

# Rights are not an 'expense'

**Immigration, welfare and public finance**  
a report by Lunaria



### **Editor's Note**

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# Rights are not an 'expense' *Immigration, welfare and public finance*

## Summary Report

### Foreword

*Rights are not an 'expense'* is the third report conducted by Lunaria within a research/action-based project of the same name that seeks to study public expenditure linked to immigration in Italy. The first report, *An inhuman cost, Public spending to combat illegal immigration*, looked at national and EU funding used to implement rejection policies: surveillance and control of seaways and national borders, repatriations, administrative detention, deals struck with third countries to fight 'illegal' immigration.

*Segregation at a price. The cost of 'traveller camps' in Naples, Rome and Milan*, written jointly with Berenice, Compare and OsservAzione, drew up an estimate of the public funding involved in running Roma camps in three major Italian cities.

*Rights are not an 'expense'* explores the social cost of immigration in Italy and studies public investment to promote reception and social inclusion policies for migrants in Italy.

A summary of our latest report follows. The unabridged version of all three reports – in Italian – and their English summaries are available on Lunaria's website ([www.lunaria.org](http://www.lunaria.org)).

### Introduction

"Unemployment is killing us and you continue to focus on Roma and immigrants". These words appeared on a banner with which the Lower House Speaker was 'welcomed' to Lamezia Terme on 19 July 2013. She had been invited by the city's mayor to attend a ceremony during which 422 children and adolescents, born in Italy from immigrant parents, were awarded Italian citizenship. This extremely un-spontaneous protest is symptomatic of a wider phenomenon. Any number of slogans, banners, discussions and posts on social networks reveal an increasingly competitive relationship between Italian citizens and foreigners over jobs and access to welfare. The most obvious depiction of this sentiment is an election leaflet handed out in San Benedetto del Tronto in March 2011: a number of foreign citizens are depicted as they wait to be assigned council houses and to be granted access to social services, nurseries and schools. An Italian citizen stands the very back of the queue. Above this picture, the words "guess who always comes last."

Some might object that these are the views – vigorously expressed – of extreme minorities and that therefore they do not provide a good sample of public opinion as a whole. However, if we also take into account the results of international surveys on the way indigenous citizens of various countries 'perceive' the impact of immigration on public finances, as well as frequent references to fateful 'thresholds' beyond which we should 'automatically assume' a degree of intolerance towards foreign nationals, we begin to understand how big a part the social and economic unsustainability of immigration plays in the public debate. It is a topic that will surely continue to gain momentum in a society so heavily affected by the current financial crisis.

*Rights are not an expense* is the culmination of a series of studies that seek to challenge standard assumptions and widespread concern that views the presence of foreign citizens as an impossible strain on our economic and social system.

None of the reports produced along the way can claim to be absolutely neutral. We do not share the economic bent that frequently informs the choices of political actors and causes them to base their migration policies on a cold and often hasty calculation of the costs and advantages of the migratory phenomenon. It is important always to bear in mind that there are universal human and social rights that should be guaranteed for everyone and which include the right to migrate. Yet in order to win the struggle against xenophobia, discrimination and racism we must also seek to influence political debates by putting forward arguments that are strong enough to create change. The relationship between immigration, the economic system and welfare is often used to fuel intolerance and hostility towards those who were born abroad. We must then attempt to analyse it in the most systematic manner possible.

We have set out to answer three main questions: does immigration really represent a 'risk' for the sustainability of our economic and welfare system?

Is there some unequivocal empirical foundation for the discriminatory measures adopted at a local level in the last few years, which seek to limit foreign citizens' access to certain social services?

And, lastly: are the migration and immigration policies implemented to date the best and most 'sustainable' solution in terms of the stability of public funding?

Based on the data and information collected, we have answered all the above questions in the negative.

The characterisation of any complex phenomenon is, of course, subject to the point of view of those conducting the study, to the preferred area of enquiry and to the methodology through which it is observed. In order to answer the questions, *Rights are not an 'expense'* first provides an updated overview of the foreign population living in Italy (chapter 1), of its presence on the labour market, its fiscal impact and its contribution to the GDP (chapter 2). Chapter 3 offers an estimate of the social cost of the foreign population, while chapter 4 studies the public funds that are specifically given over to the reception and social inclusion of migrants.

The answer to the last question can be found in the conclusion, which compares the data recorded in *'Inhuman costs': public spending to 'fight illegal immigration'* with that gathered here, within the framework of overall public spending.

According to our estimates for 2011, the 'high alert' atmosphere created by xenophobic and nationalist movements, the concerns plaguing many of our local officials, the 'cautionary practice' involved in the drafting of migration policies refer to 2.12% of overall public spending, if we consider both the social expense (loosely) attributed to foreign citizens and the funding for rejection, reception and social inclusion policies. If we narrow the field of observation down to 'targeted' policies, funding for reception and social inclusion policies accounts for **0.017%** of overall public spending, as opposed to the **0.034%** that goes towards rejection policies.

This is indicative of a bias that Lunaria has been attempting to draw attention to for quite some time with its *Sbilanciamoci!* project: the State does not invest enough in a phenomenon that has become endemic, but it also invests badly. Ordinary funding for reception and social inclusion policies for immigrants average around **123.8 million euros** a year, approximately half of that which goes towards rejection policies – around **247 million euros** a year.

In order to move forward, we must reverse this correlation and change our approach. Rejections and repatriations are expensive, inhuman and ineffective. What is truly needed is investment in reception, social inclusion and the guarantee of citizenship rights. We hope that our research can provide an impetus in this direction, helping us see beyond our present situation.

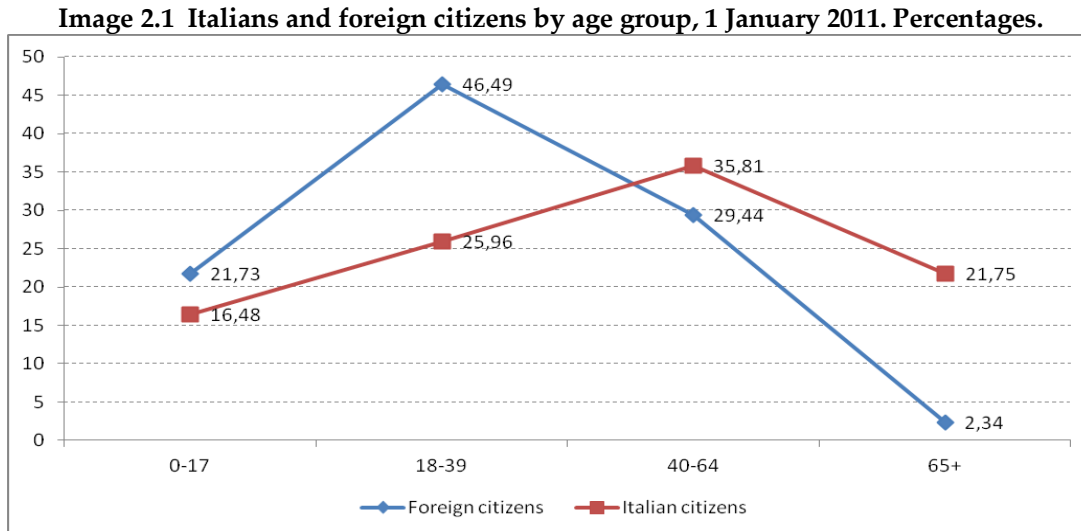
## 1. A look at the foreign community residing in Italy

Foreign communities have been constantly present in our country for many years. At the start of 2013, there were more than 4 million, 300 thousand foreign nationals residing in Italy, amounting to 7.4% of the total population residing on national territory. From a demographic point of view, the progressive increase of foreign nationals, mostly Europeans who settle in central and northern regions, has made up for the decrease in births and taken some pressure off the ageing indigenous population. Over 85% of foreign nationals residing in Italy in 2013 come from countries that lie outside the EU; more than 1 million, 700 thousand are in possession of a regular living permit, while more than 2 million are classified as permanent residents.

Further signs that the migratory phenomenon is stabilising are the increasing number of minors within the migrant population (23.2% in 2011, the last year for which data was available) and the increasing number of foreign nationals who acquire Italian citizenship. In the past eight years they have gone from 28,659,000 in 2005 to 65,383,000 in 2012. This mostly occurs through residency or marriage. However, there are a growing number of minors who acquire Italian citizenship through their parents or who, born in our country to foreign nationals, apply for citizenship when they turn 18.

## 2. The foreign population's contribution to the Italian economic system.

On average, the foreign population is younger than the Italian one, with the highest concentration in the age bracket (15-64 years) that actively contributes to the labour market.



Migrants were affected by the economic crisis of 2008: the employment rate has gone down in the past few years, reaching 60.6% in 2012, and the unemployment rate has grown steadily, going up to 14.4% in 2012. Nevertheless, the number of employed foreigners has also continued to increase, reaching 2 million 334 thousand in 2012.

This foreign presence on the Italian job market provides an important contribution in terms of direct support for the productive fabric as an employed workforce, of resources transferred to the Italian state through fiscal imposition, and of the production of added value. In spite of this, public debate

still has a tendency to play down the influential role that migrants play in economic development, and there are still many problems related to the introduction of migrants to the labour market and the quality of their job relations.

