



EMIN Italian Report (Year 1 - 2013)

Analysis of Minimum Income Schemes

January 2014

What is the EMIN Project?

Bringing together various experts, professionals, academics and diverse entities active in the fight against poverty and social exclusion, the EUROPEAN MINIMUM INCOME NETWORK aims at building consensus towards the progressive realisation of adequate and accessible minimum income schemes in EU Member States.

The EMIN is a two-year project (2013-2014) funded by the European Commission, in line with the European Commission's Active Inclusion Recommendation of 2008, the Europe 2020 Strategy and in the context of the European Platform against Poverty and Social Exclusion.

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Acknowledgements:

Author of Report: CILAP EAPN Italia
(Nicoletta Teodosi, Vito Telesca, in collaboration with Paola Boffo and Letizia Cesarini Sforza)

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The opinions expressed do not represent the European Commission's official position.

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1. The Welfare System in Italy

Throughout the years the Italian national welfare system has been characterized by inconsistency, fragmentation and the inability to meet the real problems of the citizens. The historic lack of a general and organic framework or strategy to combat poverty is nowadays becoming more and more burdensome, especially vis-à-vis the absence of a universal minimum income scheme (MIS).

“Italy is known for lacking a national minimum income scheme. However, attempts have been made both at national and regional levels. The most important experimentation, the Minimum Insertion Income (Reddito Minimo di Inserimento, RMI; Laws 449/1997 and 237/1998) lasted from 1999 to 2004, when RMI was not refinanced due to conflicting guidelines by the Government (Filippo Strati, member of the European Network of Independent Experts, “2013 Report on Active Inclusion”).

The activations of some measures and/or household allowances addressed to specific groups of citizens have represented an attempt to mitigate such an absence. These measures are mainly aimed at people unable to work, the disabled and the elderly, i.e. people aged 65 and above lacking a contributory pension and/or people with low salaries or in need of support. These measures are marked by distributive inefficiency¹ and exclude entire segments of the population, unemployed and children included, thereby accentuating their exposure to the risk of poverty.

In the absence of inclusive measures aimed at the population at large, the issue of poverty has been addressed thorough social security measures safeguarding the employed and, often, by improperly using existing regulations to broaden the range of beneficiaries.

The first Minimum Income Schemes were put in place by some regional and local authorities in 1997 (see, Annex 2) while at national level the issue came to the forefront

¹ *Distributive efficiency is measured by the ability of the State to reduce the risk of poverty (the distribution of wealth combined with its efficiency contributes to the promotion and dissemination of economic development. In general, the theory of distributive efficiency can be applied to macro and micro-economics since it studies equity and efficiency in the distribution of wealth. In this case we refer to welfare which mainly targets the universal pension system, the welfare and health care systems). This is the reason for using it in this context.*

only in 2000, thanks to the long-overdue law reforming social policies and the social service delivery system. The reform law (Law 328/2000), called “Realization of an Integrated System of Social Services and Interventions”, was the first attempt, since 1890, to establish a national framework for integrated social policies and integrated social services, with a view at reorganizing the entire system within a broader perspective taking into account the “well-being” of the population at large, overcoming its historical sectoralisation. Article 23 of Law 328/2000, resuming Law 449 of 1997 which allowed the first nation-wide experimentation of a minimum income measure, established a universal MIS, called “Minimum Income of Insertion” (RMI), a provision that, although called for in the Law, has never been implemented. Law 328 was approved after a series of events which deeply affected the Italian society. *“The crisis of the industrial sector, the development of the tertiary economy, the labor market flexibility and the loss of efficiency of the family welfare system make the crisis unsustainable: the distortion of public expenditures reaches such a level to call for an immediate and necessary review of the entire welfare system”* (Ferrera and Madama, 2006). In addition to that, we highlight that the reform of the Italian Constitution of 2001 implied that social policies and the delivery of social services became exclusive competence of the regions, and thus very quickly ending the season of nation-wide social reforms launched in 2000 with the approval of Law 328 which, as a result of the constitutional changes, was weakened and deeply affected.

The lack of universal measures protecting people from poverty or the risk of poverty, the inability to deal with the available measures, the emergency of an increasingly evident social exclusion phenomenon are by now under everybody’s eyes.

1.1 Minimum Income in Italy: an overview

While the debate on minimum income dates back to the 90s, both at European and at national/regional level as part of the discussion on the transformation of the labor markets and the welfare systems, some Italian regions activated measures of income support even before the European Council Recommendation of 1992.

In 1991, the Provincia of Trento² approved two Laws, respectively called “Minimum Income” and “Minimum Insertion Income”; in 1994, the Region of Valle D’Aosta³ followed with its own minimum income law while in some other regions⁴ the enactment of this kind of laws were established only after 2004, following the national experimentation of the “Minimum Income Revenue”.

The issuing of the 1992 European Recommendation, fueled a debate over the lack of a minimum income measure which became more and more widespread, although in a very fragmented way and mainly at local level. The debate is now gradually gaining momentum as poverty and social exclusion become increasingly widespread.

As already mentioned, minimum income schemes have been enacted by those very few regional or local authorities that, on the one hand, are aware of the importance of such measures in the fight against poverty and social exclusion and that, on the other hand, can afford them. We must pinpoint however that the different measures of income support implemented by the regional authorities are not understood and implemented as one of the three pillars of the EU Active Inclusion Strategy (as envisaged by the EC Recommendation), but are conceived only and/or mainly as monetary support to low-income households.

One of the worst results of these combined factors is that, under equal conditions of poverty, individuals and families can count on very different public support, depending if such mechanisms are or are not in place where the person/s in need live/s.

In 1996, a Governmental Commission, with the aim to analyze the Italian welfare state⁵ and study specific reform lines, was established. The Commission, *“Has identified the principal flaws of the Italian social security system and, embracing the idea of the so-called “selective universalism” recommends first of all an increase of the resources allocated to the welfare sector and to fight against poverty in addition to promoting a streamlining of operations, a redefinition of the redistributive systems by introducing a*

² Province under Special Administrative Status

³ Region under Special Administrative Status

⁴ Regions under Ordinary Statute

⁵ Commission for *Analysis on Microeconomic Compatibility of Social Spending*, chaired by the economist Mr. Paolo Onofri.

minimum income measure, the strengthening of social services and the identification of standardized criteria for assessing the economic conditions upon which to subordinate the allocation of services” (Ferrera and Gualmini, 1999; Madama, 2010).

“Final objective of the proposed streamlining is a model that goes beyond interventions such as the economic integration of pensions, the benefits for the disabled, household allowances and minimum pensions, replacing them with a social safety net of last resort (minimum income), to be made available to anyone who is lacking resources or the means of subsistence (destitution). In doing so, the minimum income would grant to the beneficiaries the needed economic resources, opportunities and services to overcome their dire situation. Along with this reorganization, the Commission also proposed the gradual overcoming of the many regional disparities, by defining, at the national level, a set of Essential Assistance levels in order to ensure equal levels throughout the national territory that the Regions and Municipalities could integrate freely.” (Paolo Ballerini “Minimum Income in the Region of Basilicata: Policy Developments and the Dynamics of Policies”, University of Milan).

Following the conclusions of the Governmental Commission chaired by Mr. Onofri, and as the result of the parliamentary and governmental debate, Law 449/1997 introduced the first nation-wide experimentation of a “Minimum Insertion Income”, measure which was taken up again by Law 328 in 2000 (Art. 23) which, although postponing their definition to a later stage, calls for the establishment of the Essential Assistance Levels to be financed by the State. According to Law 328, beside ensuring a universal minimum income scheme, the Essential Assistance Levels include economic measures to promote home care for totally dependent individuals, support measures for minors and households, social and work integration of disabled people, etc. According to Law 328, the responsibility for delivering such measures and services falls equally on the State (minimum income included) and the Regional or Local Authorities (e.g. provisions for children, the disabled or the elderly).

Law 328 specifically mentions that MI is to be intended “as a measure to contrast poverty and social exclusion, adopting a universal profile with a selective approach, combining a monetary component with active inclusion measures. The beneficiaries shall be people

with low income, collecting a supplementary income according to their own specific conditions and their willingness to participate in personalized social inclusion paths". The eligibility of the beneficiaries should have been established via a specific benchmark called "Equivalent Financial Situation Index"⁶, established in Italy in 1998 and consisting of three indicators: the number of family members, their income and their financial assets. The social inclusion measures, to be carried out in coordination with the social and health care services, should have been based on the development of the person's skills, on compulsory education, vocational training and the reinforcement of the beneficiary's social network.

In 2001, the right-wing Government launched what went under the name of "Income of Last Resort", which should have been implemented by transferring funds from the State to the Regions. The measure was never put in place and, once again, it failed to establish the Essential Assistance Levels to be applied to the entire national territory, the criteria for accessing the benefit, how to implement it and how to identify the beneficiaries.

