards of directors of large companies listed on the stock exchange but it remains far below as regards women elected in regional assemblies.

## **Safety**

### **Some positive signs for citizens' safety**

The subjective and objective indicators used to measure the evolution of security in our country show a general tendency towards improvement or at least stability.

In 2016, the homicide rate (0.7 per 100 thousand inhabitants) continues to decrease, especially for men, while for women - victims in 51% of cases of the partner or former partner - substantial stability is observed.

After years of continuous growth, 2015 marked a slight downturn in predatory crimes: taking into account the lack of complaints, there were 16.5 burglaries per 1,000 households, 7.7 pick-pocketing and 1.4 robberies per 1,000 people (respectively 17.9, 7.9 and 1.5 in 2014). In the European context, however, Italy is still characterized by a problematic situation for the incidence of burglaries and robberies, while the homicide rate is among the lowest.

In terms of population perceptions, an overall positive situation emerges. In fact, the percentage of people who are worried of being victim of a sexual violence decreases (from 42.7% in 2009 to 28.7% in 2016) and the perception of the quality of the area in which we live improves: the share of those who notice signs of social and environmental decay drops to 12.1% (15.6% in 2009) . The perception of safety, slightly higher than 60%, is stable, with significant regional differences: around 80% in Bolzano and in Valle d'Aosta, below 56% in Lombardy and Campania.

## **Subjective well-being**

### **Increasing life satisfaction**

In Italy, life satisfaction shows clear signs of improvement in 2016, with 41% of individuals giving a very good evaluation (expressing a vote between 8 and 10), compared to 35.1% in 2015.

A period of intense dissatisfaction, which began in 2012 when the indicator decreased by more than 10 percentage points in a year (from 45.9% to 35.3%), seems to be close to an end.

At the same time, uncertainty with respect to the future increases: the share of those who are not able to express a forecast on the evolution of their situation in the next 5 years rises to 25.4% from 23.5% in 2015.

There are several components that can be taken into account when assessing life satisfaction: the perception of personal economic situation, health, family and friendship relationships, satisfaction with one's own free time, expectations about the future. Among these, the

perception of own economic situation seems to play a pre-eminent role, followed by health and family relationships.

Satisfaction does not vary significantly in the different phases of life, with the exception of the peak seen among the very young.

Closely linked to age, on the other hand, is the positive judgment with respect to future prospects: it is expressed by over 55% of young people up to 24 but it decreases to very low values (between 7% and 3%), among people aged 65 years over.

## **Landscape and cultural heritage**

### **Positive signals in a context of strong inequalities**

In 2015 and 2016, there are various signs of discontinuity with respect to the negative trends observed in previous years. Public spending on culture and investments in the protection and enhancement of cultural heritage start to grow again, an encouraging figure for the management of the immense heritage, which the constraints imposed by the economic crisis in the last few years have made more fragile.

The focus on landscape in agricultural policies is rising. The new National Register of Historic Rural Landscapes introduces an innovative approach to the protection of this heritage while the continuous success of the rural tourism facilities testifies the effectiveness of rural development strategies based on the incentive of multi-functionality and on the enhancement of the territory (7.5 companies every 100 km<sup>2</sup> in 2016 compared to 5.5 of ten years earlier).

The proportion of illegal building, increased during the economic crisis along with the heavy reduction in construction production, finally came to a halt (19.6 illegal buildings every 100 authorized buildings, a slight decline compared to 19.9 the previous year) . The pressure on the territory also decreases due to the decrease in mining activity, but in recent years forest fires have increased (in 2015 they affected 1.4 km<sup>2</sup> per 1,000), a further factor of impact that calls for greater attention to territorial governance.

On the side of subjective indicators, in 2016 there were limited variations compared to the previous year: 21.5% (22.7% in 2015) of population was dissatisfied with the landscape of the place where they live, while 15% (15.0% in 2015) consider the decay of landscape among the environmental problems for which they express more concern.

The whole picture is characterized by the persistence of strong regional inequalities. In particular, in the South weaknesses in the valorization of cultural resources are confirmed by the indicator of diffusion and relevance of the museum heritage (calculated as the territorial density of museums with variable weight according to the annual number of visitors) which was 0.8 per 100 km<sup>2</sup> in 2015 in the South, against 3.9 in the Center and 1.4 in the North. Similar indications emerge considering the municipal expenditure for the management of cultural heritage, equal to 4.2 euros per head in 2015 in the municipalities of the South, to 11.4 in those of the Center and 14.1 in the municipalities of the North.

## **Environment**

### **Widespread signs of improvement but the water dispersion worsens**

Greater attention to the environment in policy choices and in those of families and businesses seems to be reflected in an overall improvement of the Bes indicators.

Italy continues to be one of the EU28 countries with the lowest domestic material consumption per capita (7 tons versus 13 of the EU average). The transfer of waste to landfills, with the consequent pressure on the environment, is slightly decreasing: in 2016, 24.7% of urban waste collected on the national territory was disposed of in landfills, 1.8 percentage points less than the previous year.

