INEQUALITIES IN ITALY

SOCIAL FRAGMENTATION, REGIONAL DIFFERENCES, PERSISTENT GENDER AND RACIAL DISCRIMINATION AND THE POWER OF ORGANISED CRIME CALL FOR A NEW EQUITABLE SOCIAL MODEL

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This publication has been produced with the financial assistance of the European Union. The contents of this factsheet are the sole responsibility of “Make Europe Sustainable For All” project and can under no circumstances be taken as reflecting the position of the European Union.
EXECUTIVE SUMMARY

Income and Wealth
Inequality has intensified in Italy in the past ten years. The gaps between the rich and the poor have widened and there are more people in extreme poverty. Lower income groups do not appear to have benefited from the sluggish economic recovery of recent years. Nationally, the proportion of families living in extreme poverty has nearly doubled to 6.9% (2017), with the worst figures (10.3%) being recorded in southern Italy. Average net wealth per capita has declined to €87,451 from €88,625 in 2014. 20.3% of the population, about 12,235,000 people, are at risk of poverty (2017). In 2018 the wealth of the 21 richest Italian billionaires listed by Forbes was equal to the all the assets held by the poorest 20% of the population.

Intergenerational inequality
Inter-generational inequality has also deteriorated: for the first time since the beginning of the twentieth century, individuals aged between 25 and 40 will be worse off than their parents, in spite of the fact that they are the best educated generation in the history of Italy.

Gender
Gender inequalities are persistent: only 38.7% of young women with a high school diploma are employed, compared to 50.8% of men; only 43.3% women receive an income from work (employed or self-employed) compared to 62% of men – the difference of 18 points is the third highest in the EU after Malta and Greece. There are sharp differences between northern and southern Italy: the female employment rate in the north of 59.4% is close to the EU average while that of the south, 32.3%, is far below. 85% of single-parent families in conditions of extreme poverty are headed by a female wage-earner. Employed women earn 24% less than their male counterparts and self-employed women earn 44% less (2014).

International Cooperation
In 2018 ODA in Italy was 0.24% - a decline from 0.3%, with nearly a third of total ODA being spent on refugees within Italy. Only 0.06% of Italian ODA was spent in Least Developed Countries.

Source: ISTAT and Oxfam Italy
Regional differences

All these indicators are worse in southern Italy. The historical divide between the Mezzogiorno and the North remains deep and structural. Other geographical inequalities are also important, between rural areas and small villages and urban centres. Territorial inequalities go hand in hand with environmental ones, especially in areas where weaker social groups are more exposed to agricultural and industrial pollution. Several locations are affected – the most notorious being Taranto with the pollution of the steel plant ex-ILVA and Terre dei Fuochi (Land of Fires – waste-burning areas in Campania region). Migrants and minorities, such as Roma people, experience daily discrimination.

Causes

Today’s inequalities are the consequence of political decisions which have brought about radical changes in the distribution of economic and social power between south and north Italy, urban and rural areas, male and female populations, new and old generations, trade unions and companies and within companies. The weakening and fragmentation of the labour force and of the social fabric has gone hand-in-hand with the liberalisation of international trade and investment without any harmonisation of labour rights and binding regulation of multinational corporations. In the absence of a new, more equitable social model, this social fragmentation could deteriorate further as digitalisation and automation processes take hold. Other significant factors are the power of organised crime and its collusion with economic and political power, which has spread from the south of Italy to the north and beyond; a patriarchal social culture which entrenches discrimination on the basis of gender and also leads to the tragic and sadly widespread phenomenon of femicide; the unsustainable exploitation of natural resources.

There is a growing resentment and hate towards migrants and minority groups. Policies, such as the new Security Decree, are intensifying social discrimination against migrants. There are some attempts to reduce inequalities (for example, new laws for strengthening the labour sector and for distribution of a citizens’ income) but there is no systematic effort to address inequalities.

Recommendations

- A coherent SDG implementation plan focusing on inequalities which goes beyond simplistic redistribution measures.
- A guaranteed minimum wage with greater labour and female power.
- An inheritance tax, a tax on gifts and the establishment of a universal youth fund to transfer wealth to younger generations.
- New models of participation – wider, more democratic, inclusive of local communities and representatives of the rights of nature should be introduced to address territorial and environmental inequalities.
- Transition plans for more sustainable energy.
- Human rights and the rights of nature should be included in international trade and investment treaties.
- ODA should be increased, focusing on social and environmental investments in developing countries.
- Technological innovation should focus social and sustainable wellbeing.
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AN OVERVIEW OF MAJOR INEQUALITIES

Inequality is multidimensional. In order to obtain a comprehensive overview, an analysis has to be extended to those aspects of life which are not merely related to available economic resources and requires a look being taken at such variables as: work and leisure time, environmental and social conditions; access to quality services and common goods; recognition of the values and aspirations of the individual; democratic participation in decision-making.

Sustainable Development Goal N°10 (henceforth SDG 10) commits States to “reduce inequality within and among Countries”, however several indicators highlight a marked deterioration as far as Italy is concerned. A number of these indicators, with regards to economic, gender, generational, territorial and environmental inequality, is summarised hereafter.

Economic Inequality

Goal 10.1 provides the benchmark in this case: “by 2030 progressively achieve and sustain income growth of the bottom 40% of the population at a rate higher than the national average”. An overview of economic inequality in Italy cannot claim to be complete unless a look back in time is taken: inequality in family income in Italy from the ‘60s to the present day is marked by a long downward trend until the early ‘90s. This lengthy period was facilitated by various factors, in a cultural and political context characterising the historical period around 1968, which in the whole of Europe is marked by a shift towards egalitarian measures. From the first half of the ‘90s, inequality indexes on the other hand show a clear rise until the end of the century; in the following years the trend is basically stable, accompanied by a new relative deterioration due to the social, economic and financial slump and to the impact of austerity policies.

