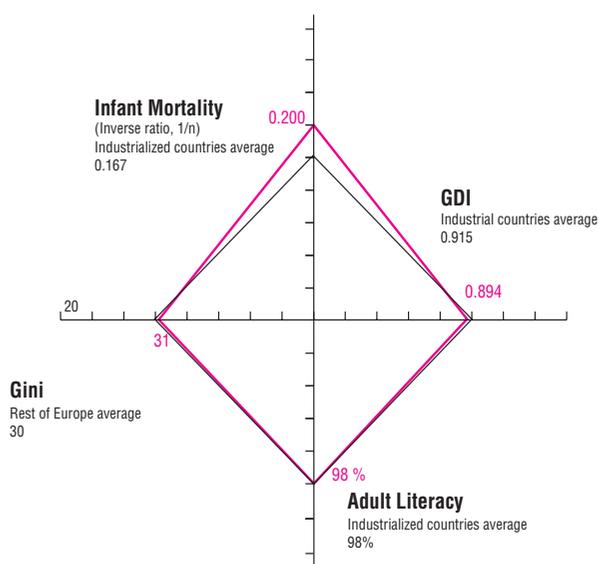


WHAT KIND OF WELFARE?

The contrast between economy and society is growing, as is the need to «square the circle» between decreased resources and universality of rights.



The Equity Diamond: National values in terracotta compared to regional ones in blue.
Source: **Infant mortality:** UNICEF, *The State of the World's Children, 1998*; **Adult literacy:** UNICEF, *The State of the World's Children, 1998*; **GDI** (Gender Development index): UNDP, *Human Development Report 1998*; **GINI:** World Bank, *World Development indicators 1998*. (The regional average for this indicator was calculated by *Social Watch*).

The worrying trends described in last year's Social Watch continued in 1999:

- *development is occurring without employment; growth of the market economy and globalization will lead to continued reduction of employment;*
- *the emergence of so-called «new jobs» marks a shift to a society characterised by job insecurity, reduced control and supervision of working conditions, fewer social and legal protections, and lower income levels;*
- *the now evident crisis of the Welfare State is worrying in two aspects: a reduction in resources available for ensuring everyone a place in society; and the loss of administrative capacity to respond to unsatisfied primary social needs.*

Alongside these processes, a social economy is developing in Italy that aims to mediate a shift from the era of security to an era of equal opportunity rather than equal performance. This social economy has deep roots in the history of Italy and in its tradition of mutual aid, which, reinterpreted in today's terms, evokes a new creative interaction between the state and the market. In this interaction, for example, supplementary private pension plans are beginning to find a place alongside broader social policies. **There is support for a minimum guaranteed income and for the development of new networks of solidarity and new forms of mutual aid that include the third (civil society) sector, social co-operation, voluntary work, and partnerships for social development.** Here lie the premises for integrating public services and the third sector, and for valorisation of social independence (families, associations...) and local institutions and government. As is the consequence when working people gather, this effective interaction will result in a new welfare framework.

FROM JOB INSTABILITY . . .

Employment trends recorded in 1998 were confirmed in 1999. While GDP increased by 2%, the overall increase in employment was only 0.7%. Forecasts for 2000 indicate a further growth in the rate of employment of 0.8%. The percentage of unemployed, currently 11.4%, should drop in the course of 2000 to 11.1%.

Two aspects of these data should be stressed:

- the growth rate of around 9% for so-called *atypical* jobs or even moonlighting is far higher than the overall growth in employment. Approximately 3.3 million jobs or almost 15% of the total number of jobs are in this category. Of these, 1.5 million are free-lance workers with temporary contracts.

- 32% of the total number of unemployed is youth, especially in the south where the percentage of increase in unemployment was 22.3% in 1998 and 22.8% in 1999.

At the end of the century, the working world has undergone a profound transition—from permanent, full-time employment to temporary and part-time work.

... TO INSECURITY AND SOCIAL EXCLUSION

Instability of employment leads to instability of families: 11.8% (2,558,000) of the total number of families (about 20 million) live in conditions of relative poverty and 6.5 million are unable to save any of their income. In the south, 23% of the families are poor and this figure increases with the number of children: 34% of the families with more than five children are poor.

The welfare system in Italy still guarantees social protection to pensioners who built their social standing on labour. Only 3.4% of total public expenditure is set aside to support families, whereas 69.6% is set aside for pensions. The ratio of payments for family social services to payments for pensions has risen in 30 years from 1:2 to the present 1:20.

In 1999, support for families was part of the government's political agenda. This included:

- increasing allowances for large families, single parents and the disabled;
- increasing tax deductions for dependent children from L 188,740 (USD 97) to L 366,000 (USD 187) monthly;
- covering maternity costs for women without social insurance;
- providing a special cheque on the birth of the third child.

This comes within a system that still assigns the greatest responsibility to families and primary networks for care of the vulnerable members of society: children, the disabled and chronically ill, the elderly. The contribution of these care-givers is gradually being recognised as socially useful because it provides new employment opportunities for not-for-profits (which now represent 1.8% of the total employees) and for immigrants.

IMMIGRANT WORKERS, A RESOURCE AT RISK

Many of the immigrant workers who come to Italy in a continuous flow are employed as domestic workers and care-givers. The total number of foreign residents (including those from Europe and other developed countries) is approximately 1.3 million. The number of immigrant entries authorised for 1999 was 58,000. About 60% of immigrants are issued work permits, with priority given to people from countries where there is a «strong migratory pressure» (Africa and Eastern Europe, especially Morocco, Yugoslavia and Albania). **About 800,000 immigrants, many of them women, are domestic workers and care-givers. Few of**

them have regular labour contracts, and many have difficulty harmonising jobs and family life.

