



**FEANTSA**

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Update 2005**

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# 1. Governance and Institutional Policies

## Introduction

Five years ago, Law No. 328 of 2000 (“general law for the creation of an integrated system of social welfare intervention and social services”) provided a new framework for social welfare policies (more universalistic approach, measures to make the welfare protection system more uniform over different geographical areas, more active policies in the fight against poverty: see Tosi, 2003a). Municipal and regional responsibilities for social welfare had started to increase in the 1990’s and Law No. 327 also moved in this direction as did the subsequent reform of chapter V of the Constitution (2001), which gave regions almost total powers in this field.

The achievement of the objectives of these reforms has however met and continues to meet with obstacles for three reasons: the growing difficulty in finding resources to channel into social welfare spending; uncertainties over where responsibilities lie as a result of the partially conflicting relationship between Law No. 328 and Chapter V of the Constitution (Tosi, 2003a); the lack of commitment by central government to the implementation of Law No. 328. It is the government’s duty not only to provide resources for social welfare policies but also to draw up a national framework of reference: crucial elements such as standard minimum levels of service throughout the country remain undefined and measures such as a minimum income fail to form part of the measures put in place by government. The general situation suggests that we are facing a change of direction in welfare policies towards a new philosophy of intervention, different from that of Law No. 328, more inclined to ‘neo-liberal’ views on welfare state: see Tosi, 2003b).

“Government policy is crippling Law No. 328 (...). It has not performed the functions attributed by the law to the central government, such as, for example, identifying basic levels of welfare provision. It has not taken the paths required to implement the reform financially. On the contrary the cuts made by the various Annual Finance laws have had an impact on local institutions in an already difficult situation for the functioning of local social welfare systems. This has been at the expense of precisely those ‘young’ innovatory processes in local welfare systems which without adequate support at national level have remained bogged down by phenomena of institutional, management and operational inertia, with side effects on the ability to transform the functioning of the range of social services offered in the community” (Ires-Cgil, 2005).

Those regions and municipalities which seek to act according to the philosophy of Law No. 327 follow different lines of action with the resulting perpetuation and increase of the (traditional) discrepancies between different areas of the country.

Various reports published over the last year, some produced by public institutions, have illustrated the risk of crippling Law No. 328 and the

limitations of welfare policies, particularly those concerning poverty, and geographical differences in standards continuing to exist.

“Implementation of the social welfare reform law still seems far off and very fragmentary throughout the country, with patches of little implementation above all in the South’. ‘There are differences in the range of service provision in cities’ (...). It is a very ‘patchy’ social welfare system’, in which a ‘traditional type culture’ (32% of provincial capitals) and that of ‘reform policies’ (30%) co-exist; 12% of provincial capitals (mainly in the South) ‘have few welfare programmes” (Ires-Cgil, 2005).

“Recurring factors are widespread resort in all social welfare systems to remedial welfare measures, and to the payment of benefits at the expense of specific services and action’: a method employed above all as part of action to fight poverty and to rehabilitate adults, families and immigrants in difficulty into society” (Ires-Cgil, 2005).

Italy continues to be “very much behind in the development of public policies to fight poverty and social exclusion” (Isfol, 2004). “Social policy instruments are characterised by disorganised and uncoordinated action, and difficulty in connecting with the hard core of new marginalisation processes”. “There is a lack of measures to fight poverty and now that the experimentation with a minimum income is over there are no moves in sight to implement the ‘income of last resort’” (Censis, 2004).

The problem has even been partly acknowledged by government. On 21<sup>st</sup> December 2004, the Undersecretary for Welfare stated that “a variety of poorly co-ordinated bodies are investing resources in the services field; if there is an impression that there is always a lack of money for social welfare, the objective is to monitor investments to spend the money better, because perhaps the services themselves and the local networks are badly organised. The district plans specified by Law No. 328, for example, have been, implemented in only 10 out of 20 regions”.

## **Legislation**

The Annual Finance Law for 2005 confirmed some policy lines which had already emerged in prior years as far as welfare policies and the fight against poverty are concerned. One important point in policies for families is the centrality of monetary transfers at the expense of policies that translate into service provision, and the important role played by tax concessions, which it has been repeatedly found are ineffective in the fight against poverty (Bosi and Baldini, 2005). When the new report on poverty was presented (June 2005), the Undersecretary for Welfare recognised the insufficiency of fiscal measures and promised to implement “measures capable of restoring balance to tax policies and more specifically in favour of those referred to as ‘insolvent’, who did not benefit from the most recent measures to reduce the tax burden”.

A second issue regards reductions in transfers and the consequences on local resources. In addition to failing to put general instruments in place such as setting minimum welfare standards and to proceed with the ‘income of last resort’, the 2005 Annual Finance law, based on containing spending as much as possible, creates the conditions for a cut to the National Fund for social policies.

The consequences of a reduction in resources available to local authorities is a problem that has been occurring for some years as pointed out in the Ires-CGIL report cited (2005): with cuts caused by annual finance laws since 2002, 'municipalities had to make changes to their own budgets in order to cover social welfare spending'. 'A reduction in social welfare spending was recorded in 31% of municipalities'.

