ITALY

Change of Direction Needed to Implement the 2030 Agenda

Soana Tortora, Jason Nardi, Tommaso Rondinella
Social Watch Italy

Due to the lasting impact of the international financial crisis and resulting increase in poverty and insecurity, and especially due to the Government's extensive austerity policies, Italy faces challenges in many of the areas addressed by the 2030 Agenda for Sustainable Development goal.

Moreover, the political context is critical, the result of three changes of Government without elections, in which the executive power has taken decisive initiatives for reform in many fields, including constitutional reforms, resulting in a progressive worsening of the gap between the political action of the "palace" and the daily exercise of citizen democratic participation.

Even in the one area that has seen a positive trend in recent years, namely, the development of renewable energy, there has been a reversal of the virtuous cycle since 2015.[1] In the absence of a national energy plan, government policies continue to encourage fossil fuels (despite popular opposition), and large infrastructural works with new rules to eliminate environmental controls (introduced through the Stability Law in 2016) and with an increase in soil depletion.[2]

Add to this a very weak and recessive macroeconomic situation, with an excessively high and growing public debt/GNP ratio, which in 2015 reached a peak of 133.1 percent and the "deterioration of competitiveness and of productivity" according to European Commission data.[3] Italy also continues to have among the highest rates of corruption (in 2015 it was next to last in Europe, after Bulgaria, according to Transparency International[4]).

An area that could revive Italy's role in implementing the 2030 Agenda is that of international cooperation, thanks to the recent new law and to a small sign of reverse from previous year declines, with an official development assistance reaching 0.22 percent of GDP in 2015, moving the country from last to fourth to last among European countries. We still need to see how the funds will be used and how civil society will be involved in developing countries. And above all, the effort could be nullified if the policies on arms exports continue. These rose 300 percent in 2015, reaching a record of over 8.2 billion euros in sales since WWII – even to countries at war, despite the national laws explicitly forbid it.[5]

Poverty and inequality

Wealth distribution is another critical aspect in Italy, where, according to Organization for Security and Cooperation in Europe (OCSE) data, "the wealthiest 1 percent of the population of the peninsula holds 14.3 percent of net national wealth, almost three times more than the poorest 40 percent, which only holds 4.9 percent". Italy's GINI index reflects the trend, increasing to a value of 36 from one of 31 in just a few years.

The Organization for European Economic Cooperation

1 See the GSE 2015 report: http://www.gse.it/it/Statistiche/RapportiStatistici/Pagine/default.aspx
2 See ISPRA 2015 report: http://www.isprambiente.gov.it/files/pubblicazioni/rapporti/Rapporto_218_15.pdf and http://www.infodata.ilsole24ore.com/2015/05/07/consumo-del-suolo-perso-il-20-della-fascia-costiera-la-mappa-dellitalia-che-perde-terreno/?refresh_ce=1

3 Cf. Europe 2020 report, 26 February 2016: http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_italy_it.pdf
4 Cf. Transparency International 2015 report - https://www.transparency.it/indice-percezione-corruzione-2015/
5 Cf. http://www.unimondo.org/Notizie/Italia-triplica-l-export-di-armamenti-crolla-la-trasparenza-157314

and Development (OECD) identifies one of the main causes of poverty and inequality as the distribution and quality of work: in the last quarter of 2015, Italy's unemployment rate was 11.5 percent, including 11.1 percent for males and 12.1 percent for females. But for young people, the data present a much worse situation: 38.8 percent overall, including 38.7 percent for young men and 38.9 percent for young women.

The OECD report[6] also notes the widening of inequalities as a result of the increase in precarious work: the poverty rate among families of "non-standard" workers – self-managed, precarious, part-time – is 26.6 percent, compared to 5.4 percent for permanent workers and 38.6 percent for those unemployed.