If up until 2007 the increase in the incomes of the relatively low income-population had been higher than that of the global income, since 2008, the onset of the crisis period, the phenomenon appears to have reversed. The negative variations were relatively worse for the lower incomes (with the worst year for incomes in 2012, when a 5% reduction for the whole of the population and a 5.9% decrease for the 40% low income population were recorded. Net family wealth per capita in 2016 had cumulative fallen 15% since 2007.

Even if disposable income has been growing since 2014, the gap between the income of the wealthier and that of the poorer has been growing at the same time, as well as the percentage of people living with a disposable income less than 60% of the average income. In fact, the negative impact of the slump on lower incomes does not appear to have ended with the beginning of the economic recovery: in 2015, while income rose by 2.4% for the population as a whole, a drop was once again recorded (0.9%) for the 40% low-income earners.

More specifically, in recent years, in order to analyse social and economic well-being (BES), two analysed composite indicators have been assessed by ISTAT: “income and inequality” encompassing per capita average disposable income and disposable income inequality; and “minimum economic conditions” encompassing: serious material deprivation, poor quality housing, major economic difficulty, very low work intensity. Overall, in 2017 a relative improvement for both composite indicators may be noted compared to 2016, although it is interesting to look at how each individual indicator performed. In 2016, the rise in income went hand in hand with a reduction in inequality: the wealthiest 20% of the population received 5.9% total amount of income higher than the 20% poorest, while in 2015 the ratio was 6.3%. In 2017 and in the first quarter of 2018 the improvement continues.
2017 sees a reduction in the number of residents with serious material deprivation, especially in the south of Italy, whose high figures were nevertheless confirmed, representing 16.5% of individuals compared to 6.3% of residents in the north and 7.9% in the centre of Italy. Less pronounced territorial disparities are to be found with regards to housing deprivation, decreasing throughout the country and especially in the south: in 2017, 4.6% of residents in the north and 6.8% in the south were housing deprived. The south of Italy's disadvantage is once again evident when the serious economic difficulty index is consulted. Among residents in the south, the percentage of those declaring they have great difficulty in reaching the end of the month stands at 13.7%, compared to 5.9% in the north and 5.7% in the centre. Also high is the share of the under 60s with very low work intensity: they are 20.2% in the south of Italy, 6.6% in the north and 9% in the centre.

The only indicators which are not improving are the share of people in extreme poverty and the average net wealth per capita (which is equal to 87,451 euros, a down value compared to 88,625 euros of 2014). The sluggish economic recovery of recent years does not appear to have had positive effects on the lower incomes. The outcome is that the share of families living in conditions of extreme poverty has nearly doubled over the past ten years (6.9% of the population in 2017), the highest figure (10.3)\(^\text{16}\) was recorded in the south.

With respect to 2016, the share has remained stable of people at risk of poverty (SDG 10.2.1), equivalent to 20.3% of the population, about 12 million 235 thousand individuals, namely those with an equivalent disposable income lower than the poverty threshold of Euro 9,925 a year (Euro 827 a month). Half of the poor have a disposable income equal to less than Euro 7,137 a year (Euro 539 a month), resulting in an average poverty gap (the distance from the threshold) equal to 28%, demonstrating “how poor are the poor”\(^\text{17}\).

### Gender Inequality

The SDG 10.3 target envisages “ensuring equal opportunity and reducing inequalities of outcome, including through eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and actions in this regard”. To that effect, clear differences stand out in Italy between men and women in several aspects of economic and social life: work, remuneration, career, education, health, politics.\(^\text{18}\)

In **education and training**, women have achieved significantly better results than those of men. In Italy, in 2016, 60% of the population between 25 and 64 years held an upper secondary educational qualification; a great deal lower than the European average.\(^\text{19}\) With regards to this indicator, the gender gap is however in women's favour and has been widening over the years. Also in the south of Italy, where the share of the population with a medium-high level of education is much lower than that in the centre-north, a gender gap exists in women's favour.

Despite this, analysis into the level of education reached and the subsequent transition from **school to working life** highlight the limited use of human resources, which is especially striking as far as the female component is concerned. In Italy, only 38.7% of young women with a high school diploma, who had finished their education and training no longer than three years earlier, are in employment, compared to 50.8% of men, while employment figures for graduates who have recently completed their studies is 59.2% for women and 64.8% for men. On interpreting these results, women's not entering the labour market, due to the difficulties of reconciling family obligations with responsibilities at work, play a crucial role. The study into graduates' professional employment demonstrates it is more complex for women to find a position in the labour market that is appropriate to their educational pathway.
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Differences in the labour market are particularly pronounced: the gap between male and female employment remains at 18 percentage points, the highest figure of the European Union after Greece. Deep differences persist across the territory concerning women’s participation in the labour force. In the second half of 2017, the indicator in the northern regions reached 59.4%, a figure close to the European average, while in the southern regions the share of women in employment remains less than a third (32.3%).

Reduced access to top posts, greater diffusion of part-time work and discontinuous careers are determining factors, along with a different structure according to age, of gender differentials in earned income. In Italy, only 43.3% women receive an income from work (employed or self-employed) compared to 62% of men. This share is lower in the south (34.2%) and the gap with men the largest (24.5%). Then again a high level of education significantly narrows the differences: 76.8% of female and 81.5% of male graduates earn an employee’s income. In 2014, the income earned by women is 24% lower than men’s (Euro 14,482 compared to Euro 19,110). In the case of self-employed work, the reward for female graduates is even less: the net income of self-employed female graduates is 44% lower than men’s, while that of women with high-school diploma is just 24% lower.