Foreign citizens mostly choose unskilled jobs requiring a low level of specialisation, with salaries that do not match those of their Italian counterparts, particularly amongst women. The economic crisis has served to accentuate these imbalances. If we look at the data in chronological order we notice a growing disparity in remuneration between Italian and foreign workers and growing levels of 'overeducation' and 'underemployment' among the latter.

In the last few years, despite the effects of the crisis, the number of taxpayers born abroad has increased progressively, as have total stated income and overall tax payments. The number of citizens born outside Italy who declare their income to the Italian state has gone from 2.4 million in 2005 to more than 3.4 million in 2011. At the same time, total stated income has gone from 30.4 million in 2005 to 43.66 million in 2011.

**Table 1 Distribution of the overall income of taxpayers born overseas by threshold. 2005, 2009, 2011. Total and average expressed in thousand of euros.**

Brackets of overall income (euros)	2005		2009		2011	
	Total stated income	Per capita average	Total stated income	Per capita average	Total stated income	Per capita average
up to 0	-148.952	-7,81	-238.046	-10,12	-250.755	-11,42
from 0 to 10.000	5.192.965	4,32	6.531.890	4,07	6.735.954	4,04
from 10.000 to 15.000	6.071.938	12,62	6.710.919	12,53	6.848.867	12,47
from 15.000 to 25.000	10.212.397	18,55	14.730.637	18,77	16.241.069	19
from 25.000 to 50.000	4.805.829	32,3	6.712.221	32,19	7.509.802	32,1
from 50.000 to 70.000	1.148.280	58,45	1.493.148	58,48	1.667.786	58,46
from 70.000 to 120.000	1.248.279	88,16	1.651.403	88,23	1.860.710	88,22
above 120.000	1.916.723	262,64	2.582.524	272,56	2.987.428	281,65
<b>TOTAL</b>	<b>30,447,458</b>	<b>12,47</b>	<b>40,174,697</b>	<b>12,51</b>	<b>43,600,861</b>	<b>12,88</b>

*Source: Ministry of the Economy and Finance, Department of Finance*

Overall tax payments made by people of foreign birth – 4 billion, 583 million euros in 2005 – went up to 6 billion, 583 million euros in 2011, when it represented 4.1% of Italy's total tax return.

If we add to the equation the amount contributed by workers and employers for insured foreigners to the Italian Department of Social Security, the total goes up to 25 million; although we have to deduct payments made by people born abroad who have obtained Italian citizenship, we also need to add to it all the various tax burdens (on purchases, residence permits, businesses etc) that are experienced by those who reside in Italy.

To conclude, according to Unioncamere's calculations, the contribution of foreign workers to the production of added value amounted to **12.5% (178.5 billion euros)** in 2011.

### 3. Immigrants and welfare: an estimate of expenses attributable to the foreign population

The effect of immigration on the regular functioning of the welfare systems of host countries has long been a matter of public debate. The economic/financial crisis that began in 2008 caused an even greater split in opinion in a discussion that, in Italy, is frequently conducted, particularly in political and institutional spheres, in a confrontational manner, which relies on a series of baseless assumptions. There are at least two negative and counterproductive effects of a distorted representation of the relationship between immigration and welfare. Firstly, there are now many institutional initiatives, particularly at a local level, geared at preventing foreign citizens from accessing social services.<sup>1</sup> Secondly, there is a growing tendency among the general public to view foreign nationals as ‘the competition’ against whom it is necessary to ‘defend oneself’ with respect to social citizenship rights. In this perspective, education, health, pensions and social welfare must ‘first’ be guaranteed to indigenous citizens.

The public’s view of foreign nationals is strongly influenced by their perceived economic impact. It is a widely credited view that the presence of people who originate from countries with high rates of migration has negative consequences on the government budget. As shown in the latest OECD (Organisation for Economic Co-operation and Development) report on migration<sup>2</sup>, based on a number of recent polls, around 50% of the citizens of Canada and Europe believe that migrants gain more from welfare goods and services than they contribute in taxes. Similar results were shown, to an even higher degree, in the United States.

The Eurobarometer report<sup>3</sup> published by the European Commission found that 52% of citizens of the EU27 does not agree with the statement “immigrants contribute more through taxes than they receive in goods and services”. This percentage goes down to 5% if it is specified that the assertion only refers to those in possession of a valid living permit. If we look at individual countries, in Malta 70% of those interviewed considered that ‘regular’ immigrants have a net negative cost for their country, in France 64%, in Belgium 63%. In Italy the number goes down to 40%, below the European average but way above Switzerland and Portugal where only 26% and 28% respectively consider that regular immigrants contribute less in taxes than they take in the form of goods and services. The Eurobarometer study highlights significant differences of opinion relating to this issue in various European countries that may not be connected to concrete factors like the quality and availability of welfare services.

There is much controversy surrounding the question of whether immigrants are net contributors or simply beneficiaries of public spending. An accurate analysis of the net contribution of migrants to public finances is therefore necessary in order to conduct a constructive debate and, as a result, produce immigration policies that mirror this less biased approach.

A broad overview of these reports can be found in the abovementioned OECD document and, for Italy and Europe, in Versari and Gabriele.<sup>4</sup>

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<sup>1</sup> Lunaria (ed.), *Chronicles of ordinary racism, second white paper on racism in Italy*, dell'Asino, 2011, pp. 29-34 e 82-91.

<sup>2</sup> OECD, *International Migration Outlook*, 2013

<sup>3</sup> Eurobarometer 71: *Future of Europe*, Brussels, European Commission, 2010

<sup>4</sup> Versari S., “Impatto fiscale degli immigrati: una rassegna internazionale”, in Livi Bacci M. (ed.), *L'incidenza economica dell'immigrazione* (‘the economic impact of immigration’), Giappichelli Editore, Torino, 2005; Gabriele S., “Dare e avere:

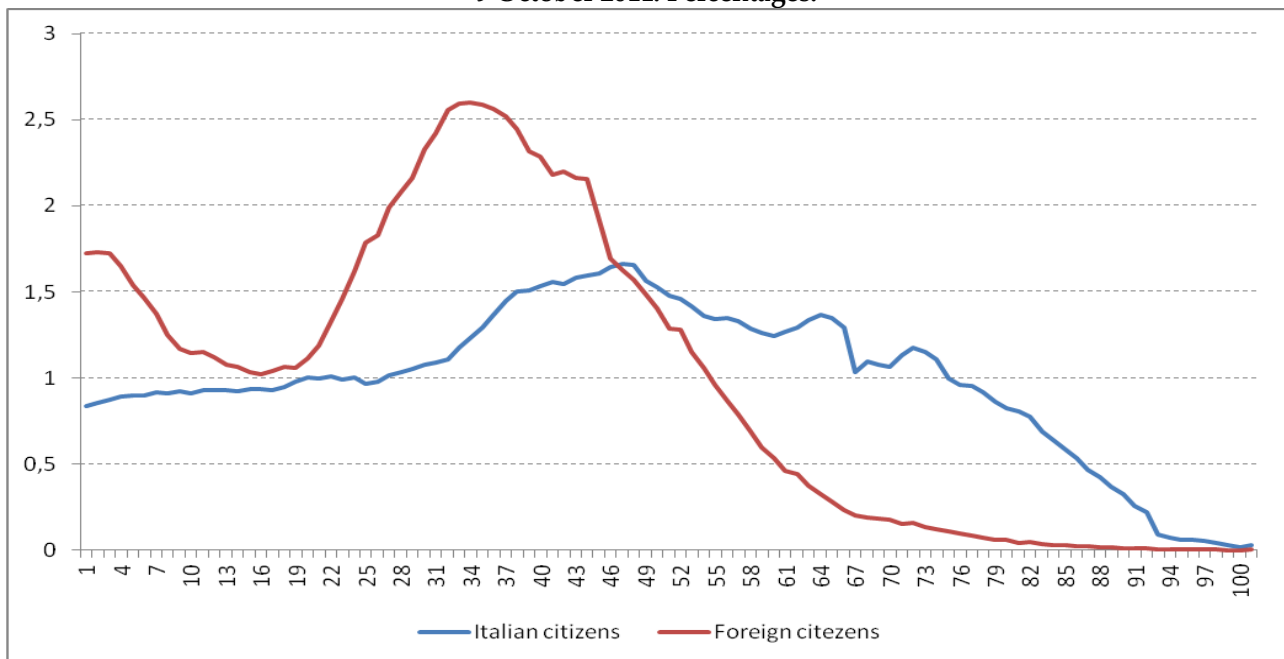
The study of the fiscal effects of immigration requires a comparison between public spending linked to the presence of migrants (including services and goods provided to them) and the taxes paid by them. It cannot, however, be calculated in a conclusive and irrefutable manner, as it requires a number of key assumptions about the type of funding (ingoing or outgoing) attributable to the foreign population and brings into play a number of variables (for instance, per capita spending on public goods) that can significantly influence the final result.

Furthermore, we must further define the reference group that is the subject of the data. It could refer to those who possess foreign citizenship or to those born overseas, and certain categories, such as children and migrants with no living permit, might or might not be excluded.

The estimates made to this day, therefore, present us with certain obstacles, mainly stemming from the lack of accurate information relating to the main factors. Most studies seek to point out the limited fiscal effect of the immigrant population, rarely exceeding 0.5% of DGP in positive or negative terms. In any case, if foreign citizens are often said to have a less favourable fiscal status than those who possess citizenship of the country they reside in, this is because they pay fewer taxes, due to their lower salaries, and not because they are receiving special treatment in terms of social services.