According to trade union sources the new Annual Financial Law will also oblige municipalities to cut funding for welfare. "Caught in the vice of cuts to transfers and the increased responsibilities of local government, Italian provincial municipalities will sacrifice welfare action yet again this year. Cuts will be 15% nationally and will reach peaks of 20% in the South".

### **The National fund for social welfare policies**

There was the usual head on battle and press release war again this year between the government on one side and Regions and Municipalities on the other over the size of the *National fund for social welfare policies*.

Set up by Law No. 328, the national fund for social welfare policies is the main source of funding for social welfare intervention for individuals and families. The Fund consists of resources transferred directly to Regions who in turn allocate it to local authorities and private partners to fund services that form part of the respective regional welfare plans.

When in October 2004, the elected heads of regional social welfare departments read the tables attached to the decree law for the 2005 Annual Finance Law, they sounded the alarm: the sum total had fallen from 1,000 to 500 million euro. In response the Undersecretary for Welfare promised that the fund would not be cut. In November the minister also reassured regions: there would be no cuts to the national fund for social welfare policies and the request of the Regions to increase the Fund by 2% could even be successful.

In February 2005 two members of the house of deputies complained that a cut of almost 700 million euro had been made to the social fund, a reduction of nearly 70%. The fact was confirmed by the Undersecretary for Welfare, but, however, according to her the cut was approximately 400 million euro. The undersecretary nevertheless stated that 'the minister tried several times to maintain the fund unaltered at one billion euro'.

In June the elected head of welfare policies for the Region of Tuscany complained of 'rumours of a cut of more than 50%'. The Undersecretary for Welfare explained that 'the government had started dialogue with regions because only part of the social fund was available at the moment. The minister therefore offered to distribute the fund this year in two instalments with two separate decrees'.

On 1<sup>st</sup> July the State-Regions conference solicited the government to proceed urgently to distribute the fund for 2005, 'in the same amount as in 2004', and that to achieve this it should 'distribute at least 50% immediately'.

On 5th July the Minister reassured that the entire amount of about 1,000 million euros will be distributed, in two instalments. On 28th the representatives of Regions and municipalities occupied the premises of the State-Regions conference. The Minister once again committed himself to maintain the amount of the fund unchanged.

In October only 550 million euros had been assigned (and not yet paid) to regions. Protests from Regions and Municipalities were still going on in November, in order to obtain the 504 million euros missing.

## **2. Access to housing and welfare benefits**

### **Social welfare support**

The ‘income of last resort’, the measure that should have replaced the minimum insertion income has still not been implemented.

In recent years the country has experienced the introduction of the minimum insertion income. Despite the encouraging result of the experiment, the minimum insertion income was considered ineffective by the Government which consequently decided to terminate the experiment and convert it to the ‘income of last resort’. The measure should come into play “where policies to develop employment and to redistribute income on a fiscal basis fail to reach”. “This new instrument is based on joint funding by central government of regional programmes designed to guarantee essential income to citizens not assisted by other employment integration or income supplement measures”. “Like the minimum insertion income, the income of last resort also addresses groups of working age excluded from the labour market for ‘involuntary’ reasons either because of structural unemployment or for personal reasons (family responsibilities, disability, addiction, health, social marginalisation) which make it impossible to perform ‘conventional’ work with income sufficient for personal or family needs” (Commissione, 2005).

The characteristics of the income of last resort have not yet been clearly defined even today, nor has the question of the access rules been faced. As for a budget for it, the 2004 Annual Finance Law (December 2003) states that, within the limits of the budget allocated for the purpose by the Minister of Welfare as part of the National Fund for social policies, “the State assists in funding regions which implement an income of last resort”. In reality, the problem of joint financing, quite apart from the insufficiency of the figure allocated by the government, resulted in the issue of conflicting responsibilities being brought up again which contributed to the failure to implement the measure.

On 30<sup>th</sup> July 2004, the Minister of Welfare stated that the income of last resort had still not been implemented because “so far no region has presented projects to the ministry for this measure to which the regions should have contributed half the funding with the government”. “Implementation of the income of last resort is dependent on legislation by the regions on the question”.

However, in 2004 the Constitutional Court ruled in favour of an appeal made by the Region of Emilia Romagna against article 3 of the Annual Finance Law which states that the central government must intervene to fund the initiatives of individual regions concerning the income of last resort by drawing from the social fund on a quota reserved to it by the Minister. This measure was incompatible with the independence of regions in deciding the composition of regional social welfare spending.

In June 2005 the Undersecretary for Welfare interpreted it as follows: the Constitutional Court ruled against the income of last resort last December.

Recently a report by the *Istituto di Studi di Analisi Economica* (ISAE, 2005), one of the research institutes of the Minister of Labour and Welfare, brought up the question of finance again and identified the “joint funding by central government and regions as the path to take for the future”. This may mean that only the richest regions will be able to introduce the income of last resort. Those in the South, where two out of three poor people reside, would be unable to, given their low tax raising capacities.