In 2016, the absolute poverty proportion among families with a woman as the only wage-earner is 6.1%, an increasing share compared to the 5.4% of 2014, while corresponding indicators among families with a man as the sole wage-earner is 6.4% in 2016 and 5.9% in 2014. 85% of single-parent families in conditions of extreme poverty have a woman as the wage-earner. In the case of this kind of family, the percentage of extreme poverty is on the rise, increasing from 6.7% in 2015 to 8.1% in 2016. Worse conditions were generally found in families with at least one child who was a minor (the percentage was 9.3%); among families whose wage-earner was a single mother with at least one child who was a minor, the percentage of extreme poverty was 10.7% and the intensity 14.9%. More than one foreign woman in four lives in extreme poverty (26.6%), a figure on the rise compared to 21.2% in 2014.

Inequality across Generations and Social Mobility

The growth of inequalities across generations is associated with less social mobility, namely with the decreasing opportunity for an individual from a low-income family to earn (in monetary and status terms) more than his/her parents. This occurs because inequalities are transmitted across generations, mainly through bequests and the transfer of moveable and fixed assets. In Italy, people’s economic standing is closely correlated with that of their parents. According to the OECD, bearing in mind the mobility of remunerations from one generation to another and the level of inequality, in Italy at least 5 generations may be required in order for children born into low-income families to obtain an average income. In our country, intergenerational mobility is not equally distributed: the education level of two thirds of children of parents without a high school diploma remains the same, and just 6% of people with parents devoid of a post-secondary school education obtain a degree; nearly 40% of manual labourers themselves become workers in the same kind of work, illustrating how upward mobility is scant; 31% of children with low-income parents also continue to have low incomes. This picture is confirmed by ISTAT, which establishes that, for the first time in Italian history since the beginning of the twentieth century, individuals aged between 25 and 40 will not succeed in improving their position compared to their parents’, in spite of the fact that we are speaking about the best-ever educated generation in the history of Italy.
Territorial Inequalities

In this scenario, the historic question of the gap between the North and South of Italy is illustrated. It is an issue which has worsened in recent years. In addition to its growth rate having lost ground to the centre north for at least ten years (also due to the upshot of austerity policies, which were moreover assertively introduced in the country’s weakest area), the south sees its situation deteriorate further precisely due to inequality increasing, as above mentioned.  

However, territorial inequality is spreading throughout the country. People worst hit by inequality live in the suburbs, small towns and in vast internal rural areas, often that are reciprocally fuelled by social degradation and environmental degradation. Quite often those living in the suburbs, like in inner rural areas or smaller urban centres, feel they are living in places without any prospect for the future, removed from the flow of innovation and decision-making centres. The marked economic and social inequalities within urban zones derive from the fact that positive and negative externalities of urban areas affect different sections of the population. The advantages, such as university or research centres or interaction between highly skilled workers, touch the few; the disadvantages, such as over-crowded and degraded home, extreme insecurity, noise and environmental pollution, segregation, affect the others. 

As far as the rural areas are concerned, they present a higher risk of poverty and social exclusion than the urban areas, even if the gap narrowed during the slump. However, they are especially disadvantaged in terms of social inequalities and recognition, now resulting in strong political repercussions in terms of votes. Overall and in most of the rural areas, especially in the more remote ones, all the pointers of a crisis may be found: overcrowding; ageing; the diminishing number of youths working the land; waning upkeep of the land, rivers, forests and infrastructure; high risk of flooding, earthquakes and drought; the abandonment of the public and private services and deterioration of their quality. 

Environmental Inequality

The economic crisis, the effects of the liberalisation and privatisation policies, along with the impact of pollution and climatic changes are exacerbating inequality tied to environmental factors in Italy as well. It is an inequality acting in synergy with inequalities of territory, income, education and access to information. 

In Italy, where the Italian government’s “National Inner Areas Strategy” has introduced the inner areas calculation concept (that is of the distance from basic services), major dissimilarities are to be found with the national average in terms of access and qualities of basic services: the alarm interval (number of minutes which passes between the start of the telephone call to the Operations Switchboard and the arrival of the first emergency vehicle) is 25 minutes compared to 16 in urban areas; high school teachers’ mobility is around 50% greater; the percentage of high school classes with fewer than 15 students is about 35% against 8%; and the percentage of the population with a fixed broadband network with a speed of at least 20 Mb per second is around 40% compared to 65%. These differences are to a large extent due to the failure of the urban elite to recognise the specific characteristics of these territorial areas, of the specific services they need and the opportunities the latest technology and other changes taking place offer them. The citizens of these areas tend to see their own values and customs as pleasant reminders of the past, to preserve perhaps for the amusement of passing cosmopolitan or urban citizens, but not as “values in themselves”, to regenerate for the future. 

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Probably the most symbolic factor is represented by the effects of industrial pollution; industries which are nearly always situated in the suburbs or outskirts in workers’ or working-class districts or around which new working-class districts have mushroomed, in the north as in the south, in Taranto, Gela and Priolo-Augusta as in Marghera or Brescia. And today the cleaning up of contaminated industrial sites, 180,000 hectares, is still at a standstill and it is always the same social groups suffering the consequences. At Taranto, for example, the Sentieri epidemiological study has highlighted how excessive mortality rates, recorded throughout the municipal area, are mainly concentrated in districts closest to the industrial zone (where the Ilva plant is located), which are for the most part populated by weaker sections of society. The study moreover confirms the contribution of socioeconomic deprivation towards the surge in lung tumours. The figures show a constant deterioration of the environmental situation and its social and health effects, since along with the old sites and old plants which have produced and continue to produce pollution, over the years new phenomena have arisen such as illegal waste disposal (not just at the Terra dei Fuochi, in Campania) or the recent case of PFAS contamination of groundwater in three provinces of Veneto.