Overall poverty has increased significantly: the index surged in the period 2007-2011 by 3 points, the fifth largest increase in the OECD area. For Eurostat (data from 2015), Italy is the European country with the highest number of people living in "severe material deprivation", the institutional definition of 'poor', in absolute figures about 7 million people, more than double that of 2007.

The latest national statistics report (ISTAT 2016) states that people in absolute poverty have increased in Italy from about 1.7 million in 2007 to 4.1 million in 2014, or by 140 percent. Jobless households, that is, those in which no one is employed, have increased from 10 percent in 2008 to 14.2 percent in 2015, corresponding to 2.2 million households. In the South of Italy, the figure almost doubles to 24.5 percent.[7]

It is estimated that, as of March 2016, the employment incentives that the Matteo Renzi Government has promoted, more specifically for youth employment, which includes reduced business taxes[8] in exchange for new labour contracts, have led to a decline in unemployment of only 1 percent. An almost insignificant impact, especially since the existence of these incentives has meant that some employers have used the Job's Act (law 183 2014)[9] even though they didn't have the right to it and that, at the end of the three-year period of incentives, many of these contracts will be cancelled (or return to being precarious jobs) without any legislation to prevent it.

Young people are especially disadvantaged: it is no coincidence that, again according to the OECD report, the poverty rate among Italians aged between 18 and 25 years is 14.7 percent, above the average for all OECD countries (13.8%).

From "brain drain" to new skills gap

According to research conducted by the National Resource Council-Institute for Research on Population and Social Policies (CNR-Irpps), every year approximately 3,000 researchers who obtained their Ph.D. degree in Italy, go abroad. One of the most industrialized European countries, Italy exports more researchers than it receives from other countries, with a negative balance of 13.2 percent. In other words, Italy loses 16.2 percent of researchers who leave to join foreign colleagues and is able to attract only 3 percent of scientists from other countries.[10]

A second path, that of progressive disqualification, seems unfortunately open. According to a recent report by Save the Children,[11] 24.7 percent of students aged 15 do not reach the minimum level of competency in math and only 19.5 percent reach that level in reading. We are still far from the European targets and opportunities for children and adolescents are low both at school and outside: lack of childcare services (13%), severe lack of full-time teachers (not present in 80% of primary and 68% of secondary schools) and seriously inadequate number of school canteens (available only for 52% of pupils). The school dropout rate is 15 percent, which, although slightly improved in recent years, is still very far from the upper limit of 10 percent set by the EU for

6 Cf: http://www.oecdbetterlifeindex.org/it/countries/italy-it/
7 See: ISTAT report 2016, available at: www.istat.it
8 Foreseen by art. 1, commas 118 and 119, of law n. 190/2014 e and by the new Stability Law 2016 (n. 208/2015).

9 https://www.opendemocracy.net/can-europe-make-it/marta-fana-dario-guarascio/assessing-effects-of-italian-labour-market-reforms-con
10 The measures to curb this exodus which is fueled not only in failure to create jobs but in a climate of total uncertainty that many young are experiencing in Italy, are scarce. One of the few initiatives put in place, albeit locally, is a programme sponsored by the Lazio region (http://www.tornosubito.laziodisu.it/) – financed by European funds.
11 See: Save the Children, "Let's lighten the Future 2030 – Freeing children from educational poverty", September 2015.

2020 (and 5% for 2030), with deep differences between North and South and the Islands (the Veneto region has about 8% of school leavers while Sardinia and Sicily are tied for first place, at 24%).

Even the elderly in the South of Italy are poorer: pensions (retirement pensions, old age pensions, and to some extent, social pensions) still constitute an important social buffer, despite reforms that threaten not only the present generation, but mainly the younger ones and those facing the labour market now. If there are two or more elders in the family, the incidence of relative poverty rises to 10.6 percent (against 12.6% in OECD countries), but there are wide regional disparities: in the South among families with two or more elderly there is in fact an incidence of relative poverty of 22.7 percent, whereas in the Centre it is 6.2 percent and in the North it is 4.4 percent.

