

# ITALY

(POP. 60,753,000 (2021))



## Income inequality in Italy today

In Italy, the average national income of the adult population is €PPP29,100 (or €27,340),<sup>13</sup> which is below some Western European countries including France and Germany (€PPP36,300 and 39,900, respectively) but similar to the average income in Spain (30,600). While the bottom 50% earns €PPP12 100 (21% of the total) or €11,320, the top 10% earns on average eight times more (€PPP93,900 or €1,166,520, 32% of the total).

## Income inequality in the long run

Income inequality in Italy declined considerably over the course of the 20th century, following the military, political and economic shocks of the period 1910-1940s as well as the effects of post-WWII policies. But since the early 1980s, the top 10% income share rose considerably, by 8-10 p.p., while the bottom 50% share dropped from 27% to 21%. Between 2007 and 2019, the bottom 50% average incomes dropped by 15%, while national income per adult dropped by 12% as a result of the austerity policies that followed the financial crisis and the European debt crisis of 2012-2014.

13: €1 PPP = \$PPP 1.4 = € 0.9

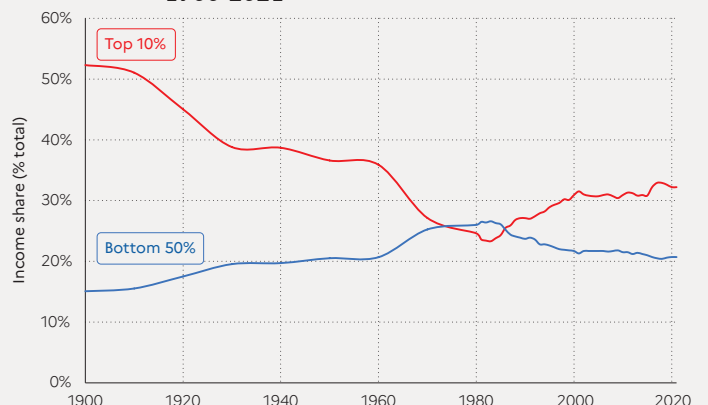
**Table 1: Inequality outlook**

	Income		Wealth	
	Avg. Income (PPP €)	Share of total (%)	Avg. Wealth (PPP €)	Share of total (%)
Full population	29 100	100%	185 000	100%
Bottom 50%	12 100	20.7%	36 800	10.0%
Middle 40%	34 300	47.1%	196 000	42.4%
Top 10%	93 900	32.2%	882 200	47.7%
Top 1%	253 700	8.7%	3 336 500	18.0%
Top 10% to Bot. 50% Income gap			1 to 8	
Female labor share			36%	
GHG footprint			9,1 tCO2 / pers.	
Transparency index			13 / 20	

**Interpretation:** See glossary for definitions of concepts and indicators.

**Sources and series:** [wir2022.wid.world/methodology](http://wir2022.wid.world/methodology)

**Figure 1: Top 10% and bottom 50% income shares Italy, 1900-2021**



**Interpretation:** The Top 10% income share is equal to 32% in 2021. Income is measured after the operation of pensions and unemployment insurance systems and before income tax.

**Sources and series:** see [wir2022.wid.world/methodology](http://wir2022.wid.world/methodology)

## ■ Wealth inequality

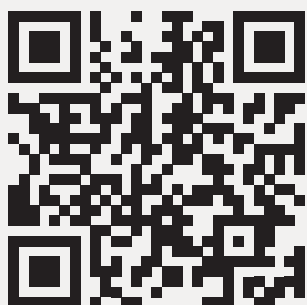
Italy is one of the countries with the highest wealth to income ratio. This implies that knowing the structure of wealth distribution in the country is crucial to a proper evaluation of the trends in inequalities. Wealth concentration in Italy today is high, but lower than most European Union countries. In 2021, the top 10% hold 48%, while the middle 40% and the bottom 50% respectively hold 42% and 10%.

## ■ Gender inequality

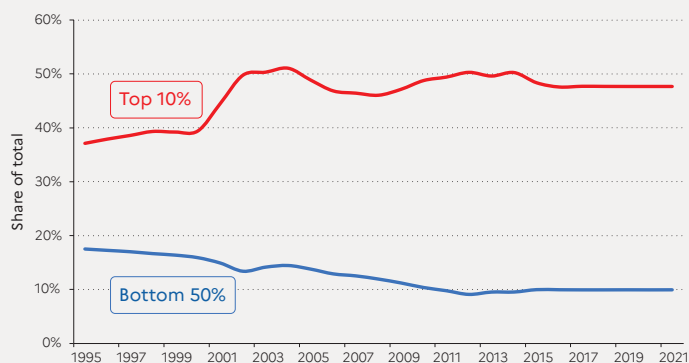
Gender inequalities in Italy are slightly higher than in other Western European countries. The female labor income share in the country is equal to 36%, which is close to values in North America (38%). This value is higher than in sub-Saharan Africa (28%) and Asia (21%, excluding China) but significantly lower than in the Eastern European region (41%). We observe a recent significant decrease of gender inequalities in the country, with female labor income share gaining six points in the last 30 years.

## ■ Carbon inequality

In Italy, the average greenhouse gas production is around 9 tCO<sub>2</sub>e/capita. This is similar to European countries such as France (9 tonnes) and the UK (10 tonnes). The top 10% emit 24 tonnes today compared with five tonnes for the bottom 50%. Between 1990 and today, emissions in Italy decreased by around three tonnes of CO<sub>2</sub>e/capita on average. While emissions among the top 10% have dropped by 8% since 1990, the bottom 50% recorded a 32% drop in its emissions. These dynamics are partly due to a stronger drop in incomes among the poor than among the rich after the lost decade of 2007-2017.



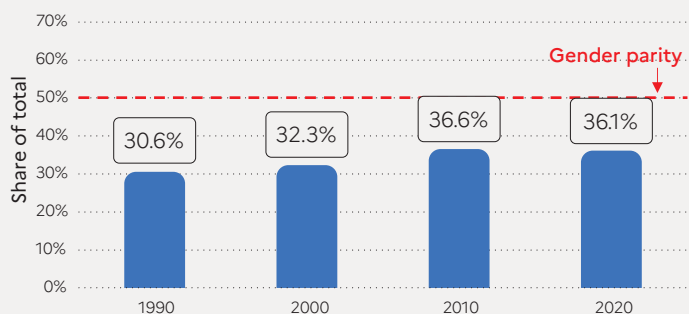
**Figure 2:** Wealth distribution in Italy



**Interpretation:** In 2021, the wealthiest 10% of the population own 48% of total household wealth. Household wealth is the sum of all financial assets (e.g. stock, bonds) and non-financial assets (e.g. housing), net of debts.

**Sources and series:** [wir2022.wid.world/methodology](http://wir2022.wid.world/methodology).

**Figure 3:** Female labor income share in Italy, 1990-2020



**Interpretation:** The share of total labor income accruing to women in 2020 is close to 36%.

**Source and series:** [wir2022.wid.world/methodology](http://wir2022.wid.world/methodology).

**Table 2:** Carbon table

	Avg. GHG footprint (tCO <sub>2</sub> e/capita)
Full population	9.1
Top 1%	63.0
Top 10%	23.8
Middle 40%	10.3
Bottom 50%	5.2

**Interpretation:** The table presents average CO<sub>2</sub> emissions of different groups of the population in 2019. Emissions take into account carbon embedded in consumption and investment portfolios.

**Sources and series:** [wir2022.wid.world/methodology](http://wir2022.wid.world/methodology).