The contentious politics of social assistance and minimum income schemes.
Evidence from Italy

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Since the 1980s, politics matters has been key in interpreting welfare state developments and reforms adopted in core social policy areas such as pensions and health care. On the contrary, the political dimension of social assistance policies has received much less consideration. Narrow policy analyses have prevailed in a policy field that has long been considered residual and less contentious due to the selective nature of the programs, their limited impact on welfare budgets, the scarce power resources and weak political mobilization of the (would-be) beneficiaries. The politics of social assistance thus remains largely under-theorized (cf. Clegg, 2014). After reviewing the literature on the “politics of welfare”, the article aims at contributing to this strand of research by providing evidence of the contentious character of anti-poverty policies.

We therefore drive the focus on the developments of social assistance policy in Italy in the period 1996-2011, in order to make sense of what we call the “Italian exceptionalism”: that is, the persistent lack of last-resort safety net for working-age individuals - in the form a fully-fledged Minimum Income Scheme (MIS) – which is not due, however, to political and institutional inertia but rather the result of an inconsistent policy trajectory with steps forward and policy reversals. In order to solve this puzzle, we argue that, differently from other European countries, political dynamics were extremely important in Italy with regard to both the introduction of a MIS and its continuation or termination.

Going beyond the expected typical left parties vs. right parties divide, the article shows that the politics of MISs reveals more complex political dynamics, particularly within the center-right camp. Also, it suggests that in multi-party systems which reflect complex underlying political cleavages, the activation of tensions other than the class-based one should be explored when studying the politics of minimum income, since additional lines of conflict can be more salient in the field of social assistance than in other social policy sectors thereby rendering anti-poverty issues more politically contentious than expected.

Keywords: minimum income protection, party politics, political competition, poverty, Southern European welfare states.
The contentious politics of social assistance and minimum income schemes. Evidence from Italy.

1. Introduction
Since the 1980s, politics matters has become a key hypothesis in welfare state research, widely applied by scholars to interpret overall welfare state arrangements and sectoral developments that occurred in core social policy areas, namely pensions and health care. Conversely, the political dimension of social assistance policy has received substantially less consideration. Narrow policy analyses have largely prevailed in this policy field, which has long been considered residual and less contentious, due to the selective nature of its programs and their limited impact on overall welfare budgets, coupled with the scarce power resources and political mobilization of the (would-be) beneficiaries of anti-poverty measures.

In the last decade, this view has been challenged by the branch of studies on new social risks and the social investment paradigm, which have emphasized the normative implications and growing functional scope in the post-industrial context of previously underemphasized welfare sectors, such as social services and anti-poverty schemes, the relevance of which has been further reinforced by the economic crisis. Despite this, the politics of social assistance remains largely under-theorized (cf. Clegg, 2014).

The main aim of this article is to contribute to the politics of welfare literature providing evidence of the contentious nature of anti-poverty policies. To this end, we consider the developments of social assistance policy in Italy in the period 1996-2011, in an attempt to make sense of what can be termed a sort of Italian exceptionalism. Italy represents an intriguing case study from a comparative standpoint for two intertwined reasons that are addressed by the paper.

First, from a policy perspective, Italy is one of the last two EU-28 member states that still lacks a last-resort safety net for working-age individuals in the form a fully fledged minimum income scheme (MIS)\(^1\) (Frazer and Marlier, 2009). The Italian exception, however, is not the result of political and institutional inertia, quite the opposite, it is the result - despite high functional pressure - of a somewhat incoherent trajectory made of several attempts followed by policy reversal, both at the national and regional level. In accordance with the South-European model (Ferrera, 2005), Italy has traditionally been a laggard with respect to social assistance policies. Against this backdrop, over the last two decades anti-poverty measures gained salience, and a closer examination reveals that things have been moving at both at the national and regional level. In 1998, the center-left coalition launched a national MIS that was quickly discontinued in 2002 by the newly elected center-right government. Similarly, rather inconsistent developments are observable at the regional level, where - albeit with extensive heterogeneity, some MIS schemes were launched. In many cases, however, these were short-term experiences that were rapidly

\(^1\) In this article, we adopt the following definition of MIS: a general (non-categorical) anti-poverty scheme that provides rights-based, means-tested income support, typically at a tax-financed and flat rate. MIS then envisages a universal yet selective last-resort safety net.
discontinued following the advent of centre-right coalitions, thereby delineating neat policy reversal dynamics.

Second, from a politics standpoint, policy developments observed at the national and regional levels are rather puzzling in comparative perspective, thus calling for interpretation in causal terms. In contrast to what occurred in other European countries, political dynamics came to be salient in Italy not just regarding the introduction of a MIS but also concerning its continuation or termination, and this holds true at both the national and regional level. Party politics therefore appears to have had a broader impact on the fortunes of minimum income scheme(s) in Italy with respect to the country’s EU peers. In the latter, the advent of center-right coalitions did not call into question the existence of such schemes, either in early-bird countries – i.e., the UK, Germany and Austria – (cf. Bahle et al., 2011), or as in late-comer countries – i.e., Portugal and Poland (cf. Jessoula et al., 2014).

Building on this, the research question addressed by the paper can be framed as follows: why have center-right coalitions in Italy been so detrimental to the future of MISs at both the national and regional level? To answer to the research question, the article goes beyond the expected classical left vs. right parties’ attitudes towards MISs, revealing and discussing the relevance of more complex political dynamics, particularly within the center-right camp. We suggest that in multi-party systems that reflect complex underlying political cleavages, the activation of tensions other than the class-based one should be explored with reference to the politics of minimum income. Our claim is that additional lines of conflict might be more salient in the field of social assistance than in other social policy sectors, thereby rendering anti-poverty issues in some political contexts more politically contentious than expected.