The demographic distribution of the foreign population is also key in this respect, as it tends to be younger than the indigenous one and thus, in its current state, to benefit less from pensions and healthcare. The different composition of the foreign population and the different stimuli for migration (work, family, humanitarian concerns) produce different outcomes in different countries, as do variations in welfare systems.

**Image 3.1 Resident population by age and citizenship, general population and household Census, 9 October 2011. Percentages.**



migrazioni, bilancio pubblico e sostenibilità” in Ronchetti L. (ed.), *I diritti di cittadinanza dei migranti. Il ruolo delle Regioni*, (‘migrants’ citizenship rights. Regions’) Giuffrè, Milan, 2012.



Image 3.1 illustrates the demographic trend of Italy's resident population, divided into indigenous and foreign citizens, by marking age along the x axis and the percentage that has reached that age at the time of the survey along the y axis.

The source is the general population and household Census conducted in 2011.<sup>5</sup> The segment of foreign population involved was limited to foreign and stateless citizens, with stable residency and in possession of a living permit allowing them to stay on Italian territory either temporarily or permanently.

A first glance reveals a noticeably higher presence of foreigners in the lower age brackets (below 46), whereas the Italian population tends to be more densely concentrated in the higher groups. The average age for Italian citizens is above 44, compared to foreign nationals' estimated 32 years.

This younger demographic structure entails, at least in the short term, more limited use of welfare services, given the higher concentration of foreign nationals in 'active' age brackets and the small number of foreigners with social security benefits<sup>6</sup>. Furthermore, their higher fertility rate and their employment trends – which tend to involve more vulnerable jobs with lower salaries – on the one hand seem to imply a higher demand for social services but on the other fail to meet the threshold necessary to access them.<sup>7</sup>

In the previous chapter we analysed the foreign population's contribution to the Italian economy, both in terms of productive stimuli to the labour market and in the form of taxation through the payment of Irpef (income tax). This chapter aims to provide an estimate of public spending on the foreign population in the spheres of education, health, pension, unemployment, jails and social security. In doing so, it will bear in mind the demographic differences between indigenous and foreign citizens, as well as their uneven use of certain services and subsidies.

### **Methodology and sources**

Most of the abundant research attempting to draw an estimate of public spending on foreign focuses on a single year, given the difficulties in calculating the effects of the non-Italian presence on social spending and the lack of data ordered chronologically. As for the sources, several studies<sup>8</sup> use internal data, that is to say financial balance reports provided by organisations that oversee tax returns and outlay. This data, however, is incomplete inasmuch as it does not exhaustively cover all the spending items and skips between years and study subjects.

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<sup>5</sup> Istat data, general population and household Census, 9 October 2011 – Resident population by sex, age group and nationality.

<sup>6</sup> Naletto, G., 'Immigration' in Pizzuti F.R. (ed.), *Rapporto sullo stato sociale 2008* ('2008 Report on the social state'), Utet, Turin, 2008.

<sup>7</sup> Inps - *IV Rapporto sui lavoratori di origine immigrata negli archivi Inps "La regolarità del lavoro come fattore di integrazione"*, ('IV report on foreign workers in Inps archives. Stable employment and integration') 2011, cit.

<sup>8</sup> Benvenuti V. e Stuppini A., "Immigrati, fiscalità e spesa pubblica: uno scambio alla pari?", 2013, cit.; Benvenuti V. e Stuppini A., "Il contributo finanziario degli immigrati. Un tentativo di bilancio" 2011, cit.; Stuppini A., "Il contributo finanziario degli immigrati", in Caritas e Migrantes, Dossier Statistico Immigrazione 2010, Idos ed., Rome, 2010; Benvenuti V. e Stuppini A., *L'impatto fiscale dell'immigrazione nel 2009*, in Caritas e Migrantes, Dossier Statistico Immigrazione, 21° Rapporto, Ed. Idos, Rocea, 2011; D'Elia F., Gabriele S. e Tozzi M., *Effetti dell'immigrazione sulla finanza pubblica e privata in Italia*, in Isae, trimonthly report, *Politiche pubbliche e redistribuzione*, October 2009; D'Elia F. e Gabriele S., *Immigrazione e bilancio pubblico in Italia, I diritti alla prova dell'immigrazione*, in *la Rivista delle Politiche Sociali*, n. 2, April-June 2010.

The latest available information often spans several years (not necessarily in sequence) and cover various sectors of the population: all residents without Italian citizenship, even those from highly developed countries; those who are born abroad, including Italian migrants who have returned to their homeland; only citizens from outside the UE15. This lack of consistency has led some studies<sup>9</sup> to use data from sample studies, allowing them to calculate public spending based on the individual characteristics of interviewees (nationality, age, health, income, employment) and on results from enquiries into possible money transfers received (Gabriele).<sup>10</sup>

In this study we have elected to use data from administrative sources. In order to strike an adequate balance in the analysis of budget items, we have considered, where possible, the latest available Istat database on public spending ordered by sector according to Cofog (*Classification Of Function Of Governmen*), international categorization adopted as a standard by the European System of Accounts Sec95. The classification is divided into three levels of analysis. The first comprises of six sections (General Services, Defence, Public Order, Economic Affairs, Environment, Social Security), which in turn are divided into subgroups and then into classes. The first six sections include spending on collective initiatives and services; the remainder deal with individual activities.

As a statistical source, we use the classification of spending by sector as used in accounts by the various bodies making up the public administration, as well as statistical analyses of spending flows.<sup>11</sup> The subgroups taken from this database for 2011 refer to spending on education, unemployment, social security and exclusion. A detailed description of the content of the classes can be found in the individual chapters.

Data relating to spending on healthcare comes instead from the Consolidated Budget for healthcare produced by Istat for 2011<sup>12</sup> and data on pensions is taken from Inps ('National Institute for Social Security').<sup>13</sup> The latter takes into account those pension agreements issued by Inps up to 1 January 2010 to all citizens born abroad that allow us to infer the number of people who cannot be traced back to countries with a large presence of Italian migrants.

It was further decided that we should include in our analysis the social funding that town councils provide for social services and initiatives, community and residential projects, as well as money transfers that benefit foreign nationals. These figures are taken from the Istat database, meaning that the last available year is 2010. The proportion invested in foreign nationals on the various spending levels is calculated by considering the numbers of foreigners among the beneficiaries of each sector.

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<sup>9</sup> For Italy, see Sartor N., "Immigrazione e finanza pubblica", in Livi Bacci M. (ed.), *L'incidenza economica dell'immigrazione*, Giappichelli Editore, Turin, 2005 which uses data from the Sample study on family income carried out by the Bank of Italy; Banca d'Italia, *Relazione annuale sul 2008*, Roma, 2009 based on data from the EU-SILC enquiry and a Study of family income by Banca d'Italia and Devillanova C., "Immigrazione e finanza pubblica", in Fondazione Ismu, *Sedicesimo rapporto sulle migrazioni 2010*, Franco Angeli, Milano 2011 which uses IT-Silc 2007 data.

<sup>10</sup> Gabriele S., "Dare e avere: migrazioni, bilancio pubblico e sostenibilità" ('Having and giving, public spending and sustainability'), 2012, cit.

<sup>11</sup> The Cofog classification of public spending is reproduced in the prospectus available at the following address: [www3.istat.it/strumenti/definizioni/cofog.pdf](http://www3.istat.it/strumenti/definizioni/cofog.pdf)

<sup>12</sup> Data on healthcare spending for 2012 was also available at the moment of writing, but data from 2011 was chosen in order to refer the estimate of overall spending to a single tax year.

<sup>13</sup> Inps - Istituto Nazionale della Previdenza Sociale, *IV Rapporto sui lavoratori di origine immigrata negli archivi Inps, "La regolarità del lavoro come fattore di integrazione"*, 2011, cit.

The 'standard cost' approach divides the total cost by the number of beneficiaries and then multiplies the resulting per capita average by the total population in question. Services that are dispensed in a linear fashion, regardless of increased demand, are best observed through the 'marginal spending' approach, which only takes into account added costs resulting from growing numbers of beneficiaries. This method, however, presents significant problems.

Clearly, then, based on the data currently available an exact calculation of public spending attributable to the presence of foreign nationals in Italy will remain out of reach. We can, however, (bearing in mind that there will always be a margin of error owing to inevitable approximations) produce a passable estimate.

Taking into account available studies of the reciprocal exchanges between immigrants and public finance (with the necessary approximations), we have therefore drawn provisional figures for public spending on instruction, healthcare, pensions, unemployment, jails and social security aimed at the foreign populations. This is then viewed in relation to total spending, keeping in mind the differences in demographic distribution and use of welfare services between foreigners and natives.

**Table 2 Total social spending and spending connected to the foreign population, in euros.**

Spending items	Year	Total spending	Spending linked to foreign beneficiaries	% of total spending	% of total foreigner spending
Primary and secondary education	2011	54.777.000.000	4.848.414.000	8,85	32,43
Healthcare	2011	112.039.000.000	5.160.873.475	4,61	34,52
Pensions	2010	258.447.000.000	1.350.820.000	0,52	9,04
Unemployment	2011	13.431.000.000	1.874.967.600	13,96	12,54
Social exclusion and security	2011	1.836.000.000	73.440.000	4	0,49
Jails	2011	4.034.000.000	1.457.887.600	36,14	9,75
Social spending by town councils for 'immigrants and traveller emergency'	2010	184.411.897	184.411.897	100	1,23
<b>Total spending linked to foreign beneficiaries</b>		<b>444.748.411.897</b>	<b>14.950.814.572</b>	<b>3,36</b>	<b>100</b>

Source: Lunaria ed.