"In the following years (from 2001 on, t.n.) the Government does not intervene on the poverty issues – except raising the minimum pension, cutting taxes and giving bonuses for newborns, abandoning any initiative towards a new minimum income scheme and therefore creating a period of "policy inertia". In this context of stagnation, the eventual realization of a MI depends exclusively from the regional-level, following a confused national strategy" (Strati, 2009). In fact, only the Region of Veneto adopted a MI measure.

The center-left Government, in power from 2006 to 2008, marked a renewed attention toward the introduction of MIS, including such a measure in the 2008-2011 Financial Bill. But, the fall of this Government, in January 2008, and the lack of funds stopped the process once again.

In 2008, the Government introduced, as an experiment, an electronic purchase card, the so-called Social Card, consisting of a monthly contribution of 40 €. The Card is targeted at people in poverty aged 60 and above or at households with children (aged 0 – 3) whose

⁶ ISEE – Equivalent Financial Situation Index

annual income does not exceed 6,200 €. The Social Card is far from being a universal minimum income scheme but, on the positive side, it is a nation-wide measure and not, as usual, a local/regional one. In 2013, always on an experimental basis, a revised Social Card has been established. The new Card is to be implemented in 12 cities for one year, targeting the elderly and households with at least 1 child (< 18). Again, it is not a MIS but, again, it is, if nothing more, at least a nation-wide measure.

The National Action Plans (NAPs), established under the Lisbon Strategy, are worth a mention of their own: not only they never had any reference to the establishment of a minimum income scheme, but they were never taken into any serious account by the Italian Government/s or Institutions. The same consideration unfortunately seems to apply to the Italian National Reform Programmes (NRPs): the 2011 NRP commits Italy to reduce by 2.2 million the number of people living in poverty by 2020, but nowhere in the document is stated how this objective is going to be met, let alone any reference to a universal minimum income scheme.

1.2. Regional Schemes of Minimum Income

While the national debate lingered, some regions and provinces legislated on the subject, although with mixed results. Starting in 2004, some southern regions passed specific bills for income support to the most needy, people and/or families. The first of such bills was approved by the Region of Campania, in 2004, although it was repealed following the political shift of the Regional Administration in 2010. In Sicily, Law 5/2005 established “Cantieri scuola o lavoro” targeting the former recipients of the national experimentation on RMI. In 2005, the Region of Basilicata introduced a law aimed at promoting inclusive citizenship. In 2006, the Region of Puglia passed a law for an integrated system of social services aimed at respecting the dignity and the welfare of women and men. In 2006, the Northern Region of Friuli Venezia Giulia passed a similar bill, which was dropped in 2008. In 2009, the Region of Lazio, in Central Italy, followed suit (see, Table N. 1).

Table N. 1

Region	Target	Note
<p>Campania</p> <p>Regional Law 2/2004 – “Experimental Establishment of a Citizenship Income”</p> <p>Aim: welfare and social protection</p>	<p>Persons living in households with an annual income lower than 5,000 €</p>	<p>Law repealed in 2010 and not re-financed for lack of funds</p>
<p>Basilicata</p> <p>Regional Law 3/2005 – “Promotion of Inclusive Citizenship”</p> <p>Aim: welfare and social protection</p>	<p>Persons living in households at risk of poverty</p>	<p>This law was amended in 2007, deleting the minimum income scheme</p>
<p>Sicilia</p> <p>Law 5/2005 - “Cantieri scuola o lavoro” (training schools or jobs) including some of the former recipients of the national experimentation.</p>	<p>Persons living in households at risk of poverty</p>	<p>In 2006 , the Region has committed € 10 million directed to former RMI recipients. Nowadays the law operate under the Cohesion Action Plan</p>
<p>Puglia</p> <p>Regional Law 19/2006 - “Integrated system of social services for the dignity and welfare of women and men”</p> <p>Aim: welfare and social protection</p>	<p>Individuals and households living in poverty or at risk of poverty (living below the European poverty line)</p>	

Autonomous Province of Trento Law 13/2007 - "Income Guarantee" Aim: employment/social protection	Jobless or low work intensity households	Social transfers for a 4 month period, renewable up to 12 months. Law still in force
Lazio Legislative Decree 4/2009 Aim: employment	Unemployed, working poor, people working under non-standard employment contracts, workers on redundancy payments and/or other unemployment benefits.	The realization of such a measure was decided by decree (to be financed each year) and not by law. Therefore, it was not financed again in the following years

It's important to underline once again that from 2001 the Italian Constitution recognizes to the Regions the legislative and operational powers on "concurrent" issues related to the workers' occupational protection and security, leaving to the State the responsibility for the legislative and operational decisions on social provisions.

The unclear national guidelines on social issues affected the introduction and/or abolition of minimum income in 8 of the 20 Italian Regions. Such regulations are still in force in those northern regions which, for historical reasons not to be discussed here, are ruled under Special Administrative Status (therefore with decisional powers in matters that in the other Regions belong to the State) such as the Regions of Valle D'Aosta (Regional Law 19/1994) and Trentino Alto Adige (law 13/2007), and the two autonomous, i.e. ruled under Special Administrative Status, Provinces of Bolzano (Provincial Law 13/1991) and Trento (Provincial Law 14/1991 and 13/2007). In the Region of Lazio the decree has not been refinanced; in the Region of Puglia the financial support is now part of the Regional law on social services (see, Table N. 1). In 2012, the *2011 Report on Poverty* carried out by CILAP EAPN Basilicata, and published with the support of the Province of Potenza, triggered a debate which eventually led to a citizens' legislative initiative calling for a regional bill for a adequate minimum income scheme. The draft of the citizens' legislative

initiative, presented and discussed for the first time during the public presentation of CILAP EAPN Basilicata *2011 Report on Poverty*, was prepared by a working group of representatives of CILAP EAPN Italia and the regional branch of Basic Income Network (BIN), under the auspices of the Potenza Provincial Councilor for Social Policies. In Basilicata, the Regional law on social services does include measures supporting family income. In two Regions, i.e. Campania and Friuli Venezia Giulia, the laws establishing minimum income measures were repealed.

1.3. The lack of a national law on Minimum Income

During the course of the last few years, many associations and some political groups organized a number of Campaigns trying to fuel the public discussion on the need for a national minimum income scheme, triggering a debate which resulted in the presentation of citizens' legislative proposals both at regional and national level.

One of the most important of such initiatives is the one that saw the engagement of more than 170 social organisations and associations⁷ that collected more than 50,000 signatures throughout Italy, asking for the approval of the citizens' legislative initiative for a universal guaranteed minimum income. The proposal was elaborated and promoted by the Campaign's promoters, CILAP EAPN Italia included, and was delivered to the President of the House of Representatives in order to be discussed in the Parliament. The political parties supporting this specific initiative are: SEL (Left Ecology and Freedom – left); PD (Democratic Party – center-lefty); Movimento 5 Stelle (Movement 5 Stars – independent). Partito Democratico also submitted its own bill.

As of now, beside the citizens' initiative, there are three other draft laws on minimum income formally introduced in the Italian Parliament by Parliamentary groups:

- On April 10, 2013, Partito Democratico (PD) introduced a draft law called “Establishment of a Minimum Income Scheme for Active Citizenship”

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For the list of participants and any other information see: <http://www.redditorgarantito.it/#!/adesioni>

- On October 14, 2013, Sinistra Ecologia e Libertà (SEL) introduced a draft law called “Establishment of a Guaranteed Minimum Income”, based on the citizens’ legislative proposal promoted by the 170 associations
- On October 29, 2013, Movimento 5 Stelle (M5S) introduced its own draft law called “Provisions for the Establishment of a Citizenship Income”.

