

When it rains, it pours

Urban poverty in a metropolitan suburb during
the crisis period

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1. PREMISE: CRISIS AND URBAN POVERTY

Urban poverty, and poverty in general are subjects that are regularly discussed, so rather than getting lost in such a complex issue, this article will concentrate on analysing poverty within the limitations of a theoretical study restricted to changes in an urban setting using a real case study on Rome's 13th District. It is an interesting case because it is a suburb that has shown demographic growth within a metropolis that has witnessed the rapid development of the job market followed by its equally rapid post-crisis decline. This report will cover only those aspects that deal with the effects of the crisis within the limitations described, but a likely hypothesis is that this crisis will have a profound effect on the urban scenario. It is precisely why the crisis is a useful testing ground for the analyses made.

The concept of poverty changed during the 90s in particular, following the previous slump – and resulting poverty – at the end of the 80s, which has already been widely documented and analysed and formed the basis for the way local social services were structured in the noughties. It also meant that poverty was no longer linked solely to the issue of income but also to the effects of being out of work (social exclusion). Later, the *subjectivity* of social risk was emphasised, and poverty, in the true meaning of the word (vulnerability) was seen to encompass a much broader public altogether.

The first question to consider is whether looking at social exclusion and vulnerability is enough to get to grips with the true impact of social disadvantage in the context of a metropolitan suburb facing crisis. The second, dealt with as part of the theoretical discussion, deals with the relationship between urban poverty and the social polarization generated by the job market, specifically that of a service industry such as Rome's. The third and final point looks at whether social neediness has increased in the post-crisis period and how social services have managed such an increase. These three issues together make it possible to evaluate the way social services work, against the background of what has been recreated in the documentation covering the last decade. A brief review of the debate on poverty, specifically urban poverty, is also necessary if these questions are to be answered. After this, changes in the Roman metropolis, where this case study is set, will be analysed and followed by a brief summary of the conclusions drawn.

2. POVERTY: FROM FINANCIAL POVERTY TO SOCIAL EXCLUSION AND VULNERABILITY

During the 90s, the concept of poverty was juxtaposed with notions of social exclusion and vulnerability, two categories born of the debate on poverty that can be encapsulated in two theoretical principles: the multi-dimensionality of the properties needed to measure deprivation; and individualization of the problem of inequality, an issue that initially affects one person at a time. These are the factors – according to European literature – that bring about the transition from mere poverty to social exclusion. The concept of social exclusion as compared to that of poverty should, in theory, imply that there is a dichotomous situation amongst that part of the population that can be said to be in difficulty, significant enough to make it evident (Procacci 1997) that this transition marks an abandonment of equality as a category, in favour of paying attention to absolute marginality. Indeed, the origins of the category can be traced to the levels of unemployment across Europe following the restructuring of industry. It is precisely because the concept of social exclusion was born of the theoretical assumption that paid work was irreproducible – and its importance was therefore diminished – that empirical research in Europe has tended to show that social exclusion was not caused exclusively by

unemployment (i.e. lack of paid work). Over time, attention shifted to other determinants: the instability of the nuclear family, loneliness and substance abuse are all factors extraneous to income that can have a chronic effect on poverty and prevent the individual from re-entering the job market and transform his situation into one of exclusion. In America, the debate has focused on how some neighbourhoods might contribute to creating this combination of circumstances, particularly with regard to minority groups (Mingione, 1996).

Even though attempts to explain poverty and social pathology were part of the European debate (Wacquant 1992), the aspect explored was that poverty should be seen as an individual process and what needs to be identified is what causes it and the (absence of a) way out. Data – particularly from countries with higher rates of per capita income and universal welfare, indicated that there are a many more people who experience a period of poverty than those who are permanently unemployed (Whelan, Layte and Maitre 2003). That, however, involves two paradoxes: The first is that during the very same period in which this broad vision of social difficulties was predicated, the government was increasingly inclined to limit any expansion of the scope of where welfare could and should intervene. The second is that although unemployment is not the cause of all difficulties, it nevertheless seems to be an extraordinarily credible predicator not just of monetary poverty but also of deprivation as measured in all its various components, including relationships (Gallie, Paugam and Jacobs 2003). This aspect makes it difficult to overcome the centrality of the work arena, which was – as set out above – part of the discussion that led to the concept of social exclusion. That said, a causal sequence that begins with the absence of work to and progresses to the depletion of social capital, which is implicit in any consideration of the greater social exclusion experienced by the unemployed, would only hark back to an economism that would fly in the face of the initial desire for greater complexity. Levitas (2006) even pointed out that it is often the person with a job who stands in the way of relational life.