According to the report: “the allocation of responsibilities for action to local authorities obviously implies uneven distribution throughout the country; citizenship rights in Italy are in fact located within a system of categories, are fragmented and contain discretionary elements” (ISAE, 2005). This results in the co-existence of different realities in different areas within which citizens enjoy different packages of rights which do not depend on the condition of need but on where the need arises.

Basically the entire discussion on income support instruments has been brought back to the initial phase, after what is now six years since the start of the experimental phase with minimum insertion income and two years since the government decided to replace it with the income of last resort.

In the meantime independent initiatives taken by regions continue. While various regions are developing measures of this type, the Region of Campania is implementing a ‘citizenship income’ project set up in 2004 (see Tosi, 2004). Rules to apply for access to the income were published in 2004 with the allocation of seventy seven million euro which will be sufficient to support 20 thousand households.

Citizenship income “is a universal measure targeted at the whole population of persons in poverty”. The experiment will last until 2006 and is targeted at families with an income of less than 5 thousand euro per annum to whom 350 euro per month will be paid in cash. Non EU families also have a right to the income, provided they have been resident in Campania for at least 5 years as do those of no abode who, in the absence of a domicile, can demonstrate that they were born in one of the municipalities in the region. Responsibility for organising and managing citizenship income will lie with local areas as part of the ‘district social plans’. It will integrate social support measures which include: children of compulsory school age will be given scholarship grants to encourage attendance at school; young members of resident families over the age of 18 will be given priority access to regional intervention in the field of active employment policies; furthermore easy access to some services will be granted to single mothers to encourage their participation in the labour market and to immigrant families to favour social integration.

### **Housing benefits**

Law No. 431 of 1998 set up a *National fund to support access to rented accommodation*, designed to offer less well-off citizens assistance with access to the private rented market. When it was set up approximately 366 million euro was allocated to it per year for the years 1999, 2000 and 2001. In 2001 constant reductions to the fund started with total cuts amounting to 120 million euro.

According to an estimate by Cresme for ANCI (the association of municipalities), if account is taken of the sums actually provided, the fund decreased from 440 million euro in 2000 to 236 million euro in 2005, a

collapse of 48%. Rents for new rented accommodation increased by 49% during the same period and by 85% in large cities. The problem is even more serious because the payments are delayed. Approximately only 1/3 of the sums approved for 2005 had been paid by May of that year.

Although the reduction is made up for by contributions from regions and municipalities in many cases, this situation aggravates the housing emergency in a worrying manner. According to ANCI figures, rent grants fell by 4,000 out of a total of 13,000 in Rome in 2004. In Florence grants fell by approximately 900 out of a total of 1,800.

Funds increased in Lombardy in 2004: 53 million euro, 9 million euro more than was paid out in 2003. Tenants' unions, however, estimated that an adequate figure would have been 132 million euro given the growing number of family in need.

### **Provision of support / right to housing**

One indicator of the seriousness of the housing situation is the increase in the number of squats both of private and public sector accommodation. Over the last three years 800 families have occupied former schools and other public sector buildings in Rome. 4,251 public sector housing units were occupied illegally in Milan in 2004: almost double the figure for 1989 (Abusivi impopolari, 2005; 35 anni di lotte, 2005).

According to a report published by Nomisma in March 2005, house prices in medium size towns and cities increased by 45.6% (+26% net of inflation) between 1999 and 2004; price in thirteen large urban areas increased by 65% (+44.1% in real terms) in the same period. The increase is a consequence of stronger demand in large towns and cities. Furthermore the strong demand was influenced by the entrance of foreign workers to the market.

Even if the housing market seems to be running out of steam a little, the average price of housing still increased in 2004 by 7.3% in medium size cities and by 9.7% in major cities.

The increase in the demand was the result of a preference for property investments and low mortgage borrowing costs, supported by national and regional policies. The mortgage boom continues. Householder indebtedness for the purchase of homes has grown by 130% over the last 5 years (Cresme, Anci, 2005).

Rents have increased of 49% from 1998 to 2004, but of 85% in large cities. It is estimated that in 2007 more than 1 million households will spend more than 46% of their income on rent (Cresme, Anci, 2005).

The public sector role continues along the lines of recent decades with marginal intervention (spending on housing support accounts for 0.1% of total spending on social welfare protection compared to a European average of around 2%). The percentage of public sector intervention to promote new initiatives fell from 8% to 1% between 1984 and 2004; housing units built with government subsidies fell from 34,000 to 1,900.

According to Ministry of the Economy figures current transfers for housing fell from 1.7 billion euro in 2002 to an average of 1.1 billion euro for 2003-2004; cash transfers fell from 1.5 billion to 808 in 2004 (-55%) (Cresme, Anci, 2005).

### *Central government policies*

Central government policies continue to be extremely modest. (One partial exception is found in the *Neighbourhood contracts*: see infra). There have almost always been long delays in the release of funds for those measures which have been approved.

The 2004 Annual Financial Law (December 2003) set up a fund for special rental housing with funding of 5 million euro for 2004 and 2005 and 10 million euro for 2006. The fund is distributed to regions which contain municipalities with the greatest housing problems.

One firm component of central government policies, and also of regional policies, is support for home ownership, especially for young people. The 2005 Annual Finance Law, like those before it, also includes measures (mortgages) to assist young couples with access to home ownership.