Table N. 2 - Main features of the draft laws

Title	Establishment of a Minimum Income Scheme for Active Citizenship	Establishment of a Guaranteed Minimum Income	Provisions for the Establishment of a Citizenship Income
Promoted by:	PD	SEL	M5S
Aims	<p>Combat inequalities and social exclusion.</p> <p>Safeguard the person’s dignity through economic support and social inclusion measures.</p> <p>.</p>	<p>Fight against marginality.</p> <p>Safeguard the person’s dignity and support citizenship through social inclusion processes.</p> <p>A measure for the reinforcement of policies and initiatives aimed at the social inclusion of individuals most at risk of marginalization in society and in the labor market.</p>	<p>Fight poverty, inequalities and social exclusion.</p> <p>Ensure support to all those initiatives and policies aimed at granting a dignified access to professional training and the labor market</p>
Beneficiaries	<p>Italian or EU citizens (and their families) residing in Italy for at least three consecutive years.</p> <p>Third-country or stateless citizens with an Italian residence</p>	<p>Legally residents in Italy for at least 24 months and registered in the Employment Centers.</p>	<p>Italian or foreign citizens who have been residing in Italy for at least the previous 2 years.</p> <p>Beneficiaries must be able to show to have worked in Italy for</p>

	<p>permit and living in Italy for at least three consecutive years.</p> <p>Beneficiaries must be unemployed, underemployed, working with a temporary contract or jobless.</p>		<p>1,000 or more hours in the last two years and that they have had an income of 6,000 € or more in the previous two years.</p> <p>Beneficiaries must have a high school or college degree.</p>
Monetary amount	6,000 € per year	7,200 € per year plus a partial or full contribution to meet unforeseen expenses	<p>Any amount that would allow the person to reach a yearly income of 7,200 €.</p> <p>Beneficiaries not owning real estate properties and renting their lodgings have the right to receive monetary support for leasing through the national Fund for the Support of Rentals</p>
Requisites to be met	<p>Be willing to participate in job placement and social inclusion programs.</p> <p>If unemployed the beneficiary must agree to any offer of employment even if short-term.</p>	<p>To agree to activation measures proposed by the Employment Centers as long as they:</p> <ol style="list-style-type: none"> 1. are consistent with the wage previously received; 2. are consistent with the acquired skills and training and with the formal and/or informal skills (to be certified by the 	<ol style="list-style-type: none"> 3. To agree to one of at least three jobs offers proposed by the Employment Center. These offers must be consistent with the beneficiary's c.v., with his/her formal and informal skills and with his/her interests and inclinations as emerged during the interviews held by the staff

		Employment Center that will issue a legally recognized „competence assessment“).	of the Employment Center. 4. The beneficiary must be willing to accept voluntary work that the Municipality of residence must be able to offer. In case of a disabled or an elderly person, the voluntary work is to be performed for a minimum of 4 hours per week.
Access	Based on the Equivalent Financial Situation Index (ISEE), the beneficiary must have a yearly income not exceeding 6,800 € and own only the house in which he/she lives.	Personal taxable yearly income not exceeding 8,000 €. The beneficiary must own only the house in which he/she lives.	Based on the Equivalent Financial Situation Index (ISEE) of the family, not exceeding 7,200 € for a one-person household.

The three proposals are very similar and, in theory, the Parliament should be able to find a suitable compromise in order to approve a law by large majority although it is more important and difficult to find the necessary financial backing which implies a difficult convergence on other economic policy measures on the part of the political parties.

On April 30, 2013, in Bologna, during the seminar "Work and Welfare for Citizens - A Proposal on Income, Wages and Time for a Different Social Model", Mr. Landini, the Secretary of the Metalworkers Trade Union (FIOM) presented the Trade Union's position on the introduction of a system for the protection of workers' incomes, of the unemployed, of those never previously employed. The proposal is not a simple reform of the existing social safety nets, but aims at extending them to all workers, in all sectors and in all enterprises and firms. This system, unlike the one proposed by the current

Prime Minister Mr. Enrico Letta during his governmental inaugural speech, which referred to, "Possible forms of protection for needy families or individuals", is not a charitable measure, but entails a new vision of the welfare state and of universal citizenship rights, which could finally bring Italy in Europe. With this proposal, the Metalworkers' Trade Union significantly shifted the Union's position on minimum income and, although not all Trade Unions agree with Mr. Landini's proposal yet, it marks an important step forward both for alliance building and for the political power and strength behind the promoters of a MIS.

Table N. 3 - The proposal of the Metalworkers' Union (FIOM)

The proposal made by FIOM entails the introduction of a personal income to which all employed or unemployed persons who live below the poverty line are entitled. This income must be available to all, migrant workers included, being the ones, according to the Trade Union, that are considered to be "second-class citizens" vis-à-vis rights although their contribution to the Italian economy is fundamental.

The measure is to be financed by the general taxation system, not based on the contributory system as the current social safety nets are.

It is meant to be a universal measure for protecting people from undeclared work in the shadow economy.

In synthesis, it would be a measure to accompany people into the labor market, and to fight against the precariousness trap that plagues the employment status and the lives of the young and the old.

As mentioned above the only economic measure to combat poverty at national level has been the electronic purchase card, i.e. the Social Card, promoted by the Ministry of Labor and Social Policies and addressed to persons/families living in severe poverty.

*"The social card has been perceived as a charity measure, a sort of "poverty card" that recalls similar programs adopted in the past, **before the concept of equal dignity and***

freedom for all citizens had consolidated” (Urbinati Nadia, 2008). The Social Card was introduced to give relief to poor elderly citizens and for reducing the tax burden of low-income citizens. But, it opened the door to a number of conflicts between the centralization and/or decentralization of institutional competences, besides entering in competition with income supplements provided or operated by the local authorities.

As we said, the amount of the social transfer is of 40, 00 € per month. In 2013, the Government introduced an experimental new scheme, co-existing with the old one, to be experimented over a 12 month period in 12 municipalities with more than 250,000 residents (6 in the North, 2 in the Center and 4 in the South). The revised 2013 Social Card follows a universal approach (i.e. for all Italian citizens, for EU citizens and for third-country citizens legally residing in Italy). The Ministry of Labor and Social Policy considers this measure as very close to an Adequate Minimum Income Scheme (see box below for more information).

“Interestingly it should be noted that the new Social Card 2013 will be a component of the Italian welfare system (mix of monetary support and social services) run by local authorities, restoring the key principals of the Framework Law 328/2000 on the integrated social policies. The monetary amount will also change in relation to economic hardship and family size” (Strati, 2013).

Example of a family entitled to receive the 2013 Social Card.

The “typical” family unit must be of low work intensity or with no-one in employment at the time of the request.

The household income must totally derive from work or pension, must live in a rented home or must have a mortgage to pay. A family of one parent and a child must have an annual income of less than € 6,800 per year (about 566 € per month). A family with both parents and two children must have an annual income not exceeding 8,000 € (about 650 € per month).

The extra income guaranteed by the Social Card should be enough to cover all

necessary expenses.

The amount granted by the Social Card clearly is not enough even for families which must deal with economic problems only, becoming only a stopgap measure for those families facing multiple problems, as very often is the case of many of the people who refer to social services for help who face economic problems coupled with other difficult conditions such as poor physical or mental health, non-sufficiency, drug or alcohol problems, or other difficult situations as living in disadvantaged areas, without sufficient public services etc.

On July 2013, CARITAS and ACLI (Christian Associations of Italian Workers) presented the Government and the Trade Unions a proposal for a MIS. The proposal, which goes under the name of **REIS (Social Inclusion Income)**, is meant to be a national measure aimed at all families living in absolute poverty. REIS is addressed to all citizens, notwithstanding their nationality, holding a valid proof of identity certifying his/her presence on the Italian territory and his/her residence in the country for at least 12 consecutive months at the time of the request. The provision, to be managed by the Local Authorities, would cover anyone from 18 up to 65 years of age, combining monetary transfer with social inclusion measures.

On September 18, 2013, the Minister of Labor and Social Policies submitted a proposal for introducing a new tool to combat poverty, focusing on social inclusion and employment, called **SIA (Support to Active Inclusion)** which, according to the Ministry, would be the “natural evolution” of the Social Card. SIA is characterized by its universality, by its strong link with the family's overall financial resources and by economic support combined with social activation measures targeting the beneficiaries. SIA would grant the possibility to purchase a defined basket of goods and services considered indispensable to lead a decent lifestyle according to current standards. In his speech presenting the proposal, Mr. Enrico Giovannini, Minister of Labor and Social Policies, pointed out that the SIA is an open proposal not in force yet. The proposal was therefore opened to the public debate before sending it to the Parliament for including it in the next Financial Law.

2. Assessment of Minimum Income Schemes

2.1. Coverage

Have there been changes with regards to the people who are covered by minimum income? What were those changes?

Data on the number of people covered by a minimum income measure at regional, local or provincial levels are not available. The data collection system called for by Law 328 was never put in place and, after 13 years since this law came into force, a national system of data collection that gathers activities, services, projects, the kinds and different types of economic assistance provided by the local and regional authorities has not been implemented yet although databases dealing with specific groups, i.e. minors and early school leavers, that could feed into a wider data collection system do exist. The implementation of such a nation-wide database is one of CILAP EAPN Italia's requests which the Network never tires to ask for in any possible venue and occasion.

