

■ ITALY

Socially irresponsible



Ten years after the World Summit for Social Development and the Fourth World Conference on Women and five after the Millennium Declaration, Italy has done little towards the implementation of international commitments on human development. The population's relative poverty situation, quality of life and access to the labour market have worsened as have welfare policies. Today some basic rights are no longer guaranteed and among European countries, Italy is in last position for its gender, social protection and immigration policies.

Italian Social Watch Coalition

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Privatizing the country: the trend of the last four years

The centre-right's return to power in 2001 has meant the introduction of a mixture of neoliberal policies, the dismantling of the public sector and a partial disregard of the European Union's Stability and Growth Pact. Partly because of the international economic crisis, but mostly due to the absence of a coherent economic development strategy, Italy is in a negative economic situation: first the reduction of the public debt halted, then the debt started to increase, while the deficit has grown to 3.6% of GNP, rather than to the forecasted 2.7%. The situation of the economy is worrying to the International Monetary Fund and has forced the European Commission to start an infraction procedure, as talk of a recession begins.¹ The resources made available by the increase of the deficit and by the savings generated by low interest rates on the public debt, are often dispersed without a clear strategy. Therefore, only minimal funds are destined to schools, universities, research and the welfare system, while most spending goes into operations often tied to the interests of lobby groups close to the Government. Many public utilities have been privatized and increasingly market mechanisms are finding their way into public structures. This includes the financing of private schools and clinics and the spread of private insurance companies to replace public welfare.

Less taxes, more debt

The 2005 State Budget is focused on cutting the taxes of upper-middle income groups. The reduction in taxes results in a few hundred euros of sav-

ings but forces citizens to spend much more on healthcare, local public services and social welfare. Local and regional administrations must not only increase taxes in order to compensate for the cuts by the National Government, they often must also terminate some public services. These are emergency measures that try to convince the European Union and European Commission that an effort is being made to realign state accounts. However this bookkeeping and the sale of public patrimony does not affect public spending in a structural way. There has been an attempt to go back to the Maastricht parameters² by one-off fiscal measures such as building and financing tax remissions, privatizations and securitizations. This strategy has worked for some years from the bookkeeping point of view, but already in 2005 it is no longer adequate for refilling the State's treasury. Now Italy is indebted and forced to pay rent on its own assets (through leaseback programmes to private banks and financial institutions), without an economic policy for general growth and the well-being of its citizens.

Welfare and poverty

If we consider the State's activities and resources dedicated to welfare the country is still far below European standards (see Table 1). Italian families in a condition of relative poverty in 2003 numbered 2,360,000 (11.8% of the population) and were concentrated mainly in the south of the country where 65.9% of poor families live. Although the percentage of poor has diminished since 2001 (after increasing at the end of the 1990s), the intensity of poverty has augmented: the poor are becoming poorer and the differences in income distribution have become greater.³

The last state budgets have significantly cut funds for social protection (-25%),⁴ in order to privatize social services and to create a two tiered welfare system: one for the poor and one for those who

can afford to use private services through insurance or by their own means. In the last state budget, there is EUR 10 million (USD 12.6 million) allocated for private nursery schools, while there is no national plan for public kindergartens - a service which would free women of some of their family responsibilities, thereby increasing market efficiency. Moreover, in the last two years funding has been cut to a programme guaranteeing the right to study while private schools continue to receive money. Allocations for universities and public research agencies are almost inexistent in the state budget.

Military spending, immigration and television

The 2005 state budget also allocates EUR 1.2 billion (USD 1.5 billion) to finance military missions, half of which is absorbed by the war in Iraq. In total, military spending amounts to more than EUR 20,790 million (USD 26,166 million), the equivalent of a 5% increase over 2004 in monetary terms. Civil society is asking for a 10% cut in all military expenses (which corresponds to the increase in spending over the last four years). This would free funds for international cooperation, immigration and welfare, as well as the allocation of EUR 50 million (USD 63 million) for the reconversion of the military industry to civilian production.⁵

As far as immigration is concerned, of the EUR 332 million (USD 418 million) allocated in 2002/2003, EUR 230 million (USD 289.5 million) were directed at opposing immigration and less than one third were used for welcoming measures.⁶ Funds were spent on the construction of Temporary Permanence Centres, in actual fact congested jails where illegal immigrants spend weeks on end waiting to be expelled, and where they are often victims of violence and intimidation. Collective expulsion of asylum seekers and illegal migrants is normal procedure. Hundreds of people are sent back to their countries of origin without their asylum request being examined, in violation of international conventions for refugees.

