Italy in Debt

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Italy has the second-highest public debt in the Eurozone

Public Debt: **120% GDP by 2011**
Deficit: **over 5% GDP**

Source: International Monetary fund, 2007
Why?
The high cost of the welfare state
Especially Pensions

- 1980’s: 2/3 of Italy’s social expenditure went towards pensions
- 1990: public debt was 104.5% of GDP
- 2007: 16,267,779 pensions being collected, with an average income of €14,229
Old-Age Protection

- Pension supplements
- Invalidity Pensions
- Seniority or “baby” Pensions
Pension Expenditures

- Reforms in the 1990’s
- A long transition

Source: ISTAT, p. 20
What does the future hold?