Furthermore, the only evaluations and assessments available on the MI measures taken at local/regional levels and that could help assess the eventual changes in the lives of minimum income recipients, consist of a few documents published on-line or a few academic studies only. The information gathered by CILAP EAPN Italia is therefore mostly based on empirical data, coming from our direct contact with the beneficiaries or people who may benefit if such a measure were put in place at national level. Although not scientifically tested, both empirical data and the beneficiaries' opinions are two reliable sources which, from the time being, are also the only ones available. What we can report without doubts is that the living conditions of the people who have benefited of regional/provincial or municipal measures of income support have not changed. As a matter of fact, the measures of income support as applied in Italy only alleviate poverty, and generally speaking they do so over a short period of time, not being part of an active social inclusion strategy.

2.2. Take-up

Are there measures taken to increase take-up? Or on the contrary, signs of increased non-take-up? Are there national studies and/or debates on the issues of take-up and non-take-up of social benefits schemes in general and MIS in particular?

The experimentation of the Social Card 2013 is now underway and it is too early to assess its results. To our knowledge, the most recent and up-to-date studies are: the research carried out by the University of Milan for the COPE project - Combating poverty in Europe –within the 7th EC Framework Programme for Research- (http://www.centroeinaudi.it/images/abook_file/LPF_3_2013_WeL_Agostini-Sabato-Jessoula.pdf); the analysis carried out by Italian Basic Income Network (BIN), Italian partner of the EMIN project (www.bin.italia.org). Other important studies and research have been carried out by the economist Andrea Fumagalli (on unconditional income) and by the jurist Giuseppe Bronzini (on citizenship income). These studies, as well as the other proposals mentioned in this Report, will be the topic of the focus groups and interviews that will take place in the context of the second year of the EMIN project.

2.3 Adequacy

Progress on meeting criteria to make minimum income more adequate, for example by introducing uprating mechanisms, establishing a relation to (minimum) wages or other employment related income such as unemployment benefits, making use of reference budgets... ? Are these changes being justified by the economic crisis? Or are they the consequence of decreasing/increasing support of MIS in the public debate?

In Italy the issue of minimum, basic or adequate income, is mostly debated within minority political groups or civil society organizations without decision-making powers. But, some decision-makers (and their political parties) seem to be finally opening up to the issue, as the three bills that have been introduced in the Parliament show. Another important step forward is the fact that civil society organizations could actually agree on a citizens' legislative initiative, collecting enough signatures for making it possible to submit a draft law to the Parliament. Always on the positive side, some Trade Unions - the already mentioned Metalworkers' Trade Union in particular - are not, as it had been the

case until not too long ago, totally against the introduction of a minimum income measure. But, of course, the proper mechanisms for evaluation or quantification will be defined once, and if, there will ever be a universal minimum income scheme in Italy.

Last but not least, in discussing the issue of minimum income, one must keep in mind that Italy does not have a mechanism or law establishing minimum wages, a fact that explains, at least partially, some Trade Unions' hostility towards the mere concept of a MIS.

2.4 Public debate

Is there a public debate on the issue of MI coverage, adequacy, and take-up? Have national EAPN members been involved in this debate? Were people experiencing poverty consulted? Is there increasing pressure to tackle 'social fraud', especially in countries under fiscal constraints?

As reported in the previous sections of this report, the public debate has followed an uneven trajectory, mostly engaging some sectors of the Italian society, i.e. some political parties, organized civil society. EAPN Campaign for adequate minimum income brought forward an important debate: in 2009, during that Campaign, the Region of Lazio, with the contribution and active participation of CILAP EAPN Italia and BIN Italia, organized a conference in Rome in order to present the regional decree on minimum income, EAPN campaign for minimum adequate income and the European Parliament commitment on the issue. The Conference was also attended by Ms. Jean Lambert MEP and national politicians interested in promoting a minimum income bill.

The recent political elections of February 2013 were an opportunity for some political parties to introduce in their programs the promise for a "Citizenship Income", but all the proposals were unclear, lacked concrete indications on the kind of economic support proposed, where to find the resources or the links between this income and active inclusion measures. In any case, the electoral campaign and the debate on citizenship income held at the time were a good opportunity to fuel the debate, facilitating the collection of the needed signatures for the citizens' legislative initiative.

CILAP EAPN Italia has been involved in the MIS debate from the start and, probably, it has been the only network to involve people experiencing poverty in the discussion. Actually, the issue of the direct involvement of people experiencing poverty has been tackled by CILAP EAPN Italia from the beginning of the national preparation for the European Meetings of People Experiencing Poverty (2001) whose working group, made of 60 and more persons, has organized many meetings on the issue.

The question of “social fraud” is always very high on the agenda of our Governments: fake invalids, fake blinds, etc. etc. seem to be the real and only culprits of the deficiencies of our welfare system. Notwithstanding a few “shrewd” people exploiting the system, according to CILAP EAPN Italia and many other organizations, the problem lies in the fact that, without a minimum income scheme, without enough decent jobs to go around, with very poor benefits and low pensions, some people in need do take advantage of the “holes” in the system.

2.5 Good and unsatisfactory practices

Can you give examples of good or unsatisfactory practices with regard to coverage, adequacy and access to minimum income schemes?

Unfortunately the presence of few and diverse regional laws is not conducive to the identification of good practices even if the measure put into effect by the Region of Puglia seems to be, at least partially, both effective and the closest to ensure the right to access social services and the right to an adequate income.

In the Region of Lazio the center-right regional Government elected in 2010 (which resigned in 2012 after a series of corruption cases) did not refinance the legislative decree which is still in force but which, with no resources available, is an “empty box”. We hope that the new regional Administration will refinance the measure since, according to the on-going discussions held at regional level, there is a good chance that the decree will be turned into a law soon, pegging a dignified minimum income measure for all citizens residing in the region to the other two pillars of the EU Active Inclusion Strategy. This would rapidly become a good practice to be transferred to other regions, if not at national level. This shift in paradigm (not only minimum income but social inclusion

strategies as well) would be a very important step forward since we firmly believe, as the European Institutions state, that a MIS must combine, on an equal footing, active labor with social inclusion policies, must be aimed at a wide audience of disadvantaged groups, must combine income support with social inclusion strategies. Furthermore, any minimum income scheme must be addressed to those who need income support and social inclusion pathways, to people who only need some income support having temporarily lost their jobs, to the elderly who receive a pension below the poverty threshold, to people with disabilities who also receive a pension and/or social allowances below the poverty line.

The lack of a nation-wide data collection system and the different levels and kinds of support granted by the different Regions and Local Authorities to their residents have reached a breaking point, highlighting, among other issues, the great need to better understand the demands of the potential beneficiaries in order to better identify the macro-areas (social clusters) of intervention.

3. The link between minimum income and the other two pillars of active inclusion

Up-to-date comparable information across the three active inclusion pillars does not yet exist neither at national nor at sub-national level. As of now, there is no evidence that any kind of social experimentation or innovation is being developed vis-à-vis active inclusion measures.

As Mr. Filippo Strati (2013 report) highlights, the inadequacies of the Italian system/s of income support is an indirect incentive to find a job (for those who can do so), often forcing employment-seekers to accept jobs in the informal economy. The scant benefits provided by the different support measures we have described in this Report and the lack of a universal minimum income scheme throughout the national territory result in forcing people into employment, if they are lucky enough to find one.

Table N. 4

Source: “2013 Report on Active Inclusion”, Filippo Strati,

Has it been developed a comprehensive and integrated strategy in Italy?												
	Global policy processing			Integrated implementation			Institutional subsidiarity			Stakeholder participation		
	yes	some	no	yes	some	no	yes	some	no	yes	some	no
For those who can work			X					x			X	
For those who cannot work			X		x			x			X	

Table N. 5 “2013 Report on Active Inclusion”, Filippo Strati

The extent to which policies/active inclusion measures were strengthened, have remained the same or have been weakened in Italy after 2008?									
	Adequate income support			Inclusive labor markets			Access to quality services		
	Strengthened	The same	Weakened	Strengthened	The same	Weakened	Strengthened	The same	Weakened
For those who can work		X				X			X
For those who cannot work			X						X

3.1 Has a clear active inclusion strategy been developed in your country?

As pinpointed in Tables N.4 and 5, the various national Governments in power since 2008 have almost completely ignored the EC Recommendation, neglecting to design and

implement a strategic approach to active inclusion. Some efforts, albeit sectoral, were made by the Minister for Territorial Cohesion who has tried to implement a new approach to active inclusion policies in territorial cohesion projects, especially in the southern Regions, where the expenditures of the European Funds were at risk.

