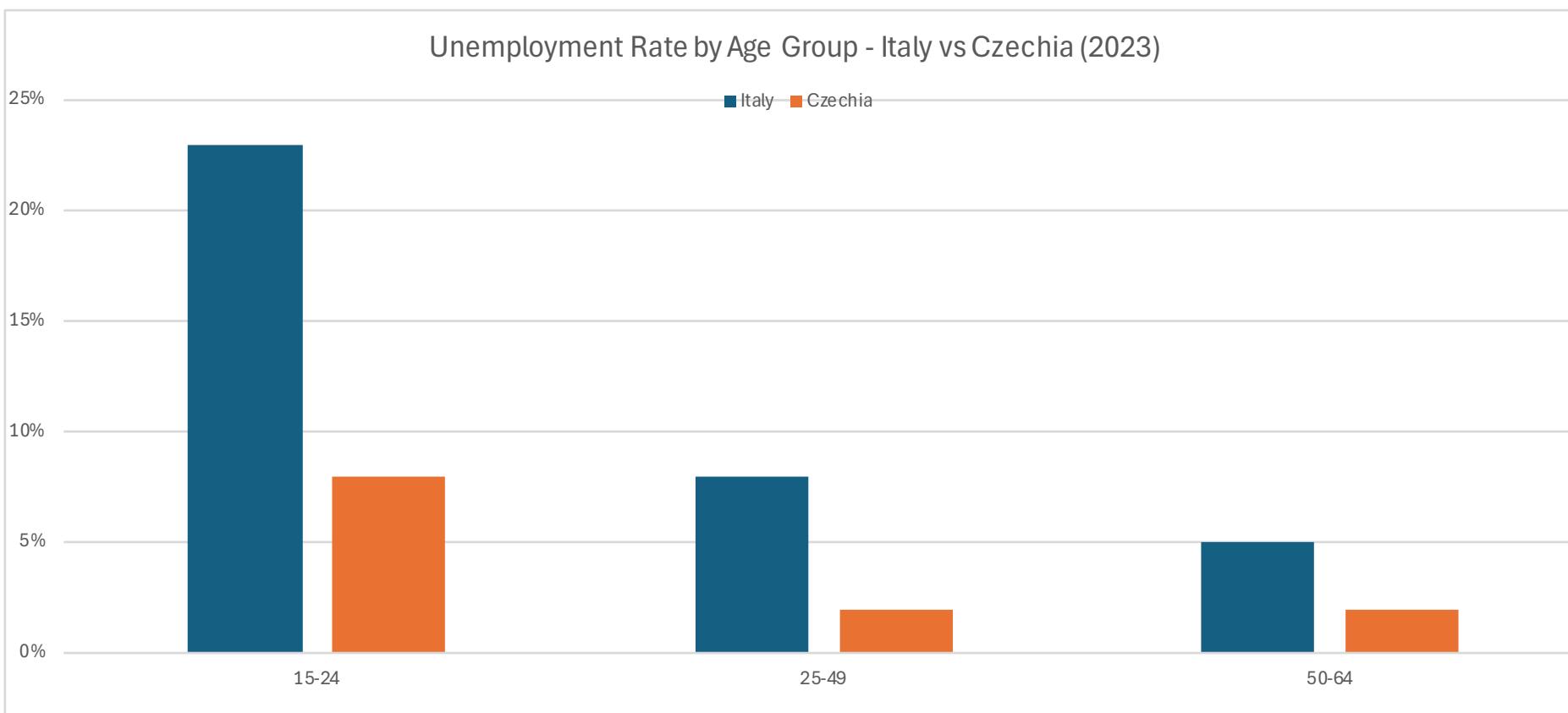


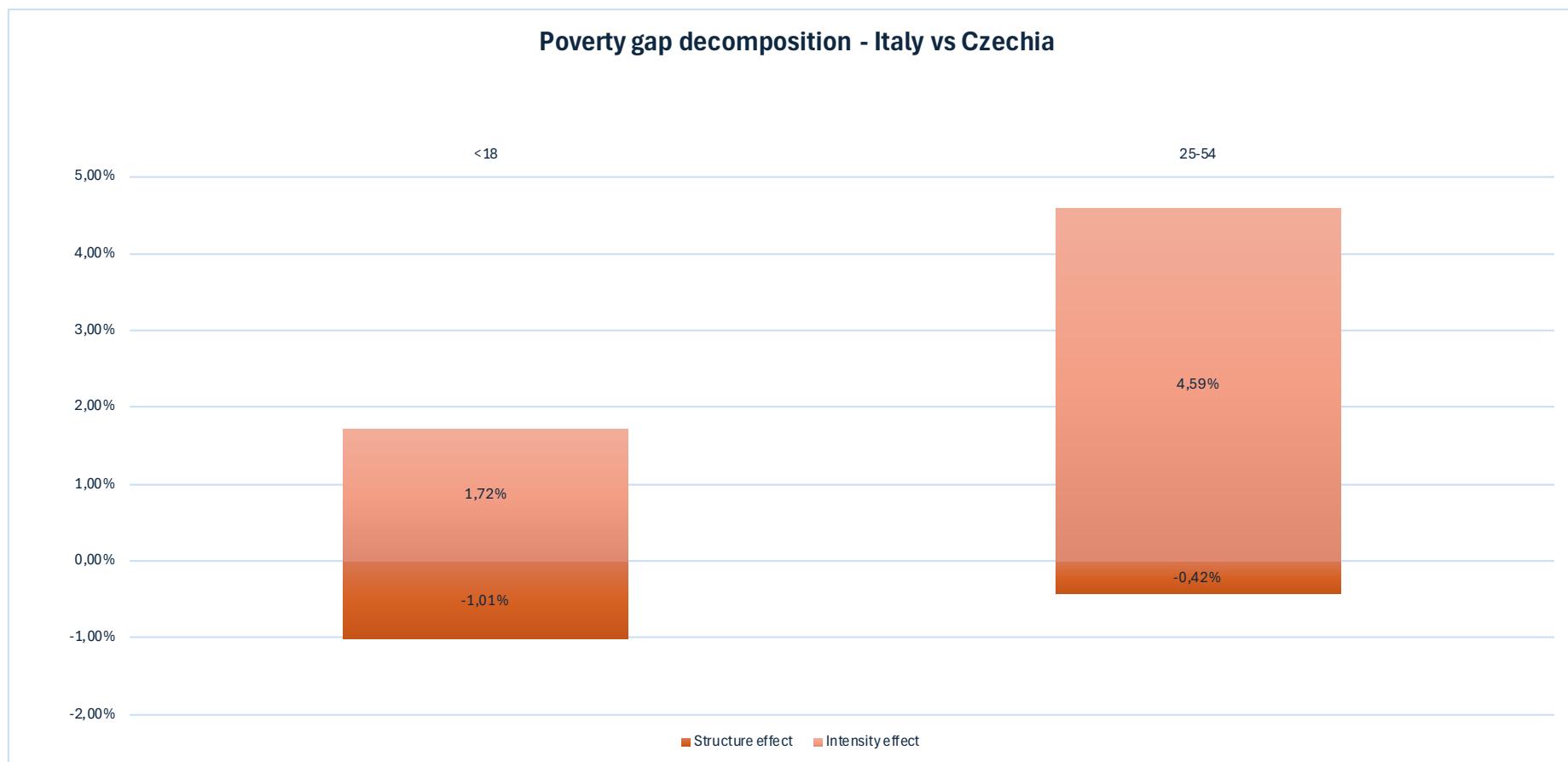
Age group	Italy	Czechia	Timestamp	Source	Index	Italy	Czechia	Structure
					vs Czechia (%)	population share	population share	
15-24	23%	8%	2023	Eurostat	287,5	10,00%	9,00%	1,35% 0,0008
25-49	8%	2%	2023	Eurostat	400	55,00%	53,00%	3,18% 0,04%
50-64	5%	2%	2023	Eurostat	250	35,00%	38,00%	1,14% -0,0006



Italy has much higher youth unemployment than Czechia indicating structural barriers in school-to-work transition. The rate effect drives the difference more than the population structure.

Age group	Italy					Czechia					Age group	Structure effect		Intensity effect	
	Italy	Czechia	Timestamp	Source	index	Italy population share	Czechia population share	Italy vs Czechia	Structure effect	Intensity effect		Structure effect	Intensity effect	Structure effect	Intensity effect
<18	23,20%	13,90%	2024	Eurostat	166,91%	11,20%	18,50%	9,30%	-1,01%	1,72%	<18	-1,01%	1,72%		
25-54	18,30%	7,70%	2024	ISTAT, world	237,66%	37,90%	43,30%	10,60%	-0,42%	4,59%	25-54	-0,42%	4,59%		

