

**ARTICLE 30**

**THE RIGHT TO PROTECTION AGAINST  
POVERTY AND SOCIAL EXCLUSION**

## **National Regulatory Framework.**

- Constitution of the Italian Republic.
- Law n. 482/1968 Compulsory work placement of people with disabilities.
- Law n. 118/71, “*Conversion of Legislative Decree n° 5, 30 January 1971, into law and new regulations concerning disabled persons*”.
- Law n. 517/77, articles 2 and 7, “*Regulations on the evaluation of students and on the abolition of re-sitting exams as well as other regulations modifying the school system*”.
- Law 13/1989 on removing architectural barriers.
- Framework law n. 104/92 for the assistance, social integration and rights of handicapped persons (contents set in order with modifications introduced by laws n° 162 of 1968, n° 17 of 1999 and n° 53 of 2000).
- Law n. 447/1997 National Fund for Social Policies.
- Programming department, *Guidelines for rehabilitation activities*, Ministry of Health – Rome, Italy 1998.
- Law n. 68/99, “*Regulations for the right of disabled people to work*”  
Initial indications for the implementation of law n°68, 12 March 1999 initiating: "Regulations for the right of disabled people to work", Ministry of Labour and Social Security.
- Law n° 68, 12 March 1999, initiating: "Regulations for the right of disabled people to work", published in the official Journal n° 68, ordinary supplement n° 57/L. Modifications to the rules and regulations of law n° 482, 2 April 1967".  
Circular n° 77 from the Ministry of Labour and Social Security, 24 November 1999.
- Framework law n.30/00, “*Framework law on the matter of reforming the learning cycle*”.
- Law n.62/00, “*Regulations for equality at school and dispositions on the right to study and learn*”.
- Framework law n.328/00, “*Framework law to implement the integrated system of social actions and services*”.
- Interministerial Decree. 28/12/07 “*Electricity Bonus*”.
- Decree Law n.112/08 “*Social Card*”.
- Law n.185/08 “*Family Bonus*”.
- Decree Law n.78/09 “*Fund for Social Policies of Regional Relevance*”.
- Law n.183/11 “*Credit Fund for the New Born*”.
- Guidelines of the General Directorate for Development concerning women and minors. (Ministry of Foreign Affairs).

## **Resources deployed.**

As explained in the previous report, submitted by the Italian government, the main financial instruments used to combat poverty and social exclusion are Public Finances and EU funds (European Structural Funds, etc.).

With the **National Fund for Social Policies** ( Fondo Nazionale per le Politiche Sociali ), established by act n° 447/1997 (Budget bill 1998), the Italian Government annually allocates resources through the “annual budget bill” promoting policies in tackling poverty and social exclusion. Through an Interministerial Decree issued by the Ministry of Labor and Social Affairs and the Ministry of Economy and Finance, in agreement with the unified Conference (State, Regions, Provinces, Municipalities), financial resources are allocated for social policies and given to INPS (national institute of social insurance), Regions, Provinces, Municipalities and to the Ministry of Labor and Social Policies.

With Decree Law n° 78/2009, converted and amended into law n°102/2009, a “**Fund for Social policies of Regional relevance**” with an annual budget of 300 million euro minimum, has been created- c/o Ministry of Economy and Finance. This is a sneak preview of all those measures linked to the start of the **Federalizing Process in Italy**, as outlined by **act 42/2009** which sets rules and principles on fiscal federalism according to art.119 of the revised Constitution, with the aim of ensuring access to social rights and related benefits and services all over the country in conformity with art.117 lett. m of the revised Constitution.

The Act strikes a balance between needs of regional and local Governments’ financial autonomy and of solidarity. It stresses the need for the efficient use of resources at any level of Government. Health, education and social services account for broadly 80% of regional budgets and their financial needs are fully covered provide that Regions keep efficient. The territorial authorities must be put in a position to be able to effectively perform the functions assigned to them and, in order to do so, they need autonomy in terms of income and expenditure.