The overall outlay intended for foreign nationals for the 2011 tax year alone is estimated at around **15 billion euros**.

Only a small fraction of this sum, namely 184 million euros, was invested in social services and projects specifically intended for foreign nationals.

#### 4. Public funds invested in the reception and social inclusion of foreign nationals

The fourth chapter of the report looks at the funding for public policy concerned with the reception and social inclusion of foreign nationals. These are defined on an institutional level as 'integration policies' or 'policies supporting immigration', namely all the public initiatives to aid in the reception of migrants, asylum seekers and refugees, and to promote their access to housing, education and economic and social welfare. In this category, alongside the 'concrete' reception and housing programmes, we find: legal and social support initiatives; the teaching of Italian; work orientation; training; projects geared at minors and young 'children of immigration'; systemic measures aimed at bolstering the public departments that operate in this sector; intercultural mediation and support for intercultural projects organised by the migrants themselves.

Before embarking on the study of budget policy over the last few years, it would be well to remember that all too often the success or failure of immigrants' integration into Italian society has been determined by identifying two main factors: legal residency (the possession of a living permit) and employment. Although these are undoubtedly two important conditions, they are not sufficient to pass this kind of judgement.

'Inclusion policies' should be flanked by any number of projects and public initiatives aimed at guaranteeing equal opportunities and treatment to foreign individuals and ensuring the full exercise of citizenship rights by acting on several fronts: access to the job market on an even standing (for instance, by facilitating access to professional training or vocational guidance), social integration (right to education, health, housing, welfare), civil participation and uninhibited cultural and religious expression (right to association and participation), political participation (right to active and passive vote, at least on a local level) and, lastly, facilitated access to formal citizenship. In other words, these policies should pave the way for an active and equal integration of foreign national into society. Thus, we would move beyond their perceived role as workers that can be hired and fired according to market demands and recognise them as people with the right to as dignified a life as any Italian citizen.

In this respect, Italy still constitutes a varied landscape, mainly determined by the political and cultural awareness of different regional and local administrations, Hardly surprising, if you consider that Italian legislation delegates authority in the field of reception and social inclusion for foreign nationals to local bodies, while at a national level the system set up to coordinate policy is still somewhat fragile.<sup>14</sup>

The recent economic crisis and policies to rein in public spending adopted as a result have imposed serious limits on institutional involvement, on both national and local levels, in the promotion and establishment of social inclusion programmes for foreign citizens. This climate of uncertainty in the political sphere seems to have also pushed any laws that might recognise the right to an active and passive vote to non-EU nationals and assist with applications for Italian citizenship even further into the distance. This despite the fact that civil society pressure groups have garnered wide popular consensus and many institutional figures have joined them in expressing the need for reforms.<sup>15</sup> In

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<sup>14</sup> D. LGS. 286/1998, *Testo unico delle disposizioni concernenti la disciplina dell'immigrazione e norme sulla condizione dello straniero*, 25 luglio 1998, (text of the measures concerning the handling of migration and the status of foreigners), Art. 40 e 42.

<sup>15</sup> We call attention to the most recent campaign, 'L'Italia sono anch'io' (I am Italy as well, [www.litaliasonoanchio.it](http://www.litaliasonoanchio.it)),

this context, many foreign citizens are now, thankfully, fully integrated into Italian society, and their success is in large part down to personal initiative and the development of a broad system of social relationships. Unfortunately, they still receive precious little support from political institutions.

#### 4.1 Funds administered by the General Directorate of Immigration and of the Ministry of Labour's integration policies

The General Directorate of Immigration and of the Ministry of Labour's migration policies is in charge of social and labour integration policies for immigrants and in control of public funds (both national and EU) for migration policy.

Between 2002 and 2010 the Directorate managed funds amounting to 187.1 million euros, 159.2 million of which came from the Italian state and 27.8 million from the EU. These were intended to support 358 projects, with an average annual expense of 20.7 million euros.

**Table 3 Recap of projects funded by the Ministry of Labour and Social Policy- General Directorate of Immigration and Integration Policies. 2002-2010**

<b>Type of funds</b>			
<b>Description</b>	<b>N. of projects</b>	<b>Total</b>	<b>%</b>
National	323	159.245.087,63	85,1
EU	35	27.857.995,24	14,9
<b>Total</b>	<b>358</b>	<b>187.103.082,87</b>	<b>100</b>

#### **Managing authorities**

<b>Description</b>	<b>N. of projects</b>	<b>Total</b>	<b>%</b>
Organizations registered 52 e ss. del D.P.R. n.394/1999 e all'art. 6 del D.L.vo n.215/2003	114	31.591.100,87	16,9
Public authorities	180	99.273.660,74	53,1
Private economic agents	54	35.960.833,57	19,2
In house societies	10	20.277.487,69	10,8
<b>Total</b>	<b>358</b>	<b>187.103.082,87</b>	<b>100</b>

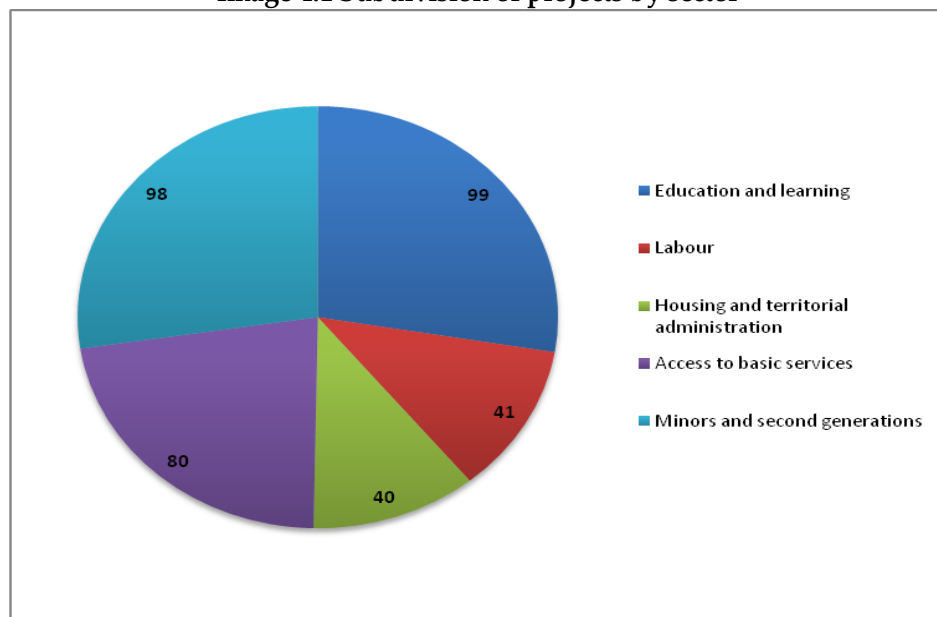
#### **Five sectors identified by the "Identità e incontro" project of June 2010**

<b>Description</b>	<b>N. of projects</b>	<b>Total</b>	<b>%</b>
Education and learning	99	20.240.132,18	10,8
Labour	41	31.360.173,63	16,8
Housing and territorial administration	40	31.721.801,51	17
Access to basic services	80	49.362.419,55	26,4
Minors and second generations	98	54.418.556,00	29,1
<b>Total</b>	<b>358</b>	<b>187.103.082,87</b>	<b>100</b>

*Fonte: Ministry of Labour and Social Policy – General Directorate of Immigration and Integration policies.*

supported by 19 civil society organisations, that collected proposals for popular initiative laws that would recognise the right to vote for non-EU citizens and reform law n.91/92 on citizenship. More than 200,000 signatures were handed in to the Lower Chamber on 6 March 2012. No Parliamentary discussion followed.

**Image 4.1 Subdivision of projects by sector**



The available funds were used to finance projects in five main sectors: education and learning, labour, housing and territorial administration, access to essential services, minors and 'second generations'. The data reveals how, in the 2002-2010 interval, projects directed at minors received the largest cut (29.1%), followed by those concerned with housing and territorial governance (17%).

#### 4.2 European Fund for the Integration of Third Country Nationals

Between 2007 and 2013 Italy received funding from the European Fund for the Integration of Third Country Nationals amounting to 219.5 million euros, 148.6 million (68%) of which from the EU and 70,2 million (32%) from the Italian state. This highlights a significant imbalance between EU and national investments.

