

# Report on the Italian NAP inclusion 2003

## First report

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## *Summary*

No mayor changes are expected in the implementation of the Italian NAP 2003 – 2005 for the social inclusion policies after those introduced by the 2003 Italian White Paper on welfare (2003) with respect to the NAP 2001-2003. As underlined in the previous reports, the strategic approach formulated by the White Paper is closely focused on the increase of the birth rate and on the tasks and responsibilities traditionally assigned to the family, and especially to women. Monetary support (e.g. allowances and bonuses for a second child and a first home, taxation relief for large families) is provided together with services' privatisation and outsourcing. A major attention is focused on children nurseries to favour women in reconciling the family, work and social life.

Eight are the policy priorities stated in the NAP 2003 – 2005. Being expressed in a series of principles and guidelines without specific long and short-term targets, the priorities address the following issue: family and birth rate, disabled people, extreme poverty, self sufficiency (in particular for elderly people), employment (welfare to work), juvenile problems and vulnerable groups, opportunities between men and women, drug-addiction and drug dependency.

These priorities follow the four main policy and legislative trajectories (social services, health services, education and training, employment) highlighted in the previous reports on the NAP 2001 – 2003, but drug-addiction and dependency are now acknowledged as a specifically dedicated trajectory. Main social categories are confirmed to be those identified in commenting the previous NAP (minors, immigrants, young, disabled, convicts, elderly).

Data on budget allocation for implementing the NAP in 2004 differ according to the criteria utilised by acts and laws, making it difficult to have a clear overall picture of objectives, expected results, outcomes and number of beneficiaries. The National Fund for Social Policies, which constitutes the most important financial instrument, was reduced by 29% between 2003 and 2004. However a recent agreement (March 2004) between the State and the Regions allows the latter to have a complete autonomy in the utilisation of the available financial resources according to their regional and local plans. Considering the total public budget allocation to the regional and local authorities, it should be noted that the last three financial laws respectively of 1%, 2% and 3% decreased it. Local authorities fear a negative impact on their welfare systems with a reduction of assistance and services (especially for elderly people, minors, disable and not self-sufficient persons, households with a low income) due to budget cuts that may reach 10-15% in the case of some big municipality and 40% in the case of some small municipality.

The NAP 2003 – 2005 implementation received a series of criticisms from the opposition political parties, components of the civil society, a series of regional and local public authorities. Criticisms underline contradictions between the generic principles and the actual implementation of the NAP measures. For instance, household burdens are recognised to increase more than monetary and services' support devoted to the family. Moreover benefits are generally dedicated only to legally married couples, Italian and / or EU citizens.

Institutional arrangements are controversial with a conflict between devolution and re-centralisation of competencies, compromising co-operation and integration between the different policy fields and decision-making dimensions. Mobilisation of social economic actors appears to be fragmented and often self generated in reaction to the actions taken by the government. However it is likely that a new phase of negotiation will be initiated on the basis of the already-mentioned criticisms.

## ***Implementation of the main political measures or objectives***

The strategic approach of the NAP 2003 – 2005 is expressed in a series of principles and guidelines without specific long and short-term targets. The stated policy priorities that form the basis of the NAP are:

1. to favour the family and to increase the national birth rate
2. to support disabled people
3. to fight against extreme poverty
4. to favour self sufficiency, in particular for elderly people
5. to actively promote employment (welfare to work)
6. to fight juvenile problems and favour vulnerable groups
7. to promote equal opportunities between men and women
8. to prevent drug-addiction and drug dependency.

