The human cost of Italian austerity

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The run-up to next month's Italian general election is dominated by discussion of the implementation of further austerity measures. The unelected government of Mario Monti, put in place under pressure from the financial markets in November 2011, systematically worked to dismantle all the post-war gains of the working class and ensure that working people bear the costs of the banking crisis.

Within weeks of its appointment, the Monti government presented a €30 billion cuts package, slashing welfare provision and raising the pension age from 58 to 66 by 2018 and the number of years a worker has to pay into the pension system to qualify from 35 to 42. Compensation for price inflation is being scrapped for most pensions. Value-added tax, which hits the low-paid hardest, was increased by 2 percent, and tax hikes drove a sharp rise in fuel costs.

Over the next year, a tax covering first properties was reintroduced, which has pushed families' property costs to more than 30 percent of their total expenditure. Article 18 of the 1970 labour legislation, a gain of militant struggles in the 1960s, was amended to enable businesses to sack workers without just cause.

Monti introduced a further austerity package last summer, cutting €4.5 billion from the state budget before the end of the year and €21.5 billion more over the next two years. Monti's December budget will reduce payroll taxes paid by employers and cut health care budgets.

All parties in the election have agreed to impose further austerity measures.

Average family living costs have already increased by almost €2,500 per year. A social catastrophe faces millions, under conditions of a continuing economic contraction that leaves industrial output roughly 25 percent lower than five years ago.

November's unemployment figures show 11.1 percent of the population officially jobless. Only 57 percent of the population is employed. Counting those who have left the labour force, unemployment rises from 3 to 5 million. Fully 37.1 percent of 15-24-year-olds are without work. Of these, only 10.6 percent are seeking work, pointing to an even deeper crisis. Last February, Monti told young workers that they "must get used to the idea that they can't have a steady job for life any more."

"Besides, how monotonous that is. It's nice to change and take on challenges," he added contemptuously.

There is a regional character to the crisis. Last summer, Istat reported that in the south of the country, only 44 percent of the population between 15 and 64 years and 14 percent of young people between 15 and 24 years had paying jobs. Sicily recorded a general unemployment rate of 25 percent in September, with an official youth unemployment figure of 50 percent.

In the summer, it was reported that 10 cities faced bankruptcy. The slashing of regional funding that accompanied the dissolution of 64 of the 107 provinces in the second austerity programme has worsened this crisis. Many of the cities under threat are in the south. The whole of Sicily confronts bankruptcy.

In 2009, Italy allocated just 4.9 percent of GDP to education, according to the Organisation for Economic Cooperation and Development (OECD). Of the 31 countries the OECD examined, only the Czech Republic, Hungary and Slovakia spent less. The latest proposals will, according to the CGIL union, cut a further €182 million from schools' budgets. There has been a wave of student occupations protesting the state of the schools.

Similar protests have erupted over plans to axe 1,000 beds from Rome's hospitals. Austerity measures have cut nearly €1 billion from the city's health care system. The local government has said that its public health care sector is currently suffering from a €9.75 billion deficit. That is likely to reach €15 billion by the end of this year.

Eurostat figures published a year ago indicated that average wages were already among the lowest in the European Union (EU). The report, based on 2009 data, showed an average annual wage of €23,406, barely half that of Luxembourg (€48,914) and the Netherlands (€44,412). In 2009, when the impact of the financial crisis was being felt, the average wage in Italy was below that of crisis-ridden Greece (€29,160) and Spain (€26,316), and was rising more slowly than in most other countries.

There have been renewed calls for a sharper contraction of wages. Last week, Bank of America chief economist Mickey Levy warned, "Eventually, workers in Italy…must realise that past high returns to labour are unsustainable and must decline."

An EU report on unemployment and social development this month noted an "elevated risk" that many Italians may fall into an "enormous poverty trap" as the economic crisis worsens.

Commentators are already noting a rise in child poverty. According to the L'Albero della Vita Foundation, 653,000 Italian children are living in a state of absolute poverty, a condition depriving them of every good and service necessary for a minimum acceptable standard of living. The majority are in the south.

Following the outlawing of the government's "push back" policy of intercepting migrants and handing them to Libyan authorities, migrants who qualify for refugee status have been forced into abject conditions. Council of Europe investigators reported on an abandoned building outside Rome containing 800 East African refugees. There is one bathroom for every 100 residents, and doctors report flooding, widespread infectious illness, and only intermittent electricity, from an illegal hook-up.

Refugees are haphazardly assigned residency permits across Rome, preventing them from gaining access to local schools or medical care. Bihirddim Abdellah, a 29-year-old Sudanese refugee who has been living in the block for five years, told the press, "We have no rights, and apart from occasional manual labour there is no work".

Sinti and Roma communities continue to be forcibly evicted from their dwellings and made to live in segregated camps. One camp outside Rome holds 1,100 gypsies inside a metal fence with surveillance cameras. The city authorities describe it as an "equipped village".

Last year, Istat and the Ministry of Welfare conducted the first study of homeless people using soup kitchens and night shelters in the major municipalities. Nearly two thirds of the 50,000 living on the street (62 percent) became homeless after losing their job. This mainly followed layoffs or the closure of the company employing them (22.3 percent) or the failure of their own business (14.3 percent). Only 6.7 percent of the homeless had never worked. More than half of the homeless were migrant workers, predominantly Romanian, Moroccan and Tunisian.

Suicides have been rising steadily since 2008. According to the EURES social research institute, there were on average at least two financially related suicides per day in 2010, when 362 unemployed people and 336 entrepreneurs killed themselves.

Last April, dozens of wives and family members of economic suicides—the "white widows"—marched in protest in Bologna. The march was led by Tiziana Marrone, whose unemployed craftsman husband Giuseppe Campaniello set fire to himself outside the city's tax office. He left a note reading, "Dear love, I am here crying. This morning I left a bit early, I wanted to wake you, say goodbye, but you were sleeping so well I was afraid to wake you. Today is an ugly day. I ask forgiveness from everyone."

The Bologna widows were protesting the lack of support for families in despair at unemployment, bankruptcy and loan defaults. Pressure is increasing with rising prices, tax fines, and accumulated interest on unpaid taxes, as well as foreclosures, evictions and layoffs.

Suicides have been marked in the industrial north and throughout the construction industry. In the weeks before the march, suicides were reported in Florence, Naples, Rome, Catania and Sardinia.