At the same time there is no sign of the EUR 100 million (USD 126 million) to finance the Global Fund

1 Economic and Financial Affairs Council (Eurogroup) of the European Commission. On 11 and 12 April 2005 the Eurogroup studied the budget situation within the eurozone, especially that of Germany, France, Greece, Italy and Portugal and concluded that the budgetary trends in these countries are a matter of concern and should be monitored very closely. As for Italy, the Eurogroup acknowledged the European Commission's intention to prepare a report by June based on Section 104(3) of the Stability and Growth Pact. Since it is expected that Italy will not be able to adhere to the 3% cap on deficits in 2005, this report would constitute a precursor to the excessive deficit procedure. www.eu2005.lu/en/actualites/communiqués/2005/04/12ecofin/

2 Parameters set forth in the Maastricht Treaty that established the European Union on 7 February 1992.

3 National Institute of Statistics in 2004 changed the methodology for the calculation of relative poverty. "The conventional limit of relative poverty for a two component family in Italy, represented by the average monthly spending, is of EUR 869.50 (USD 1,094) (2003), i.e. 5.6% more than the limit of the previous year".

4 Sbilanciamoci 2005 report, *Controfinanziaria 2005*, www.sbilanciamoci.org/docs/rapporto_2005.pdf

5 *Ibid.*

6 Corte dei Conti, Programma di Controllo 2003 (Court of Accounts, Control Programme 2003). www.alef-fvg.it/immigrazione/txt/ricerche/relazione2004.pdf

to Fight AIDS, Malaria and Tuberculosis, a commitment Italy made and encouraged at the G8⁷ following the Millennium Declaration. Instead, a total of EUR 110 million (USD 138.5 million) were spent on buying decoders for digital terrestrial television, whose introduction was imposed by law. This was a true gift for private firms selling this technology, among them Mediaset, property of Prime Minister Berlusconi.⁸

Beijing+10 and the status of women

Italy ranks 21st in the Gender-related Development Index (GDI) and 32nd in the Gender Empowerment Measure (GEM), indexes used by the UN to measure the status of women. Since the Beijing Conference, Italy has fallen seven positions in the GDI classification and as many as 22 in the GEM. The status of women in Italy in 2005 is worse than in 1995 in terms of the proportion of seats in Parliament (13%), of women administrators (37.6%) and professionals (46.3%). Women ministers average 23% in other EU governments, while in Italy, in the last Berlusconi government, they accounted for only 7.6%. The only aspect for which the situation appears to have improved is women's income in proportion to men's, but the relationship between how much men and women earn still places our country in 101st position worldwide. It is clear that the few policies put into effect by the Ministry of Equal Opportunities⁹ to narrow this gap are insufficient.

Family and labour

When analyzing the position of women in the labour market, we find that "women are decidedly in a disadvantaged position: they represent 51.4% of the population, 38% of the occupied workforce and 53% of job seekers."¹⁰ As for unemployment rates, the differences between the sexes and the geographic regions are obvious. If we consider the workforce (between the ages of 15 and 64), the female unemployment rate is double the male rate in all regions of the country. Naturally, many of the access problems to the labour market are due to the need to balance family and work. However "the increase in female participation is not matched with a fairer distribution of family activities: unpaid childcare and social reproduction activities fall almost entirely upon women whose total working hours, paid and unpaid, are on average 28% more than men's. Some 35.2% of men do not dedicate any hours to family care activities."¹¹

Women's labour participation is characterized by a higher number of short term contracts, a sign of the precariousness of labour, and by a higher rate of part-time jobs (61% of one-time contracts are women's,

7 G7 (United States, Japan, Great Britain, France, Canada, Italy, Germany) and Russia.

8 Sbilanciamoci, *op cit.*

9 Istat for the Ministry for Equal Opportunities. *How women's life changes* report, 2004.

10 Battistoni, Lea. *The numbers of women: female participation in the labour market: characteristics, dynamics and scenarios*. Quaderni spin, 2004.