However, the phenomenon of environmental inequality is not confined to the fact that weaker social groups are more exposed to pollution. In the energy sector, for example, we are currently witnessing two phenomena which, in a synergetic manner, hit the weaker sections of the population. The first phenomenon concerns access to the upgrading of energy efficiency of homes and to renewable energy sources because tax deduction procedure excludes low income families. According to ENEA’s data on investments made in 2017, which took advantage of the 65% incentive, there is a close link between the GDP per capita of a given regional territory and investments per resident. Compared to a national average of Euro 60 per resident, every southern region falls below this average with the lowest figure at euro 18 per resident in Sicily and Euro 20 per resident in Campania and Calabria. The highest figures are to be found in Trentino Alto Adige with Euro 158 per resident, Piedmont with Euro 115 per resident, Emilia Romagna with Euro 100 per resident.

The second phenomenon concerns the onset of a new form of poverty: fuel poverty, meaning the difficulties encountered by families in economically advanced countries to access basic services of electricity and gas to produce light, to cook, heat the home. In Italy, the number of families unable to pay their bills or unable to properly heat their homes is increasing. The causes can be mainly summarised as: the rise in the cost of energy services, housing deprivation and poor housing quality and heat insulation, low income level. The situation has been worsened by the tariff reform, rewarding those who consume more, and by legislation on Competition, doing away with the enhanced protection system, which helps strengthen traditional major operators.

Or let us mention those who today pay the most for the dysfunction of the public transport system (the commuters) or the possibility to access car sharing or electric car recharging installations for those living in the suburbs. Or, yet again, on an altogether different front, what occurs with regards to food. According to statistics from the Osservatorio Sana 2016, consumers of organic food, which is on the whole healthier and eco-friendly, although more expensive, are mainly women, very young (the highest figure is the 18 to 29 year old age bracket, closely followed by the 30 to 44 year olds), with children, a high level of education and upper-middle income.

Finally, some inequalities cannot be omitted which affect special social and ethnic groups, and leave them more excluded and marginalised. For this reason, two short boxes concerning Roma people and migrants have been added.
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The spatial and social exclusion of Roma people

Italy has in Europe been termed “The Country of Camps” because, over the past twenty years, it has been the heaviest involved in the planning, building and managing of open spaces where gypsy communities are segregated on an ethnic basis. There are 26,000 Roma and Sinti people living in emergency accommodation and, specifically, in formal and informal settlements, in micro-settlements and Roma holding centres. These are mono-ethnic settlements falling below international standards in respect to both the structural conditions of the settlement itself and to the accommodation unit. The evaluation of international and European organisations monitoring human rights appears clear-cut: in Italy the situation can certainly not be seen to be excellent due to limited progress, the absence of coordination and strategic direction at a national level concerning housing desegregation policies and persistent forced evictions operations. The European Union’s Fundamental Rights Agency, in its 2017 report, underscores how living in spaces failing to meet international standards, housing segregation, the absence of appropriate alternative accommodation in the event of forced eviction, is a constant reality for Roma people living in Italy. (Associazione 21 luglio, “2017 Annual Report”)

The Marginalization of Migrants

In these last decades Italy has witnessed a process which has brought, with time, to a constant and growing marginalization of foreigners, be they from EU countries or not. Such evolution is rooted in the legislative framework which sets the rules for migrants entering and staying in our country. One need only think that the latest decree on migrant flows for employed or self-employed work was issued as long ago as 2011, while the last amnesty dates back to 2012. This way the only instrument left to try to obtain a residence permit is to lodge an application for international protection. However, the high percentage of refusals is by now well known, not to forget that the last two bills that have been passed (Law 46/2017 and Law 132/2018) have both further reduced the possibilities to be granted a residence permit through an asylum application.

The renewal of the different residence permits meets as many difficulties, ranging from either ineligible or too short job contracts to the requirement to submit a permanent place of residence, even when such requirements is not set forth by the law, not to mention the difficulties to obtain it.

These regulatory mechanisms have reduced, over the years, the possibilities to be or to remain regular immigrants. At the same time, they fuel a “wide-spread irregularity” that has inevitable repercussions in all fields: from employment, with no contracts and no protection for workers, to access to services, be they social, health, school or bank services.

(Veronica Padoan, Researcher at Cespi – Centro Studi di Politica Internazionale (Centre for International Politics Studies))
Today’s inequalities derive from specific political decisions which have led, among other things, to radical changes in the distribution of economic power between south and north Italy, urban and rural areas, male and female populations, new and old generations, trade unions and companies and within companies - while national democratic mechanisms have been undermined - to the emergence of new and very powerful oligopolies; to technological changes at the service of short term profits and not of social justice, to lower taxes for the rich, to a greater influence of increased economic powers on governments; to the exclusion of large sections of the population from social life. All these elements have made social mobility virtually impossible: the future of children is increasingly dependent on their parents’ situations and that of the children of the wealthy is brighter than that of the children of “normal people”.

**The increased power of capital over labour** has also sprung from policies liberalising the movements of capital and the way the path was paved for globalisation; the trend towards a greater fragmentation of labour income, rather than deriving from better optimising of human resources, was the result of policies that, tending to promote flexibility, have made labour increasingly individualistic. Fresh mounting revenues have been created in various markets, favoured by weaker competition policies; the establishment of an oligarchic structure within capitalism which increasingly includes those whose revenue derives not only and not mainly from their capital return but rather from their own "labour" has been facilitated by policies which have protected vast revenues and also contributed to the intergenerational passing down of inequalities; the tendency of redistribution policies to be too timid, in general, in the face of these developments, is also in itself a decision, which has perhaps been dictated by the impact that the interests of the wealthier can exercise on political decisions when economic inequalities reach high levels.