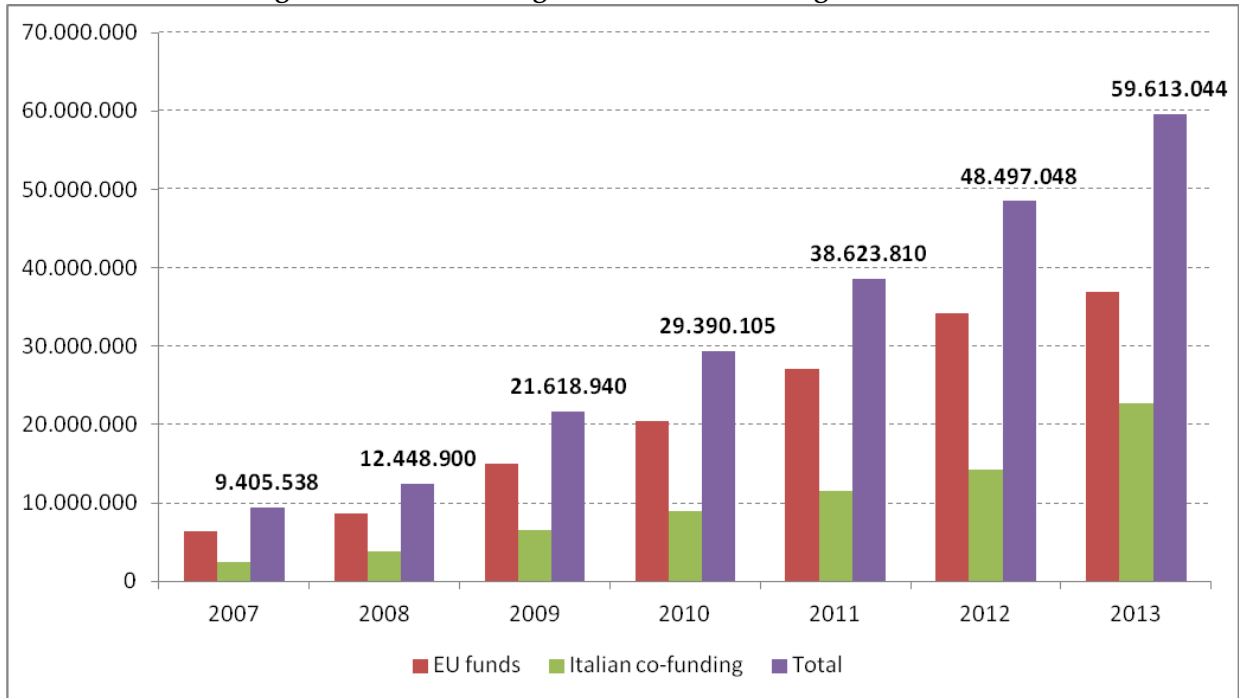
**Table 4 European Fund for the Integration of Third Country Nationals: EU funding and Italian co-funding. Budget outlined in the Annual Work Programmes. 2007-2013**

Year	EU funds	Italian co-funding	Private investment	Total	% Eu funds	% National co-funding
2007	6.315.000,00	2.451.666,66	638.871,52	9.405.538,00	67	26
2008	8.591.000,00	3.857.900,00	-	12.448.900,00	69	31
2009	15.062.036,85	6.556.903,52	-	21.618.940,00	70	30
2010	20.445.052,00	8.945.052,00	-	29.390.105,00	70	30
2011	27.136.905,22	11.486.905,22	-	38.623.810,00	70	30
2012	34.173.524,00	14.323.524,00	-	48.497.048,00	70	30
2013	36.956.522,00	22.656.522,00	-	59.613.044,00	62	38
<b>TOTAL</b>	<b>148,680,040.07</b>	<b>70,278,473.40</b>	<b>638,871.52</b>	<b>219,597,385.00</b>	<b>68</b>	<b>32</b>

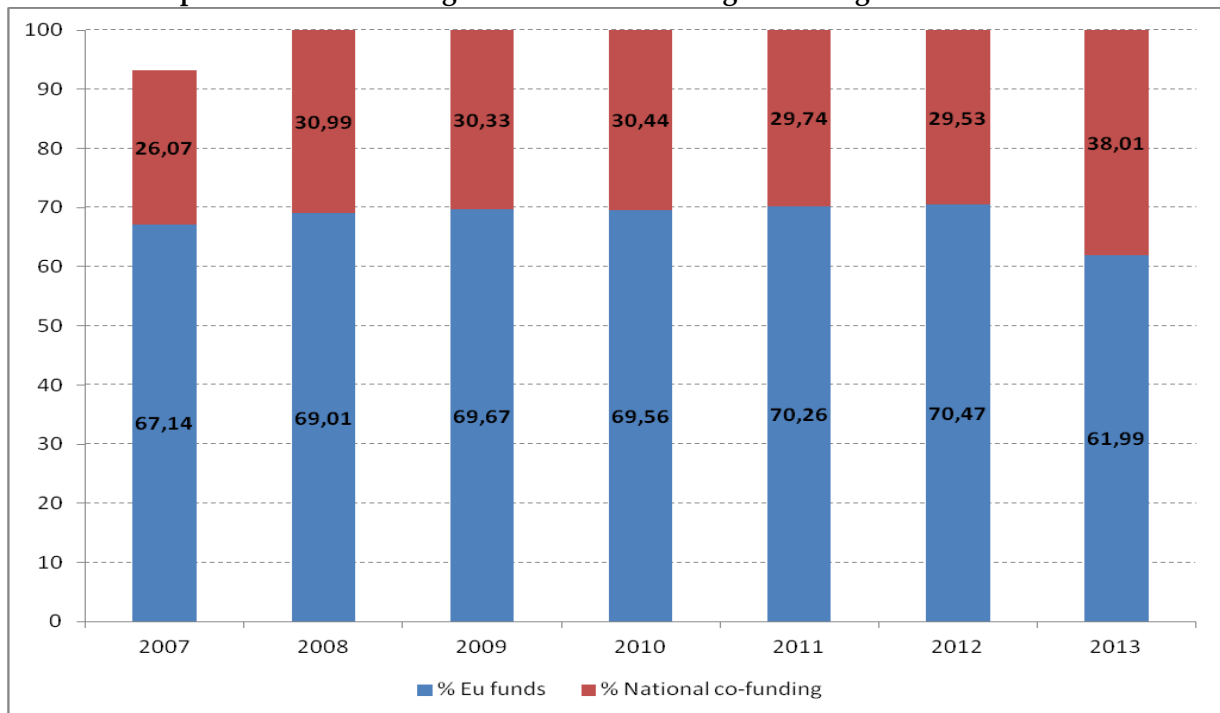
Source: Annual Work Programmes FEI 2007-available on the Interior Ministry website.

The funds made available increased steadily through the years: from 9.4 million in 2007 to 59.6 million in 2013.

**Image 4.2 EFI. EU funding and Italian co-funding. V.A. 2007-2013**



**Graph 4.3 EFI. EU funding and Italian co-funding. Percentage values. 2007-2013**



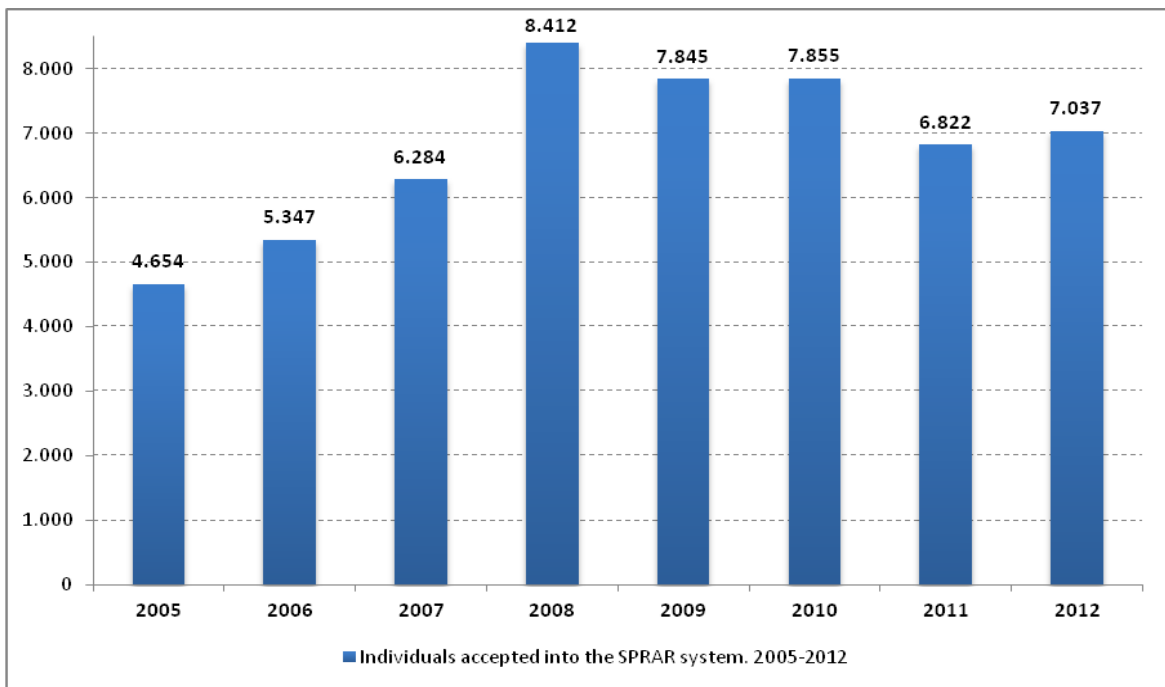
The office in charge of administering these funds, the Department of Civil Liberties and Immigration of the Interior Ministry, has determined several spheres of action that have been given priority: language teaching, civic education, professional training, youth projects and cultural mediation. Alongside these, there are also programmes to raise awareness, promote communication and initiate intercultural dialogue, attempts to monitor and evaluate policies and knowledge-sharing events on a national and European scale.