How was the relationship between poverty and personal biography investigated? Single episodes of poverty effect many more people than “just the poor” in all countries. In southern Europe however, poverty tends to attach itself to the same people and the gateway to poverty is mostly due to an increase in need rather than a reduction in resources (Layte and Whelan 2003). In Italy, these characteristics coalesce with the

concentration of indigents in the south. The main feature of poverty in the south is not just that larger families continue to suffer from the “quantity” of work, but that the “quality” of work available – precarious and underpaid – is also an issue, and the only escape would be stable employment. The combination of all these characteristics have been described (Morlicchio, 2012) as the Italian model. Negri and Saraceno (2000, 196) were already referring to “low income individuals and families” in the late 90s, and they noted that “even the slightest change in their needs and their earning capacity plunges them below the poverty line”. Poverty in Italy therefore, is more about low income and precarious employment than the absence of a family support network and healthcare problems: even age-induced poverty is the result of discontinued or interrupted contributions. Some studies (Lucchini and Sarti, 2005) show that the factors that affect the more extreme aspects of socio-economic difficulties are the same as those found in the “Italian model” described above. Studies undertaken by the Bank of Italy (Brandolini, 2005) also include social position as a factor on the basis that the risk of sinking into poverty is higher in the families of the employed (i.e. on a pay roll) and less if the breadwinner is an entrepreneur, self-employed or a professional. By virtue of that evidence, Sgritta (2011) observes that the issue of distributive justice (beginning with incomes set by the job market) must be brought back to the centre of the debate, with structural disadvantage as the starting point.

The second characteristic of social exclusion is in fact that it has drawn greater attention to the individual relativity of the degree of difficulty. In the hypothesis put forward by Sen (1984) an innovative approach to economic poverty based on “capability” was based on the idea that poverty is that “the adequacy of the economic means cannot be judged independently of the actual possibilities of “converting” incomes and resources into capability to function. [...] Income adequacy to escape poverty vary parametrically with personal characteristics and circumstances” (111). One of the original academics involved in the debate pointed out that logically, if that thesis was turned on its head, it might infer that

“with regards to the loss of a person’s “inclusion status”, we would have to consider not only a person’s individual situation, but also the extent to which he or she was responsible for it” (Atkinson 1998, 14).

This is fundamentally approaching the concept of vulnerability, which has been a key word in the Italian debate on these issues (Ranci, 2002). This concept, born of the studies on development, is defined by Ranci as a situation in which the capacity of a person for self-determination is precluded from liable inclusion in the system of social resources and material guarantees. Vulnerability is the impossibility of facing risk which Ulrich Beck defines as considering what choices to make rather than sitting passively as a bystander by. Concentrating on the condition of poverty as an individual was something that had already been done in an Italian study (Benassi, 2002). There are two new aspects considering vulnerability: The first of which is more widespread at a horizontal level and incorporates permanent risk (precarious employment) –which threatens an entire lifetime – rather than unpredictable risk – unemployment, which only comes about within situations determined by one’s working life. The second occurs more on a vertical plane because, as Ranci says, “the distribution of risk is certainly influenced by the class one belongs to, but not to the extent that one can conclude it is linked to the class structure of our society in any way that is coherent” (2008, 168).

In order to understand vulnerability, the problem of precariousness in the job market is key, just as unemployment lies at the heart of social exclusion. In the mid-90s, a series of reforms¹ introduced in Italy deregulated the job market by raising the quota of atypical work and jobs for women. This process was met with ambivalence and inevitably contributed to the transition of the familiar, single income model: “The diffusion of precarious jobs (or better still, of contracts) amongst adults who are not the head of the household should not be viewed in such a cut-and-dried fashion as a signal of job insecurity, let alone one of disassociation” (Saraceno 2002, xvii). The distribution of job opportunities would therefore be of particular importance to women; even if according to Reyneri and Scherer (2008) female inactivity only decreased in the North and not amongst the youngest. Job insecurity was seen to be only a transitory issue (Cavalca 2010, 383). According to Fullin (2002, 572)

1 | The OECD index on the deregularization of the job market rose by 1.6 points in Italy between 1990 and 2003 (OECD 2004) despite the fact that in reality, the reforms simply remodeled the situation regarding job insecurity that already existed.