On February 27, 2013, CILAP EAPN Italia attended the Hearing of the economic and social partners and representatives of civil society promoted by the Department for Development and for Cohesion Policies. The Hearing was part of the comparison partnership for the preparation of the Draft Partnership Agreement (DPA), as provided for by the document "Methods and Objectives for Effective Use of EU Funds 2014-2020". CILAP EAPN Italia participated in the discussion on Thematic Objective 9, "promoting social inclusion and fighting poverty", giving the following suggestions vis-à-vis expected results and actions:

- **Strengthening of the proximity care services.** With the aging of the population, the social and health authorities at the local level should make sure that the citizens can actually enjoy their Constitutional Right to Health, organizing sustainable long-term home care services. The cost of such services should not be an issue since "prevention is cheaper than cure". The hardships caused by the lack of long-term home care are mostly felt by people with low-income who cannot resort to private care. In Italy, it would definitely be a socially innovative measure to be able to match the available offer for home care with the beneficiaries' actual needs. In order to do so we need more resources, better planning and a real coordination between Regions.
- **Integration between financial benefits and social services in order to support a comprehensive active inclusion strategy.** The European Parliament's Resolution of 2008 on promoting social inclusion and combating poverty, child poverty included, reports that the majority of the EU member states do not put in place enough measures to ensure their citizens a sufficient income to live in dignity. In order to reduce poverty and social exclusion in Italy, we need to reorganize, quantify and assess the existing plethora of monetary subsidies granted by the

Local Authorities, combining them with a national measure of adequate minimum income and the reorganization of our social services.

- **Realisation of a nation-wide integrated collection system.** Law 328 envisaged such a system which has not been put in place yet. There are some „thematic“ databases, mostly at regional level and targeted to specific groups of beneficiaries but which do not give the necessary information on the actual matching between the offer and the demand for services. This tool, combined with the „questionnaire on social spending“⁸ would give a clear picture of the financial resources needed for ensuring that Essential Assistance Levels are granted throughout the national territory.
- **Support to people living below the poverty threshold.** The social measures addressed to the homeless are very few, mostly concentrated during the winter months (emergency) and delivered by charity institutions, mostly linked with the Catholic Church. New measures should be put in place both for dealing with emergency situations and for implementing long-lasting social inclusion measures, with the direct participation of people experiencing poverty. The experience of the European project "European Meetings of People Experiencing Poverty", that CILAP EAPN Italia has been coordinating at national level since 2001, is a good example of how the participation and the empowerment of people experiencing poverty can be developed. The project encourages the direct participation of people living in poverty and social exclusion so that they can have their say in the planning, realization and monitoring of the policies that directly affect their lives. The project has allowed people in poverty (Roma, women, homeless, ex-offenders, unemployed, underemployed, disabled, people discriminated against, etc.) to voice their needs and demands during the European Meetings of People Experiencing Poverty, held yearly in Brussels, with the participation of national delegations of people in poverty coming from the MS, the academic world, national/European political representatives and other stakeholders.

⁸ Tool realized by the Ministry of Finances in collaboration with the Ministry of Labor and Social Policies and the National Institute of Statistics, for detecting the social spending of each Municipality.

During the Hearing CILAP highlighted also that “social innovation“ does not necessarily entail the elaboration and implementation of completely new practices, but that it could be a useful tool to implement, make more effective and efficient many initiatives and practices that are already in place but need to be better organized, monitored and assessed.

3.2. Structural Funds - 2014-2020 Programming

In relation to Thematic Objective 9 (social inclusion and combating poverty) **the Italian Draft of the Partnership Agreement that is in preparation for the Structural Funds programming period 2014-2020 (DPA)**, compares the Italian data with that of EU-15⁹ and EU-27. The data show that severe material deprivation in Italy is particularly high (11.2%) if compared with the EU-15 average (6.1%) or EU-27 (8.8%), having registered an increase of more than 4 points in 2011, the largest among all European countries. The demographic factor is highly relevant in determining the risk of poverty: Italy is among the EU countries with the highest incidence of child poverty (26.3%, EU average of 20%) followed only by Bulgaria, Romania and Spain. ***The Draft of the Partnership Agreement underlines that Italy is one of the few EU countries lacking a measure of income protection of last resort.***

This situation is exacerbated by the limited availability of care services: day-care services for children (0 – 3) cover only 11.8 % of them, an increase vis-à-vis the previous two years (it was 10.4% in 2009), but still far from the targets set by the Lisbon Strategy ten years ago.

The Draft of the Partnership Agreement takes stock of the very uneven distribution of services across the country, corresponding to deep inequality in social spending, ranging from the 300 € per capita spent by the Autonomous Province of Trento down to 25 € per capita spent by the Region of Calabria, the South spending approximately 1/3 of the North.

⁹ EU-15 refers to the number of MS in the EU in 1995: Belgium, France, Germany, Italy, Luxembourg and the Netherlands, Denmark, Ireland, United Kingdom, Greece, Spain, Portugal, Austria, Finland and Sweden.

The participants to the Hearing, CILAP included, underlined that the lack of the Essential Assistance Levels represents one of the major deficiencies of the Italian Social Policy System. A deficiency which, moreover, does not respect a specific provision of the Italian Constitution (Art. 117/m) which states that, “the determination of the basic level of benefits relating to civil and social entitlements (are) to be guaranteed throughout the national territory”.

Which policies are proposed? The 2011 and 2012 National Reform Plans committed the Italian Government to contribute to the EU objective of combating poverty by reducing of 2.2 million the number of people living in poverty or social exclusion by 2020. At the time of the definition of the anti-poverty national target, the Italian Government announced that it would concentrate its actions on two major disadvantaged groups: those living in condition of material deprivation and those families with low labor intensity.

The 2014-2020 programming plans to support the anti-poverty national objective through a number of strategic guidelines. Among these:

With reference to the investment priorities of the European Social Fund (ESF), i.e. reinforcing the social inclusion of disadvantaged people with a view to their sustainable integration in employment, Italy will operate two ways:

- I. Implementing a national program to experiment measures aimed at families living in poverty or social exclusion, with particular attention towards households with children. The program, supported by an integrated network of services, shall be based on economic aid (Conditional Cash Transfers) to be granted upon the beneficiaries’ participation in social inclusion projects (active inclusion). This program is deemed to be consistent with the Strategy for the Active Inclusion of People Excluded from the Labor Market (EC Recommendation of October 3, 2008) since it is based on the latter’s three pillars, i.e. adequate income support, inclusive labor markets, access to quality services. The program would also be consistent with the specific Recommendation "Ensure the Effectiveness of Social Transfers, in particular by better Targeting Performance, especially for Low-income

Families with Children" (2013 European Commission proposal (COM (2013) 362, 5/29/13);

- II. with reference to employment, and in addition to the already mentioned program for active inclusion, interventions addressed to people farthest from the labor market and in need of broad and diversified active inclusion measures will be implemented. These social inclusion interventions will prioritize rural areas, where the risk of unemployment and that of social exclusion coexist. The DPA underlines the importance of supporting the creation of new jobs for the young people in agriculture through the innovative use of land (social farming) and by increasing support measures in favour of those collectives/communities of young people who farm the land confiscated from organized crime and / or public lands.

With reference to the delay, especially in the southern regions, in the construction of adequate social infrastructures, the DPA offers the following guidelines:

- III. improving the quality and accessibility of care services for people with limited autonomy; improve social and educational services for children, in line with the views expressed in the "Position of the Commission Services' on the Development of Partnership Agreement and Programmes in ITALY for the Period 2014-2020". Care services for the beneficiaries' well-being, and, as for children, the realization of services for their educational and social development should be enhanced (as envisaged in the "Social Investment Package"). This action should have a direct effect on job creation, and should facilitate reconciliation between work and family. In this area, the response to the demand for services and the experimentation of innovative organizational and management models will be accompanied with innovative approaches to parenting support, once again as envisaged in the "Social Investment Package";
- IV. reinforcement of the infrastructures and of the health services through strengthening the local and non-hospital services by promoting, among other things, the reorganization of the "Network for the Single Point of Access to Social

and Health Services” at the local level and investing in training for the professionals of the social sector;

- V. implementing infrastructure projects co-financed by the ERDF, with particular attention towards the metropolitan areas; improvement of existing private and public estate to increase the availability of social housing and housing services for vulnerable groups. In this context, the ESF may support particularly vulnerable groups in accessing housings as part of their social reintegration process, whereby including, whenever possible, their return to work;
- VI. at last, the proposals for the reduction of extreme exclusion (homelessness), the foreseen interventions for strengthening the emergency network of social services and the experimentation of new integrated models between housing, health and social measures to support homeless people in the path towards autonomy are worth mentioning.

The final approval and subsequent rules for the “Fund for European Aid to the Most Deprived” may be envisaged as another opportunity for further interventions to support people living in severe material deprivation.

3.3 Link with inclusive labour markets

Has a closer link between benefits of minimum income and activation measures been established ? Have minimum income benefits been made more conditional upon readiness to participate in training or work schemes, and what are possible impacts? Were new work or training schemes for minimum income beneficiaries put in place? Are there assessments/evaluations on the efficiency of these activation measures for MI recipients, notably in a long-term sustainable perspective?