Moreover, some on going tendencies, in the absence of effective counter interventions, can further heighten inequality. The two major tendencies are, on the one hand **automation**, which, unharnessed, can determine widespread technological unemployment and, on the other, growing job insecurity, especially among the younger and migrants who, as shown by the latest data on poverty, risks generating a substantial number of poor and extremely poor workers. Increasingly important is and indeed will be the digital revolution: if undertaken without incorporating the principle of social justice in decisions regarding technological change, it will provoke profound transformations in the labour market with new exclusions and the widening of inequalities between creative and specialised skills, and general skills. Regrettably in Italy, a satisfactory social and political debate about this change is still missing. The 4.0 National Industrial Plan\(^{38}\) is significant, where everything is aimed at increasing productivity for competition, without taking into account the social implications, or how, pre-emptively, technological innovation can contribute to social and environmental goals.
Summary of Interview with Fabrizio Barca

“When did the redistributive mechanism get jammed? And due to which main factors? With the pre-eminence of finance? Accelerations of the digital age? Global competition? Unsustainability of the welfare system for the masses? Due to each one of these reasons. Including globalisation, despite its extraordinarily positive effects. These phenomena challenged the way in which we were once organised. Not only have we not properly responded, but we have come up with neo-liberal policies saying: «We have no need of the State, the large corporations will deal with it». The intelligence needed in order to decide what to do, where to invest, in which territory, in which industry, in which technology, lies with the major corporations. An active decision has been taken relinquishing the exercising of a collective public function. This is the real factor determining inequalities. Even the first major automation, led by Ford, with its need for skilled workers – rather for ants –, could seem inevitable. And yet humanity, getting itself organised, has known how to turn it into a liberation, with a reduction in working hours and a greater freedom within factories”.

From the Magazine ITALIA CARITAS 10/2018, interview with Paolo Brivio


All of this intertwines with historical factors and particularly serious political, economic and social degenerations in Italy. The power of organised crime and its collusion with economic and political power which has spread from the south of Italy to the north and beyond; a social culture that is still patriarchal which, as well as discriminating gender, also leads to the tragic and sadly widespread phenomenon of femicide; the unsustainable exploitation of natural resources and an economy still far from the model of circularity. Lastly, a growing feeling of resentment and hate inciting social tensions released on migrants and minority groups.

Interaction with International Inequalities

Inequalities are simultaneously national and international because the forces generating them are common, because they are part of a one, single increasingly interconnected system. National decisions have an impact at an international level (and vice-versa), and may therefore advance, or impede, the path towards dismantling inequalities and social exclusion. Gcap Italia has been working on this, examining interconnections among the inner, national, and external, international perspectives, identifying a number of power mechanisms which create inequalities and exclusions irrespective of borders, and this happens because transnational forces are at work, new walls are built, and national sovranist reaction vents itself on the weaker sections of society.

A first set of interconnections is formed by transnational investments and commercial flows, which create a value chain system between Italy and countries near and afar, where the rights of the workers and nature are cheated and sacrificed on the altar of competition. And whose fruits are cornered by centres of power to the detriment of the weakest link in the chain. This is the case of Made-in-Italy fashion.

Italy, a country with a great manufacturing tradition and at the same time market outlets for hyper-mature consumers, encapsulates and mirrors every contradiction of the global fashion system. Subject to the dictates of the fashion system, which imposes increasingly more frequent collection changes so as to stimulate saturated and ultra-demanding markets, the production of clothing and footwear grows inversely to the rights of those making them. As demonstrated by several studies undertaken in Italy, East Europe
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Inequalities in Italy and Asia by the Clean Clothes Campaign (CCC), labour intensive processes, subject to fast delivery times and prices cut to the bone, worsen the living and working conditions of millions of workers at the bottom of the production line. One of the causes is that business practices are adopted by leading industries which subcontract orders far too cheaply in order to guarantee lawfulness and rights. The complete free movement of capital and goods, associated with active investment attraction policies practised by European governments, favours the creation of value chains and the fragmentation of production in different countries according to convenience. In a number of cases some productions are brought back to our country. Leading companies nevertheless only exhibit that part of the productive process that would heighten brand value, while they conceal, also through confidentiality agreements with suppliers, the mechanism of wrongdoings and exploitation that are perpetrated along the production line. This is how the inequality gap is widened with underpaid workers both at national and international level.

A second interlinking field is that generated by the migration of peoples. Migrants are the offshoot of the disparity of conditions and opportunities between affluent and impoverished countries. They meet the needs of the labour market created by the international division of labour. They are among the most discriminated and vulnerable social groups. They are excluded and rejected for alleged national security reasons when they are turned into escape goats for a social and economic crisis. In this case inequality consists in the fact that basic human rights of migrants are not respected and are repudiated by the Italian government and EU for guaranteeing a supposed security to European nations.

This is what has been taking place in recent years as far as the migratory policy between Italy and Libya has been concerned. The Italian government signed an agreement with Libya in 2017, stressing how it chiefly aims to put an end to the deaths at sea and the journeys of those in search of a better life run by human traffickers. Even if it has been given an enthusiastic welcome by Europe’s top leaders, in its three pages, human rights were only referred to once and no mention was made to Libya being bound to respect and safeguard the rights of migrants. In truth, the agreement with Libya favours circumventing the principle of non-refoulement. Off the coastlines, those not rescued, drown at sea or are returned to the nightmare of Libyan detention centres to be once again subjected to systematic torture, violence and abuse. Even if Italy has no direct responsibility in the intercepting at sea and return to Libya of the migrants, our country’s backing of the work of the Libyan Coast Guard, its support for the creation of a Libyan SAR zone, moreover inefficient, the involvement of the Italian navy and coast guards in coordinating rescue and interception operations with the Libyan Coast Guard, may expose our country, as “occult perpetrators “at risk of conviction for violations of bans placed by Article 3 of the UN Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, ratified in New York on 10th December 1984, by Article 33 of 1951 Geneva Convention relating to the Status of Refugees, as well as commitments deriving from Articles 1.4 and 56 of the United Nations Charter. The situation deteriorated with the new Italian government’s decision to close its ports, criminalising NGOs and to suspend its signing of the Global Compact for Migration, continuing therefore to repudiate the sole humane and reasonable decision: to open regular, safe and ordered channels. In the meanwhile, migrants continue to die at sea and to be turned back to Libya.