The NAP measures described in the present document regard several of policy priorities and address the EU Objectives in the following way:

- under EU Ob. 1.1 (Facilitating participation in employment), the promotion of employment and skills with a particular attention to women and persons living in South Italy, increasing the activity rate of persons over 55, the labour insertion of disable people, the social and labour insertion of convicts, the regularisation of illegal employment, the support of geographical labour mobility, the development of CSR (corporate social responsibility), the development of lifelong training;
- under Ob. 1. 2 (Facilitating access to resources, rights, goods and services for all), the support to family centrality and increasing the national birth rate, networks of family services, custody and adoption of minors, family and work time conciliation in favour of maternity, services for disable people and people aged over 65;
- under Ob. 2 (Preventing the risks of exclusion), the reduction of the school drop-out rate;
- under Ob. 3, (Helping the most vulnerable), extending ICT – services for disable people, the creation of training courses for immigrants to learn the Italian language, the formation of a Commission of practitioners and experts on drug dependency, the social and labour insertion for drug-dependent persons, the fight against extreme poverty, multi-level initiatives in favour of convicts, the CI - EQUAL, the integration between different policies through territorially integrated plans (PIT), monitoring systems on social policies and education quality, the elaboration of systemic statistics on the wide range of indicators on social and related policies;
- under Ob. 4 (Mobilising all relevant bodies), no specific measures are formulated that follow subsidiarity principles in relation to the significant changes which have occurred in the institutional structures after 1997.

In the first report (2003) on the Italian NAP 2001 - 2003, the legal framework was reconstructed through:

- four main trajectories (social services, health services, education and training, employment);
- six specific social categories as target groups of the above-mentioned trajectories (minors, immigrants, young, disabled, convicts, elderly);
- monetary allowances and benefits considered as a parallel section of the trajectories and the beneficiaries.

Considering the NAP 2003 – 2005 a new trajectory can be identified in the anti-drug policies. The following tables provide more details on guideline, schemes and measures.

Trajectory: Education and training	
Guidelines, schemes and relevant measures	NAP 2003 – priorities (Px) and / or EU Objectives (Obx)
Law N° 53/2003: reform of school and training system (a dual system) Fiscal decree (29/11/2002) and Financial Laws 2002 and 2003 (Laws N° 448/2001 and 289/2002) reduced resources dedicated to public education, while funds were increased for private schools.	P6 - to fight juvenile problems and favour vulnerable groups  Ob. 1. 2 - Facilitating access to resources, rights, goods and services for all
Public Education National Operational Programme 2000 – 2006 / EU Structural Funds – Community Support Framework (Objectives 1 and 3). Development of ongoing training – Measure 6 “Adult Education”.	Ob. 1. 2 - Facilitating access to resources, rights, goods and services for all
Financial Law 2003 (Law N° 289/2002): a specific Fund for “PC to young people” Financial Law 2004 (Law N° 350 /2003): a specific Fund for “PC to families” within the “PC to young people” Fund	Ob. 1. 2 - Facilitating access to resources, rights, goods and services for all

Trajectory: Employment	
Guidelines, schemes and relevant measures	NAP 2003 – priorities (Px) and / or EU Objectives (Obx)
<p>The guidelines cited are:</p> <ul style="list-style-type: none"> <li>• Increasing the employment rates, with specific attention on women and over 55 aged people</li> <li>• Regularising and reducing illegal employment</li> <li>• Supporting adaptability and mobility processes</li> <li>• Promoting Corporate Social Responsibility through a set of performance indicators, worldwide best practices, a pilot project, awards</li> </ul> <p>NAP employment Law N° 30/2003: reform of labour market, employment policies and services in order to increase flexibility (public and private services, training contracts and stages, part-time work, job-on-call, job-sharing, staff leasing and other temporary work). Inspections and other initiatives against illegal (irregular and hidden) employment under the overall co-ordination of the Welfare Ministry (Legislative Decree April 2004)</p>	<p>P5 - to actively promote employment (welfare to work)</p> <p>Ob. 1.1 - Facilitating participation in employment</p>
<p>NAP employment Law No 215/1991: Funds dedicated to women enterprise projects Law No 125/1991: Funds dedicated to equal opportunities projects An ESF financial reserve of at least 10% ESF regional operational programmes EQUAL projects A central Equal Opportunities Department</p>	<p>P7 - to promote equal opportunities between men and women</p> <p>Ob. 1.1 - Facilitating participation in employment</p>