The links between minimum income measures and an inclusive labor market are few and inconsistent, even considering the laws or decrees approved by some Regional Authorities in support of some groups of people who do receive income support while seeking employment. Unfortunately, the Italian cultural approach focuses more on the beneficiaries’ obligation to attend training classes or to accept any job it is offered them, rather than giving them the opportunity to take action for entering the labor market autonomously, the vision being one aimed at *workfare* and not at active inclusion.

3.4 Link with access to quality services

Did minimum income beneficiaries' access to services improve or deteriorate? Have prices for different services increased? Is the accessibility of services reduced, particularly in the light of measures taken as a consequence of the crisis and fiscal consolidation?

There is no distinction between the recipients of income support measures and other citizens: access to services is equal for all, although the person's contribution to the cost of some services may change according to the family income, i.e. the lower the income, the lesser the contribution asked. It is necessary to underline, however, that a large number of people, although in financial difficulty, are not eligible for these kind of deductions and, as of today, many can no longer afford to pay the requested contribution for some health tests and, thus, either they turn for help to the organizations of the voluntary sector or just do not take care of their health.

3.5 Coherence of active inclusion strategy

Are the measures related to adequate minimum income, the inclusive labour market strategy, the access to quality services, designed in a coherent way? Are they mutually reinforcing each other?

With the exception of the Action Plan for Cohesion, a coherent active inclusion strategy is, and has always been, missing.

In 2012, the **Action Plan for Cohesion** reprogrammed the utilization of the EU Structural Funds in the South in order not to risk losing EU and national resources because of the low institutional capacity in investment and spending, both at national and local levels.

Of the available 2,343 million €, 845 million (36%) were devoted to social inclusion, 105 million (5%) to youth employment and education, while the remaining 1,393 million (59%) were addressed to growth priority areas. Other areas of major interest were: childcare, home-care for the non self-sufficient elderly, early school leavers, NEETs and youth entrepreneurship.

In May and June 2012, a set of initiatives proposed in the Action Plan for Cohesion was implemented in the 8 southern regions. These initiatives encompassed allocation of ESF resources for the employment of disadvantaged persons and allocation of resources

coming from the National Fund for Development and Cohesion (former FAS, National Fund for Underutilized Areas) for implementing quality services for social inclusion, i.e. education, childcare and home care for the elderly.

“In Italy were not put in place specific provisions to monitor the implementation of the Recommendation of the European Commission on active inclusion strategy (2008/867/CE). However, efforts have been made to improve indicators of social inclusion policies, in particular within the National Strategic Framework 2007 – 2013 concerning EU Structural Funds.

It has been created a useful monitoring and evaluation system based on indicators that describe trends and render explicit the objectives for each priority policy even at regional level; stimulating the southern regions to achieve quantitative targets of fundamental importance to the well-being and equal opportunity of all citizens in those sectors where there are major disparities compared to other geographic areas (e.g. education to reduce early school drop-outs and broaden learning opportunities; care services for minors and the elderly as to encourage the participation of women in the labor market; environmental quality, improving municipal waste and water management). The system was developed in close collaboration between the Ministry of Economic Development, Regions, ministerial departments and ISTAT (Statistic National Institute). The latter has recently created an Internet portal for social cohesion policies, while specific reports have been published in 2010 and 2011.

Adequate monitoring systems are expected in the 2012-2020 national strategy for the inclusion of ROM communities, Sinti and Camminanti trough a working group to improve statistical analysis, to include the gender dimension. The group will involve competent ministries, ISTAT, the National Association of Municipalities and the representatives of ROM communities.” (F. Strati, 2013)

4. Identification of obstacles to the implementation of adequate minimum income schemes and suggestions on how to overcome these obstacles

The first Section of this Report fully describes the obstacles to the implementation of an adequate minimum income scheme in Italy.

To arrive at a more specific and accurate examination of the key factors, CILAP EAPN ITALIA is carrying out a survey aimed at: 1. Identifying the barriers preventing the establishment of a MIS in Italy; 2. Identifying the concrete steps to be taken vis-à-vis the establishment of such a provision, linked with the system of social services and addressed to active inclusion. 3. Laying out, together with other main actors, concrete suggestions for adequacy, coverage and/or take-up of an Italian scheme of minimum income.

The debate on introducing a MIS in Italy, which has been reported here, dates back to many years past and has been back to the forefront of the public discourse only recently, finally engaging the public institutions directly. For this reason it is worthwhile to concentrate our attention on the concrete steps that must be taken for the design and the introduction of a MIS.

CILAP EAPN Italy has started the second part of the ENIM project by interviewing and organizing focus groups with experts and key-witnesses in order to identify which is the most suitable universal model of a minimum income scheme in terms of coverage, adequacy, take up, etc.

To this end, a questionnaire and a set of guidelines for conducting the interviews and the discussions in the focus groups have been developed.

CILAPEAPN Italia is also be engaged in:

- making sure that any MIS that may be approved in the next period of time is in line with article 23 of Law 328 of 2000, i.e. that it is considered one of the pillars of an active inclusion strategy in line with the EC Recommendation; that it is embedded in our social protection system as a universal measure treating all citizens alike; that it is of exclusive jurisdiction of the State;
- contacting the the Parliamentary political groups;
- organising focus groups with relevant actors and key-witnesses.

Annex 1: List of consulted partners

As a first step to launch and establish the “National Network for the Minimum Income” CILAP organized the first meeting of the National Minimum Income Network in Rome, on March 22nd, 2012. The second meeting for the constitution of the National Minimum Income Network took place in Naples, on May 31st. A number of organizations participated in both meetings and joined the project and the Network

Political parties involved on the theme of minimum income were also invited to attend the meetings, although with a clear understanding that CILAP was fully aware of the different positions that have developed around the issue over time. The intent of the project and of its first steps was to launch the network and to grasp the terms of the discussion in order to be able to analyze the state-of-the art of the proposals on the ground: all of them necessary steps to support concrete actions for the adoption of a measure for an adequate income.

As of now, the following agencies and organizations have joined: BIN – Basic Income Network, Banning Poverty, Altramente, European Alternatives, Trade Union Fiom-CGIL (pending), University of Milan, Fondazione Cercare Ancora, Associazione SCOSSE, Associazione Diversamente Occupate, Associazione Quartieri Spagnoli of Napoli, Associazione Maestri di Strada, Caritas Avellino, Students’ Network. Other personalities are also being contacted. The participation of the Ministry of Labor and Social Policy, of the Province of Reggio Calabria, of the Regions of Sicily, Basilicata, Lazio and that of other agencies are being verified.

We would like to mention here that Ms Nicoletta Teodosi, on behalf of CILAP, takes part, as one of the representatives of civil society, in the Thematic Group C, “Quality of life and inclusion” of the Partnership Agreement for the 2014-2020 programming. During the meeting that took place on February 27th. 2012, Ms Teodosi mentioned the launch of the National Minimum Income Network, in the context of the European project EMIN, asking the National Authorities (Minister of Cohesion and Ministry of Labor) to take part in the network.

Other stakeholder Cilap is interviewing are: Maurizio Landini-FIOM, Vera la Monica-CGIL, Livia Turco, Rita Tomassini-UIL, Piero CERRITO-CISL, Marco Castelli -Sindaco di Ascoli, ANCI, Assessore Ugo Rossi-Provincia Trento, Presidente Giuseppe Raffa-Provincia Reggio Calabria, Regione Basilicata, Assessore Rita Visini-Regione Lazio, Anna Maria Candela-Regione Puglia, Cecilia Guerra-Ministero del lavoro, Giorgio Airaudo-Camera dei Deputati, Assessore Bianchi-Regione Siciliana, Salvatore Esposito-Regione Campania, Casavola Paola-DPS – Uval, Riccardo Petrella-Dichiariamo illegale la povertà, Cristiano Gori-REIS (ACLI / CARITAS), Giuseppe De Marzo-LIBERA, Chiara Saraceno-Università di Torino, Emanuele R. Ortigosa-IRS, Maurizio Ferrera-Università di Milano, Tito Boeri-La Voce Info, Andrea Fumagalli-Università di Pavia, Elena Granaglia-Università di Roma Tre, Stefano Rodotà-Costituzionalista, Catello Avenia-Università E-Campus, Luciano Gallino-Università di Torino, Emmanuel Matsaganis-Università di Atene, Emiliano Brancaccio-Università del

Sannio, Marco Revelli-Università del Piemonte Orientale, Filippo Strati-EU Network of Independent Experts on Social Inclusion.