A third interlinking sector concerns the national production and international trade of arms. The dilemma between our own and others’ wellbeing is highlighted: weapons production generates employment and therefore economic and social wellbeing in our country, but it also fuels war, causing thousands of victims in distant lands. A fundamental inequality is thereby created between the wellbeing of one population to the detriment of other populations’ lives. Among factors characterising today’s world there is unquestionably that relative to conflicts across the globe. According to SIPRI, the current situation is marked by a worsening of every indicator with a rise in military spending, arms trade, number of violent conflicts. Military technology is also continuing to
Inequalities in Italy

make headway.\(^4\) Italian law regulates the arms trade and bans exports and the transit of arms “to countries who are responsible for serious violations of the international conventions relating to human rights, which have been established by the competent bodies of the United Nations, EU or Council of Europe”. And it is in Italy itself, at the RWN Italia plant in Domusnovas, that there is substantiated evidence of the production of bombs intended for Saudi Arabia, which are used in one of the most tragic and forgotten conflicts of our times: the war in Yemen. Then again this output gives employment and relative wellbeing to the citizens of Domusnovas. Therefore the question arises of how to turn a war economy into a peace one, how to pass from the production of bombs to the production of goods and services which do not prejudice the right to life of entire populations, and which favour conditions of equality and opportunity for everyone, not only for our own wellbeing.

Finally, a fourth interlinking sector concerns development aid, among whose chief aims is in fact to contribute towards reducing inequalities.\(^4\)

For this goal to be achieved, a strong commitment is required both in terms of quantity and quality of resources allocated via the Official Development Aid (ODA), keeping in mind the 2030 Agenda’s priorities as points of reference. However, the gap between saying and doing with regards to ODA Italy appears to be widening, starting with commitments made concerning resources. In fact, the charts unveiled by the Finance Ministry at the end of 2018 show that resources have been gradually waning for the first time since 2012, below the already reached 0.30%.\(^4\)

On the other hand, from an analysis of the OECD’s final data for 2017,\(^4\) it appears that from 2012 to 2017 Italy’s resources to ODA have been steadily increasing. Nonetheless, this increase has been for the most part bolstered by the growth of the item “refugees in the donor country”, standing at 30.8%, already virtually a third of the ODA total in 2017. This is a case of so-called “inflated aid”. Money which does not cross Italy’s borders and is not employed for the very aid objectives: the war on poverty and inequalities. In 2017, more than a half of the bilateral ODA went on receiving refugees, while on agriculture, deemed a priority in cooperation strategies, just 1.7% was set aside by Italy; neither do education nor basic health benefit from significant amounts, altogether receiving little over 10%. Italy’s commitment towards countries lying at the foot of development ladder (LDC) does not appear to have been confirmed: Italy is among states donating less to these countries with a tiny 0.06% of its own public aid, a percentage distinctly far-off from 0.15% which the UN has recommended to donor countries. And, despite the number of migrants arriving on Italy’s shores having fallen by more than 80%, its 2019-2021 budget still envisages allocating sizeable “inflated aid” funds.

On top of all this, a greater attention is being focused on involving the private sector, mixing donations with other guarantee instruments and credit to encourage private investments in DCs. Short, however, of any idea about the quality and effectiveness of this aid, about which investment models are the more useful to foster social inclusion, empowerment of local forces and environmental protection. The use of funds, as a response to short term concerns in security and migration matters, should therefore be opposed. A coherent approach is required, comprising serious thinking about financing private investment, especially by the Cassa Depositi e Prestiti, today’s new Italian development bank, and greater resources for key sectors of essential services in the fight against poverty and inequality: health and basic education, food security and the human right to water.

Inequality Policies

Faced with such widespread heightening of inequalities, there is still no sign of policies converging to their systematic reduction, that is to say bearing in mind momentous world-changing processes such as climate and technological change, and the profound connection between internal and external dimensions which has come about with globalisation, and which does not call for a short-sighted sovranist response, but rather fresh international regulations on capitalism. That is why a systematic approach is more than ever now needed: it has been partially indicated in the national strategy for sustainable development, but it is still is lacking any true and
proper implementation plan. On 18th December 2018, the First National Conference for Sustainable Development was held in Naples, and a National Forum for Sustainable Development was launched, a platform for consultations between institutions and civil society for implementing the strategy. The Forum is expected to be part of a general governance, whose final goal is policy coordination and coherence in order to implement the strategy. We are at the embryonic stage of this harmonising process, but along with current government’s decisions still fragmented and crammed with limitations, contradictions and incoherence especially regarding migrants and minorities such as Roma people, with the slogan “Italians First”. Despite this, the question of inequality and especially of poverty and social inclusion has led to important decisions being taken at a government level.