Trajectory: Social services	
Guidelines, schemes and relevant measures	NAP 2003 – priorities (Px) and / or EU Objectives (Obx)
<p>Law N° 328/2000: reform of social services system aimed at promoting integrated national, regional and local plans, supported by a National Fund for Social Policies (introduced by Law N° 449/1997 and Legislative Decree N° 112/1998)</p> <p>National Plan of Social Services 2001-2003</p> <p>Financial Laws 2003 (Law N° 289/2002) and 2004 (Law N° 350/2003) did not increase resources related to Law N° 328/2000 and the related national plan</p>	<p>Nearly all the NAP priorities</p> <p>All the EU Objectives</p>

Trajectory: Health services	
Guidelines, schemes and relevant measures	NAP 2003 – priorities (Px) and / or EU Objectives (Obx)
<p>Legislative Decree N° 229/1999: reform of the National Health Service</p> <p>National Health Plan 2003 - 2005</p> <p>Law N° 326/2003 introduced a fiscal bonus (equal to 20% of the market price) for ambulance purchased by volunteer and not-for-profit associations.</p> <p>Financial Law 2003 (Law N° 289/2002) increased some health rates while reducing funds to Regions and introduced new bureaucratic procedures</p>	<p>P2 - to support disable people</p> <p>P4 - to favour self sufficiency, specially of elderly people</p> <p>P6 - to fight juvenile problems and favour vulnerable groups</p> <p>Ob. 1. 2 - Facilitating access to resources, rights, goods and services for all</p>

(New) Trajectory: anti - drug services	
Guidelines, schemes and relevant measures	NAP 2003 – priorities (Px) and / or EU Objectives (Obx)
<p>The guidelines cited are:</p> <ul style="list-style-type: none"> <li>• Operationally and functionally connecting institutional activities, national and local levels, information development in anti-drug policies.</li> <li>• Reinsertion of drug addicts into society and labour market through several measures (e.g. guidance, planning and coordination activities at a central and regional level, including employment services, drug abuse services, private no-profit bodies, social cooperatives, trade union associations and companies; integration and reintegration programmes, including drug addicts inside prisons).</li> <li>• Prevention and recovery activities are financed by the national fund to fight drug abuse.</li> </ul> <p>A three-year programme considered by the National Health Plan 2003 – 2005 to combat the production, distribution and use of psychotropic and narcotic substances through, for instance: participation of family associations; prevention of alcohol abuse (especially among young people), smoking and other behavioural dependencies (e.g. gambling); information programmes in schools; guidelines and therapeutic registers for social and health action; partnerships with the police forces; monitoring of mass media information and communications and daily press campaigns.</p>	<p>P8 - to prevent drug-addiction and dependency</p> <p>Ob. 3 - Helping the most vulnerable</p>

Social category: Minors and their families	
Guidelines, schemes and relevant measures	NAP 2003 – priorities (Px) and / or EU Objectives (Obx)
<p>Financial support to favour birth rate increase</p> <p>Financial assistance for new families wishing to purchase their first home</p> <p>Financial assistance to reconcile professional activities with family responsibilities</p> <p>Promoting children nurseries</p> <p>Increasing family tax relief</p> <p>Financial Law 2004 (Law N° 350/2003) provided an allowance for new births (second or further child): 1.000 EURO for each child borne between 1.12.2003 and 31.12.2004</p> <p>Financial Law 2003 (Law N° 289/2002) allocated resources for first home mortgages or birth rate support, and constituted a specific Fund to finance employers who create children nurseries in their firms.</p> <p>Two law bills (under approval procedure by the Parliament), one concerning children nurseries and early infant socio-educational services, the other in favour of new families wishing to purchase their first home</p> <p>Financial Law 2002 (Law N° 448/2001) constituted a specific Fund to finance (so-called “condominium”) children nurseries in agreement with the Regions.</p> <p>Legislative Decree N° 115/2003 modified and integrated norms provided by Legislative Decree N° 151/2001 and Law N° 53/2000 for maternity, paternity and parents’ leaves, organisational flexibility projects (e.g. part-time, flexible working hours, training during maternity leave or upon return to work, tele-work)</p>	<p>P1 - to favour the family and to increase the national birth rate</p> <p>P7 - to promote equal opportunities between men and women</p> <p>Ob. 1. 2 - Facilitating access to resources, rights, goods and services for all</p>
<p>Acts introduced with the aimed at reducing the number of cases of abandonment of minors and supporting family capacity to deal with delinquent minors and teenagers</p> <p>A law bill against paedophilia under approval procedure by the Parliament</p> <p>Law N° 53/2003: the reform of the school and training system, with the anticipation of a compulsory nursery and primary schooling period for children</p> <p>2002 – 2004 National Action Plan for minors and teenagers rights which cites the need to finance:</p> <ul style="list-style-type: none"> <li>- family foster care (L. 149/2001) through mutual family aid networks and associations</li> <li>- adoption of minor involving groups and associations</li> <li>- professional qualification and certification of staff working in communities that host children victims of family traumas</li> <li>- communities with families acting as educators and other innovative forms of hospitality (e.g. associations and groups of families, integrated service networks)</li> <li>- semi-residential services and closure of institutes for minors by 2006</li> </ul>	<p>P6 - to fight juvenile problems and favour vulnerable groups</p> <p>Ob. 1. 2 - Facilitating access to resources, rights, goods and services for all</p>

