

The Italian Parliamentary Enquiry into Poverty

1. Alongside of the enquiry into unemployment, of which this Review gave some account in an earlier number (1), a further parliamentary enquiry was undertaken in Italy. It was ordered by the Chamber of Deputies on October 12, 1951, and concluded with a report published in June, 1953 under the title « *Enquiry into Poverty in Italy and the Means of Counteracting it* ».

Three main objects underlay the proposal to conduct an enquiry of wide scope into this subject (2). The first was to ascertain the conditions of poverty and « depression » in which a large parte of the people of Italy live; this was really the first attempt to obtain data, both quantitative and qualitative on the subject, since, although poverty has always been conspicuous in Italy, the facts have never been adequately reduced to statistics and the forms which the evil takes have never been properly stated. The second object was to find out how much the Government, and parastatal and local authorities spend on the various forms of public assistance, and where the money goes; and the third was to explore the jungle of Italian social assistance legislation, and to deduce the lines on which to base a policy for dealing adequately with the problem of assistance.

The Commission divided its investigating work into five sections: 1) obtaining, with the help of the Central Institute of Statistics, facts and figures concerning the living conditions of the population, and the income and expenditures of the poorer households; 2)

(1) See GIORGIO RUFFOLO, *The Parliamentary Enquiry into Unemployment in Italy*, Banca Nazionale del Lavoro Quarterly Review, No. 24, January-March, 1953.

(2) The proposal to set up a parliamentary commission of enquiry came from a group of Social-Democrat deputies. The Commission comprised representatives of all the parliamentary groups in proportion to the numbers of their members in the last parliament. The chairman was Signor Ezio Vigorelli.

studying the existing legislation and the reforms required; 3) looking into the methods of action and the powers of the public authorities which provide social assistance; 4) determining the size and nature of assistance expenditures; 5) special enquiries carried out in some of the more depressed areas, comprising the mountain region of the Alps, the delta of the Po, the Abruzzi highlands, Apulia, Lucania, Calabria, Sardinia and the suburbs of the three principal Italian cities, namely Rome, Milan and Naples.

The enormous amount of material collected has been set out in fourteen volumes (3).

The attempt to measure poverty in Italy (made by the Central Institute of Statistics on behalf of the Commission) was based on an investigation of the circumstances of a sample consisting of 58,000 families. The investigation aimed at classifying these families according to their standard of living as revealed by certain basic indices of consumption, namely: 1) food (meat, sugar and wine); 2) clothing (footwear); and 3) housing conditions (number of persons per room).

The information collected was of course far from complete. Indeed, as the report itself says, it leaves room for no little doubt as to its meaning; but it does permit a first approximation to the facts of the problem.

(3) Volume I - General Report.

Volumes II-V - Technical enquiries into living conditions among the poorer classes; assistance legislation; standards and methods of granting assistance; and the resources available for assistance.

Volumes VI-VII - Enquiries by parliamentary delegations into poverty in the large cities and in certain depressed areas.

Volumes VIII-XII - Special studies on economic and social problems of poverty; on particular aspects of poverty; on social security systems; on social security and health services; and on social service experiences.

Volume XIII - Documentation relating to public and private assistance authorities and institutions in Italy.

Volume XIV - Enquiry into living conditions in a « depressed » township in Southern Italy.

The investigation under the first head, covering the consumption of meat, sugar and wine, led to the results shown in Table I.

TABLE I

FOOD STANDARDS OF ITALIAN FAMILIES
(combined consumption of meat, sugar and wine) (4)

Consumption classes	Number of families	Per cent
Nil	869,000	7.5
Very small	1,032,000	8.9
Small	1,333,000	11.5
Modest	1,831,000	15.8
Pair	2,123,000	18.3
Good	1,970,000	17.0
High	1,460,000	12.6
Plentiful	730,000	8.3
Very plentiful	244,000	2.1
<i>Total</i>	11,592,000	100.0

The families consuming no meat, sugar or wine would thus appear to number 869,000, or 7.5 per cent of the total, while those consuming very small quantities of these things are as many as 1,032,000, or 8.9 per cent.