11 *Ibid.*

TABLE 1

Public expenditure in Europe, 2003 (euros per capita)					
	Education	Health	Welfare	Environment	Defence
European Union (average)	1.129	1.625	1.558	144	429
France	1.365	1.918	1.754	208	608
Germany	1.062	2.000	2.049	126	370
Great Britain	1.048	1.595	1.619	127	595
Italy	887	1.230	545	149	424

Source: European Statistics (Eurostat), 2004.

according to Istat 2005). Incorporating these figures into the broader picture of poverty, it is evident that the most disadvantaged among the poor are families whose main income earner is a woman.

The international cooperation crisis

On several occasions the Government has confirmed its commitment to reach the goal of 0.7% of GNP for international cooperation. In the Document of Economic Programming and Financial Budget 2003-2006, the Government predicted that 0.33% of GNP would be reached (0.27%, in 2005) by the end of the period. Despite the progressive review decreasing the original goal, today Italy is quite far even from the most modest ones: in 2004 ODA was 0.15%, but if debt cancellation is subtracted, the actual figure is 0.11%.¹²

There is a progressive dismantling of the bilateral cooperation through continuous fund cuts. There is no policy strategy for international cooperation and a total lack of monitoring and impact analysis. According to the OECD, Italy has "only an anecdotal idea of what is working and why".¹³

The Government and the MDGs

The Government's report on Italy's contribution to Millennium Development Goals (MDGs) exhibited an extremely small commitment and little clarity. This is demonstrated by the volume of resources allocated to the fight against poverty in the world, as well as by the extensive use of tied aid (aid that must be used to buy supplies or goods and services from the donor country). The report states that Italy focuses on MDGs 4, 5 and 6 (reduce child mortality, improve maternal health and combat HIV/AIDS, malaria and other diseases, respectively), which represent the priorities of cooperation with African countries and the fields where our funds are concentrated, both on the bilateral and multilateral channels. The Development Assistance Committee (DAC) of the OECD¹⁴ states that 92% of Italy's bilateral aid is tied. The coherence between development cooperation policies, emergency aid and foreign debt relief is rather weak. This became evident after the Indian Ocean *tsunami*

in 2004 when aid concessions were not followed up by debt cancellation as Italian law 209/2000 stipulates.

Proposals from civil society

Italian organized civil society has elaborated and presented alternative proposals to state budget law, both for public income and spending through the "Unbalancing the budget" campaign, promoted by many NGOs and networks. In 2004 the Peace Table, a group of hundreds of local authorities and associations, promoted the creation of the Italian chapter of the "No Excuses 2015" MDG campaign. At the beginning of 2005 it also formed the Italian coalition of the Global Call to Action against Poverty (GCAP). The GCAP presented a political platform in Parliament and is working on several mobilization initiatives, including White Band Day, and a report on the Italian Government's MDG commitments.

In the appeal launched by the Italian GCAP¹⁵ the following requests were made to the government: "to maintain the commitments to end extreme poverty and to reach at least the MDGs, with sustainable, transparent and participated policies and measures, guaranteeing the effective and real participation of the Italian civil society (...) and to assure that the partnership for development with the private sector is reached in respect of human rights and the principles of sustainable development; to withdraw the Armed Forces from all military missions conducted in violation of article 11 of the Italian Constitution (repudiation of war as a means to solve international disputes) and the UN Charter; to reduce military spending, to promote the disarmament and the reconversion of the military industry, and to control the weapon's trade, using the freed economic resources for the fight against misery and to reach the MDGs". Finally, an increase expenditure for development cooperation is urgent, as Italy is the donor who proportionally spends the least in the world for international solidarity. ■

12 Development Assistance Committee (DAC), *Italy. DAC Peer Review: Main Findings and Recommendations*, 5 October 2004. www.oecd.org/document/49/0,2340,en_2649_33721_33741553_1_1_1_1_1,1,00.html

13 *Ibid.*

14 *Ibid.*

15 Coalizione Italiana contro la Povertà (Italian Coalition against Poverty), www.nientescuse.it