“the risks that accompany uncertainty about job continuity [...] are often cushioned by the immediate family and do not therefore – or so it would seem – aggravate the symptoms of vulnerability”.

This implies that changes to the job market would help avoid the “exclusion trap”, especially as far as women were concerned, although the effect would be to make them – and the other “new” kind’s workers – more vulnerable. So-called “familialization” – a strategy adopted in Italy to protect people from the risks of being vulnerable – does however, raise the problem of multiplying inequality, given that family resources shared with the vulnerable member of that family vary from one family to the next and that makes them unequal.

3. URBAN POVERTY

The discussion about poverty is summarized in the preceding section of this chapter, but urban “adjectivization” needs to be further explained. Poverty, as a distributive phenomenon is not especially urban in nature – in fact rural areas are usually even poorer – but this particularity has been associated with two ideas: one institutional, that explores how local institutions respond to the ramifications of local poverty and the other economic in nature.

3.1 Urban poverty in an institutional context: local welfare

Urban poverty has been seen as a social process, created at local level by the institutions, since the 90s. Paugam (2000), interpreted this point of view by highlighting how the welfare system had an indirect effect on the social rendering of how a poor person is viewed, drawing a line between those who deserve social support and those who do not. This line creates national models of social stigmatization, based not only on criteria regarding eligibility and / or disqualification, but also by what the poor person in question has to provide (information) as part of the process of seeking assistance.

Italy was more concerned with a substantive interpretation of this decline of urban poverty as an institutional contextualization, so the focus was restored on what happens locally. The threshold for accessing help,

and the extent and duration of this help, produces a different model for the exact same path of poverty experienced in different places. The idea is that the process of decentralizing social policies induces local authorities to create their own models for social services designed for the specific urban situation in which they are provided and that, therefore, contributes to the different paths poverty takes in different cities. In this sense, local welfare is part of the local community, connecting a combination of actors and needs produced in a particular urban context, and it provides a more efficient response than could be dispensed on a national basis. (Andreotti, Mingione and Polizzi 2012). In Italy, this issue has become relevant throughout the last decade and following in 2000 the passing of a framework law on social assistance and the creation of Title V of the Constitution. The latter delegates the responsibility for this problem to the Regions, and leaves the task of planning and providing assistance through a local planning instrument to the local areas themselves. Research concentrated on creating these instruments, the capacity to coordinate the various actors – institutional or otherwise – and to promote participatory processes that supported the programming of social services to meet the needs expressed throughout their respective local territories. It is not by chance that research results are always based on the formalization of governance processes rather than the achievement of any objectives. (Paci, 2008). The degree to which local planning instruments have been able to contain levels of local poverty remains to be seen. This is partly necessary, because there is a chronic lack of reliable data at council and sub-council level and there is no definition of what minimum levels of assistance are due. This leads to the provision of services not only extremely variable between one city and another (Kazepov and Barberis, 2013), but is also, depending on the planning processes that have been activated and the availability of resources – reflected in the ever-present difference between councils in the north and those in the south – dangerously discretionary.

3.2 Urban poverty as an economic context: social polarization

It has already been mentioned how the economic structure affects poverty by conditioning class structure. In the same years that Europe was talking about social exclusion, an article appeared in America (Mollenkopf and Castells, 1991) saying that advanced services would create one employment structure built around a hub of ultra-qualified professions and another, in

the tertiary sector, that was low-paid. They believed that a new division of social work, particular to urban systems, would increase inequality and as a result the number of those susceptible to poverty increased. Other writers have challenged or criticized this view, maintaining that a two-tiered city hides much greater social differences. Hamnett (1994) argued that if London was showing signs of increasing inequality on the issue of salaries, there was none indicating professional polarization. Objections were raised, arguing that there was no duality in the levels of professionals in Europe because on the question of jobs, it was all about who had one and who did not (Burgers, 1996). This dichotomy was extremely dependent on the conditions of benefits offered by the various welfare states and there was no sense, therefore, in imagining that the processes of economic restructuring would be univocal (Hamnett, 1996). These issues are consistent with the one on social exclusion and have brought about the idea that a model European city does exist (Kazepov, 2004) and is characterized by the institutional capacity to smooth over any excessive inequality.