The gradual elimination of the historical cost criterion, in favour of the “**standard cost**” criterion, on the basis of which the cost for the provision of a regional function ( connected to the essential levels of services concerning civil and social rights pursuant to art 117 lett. m Const.) **is established on a preliminary basis and must be the same throughout the whole Country**, represents something absolutely innovative. This desirable passage is necessary due to the fact that it is no longer acceptable, especially considering the current economic crisis, for the same services to have such hugely different costs depending on the area in which they are performed.

It is a new and ambitious approach difficult to implement, both to standard levels of service and standard costs, different methodologies to define these fundamental ingredients of fiscal federalism yield very different results. Nevertheless it is an approach that links and integrates policies in a consistent way in an overall way to fight social exclusion and poverty. This is a crucial time for the Italian system, to implement federalism but above all to improve the overall performance of the public system for citizens, families and businesses. It should be noted that this is a gradual and slow process.

## **Poverty in Italy in 2009.**

ISTAT (national bureau of statistics) disseminates the relative and absolute poverty estimates for the households residing in Italy, based on 2009 Households Budget Survey data. Being sample estimates, they are affected by sampling error: small differences can be statistically insignificant.

Absolute poverty is calculated by ISTAT, on the basis of a poverty line that corresponds to the minimum monthly expense necessary to acquire the basket of goods and services that, in the Italian context, are considered essential to achieve a standard of living minimally acceptable.

The relative poverty line for a family of two components, in Italy, is equal to the average monthly spending per person.

In 2009 the relative poverty incidence was equal to 10.8%, whereas the absolute poverty to 4.7%. Taking into account the sampling error, the phenomenon was stable in comparison with 2008.

The South and the Islands confirmed the incidence levels reached in 2008 (22.7% for relative poverty, 7.7% for absolute poverty) and it showed an increase for the absolute poverty intensity (from 17.3% to 18.8%): the number of absolutely poor households stays almost the same, but their average conditions worsened.

The poverty incidence increased, from 2008 to 2009, among the households with a worker as reference person, both in relative (in the Centre from 7.9% to 11.3%) and in absolute terms (at the national level from 5.9% to 6.9%).

In Italy, the incidence decreased among the households headed by a self-employed, from 11.2% to 8.7% for relative poverty, and from 4.5% to 3.0% for absolute poverty, households more concentrated in the North in comparison with 2008.

## **The relative poverty rate.**

In 2009, families living under the poverty threshold were 2 million 657 thousand, representing 10% of resident families. This is roughly about 7 million 810 thousand poor; 13,1% of the entire population. The relative poverty line was equal to 983.01 Euro, almost 17 Euro lower than the 2008. In 2009, in fact, the consumption expenditure showed a decrease in real terms, more marked for households with medium-high expenditure levels. The condition of the households with the lowest expenditure levels didn't get worse in comparison with the other households.

Poverty is still widespread amongst families in the "Mezzogiorno area" (the southern Italian regions). The proportion of poor families living in difficult circumstances is far greater than the rest of the country: Sicily 24.2%; Campania and Basilicata 25.1%; Calabria 27.4%.

Poverty was unchanging for this crisis year, due to the fact that 80% of the employment decrease in the job market involved young people, mainly living with their parents. So the household itself softened the crisis effects by protecting the young people that had lost their job. Also the Wages Guarantee Fund (Cassa Integrazione Guadagni), protected those parents that were dismissed (they represent the majority among people receiving social security in 2009).

## **The absolute poverty rate.**

In 2009, 1 million 162 thousand families were considered "undeniably poor", representing 4.7% of resident families, for a total of 3 million 174 thousand poor individuals. Resident families with monthly spending levels lower than the standard level.

## **Poverty in Italy 2010.**

In 2010 the relative poverty incidence was equal to 11%, whereas the absolute poverty to 4.6%. Taking into account the sampling error, the phenomenon was stable in comparison with 2009. The relative poverty threshold, for a two-members household, was equal to 992.46 Euro, around 9 Euro higher than the 2009 threshold (+1%).

The relative poverty increased among households of 5 and more components (from 24.9% to 29.9%), households with aggregated members (from 18.2% to 23%) and single parent households (from 11.8% to 14.1%). The situation of the households with aggregated members (other typology households) worsened also in terms of absolute poverty (from 6.6% to 10.4%).

In the South and Islands, the relative poverty among the households with three or more minor children increased from 36.7% to 47.3%.