The idea of assisting young people in purchasing their own homes was put forward on many sides on various grounds which seek to combine the interests of the property market with that of compensating young people for insecurity on the labour market with the guarantees provided by ownership. After conducting a survey on behalf of the Bank of Rome, CENSIS stated that “young people constitute a generation band of housing demand in the property market that is becoming saturated: one reason for helping them is because housing security may compensate for the uncertainties of flexible working”. According to this survey there are four million young people around thirty years of age who are working, even if without permanent employment contracts who, if they could, would purchase their own home. Young people without permanent employment contracts account for 21.5% of total young people in employment; this proportion has increased by approximately 3 percent in recent years.

In actual fact banks are starting to offer products specially designed for workers without permanent employment contracts, while the government has prepared a package of initiatives to assist these workers including a ‘Mortgage loan fund for insecure workers’.

*Adiconsum*, an association that operates on a national scale to protect consumer rights, formulated a proposal put to government to allow young people to be able to acquire a 100% mortgage for the purchase of a first home. The operation would be possible and it would result in savings when one considers that the state pays very high interest rates (amounting to 700 million euro per annum) to banks who have the concession to grant government subsidised loans.

Various regions and local administrations are moving along these lines.

Although these proposals have a more ‘social’ meaning than indiscriminate assistance with mortgages as is usually the case with these policies, there remains some uncertainty even over the effects that these measures may have on housing prices if they increase the demand and no supplementary measures are provided.

### *The policies of regions and municipalities*

Following devolution, regions and municipalities have been protagonists in the field of welfare housing policies for some years now. The main lines of action taken by the various programmes are the same as those indicated in the previous Report: particular efforts have been aimed at the rented supply, both public and third sector; more partnership between the public and private welfare sector, the banking system, and business; a better connection of housing policies with social welfare policies. Emerging issues are connected with new tensions on housing markets and with new types of housing hardship resulting from new combinations of housing poverty and various fragility factors.

The interpretation of these issues produces systems of action which are rather homogeneous on the whole. Issues such as assistance with the purchase of a home for young couples and rent subsidies for groups that have difficulty in accessing the private rented market or in remaining on it are normally found in these programmes.

As concerns regional housing policies, those of the Region of Lombardy provide a typical example of this mix.

Assistance with the purchase of a first home is again planned for 2005. As opposed to previous years, not only will young people/young couples be able to obtain financial assistance but also other groups such as single expectant mothers, single parents with minor children and families with at least three children. With a budget allocation of approximately 35 million euro, it is planned to make around 7,000 grants for an average amount of 5,000 euro. The average amount is the same as in the preceding year (17,345,000, euro for 3.500 families). The measure was criticised by tenants' unions who defined it as 'a mere gift lacking in substance which does not help solve the problem for those who cannot afford to buy a house. To purchase a home you must have the money and the guarantees to obtain a mortgage loan and this measure does not create the conditions to obtain it'.

The objective of the 'Regional low rent housing programme' is to rapidly satisfy existing demand for accommodation on the rented market for low to medium income bands. Applications can be made to municipalities. The activity can be performed by municipalities, social housing bodies and public or private sector organisations by providing properties that they own.

For the sixth consecutive year the Region of Lombardy has invited applications for access to the Rent Support Fund, provided for by Law No. 431. The measure is targeted at those who reside in rented accommodation and pay a rent considered too high for their income. This year the size of the Rent Support Fund was raised from 53 million euro (2004) to 61 million. The Fund has been used to satisfy around 150,000 applications over five years amounting to 300 million euro. The Region has been adding to the central government finance with its own funds since 2000.

Joint funding for the creation or expansion of 'Experimental centres for social integration (residential services) of marginalised persons'. The centres are designed for socially marginalised individuals or family units whose economic circumstances are incompatible with permanent accommodation solutions and for whom the best response consists of a bed in facilities which provide a series of services (linguistic, training, health, educational), which is best performed using policies that are not specifically residential. Municipalities can apply for funds under the scheme. A budget of 2,500,000 euro is available. Projects must be designed to provide beneficiaries with accommodation, which is temporary, and an individual plan which includes training and work.

Similar approaches are also found in plans and action taken by municipal and provincial administrations.

Even in the best cases the effectiveness of regional and local authority plans generally ends up being limited by a lack of comprehensive strategies and adequate funding, which also calls central government into question. While the various schemes may be appropriate as regards their specific measures, their effects tend to be lost in the growing situation of housing insecurity which increasingly involves population groups which were previously protected (by a more secure income, by a private housing market with a different structure, and so on).

Noteworthy local action includes a few attempts to employ innovative approaches to the new tensions on housing markets and to devise solutions designed to fit the new conditions of fragility.

These methods include: the involvement of new actors (banks and banking foundations in particular) in housing intervention designed to help disadvantaged demand and the development of less traditional conceptions of intervention, like that of temporary public housing.