Social category: Immigrants	
Guidelines, schemes and relevant measures	NAP 2003 – priorities ( <b>Px</b> ) and / or EU Objectives ( <b>Obx</b> )
<p>Laws N° 189 and 222/2002 introduced more restrictive norms on immigration with the legalisation of nearly 700.000 immigrants</p> <p>Pilot projects (co-financed by the Equal Opportunities Department of the Presidency of the Council of Ministers) against forced prostitution and human slavery according to Legislative Decree N° 286/1998 (art. 18) on immigration rules.</p> <p>A law bill against prostitution under approval procedure by the Parliament</p> <p>Promotion of the Italian language and culture to non-EU citizens in their countries of origin</p>	<p>P6 - to fight juvenile problems and favour vulnerable groups</p> <p>P7 - to promote equal opportunities between men and women</p> <p>Ob. 3 - Helping the most vulnerable</p>

Social category: Young people	
Guidelines, schemes and relevant measures	NAP 2003 – priorities ( <b>Px</b> ) and / or EU Objectives ( <b>Obx</b> )
<p>The Ministry of Education is promoting new action with regard to education and training in compliance with Law N° 53/2003: intergenerational aggregation centres, Health Mission project, national guidance plan, promotion of physical exercise and sport, support to student and parents associations, schools and voluntary service project</p>	<p>P6 - to fight juvenile problems and favour vulnerable groups</p> <p>Ob. 2 - Preventing the risks of exclusion</p>

Social category: Elderly people	
Guidelines, schemes and relevant measures	NAP 2003 – priorities ( <b>Px</b> ) and / or EU Objectives ( <b>Obx</b> )
<p>The guidelines cited are:</p> <ul style="list-style-type: none"> <li>• Organising and integrating services, assessing and rationalising the utilisation of the available financial instruments and resources, considering the probable creation of a specific fund for not-self-sufficient persons and the introduction of an earmarked tax.</li> <li>• Daily homecare, network of residential and semi-residential facilities.</li> <li>• Accessibility and diffusion of new technology.</li> <li>• Employability improvement of older workers</li> </ul> <p>National Health Plan 2003-2005: agreements regarding basic, suitable levels of assistance; reduction of times and lists; integrated health and social plans and service networks; high-level permanent health and medical training; excellence and re-qualification of hospital facilities; healthy lifestyles, prevention and public health information.</p>	<p>P1 - to favour the family and to increase the national birth rate</p> <p>P4 - to favour self sufficiency, in particular for elderly people</p> <p>Ob. 1.1 - Facilitating participation in employment</p> <p>Ob. 1.2 - Facilitating access to resources, rights, goods and services for all</p>