In Italy, the incidence for relative poverty increased among the households headed by a self-employed (from 6.2% to 7.8%) or by a person with a medium or high educational level (from 4.8% to 5.6%), following the worsening observed in the South and Islands (from 14.3% to 19.2% and from 10.7% to 13.9% respectively), especially for self-employed workers (from 18.8% to 23.6%). Among the households with a qualified or graduated reference person also absolute poverty increased (from 1.7% to 2.1%).

The condition of the households headed by a retired person with at least one member who has never worked and is not searching for a job, essentially couples of elderly with only one retirement income, worsened both in terms of relative and absolute poverty (from 13.7% to 17.1% and from 3.7% to 6.2%).

A better condition in relative terms is observed, in the Centre, among the households with two or more elderly persons (from 10.5% to 7.1%).

The absolute poverty decreased for couples headed by a person with less than 65 years (from 3.0% to 1.9%), as result of the fact that, for this household typology, the presence of couples with two income receivers increased.

## **The relative poverty rate.**

In 2010, families living under the poverty threshold were 2 million 734 thousand, representing 11% of resident families. This is about 8 million 272 thousand poor individuals; 13,8% of the entire population.

The relative poverty threshold, for a two-members household, was equal to 992.46 Euro, around 9 Euro higher than the 2009 threshold (+1%).

Those two-members households that have monthly spending levels equal or lower than that amount are classified as poor. Relative poverty continues to be widespread in the southern Italian regions, in particular within those families with three or more children, especially if under age.

## **The absolute poverty rate.**

In 2010, 1 million 156 thousand were considered “undeniably poor”, representing 4.6% of resident families, for a total of about 3 million 129 thousand poor individuals (roughly 5.2% of the entire population). Resident families with monthly spending levels lower than the standard level.

## **Poverty in Italy 2011.**

In 2011 the relative poverty incidence was equal to 11.1%, whereas the absolute poverty to 5.2%. Taking into account the sampling error, the phenomenon was stable in comparison with 2010. The relative poverty threshold, for a two-members household, was equal to 1.011,03 Euro. The average income in Italy is about 1.400 Euro.

The relative poverty increased in households without employed or retired members (from 40.2% to 50.7%) or where all the members are retired (single or couples), from 8.3% to 9.6%. The situation of the households with all retired members worsened also in terms of absolute poverty (from 4.5% to 5.5%).

The absolute poverty increased in the households headed by a retired person (from 4.7% to 5.4%), especially if, without employed, at least one member is looking for a job (from 8.5% to 16.5%).

The condition worsened, in terms of absolute poverty, for households headed by a person with low professional profiles and/or education levels: households headed by workers (from 6.4% to 7.5%), with low (from 8.3% to 9.4%) or medium educational level (from 5.1% to 6.2%).

Poverty increased also among couples with a minor child, both for relative (from 11.6% to 13.5%) and absolute poverty (from 3.9% to 5.7%).

Compared to the stability observed in the North and the Centre, in the South and Islands the intensity of relative poverty increased (from 21.5% to 22.3%). In this geographical area, the mean equivalent consumption expenditure is equal to 785.94 Euro, whereas in the North its 827.43 Euro and in the Centre its 808.72 Euro.

### **The relative poverty rate.**

In 2011, there are 2 million 782 thousand families living in relative poverty, representing 11.1 % of resident families ( one in ten families). This translates into roughly 8 million 173 thousand individuals; 13.6 % of the entire population. Poverty is still widespread in southern Italy especially among households with three or more children, and headed by a person with low educational level or with low occupational job profile.

In the less well-off southern regions, one in four families were relatively poor in 2011.

### **The absolute poverty rate.**

In 2011, in Italy there are 1 million 297 thousand families living in absolute poverty, representing 5.2% of resident families (a figure virtually unchanged from 2010) for a total of 3 million 415 thousand individuals; 5.7% of the entire population.

Some of the highest poverty rates were recorded in Sicily and Calabria, according to the ISTAT report. In these two regions almost 8% of families were considered to be living in absolute poverty.

As explained previously, conditions worsened for those households headed by a person with low educational level or with low occupational job profile, and among couples with a minor child.

Poverty increased among households of 5 and more components and also for households with aggregated members.