The criterion taken in the case of clothing, as already mentioned, was footwear. On

(4) The table was built up by combining the data which were collected in regard to consumption under the three heads as separately ascertained: first, the weekly consumption of meat, on the basis of the number of times meat was bought each week; secondly, the daily *per capita* consumption of sugar; and thirdly the weekly *per capita* consumption of wine. To give an idea of the practical meaning of the classification given in the table, we here reproduce the data on the consumption of sugar:

FAMILIES CLASSIFIED ACCORDING TO DAILY
PER CAPITA CONSUMPTION OF SUGAR

Daily consumption	Number of families	Per cent
Nil	1,750,000	15.1
0 to 5 grammes	637,000	5.5
from over 5 to 10 grammes	1,078,000	9.3
» » 10 » 15 »	1,170,000	10.1
» » 15 » 20 »	1,252,000	10.8
» » 20 » 30 »	1,994,000	17.2
» » 30 » 40 »	1,543,000	13.3
over 40 grammes	2,168,000	18.7
<i>Total</i>	11,592,000	100.0

this basis the results are shown in Table II (5).

Thus 580,000 families, or about 5 per cent of the total number, had very bad or bad footwear.

TABLE II

State of footwear	Number of families	Per cent
Very bad	232,000	2.0
Bad	359,000	3.1
Poor	499,000	4.3
Middling	4,231,000	36.5
Good	1,855,000	16.0
Very good	1,416,000	12.1
<i>Total</i>	11,592,000	100.0

The facts found on housing conditions are summarised in Table III.

Thus it was found that 324,000 families, or nearly 3 per cent of the total number, were living in cellars, store rooms, huts and caves; and 2,800,000, or roughly 21 per cent, were in over-crowded conditions (more than 2 persons per room).

The next step was to combine the data collected under the separate headings food, clothing and housing into a synthetic picture. On this basis the population was divided into nine classes, which in turn were grouped in four main categories, the standard of living for these being described as wretched, poor, medium and high, as can be seen in Table IV.

In a general way therefore the families which can be said to be on a « wretched » standard of living number 1,357,000, or 11.8 per cent of the whole, while those on a « poor » standard are an additional 1,345,000 or 11.6 per cent. It follows that approximately a quarter of the population of Italy is living in conditions of poverty.

(5) The data collected were grouped in the classes shown in the table by attaching different values to the footwear according to its condition, the figure 5 being given where it was in a good state, 3 where it had been soled, and 0 where there was none at all. The next step was to determine in each family the ratio between the total figures given for the footwear of all members and the number of members. The ratios obtained, which varied from 0 to 1, were distributed between the five classes shown in the table, less than 0.20 being called very bad, from 0.20 to 0.40 bad, and so on.

2. A further highly important point which the enquiry has brought out is the greater poverty of Southern Italy by comparison with the North (coupled with the fact that the amount of public assistance provided bears no proper relation to the respective conditions in those areas.

TABLE III
FAMILIES CLASSIFIED BY THE NUMBER
OF PERSONS PER ROOM

Degree of crowding	Number of families	Per cent
1. <i>Not crowded</i> up to 1 person per room	4,637,000	40.0
2. <i>Crowded</i> over 1 up to 2 persons per room	4,162,000	35.9
3. <i>Badly crowded</i> over 2 up to 3 persons per room	1,391,000	12.0
4. over 3 up to 4 persons per room	533,000	4.6
5. over 4 persons per room .	545,000	4.7
<i>No proper housing</i>		
6. cellars, storerooms, etc. .	232,000	2.0
7. huts and caves	92,000	0.8
<i>Total</i>	11,592,000	100.0

In point of fact the proportion of families on a «wretched» standard to the total, which is 11.8 per cent on the average for the whole country, ranges from 1.5 per cent in North Italy and 5.9 per cent in Central Italy to 24.8 per cent in Sicily and Sardinia and 28.3 per cent in the southern mainland, reaching 54 per cent in Lucania, and in Calabria as much as 63 per cent. Abundant evidence proving the general truth of these conclusions was found in the course of the enquiry. The effect is to confirm the view, for which there have long been solid grounds and for which there has been growing evidence and support during recent years, that the problem of poverty is closely connected with the economic depression of the South. The latest authority support for this view is to be found in Chapter 9 of the Report of the Economic Commission for Europe, 1953 (6).