The article is structured as follows. Section 2 presents a brief literature review on the relationship between party politics and MIS and then outlines our theoretical argument. Section 3 provides evidence of the Italian exceptionalism with regard to minimum income policy within the European scenario. Section 4 outlines the main lines of tension of the domestic party system and its transformation from the “First” to the “Second” Republic, clarifying party positioning about MIS. In Section 5, we then reconstruct the trajectory of reform in the field of MISs between the mid-1990s and late 2000s, delineating the main developments in this policy area at the national level and at the regional one. Section 6 finally turns to interpretation, with Section 7 providing the relevant conclusions.

2. Minimum income protection, a contentious issue? Party preferences and political competition dynamics

Since the 1970s, a broad strand of literature has outlined the determinants of welfare state development and social policy reform (cf. Myles & Quadagno, 2002). Initially considered less influential than key economic and functional pressures, the saliency of party politics variables related to partisan preferences and the balance of power among social classes - increased in welfare state research in the early 1980s, when “politics matters” became the dominant paradigm in explaining cross-country variations in welfare state institutional arrangements. Building on the seminal work by Korpi (1983), traditional partisan politics arguments pointed at a direct link between leftist governments (jointly with powerful unions) and social policy expansion. Leftist
parties, as opposed to right-wing parties, were then understood as pro-welfare agents with neat preferences for redistributive social policies, as means to achieve egalitarian goals. In the last two decades, however, not only the “politics matters” approach has been sidelined by the neo-institutionalist theory (especially “historical institutionalism”, cf. Pierson 2001) and studies; also such reading of the interplay between parties and welfare state development has been broadly questioned for not being effective to fully capture the complex relationship between national political systems and welfare outputs (cf. Hausermann, Picot & Geering, 2010), especially with respect to the role played by Christian Democracy in several European countries (van Kersbergen, 1995).

Against the backdrop of such a broad academic debate, two main arguments concerning MISs and the expected party preferences as well as competition dynamics in the field of social assistance appear particularly relevant.

First, as recently stressed by Jensen (2014), right/left ideological commitments and policy preferences towards the welfare state are not as clear-cut as partisan politics theory would suggest. Taking the partisanship argument seriously requires, actually, “a more nuanced approach to preferences than simply presuming that the left invariantly wants more and the right invariantly wants less government” (Jensen, 2014: 127). This holds particularly true in the case of social assistance policy and minimum income schemes. As highlighted by Clegg (2014), left and right attitudes towards last-resort safety nets may be more nuanced than expected as well as different from those concerning more far-reaching social protection schemes – i.e. social insurance pensions and health care. On the left side, despite leftist parties’ pro-welfare and pro-redistribution attitudes, poor-relief schemes may be regarded as signs of the failure of properly functioning inclusive social democratic welfare states. Left parties may thus be more likely to support broader social insurance or social security programs rather than MISs, and poverty might therefore represent a highly sensitive issue to deal with. This may hold even more true in light of increased internal differentiation of working class and left parties’ constituency – due to broad socio-economic transformations such as post-industrialization, secularization and female emancipation – and the context of “permanent austerity” (Pierson 1998) where different social groups claim and compete for scarce resources. In this new scenario, not only the so-called “insiders” are expected to have different policy preferences from the “outsiders” - in light of exposure to diverse social risks – but also leftist parties may have become more prone to protect insiders’ social rights rather than relieving the worst-off through means-tested income support (cf. Rueda, 2008).

The right side of the political spectrum has been much less explored with respect to welfare state preferences and, more important for our argument, with respect to MISs. The claim that the Right cannot be simply conceived as the welfare skeptic counterpart of the Left (Pierson, 1994; Jensen, 2014) relies on the acknowledgement that several ‘Rights’ actually exist (cf. Rémond, 1970), and their political constituencies have gradually become more heterogeneous, grouping segmented interests, demands and attitudes vis à vis welfare state. These can deeply affect right parties’ policy preferences in the sector of social assistance and minimum income protection. The liberal-right might support a MIS as a less expensive public intervention aimed to remedy market failures by protecting the deserving “needy victims”. Similarly, means-tested schemes may well resonate with the notion of the residual welfare state shared by conservatives, because these schemes can in fact serve as springboard for recipient activation. By contrast, the Catholic right and Christian democratic parties, may show a less favorable attitude towards MISs, conceived as challenges to self-organized family and community arrangements for welfare provision. The regionalist right, in turn, is expected to opposed national MIS, especially when they imply significant territorial
redistribution, but it might be favorable to regional/local anti-poverty schemes. Finally, the populist right, which has spread in several countries since the 1980s also attracting working class voters (Kriesi et al, 2008), can be expected to support – following a sort of “welfare chauvinism” - last-resort safety nets for nationals (i.e. citizens) only.

The existence of such diverse preferences regarding social assistance policy, especially within the right camp, relates to the fact that the crucial political cleavages in this policy field may go far beyond class-based divisions, potentially cutting through the left-right divide. Two additional cleavages – the “State vs Church” and the “Centre vs Periphery” – may be more salient for the politics of social assistance than in other social policy domains: anti-poverty programs are actually able to generate deeply rooted normative conflicts concerning who constitutes the poor that deserve assistance and by whom. Along the State-Church dimension, ‘parties of religious defense’ (Manow and van Kersbergen 2009) – such as Conservatives and especially Christian democratic parties – are likely to mobilize voters across the dominant-subject divide (i.e. class) and prove to be particularly sensitive to the defense of community-based welfare institutions and traditional family values. These parties might therefore oppose a public rights-based MIS as it could displace traditional poor-relief measures provided by charities and religious institutions (Clegg, 2014). As for the Centre-Periphery cleavage, the presence of regionalist parties can substantially affect the political viability of national anti-poverty schemes, since harsh territorial (re)distributive conflicts may arise around MIS (Madama, 2010). They, however, could support the institutionalization of MIS at regional level with the aim to enhance region-building dynamics.

The second argument that must be raised is that party preferences and coalition agendas do not originate in a vacuum, rather they are shaped by party systems and competition dynamics, as Hausermann et al. (2010, p. 9) sharply noted “what parties do depends (also) on the competition they face”. In the same vein, several authors (cf. Ferrera, 1993) stressed the relevance of the political cleavage structure for party competition dynamics and, ultimately, welfare outputs.