## **Measures taken to combat poverty and social exclusion.**

Since the end of 2008 a set of interventions was carried out aimed at combating poverty and social exclusion, which also targeted the elderly population. In particular, we describe the following actions:

**Social Card.** The Social Card (introduced by Decree Law No. 112, 25 June 2008, ratified by Law No. 133, 6 August 2008) is a magnetic card, funded by public funds and private donations, distributed by the Italian Mail Company, which gives poor people the opportunity to make purchases in partner shops or pay utility bills.

The Social Card, which entitles to a monthly expenditure of 40 euro, is addressed to persons over 65 and children under 3, who live in households with an income and an **ISEE** ( "Equivalent Economical Situation Indicator", a means for measuring the economic conditions of families, taking into account the income, personal and real estate assets, and number of dependent family members) very low.

Elderly beneficiaries must have a pension lower than 6,000 euro (8,000 if aged 70 years or more), their ISEE must have a value lower than 6,000 euro, they should not be owner of more than one house and have a financial holdings lower than 15,000 euro.

The Social Card program, according to the analysis conducted by the Commission of Inquiry on Social Exclusion, has reduced the spread of absolute poverty of Italian households.

**Family Bonus.** The "Extra bonus for families, workers, retirees and non autonomous persons" (introduced by Law 29 November 2008, No. 185), is designed to support the income of households composed by employees and retirees. The admission requirement is to receive an income from employment or pension. Despite a substantially equal division between North and South, the average amounts of the bonus are higher in Southern Italy and in the major islands.

**Credit Fund for the new born.** Parents whose children are born or adopted in the years 2009, 2010 and 2011, may apply for a loan of 5000 euro at a low interest rate, with a 5 year reimbursement plan. The Italian Government through the creation of this fund, in the care of the "Department of family policies", guarantees up to 50% of the loan in case of payment insolvency to banks or financial institutions ( section 4, paragraph 1 and 1 bis of Decree Law n°185 dated 29 of November, 2008, converted and amended into law n° 2 dated 28 of January, 2009).

This measure is extended to all legally resident aliens. The banks or financial institutions can, at their discretion and assessing the permit to stay of the applicant, grant the loan.

The measures relating to the Credit Fund have recently been extended also to those children born in 2012, 2013 and 2014. ( section 12 of Act N°183 dated 12 November, 2011).

**Electrical Bonus.** It is a support measure introduced in 2007 by the Ministry of Economic Development and defined by the Regulatory Authority for Electricity and Gas of Italy. The bonus will enable low-income families, large families, and sick people who use electromedical equipment to obtain a discount on their electricity bills ranging from 60 to 150 euro a year.

Those eligible for the bonus are all domestic consumers with an electricity supply contract solely for their place of residence with an ISEE indicator no higher than 7.500 Euro, for a number of up to 4 family members at the same residence, with a committed power capacity of 3kW; large families with 4 or more dependent children and an ISEE no higher than 20.000 Euro, with a committed power capacity of 4.5kW.

All applications for the electricity bonus must be submitted to the proper offices of the Municipality place of residence.

**Abolition of Municipal Property Tax on main place of residence (ICI).** In 2008 the abolition of this local tax (imposta comunale sugli immobili) on the main property favored low income households living in poverty. Recently Monti's measures for Italy saw the introduction of an IMU (Imposta Municipale Unificata) property tax on primary residences.

Measures have been introduced to lighten the burden on poorer families. Apart from a flat 200 euro discount on all individual resident taxpayers main homes, a further deduction of 50 euro is granted for each dependent child up to the maximum amount of 400 euro.

The taxable value for IMU is calculated based on the cadastral values -i.e., standard values- attributed to each property in the official register.

### **Italy's commitment on the implementation of the UN Convention on the rights of people with disabilities.**

The rights of persons with disabilities come under the sphere of fundamental human and civil rights. In line with this assumption, disabled people have the right to develop their individual capacities, to pursue full integration in their own socio-cultural context.

Therefore initiatives dedicated to disabled people must include specific actions to battle against social exclusion and economic marginalization. Furthermore, the possibility of recovering and socially integrating the person is increased if special attention is paid to the disability from childhood.