Two indicators regarding the actions contributing to the reduction of anthropogenic pressures on the natural environment improved: the impact of separate waste collection increased (52.5% in 2016, +5 percentage points compared to 2015) and, although at a slower pace, sewage treatment increased (59.6% in 2015, 57.6% in 2012).

Air quality in urban environment improves, especially with regard to fine particles: in 2016, 26.7% of the control units in the provincial capitals recorded values above the average daily limit for more than 35 days for the PM<sub>10</sub> concentration, it was 43.6% in 2015.

In terms of water quality, there is a substantial stability of the proportion of bathing water (67.2%) and of urban green spaces remains on the values observed in previous years (about 31 m<sup>2</sup> per inhabitant in the provincial capitals). In 2016, the share of domestic electricity consumption from renewable sources remains stable at around 33%, above the EU average (29%) but still far from the lead countries (Austria and Sweden with over 65%); on the other hand, the composition of sources changed significantly, with a drop in production from water sources.

In a context of overall improvement of environmental indicators, water dispersion shows a sharp negative evolution: the insufficiency of maintenance interventions on an infrastructure sometimes in precarious conditions results in a loss of more than 40% of the total water released into the network, in increase comparing to previous years and corresponding to a daily dispersion of 9.4 million cubic meters of water for drinking purposes. At the resumption of the levels of economic activity, per capita emissions of CO<sub>2</sub> (and other climate-changing gases) rose to 7.2 tons in 2015, after a long period of decline. Families, which generate atmospheric emissions using fuels for private transport, heating, gardening, the uses of cooking and the use of solvents and paints, have produced 24% of the emissions of greenhouse pollutants while the remaining 76% is generated by production activities.

## **Innovation, research and creativity**

### **A discontinuous improvement**

Investments in intellectual property in 2015 (expressed in chain-linked values) marked a sharp increase (+6.1%) accompanied by an increase in intra-muros research and development (R&D)

spending by companies, public institutions, private non-profit institutions and universities (+ 1.7% in nominal terms and + 0.9% in real terms). R&D spending was mainly financed by the private sector (companies and non-profit institutions), which contributed more than half of the total disbursed (52.7%, about 11.7 billion), followed by the public sector ( 38.0%, 8.4 billion) and foreign lenders (8.3%, 1.8 billion).

The share of people with tertiary education employed in scientific-technological professions increased in 2016 with an intensity similar to that recorded in the average of other European countries (+ 1.7%), while R&D employees (measured in full-time equivalent units) had already increased in the previous year (+ 3.9%). The share of employees in cultural and creative professions declined by 23 thousand in 2016 compared to the previous year, to the detriment of craft workers.

Italy's ability to favor highly qualified employment prospects for Italian graduates continues to show negative signs, especially for the South. In 2016 about 16 thousand Italian graduates between 25 and 39 years of age left Italy and just over 5 thousand returned, confirming the negative trend in the rate of migration of young graduates registered in recent years (-4.5 per 1,000 in 2016; -4.2 in 2015; -2.4 in 2012).

The territorial differences confirm the disadvantage of a large part of the southern regions with regard to R&D spending, employment in cultural and creative enterprises and brain circulation. In 2016, the highest share of cultural and creative professions is concentrated in some regions of the Center (3.6% in Lazio and 3.4% in Tuscany), while the average value in the South (1.9%) is far below the national average (2.6%). Some regions of the North, such as Emilia-Romagna and Lombardy, seem to have adopted more effective strategies in attracting and retaining qualified migratory flows (+7 per 1,000 in 2016); in the rest of the country the migratory balance of young graduates (25-39 years) decreased, with rather large negative values in Basilicata, Calabria and Sicily (between -26 and -28 per 1,000) and in any case always lower than the national average (- 5 per 1,000), with the exception of Tuscany, the only region in the Center-South for which a positive balance was registered (+2 per thousand).

## **Quality of services**

### **Signals of progress in infrastructures, public transport improves but only in the North, stable social services**

Given the heterogeneity of the phenomena analyzed, the picture for quality of the services is articulated and gives a mixed image, with persistent situations of difficulty in the South.

The provision of health and social services - intended for both the elderly population and families with children - presents a territorial variability with little signs of improvement, especially in the South where the supply is lower. In this area, in fact, beds in residential health care facilities in 2014 amounted to 3.9 per 1,000 inhabitants (compared to the Italian average of 6,6), the share of children aged 0-2 who benefited of municipal early childhood services is 4.7% (compared to the national value of 12.6%).

The evolution in the infrastructures is uneven. Access to the main services has slightly worsened in recent years (7.4% of households report having difficulty reaching at least 3 essential services). In 2015 over a quarter of households could benefit from 30 Mbps broadband, but only about 6% is a subscriber to the service; the goal of guaranteeing access to every family by 2020 still seems far away.

In the last year, the number of accidental long lasting electric power cuts fell sharply, while the irregularities in water supply, which are almost stable at national level, worsen in the South.

Discordant signals are observed for public transport: the local endowment expressed in terms of seats/km per inhabitant increases (+1.8% in 2015 compared to the previous year) thanks to increases in the offer in the North. Service satisfaction levels remain rather low: less than 18% of users rated between 8 and 10 in 2016 even if a general improvement in all areas of the country is recorded (+25.4%).