In this perspective, we argue that in the field of social assistance, the political activation of one, or both, of the abovementioned cleavages in addition to the left-right divide make competition and coalition dynamics substantially more complex, with relevant consequences for the viability of minimum income reforms. In such a scenario, multipartyism combined with electoral incentives for coalition-building make social assistance politics a more contentious terrain where it is difficult to forge political compromises. This is especially when minor (center-right) parties which explicitly oppose MISs are pivotal for the composition of governmental coalitions (cf. Green Pedersen, 2001). Against such backdrop, we contend that politics is crucial to understanding developments concerning MISs, especially in those countries where the activation of cleavages other than class may make social assistance policy more contentious, thus significantly affecting policy trajectories. In the Italian case, the activation and the political salience of the State-Church and the Centre-Periphery cleavages must be then carefully considered in order to provide an interpretation of the “Italian exceptionalism”. In particular, the presence and coalition/competition dynamics within the right camp concerning different ‘Rights’ – the traditional Catholic right and the regionalist-populist one – are expected to be key factors in explaining the puzzling developments of the last-resort safety net at the national and regional levels.

2 Following Rokkan (1970), we define cleavages as “sets of fundamental contrasts, rooted in socio-economic and cultural differences, which have come to systematically divide national communities”, which actually include a cultural-value dimension, an organizational dimension and a political dimension (by means of political “translation”).

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3. The fight against poverty and minimum income schemes: the Italian exceptionalism

Figures are telling about the Italian exceptionalism concerning underdeveloped social assistance programs to fight against poverty. As Table 1 neatly shows, at the end of the expansionary phase of the Italian welfare state (1945-1990), Italy was not an outlier in comparative perspective as far as total (public) social protection expenditure was concerned: the latter was actually slightly below the EU-15 average but not far from other mature welfare states and in fact catching up. The Italian anomaly regarded the composition of welfare expenditure which was substantially geared towards the protection of both labor market ‘insiders’ through contributory schemes (so-called distributive distortion) and the elderly due to pension system hypertrophy (functional distortion) (Ferrera, Fargion, Jessoula 2012). In 1990, 61% of resources for social protection was absorbed by the old age/survivor function vis à vis 43.5% in the EU-15; by contrast, resources to tackle social exclusion were very limited – 0.1% vs 1.2% in the EU-15 – and have not subsequently increased. Also, things do not improve for Italy when the two functions including the typical social assistance measures - social inclusion and housing – are taken together: possibly, the gap from the EU average is even bigger: 0.1% (Ita) vs 3.0% (EU-15) in 1990, (Eurostat online data). No other European country presented such a marked distortion along the functional dimension. Further, in the mid-1990s, more than 80% of total social assistance spending was devoted protect the elderly and disabled people thus reproducing in the social assistance sector the distortions that characterized the Italian welfare state as a whole.

Table 1 – Public social protection expenditure as a share of GDP and by function as a percentage of total social expenditure, Italy vs EU, selected years

<table>
<thead>
<tr>
<th></th>
<th>Italy 1990</th>
<th>EU-12</th>
<th>Italy 2000</th>
<th>EU-15</th>
<th>Italy 2010</th>
<th>EU-27</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total, % Gdp</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social exclusion</td>
<td>0,1</td>
<td>1,2</td>
<td>0,1</td>
<td>1,1</td>
<td>0,3</td>
<td>1,5</td>
</tr>
<tr>
<td>Family/children</td>
<td>4,2</td>
<td>7,5</td>
<td>3,7</td>
<td>8,0</td>
<td>4,6</td>
<td>8,1</td>
</tr>
<tr>
<td>Housing</td>
<td>0,0</td>
<td>1,8</td>
<td>0,0</td>
<td>2,0</td>
<td>0,1</td>
<td>2,1</td>
</tr>
<tr>
<td>Unemployment</td>
<td>2,6</td>
<td>7,2</td>
<td>1,6</td>
<td>6,0</td>
<td>2,9</td>
<td>5,8</td>
</tr>
<tr>
<td>SUBTOTALE</td>
<td>6,9</td>
<td>17,7</td>
<td>5,4</td>
<td>17,1</td>
<td>7,9</td>
<td>17,5</td>
</tr>
<tr>
<td>Old age/survivors</td>
<td>55,1</td>
<td>43,5</td>
<td>60,8</td>
<td>44,9</td>
<td>60,7</td>
<td>45,5</td>
</tr>
<tr>
<td>Disability</td>
<td>7,1</td>
<td>7,8</td>
<td>5,8</td>
<td>7,5</td>
<td>5,9</td>
<td>7,5</td>
</tr>
<tr>
<td>Sickness/Health care</td>
<td>26,7</td>
<td>26,8</td>
<td>24,2</td>
<td>26,4</td>
<td>25,5</td>
<td>29,4</td>
</tr>
</tbody>
</table>

Source: Authors’ elaboration on online Eurostat database.

These figures and related institutional arrangements suggested comparative scholars to include Italy in the group of countries presenting a Southern European model of welfare – together with Greece, Portugal and Spain (Ferrera 1996). A key traditional feature of this welfare regime was the rudimentary social assistance model (Gough, 1996) and the lack of a general minimum income scheme aimed at providing the basic floor of social citizenship.
In fact, origins of minimum income schemes date back to the post-World War II period in Europe. During the Golden Age of welfare state expansion, means-tested income support schemes lost their typical discretionary and *ad hoc* nature and they were then turned to the provision of last resort cash transfers in the form of fully fledged enforceable social rights (Ferrera, 2005). The UK and Sweden were pioneers in this policy realm, introducing general income support schemes immediately in 1948 and 1956 respectively. Among the early-birds Germany followed in 1961, Netherlands in 1965, and Austria opted for regional MIS in the early 1970s. Until the mid-1980s, however, these schemes were confined to Nordic and Continental European countries. A new phase then opened in 1988, when France paved the way for countries along the Southern rim by establishing the (later) well-known *Revenu Minimum d’Insertion*. Portugal followed introducing a national minimum income scheme in 1996, whereas in Spain regional schemes were implemented between 1989 and 1995. Finally, also Central and Eastern European countries have also introduced a general MIS within their welfare state architecture – often in pre-(EU) accession periods (Busilacchi, 2008; Jessoula et al. 2014). In all these countries, despite different institutional designs and scope, MISs serve as residual layer of the welfare state, mending the protection gaps left by upstream core social insurance programs, the access to which is subject to contribution requirements and to expiry (Clegg, 2013). Differently, in Italy – as well as in Greece - the gap was never filled, and the two countries are the only EU Member States where a general minimum income scheme is still missing (Frazer, 2014).