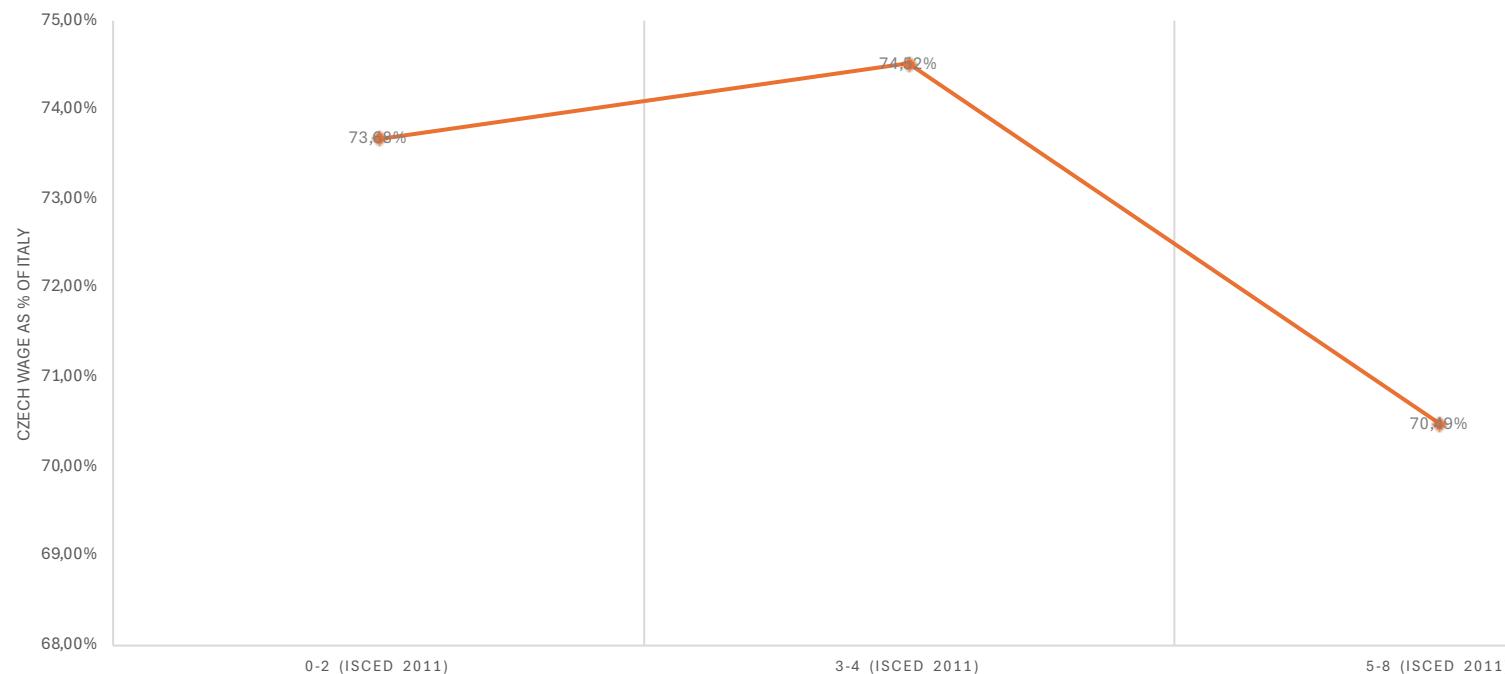
Poverty gap decomposition - Italy vs Czechia



The higher poverty rate in Italy compared to Czechia is explained mainly by worse poverty outcomes within each age group (intensity effect), rather than by demographic differences. Intensity effect > structure effect.

Education level (ISCED 2011)	Italy (€) Median equivalased net income	Czechia (€) Median equivalased net income	Index (Czechia vs Italy, %)	Italy population share	Czechia population share	Structure effect	Intensity effect	Interpretation
0-2 (ISCED 2011)	17148,00	12635,00	73,68%	0,36	0,08	3537,8	361,04	<i>In Italy there are more people with low education, but the wage gap for this group is small.</i>
3-4 (ISCED 2011)	21514,00	16033,00	74,52%	0,45	0,67	-3527,26	3672,27	<i>More Czechs have medium education, yet Italians earn significantly more.</i>
5-8 (ISCED 2011)	28007,00	19742,00	70,49%	0,19	0,25	-1184,52	2066,25	<i>Czechs are slightly more educated, but the income difference strongly favors Italy.</i>

INDEX (CZECHIA VS ITALY, %)



Median net incomes in Czechia are about 73% of those in Italy, depending on education level. The wage gap widens with higher education, indicating stronger returns to education in Italy.

Indicator	Main effect	Dominant component	Key analytical insight
Unemployment	Intensity effect	Labour market outcomes	<i>Italy's unemployment is consistently high, especially among youth, reflecting structural barriers in the school-to-work transition and weaker labour demand.</i>
Poverty	Intensity effect	Income distribution	<i>Italy's higher poverty risk is driven by worse income outcomes rather than demographic composition, indicating weaker redistributive performance and less effective social transfers.</i>
Wages	Intensity effect	Wage structure	<i>Czech wages amount to roughly 73% of Italian levels. The gap widens with education, showing stronger returns to skills and higher wage dispersion in Italy.</i>

Italy combines higher wages with higher inequality and unemployment. This means that while average earnings are higher, fewer people benefit from them compared to Czechia, where unemployment and income distribution are more balanced.