The municipal administration of Parma started a project named *Casadesso* (homenow) run jointly with the banking foundation CariParma: a plan to create 360 housing units with agreed rents, to be let for limited periods of time to young couples, single parent families and people working away from home. The temporary nature of the intervention was conceived as an immediate response to the need for accommodation and as support for people to enter the housing market independently either to purchase or rent a home. This experience is of interest above all because of its capacity to produce made to measure, flexible solutions which fit the complexity of the demand and of people's needs at specific stages in the lives of families and individuals.

### **Areas marked by exclusion**

The second programme of *Contratti di quartiere* (*Neighbourhood Contracts*) started in 2004. *Contratti di quartiere* is a programme aimed at supporting integrated (multidimensional) participatory action generally employed in areas with physically rundown public sector housing and social hardship. The programme was first launched by central government in 2001 and is jointly funded by Government, Regions, Municipalities, public sector housing bodies and other public and private sector bodies.

Apart from *Contratti di quartiere*, areas with physically rundown (public sector) housing and social hardship are the target of local action promoted by local actors. The Urban Rehabilitation Programme *Quartiere Stadera* provides an example of a method of action of interest in terms of the mechanisms, the actors involved and some of the results that have been produced to date. (The Urban Rehabilitation Programmes are regeneration plans for areas with a concentration of rundown housing and social hardship. The objective is to

improve the quality of life and increase the number of housing units available for low income groups). The *Quartiere Stadera* experience contains a number of the traits common to the innovative intervention performed in this city this decade: co-operation between the third sector and public institutions; the third sector as the manager of public sector property; funding provided by banking foundations; social support provided by voluntary associations, etc.

Stadera is a public sector housing estate build in the 1930s. The neighbourhood has gone progressively downhill since the nineteen seventies when it was abandoned by its manager with an ageing population and illegal occupation of tenancies taking root. Almost one third of the housing units are still below the minimum limit (38 square metres) for current public sector housing standards.

In September 2004 a 'programme agreement' was signed by the Region of Lombardy, the City of Milan and by Aler (public housing authority) to take action to refurbish the buildings and increase social standards. The programme includes repair and refurbishment of the public sector housing and the urban redesign of areas destined for new public interest functions, for parks and green field areas. The region provided 36 million euros, of which 8 million to be allocated to the 'housing emergency' part (146 housing units) and 28 million euros to implement the Programme Agreement (329 housing units approx.).

One part of the intervention, named the *Quattro Corti* (Four Courts) is truly innovative in its management of public sector property. It is the result of co-operation between the public (Aler) and the third sector (the co-operatives *Dar* and *La Famiglia*) and seeks to match financial and social criteria. The refurbished buildings remained public sector property and the repair and refurbishment operation, performed by the co-operatives involved, produced 182 housing units to be let at agreed rents to the members of the co-operatives involved.

The project was started in 2001. Under the agreement two of the four buildings are to be leased for 25 years to the two co-operatives who will fund the refurbishment and manage the rents (5% is paid to the owner). The other two buildings are managed directly by Aler. The low rent is targeted mainly at people unable to gain access to public sector housing because their income is too high, but unable to access the private housing market because of financial problems and at times because of specific disadvantages as in the case of immigrants. In the case of the *Quattro Corti* the rent was set at 50 euro per year per square metre, which translates into 2,370 euro for an apartment of 44 square metres. These rents are about half the average for rent contracts registered in Milan.

Work started on the building sites for the *Quattro Corti* project in September 2002. The total investment was of 8 million euro: almost 4 million invested by Aler, more than 2 million by *Dar* (half from a donation from the *Cariplo Foundation* and a bank loan and the other half from loans from its members) and approximately 2 million from *La Famiglia*. In the meantime each manager identified the criteria for selecting tenants: the 86 housing units in the two courts managed by Aler will be allocated entirely to Italian families resident in the neighbourhood who no longer have a right to housing because of their income; for *Dar* the selection (18 Italian and 30 foreign families) was based on length of membership of the co-operative; the 46 housing units managed by the *La Famiglia* co-operative will go to families who are mainly already resident in the neighbourhood (32 Italian and 14 foreign families). A total of 44 new foreign families have been housed at Stadera (for a total of 116 persons).

In March 2003 the project *Abitare c/o* started alongside the refurbishment of the properties. It is funded by the City of Milan and is managed according to the criterion of involving the social welfare co-operative *ABCittà* in the planning. The objective is to facilitate the integration of new tenants in the reality of the neighbourhood, with a particular focus on foreigners.

### **3. Preventing Exclusion**

#### **Introduction**

In accordance with the predominant approach in the country, the issue of prevention in this section refers on the one hand to the situations of risk of poverty and on the other to the 'no abode' (above all as concerns the paragraph on the services).

While "in many local communities public administrations and private social welfare organisations have constructed established and effective models of intervention over the years", "at national level there is extremely little social welfare intervention for the adult no abode population and the intervention that exists is above all of a remedial and traditional welfare nature". This is taken from the FIOpsd document last year on the prevention of serious adult marginalisation (FIOpsd, 2004). The lack of true strategies for the homeless at national level must be considered in relation to the lack of capacity in the system as a whole to prevent poverty, which was also stated in the FIOpsd document ("there is in fact no overall strategy to prevent hardship in Italy").