In the Italian case, the lack of a general MIS was only partly counterbalanced by the existence of other means-tested measures. However, these were in most cases categorical – directed to specific groups and thus non-universal – and contributory (Jessoula and Alti 2010). The three main categorical schemes dealing with poverty risk were the pension supplement for those elderly entitled to too low contributory pensions (introduced in 1952), the social pension for those who could not access to contributory pensions (1969), a means-tested benefit for disabled people (1971), and to certain extent family allowances (originally established in the Fascist period).

Programs introduced at the national level were complemented by a plethora of schemes in the field of social services and income support managed at the regional and local level. Differently from national benefits – which took the form of enforceable rights – assistance benefits at the subnational level remained discretionary, uncertain in their delivery and heavily conditioned by budgetary constraints – thus leading to significant territorial variation (Fargion 1997; Kazepov and Genova 2006; Saraceno 2002).³

In a scenario where poverty per se was not a sufficient condition to receive public support, on the one hand kin networks and third sector organizations - including a broad net of charities linked to the Catholic Church – have traditionally played a major role in providing aid to needy people (Saraceno, 1994; Naldini, 2002; Madama, 2010). On the other, existing measures such as disability pensions and family allowances were widely exploited to alleviate poverty as well as they were subject to frequent abuses (especially the former) within “clientelistic exchanges” between parties and voters (cf. Ferrera 1984; Ferrera, Fargion and Jessoula 2012).

It thus comes as no surprise that Italian outcomes in terms of poverty and deprivation among working-age individuals do not appear particularly positive with levels of inequality and poverty among the highest in Europe, confirming the mismatch between needs and policy responses: in the

³ The decentralization of social assistance was launched in the 1970s and had subsequently far-reaching consequences for the overall consistency and territorial heterogeneity of the system, resulting in functional overlapping as well as coverage gaps.
mid-1990s, the severe poverty rate\(^4\) was constantly higher than the EU-15 average (in 1996, 9% in Italy and 6% in EU-15; in 2006 7.5% in Italy, 5.3% in EU-15).

In light of the above, the key question is therefore the following: why Italy did not join the group of latecomer countries which established minimum income schemes in the last wave of reform after the mid-1980s?

To be true, as mentioned in the introduction, the attractive force of the French experience unfolded to some extent also in Italy without leading, however, to a consistent path towards institutionalization of such last resort safety net in the last two decades. The next sections provide an in-depth analysis and interpretation of the Italian trajectory in the field – focusing on both national and regional developments – with the aim to give an answer to the question above. Since we contend that political competition dynamics are key in explanation, we will first briefly outline the main political drivers of welfare state expansion during the Golden Age in Italy – broadly corresponding to the phase of the Italian “First Republic” (1948-92) – then turning to processes and dynamics after the early-1990s during the so-called “Second Republic”.

4. The Italian party system and MIS: a troubled encounter

The introduction of a universal yet selective MIS was, for a long period, not even an option in national political debates. On the one hand, this was a result of the perceived risks of managing means testing in a “soft state” (cf. Ferrera 2000) - characterized by the concentration of material deprivation in the southern part of the country, where the black market and the illegal sector were pervasive. On the other hand, it must be acknowledged that, within the polarized and pluralist party system (Sartori, 1976) of the First Republic (1948-1994), the two main parties - the Christian Democrats (DC)\(^5\) and the Communists - had limited interest in MISs, yet for different ideological and material reasons. The DC was a party of religious defense, which embraced the principle of horizontal subsidiarity by emphasizing the importance of traditional family ties and supporting the existing broad network of religious, community-based welfare institutions (Madama, 2010). The Italian Communist Party (PCI) exhibited a clear pro-labor and pro-insider bias, being far more inclined towards the extension of generous social insurance schemes targeting the employed population rather than sponsoring residual MISs (Ferrera, Fargion & Jessoula, 2012).

In the early 1990s, the end of the First Republic brought about a swift change from a polarized pluralist to a bipolar party system, with two large coalitions on the center-left and the center-right of the political spectrum. In this new scenario, in addition to competition along the typical left-right dimension, two other cleavages gained prominence: Church vs. State and Center vs. Periphery. The latter was especially activated by the increased power of the Northern League (Lega Nord, LN), a territorial party primarily interested in territorial rescaling to the advantage of the northern regions, regarded as a means of reducing territorial redistribution, that is to say, the share of net transfers from rich northern regions to the central and southern parts of the country. Importantly, the two revived cleavages overlapped, at least partly, with the traditional left-right divide as follows: Left-State-Center vs. Right-Church-Periphery.

\(^4\) The “severe poverty risk” rate is estimated by setting the poverty line threshold at 40% of median equivalized income, instead of the typical 60%. The at-risk poverty rate displayed a similar pattern (in 1996, 20% in Italy and 17% in the EU-15; in 2006 respectively 19.6% and 16%).