Annex 2: The MI on the scene of the Italian debate, by Maria Luisa Mirabile

The first Italian conference on the MI was held in Rome, organized by IRES (Economic and Social Research Institute), in 1988. In those works, absolutely anticipatory of a comparison of the change in work and welfare that would be followed up to the present day, attended by some of the most important Italian sociologists and the European scholars –philosophers and economists – that in that time were animators of the Bien / Basic Income European Network. As marginally, in the course of those works, was also devoted attention to the newly formed French law on Minimum Income of Insertion (RMI, Revenue Minimum d’Insertion), that was at the end of 1988, instituted in France on a national scale. The proceedings of the meeting were later published in a special issue, and now historic, of the glorious magazine “Inchiesta” (No. 83-84/1989).

In relation to this, and therefore what we might call the onset of MI in Italy, I will mention quickly, given the limited time available, the main terms of what was once the first phase of debate on the topic. The key concepts around which was reflected then, were largely the same that are still now the focus of debate. Analogously, seeking the antidotes to poverty, that even at that stage was announced growing and with unpublished profiles, with solutions to the many asymmetries that social protection systems showed respect to an already changed quality of employment conditions. So in summary. A slope of studies and proposal (the one recognized as the Basic Income approach) postulated the quest for “social justice for all” of which the universalism and the unconditional performance were natural corollaries. Otherwise, in the case of the RMI “French style” it was pursued the goal of social inclusion of marginal individuals (emphasis on employment will follow in subsequent revisions of the original plan) combined with the supply of material support for the immediate contrast to poverty.

The start of a contextual reflection on the two strategies and related instruments, in the face of an Italian debate that even then showed traits of considerable approximation, probably was not a good idea as it helped create misinterpretation, playing probably to the detriment of any favorable developments in each of the two hypotheses. In particular, the Basic Income as an automatic mechanism, unconditional both with respect to the income situation and to the availability of social inclusion and/or employment of the beneficiaries, to allocate on a tax-base (more or less like a negative income tax) caused a considerable interest in the Italian sociology, that soon enough spotted the actual limitsⁱ, mainly due to the propensity of a large amount of tax evaders (which could have, posing as needy, take advantage of the benefits), a potential dumping of this provision is both in relation to other welfare provisions linked to the inability and to the bad paid jobs (which would farther been abandoned and/or negotiated). A further limitation was also spotted in the abatement of the social integration function of employment that this policy would have had contributed to break down. Anyway, according to concrete developments, what has happened in Italy regarding this policy, despite the wide range of concepts and designs within which during this time and locally articulated, is largely attributable to the

French- RMI inspiration, and has gone through several crises and development stages. Below I will try to briefly give an account in temporal perspective.

Late 80s

The theme gained some political interest, though not in the agenda. All the then existing left-wing parties, presented a bill for the creation of a minimum income measureⁱⁱ. Immediately began a kind of diaspora terminology, indicating the different inspirations of origin: mainly divided between the goal of social and/or labour inclusion and the right to citizenship as suchⁱⁱⁱ. Among the most common phrases, we can certainly remember those of RMI (Revenue Minimum d'Insertion/Minimum Insertion Income), Income of Citizenship and Guaranteed Minimum Income.

At play in a probably unfavorable way, is well attributed to the distance of the proposals from the own actual characteristics, and resilient to change, typical of the Italian Social-Welfare system. In fact, the *fil rouge* of all of these proposals was their common, double intention: insert in the Italian system a measure capable of introducing new ways of social protection for the poor and the unemployed without previous stable employment and - at the same time - to rearrange, at least in part, the mess of the Italian Social-Welfare, notoriously characterized by weakness, by the predominance of cash transfers rather than in services, and inequality in the degrees of monetary coverage existing among the different measures of assistance. And this has met immediately strong resistance.

The 90s

With the awareness of the deep fragmentation, even regional, of the Italian Welfare System and the reformist intention to contribute in determining more equality, in those years the first studies were created on the reality and essential Minimum practices already undergo in several Italian Municipalities, especially in the northern areas of the Country. These works, one of which in particular, promoted by the then Government Commission on Poverty, aside from identifying the multi-formity of the various policies in effect, showed a very different situation in terms of presence and absence in the diverse regional realities, so representing the prerequisite of the bill then proposed by Pierre Carniti in 1996 during his presidency of that very Commission for the institution of a Minimum Essential on a National scale. And it is still in those years, perhaps even more significant, the bill launched by the Onofri Commission, to establish a proper Minimum Income on a national scale, with the function of: the creation of a basic level of welfare protection, to appoint a conciliatory body between the social-welfare system and a new system of social safety-nets and unemployment safeguards; optimization of the already in place social spending, for pensions and other forms of aid (see Commission on the analysis of the compatibility of the Social Spending, Final Report, February 1997). The costs, also estimated afterword's, of such a measure, did not seem to go over those already in place, or those in the time required by the financial laws of that period, for the specific policies in support of families and the have-nots (see website *la Voce.info*).

This bring us to 1998, the year of the experimentation launch on a national scale of the Minimum Income of Inclusion ("Reddito Minimo d'inserimento", Legislative Decree n. 237), which became operational in January 2009 in a group of 39 municipalities selected according to a national representation criteria of difficulty (of 39 municipalities, 24 of

them were in Southern Italy and the islands, 10 in central Italy and 5 in northern Italy). In the legislative policy, the instrument is defined as “policy to combat poverty and social exclusion, particularly aimed at families facing the risk of marginalisation”. The most innovative elements introduced by the policy, have been the integration between economic delivery and social inclusion, also the universality and territorial homogeneity of the intervention. Once again, the universality corresponded to the will of overcoming the welfare categorization; territorial homogeneity to the will of overcoming the social right disparity, in place in the Italian territory. After the first experimental phase (1999/2000), thanks also to a residual fund never spent, the policy has been both extended and expanded, again on an experimental basis, to a group of another 233 municipalities (L. 388/2000). The criterion adopted for the increase has been the cooperation between the social policies and local development policies, specifically the inclusion in the experiment, of the municipalities already part of the Territorial Pact, in which had to be present at least one of the 39 municipalities already involved in the late stages of the experiment.

Total time for the experimentation was five years, from 1999 to 2004, with extensions to the municipalities involved for the use of the funds already allocated and not yet spent until 2006. Between the first and second experiment there was a variation, both of the types of programs, as of the target subjects. In the first two years of experimentation there was a significant incidence of social-welfare programs (24%) but in the second phase plummeted to 7%. A downward trend that has influenced the Public Utility Programs (increased from 9,6% to 32%), while those of occupational training were registering only a modest decrease (from 15% to 13%)^{iv}. Out of general average, the monitoring and evaluation of the measure, revealed a series of more specific links, including the one of the territorial divide of the integration.

In the northern areas the projects that aim toward employment were prevailing, while in the southern – given the different economic context - were prevailing the investments for the most part aimed at the social integration. On this gap (and over the general prevalence of the actions with social purpose than the one of creating jobs) has stressed the negative consideration of the policy made by the Center-Right Government that should have embraced the legacy of the experimentation.

Aside from that, in the trace of the studies carried out on this experience, we have also to note as mainly in southern Italy the MI has induced in the common innovative developments of the social context, due to requirements inherent to the resolution (among which: the active involvement of the beneficiaries in the execution of the agreed path of integration; the implementation by the people of integrated methods in working with the third sector, with the political parties and territorial economic protagonists; the start of an effective social participation on the initiatives and opportunities already in place), in regards to the process of imposed adjustments urged by lack of organization that was never there (among which: the relationship with a *platea* of beneficiaries perhaps artificially increased by the lure of the new social benefit; the necessity – at times exaggerated – to develop and apply control methodologies on the effective presence of the established requirements; the need to develop planned work methodologies on pre-established and customized objectives of social inclusion).

Later it was “decreed” (without taking into account the official report evaluation) that the resolution went quashed because of its lack of efficacy in determining job placement, ignoring the few opportunities provided by many social contexts, and underestimating the important practices implemented in terms of social rehabilitation of the beneficiaries and their families.

The 2000s

A nearly a free-fall of the MI in Italy, after the experimentation, takes place in four steps. At first there was the promising introduction of the RMI in Law 328/2000 reform of the Italian welfare system. It's a reform process soon predicated from the immediate - and contradictory – Law to reform Titolo V of the Italian Constitution (January 2001) that, in the allocation of funds and social responsibility to the Regions, in fact almost completely destroyed the governance just appointed from the previous and complex Reform. This will allow only some of them to deliberate on Minimum Income measures. Meanwhile, in July 2002, the then in office Government, officially defined the ‘Pact for Italy’ an used up experimentation^v. The choice will be confirmed in the ‘Libro Bianco sul welfare’ (February 2003) and in the NAP inclusion 2003/2005.