In the labour sector, fresh legislation has been passed to fight precarious employment with the so-called “Dignity Decree”, which won final approval in August 2018 (Law 96/2018). Earlier legislation (the so-called “Jobs Act”) was amended, introducing significant limitations to adopting fixed-term contracts: the maximum duration of these contracts was reduced from 36 to 24 months, “justifications” were reintroduced for contracts longer than 12 months, the number of their renewal being cut from 5 to 4 and employers’ contribution each time the contract is renewed has been increased (0.5%). In the event of unfair dismissal – while not envisaging re-instatement – workers’ compensation by the employer is increased by 50% and the amount of compensation ranges from 6-36 months’ salary instead of 4 to 24 months. Article 18 of the Workers’ Statute on constraints on dismissals has not been reintroduced, as some unions had wished. According to some observers and activists, a “damage limitation” operation was undertaken with the Dignity Decree, which will not control precarious employment.45

Since December 2017, with a structural national reform of social policies, Italy has been trying out a new instrument to fight poverty called Inclusion Income (ReI). In March 2018, the total number of recipients stood at nearly 800 thousand people, that is around 50% of the potential target figure. The decree, which introduced the ReI, also set up a Protection and Social Inclusion Network overseen by the Minister of Labour and Social Policies and composed of regional and municipal representatives. The task of the Protection Network is to advance greater homogeneity throughout the territory in funds’ distribution and to draw up guidelines for interventions. With the 2019 Budget, the new government introduced “citizenship income”. It is an important new step: it is undeniably positive that funds were found (amounting to euro 8 billions when fully implemented) to be employed in combating poverty. However, putting the measure into practice by increasing the number of job centres will neither be easy nor swift, and the risk is that implementation will prove slow and cumbersome. Moreover the citizenship income is tied to a set of conditions (varying from the kind eligible expenses to the obligation to accept a job offer) contradicting the need to maintain a universal minimum income measure, capable of wiping out extreme poverty and respecting the dignity of full citizenship, based on rights, and not on ambiguous and anachronistic bureaucratic or even moral conditions.

As previously seen, deep disparities exist among territories, between the north and south of Italy, between small and large towns and cities, between city centres and suburbs, between urban and rural areas. In this context, over the past twelve months the National Strategy for Inner Areas (SNAI) has been developed, aimed at reducing inequalities in accessing basic services; an intervention in 72 areas far from major service centres, covering a fifth of the country with about two million people. In 2017, on signing the Framework Agreement, seven inner areas have started the implementation of this strategy. Eight others are in the final stages of the process and are currently involved in drawing up and putting the final details to the Framework Agreement. The 2018 Budget envisages financing Euro 50 million to put up school buildings in inner areas, funds to deal with the critical situation which these areas are having to face in an isolated and fragmented manner. In several Italian cities too – with the acceleration in 2018 of operations being implemented within the framework of the 2014-2020 cohesion policy and the third sector’s crucial
contribution in favour of the suburbs and the more vulnerable sections of society – changes in urban policies are underway ascribable to the effect of the European Agenda in terms of place-based approaches and innovative public instruments.

Over the course of the last two years in Italy, a series of initiatives have been launched which could or should firmly put the Paris Agreement into practice and therefore tackle environmental inequalities with particular focus on the impact of greenhouse emissions. Following the 2017 National Energy Strategy, on the 7th January 2019 the draft of the Integrated National Energy Climate Plan was disclosed, and consultations with stakeholders are now opening. This plan, if, on the one hand it envisages the end of coal by 2025, on the other, it fails to place sufficient emphasis on renewable energy and most of all does not identify instruments and resources to implement it. Specifically, planning a correct transition is deemed to be urgent in order to minimise its social impact. There are numerous energy, industrial, transport plants to be transformed, with major implications in terms of employment and the creating of new inequalities. Today, in order to assist workers in finding new training and job opportunities after the closure of coal centres by 2025 the stoppage of drilling at sea, and tomorrow – a tomorrow very nearby – to assist those who have worked in oil-linked employment change their jobs. Instruments must be updated, also those tackling inequalities, for example, energy poverty is one issue addressed by the provisional Plan. However, the solution of the major problem, how to assist the less well-off accessing energy saving and efficiency and renewable energy sources, is deferred to an unspecified future. The coal-free future must be available for all, otherwise there is the danger of creating a situation whereby the rich live in healthy environments and consume well, and the poor live in unhealthy environments and consume badly, getting a meagre financial helping hand in order to consume more.

Finally, how the whole inequality question is being approached in such an unsystematic and contradictory manner is demonstrated by the issuing of 4th October 2018 Decree Law 113, the so-called Security Decree, which modifies several important points of the asylum and reception system. It is a system laboriously put together through the years in Italy and one which the decree, both in terms of rights and effectiveness, has worsened. It introduces forms of identification for asylum seekers, who can be held merely in order to check their identities and without having committed any crime up to 210 days. It places constraints on reception services for asylum seekers in government centres which, by their very nature and due to pre-announced costs cuts, will provide practically only one place to sleep and one meal. It brings in restrictive border procedures (even going as far as a political decision closing ports to people rescued at sea, one deemed by many to be illegal, so that the Tribunal of Ministers has been called on to give the green light for the Minister of the Interior to stand trial for the kidnapping of persons and prolongs the cessation of refugee status and rejection of asylum seekers who have been convicted for having committed crimes whose gravity, such as threatening a public official or theft, can in no way be put on a par with the harm they risk were they not granted adequate protection. It furthermore abolishes humanitarian protection, replacing it with a series of special permits issued for some specific cases of vulnerability (from health vulnerability to a new form of protection granted for environmental reasons). These permits are not however linked to protection or integration programs. All this is already creating thousands of new homeless, people devoid of social rights who are at risk of becoming easy prey for exploitation and crime. The decree creates increased insecurity for all.
In Italy, there is a growing awareness of inequality’s centrality in public and political debate. There are several initiatives and proposals by CSOs attempting to create a fairer society. There have been countless bottom-up good practices on social inclusion and empowerment which are however in need of structural measures. Hereinafter we mainly refer to proposals recently put forward by the Inequalities Forum, bringing together major social and also environmental organisations and those from the Gcap Italia network, the Italian Coalition fighting poverty, for interrelations between national and international perspectives.

First of all there is a need to improve national strategy on SDGs and envisage, as soon as possible, the drawing up of an implementation plan based on an integrated and coherent approach between inner and external dimensions with the inequalities issue lying at its heart.