New poor

There are others who, over the years, have been experiencing the consequences of this crisis. In Italy there are nearly 5 million immigrants who have pinned their hopes of a dignified life in the country. Unlike Italians, they are on average much younger (mean age of Italians: 44.7; mean age of immigrants in Italy 32.0).

The sum of unemployed and NEET (not in education, employment or training) adds up to 46.9 percent and individuals at risk of relative poverty are 49.1 percent. Parental networks that guarantee a safety margin to young families (58.7% of Italian families receive aid in kind or in money from parents/in-laws) don't work for immigrant families – of which 19 percent are in severe material deprivation. Fortunately friendship or solidarity networks from the same countries of origin provide aid to nearly half of the families in need. Yet this refers to a situation of "regular" immigration: what will be the new scenarios that will emerge with new immigration flows of (war) refugees, as well as economic and environmental migrants?

Different policies are possible

The adoption of policies that are sustainable not only for the economy but also within the Sustainable Development Goals is possible. The Sbilanciamoci! campaign[12] has elaborated 89 alternative proposals for 2016 and a financial budget of 35 billion euro, compared with the 31.6 billion euro budget proposed by the Government, which includes as a priority a reduction in taxes by cutting more investments in public services and welfare. The counter-budget proposed by "Sbilanciamoci!" instead is based on the "option for a tax reform based on fairness and progressivity and a very selective spending review, aimed at reducing or eliminating unnecessary and harmful government spending, such as the military one". In terms of public expenditure, the counter-budget foresees "a strong public intervention in the economy in support of good jobs in the more dynamic and innovative sectors and of the reduction of economic and social inequalities of income; a profound reorientation of public spending for the benefit of the national health service, public welfare services, education, research, culture, environmental protection and the forms and practices of social and solidarity economy."

Beyond GNP by law...

In February 2015 a group of Parliamentarians presented a bill entitled "Provisions for the use of well-being indicators in public policy-making". The objective, according to the introduction, is “introducing indicators of well-being, environmental sustainability, gender equality and social quality with means provided for by national law in the elaboration, adoption and assessment of public policies, so that they can be effective in improving welfare conditions for the country as a whole.”

For over fifty years the issue of the use of well-being indicators has been a matter of public policy debate and experimentation. Since then, policy-makers, economists and researchers have recognized that GDP and other macroeconomic indicators are no longer sufficient to

12 Involving 51 associations, NGOs and networks (including the Italian Social Watch coalition) working on globalization, peace, human rights, environment, fair trade, ethical finance since 1999, the Sbilanciamoci! campaign "proposes and organizes each year advocacy, awareness raising, political and cultural activities aimed at a change of direction in politics, economy and society towards the realization of the principles of solidarity, equality, sustainability and peace. See: http://www.sbilanciamoci.org/) and http://controfinanziaria.sbilanciamoci.org/rapporto2016/sintesi_Rapporto Sbilanciamoci2016.pdf

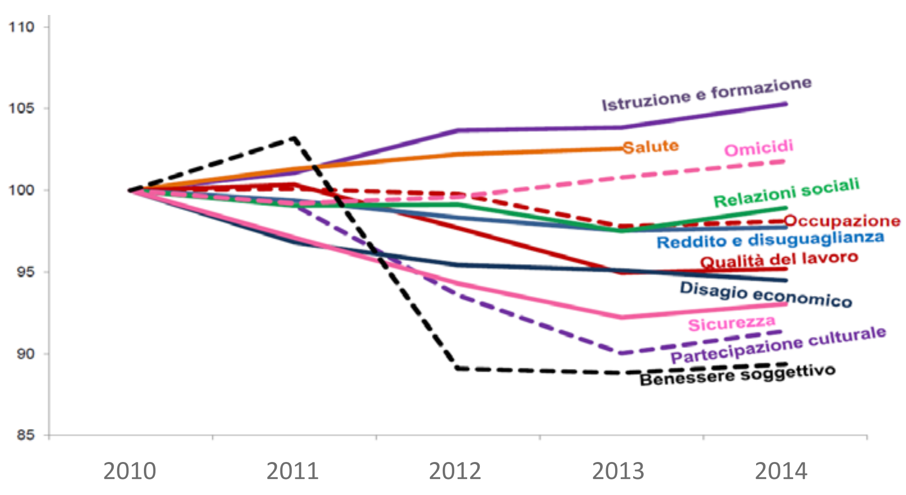
measure the well-being of a community and guide public policies towards the realization of this goal.