\(^5\) The DC, a centrist party, dominated the Italian political system from 1944 until 1993.
5. The puzzling path of Italian minimum income scheme(s)

5.1 Filling the gap of the social safety net? Path departure and policy reversal at the national level

As mentioned above, for a long time, policymakers did not consider the underdevelopment of the social assistance model and its fragmentation (both institutional and territorial) into a number of schemes that provide modest benefits, with the family – and charities – serving as a fundamental redistributive agency for the least well-off, to be dysfunctional. Welfare state “recalibration” only became a priority in 1996-97 when the center-left government led by Romano Prodi – for the first time including the formerly communist party, PDS – appointed an expert commission (the so-called Commissione Onofri, which included leading scholars in welfare studies). The commission noted the two acute “distortions” of the national welfare state mentioned in Section 3. In accordance with this diagnosis, in addition to retrenchment in the pension sector, several measures were adopted to reinforce social assistance and, especially, MIP by relying on the principle of “selective universalism” (Jessoula and Alti, 2010). The most promising innovation of this period was the 1998 introduction of an experimental “Minimum insertion income” (Mii). This was designed as a universal, non-categorical, tax-financed measure that targeted individuals with incomes below a pre-defined poverty threshold. The policy was initially introduced for two years as a pilot scheme in a number of selected municipalities. The cash transfer was complemented by activation programs designed to address social exclusion and encourage recipient autonomy. The budget law for the year 2000 provided for a two-year extension of Mii pilot project while increasing the number of municipalities involved. The introduction of the experimental Mii was followed by two other key reforms in the field of social assistance. The first was the long-awaited social assistance framework law n. 328/2000, which stressed the need to institutionalize a coherent and inclusive anti-poverty scheme accompanied by a reorganization of the social assistance sector, which also implied an increase in dedicated resources. The second reform was Constitutional Law 3/2001, which ratified a new division of competences between the various levels of government in many areas of public policy, including social assistance, which became a matter of exclusive regional competence. This change implied that in this sector the State has sole responsibility for defining “essential levels of provision” (Lep) throughout the country and supervising their implementation.

After the encouraging developments of the late 1990s, in Italy the new century witnessed reduced interest in minimum income protection. The center-left cabinets were followed by a long period of center-right dominance during the period 2001-2011, with the exception of the period May 2006-January 2008. During this new era, the broader debate on welfare reform was affected by the new context of an economic recession – with GDP growth ranging between 0% and 1.1% in 2001-05 (Imf) - exacerbated by a ten-year loss of competitiveness for the national economy. By contrast, public finances gradually improved, with low deficits (generally below 3% of GDP) and a (slowly) declining public debt.

In this context, despite room for (fiscal) maneuver, during the period 2001-2006, the legislature did everything but reinforce the social assistance sector. The center-right governmental coalition comprised four main parties: Berlusconi’s Forza Italia (FI), a conservative-liberal party that inherited the traditional Christian-Democratic perspective of horizontal solidarity after the dissolution of the DC in 1994; the nationalist-conservative party, Alleanza Nazionale (AN); the Northern League (LN), embodying the vertical solidarity principle; and the Christian Democrats (CCD-CDU). This coalition not only privileged a welfare model based on family and community networks (cf. Ministero del Welfare, 2003), it was also opposed to the development of a robust
anti-poverty strategy. National social policy funds were drastically reduced, and the Mii scheme, explicitly portrayed as overly expensive and ineffective by Maroni, the Northern League Minister of Welfare, was not extended to the entire country and ultimately discontinued. Although such a measure could well be considered an essential level of provision concerning social assistance rights that the central government was expected to establish in accordance with Law n. 328/2000 and Cost. Law. n. 3/2001 - and one of the easiest to develop, at least concerning its monetary component (Sacchi and Bastagli, 2005) - the center-right majority instead decided to use the fiscal lever to primarily support middle-income families. As a result, despite minor interventions, after 2001, progress in the social assistance sector was modest, the traditional configuration of social assistance policy proved to be highly ‘resilient’ (Madama, 2013) and policy reversal characterized the development of MIs.

During the brief interval represented by the sort-lived, politically weak and internally divided center-left government led by Prodi, from 2006 to 2008, the traditional weaknesses of minimum income protection were not addressed. Despite the inclusion of a plan to establish a MIS in its electoral program, Damiano, the Minister of Welfare (Democratic Party, PD) exhibited a clear pro-insider bias and prioritized the labor market and pensions, and the introduction of a MIS never became prominent in the policy/political debate (Interview 3).

When the center-right coalition returned to power in spring 2008, it had to address the consequences of the economic and (subsequently) sovereign debt crises. Similar to the previous center-right period, the main parties in the parliamentary majority were Berlusconi’s Popolo della Libertà (PdL) - a new party created from the merger of FI and AN - and the Northern League, with the latter strengthened in the 2008 elections. Despite mounting unemployment and poverty⁶, measures in the field of last-resort income support remained extremely weak and no social rights were introduced to fight absolute poverty.

A so-called Carta Acquisti (Social Card, SC) was introduced as an emergency measure in 2008. Outlined and sponsored by Tremonti, the Minister of the Treasury, and welcomed by the Sacconi, the Minister of Labor and Welfare – both from PdL - the SC was a debit card that could be used to purchase food and pay basic utilities. However, the very low amount, the categorical approach combined with limited coverage and tight income eligibility criteria⁷, and finally, the absence of any form of conditionality or activation requirements demonstrate the residual and passive – if not merely symbolic - nature of the measure. Intended to provide limited economic support to an extremely narrow segment of low income families (less than 1.2% of Italian families), it was financed from public resources and private donations, the latter also increasing the “charitable flavor” of the program.