Social category: Disable people	
Guidelines, schemes and relevant measures	NAP 2003 – priorities (Px) and / or EU Objectives (Obx)
<p>The guidelines cited are:</p> <ul style="list-style-type: none"> <li>• Providing additional instruments to reconcile professional tasks and family care for disable people</li> <li>• Improving individual independence and integration of disable persons in professional and productive life</li> <li>• Defining organisational models of integrated services for the care and treatment of different types of dependence</li> <li>• Increase self-employment and entrepreneurship among disabled people through the creation of a special fund</li> <li>• Improvement of current projects through partnerships and co-financing schemes with local authorities and networks with third sector associations</li> <li>• Removal of architectural and cultural barriers</li> </ul> <p>The extension of the two-year leave for spouse and parents of minors with serious health problems, reduction of the related time necessary to obtain the leave was included in the Financial Law 2004 (Law N° 350/2003).</p> <p>Flexibility for disable people (temporary work and fixed term contracts, Law N° 30/2003) reducing the effects of mandatory placement (regulated by Law N° 68/1999) Law N° 4/2004 to favour the access of disable people to instruments of new information and communication technology, to online public administration, web-sites and computer utilisation.</p> <p>The National Health Plan 2003-2005 cites a plan for non self-sufficiency based on the creation of financial sources, integrated assistance networks, an efficient and effective territorial services network, correct sizing of network nodes (home hospitalisation, integrated home help, day care centres), development of residential health care and rehabilitation facilities, improvement of disabled people's functional autonomy, measures to prevent or delay disability and non self-sufficiency including information on more suitable lifestyles and risks.</p>	<p>P2 - to support disable people</p> <p>Ob. 1. 2 - Facilitating access to resources, rights, goods and services for all</p> <p>Ob. 3 - Helping the most vulnerable</p>

Social category: Convicts	
Guidelines, schemes and relevant measures	NAP 2003 – priorities (Px) and / or EU Objectives (Obx)
<p>The guidelines cited are:</p> <ul style="list-style-type: none"> <li>• Integrating convicts and ex-convicts into labour market</li> </ul> <p>Funds were allocated to the prison services' regional authorities to be used for social reintegration projects such as workplace integration, work grants, professional training</p>	<p>P6 - to fight juvenile problems and favour vulnerable groups</p> <p>Ob. 1.1 - Facilitating participation in employment</p> <p>Ob. 3 - Helping the most vulnerable</p>

Allowances and benefits for individuals and families	
Guidelines, schemes and relevant measures	NAP 2003 – priorities (Px) and / or EU Objectives (Obx)
<p>The guidelines include:</p> <ul style="list-style-type: none"> <li>• Increasing local services for and reducing the number of people living in conditions of extreme poverty</li> <li>• Making the homeless “socially visible”</li> </ul> <p>Financial Law 2004 (Law N° 350/2003) includes:</p> <ul style="list-style-type: none"> <li>- providing resources for “the income of last resort” (Reddito di ultima istanza - RUI), a new instrument that substitutes the minimum income for social insertion (RMI, started with Law N° 449/1997, Legislative Decree N° 237/1998 and Law N° 328/2000); RUI is partly financed by a solidarity contribution (3%) from high-income pensions; Regions and the State cover the financial costs due to RUI with an equal share (50-50%);</li> <li>- reducing the time necessary to obtain leave for spouse and parents of minors with serious health problems and disabilities, as well as favoured civil servants to work in provincial and regional territories where their families leave (Legislative Decree N° 151/2001 and Law N° 53/2000)</li> <li>- increasing taxation-relief and bonus for health assistance, social and minimum pensions</li> <li>- providing an allowance for new births (second or further child) for each child borne between 1.12.2003 and 31.12.2004</li> </ul>	<p>P3 - to fight against extreme poverty</p> <p>Ob. 3 - Helping the most vulnerable</p>

Several criticisms regarding the above measures have been formulated by national research institutes (e.g. Eurispes, Iref-Acli, Ires, Cerst), the opposition political parties, components of the civil society, regional / local authorities:

- family allowances and tax relief appear to be insufficient to meet the increasing cost of living especially for children and elderly support;
- the “second and further child” allowance for increasing the birth-rate appears to be undifferentiated compared with the wide range existing between rich and poor families; moreover this measure concerns only Italian or EU citizens, clearly discriminating non-EU citizens with a regular residence and/or work in Italy;
- services for children are relevantly insufficient while the endogenous birth-rate is decreasing and that of immigrant families is increasing;
- generally measures and allowances to support family (e.g. tax relief, second an further children, first home and mortgage) concern legally married couples and exclude all the other types of households and family relationships; only some Regions (e.g. Umbria and Toscana) extended the first home benefit to de-facto couples;
- assistance for and care of dependent (not-self-sufficient) persons (e.g. elderly and disable people) are tasks and responsibilities traditionally assigned to the family and its network;
- the requested specific Fund for not-self-sufficient persons, even though foreseen in the NAP, was not created by the 2004 national financial law but it is still under Parliament debate searching for financial resources to be devoted both to elderly and disable people;

- during 2002 and 2003, there was a reduction in the number of teachers and tutors dedicated to the assistance of and care for disabled pupils whilst the number of these students increased in terms of school enrolment; the programme for assistance for disabled persons, “after us”, was no longer financed while some activities of the programme appear to be present as pilot projects financed by the Welfare Ministry;
- financial support was not renewed in relation to home architectural barriers for families of disabled persons (as started by Law N° 13/1989)
- the fiscal bonus for ambulance purchasing has reportedly affected pricing such that the bonus appears more as a direct support to sellers than to buyers (volunteer and not-for-profit associations);
- the attempts to integrated assistance, security and social responsibilities are hampered by the new allocation of competences to different national bodies (Ministries and the Presidency of the Council) making it more difficult for regional and local authorities to have an unitary point of reference for the policy and programming points of view;
- a movement away from regional and local control towards a new centralisation characterises the management of some measures, e.g. the anti-drug policies, the “second and further” children allowance, the condominium children nursery;
- even though many Regions applied the reform enforced by Law N° 328/2000, some Regions (Calabria, Friuli Venezia Giulia, Molise, Piemonte, Puglia e Sardegna) still have to elaborate local plans on integrated social policies and services; this situation determines a disparity between citizens of different local contexts in the access to basic services, taking also into account that the State has yet to define the criteria for the essential level of social services to be ensured throughout the national territory;
- the efforts for the legalisation of irregular work favourably affected employment statistics (in particular as employed immigrants entered the statistics survey) while the expanding flexibility of the labour market regulation seems to have increased precariousness, black market and irregular work (at the moment the legal framework of the new labour reform is not clearly and completely defined).

### ***Budget allocated for 2004 to implement NAP/inclusion***

In the review of the Italian NAP, it is very difficult to clearly define the budget that is destined to the priority policy fields such as those regarding the fight against poverty and the creation of opportunities for social inclusion.

Data on budget allocations and real expenditures for each policy priority differ according to the criteria and methodologies applied as well as by the often-conflicting sources of information.

Macro measures do not contain a clear set of targets and are most often based on laws and regulatory mechanisms rather than on management by objectives, expected results and outcomes (in terms of impacts on the citizens, local communities and authorities). As a consequence an evaluation (ex-ante and ex-post) of the success of the measures does not exist, nor does a monitoring of performances related to the number of beneficiaries. In this manner, there are contrasting points of view related to the effectiveness and efficiency of the pursued measures.

The National Fund constitutes the most important financial instrument for Social Policies. This Fund included also the anti-drug Fund, but with the 2004 financial law the latter was separated by the former and administered by a special body of the Presidency of the Council of Ministers rather than the Welfare Ministry.

The Financial Law 2003 (Law N° 289/2002) allocated 1.716.555.931 EURO to the National Fund for Social Policies. Resources for the Regional governments amounted to 897 million, of which 161 million was aimed at new families wishing to purchase their first home, 700 million without mandatory destination and 36 million for the ex-RMI. Resources allocated to big (metropolitan) cities arrived to 44 million. Other resources (678 million) were allocated to the national social insurance institute (INPS) for family allowance (366 million related to Law N° 448/1998, art. 65), maternity allowance (265 million related to Law N° 448/1998, art. 66), allowance for parents with disable people (46 million, Law N° 104/1992, art. 33), workers affected by mayor thalassemia disease (1 million, Law N° 448/2001, art. 39). 97 million were assigned to the Welfare Ministry Social and Insurance Department to support the creation of children nurseries (10 million) and for institutional purposes (87 million).