In this case, welfare is also central to the conceptualization of urban poverty. It is not intended to be seen as a local component, but rather an institutional one (at a Nation State level) that is capable of modifying the social make-up and acting on the post-industrial division of labor (Lehto, 2001). The contextualization of poverty in the urban environment is limited to recording poverty's different processes, without looking at the city in which they are produced (Sgritta, 2010). Instead it was debated whether or not the post-industrial Italian model resulted in the creation of a new service proletariat trapped in low-paid work (Paci, 1995) or if limited freedom impeded training (Becchi, 1996). It should be noted that even the American empirical research (Appelbaum, Benhardt and Murnane 2003) demonstrates that it is not necessarily the concentration in third sector's employment markets that brings about a polarization of wages, but rather the absence of strong industrial relations and organizational improvements within the company that feed this segmentation of the employment market.

In general, we have seen indications that the literature has moved on from analyzing poverty by only considering income, to include the relationship, which has an economic dimension and the capacity to be inserted into the employment market. The welfare policies that favor local employability leave the re-insertion of people with multiple problems to

Social Services. The problem raised by the polarization of the debate at an urban level is that post-industrial employment markets can create social polarization, and even this places those in employment in the category of at risk of poverty. However, paradoxically this is understandable when read from a classic prospective on poverty.

4. RESEARCHING POVERTY IN ROME

The first data source we used for our empirical study derived from the “Whip Workshop Revelli”. This is important data because it has been gathered through random samples from a wide selection of anonymous administrations. Problems relating to non-responses or biases in quantifying income were not experienced. Using this data, we decided to calculate the classic Gini Index. The index breaks down groups into inequality within groups, between groups and a remainder according to the Pyatt’s (1976) mathematical methodology.

The second data source we used was a questionnaire from a survey on Social Services conducted by the Social Observatory in April 2009, using a representative sample from urban areas (taking into account the different social compositions within the country.) Questionnaires were sent to 1,846 families with children enrolled in primary schools in the area. The survey was composed of a series of questions, some of which were identical to ISTAT’s² multi-scope research and included: the number of people considered as friends (to determine levels of exclusion) and the quantity of moments of economic difficult as well as their quality (to determine the level of vulnerability). A further question was asked to quantify monthly expenditure (excluding mortgage and food) with response categories ranging from €250.

Taking into account the fact that the sample did not include nuclear families without at least one child of school age, it excluded the older and younger parts of the population. Considering the imprecision of self-defined expenditure, we preferred to use a poverty threshold of 60% of the average expenditure per-capita, and then apply the Carbonaro equivalence scale to determine their placement either above or below the poverty threshold. This generated a binary variable, which we then used

2 | Istituto Centrale di Statistica, the Italian national statistical Institute.

as a dependent variable in a binomial logistic regression model, in which the dependent variable Y , characterised by the Bernoulli distribution, with a probability p or $1-p$ assuming the values of 0 and 1. The linear regressions chosen to represent the various dimensions that influence the possibility of being in poverty could not be guaranteed to have identical linear relationships if the choice of model with a logistic function that guarantees probability p remains within admissible values (Pisati, 2003). The binomial logistic regression model directly explains the probability in which p varies when the regressor varies. Instead of being expressed in logit terms, the coefficients are expressed in terms of Odd Ratios. These do not explain the direct effect of random factors on the dependent variables, but the relative probability. The Odd Ratios (OR) do however have the advantage of being able to measure the intensity of the phenomenon in terms of percentage probability. Odd Ratios are expressed in the values shown in Table 2. These represent the relative risk that a particular event has generated vulnerability in a poor family, and the same risk in a non-poor family. The OR should be read as a relative probability of (one category) experiencing an event. The OR general has also been added with the relative intervals of 95% confidence, which are represented in a double entry contingency table with the relationships between the possibility that an event will occur, or not, for each category i.e. the likelihood the two categories will experience the event.

The third data source is administrative data on those in receipt of benefits from the municipal offices. We have selected this service because the population that benefits from this does not correspond to the poor population, but to those below a particular ISEE (equivalent financial situation index): the criteria for supply are, however, objective and enable variations within that population to be verified.