(6) Report on the Economic Situation of Europe in 1953, Geneva, 1954. Chapter 9, *Southern Italy*, pp. 138-158.

Unfortunately, one striking inequality between the North and South of Italy is in the amount of public assistance provided. This, in fact, varies in inverse proportion to the seriousness of the poverty problem. To take one example, the average amount spent by the municipal assistance authorities on each person assisted varies from 5,734 lire in Northern Italy to 3,281 in Central Italy, 2,916 in Southern Italy, and 1,731 in the Islands. Or if one takes the amount spent on assistance by provinces in 1949 one finds a minimum of 22 million lire in the province of Matera, one of the most depressed in the whole country, and a maximum of 1,405 million in that of Milan, which is the most flourishing of all, the annual average expenditure per inhabitant in these two provinces being 177 lire and 585 lire respectively. Or again, if one takes the expenditure on assistance and public welfare in the 22 cities with the largest populations, one finds a maximum of 3,097 lire per inhabitant at Milan and a minimum of 204 lire at Taranto.

In other words, as the Commission says, the greatest and most effective assistance is given where those in need of it are fewest and their needs are smallest.

TABLE IV
FAMILIES CLASSIFIED BY STANDARD OF LIVING

Class	Category	Number of families	Per cent
0	wretched	116,000	1.0
1		348,000	3.0
2		893,000	7.7
3	poor	1,345,000	11.6
4	medium	1,716,000	14.8
5		2,029,000	17.5
6		2,063,000	17.8
7	high	1,808,000	15.6
8		1,101,000	9.5
9		173,000	1.5
	<i>Total</i>	11,592,000	100.0

3. The statistical description resulting from the enquiry is rounded off by statements concerning some of the most significant aspect of the state of the poors, and showing the effects of poverty on their physical and moral health, under the heads of

tuberculosis, mortality, juvenile delinquency, prostitution and begging. Although the facts thus collected are not all new, they point to social conditions which, even if in the majority of cases they are accepted with a fortitude that is borne of centuries of inertia, threaten to provoke «explosive» forms of reaction.

4. As was mentioned above, a large part of the enquiry has been devoted to a critical review of the organisation of public welfare services in Italy. The section dealing with this matter point out the complicated and ponderous nature of the assistance machinery, the high costs of administering assistance, and in particular the way in which the funds for that purpose are dissipated. In the complicated jungle of public authorities, organisations and institutions, and the variety of activities between which there is little or no coordination, what is done ceases to be effective and funds, although substantial in total size, are applied in fragmentary amounts. As the Commission observes, «the arrangements for public assistance in Italy are incomplete and confused. There is not the slightest coordination between the institutions working in that field. On the contrary they overlap, they are weighed down with overhead expenses, and they get into each other's way» (7). The effect of what is done is wasted «by the over-large number of means intended to serve the same end and leading the overlapping of activities; and the irrational distribution of the funds provided; by the many opportunities for abuse on the part of recipients; by the dispersion of activities; by the lack of reliable data on the subject of assistance; by the variety of the standards applied, and of the methods of action; by the doubt among the needy as to which institution they should apply for assistance; and so on» (8). A telling pointer to how confused the situation is can be found in the Vigorelli report on the expenditure for assistance in the budget of the Home Office. For the financial year 1952-53 that expenditure amounted to 33,598 million lire; but of this amount 4,043 million, or 11.9

(7) Volume I, p. 216.