However, the introduction of the social card helped to reinvigorate a debate among stakeholders and political parties concerning the need for anti-poverty measures and the effectiveness of the SC as a last-resort safety net. In general, center-left parties and stakeholders shared a very negative view of the SC. In 2009, the Democratic Party submitted a proposal for the introduction of a fully fledged, active inclusion MIS (Draft L. no. 2649, 27 July 2009); however the bill was never discussed in the Social Affairs Committee or in Parliament. At the same time, the Christian Association of Italian Workers (ACLI), one of the key stakeholders in the social assistance field,

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⁶In the period under consideration (2007-2011), the risk of severe poverty for persons under 65 increased by 2.3 percentage points in Italy (EU-27 0.7%; EU-15 0.8%), affecting 11.5% of the population (EU-27 9% EU-15 8.9%)

⁷Following the typical Italian approach to social assistance, the Card was initially intended to support low income Italian pensioners (over 65) only; however, coverage was subsequently extended to children below the age of 3, following a debate on the reduction in milk sales during the fourth week of the month.
initiated a pragmatic reflection on means of improving the SC, which allowed for the development of a national plan to combat poverty within a few months (cf. Gori et al., 2011). The three-year plan, presented in late 2010, foresaw a gradual extension of the Social Card’s coverage and generosity and the introduction of social inclusion measures to be attached to the benefit. The costs were estimated to be approximately € 2.4 billion annually. The proposal was presented to the Minister of Labor and Welfare, who formally appreciated the plan, but it was considered overly expensive and far-reaching.

The center-right coalition’s interest in defending both community-based welfare institutions and the traditional role of the family as a welfare provider (Interviews 1, 2, 3) also emerged when the proposal of a New Social Card (NSC) was introduced in 2010. The new measure was intended to shadow - as pilot project - the ordinary SC in a selected number of large municipalities and included two main novelties: the combination of cash transfers with social inclusion measures and, especially, the direct involvement of selected charities in the management of the scheme with no role for local governments. The measure thus foresaw a direct link between the Ministry of Welfare and the charities, with the former as sponsor and the latter as main managing bodies. The proposal was, however, strongly opposed by the association representing municipalities (ANCI) and by regional governments (Interview 4). Third sector organizations also did not welcome the proposal – which were concerned that they would face an excessively broad responsibility (Interview 5). Despite this opposition, in February 2011, the law containing the new scheme was passed (L. n. 10/2011) and the Ministry of Welfare began to work on its implementation. However, the policy was eventually abandoned due to the fall of the government in late 2011.

5.2 Inertia, path departure and discontinuity at the regional level

The policy dynamic that emerged at the national level was also replicated, in certain cases, at the regional level, where an inconsistent and somewhat contradictory evolution of minimum income protection can be observed. The absence of an organic and inclusive national MIS had, by the early 1990s, already led to the creation of Special Status Regions of Northern Italy to introduce regionally based, means-tested income support measures. In 1991, Trentino Alto Adige, the Autonomous Province of Bolzano and the Autonomous Province of Trento did so, followed by Valle d’Aosta in 1994. However, a broader diffusion of such policy was observed at the regional level was observed just after the termination of the national pilot project. In sharp contrast to the national government’s decision to discontinue the national Mii, a number of regions governed by center-left coalitions decided to introduce innovative, regionally based MIS policy. In 2004, the Campania region did so and was soon followed by other regions characterized by very different socio-economic contexts. Regionally based MIS policies were introduced in some of the wealthiest regions of the North and in some of the most economically backward regions of southern Italy (Table 2): Basilicata (L.r.n. 3/2005), Friuli Venezia Giulia (L.r.n. 6/2005), Lazio (L.r.n. 4/2008), Puglia (L.r.n. 19/2006) and Sardegna (L.r.n. 23/2005). Despite the heterogeneity of their institutional design - in terms of generosity, eligibility criteria, coverage and activation measures - and budget limitations, they all constituted a path departure from the weak original model that embodied the “selective universalism” principle. As Table 2 indicates, despite this institutional diffusion of regional MISs, in several regions inertia prevailed, as they did not introduce similar schemes and limited their anti-poverty strategy to (weak) top-up national funding for social policies targeting municipalities.

This season of regional innovations (Lumino and Morlicchio, 2013), however, was short-lived and was followed by a phase in which regionally based MISs were drastically limited. From 2009 onwards, sub-national governments did not introduce any new initiatives. Moreover, some of the
regions that had introduced pilot MISs in the mid-2000s rapidly discontinued them: Campania, Friuli Venezia Giulia, Lazio and Sardinia experienced a neat “policy reversal”. Overall, as Table 2 clearly stresses at the regional level, similar to events at the national level, the presence of a center-left government coalition is a necessary condition for have a path departure from the traditional Italian model of weak state intervention in the anti-poverty filed. Despite this, the presence of a leftist government is not a sufficient condition for the introduction of a regional MIS. Interestingly, in all the regions where a center-right coalition succeeded, replacing a center-left coalition, these measures were rapidly discontinued. Conversely, where we observe a continuity of center-left government, such measures were maintained, if not reinforced. Particularly telling in this perspective are the cases of Basilicata, Friuli Venezia Giulia and Lazio. In Basilicata, a small southern region characterized by unusual political stability, the center-left regional governments strengthened their efforts towards minimum income protection. Conversely, in Friuli Venezia Giulia during the 2008 electoral campaign, right-wing parties, and in particular the Northern League, strongly criticized the newly introduced regional MIS, citing the risk of welfare dependency and contending that it would ultimately benefit of “non-deserving” immigrants. Accordingly, the removal of the so-called Basic Citizenship Income (BCI) was one of the first acts of the new Tondo administration in early 2009, a few months after the new regional government entered office. Further, the resources already allocated for the BCI were drastically reduced and transferred to municipalities, and closer cooperation was established in this policy field between the Region and Caritas (Zenarolla, 2012). Despite strong functional pressures—in terms of an absolute increase in poverty—MISs were rapidly eliminated by newly elected center-right regional governments in central (Lazio) and southern (Campania and Sardinia) regions, where the NL was not a member of the center-right coalition. In those cases, the key opponents of MIS policy were the People of Freedom Party (Popolo delle Libertà) and especially representatives of the former Forza Italia party, which opposed regional MIS policies, portraying them as costly measures that prevented able beneficiaries from actively seeking work. In Lazio, the center-right coalition strongly opposed the introduction of a regional MIS, instead proposing a passive measure exclusively focused on addressing the most extreme situations of poverty in large households (Interview 6). Once elected, the new Polverini (center-right) government rapidly discontinued the scheme, claiming that minimum income should not be an entitlement associated with citizenship, and no new anti-poverty initiatives were adopted.