5. BEFORE THE CRISIS: THE ROME MODEL (LOW INCOME)

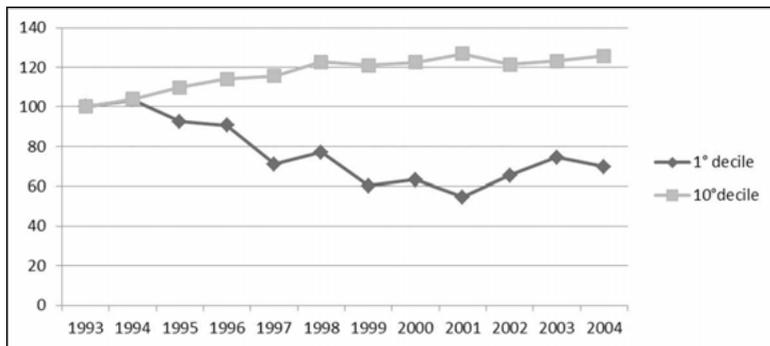
The city of Rome is one of the most prominent subjects of Italian social scientific enquiry. Classical sociological interpretations merge to form a kind of dual city *avant-la-lettre*, giving rise to two accounts. The first is the result of the marginalization and social isolation produced by a type of development that is distorted, while the second emphasized the antagonism produced by marginalization itself (Berlinguer and Della

Seta, 1970). After a brief period out of the limelight, the last ten years have marked the capital's return to center stage, however it's a return that stands in opposition to the experience of the 70s. According to current analysis, the labor market has overcome its dependency on the public sector and has grown thanks to the development of the advanced tertiary sector, in line with other ex-industrial cities (De Muro, Monni and Tridico 2011). Here, the physical development of the city has followed a polycentric direction, capable of restoring balance to the capital (Ferrarotti and Maciotti, 2009). Nonetheless, these points remain *under-acknowledged*. In Rome, the professionalization of the labor market and the highest-level tasks are still connected to the public sector. Available data (Violante, 2008) shows that the growth of the tertiary sector, that allowed a subsequent growth in employment in the 2000s, constitutes a mixture of consumption services that offer unqualified jobs and advanced business services which (as in the case of ITC), are interconnected to the purchase-money of the public administration sector. The absolute number of public administration employees is destined to decrease as a result of fiscal austerity. Nevertheless, what is most important here is the qualitative change within public administration which began in the 90s with the corporatization of many of its units – a development that had many more repercussions on the Roman labor market than the number of public employees. Indeed, the kind of management of contracts and hirings enacted, has led to a reformulation of the borders between central and peripheral segments, similar to the so-called process of *marketization* of the public sector (Doogan, 1997), with a divergence between professionals who are able to access the “market” of professional appointments and consultancies on the one hand, and the contracted workers affected by the compression of costs on the other. In between the two, lie the lower levels of public employment. In addition to this first change, there is a second and more evident change. In view of the Jubilee, the city center underwent a significant urban renewal, which, together with effective cultural policies, achieved the goal of stimulating the tourist industry. In 1993, numbers using hotel facilities reached around 4,700,000. In the latest available data, they appeared to rise collectively, to more than 8,000,000. These numbers are lower than those in the most prominent European capital cities, but are still sufficiently high to affect the nature of the composition of labor in Rome. As noted by Judd and Fainstein (1999), the productivity model of a tourist city is based on a low productivity

sector, and thus, in the absence of a strong system of redistribution, entails deep levels of inequality (in line with the profile of urban renewal within global cities, that bases its polarization on other sectors). Moreover, since the productivity model is based on an exogenous demand, it tends to bolster inflation independently of the strength of internal demand. The first factor has an effect on relative poverty, the second on absolute poverty.

If, by virtue of these considerations, we examine inequality in Rome using available data on salaries for employees of Roman companies from 1993 to 2004 (Figure 1), we find that salarial inequality increased long before the crisis, creating many potential poor workers.

Figure 1: Numbers Average income rate for the first and the last distribution deciles