So a new measure, the RUI^{vi} (Income of Last Resort) was then launched: this one (questionable at best) was conceived for the extremely poor only, but remains completely unimplemented. According to its design, compared to MI in the RUI the emphasis is on, above all, the social inclusion component rather than employment; and also the resolution would have minimized the integration option between the social policies and employment policies already present in the RMI, referring the employment to another level of coordination between the two. The not in place RUI, has been determined, besides the same lack of interest by the then in office Government, even by the institutional change introduced by the Reform of Titolo V of the Constitution. The Financial Law that should have guaranteed its resources, had considered a State Funding for RUI, based on a levy of 3% on the so called ‘golden pensions’ and a co-financing move between State and Regions^{vii}, but rejected by the Constitutional Court (Case n. 423/2004) in conformity with the exclusive competence of the Regions and the non-exclusion of the constraint allocation of the resources that was represented in social-welfare matter as a result of the reform of “Titolo V” of the Constitution. This has generated the abolition of Art. 3 of Law n. 350 (relating to the co-financing), the current situation, according to which a general tool of minimum Income (of any kind) is subject to the definition of State-Regions agreement which would set the parameters.

Afterword's, the 2005 Financial Law omitted any reference to RUI, while that of 2007 will again mention the RMI only to describe how the unspent funds should go to the National Fund, unclear to the Social Policies.

Still the years 2000. Signs of ‘mini diaspora’ of Regional Laws after the termination of the national experimentation and the Titolo V of the Constitution reform.

Besides the measures to combat poverty that numerous Regions have approved during the years 2000, some of them have foreseen the creation of experimental measures of

minimum income. The following list marks how even in this field has returned into play, now on a Regional level rather than Municipal, the leopard-patch configuration typical of the Italian socio-welfare system.

The gap distinguishes (or distinguished: the list should be probably updated) the Regions that have a Minimum Income (RM) measure and those who do not, it also shows a difference – that the same denominations adopted report – both in terms of the guidelines and general purpose, and under the terms of the single active bills.

A list of the Regions maybe not exhaustive or in some part even inaccurate^{viii} but in the years since it has been approved, could be the following:

- Campania Region: in 2004 Campania has passed the Law for the two-year trial of the “Citizenship Income”. The bill was conceived inside the Social Action Plan and provided grants of €350 to households with less of €5,000 income per year, as per ISEE (Equivalent Economic Situation Indicator). In the first year of the trial 146,000 applications were submitted of which 90% accepted, but the Regional funds allocated could pay only 17,000 applicants; in June 2006 the Region has given directions to the implementation of the second year and approved the target of a further € 77 millions.
- Veneto Region: since 2004 has funded the continuation of the National trial in the town of Rovigo: “Income of Last Resort”, investing € 120,000 only for Rovigo’s Municipality. The aid is for citizen with high risk of exclusion specially unemployment, enhances the local integration of Social Policies and Employment Policies, also distinguishes the targets and programs based on the possibility, or not, of employment. In 2006 the operation is continued with an investment of € 80,000.
- Regione Sicilia: has established since 2004 “Cantieri scuola o lavoro” (training schools or jobs) by including some of the former recipients in the national experimentation. In 2006 the Region has committed € 10 millions for CDSs that are directed only to former RMI recipients, in harmony with the measure.
- Basilicata Region; in 2006 has launched a “Program for promotion of Social Citizenship” investing €41 millions. The program was based on a pact of citizenship between the local authorities and the beneficiary that tends to maintain the coexistence between economic benefit and employment.
- Autonomous Province of Bolzano; has added the pre-existing economic support aid in a logic of MI called “aiuto all’auto aiuto” (Help for Self Aid); the benefits are of limited duration in time (the cost in 2006 was equal to 37% of the budget for financial contribution).
- Valle d’Aosta Region; “minimum essential with function of inclusion”. Converts to the pre-existing economic supports.
- Lazio Region; the Bill on the “Guaranteed Social Income” was approved on January 25, 2008 which allocated €30 millions for the next three years. It was established by the Labor Department and was addressed to the unemployed and the out-of-work with an annual income of less than €7,500 but willing to participate in job training activities.
- Autonomous Province of Trento: on September 11, 2009 has approved a Bill of economic support called “Income Guarantee”. The Bill is to satisfy the general needs of day-to-day life and consists of a monetary disbursement to integrate the economic

status of the household and in some cases provides an incentive to work, but with relative penalties in case of refusal. The benefit is of limited period of time and is renewable for a maximum of three times. The Bill was again governed as of July 1st. 2010 with Provincial Commission resolution no. 1524 dated June 25th. 2010.

Some conclusion

From what I have tried to say, I hope it has emerged how I believe necessary, in particular keeping with tortuous events experienced by the RM, to produce circumstantial analysis and able to understand in depth the causes of protracted and damaging obstacles to the processes of social reform. The involvement of public, political and social Representatives, of the citizenship, as well as the people themselves, is equally important.

From this point of view, I believe that the EMIN project is very well centered and potentially very useful. In fact, in my opinion, reforms detached from reality or not able to integrate the complexity within them, are likely to produce more and more greater obstacles rather than overcome them.

Consequently, I believe that today it should be brought to the attention to every consideration and proposal MI, a careful analysis of the reality. In addition to the persistence of issues historically inherent to the Italian situation (e.g. the risk of opportunistic behaviour like the access to the measure by tax evaders, or the necessity of extending the MI to whole areas of the Nation, in particular southern today hit by a dramatic increasing of unemployment and poverty: both of them maybe “attackable” by well-designed policies of income for inclusion, capable of reach an effective national unity to the measure), today there are additional and new problems to deal with. Think of the so-called “working poor”, with wages that are below or near poverty line, and think also of the scarcity, in terms of structure and entity, of the social coverage for the poor or disadvantaged.

Even in the hypothetical (and perhaps not realistic) economic sustainability for the introduction of adequate and decent Minimum Income, how not to imagine a differential, between that and a Minimum Wage (which would be introduced, even in this case, not without difficulties and obstacles), so as well the differentials should be applied between the lower contributory pensions (at the base of which there were previous employments) and income of citizenship. This are examples of topics that would require analysis and careful and thorough examination, so to overcome the obstacles of the past decades, I think such an important measure certainly deserves. This are examples of topics that would require specific analysis and careful examinations so to overcome the obstacles of the past decades and that such an important measure certainly deserves.

ⁱ This debate can be found in some files of the journal "Politica ed economia" (years 1988/89), and particular: in 1988: L. Balbo, n. 5; G. Standing n. 11/'88; M. Paci, n.12/'88; nel 1989: C. Saraceno n. 1; F. Vianello, n. 2; C. D'Apice, n. 2; U. Muckenberger, C. Offe, I. Ostner, n. 3; V. Capecchi, n. 4; C. Ravaioli, n. 5; E. Morley Fletcher, n. 6; E. Puglese and C. Saraceno, n. 6; L. Balbo, n. 7-8; B. Jordan, n. 10.

ⁱⁱ Between 1989 and 1990, there are about three, two of which are explicitly referred only to the young unemployed, and exactly; the February 21st. 1989 Bill, Democrazia Proletaria; the June 7th. 1989, PDS; the November 28th. 1990, Partito Socialista. In the same period were also carried out by research institutions and individual scholar some cost estimates in relation to hypothetical schemes as they developed, although not all crowned by the introduction of a Bill, these estimates were sometimes including the savings that would have been obtained by absorbing the new policies of other social welfare measures already in place.

ⁱⁱⁱ It must be said that more often than not, under the above mentioned citizenship are policies of clear labouristic character.

^{iv} The data are taken from the Report of Evaluation of the first two years of experimentation carried out by IRS and the Zancan Foundation and the subsequent research (on the period of extension) was carried out by IRES. This latter was published in "L'Assistenza Sociale", n.2, 2002.

^v The Pact for Italy states the impossibility, confirmed by the RMI experience, that anyway was neither discussed in Parliament or made public, of the evaluation report regulated by the same DLgs. Act, to "identify by State Law, individuals that have the right to Social Security hence the necessity of a co-financing, with a share from the Social Policies Fund and Regional Programs, approved by the central government, aimed at ensuring a basic income to citizens not covered by any other policies of Income Support. The Central Administration is entrusted with the role of coordination and control over the performance of those very same programs". (Ministry of Labour and Social Policy, "Communication of European Commission concerning a consultation over an action, to create at community level, in promoting the active inclusion of people furthest from the labor market", April 2006, page 6).

^{vi} Law n. 350/2003.

^{vii} Actually was never clear whether the RUI had to be regarded as one of Essential Level of Performance (LEP), or its presence and characteristics should be defined only at regional level.

^{viii} The list is "extracted" from a not too recent research and it has been only minimally updated: a more detailed and updated analysis of the same policies, even though at times obsolete, could prove to be absolutely useful to the EMIN project because it would concur with the analysis of strengths and weaknesses of the Italian context upon which a forthcoming Bill of MI should take advantage of.