### 4.3 System of Protection for Asylum Seekers and Refugees (SPRAR)

SPRAR is a public reception system for asylum seekers and refugees. It comprises a network of local authorities that have access to the National Fund for Asylum Policies and Services (FNPSA) in order to set up reception projects throughout Italy. SPRAR is run from a Central Office by ANCI (National Association of Italian Town Councils). In its current state, the System has a maximum intake of 8,402, although the Interior Ministry plans to extend the number to 16,000 in 2014-2016.

Between 2005 and 2012, SPRAR increased its intake from 4,654 in 2005 to 7,037 in 2012.

**Image 4.5 Individuals accepted into the SPRAR system. 2005-2012**



The regular running of the system is ensured by FNPSA, by extraordinary funds and by co-funding on the part of local authorities, who are expected to shoulder at least 30% of the reception projects' total costs.

The funds issued to SPRAR between 2005 and 2013 amounted to 279.2 million euros, 243.2 million of which were provided by FNPSA while 36 million came from extraordinary funds. The allocation increased significantly through the years, from 10.6 million euros in 2005 to more than 45.9 million in 2013.



**Table n. 5 Funding allocated to the System of Protection for Asylum Seekers and Refugees (SPRAR). 2005-2013**

Year	Total funds	FNPSA	Extraordinary funds	Source for extraordinary funds
2005*	10.604.732,66	10.604.732,66	0	
2006*	27.670.067,05	27.670.067,05	0	
2007*	26.299.380,39	21.676.980,39	4.622.400,00	<i>Opcm 3620/2007</i>
2008	32.571.444,85	20.937.284,85	11.634.160,00	<i>Opcm 360</i>
2009	27.782.182,94	27.782.182,94	0	
2010	29.032.035,34	29.032.035,34	0	
2011	35.167.555,19	35.167.555,19	0	
2012	44.167.555,19	35.167.555,19	9.000.000,00	<i>Opcm 3965 21/09/2011 (December 2012)</i>
2013	45.932.055,19	35.167.555,19	5.000.000,00	<i>Opcm 0024 09/11/2012 (May 2013)</i>
			5.764.500,00	<i>IntMin Decree 26/07/2013 ex chap. 2311)</i>
<b>Total</b>	<b>279,227,008.80</b>	<b>243,205,948.80</b>	<b>36,021,060.00</b>	

\* for 2005, 2006, 2007 FER funds were devolved to the FNPSA to finance reception aimed at 'vulnerable categories'

Source: SPRAR central office

#### 4.4 Funding to tackle the so-called North African Emergency

On 12 February 2011, a decree issued by the Prime Minister's Office declared a "state of humanitarian emergency on national territory owing to the exceptional influx of North African nationals". This was to be the first in a long series of measures that the Italian Government chose to adopt to deal with the vastly increased number of migrant citizens arriving from North African countries after what has been dubbed by international media as the 'Arab Spring'.

In 2011 alone, 62,692 people hailing from Tunisia, Libya and the eastern Mediterranean landed on the Italian coast. Although, in an international geopolitical contest, this outcome was not entirely unexpected, it effectively overwhelmed Italian institutions, who had been dealing with far lower numbers in previous years, as a result of the closure of Mediterranean routes and of the heightened maritime controls stipulated by the Italo-Libyan agreement.

Following the declaration of a state of emergency in February 2011 and into the following year, dozens of measures – law decrees, regulations and orders – were issued with a view to coordinating a response that would guarantee emergency aid and reception for individuals arriving in Italy. The Special Commissioner in charge of the 'execution of all the necessary precautions in order to overcome the state of emergency' – a task delegated to the Prefect of Palermo for the first three months and then, from 13 April 2011, to the head of the National Department of Civil Defence – enacted this series of measures in order to deal with the so-called 'North African emergency' (soon to be known simply as 'ENA'). These included the Reception Plan for Migrants, set out in unified agreement between State, regions and local authorities.

Said Plan pursued three main objectives: "ensuring primary reception; guaranteeing an even distribution throughout national territory; providing assistance". Immigrants were to be distributed among the regions in a gradual manner and in numbers proportionate to their population. The total capacity envisioned by the Plan ranged from a minimum of 10,000 units to a maximum of 50,000,

which was never reached.

As well as the establishment of facilities in which to house migrants that achieved extremely varied results, a number of initiatives undertaken by the Commissioner addressed a wide range of issues requiring funding of over **1.5 billion euros**.

**Table 6 Public funding to "tackle the state of emergency" ex OPCM 3933/2011**

Type of initiative	Importo in euro	%
Primary aid	634.580.704,72	41,70%
Policing and transportation	583.257.864,06	38,33%
Italy-Tunisia Agreement	179.005.000,00	11,76%
Assistance/Policing and transportation	51.934.946,00	3,41%
Detention	41.256.890,00	2,71%
Lampedusa	28.698.730,28	1,89%
Repatriations	1.809.584,80	0,12%
Humanitarian aid	1.000.000,00	0,07%
Environment	100.000,00	0,01%
<b>TOTAL</b>	<b>1,521,643,719.86</b>	<b>100.00%</b>

*Source: Measures to overcome the 'North African Emergency'*

The breakdown of the funding reads as follows:

**634,580,704.72 euros** to initiate primary care measures, including the 'Immigrant Reception Plan'.

**583,257,864.06 euros** to cover policing and transportation costs (Red Cross, Civil Defence, Police, Coastguard, etc.);

**51,934,946.00 euros** for assistance, policing and transportation, without a detailed breakdown;

**28,698,730.28 euros** towards supporting the island of Lampedusa with its infrastructure (waste disposal, water supply, etc.) and with the sudden intake of a volume of people larger than the island's capacity;

**100,000 euro** on environmental clean-up operations.

We must add to this:

**179,005,000 euros** to bring into effect the Italy-Tunisia agreement;

**1,809,584.80 euros** on the voluntary assisted repatriation programme;

**1,000,000 euros** sent to Tunisia in humanitarian aid.

A further **41,256,890 euros** were set aside to fund administrative detention of migrant citizens in Italy. Five months after the end of the so-called North-African emergency and the reinstatement of 'ordinary administration' (authority having been transferred from Civil Defence back to the Interior Ministry), we begin to witness a 'deteriorating emergency' with hundreds of unresolved cases in which, even after two years, no there has been no successful move towards emancipation or socio-economic integration.

#### 4.5 The European Refugee Fund

Investments from the European Refugee Fund for 2008-2013 were mostly aimed at initiatives supporting the socio-economic integration of third country nationals or stateless individuals who have obtained refugee status, benefited from subsidiary protection, applied for some form of international protection or temporary aid or who have been re-integrated into a member state. The Fund also subsidises educational, analytical and awareness-raising activities aimed at increasing immigrants' knowledge of existing legislation and encouraging agencies operating within the various areas of this sector to improve their ability of dealing with the intake of foreign nationals. Particular attention was paid to the treatment of vulnerable categories, conscience building at a local level and public services concerned with childcare.

These projects often had the effect of fostering positive working relationships between public and private operators, and between various local authorities, resulting in improved performance levels.

A total of 69.4 million euros were invested between 2008 and 2012. The EU fund provided 50.7 million euros, while 16.5 million came from the Italian state. Thirds parties made up the remaining 2.2 million. A further 13.1 million euros have been set out for 2013: 8.8 million from the EU and 4.1 million, the breakdown of which has not yet been made available from the state.

**Table n. 7 ERF III. Summary of national, EU and third party funding. 2008-2012**

Year	National funding	% National funding	ERF	% ERF	Third-party funding	% Third-party	Total
2008	2.610.479,22	21,38%	9.603.437,68	78,62%	-		12.213.916,90
2009	1.217.524,09	21,68%	4.101.838,89	73,03%	297.166,50	5,29%	5.616.529,48
2010	2.037.624,52	22,96%	6.416.141,59	72,30%	420.702,71	4,74%	8.874.468,82
2011	6.070.717,25	23,50%	18.923.460,31	73,25%	839.689,77	3,25%	25.833.867,33
2012	4.535.659,51	26,18%	11.659.813,31	69,61%	704.898,77	4,21%	16.900.371,58
<b>Total</b>	<b>16.472.004,59</b>	<b>23,72%</b>	<b>50.704.691,78</b>	<b>73,02%</b>	<b>2.262.457,75</b>	<b>3,26%</b>	<b>69.439.154,11</b>

*Source: our selection from data contained in Interior Ministry data for the approval of annual quotas*

Approximately 42.8% of total funds were spent on so-called 'emergency measures', which were of particular relevance in 2008, 2011 and 2012. The number of people provided for was, as a rule, higher than the maximum capacity of the Annual Programme, proving that its beneficiaries were able to make the best of the funding provided and, where possible, to supplement sister initiatives with further subsidies.

The delivery times of these projects do not always coincide with the itineraries created for specific individuals in order to try and meet their needs in a 'sustainable' manner, particularly in the case of vulnerable categories. Similarly, the inflexibility of certain spending provisos in the European fund can serve to limit the effectiveness of single initiatives.

#### 4.6 National Security and Development Programme for the South (PON)

The 2007-2013 organisation of the PON for the development of Southern Italy indicated a change of strategy in tackling the migratory influx compared to previous years. A grand total of **141.88 million euros** were invested in **114 new projects** dating up to 23 September 2013 and aimed at promoting social and 'administrative' integration for migrants. This represents a significant increase compared to the previous cycle (2000-2006) when these areas were covered by **18 projects costing 35.29 million euros**, while a far larger sum – 111 million – went to fund policies to contrast illegal immigration.