Tab. 2: Regional government composition and the evolution of regional MIS policy in Italy

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<td>Basilicata</td>
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<td>Continuity</td>
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<tr>
<td>Puglia*</td>
<td>Path departure (2006)</td>
<td>Center Left</td>
<td>Continuity</td>
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<tr>
<td>Autonomous Province of</td>
<td>Path departure</td>
<td>Center Left</td>
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* In 2009, the Regional government introduced the Program to combat poverty and social exclusion (COPES) that, albeit in continuity with the previous program, intervened in the structure of governance with the aim of improving its activation component.

* The case of Puglia represents a contrast, as the law introducing a MIS had not been effectively implemented throughout the region but only in a few municipalities.
In conclusion, the evolution of regional MIS policy confirms the thesis of Italian exceptionalism, as the introduction of those policy measures in certain regions did not produce spill-over effects and/or policy diffusion, as was the case in other European countries, such as Austria and, more recently, Spain (Arriba and Moreno, 2005). By contrast, in Italy, the future of regional MIS policies appears severely constrained by the dynamics of political competition, in which a center-right governing coalition is a sufficient condition for preventing not only the introduction but also, and perhaps more surprising from an international perspective, the preservation/continuity of public regional MIS policies.

6. Partisan politics and beyond: interpreting the puzzling developments of Italian MISs

The analysis presented above reflected the incoherent policy trajectory observed in the Italian anti-poverty field at the national and regional levels since the late 1990s. An attempt to depart from the traditional path in the struggle against poverty was quickly interrupted by the return to prominence of the familialistic and fragmented model. Building on the theoretical framework presented in Section 2, we contend that political factors were decisive in orienting the policy trajectory at the national and regional level. In line with predictions in the literature concerning the pro-welfare attitude of leftist parties, left-wing governments were key in promoting expansionary measures regarding the last-resort safety net. At the national level, in the critical juncture represented by the introduction of the MIS, path departure from the traditional model to combat poverty was made possible by the presence of a center-left government, coupled with EU influence. Specifically, the first center-left government of the so-called “Second Republic” – in which the main player was the left-wing PDS party, a descendant of the Italian Communist Party – combined the retrenchment interventions required in
the final stage of the “run-up-to-the-EMU” with “recalibrating” expansionary measures directed at outsiders. In particular, the introduction of the experimental MIS, intended to fill a serious gap in an otherwise generous welfare state, was the consequence of a policy-learning process by national experts and bureaucrats who had been “socialized” within supranational “epistemic communities” (Jessoula & Alti, 2010). The policy solutions proposed by the Onofri commission were strongly influenced by inputs from the European arena, which channeled innovative ideas into the national debate, thus reorienting the attention of domestic actors towards the so-called ‘new social risks’ and anti-poverty strategies. This matched the modernizing ambitions of the Prodi cabinet, which sought to bring Italy closer to Europe and its social model.

At the regional level, following the termination of the national pilot scheme, regional MIS policies have proven well suited to regional political entrepreneurs “hungry for votes and recognition”, particularly for those who sought to characterize their political action as modernizing and directed at achieving European economic and social standards. However, to understand path departure at the subnational level, we need to include variables related to political partisanship. As outlined above, including at the regional level, the presence of a center-left cabinet is a necessary (yet, not sufficient) condition for path departure concerning minimum income protection in the form of a MIS.

Furthermore, what can help to explain future developments? Specifically, why – in contrast to the experiences of Italy’s EU peers where the advent of center-right coalitions did not jeopardize the existence of such schemes, either in early-bird countries – i.e., the UK, Germany and Austria – (cf. Bahle et al., 2011) and in late-comer countries – i.e., Portugal and Poland (cf. Jessoula et al., 2014) – have center-right coalitions been so detrimental to the future of MIS policy at both the national and regional level?

Building on empirical research, we argue that the color of the government was not the only important factor. Rather, the dynamics of political competition between left and right and within the right camp played a decisive role. Specifically, the reinterpretation and activation of two additional cleavages – State/Church and Center-Periphery – in the competition between the center-right and center-left blocks prevented the modernization of the system (despite strong functional pressures), leading to reform reversals and the resilience – or, more accurately, the political exploitation by center-right parties - of the traditional model based on family and kin networks.

At the national level, the main decisions regarding MIS policy were deeply influenced by the Ministry of Welfare under the Northern League in the period 2001-2006 and by Berlusconi’s Forza Italia in the period 2008-2011. In the first phase, the reactivation of the Centre vs. Periphery cleavage by the LN – which had become pivotal for the construction of governing majorities since 1996 - acted against the application of the pilot Mii of 1998 to the entire country. For the LN, territorial rescaling was the main political issue employed to achieve consensus and attract votes in the (wealthy) northern regions. Increasing the autonomy of sub-national governments vis-à-vis the central government was thus intended as a strategy to reduce territorial redistribution from northern regions to the central and southern parts of the country. Under these conditions, a national Mii that would have (primarily) redistributed resources to the poor southern regions was opposed by the LN Welfare Ministry,10 which eventually opted for the elimination of the experimental scheme in 2004. By contrast, in 2008-2011, the reactivation of the traditional State-Church cleavage was primarily responsible for preventing the establishment of a public anti-poverty scheme. The Ministry of Welfare under Forza Italia overtly embraced the principle of

10 Confidential conversation with a Ministry of Welfare officer.
horizontal subsidiarity, emphasizing the role of family networks and civil society organizations as both welfare providers and the most effective tools to satisfy societal demands in the field of poverty and social exclusion. This was neatly expressed by Minister Sacconi’s opening speech of the European Year Against Poverty:

“Donation is the measure of our national identity. (...) The Italian government in the context of the European year against poverty presents a National Campaign for donation, as an instrument against solitude and poverty. This is why we identify in subsidiarity, in its vertical and horizontal dimensions, the method to be followed. (...) Just with subsidiarity is in fact possible identify with reasonable precision situations of real absolute need, providing tailored solutions. The effective action of local services on the one side, and the hard-working nature of private charity, on the other, represent the fundamental safety net we want to refer to.”  