Italy's "equitable and sustainable well-being, or Benessere Equo e Sostenibile (BES) in Italian, was adopted in 2013. The analytical framework was used to extend the analysis to the provincial and municipal levels, and the BES is now the reference measuring Italian well-being at all levels, for policy-makers, scholars as well as for civil society. The process of selection and refinement has led to a set of tested indicators on the basis of which synthetic indices have also been proposed to facilitate effective communication of results.

For a shared vision of growth development and well-being

Since 2010, during the Italian European semester, the process of defining economic policy is supposed to be bound to the objectives of the European Union's ten-year strategy (Europe 2020) for "smart, sustainable and inclusive growth". In 2013, following a rich and well-articulated participatory process, Italy adopted a set of indicators for measuring equitable and sustainable well-being (BES), which are now consolidated nationally and internationally. The analytical frame of reference was used to extend the analysis at the provincial and municipal levels, and the BES is now the measure of national well-being in the academic world as well as for civil society. The process of selection and refinement has led to a set of tested indicators on the basis of which synthetic indices have also been proposed to facilitate effective communication of results.

However, much remains to be done in order for the system of welfare indicators to be included with continuity in the definition, analysis and evaluation of public policies.



In general we can say that through the recent economic crisis most dimensions of well-being in Italy have suffered some deterioration. Levels of income and employment decreased as expected, yet a more intense worsening has been registered for other, linked phenomena such as the rise of petty crime and the decline of cultural activities. This shows how the crisis had an impact not only on the economic life but also on the social fabric.

The experience carried out has guaranteed for Italy a leading role in the international debate, especially in the discussion on 2030 Agenda within the United

Nations. In the coming months, with the framework of monitoring indicators for the Sustainable Development Goals (SDGs) approved by the 47th UN Statistical Commission, Istat, as coordinator of the Italian national statistical system, is likely to have to manage the production of information needed to feed the SDG dataset. Although the set of indicators that emerged from the 47th Statistical Commission is not entirely definitive, it is important to look at overlaps and differences between the sets of indicators of BES, SDGs and Europe 2020.

In addition, Italy must produce a "sustainable development strategy" and a "national report". These will certainly be the prerogative of the Government, but a dedicated structure has not yet been appointed. The Resolution on the 2030 Agenda provides for the role of Parliament (para. 45) and other stakeholders (social partners, minorities, civil society) (para. 79). But even on that front there is no information concerning the monitoring of the SDGs, defining a strategy, much less how SDGs, BES and Europe 2020 should dialogue with each other and produce synergies.

An early examination of the list of SDGs indicators for which data is widely available, shows 43 indicators which are also present in the BES and 90 indicators that are not. Symmetrically, there are nearly 100 indicators which in Italy are considered relevant for national well-being that are not included in the SDG indicator framework. For instance, the quality of landscape and cultural heritage, with the monitoring of urban sprawl, illegal building or expenditures for the management of cultural heritage. The unity of purpose between the various initiatives undertaken should start at least from building a data collection system dedicated to well-being and sustainable development "that contains markers identified by Europe 2020, BES and SDGs, in order to allow researchers and civil society to work extensively on the interaction and synergies emerging from the different strategies.