Financial Law 2004 (Law N° 350/2003) decreased the budget allocated to the National Fund for Social Policies to 1.215.333.000. 232 million (Law N° 326/2003) were dedicated to: family policies especially for elderly and disabled people (70 million EURO); reduction of architectonic barriers (20 million EURO); school integration of disabled pupils (40 million EURO); services for children and primary schooling for children (67 million EURO). From the currently available information it does not seem that cuts in the National Fund for Social Policies will be compensated by an increase in other financial resources aimed at social inclusion purposes (see below the further comments on the recent national financial laws).

An agreement, reached in March 2004 between the State and the Regions, established that within the National Fund for Social Policies: the resources allocated to Regions arrive at 1.000 million EURO (100 million more than in 2003) and those allocated to big (metropolitan) cities remains to 44 million. New criteria are introduced allowing Regions to have the overall autonomy and responsibility on how the resources are utilised according to their regional and local plans of social policies, without any mandatory destination of the available resources (in 2003 the regional autonomy arrived at 78% of the total budget). A Ministry Decree is expected to clarify the allocation related to specific measures, but confrontation between the State and the Regions is still in progress. Main issues are at stake, for instance: the separation between the Fund for social policies and the anti-drug Fund; the integration of the children nursery fund into that for social policies; the renewed attempt of the State to maintain a role in determining a mandatory destination of resources (e.g. allowances for family, disable people, architectural barriers, services for children). Probably a new agreement between the State and the Regions will be reached the end of April 2004.

However, from the analysis of the most recent acts the following budget analysis can be performed.

<i>Measure</i>	<i>Allocated budget (EURO) with effect in 2004</i>
National Fund for Social Policies	1.716.555.931 in 2003 1.215.333.000 in 2004
Financial Law 2004 (Law N° 350/2003) and the following Ministry Decree 28.11.2003 provides an allowance for new births (second or further child): 1.000 EURO for each child borne between 1.12.2003 and 31.12.2004.	287.000.000 in 2003 253.000.000 in 2004
Financial Law 2004 (Law N° 350/2003) created a fund for public housing dedicated to people with a low family income.	5.000.000 in 2004

<i>Measure</i>	<i>Allocated budget (EURO) with effect in 2004)</i>
Financial Law 2003 (Law N° 289/2002) constituted a specific Fund to finance employers who create children nurseries in their firms. Nursery costs are deductible from family and company income taxation (Ministry Decree 17.05.2002). 50% of the funding must be repaid. 97 projects (24% from public authorities and 76% from private sector) were approved in February 2004 totalling 9.973.506 EURO.	10.000.000 in 2003
Financial Law 2002 (Law N° 448/2001) constituted a specific Fund to finance children nurseries in agreement with the Regions. 100 million EURO allocated for 2003 were distributed among the Regions by Minister Decree 30.10.2003.	100.000.000 in 2003 150.000.000 in 2004
National Operational Programme of the Public Education Ministry 2000 – 2006: Measure 6 – Adult Education.	6.743.000 in 2004
42 pilot projects were financed by the Welfare Ministry in February 2004 to support seriously disabled people without family assistance. The approved projects totalled 15.281.762 EURO and regarded 16 regions with Veneto at the highest level (18%) and Tuscany at the lowest level (1%) of the financed projects.	15.000.000 in 2004
Pilot projects (co-financed by the Equal Opportunities Department of the Presidency of the Council of Ministers) against forced prostitution and human slavery according to Legislative Decree N° 286/1998 (art. 18) on immigration rules.	4.131.700 in 2004
A specific Fund for “PC to families” (financial Law 2004 (Law N° 350/2003) was created within the “PC to young people” Fund (instituted by financial Law 2003 N° 289/2002).	30.000.000

Regional and local authorities have expressed a series of criticisms on the budget allocation because they evaluate that:

- the National Fund for Social Policies was reduced by 29% between 2003 and 2004;
- the “income of last resort” (Reddito di ultima istanza - RUI), which substituted the minimum income for social insertion (RMI), can potentially produce unbalanced effects between local contexts since it will be financed by 50% by the State and the remainder by the Regions; the availability of financial resources vary in fact from Region to Region (Iref-Acli, *Il Prisma del Welfare: Analisi dei regimi socio-assistenziali nelle regioni italiane*, 2004); for instance; public social expenditure arrives at 127 EURO per capita in a year in most developed Regions, while the amount decreases to 51 EURO in the Southern Regions; in several Regions 10% of children 0-2 years aged can benefit a nursery place while only 3,3% in the Southern areas; 5,6% elderly people aged over 70 years can access public and private retirement houses in the most regional areas while only 1,5% in the South;
- the last three financial laws decreased the total budget allocation to the Regional and local authorities respectively of 1, 2 and 3%; while the total allocations to big municipalities were reduced around 10-15% between 2003 and 2004, small municipalities had their total allocations reduced by up to 40%; both large and small municipalities fear a negative impact on the local welfare system with a reduction of assistance and services for elderly people, children and minors, disable and not self-sufficient persons, and households with a low income;

- in the last two years (2002 – 2003), average family available income has decreased (e.g. -3% in 2002) because of a combined effect caused by a decreasing in GDP and an increasing in the prices of basic goods; this effect makes it more difficult to both consume and to save; taxation reduction seems to have favoured more businesses (e.g. nearly -9%) rather than households (nearly +2%), managers, professionals and entrepreneurs rather than dependent workers and pensioners (e.g. Eurispes, *Rapporto Italia 2004*; Cer-Spi, *Una finanziaria di Conflitto*, 2003; Ires-Cgil, *Dossier sugli effetti delle politiche fiscali*, 2004; Dipartimento Economico Cgil, nota del 1° Aprile 2004).

### ***New institutional arrangements (implemented or in preparation)***

The Financial Law 2004 (Law N° 350/2003):

- created the National Department on anti-drug policies as a department of the Presidency of the Ministers' Council and separated the National Fund to fight drug abuse from the National Fund for Social Policies; in this manner centralising competencies and relationships that were formally given to Regions and local authorities (Republic President Decree N° 309 / 1990);
- established rules that centralise the management of a limited but important number of measures (e.g. the “second and further” children allowance that is directly administered by the national institute of social security, INPS), the condominium children nurseries (whose new rules interfere with regional competencies).

Two national monitoring bodies (Observatories) were constituted and they concern:

- disability issues involving associations and NGOs;
- family issues involving 25 municipalities that represent all the Regions.

The national Commission for Equal Opportunities was suppressed as an autonomous body with an important role in policy making (July 2003). A new Commission was formed and chaired by the Minister for Equal Opportunities (March 2004).

The new article 51 of the Constitution (July 2003) affirms the principle to balance political representation in elective assemblies and decision-making bodies by increasing women involvement and participation.

### ***Mobilisation of all actors***

Mobilisation of social economic actors appears to be fragmented and often self generated in reaction to the actions taken by the government. As such, industrial relations can be considered as worsening in the last four years. The number of general and specific strikes increased between 2000 and 2003, reaching in 2002 the highest number since 1986, After 8 years (1994) three general strikes involved all trade unions in 2002, 2003 and 2004 to protest against the proposed modification of the Workers' Statute enforced by Law N° 300/1970 (especially the article 18 on worker firing) and proposed modifications in the pension system. Mobilisation was more present from a bottom up approach in expressing criticism regarding national measures than in an organised constructive sense toward specific goals. There has been very limited success in the mobilisation of a wide range of actors by the government.

### ***Possible changes in the context or political priorities***

No mayor changes are expected in social inclusion policies after those defined by the 2003 Italian White Paper, on which the NAP 2003-2005 was constructed. The White Paper underlines the centrality of family and the increase of the birth rate mainly through financial incentives. Confrontation between the government and the opposition parties is increasing in view of the next European and administrative election (June 2004). Between 2001 and 2003 appeals to the Constitutional Court were promoted by the Regions (103 cases) and the State itself (99 cases) against the institutional impacts of an uncompleted reform regarding federalism in many policy fields and the uncompleted fiscal federalism. It is likely, in the present political and economic context, that a new phase of negotiation will be initiated on the basis of the already-mentioned criticisms (see previous sections).