

# Fiction and reality: The Italian Five-Star Movement's citizen income scheme

**Marianne Arens****22 March 2019**

On March 6, the application process for the so-called “reddito di cittadinanza” (citizen income) opened to Italian citizens. This scheme is a vanity project of the co-governing Five-Star Movement as they seek favour ahead of the European elections. It will not, however, change the stark social inequality in the country.

According to the statistical institute Istat, more than five million people are considered to be living in “absolute poverty” in Italy. This means they are unable to meet their basic daily needs for food, housing, clothing, medical care and social inclusion. The number has almost tripled from 1.8 million in 2007 to over five million today. The younger generations and southern Italians are worst affected—one in ten among them in absolute poverty.

This rampant impoverishment is the result of systematic wealth redistribution in recent decades. This fact is reflected in Italy’s changing tax rates. In 1974, there were 32 tax brackets in which inhabitants had to pay a rate, depending on their income, between 10 and 72 percent. Today there are only six brackets. The lowest income earners pay no less than 23 percent, while the highest tax rate does not exceed 43 percent. This tax rate also applies to billionaires like Berlusconi, Ferrero or Giorgio Armani.

Workers’ households are particularly affected by the economic decline. According to the Istat report, absolute poverty in households “where the caregiver is a worker” has risen to a dramatic 11.8 percent.

So it is not surprising that in the first week following March 6, more than 350,000 Italians sent in online or postal applications for the citizen income scheme. In theory, the scheme entitles citizens to 780 euros per month, with a 1,300 euro limit for families. In practice, however, the assistance is subject to numerous terms and conditions.

Originally, Beppe Grillo had promised every Italian an “unconditional basic income” as a fixed monthly sum. Yet now, the Italian government has reduced the “reddito di cittadinanza” to a weak imitation of Germany’s Hartz IV labour reforms, with additional high hurdles.

In order to be eligible, citizens must prove that they have less than 9,360 euros available and no more than 6,000 euros in a savings account (the numbers are slightly higher for families). The number of recipients may be reduced after March 28, as only then will the final wording of the law be decided. By the end of March, Parliament has to pass the previous decree into law, and until then new restrictions are always possible.

It was recently revealed that recipients of the citizen’s money scheme must be prepared to commute up to 100 kilometers for the first available job. For the second, they have to travel up to 250 kilometers, and, if after two rejections, they get a third offer, they must accept it, no matter where in Italy it is.

The right to the citizen income scheme expires after 18 months. Recipients will be given a yellow plastic card, with which they can only buy from grocery stores, supermarkets or pharmacies. This is officially justified as an insurance measure to prevent gambling and squandering. There is a cap of 100 euros on every transaction.

Punishment for violations range to up to several years in prison. The new citizens’ income thus equals a hastily introduced state employment scheme. Lately, public debate has raged around how applications are scrutinized and the ways in which recipients are tightly controlled to prevent misuse.

To this end, the government wants to recruit 3,000 students and unemployed academics to become so-called “navigators” for the state’s employment offices.

These “navigators” are themselves precarious auxiliaries. As one state secretary described the positions: “You gain work experience and then you are available for the competition.” This temporary workforce is supposed to check applications as quickly as possible so that the first payouts can be made by the end of April.

The Five-Star Movement is desperately hoping to counter its rapidly declining poll numbers with this citizen income scheme. Yet, as the realities of its implementation materialise, the artificial euphoria is turning into disappointment and anger. Workers’ voices against the project are becoming ever clearer.

The online journal *francetvinfo* quotes unemployed Marco (34) from Rome saying: “The state gives us a bare minimum, but we had hoped to find work.”

On the internet, one M5S member disappointedly wrote: “The citizen income scheme is a flop (...) Thanks to the selection criteria, those in need of help will not only be humiliated by poverty, they will now be treated as potential fraudsters as well. You are told how, where and for what you can spend the money on (...) This income scheme treats you like a criminal.”

“Last year, I chose the five stars because I wanted something to change,” said a disappointed worker from the former Sardinian mining area of Sulcis to the daily *La Stampa*.

On the issue of the citizen income scheme, all of the opposition parties are against the Five-Star Movement. Yet, all these parties are arguing from the right, from the point of view of the Italian economy. From the PD (Democratic Party) and the trade unions to Berlusconi’s Forza Italia, they criticize the “reddito di cittadinanza” because it is harmful and impossible given empty state coffers and high public debt.

An example of this is the trade union representative Alfred Ebner (CGIL South Tyrol), who sees a “limit” in the scheme, since “only limited financial resources are available. When such resources have been exhausted, the scheme is either over or it will be scaled back.”

Even the Lega, the Five-Star Movement’s coalition partner, refuses to back it on the citizen income scheme. A few days ago, Interior Minister Matteo Salvini (Lega) asserted that the richer regions in the north—South Tyrol and the two Lega strongholds of Veneto and Lombardy—would have a substantial say in

the implementation of the scheme.

As the European elections near, the rifts in the coalition government widen. There are now new conflicts between the Lega and the M5S every other day. Yet this gives the Lega an advantage, as it continues to attract Berlusconi and neo-fascist voters with its right-wing and xenophobic program.

According to polls, the Lega may almost double its 2018 parliamentary election results, from 17.4 percent to 33.2 percent. The party is contemplating a swap of coalition partners after the European elections to bring an even more right-wing government into office.

The Five-Star Movement, which reached 32.7 percent in parliamentary elections a year ago, has now fallen to 22 percent in polls. Beppe Grillo’s party, with its shrill protest and promise of a citizen income scheme, was able to venture into the vacuum left by the Democrats and Rifondazione. They became the strongest single party by using anger and frustration against the existing political parties and the EU for their own purposes. But once in government, Five-Star turned out to be just a placeholder for the ultra-right Lega.



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