The projects in question include a number of activities, among which the establishment and redevelopment of multifunctional reception centres for migrants and of structures to house immigrants, asylum seekers and refugees; the training of staff; the collection and analysis of data on migratory patterns.

#### Conclusion

On 3 October 2013, 366 men, women and children met their deaths off the shores of Lampedusa as they tried to reach our shores. Photos of the 366 caskets lined up in the airport hangar are a stark reminder of the bleak history of migrations in our country. They are images that we, at least, will never forget.

The only 'response' that our government has thus far mounted to what can only be described as the *slaughter of innocents* is a plea to Europe to provide greater support in the patrolling of sea and coastlines and set in motion the 'Mare Nostrum' operation.

Europe has proved equally incapable of producing a solution. In the closing document of its 24 and 25 October session, the Council of Europe recommended "strengthening Frontex's role in the Mediterranean and along the South-eastern borders of the EU."<sup>16</sup>

Can these measures truly help to ensure that our seas are no longer plagued by tragedy?

We think not, and we believe that national and EU institutions continue to perpetuate a hypocritical situation: a rhetoric heavy with indignation and grief is not matched by any real attempt to provide an adequate response. The purely negative approach, which sought to curtail the migratory influx, has clearly failed, demanding a comprehensive change of strategy. As we have attempted to argue in the *An inhuman cost. Policies to tackle illegal immigration* dossier, there is often a marked discrepancy between the stated objectives of rejection policies, their actual results and the manner in which they are represented to the general public. Years of closing borders, patrolling the sea, unlawful rejections, arbitrary and inhuman detentions have by no means put a stop to migrations. Yet they have remained the focus of public initiative on a normative and financial level, and in terms of propaganda. Lunaria's research, by no means exhaustive, has concluded that between 2005 and 2012 1.668 billion euros were spent to fund rejection policies. Funds that were used to expel, reject, repatriate; in essence, to keep migrants out of our country.

In our opinion, this is not a valid solution, inasmuch as it puts thousands of people at risk: it is not those who 'traffic' human beings who are responsible for the deaths of thousands of people in the Mediterranean, but rather the unjust legislation of Fortress Europe which prevents people from accessing its territory legally. These policies deny the human rights, first among them the right to

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<sup>16</sup> Council of Europe, 24 and 25 October 2013, Conclusions, EUCO 169/13 available at: [http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/it/ec/139222.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/it/ec/139222.pdf)

exist, of thousands of people.

The guarantee of human and citizenship rights, however, does not seem to constitute a priority for EU and Italian institutions in the present climate, still profoundly affected by the financial crisis that shifted their focus towards redressing unstable national budgets. The solution proposed by Europe and Italy remains unchanged: reigning in public spending. It matters little if this means that social and labour rights are eroded as social and economic inequalities continue to increase.

Social policies are the primary target of austerity packages, particularly in our country, where the welfare system grows ever more unsound, privileges social security and healthcare over social services, is unevenly distributed through national territory and still predicates the central role of work (the unemployed qualify for little social support) and the family (particularly for female care workers). As has been pointed out, in our country we find “an unusual combination of scarce public welfare services, family acting as social support mechanism and migration policies”: families and social reproduction processes have come to rely on the contribution of foreign female care workers, absolving the state from having to find an alternative solution.<sup>17</sup> The crisis has had a devastating economic and social impact on our country. Italy has grown poorer. In 2012, 9 million 563 thousand people, 15.8% of the population, were living below the poverty line<sup>18</sup> and 15 million people lived in a state of deprivation.<sup>19</sup>

Meanwhile, the unemployment rate reached 12.5% in September 2013, rising to 40.4% if we consider young people between 15 and 24.<sup>20</sup>

The apprehension expressed by many businessmen regarding the presence of foreign citizens in our country and the effects it wreaks on public finances will continue to garner widespread consensus if it is not taken apart in the most detailed way possible.

With this in mind, we have undertaken a series of studies in the course of this year, which come to an end with the publication of the present report. *Rights are not an ‘expense’* is the sister project to *An inhuman cost*: each report deals with one aspect of public policy linked to immigration, in an attempt to paint a broad picture of public spending in this area.

Our premise throughout has been that there is an imbalance in public funding, which favours policies of active contrast over attempts to promote the reception and social integration of migrants. Our second hypothesis, backed by available financial documents, is that, in terms of our welfare system, foreign nationals tend to contribute more than they take away.

The collection and processing of official data, although undoubtedly incomplete and not comprehensive, seems to confirm these initial assumptions.<sup>21</sup> With reference to the former, tables 5.1 and 5.2 compare data collected on public funding directed at policies of active contrast of illegal immigration with those that seek to improve reception and social integration.

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<sup>17</sup> Ponzini G. (ed.), *Rapporto IRPPS CNR sullo stato sociale in Italia 2012. Welfare e politiche per l'immigrazione. Il decennio della svolta*, Liguori Editore, Naples, 2012, p.5.

<sup>18</sup> Istat, *La povertà in Italia*, ('poverty in Italy'), 17 July 2013.

<sup>19</sup> Istat, *Rapporto annuale 2013. La situazione del paese* ('2013 Annual report on Italy').

<sup>20</sup> Istat, *Statistiche flash, Occupati e disoccupati*, (Flash statistics, employed and unemployed), 31 October 2013.

<sup>21</sup> Among recent projects that reach the same conclusion, see: Fondazione Leone Moressa, *Rapporto annuale sull'economia dell'immigrazione. Tra percorsi migratori e comportamento economico*, il Mulino, 2013 and Benvenuti V, Stuppini A., "Immigrati, fiscalità e spesa pubblica: uno scambio alla pari?", 2013, cit.

**Table 8 Public funding for policies of active contrast**

Type of funding	Reference period	National funds	EU funds	Total	Average yearly funding
European Fund for External Borders	2007-2012	165,545,212	166,303,269	331,848,481	55.308.080,17
PON	2000-2006	55,540,173	55,540,173	111,080,345	15.868.620,71
European Repatriation Fund	2008-2012	34,654,527	26,099,691	60,754,219	12.150.843,80
CIE, CPSA, CDA, CARA	2005-2011	1,013,968,194	0	1,013.968,194	144.852.599,14
Cooperation with Third Countries	2005-2012	117,675,520	33,387,087	151,062,607	18.882.825,88
<b>TOTAL</b>		<b>1,387,383.627</b>	<b>281,330,220</b>	<b>1,668,713,847</b>	<b>247,062,969.70</b>

Source: Lunaria (ed.), *An inhuman cost* Public spending to "tackle illegal immigration"

**Table 9 Funding for reception and social integration policies**

Type of funding	Reference period	National funds	EU funds	Other	Total	Average yearly funding without N.A. emergency
Funding coordinated by DG Imm. e pol. Integr. Lab. Ministry	2002-2010	159,245,087.63	27.857.995,24		187.103.082,87	20.789.231,43
European Fund for the Integration of Third Country Nationals	2005-2012	47,621,951.40	111.723.518,07	638.871,52	159.984.341,00	26.664.056,83
SPRAR	2005-2012	233.294.953,61	N.A.		233.294.953,61	38.882.492,27
Funding to tackle the 'North African emergency'	2011-2012	1.521.643.719,86			1.521.643.719,86	
European Refugee Fund III	2008-2012	16.472.004,59	50.704.691,78	2.262.457,75	69.439.154,11	13.887.830,82
PON 'Sicurezza Sud'	2007-2013	n.a	n.a.		141.886.962,51	23.647.827,09
<b>TOTAL</b>		<b>1,978,277,717.09</b>	<b>190,286,205.09</b>	<b>2,901,329.27</b>	<b>2,313,352,213.96</b>	<b>123,871,438.44</b>

Source: Lunaria

There is a clear difference between average yearly *ordinary* funding recorded in the two instances. The terming 'ordinary' refers to the fact that we have chosen not to include funds used to tackle the 'North African emergency' in the reception and integration average, as these lie outside 'ordinary practice'.

But let us proceed systematically. Total funding invested in reception and social integration policies for foreign nationals in 2005-2012, analysed in the fourth chapter of this report, amounts to 2 billion 313 thousand euros. However, the North African emergency accounts for 1 billion 521 thousand euros. If we subtract these 'emergency' measures, we are left with 791 million 780 thousand, with an annual average of 123 million, 871 thousand euros. This is far lower than average yearly public funding for rejection policies, which comes out at over 247 million euros. Overall, based on the data collected, ordinary funding for rejection and reception and inclusion policies between 2005 and 2012 totalled an average of 370 million, 934 thousand euros. .

The impact of these policies on overall public spending in Italy is limited, both in terms of 'rejection' policies and of reception and social inclusion policies. It can be calculated, with a certain degree of approximation, by viewing the latest available ISTAT data on public spending before interest for 2011, which totals 719 billion, 749 million.<sup>22</sup> Average annual funding for rejection policies have a 0.034% impact, whereas reception and social integration policies account for 0.017%, for a total of 0.052%.

The second premise of this project, that the migrant population has a positive impact on our welfare system and on our economy, also appears to have received confirmation.

In the third chapter we have attempted to draw an estimate of public spending on education, healthcare, pensions, unemployment, jails and social security linked to the foreign population and its relevance in terms of overall spending, bearing in mind demographic differences compared to the indigenous population (as observed in chapter 1), of the role played by foreign nationals within our economic system (chapter 2) and of the differing reliance of the two groups on certain welfare services.