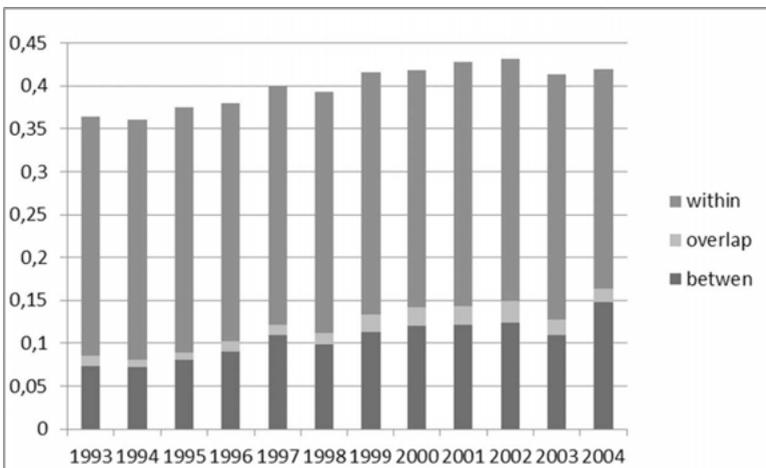
Source: own elaboration on Whip data

Let us take into consideration the annual salary of salaried workers within the private sector, regardless of the number of days worked³. The averages for extreme income deciles grow further apart, not due to an increase in the last decile, but rather, due to an absolute decrease in the first decile, that brings it to an annual average that is equivalent to a monthly salary. It is the effect of the incidence of contracts that are shorter than the calendar year, which, even on an equivalent salary, are inadequate. By virtue of the importance of intermittent work, we have therefore evaluated the level of

3 | Salarial inequality has to be obviously verified by qualifications and on equal duration of service, but we are interested in the subsistence of workers as if earned income was their only livelihood.

inequality among workers by examining three different groups: stable workers, workers who have worked for more than one company during in a single year and workers who have worked for the same company for less than 230 days. A closer look at the Gini Index (figure 2) broken down into individual inequality, as well as into the groups under examination here, shows that it is precisely the inequality that exists between groups that causes the greatest increase in inequality more generally. Together with the inequality quota (overlap) that can be viewed as the overlap of the last individuals of the group of stable workers and the first individuals of the two groups of precarious workers, in which young people and women are the majority. This overlap is one that grows with the increase of inequality within groups themselves.

Figure 2: Gini index of the salaries during a calendar year



Source: own elaboration of Whip data

Moreover, during the 90s Rome had always had a higher inflation spread than the rest of the country. For families, this had resulted in a 19.3% decrease in spending power, which subsequently continued to increase, causing the progressive expulsion of both Italian and foreign low-income families from central/metropolitan areas. Prior to the crisis, there had been an increase in low-income job opportunities, sustained by the growth of both private and public consumption (which are particularly interconnected

in Rome). This model of social polarization differs from the Anglo-Saxon one, both due to the function of income integration played by families, which allows for rates of inactivity, as well as thanks to the very contained increase in the income of workers at the top of the distribution pyramid, but certainly not due to the inexistence of a service proletariat. It is to be expected that spending cuts and the recruitment freeze within the public administration sector will have heavy consequences on this arrangement. The primary source of recruitment into stable employment will be blocked and the casual employment sector will contract, causing a general decrease in income derived from formal work, which, most importantly in the case of casual workers, cannot be replaced by the Italian social safety net.

6. ROME AFTER THE CRISIS

It is in this context of urban renewal that our case study takes place, in contrast to the case of Milan, where the public sector plays a different role (Torri, 2007). Fiscal austerity has not (yet) forced employment cuts in the public sector, although the sector has not been able to play its role of “multiplier of the labor market”. After the first phase of the crisis, repercussions were inevitable. In fact, the labor market in Rome underwent significant change, with the most affected being young adults (up to 29 years-old), whose unemployment rate went from 15.8 in 2007 to 23.4 in 2011, even if against an increased rate of inactivity, which created a very wide area of exclusion from the labor market among this group. This group – in the city which has the highest incidence of graduates in the country – is likely to be largely made up of individuals waiting to enter employment, however, its lower segments are composed of unemployed individuals at risk of becoming long-term unemployed and subsequently unemployable. Within this context, data on poverty from the ISTAT shows that in the region of Lazio there do not appear to be effects on the incidence of poverty.

Further increases in the cost of living – a development that is fiscally induced – as well as the lack of income opportunities, will certainly put a strain on the ability of stable workers to support the income of other family members. It is likely that a proportion of the casual work that increased during growth time will be subsumed into the black economy. Besides, it had been foreseen (Becchi, 2007) that labor markets based solely on

economies of agglomeration were widely instable development models. Now that we have shown how unemployment became a central problem once again, we will take a look at whether the phenomenon entails cumulative problems, as is implicit in the theory of social exclusion.