The lack of capacity mentioned in the document refers to failings of the general welfare system on which the possibility of preventing homelessness also depends ('FIOpsd declares that there is a lack of an overall strategy which involves concrete action to provide access to housing, health care and the ability to enjoy a decent pension' and so on); it refers to the lack of specific intervention/services for the 'no abode' to cover the entire range of the supply from emergency shelter to rehabilitation and social reintegration; it refers to the lack of systematic public sector commitment ("responsibility for guaranteed rights and services for the no abode, as in other areas, is delegated to social welfare co-operatives and to support from charitable donations").

The dominant problem is that of overcoming a restrictive emergency/traditional welfare approach, to produce other types of service and more comprehensive policies in addition to emergency action.

#### **Homeless strategies**

No particular progress has been made in the direction of (more) preventative policies with regard to these requirements. This is partly a consequence of failing to implement important aspects of Law No. 328. As in other areas, the measures contained in Law No. 328 have not translated into national measures for the no abode and populations at risk of poverty.

Attempts to implement those principles, however, have been seen in many regional and municipal social welfare plans. The main line of advance has been to set up minimum income measures (see Ranci Ortigosa, 2004).

The measure to set up 'integrated systems of intervention and services' and to ensure the delivery of minimum levels of social services is more uncertain and far from operational although it has been officially approved by a number of regions, e.g. in Tuscany with a Regional Law of February 2005.

## **Homeless Services**

Local action by government, voluntary associations and NGOs, directed at the no abode and persons suffering extreme poverty continues. It is action which on the one hand represents the development of a commitment manifested for some time in various local areas, as already illustrated in previous reports, and on the other hand it represents regional and local interpretations of the principles of Law No. 328 with regard to services for these populations. Once again, one of the main problems is that of getting beyond an emergency approach.

Once again this year most of the initiatives were the result of the 'cold emergency', with the presence yet again of all the limitations already described in previous reports, which in many cases underlined the absence of strategies to deal with the question of the homeless.

On the positive side there were however some innovations in the type of services and in the range of actors as well as an expansion in the supply of emergency services.

One of the measures to fight poverty implemented in the context of Law No. 329 of 2000 was the implementation of a mobile unit by a group of Neapolitan municipalities to inform and make citizens aware of their rights. The coach has a 'contact animator', a social worker and a professional youth worker on board and is present five mornings a week in the poorest neighbourhoods of the municipalities involved to carry out an information and awareness campaign. The objective is to inform citizens of the instruments made available to them by national, regional and municipal norms to provide income support to poor families and to help them overcome the difficulties of everyday life.

One example of the involvement of actors not traditionally involved in social policies is that of the State Railways. It is a question of employing a philosophy of corporate social responsibility to make reuse of abandoned property to support projects to ease the hardship that concentrates around large urban railway stations and at the same time to meet the demand to increase the liveability and safety of these areas for those to frequent them.

The Ferrhotel (railhotels) are not such a recent phenomena, but they have provided the stimulus for recent negotiations to set up new centres based on this model. The Ferrhotels are rail workers hostels that have been transformed into reception centres for people in difficulty: immigrants, refugees, no abode, ex drug addicts, minors at risk of delinquency or maltreatment, single mothers with children. The State Railways provide use of the hostels free of charge to voluntary associations or to local authorities interested in using them for social welfare initiatives. There are four centres in operation at the moment located in Milan, Pavia and Rome. They have each developed specific strategies of intervention: providing accommodation for persons waiting to receive refugee status (Rome), providing emergency shelter for individuals and families in difficulty and/or the 'no abode' (Pavia, Milan, Rome).

An agreement was signed in 2005 between the State Railways and Anci (national association of the municipalities of Italy) to develop joint action to provide social support and to fight marginalisation in railway areas.

Some developments have occurred regarding initiatives that extend the range of assistance beyond emergency services: 'street lawyers' (lawyers who give free legal assistance to persons of no abode); 'microfinance' and 'microcredit', and so on.

More comprehensive projects have been started by some regions and some voluntary associations.

In April 2005, the central region of Tuscany approved the allocation of 5m euros to fight poverty and social exclusion in 22 municipalities in the region. The funds will be extended to municipalities with population of over 30,000 to finance local canteens and to guarantee shelter for the numerous homeless. The contributions can also be used to favour the inclusion of the poor into the labour market through professional qualification courses. The region plans to finance the establishment of call centres for the poor, as well as to provide aid for disabled persons.

The case of the *Associazione Piazza Grande* in Bologna is an example of a comprehensive commitment in the fight against social exclusion. It has opened up innovative lines of intervention subsequently reproduced in other local experiences. It is one of the few initiatives which uses a participatory approach with the involvement of homeless persons.

The association was formed in the 1990s, linked to one of the largest Italian trade unions, the CGIL, the fruit of the thoughts of a group which had already been working for some time on the work reinsertion of drug addicts and on the civil rights of prison convicts. In the wake of the social transformations which modified the profiles of marginalisation and the emergence of new types of person at risk of exclusion, the group worked on the idea that risk must be defined as a set of factors often interrelated one with the other: the precariousness of financial and material resources, poor ability to relate socially, unstable physical and mental health, failure to get over traumatic events. Redefining the logic employed in dealing with these problems was inspired by the diffusion in Europe of new methods of action for extreme poverty which involves the direct involvement of those concerned in planning, producing and distributing products and street newspapers in particular.