For 2011 alone, overall outlay intended for foreign nationals is calculated at around 14 billion, 950 thousand euros. Only a small fraction of this sum, namely 184 million euros, is connected to services and activities specifically involving the foreign community. On the whole, foreign nationals account for 3.36% of the total budget relating to the aforementioned items and for 2.07% of the total budget, a low sum if we consider that they constitute 7.54% of Italy's population.

Adding together resources earmarked for targeted policies (combating immigration and reception) and all welfare payments to foreign citizens in the year 2011, total estimated spending stands at €15,217,000, or 2.12% of total public spending, after registered interest payments, for that year.

In a nutshell, foreign citizens appear to "weigh" far less upon our welfare system in relation to their percentage of the total population.

Of course the estimates we have put forward make no claims to be exhaustive. They represent an initial attempt to deconstruct some beliefs which are, unfortunately, commonplace regarding what the presence of foreigners costs our country. Much work is still needed. And it would be possible to dig far deeper if our public administration gave greater weight to monitoring and evaluating policy –

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<sup>22</sup> Istat, *Spesa delle amministrazioni pubbliche per funzione*, ('public spending by sector') 17 January 2013

something which is currently badly lacking – and were its operations carried out with transparency as their guiding principle. Access to data remains the greatest obstacle for anyone seeking to make a detailed analysis of the way public funds are spent.

### **Policy suggestions**

In the context of a labour market where foreigners play such an active role, any attempts to avert the kind of competitive tension that reduces salaries and social safeguards, and the conflicts these may spark, cannot be based on tighter immigration policies; all the more so in that it is Italian families and companies that are demanding and attracting foreign manpower, despite the crisis.

Far more promising would be a policy which on the one hand guarantees a legal right to reside and a regular work contract to foreign citizens; and on the other hand uses social inclusion measures to avoid a process of ‘ghetto-isation’ – both by foreigners themselves and by others – of the immigrant population which reinforces the dangerous ‘us and them’ divide and means that there can be no development or consolidation of a multi-cultural society.

As far as the former policy line goes, the downwards pressure on foreign workers as compared to Italian workers is no different from that on the underground compared to the legal economy, or on illicit as opposed to properly contracted workers. Given this fact, the best safeguard can only be a fight against the black economy (for Italian and foreign citizens) and the enforcing of labour market and national contract regulations that fix competition over and above which competition is not allowed.

The rapid increase in the number of young people of foreign descent in our country brings the issue of social inclusion on an equal footing<sup>23</sup> for foreign citizens (not limited to the workplace) even more to the fore. Young people born and raised in Italy clearly have higher expectations than their parents. Furthermore, promoting policies that ensure that the ‘children of immigration’ could enter the labour market with higher qualifications might mean that they contribute more to Italy’s state finances. An optimal solution, which would help to boost economic efficiency and growth, would be to allow the foreign workforce to fully explore its potential rather than keeping it trapped in a limbo of generic and unskilled labour, something which a number of other countries, unlike Italy, seem to have grasped.

This should be viewed in relation to the debate over the sustainability of welfare systems themselves, which are dependent on workers’ shareholding, which has a lower incidence on the secondary job market, where salaries tend to be lower.

We would also wish to see marked improvements in public policy planning at a national level, a factor that is vital in promoting an effective and balanced social integration process for foreign nationals. The devolution of functions to regions and local authorities should allow responses policies to be adapted to specific territorial needs. However, without adequately coordinating activities at a national level, it risks creating an uneven patterns of treatment between regions able to enact a more sensitive response and councils more reluctant to guarantee equal citizenship rights to all their residents. The enactment of the SPRAR could represent a good working model for the planning and coordination of policies in various departments, including those that do not directly relate to refugees

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<sup>23</sup> A definition of ‘subaltern integration’ is provided by Ambrosini M., Molina S., *Seconde generazioni. Un’introduzione al futuro dell’immigrazione in Italia*, Fondazione Giovanni Agnelli, 2004. ‘Subordinate inclusion’ is the term used instead by Annamaria Rivera in Rivera A., *Estranei e nemici. Discriminazione e violenza razzista in Italia*, DeriveApprodi, Roma, 2003.



and asylum seekers.

In short: we wish to see significant changes enacted in national migration and immigration policy that would move beyond the assumption that there is a need to protect the 'safety' of Italian citizens when it is threatened by the arrival of men and women from other continents, that the presence of the latter is unsustainable in terms of employment and welfare, or that cultural differences are profoundly incompatible.<sup>24</sup> Public policies must instead seek to ensure that all citizens can aspire to a dignified lifestyle within a society that has *long been hybrid*.

As well as reform of the legislation governing the entry, residence and exit of foreign nationals on national territory, this strategic shift would require welfare policy and measures specifically linked to the migratory phenomenon to change accordingly. On the first front, the system must be built up to protect the people and families (of both Italian and foreign extraction) most affected by the financial crisis. This would require greater investment in welfare (regional social services, childcare, assistance to the disadvantaged), equal opportunities services, public housing and income support, measures which would be made possible by reforming the fiscal system to allow for a more equitable spread.<sup>25</sup> Rejection policies, foremost among them the CIE and CARA, could also be scrapped to make way for measures involving the reception and integration of migrants, which would address a number of priorities: support for school attendance and integration among foreign students; the expansion and renovation of the public reception system for refugees and asylum seekers; the enactment of a national plan to take down Roma camps; the promotion of cultural mediation activities, particularly in schools and healthcare facilities; the abolition of the tax on prolonged stay and the development of a national, devolved system for fighting discrimination and racism.

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<sup>24</sup> The case for such a change is made extremely effectively by Valentina Brinis and Luigi Manconi in a book published recently, bearing a mildly provocative title: *Accogliamoli tutti. Una ragionevole proposta per salvare l'Italia, gli italiani e gli immigrati*, ('lets take them all in. A reasonable proposal to save Italy, Italians and immigrants'), il Saggiatore, 2013.

<sup>25</sup> Detailed proposals in this area can be found in *Sbilanciamoci! Rapporto 2014, Come usare la spesa pubblica per i diritti, la pace, l'ambiente*, Rome, 10 november 2013.

## RIGHTS ARE NOT AN 'EXPENSE'

*Rights are not an 'expense'* is a project promoted by Lunaria in association with the Berenice cooperative, the 'Gli Asini' and 'OsservAzione' organisations, the Sbilanciamoci! campaign and 'Lo straniero' magazine. In the political climate following the financial crisis, the attention of institutional actors has been squarely focused on structural policies (budget cuts, economic regeneration) which have pushed social integration and the guarantee of human rights for migrants and minorities further into the background. There is a risk that this situation will exacerbate social conflicts between Italians and migrants both in terms of employment and of access to welfare. Although a rationalisation of public spending is no doubt necessary, it must be enacted while continuing to guarantee the human rights of all those who reside in the country. *Rights are not an 'expense'* sets out to promote research, awareness-raising and cultural education initiatives aimed at expanding the knowledge of the actual social and economic impact of migrants and Roma minorities in our country.

a) Public spending: In Italy, studies into the effects wrought by migration on the government budget are found to be lacking. It is only in recent years that a number of reports from the National Audit Office, Ngos and research institutes have allowed us to gather data and information, which remains incomplete, on the subject. Based on experience acquired with the Sbilanciamoci! project, Lunaria has set out to systematically and comparatively monitor annual funding connected to social integration policies for migrants and to those aimed at contrasting and containing migrations. Data linked to 'rejection policies' are presented in the dossier *An inhuman cost. Public spending to 'tackle illegal immigration'* available at [www.lunaria.org](http://www.lunaria.org).

b) *The cost of the 'policy of camps'*: Policies concerning the social integration and housing of Roma in Italy still tend to revolve around 'traveller camps'. This has been the 'model' adopted by national institutions ever since the 1970s to deal with the Roma and Sinti presence. A detailed study of their cost has allowed us to disprove the claim policies to promote alternative housing solutions and social integration for Roma have been scrapped due to lack of funds. The report is available at [www.lunaria.org](http://www.lunaria.org)

c) *Rights are not an 'expense'* explores the social cost of immigration in Italy and studies public investment to promote reception and social inclusion policies for migrants in Italy.

d) Awareness campaigns and dialogue with institutions: our research projects are not self-contained, but are developed alongside a campaign to raise awareness aimed mainly at political actors and media outlets, but also at social and cultural institutions.

d) Cultural initiatives: a multi-disciplinary panel composed of known figures for the arts' world who wish to participate first hand in the political debate on migration, could help to overcome cultural paradigms on the subject, and to encourage the safeguarding of citizenship rights in our country. This by means of a cultural manifesto, seminars and collective discussions and the production of a video.

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**Lunaria** is an independent nonprofit association, active since 1992, inspired by the values of participation and democracy, protection of human and social rights, equality and solidarity. It carries out grass- root and international activities - including training, communication and research - in the following fields: economic alternatives, civil society and the third sector immigration, anti- racism and social inclusion; international voluntary service and youth exchanges.

Since 1996 Lunaria has been involved in research and activism on international migrations and against racism, working together with a broad network of local groups, national organizations and European campaigns. Research and social studies have supported initiatives for the protection of immigrants' rights, policies of social inclusion, actions against discriminations and xenophobia.

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