Italy ratified the UN Convention on the rights of people with disabilities and its Optional Protocol by Act n. 18/2009. This Act establishes a national Observatory on the situation of persons with disabilities, in compliance with article 33 of the Convention, to promote the integration of persons with disabilities and protect their human rights and fundamental freedoms (in line with principles enshrined in art. 1.1 and 4.1 of the Convention).

The Observatory – a collegial body run by the Minister of Labour and Social Policy – includes representatives of the following groups: the central authorities in charge of disability policies; the Italian regions and the autonomous provinces of Trento and Bolzano; the provinces and the municipalities; the social security institutes; the National Institute of Statistics; trade unions, workers, retirees, and employers; national associations representing persons with disabilities;

It has been tasked with the following duties:

- to promote implementation of the UN Convention on the Rights of Persons with Disabilities and draft a report on the measures taken pursuant to article 35 of the Convention, together with the Inter-Ministerial Committee on Human Rights;
- to draft a two-year plan of action for the promotion of the rights and integration of persons with disabilities, in compliance with both international and domestic law;
- to collect statistical data on the situation of persons with disabilities, also considering diversities at the local level;
- to draft the biennial report to the Parliament on the implementation of policies in the field of persons with disabilities, as provided for by article 41 par. 8, of Act 104/1992;
- to promote studies and research that help identify priority areas for actions and programs for the promotions of the rights of persons with disabilities.

The Observatory is financed through the National Fund for Social Policies with 500.000€ per year, from 2009 to 2014.

It should be noted that most of this information regarding disabled people, point at issue, has been explained in our previous report on 2010 (article 15).

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The European Committee of Social Rights, in its conclusions 2009, takes note that the situation in Italy is not in conformity with article 30 of the Revised Charter on the ground that it has not been established that there is an overall and coordinated approach to combating poverty and social exclusion.

In response to the situation of non-conformity, meaningful information is herein provided.

The reform of **Title V, part two, of Italy's Constitution** as brought about by **Constitutional act n°3/2001** introduced substantial innovations into the organization of public authorities in Italy.

The act marked the shift from a centralized to a multi-polar system of institutions, whose main feature consists in its being multilevel in nature. Regions are called upon to become policy-making bodies in charge of steering and planning activities for the respective territories. In this perspective, the role played by autonomies is especially highlighted in order to tangibly implement the relevant principle as set forth in article 5 of Italy's Constitution.

The aforementioned law has also modified the arrangement of the institutional jurisdiction between State and Regions, in response to the principles of subsidiarity (art.118.Const.) The new structure foresees that local public authority are to be picked out in delivering the necessary services and benefits, since this allows increasing visibility of the bodies that deal with the smallest areas and are closest to the citizens.

Thus, the constitutional reform has changed the roles played by the bodies making up the Republic. There is no longer any general law-making and administrative competence vested in the State, as the law-making powers of Regions have been expanded, on the one hand, and general regulatory and administrative powers have been conferred, in principle, on the bodies below the State. Accordingly, regions will have to implement decision-making and procedural mechanisms that take due account **of different regional and local interests.**

Given this new scenario an effort has been made to deal with all those unresolved issues, since the Constitutional reform of Title V, to ensure a certain degree of uniformity at regional level, as to achieve in Italy an overall and coordinated approach in promoting access to social rights.

**Article 13** ( Livelli essenziali delle prestazioni e obiettivi di servizio), of **Legislative Decree n° 68/2011**, clearly states that **“essential level of benefits must be provided all over the country”**, in conformity with **art. 117 lett. m. of the revised Italian Constitution.**

These policy objectives with explicit targets on public services provision, are linked with the National Strategic Reference Framework 2007-2013 (Italian regional development policy) which encloses an innovative initiative aimed at improving quality and availability of public services of key importance for citizens' well-being and relevant for regional policy action. The achievement of adequate standards in specific areas is the parameter used to judge the effectiveness of cohesion policies, as these are essential quality-of-life services that help determine a Region's level of development.

With persistent regional disparities, especially between Southern Italy and the rest of the country, the National Strategic Reference Framework makes specific reference to the ultimate goals of development policies through the establishment of appropriate indicators with binding targets to be met in 2013 by the regions of the South.