The newspaper 'Piazza Grande' started in Bologna in 1993. The newspaper is written, edited and distributed by persons of no fixed abode who keep the sales income. Projects, initiatives and actions arose from this experience which saw not only the 'no abode' but also other marginalised groups as active protagonists and no longer simple users of services. The association, *Amici di Piazza Grande* (friends of Piazza Grande), was formed in April 1994. Most of the members consisted of persons of no abode residing in a Bolognese reception centre. The birth of the association marked the passage to a phase involving more planning using a self-help approach. The protagonists of this experience were the no abode themselves and the association became a place where they organised themselves to solve their own problems, to share capacities and ideas, to construct chances to earn income, to deal with housing problems and to improve service provision in the city in a self-run fashion.

In the ten years of its life the association has given life to a variety of different types of initiatives which met the need to cut across the various problem areas: "a rich variety of actions which tend to discard mechanisms for access to public services designed for users with specific needs. The participatory logic of involving people has transformed the concept of marginalisation into active protagonism, changing passivity induced by welfare assistance into an opportunity to develop the capacities and human resources". First came a working activity of the self-help type designed to promote participation and the insertion of the no abode into work and then in time the actions developed further. Current initiatives of the association include the following: workshops in which persons with social exclusion problems work in close contact with outside people (a theatre and a journalism workshop), services managed

directly by members of the association (the waste collection centre, a restoration and carpentry workshop, a bicycle workshop which offers repairs at the customers' homes and training courses for bicycle repair mechanics, a tailors' workshop which collects and adjusts used clothes), a mobile support service run by volunteers, many of whom have experience of life on the streets, who come out in the evening to meet people who sleep on the streets and to provide them with information and help. The last, chronologically speaking, is the street lawyers project with a 'rights office', a work office, a legal protection office and a social secretariat service, an activity which provides information and assistance to gain concrete access to goods and services which people have a right to.

## **Indebtedness and Eviction**

The 'eviction emergency' has been a recurring problem in Italy, induced by the combination of a scarcity of rented social or affordable housing and the scarce social protection given to tenants with low incomes in the private rental market. At regular intervals measures to freeze evictions have had to be adopted by law to deal with the accumulative effects of eviction proceedings in the absence of adequate rehousing capacities.

In 2000 the umpteenth decree law to postpone evictions ordered by courts also introduced the limitation of this postponement to some categories of tenants, such as the elderly, the unemployed, large families and the disabled. Further postponements followed, always accompanied by the declaration that it was the last because the question of the housing problem would be solved in the meantime.

In 2004 a new decree (converted into Law on 12<sup>th</sup> November) established a further postponement until 31<sup>st</sup> March 2005 for the elderly over the age of 65 and for the seriously disabled (with low incomes): again with the intention that this would be the last time, especially considering a ruling by the Constitutional Court in May 2004 which declared these postponements as inadmissible. At the same time the decree contained measures to facilitate new contracts (incentives amounting to 3-5,000 euros). Municipalities were given responsibility for providing the necessary assistance and distributing the subsidies.

The postponement ended on 31/03/2005. The measures, which were far from firm and implemented late, did not work. The tenants' unions asked for a postponement until the end of 2005.

On 21<sup>st</sup> May 2005 a postponement was decided (the 18<sup>th</sup> in 25 years) until 30<sup>th</sup> September but only for the cities of Rome and Naples (the municipalities which would have more than 400 immediate eviction orders). 105 million euros was allocated to assist low income evicted families. A 10,000 euro housing coupon is to be granted to those evicted who sign new rent contracts and a 5,000 euro coupon is provided for those who choose (or are able) to move in with relatives or friends.

Tenants' unions, Municipalities and ANCI protested against this 'mini postponement', considered 'inadequate and also discriminating', excluding 798 municipalities (the major cities among them) from the postponement. Furthermore, according to the tenants' unions and municipalities, the funding is the result of 'pinching' 120 million euros which the government took from the social fund for rents.

## **4. Policies targeting the most vulnerable**

### **Immigrants**

According to the Immigration Dossier about to be published by the Italian Caritas, the Rome Caritas and Fondazione Migrantes (it will come out at the end of 2005), the number of immigrants in Italy will reach almost 3 million this year; there were 140 thousand in 1970 and more than 1 million in 1997. It is a percentage of the population now close to the European average (5%). In addition to the number, the rate of increase in numbers is also increasing (130,000 new arrivals from abroad in one year).

According to the Dossier, the increasingly greater presence of immigrants requires "an organic and convinced vision projected into the future, a more decisive integration plan which eliminates inequalities, finances the activities required to facilitate integration, revises citizenship laws and facilitates the participation of immigrants by granting them the right to vote at local elections".