(8) Volume IV, p. 62.

per cent, went to pay for the Government officials administering the service. The sum available was thus reduced to 29 billion lire. Nor is that all, since a part even of this sum went to the municipal assistance authorities, and thus included amounts used to cover the overhead expenses of the latter.

While the bodies administering assistance are too many and too complicated, we find at the same time that the funds intended for the needy, large as these funds are, are inadequate in relation to the gravity of the economic and social depression from which some Italian regions suffer. Both the parliamentary enquiry into poverty and the Gava-Vanoni report on the economic state of the country (9) tried to establish the amount actually paid out for assistance. Their results diverge because of the difference between the bases which they used for establishing the figures. The parliamentary enquiry found that the total sum expended for this purpose in 1950 by the Government, local authorities and social insurance institutions was 710 billions. The Gava-Vanoni report, which took into account the whole of the income transfers effected for general «social» purposes, arrived at a figure of 875 billions for 1951, about 1,120 billions for 1952, and roughly 1,300 billions for 1953. The expenditures are considerable, being equal to about 11 per cent of the 1952 national income of 10,134 billions, and 14 per cent of that of 10,893 billions in 1953. A brief study of the heads of expenditure does however show that the amounts actually spent on true assistance (that is to say on non-contributory benefits and on payments to the unemployed in respect of unemployment insurance) are no more than some 200 to 250 billion lire (10). Even when

(9) See the *General Report on the economic situation of Italy*, presented to Parliament on March 20, 1954, Part III, Chapter II: *Income Transfers*.

(10) For the 1,120 billions are made up of 286 billions of *family allowances* (which in reality are remunerations for work, and are now treated as such); 384 billions of pensions (or remuneration due in respect of past work); 234 billions of payments by social insurance institutions; 172 billions of payments (not in return for contributions) by the Government and local authorities for assistance purposes; and about 50 billions of assistance payments made by social welfare institutions out of their own funds. In order to arrive at the amount of assistance rendered to needy persons in the strict sense of the term, com-

thus reduced, the financial effort in respect of assistance is of course considerable. Nevertheless the average ratio between the number of persons assisted and those in need of assistance, as calculated by the Commission, remains quite low, at around 32 per cent. Thus out of every 100 families 23.4 are living in wretched or poor conditions, but only 7.4 receive assistance in kind or in money. This means that the sums voted, large as they are, are not big enough to meet the great and widespread need.

5. In its conclusions the Commission seems to attach even greater importance to the most conspicuous shortcoming of the Italian assistance system, namely its out-of-date machinery, than to the serious disproportion between the amount of the funds available and the extent of the needs. The words of Signor Vigorelli on this subject are clear enough: «The sums now being spent by the Italian Government on the various forms of social security, public assistance, health, hygiene and vocational training, are considerable. If they were better used, they would make it possible to achieve a reasonable amount of immediate progress, and thus to relieve the widespread distress among so many people in Italy — distress which exceeds what is entailed by the size of the national income, and amounts in its crasser forms to a state of intolerable poverty» (11).

It is indeed true that a more rational use of the funds, more careful selection of the bodies for administering them, and a general recasting of the system ought to produce much greater results in return for the large expenditure on assistance borne by the taxpayer. Even so, however, the basic problem

prising unemployed workers and persons not gainfully occupied and unable to work, it is necessary to exclude the amounts representing family allowances, pensions and most of the payments by social insurance institutions, since these can be better described as *remuneration for work* than as *assistance to the needy*. Assistance in this latter form comprises the 172 billions of payments by public authorities, not in return for contributions; the 50 billions of assistance payments, also not in return for contributions, made by social welfare institutions; and the 20 billions of social security payments made in connection with unemployment insurance. The total is thus about 240 billions for 1952.