In this context, adopting a pre-distributive approach is crucial in order to modify the mechanisms of inequalities a priori and not just ex post, to be flanked by measures, nonetheless necessary, of a redistributive nature.

In addition to improving the implementation of the citizenship income, it is important to find a balance in the ratio between capital and labour, envisaging the insertion of a guaranteed minimum wage and greater labour negotiating power with new forms of corporate government.

A new power to labour should be envisaged in a new system taking into account local communities and not just the traditional social parties (unions and management). In such a way as to also be able to tackle the problem of territorial inequalities, for which major investment is required for accessing public services and for adapting to climatic change with just transition plans.

Another proposal to address intergenerational inequality involves hiking taxation on inheritance and donations and the establishment of an universal youth fund in order to transfer the accumulation of wealth to new generations with positive effects in terms of justice, efficiency and innovation.

Internal measures should coherently go together with international cooperation’s strong commitment towards the rights of labour and nature in developing countries, towards supporting human rights advocates and local communities’ access to forms of protection and compensation when faced with the harmful conduct on the part of companies. In this context, several organisations of Italian civil society are pressing for the revision of international investment and trade treaties in order to incorporate respect for rights in the current ISDS campaign and in favour of the binding UN Treaty on human rights and enterprises.

The impact of technological change also needs to be addressed trying to orient it towards social justice and environmental sustainability, with incentives for research and technological innovations targeting work, supporting a fair energy transition and in favour of democratic administration of common digital assets.

These measures should be accompanied, at external level, by a revision of TRIPS in such a way as to enable patents to be used for social rights and the protection of the environment, supporting international cooperation for their implementation. In this respect, the resources of the ODA covering a three-year period should be reprogrammed in order to ensure at least a 0.30% in 2020 and guarantee greater resources for the poorer countries, improving coordination and coherence with an aim to combat inequality and not for security and management of migratory flows.

Finally, ad hoc measures are required to combat horizontal inequalities, discrimination of Sinti people and migrants, guaranteeing them access to basic rights, especially including the right to housing and work.
2 ISTAT, Income and Conditions of Family Life, 2018. It is deemed that, according to ISTAT figures, the threshold is 60% of the median income, while the SDG 10.2.1 uses 50%.
3 ISTAT, Indagine conoscitiva sulle politiche in materia di pariità tra donne e uomini, 2017 (Fact-Finding Investigation into policies on the subject of parity between men and women.
4 Idem.
6 See https://www.openpolis.it/esercizi/il-taglio-dei-fondi-per-laiuto-allo-sviluppo/
7 Put forward by Gcap Italia and Forum disuguaglianze e diversità
   • Gcap Italia, see the report on SDGs in http://www.gcapitalia.it/rapporto-gcap-italia-2018/
   • Forum disuguaglianze e diversità (Inequality Forum), see the report on 15 proposals for social justice in https://www.forumdisuguaglianzediversita.org/proposte-per-la-justizia-sociale/
8 Giovanni D’Alessio, “The Dimensions of Inequality in Italy”, Banca d’Italia, 2011
11 ASVIS 2018 Report “L’Italia e gli Obiettivi di Sviluppo Sostenibile” (Italy and Sustainable Development Goals).
13 ISTAT, BES 2018 Report: il benessere equo e sostenibile in Italia (Fair and Sustainable Well-Being in Italy);
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24 OCSE, A Broken Social Elevator? How to Promote Social Mobility, 2018.
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31 See in this connection the work of the UK Environmental Agency: https://www.gov.uk/government/publications/addressing-environmental-inequalities
See for example the site ISPRA on contaminated sites: http://www.isprambiente.gov.it/it/temi/suolo-e-territorio/siti-contaminati, the map of environmental conflicts http://atlanteitaliano.cdca.it/


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Gcap Italia, see the report on SDGs in http://www.gcapitalia.it/rapporto-gcap-italia-2018/
See the Rights for People, Rules for Corporation, Stop ISDS campaign in https://stopisds.org/
See https://www.wto.org/english/tratop_e/trips_e/trips_e.htm
The European-wide project **Make Europe Sustainable for All (MESA)** is coordinated by the European Environmental Bureau (EEB) and implemented in 15 European countries by 25 partners. It aims to raise citizens’, CSOs’, and policy-makers’ awareness on the Agenda 2030 and the Sustainable Development Goals (SDGs), adopted by the 193 Member states of the United Nations in 2015. At the core of the project are campaigns and advocacy on inequalities, sustainable agriculture, gender equality, climate change, migration and sustainable consumption and production. This report was produced as part of the **Fighting Inequalities** campaign of the project, and contributes as well as the global **Faces of Inequality** campaign, which gives social exclusion, poverty and discrimination a face.

#SDGS4All • https://makeeuropesustainableforall.org • https://makeeuropesustainableforall.org/fight-inequalities
https://gcap.global/faces-of-inequality

ENGIM is an NGO that operates in Italy, Europe and developing countries, paying particular attention to the importance of education for strengthening youth capabilities and creativity. ENGIM is a member of FOCSIV, a Federation of Italian Christian NGOs operating for the sustainable development of local communities, for social and climate justice, supporting livelihoods and human wellbeing in more than 80 countries. In Italy, the Federation promotes awareness raising campaigns and development education, supports the reception and the integration of migrants in hosting communities, and advocates for social justice.

FOCSIV and ENGIM are members of the Italian platform of GCAP. Global Call to Action Against Poverty (GCAP) supports people in their struggles for justice and brings individuals and organisations together to challenge the institutions and processes that perpetuate poverty and inequalities. Together, we defend and promote human rights, gender justice, social justice, climate justice and the security needed for the dignity and peace of all. The Italian platform implement advocacy actions to support the national commitment for the sustainable development process and in G7 and G20 institutional frameworks.