Central government on its part, continues to fund local integration projects. After the reform of Chapter V of the Constitution, the previous specifically targeted funding was channelled into the general social fund, and it is now up to the regions to decide how much to spend on immigrant integration projects. This funding is used for local integration initiatives which also produce some good results. However there is an obvious risk of varying standards and of a decrease in many cases in the level of finance destined to these initiatives (Diap, 2004). Central government on its part keeps a part of the funding for experimental programmes which include access to housing (Ministero del Lavoro, 2005).

The *Programme document on policies concerning immigration and foreigners on national territory* prepared by the government for the three year period 2004-2006 continues to give space for integration policies and amongst other things it provides "housing solutions for resident foreigners with papers who have difficulty in gaining access to accommodation, which may even be alternative to public sector housing".

This document was severely criticised (December 2004) by the State-Regions Conference (conference of the presidents of the regions) because it

“emphasises the fight against clandestine immigration, but cuts back on integration policies”. “It says nothing on the question of the resources to be allocated, particularly on the gap between resources allocated to fighting clandestine immigration and resources for integration into society”. Furthermore: “the role played and the experiences set in motion by the regions and by local government in general have been underestimated”. “The role played by social welfare associations and NGOs in integration policies has also been overlooked”. Problem issues brought up included: the right to vote, the conditions of carers, the neonatal mortality rate and the health of immigrant children, housing, cultural mediation in school and services, the long delays in the renewal of stay permits and the right to asylum.

In actual fact local integration initiatives have been weakened, not only by the low level of finance and the weakness of general welfare policies, but also by the huge emphasis given to law and order type objectives of controlling immigration. The new law on immigration (Law No. 189/2002, the Bossi-Fini law) has definitely contributed to this emphasis and the policies to implement it in recent years has established an overwhelming predominance of concerns over control in both the discourse and in practices. This constitutes a risk for the integration of immigrants, not only directly, but also because it helps to delegitimize local integration policies.

Laws and practices have been subject to severe criticism and reported by humanitarian organisations and associations, ranging from *Medecins Sans Frontier Italy* to *Amnesty International*, on various issues: granting and renewal of stay permits, reuniting family members; welfare assistance; discriminatory behaviour. More particularly, restrictive policies towards asylum applicants, the procedures employed in *Centri di permanenza temporanea* (temporary accommodation holding centres: detention centres for undocumented immigrants waiting for their status to be determined) and the conditions in those centres are under accusation. In June of this year Amnesty International stated that the rights of asylum applicants are often violated in holding centres (“in violation of the standards of international law on refugees”). Furthermore: “the way in which the government deals with immigrants arriving by sea and the refusal to accept them runs a risk of violating human rights”.

Recent research studies confirm the extent of the difficult conditions for immigrants. According to one research study, the results of which were reproduced in the last report of the Commission to investigate social exclusion (2005), there are ten times more poor immigrant families living in Lombardy (more than 300 thousand persons) than Lombard families which exist in the same conditions (4.5% of the total) (Commissione, 2005).

Housing is confirmed as a critical point, particularly because of difficulties in finding rented accommodation. The presence of irregular shanty type settlements once again underlines the extreme forms of these conditions. The second report prepared on Milan by the NAGA street doctors (Naga, 2005)

estimates that from six to eight thousand persons (immigrants and gypsies) live in these settlements.

In March the *Advisory Group on Forced Evictions* (a United Nations body) asked the City of Milan to prepare a report on the shanty towns in the city. The AGFE also asked in the document that “greater efforts be made to construct more permanent residence settlements for Rom migrants” and that “the necessary measures are implemented to encourage their integration in local communities”. According to one member of an association that works with gypsies, “the AGFE report photographs a situation, the worst aspects of which have become extreme over the last five years, but which is the result of the social housing policies implemented in Italy over the last 20 years”.

Two problems define the housing disadvantage for immigrants with regard to public sector resources/opportunities. The first is their exclusion, *de facto* or by law from normal public sector social housing. Some cities and regions, including Lombardy, have introduced a points system based on length of residence for the allocation of public sector housing accommodation and the condition of having been resident in the municipality in which the application is made for a certain number of years (at least 5 years according to a Regional law of Lombardy, passed in February 2005). A similar mechanism operates in a number of cases for the right to apply for loans to purchase a home.

It is therefore both understandable that there has been an increase in the number of initiatives designed to facilitate access to rented accommodation or more recently to home ownership.

The Municipality of Bologna passed a resolution in March 2005 to make housing rent grants to foreign citizens leaving ‘first reception’ centres who have found housing accommodation on their own. The municipal administration will reimburse part of the rent above a set threshold level of 250 euros, on a staggered basis (50% the first year, 30% the second year and 20% in the third year). The municipality will also act as guarantor to the landlord of the property rented to immigrant citizens. Similar measures that form part of financial support for housing for ‘disadvantaged groups’ have also been implemented in other municipalities in the Emilia-Romagna region.

A second problem is the exclusion of undocumented or ‘irregular’ immigrants from public sector emergency provision, including that for the ‘cold emergency’ in winter.

Following traumatic events (including the death of persons of no abode in Milan and elsewhere), a group of associations obtained a broad consensus for a proposal to amend Law No. 189/2002 on immigration (the Bossi-Fini law), to allow even foreigners without papers to gain access to night shelters and emergency services in emergency situations.

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