(11) Volume I, pp. 215-216.

still remains the smallness of the available funds in relation to the serious economic and social depression of large sections of the Italian population. The problem is in fact one which cannot be solved within the framework of assistance policy. It is like that of unemployment, with which it interlocks, in that it must be considered against the wider background of a policy of economic development (12). Poverty and unemployment are in reality two aspects of the same phenomenon, namely the inability of the Italian economy to reduce the chronic unemployment which has gradually accumulated, over past years, and perhaps even to absorb entirely, in the next few years, the new recruits to the labour force as fast as they come forward (13). Such disequilibrium, which in areas where economic development is more advanced usually appears in the form of industrial unemployment, mostly takes the form in backward regions of under-employment, seasonal unemployment and chronic under-payment, or in short the form of extreme poverty and degradation among large masses of the rural population. The problem of poverty is thus largely synonymous with that of the backwardness of economic development in Southern Italy. Its solution remains closely linked with the success of the programmes for improving conditions in Southern Italy and the Islands, and on whether it will prove possible to provide more opportunities for employing workers from the South and the other depressed areas, either internally by developing industry or externally by promoting more emigration.

(12) The same conclusions are reached by GIAN DOMENICO Cosmo in the last part of his report on *Financial resources available for assistance* in the proceedings of the Commission, Volume V, pp. 116 ff.

(13) See in this connection the forecasts made by the O.E.E.C., and later worked out by the M.S.A. Mission to Italy, with regard to the economic state of the country between 1953 and 1956. According to these forecasts Italian industry other than building would be able to absorb only a third of the new recruits to the labour force. As to other branches of activity, the M.S.A. Mission thought that agriculture would not be able to offer further employment, and that service-rendering occupations could do so only to a small extent. (See M.S.A., *The Structure and Growth of the Italian Economy*, Rome, 1953, p. 77).

See also B. FOA, *The Italian Economy: Growth Factors and Bottlenecks*, in the «Banca Nazionale del Lavoro Quarterly Review», No. 27, October-December, 1953.

The Commission of Enquiry has confined itself to what it calls «organisational» and «assistance» problems without enlarging, as we might have hoped it would do, on matters of economic policy. It does, however, arrive at certain proposals of a «general» nature, which may be briefly summarised as follows:

1) The need for drawing up a radical program of social security, coordinating the legislation and providing for administrative reform of the authorities in charge of assistance.

2) The redistribution of the assistance expenditures according to the extent of economic depression in the various areas.

3) A programme for building dwelling-houses of the cheapest kind.

4) The promotion of measures to safeguard health.

5) The caring for the children of poverty-stricken families in suitable institutions.

6) The provision of settlements and homes of rest for people who are old or unable to work.

7) The development and improvement of vocational training.

On this last point mention may also be made at the conclusions which were reached by Professor Caglioti at the Naples Conference of the *Cassa per il Mezzogiorno* (Southern Italy Development Fund) on November 4, 1953, in his report on «Vocational training in Southern Italy». This report shows what in fact happens to a normal generation

of school-children in that area. Out of every ten boys who are required to attend school, only two continue their studies beyond the elementary school stage, while the remaining eight either receive no further education at all or receive one which is quite inadequate for the purpose of fitting them usefully into the country's economic activity. He also brings out another characteristic feature of education in the South: the prevalent drift into the liberal professions, with the inevitable result of a growth in the numbers of the «intellectual» unemployed.

According to Professor Caglioti any programme for raising in a lasting manner the living standards of the people of the South must comprise, in addition to schemes for improving the «production» apparatus, constant provision for improving technical skills. For this purpose the praiseworthy efforts which have been made during recent years to suppress illiteracy and to extend popular education are not enough. What is needed is *technical* training to prepare each person properly for the work which he will have to do.

In point of fact, although the problem of *vocational training* appears in its most serious forms in the Southern regions, it is not confined to them. On the contrary, it is one of the most important bottlenecks impeding Italian economic development (14).

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(14) For an estimate of the magnitude of this problem for Italy as a whole see the study by TOMMASO SALVEMINI published in Volume IV of the Report on the Enquiry into Unemployment, under the title *La popolazione scolastica e il suo incremento in rapporto allo sviluppo demografico ed economico del Paese*, Volume IV, Part 2, pp. 201-226.