A new law on immigration was passed in 1999. Full enforcement of this new law would restrict illegal or irregular immigration, but it would also promote policies of integration, which would contrast with the growing trend of marginalising and socially excluding these «newcomers».

«There is no doubt that one of Italy's crucial problems lies in the quality of her school and training systems», says the Minister of Education, Giovanni Berlinguer (in his introduction to *La Scuola dell'Autonomia* by Giunti (editor), 1999). There has been no comprehensive reform of the educational system since the 1923 reform of Minister Giovanni Gentile. Important changes have been made since the 1960s, from the establishment of compulsory secondary education (*scuola media*) to the 1991 primary school reform.

In 1997, a comprehensive reorganisation of education cycles was proposed. Part of this reorganisation (raising the school leaving age to 15 and reform of the final exams for secondary school). Article 34 of Italy's constitution establishes the concept of education as right of citizenship, but schools need to be reformed to fully realise this right today. Because schools are the first place for socialisation, they must address social issues ranging from those of drugs and micro-crimes to affirmation of intercultural values.

In 1999, a process was started to give more independence to public schools. Ministerial educational programmes valid throughout the country were replaced with a national curriculum that allows schools and institutes to manage some economic, cultural and infrastructural resources. Schools and institutes are now responsible for new activities and services and for providing training together with the various social partners (students, families, local authorities, business, and the world of culture).

Innovative reforms based on decentralisation and community participation must first take into account the economic, social and cultural differences in Italy and deal with emergencies, such as early school leavers in the south and elsewhere.

FEWER RESOURCES FOR MORE EMERGENCIES

While resources allocated to development aid in Italy are at their lowest ever, allocations for international cooperation increased appreciably in the 2000 budget with the launching of a programme to fight poverty in the Mediterranean and Sub-Saharan Africa. With regard to the quality of the aid, only 0.1% of the bilateral ODA (Official Development Assistance) has been set aside for primary education, 0.9% for basic health and 0.4% for reproductive health. Moreover, 54.4% of Italian bilateral aid commitments were tied to the purchase of goods and services from Italy.

Co-operation activities intensified in the Balkan area during the war in Kosovo to help refugees. The government had set aside special funds, but also launched a fund-raising initiative known as «Arcobaleno» for the general public and co-ordinated by the Ministry for Social Solidarity. With extensive media coverage, the

operation was an enormous success. Unfortunately, its outcome remains uncertain due to misappropriations and interference by the Albanian mafia, to the point that an inquiry is being conducted by the judiciary. Moreover, activities have not yet been articulated with the Ministry of Foreign Affairs to ensure co-ordination of programmes and directions.

The approach adopted by Italy in the Balkans aims to reconstruct social cohesion with projects for income generation and employment, education and training, and involvement of the local authorities and municipalities. This approach reproduces a strategy that was successful in the early 1990s in Central America with the Programme for Development at a Human Level (PDHL) implemented mainly with United Nations Office for Project Services (UNOPS).

WILL ITALY BE ABLE DEFINE A NEW COOPERATION POLICY?

The process of reforming policy on co-operation with developing countries took an important step forward in July 1999 when the Senate drew up a bill that will soon be debated in the Chamber of Deputies. It is hoped that final approval by the Legislative Assembly will occur this year. The bill states that the aims of Italian co-operation are to fulfil primary needs, promote sustainable development, fight poverty and foster political and economic integration in the beneficiary countries within the international framework.

The new bill establishes that aid must contribute to reducing and cancelling foreign debt. Loans and grants may no longer be tied to goods and services of Italian origin. Local populations and communities will be able to receive Italian aid as well as governments. NGOs and social actors in North and South are granted greater recognition and broader independence in the new bill.

Uncertainties and backwardness still remain, however. These include a disjunction between the new aims for co-operation and the fact that two-thirds of ODA resources go to multilateral interventions (development banks and funds) where stands on fundamental macroeconomic issues are taken: the risk exists that the Treasury will prevail over the Ministry of Foreign Affairs.

This disjunction shows that legislators are not applying coherence to politics, development co-operation, and other areas of intervention such as commerce, foreign investments, military policy and security, and promotion of human rights.

THE INTERNATIONAL CRIMINAL COURT

In 1999, the Italian Parliament passed a bill approving and ratifying the Statute of the International Criminal Court, which

the President of the Republic forwarded to the Secretary General of the United Nations.

To speed up approval, a proxy to the government was removed. This proxy mandates the introduction of amendments to Italian penal law that are needed to enforce the Statute. Parliament must still, therefore, debate and approve a bill containing this proxy. In the meantime, two commissions are drafting the amendments to be introduced: these are the National Commission for International Humanitarian Rights to work on the definition of crimes and a commission set up at the Ministry of Justice to formulate the terms of Italy's co-operation with the International Criminal Court.

PROMISES OF DEBT RELIEF

On December 18th 1999, the Italian government officially announced a measure that includes agreements on debt relief reached by the G7. The likelihood that this initiative will succeed is limited because of restrictions imposed by the Highly Indebted Poor Countries (HIPC) Initiative, and the limitations of the cancellation initiative proposed—a one-time action restricted to countries with annual per capita incomes of less than USD 300 dollars for a maximum total of L 3,000 billion (USD 1,538 million).

The report accompanying the measure clearly indicates that *«debts which are uncollectable should be transformed into gifts ... most of the countries have not paid for a long time.»* Unfortunately, cancelling uncollectable credits does not release resources for the development of indebted countries; the measure in its present form will not have any real effect.

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