At the regional level as well, center-right governing coalitions constituted - in all regional cases - a veto player able to prevent the development of regional MIS policies, never promoting their introduction and, more puzzling in comparative terms, rapidly discontinuing them where they were already in place. Because an in-depth analysis of all regional cases is beyond the scope of the present paper, a closer examination of the case of Friuli Venezia Giulia is particularly telling. The Church – State cleavage was activated in the regional political arena by Forza Italia, which opposed the introduction of entitlements linked to citizenship and preferred to re-direct the (limited) resources towards religiously based voluntary associations. As declared by the newly appointed Councilor for Health and Social Policy in Friuli Venezia Giulia: “Public institutions cannot substitute for charities and vice versa. For this reason, we plan to replace the Basic Income with other types of intervention” 12. Further, and in contrast with predictions 13, the regionalist party, Lega Nord, which might have regarded activism in the social policy realm as useful for competitive region building purposes, was anything but favorable to regional MIS policy. Rather than activating the Center-Periphery cleavage in a region-building vein, in Friuli Venezia Giulia, this party acted as a radical/populist right party, criticizing those measures as favoring non-deserving migrants 14. In particular, the Lega Nord openly criticized and successfully prevented any attempt at improving the last-resort safety net. As suggested in the theoretical section, electoral competition within the right camp appears particularly relevant to understanding this puzzling policy choice. The removal of the regional MIS was considered particularly rewarding in the electoral arena for the Lega Nord because it allowed the party to politicize its opposition to migration and, consequently, to emphasize the distinctiveness of its policy proposals as specifically designed to protect nationals against migrants, in contrast to the other center-right parties (Interview 7).

7. Conclusions
In recent decades, minimum income protection for working-age individuals has gained greater salience within the welfare state architecture of many European countries. Since the 1990s, MIP has begun to represent a key response for individuals facing general life-course and labor market risks

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11 Minister of Welfare’s Inaugural address “European Year Against Poverty”, 15 February 2010.
13 However, a different policy evolution, and one more in line with that predicted in the literature, is observable in the Special Status Regions of the North, where regionalist parties, yet not the Lega Nord, favoured the introduction and preservation of regional-based safety nets.
14 Position reconstructed through a local newspaper article, Il Messaggero Veneto (25 June 2008).
not fully covered by core social insurance schemes, a situation further exacerbated by the economic uncertainty triggered by the 2008 crisis.

Regarding the minimum income protection policy, the article allows us to draw two main conclusions. The first is substantive and concerns the development of Italian anti-poverty policy, whereas the second regards the theoretical implications of the research.

As illustrated above, Italy employed a relatively weak MIP model compared to those of most European countries. Despite some attempts, the country continues to lag behind and is one of the two European countries lacking a universal but selective MIS policy. The article demonstrates that this is the result of a somewhat incoherent policy trajectory experienced at both the national and regional levels. In an attempt to abandon the traditional model to combat poverty based both on (intra-)family solidarity and the usage of extremely fragmented contributory programs, a national MIS pilot project was launched in 1998, which was, however, discontinued in the early 2000s. At the regional level, several regional MIS programs were introduced in a number of regions, but due to the failure to grant the required funding required for nationwide implementation, these regional safety nets were ultimately short-term experiences followed by a return to the weak traditional model.

The national last-resort safety net has then remained fairly weak relative to the MIP systems established in most European countries – in northern, continental and, more recently, southern and eastern Europe. Poverty alleviation in Italy can still be portrayed as a puzzle comprising several, highly fragmented and territorially differentiated schemes - due to the existence of a plethora of poorly coordinated and partly overlapping measures – as well as coverage gaps. In this context, the advent of the economic crisis worsened the pre-existing mismatch between needs and policies, with poverty and deprivation figures on the rise.

Turning to the second point, from a theoretical political science perspective, this article provides support for contributions stressing the importance of the “politics matter” hypothesis regarding welfare reforms. Specifically, it suggests that, despite the narrow scope of anti-poverty programs and the limited number of beneficiaries involved, the politics of MIS may actually be highly contentious, prompting competitive strategies, both across and within the main political camps (center-right and center-left), as well as along diverse dimensions. In the Italian case, the institutionalization of MIS policy proved a highly contentious issue. This holds at both the national and regional level with - to some extent on the basis of ideological/normative grounds - center-left parties being generally more favorable to strengthening MIS policy and the center-right coalition drafting alternative views on the role and nature of minimum income protection in society.

At both the national and subnational level, the presence of center-left coalitions represented a necessary yet not sufficient condition for the introduction/continuation of MIS programs, as these parties played the (pro-)welfare card. However, more puzzling in comparative terms, the institutionalization of minimum income rights was particularly opposed by right-wing coalitions, which re-interpreted two traditional Rokkanian cleavages – State/Church and Center/Periphery – by emphasizing horizontal (church and family) and vertical (periphery–regions) subsidiarity. Social assistance and, especially, MIS became one of the main loci of this contest. At the national level, center-right governments exploited the two cleavages by promoting both vertical (in 2001–2006) and horizontal (in 2008–2011) subsidiarity to maintain the traditional model for addressing poverty vis-à-vis the institutionalization of a national MIS, which was eventually eliminated. At the regional level as well, center-right governments clearly opposed the institutionalization of MIS, with Forza Italia playing the (pro-)horizontal subsidiarity card in a public vs. community welfare vein and the Lega Nord exploiting welfare chauvinist arguments.
To conclude, if center-left parties may generally be more prone to strengthening MIS, the role played by right-wing parties - acknowledging the salience of the multiple ‘Rights’ in this specific policy field - is more unpredictable and thus needs to be explored in the light of contingent and context-specific dynamics of political competition. Regarding the Right and the last-resort safety net, there appears to be room for “fresh” research.
References

Ferrera, M. (1996), xxxxx