7. URBAN POVERTY IN THE XIII BOROUGH OF ROME

The subject of enquiry of this essay will be the 13th Borough, an area on the extreme outskirts of Southern Rome and fully located outside of the city's ring road. It has more than 200.000 inhabitants, making it as big as any district within the city. The borough is made up of 10 urban areas, all quite different from one another. Within the borough, we find the range of different types of Roman urban development: From the luxury buildings of Casal Palocco (a suburb for more affluent classes, located within the city's borders) to the messy growth of the construction industry and accompanying areas of self-construction in Infernetto to the recently built areas surrounding the GRA (The Roman ring road) in the Malafede area; Ex-working-class suburbs built at the time of Fascism that still lack services, such as Acilia and finally, on the coast, we find the urban nucleus of Ostia, with its tourist industry during the summer. Ostia is split into an Eastern side, that possesses a more working-class character and social housing, and a Western side, with a white-collar middle-class workforce. A composite area that initially developed during the Fascist era with the arrival of immigrants from Northern Italy and with the gentrification of the city's historic center. In the 80s, the working-class area of western Ostia underwent a period of stigmatization (Salvati et al. 2012) that is not uncommon in areas with social housing, but one that was worsened by the visible prominence of drug addiction that brought the state healthcare services to open one of the city's first Drug Addiction centres known as SERTs (Servizio Tossicodipendenze, Drug addiction help center) there.

Recently, it has been subject to deep transformations, partially due to the arrival of foreigners in line with broader urban trends⁴, as well as due to the growth of the real estate market, which affected the entire city. The

4 | The incidence of foreigners registered at the Register Office in this borough rose from 5% in 2001 to 10% in 2011, but it is still under the average in Rome, which was 6,4% in 2001 and reaches 12% in 2011.

center of Ostia and all of the residential areas that surround the suburban railway line connecting the coast to the center of Rome saw an increase in rental income, following the lowering of interest rates at the end of the 1990s. After this initial phase of the real estate cycle that saw values of the 13th borough rise from 25% to 50%, the area surrounding the Roman ring road, similarly to other city quadrants, was subject to a significant increase in private construction, which increased high-end supply.⁵ This, in turn, attracted new social groups/populations to the area and worsened the housing crisis. What are the features of poor communities in a context that is undergoing such a significant change?

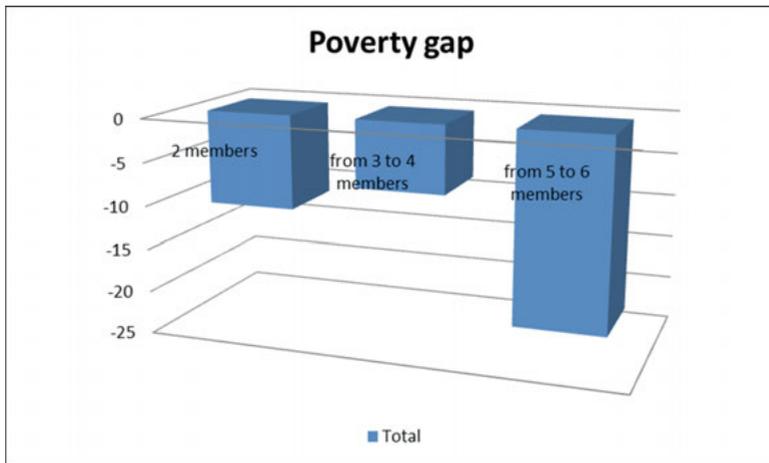
The proportion of family units living below the poverty threshold is 7.4%. This percentage is below the national level (11%) and in line with the estimates for the Lazio region. The features of our sample, which, from the outset, excludes the lone elderly grouping (among whom poverty levels are high); suggest that the poor population of the borough is much higher than the regional average. In order to describe the situation, the first indicator that must be analyzed is the incidence of poverty in relation to the number of family members. This increases exponentially from the fifth family member onwards (usually a third dependent child). Thus, there exists a typical inverse correlation between the number of children and the level of well-being, although poverty increases less rapidly than in other contexts as the family grows: a 28% increase in the incidence of poverty only occurs with the sixth family member. In only 10.7% of cases, the household breadwinner is unemployed, giving credit to the notion that even the 13th borough, poverty is not dependent upon the quantity of employment⁶. In light of these facts, we can also analyze the intensity of poverty, namely, the other indicator that helps characterize the phenomenon under discussion. When expressed as a percentage of total consumption, it is on average 26% (the national average is 20%). However, if we take into account the number of family members, it

5 | Data source is the real estate market overview by the Rome Chamber of Commerce, which shows from 1998 to 2004 an increase from 1500 €/m² to 2000 €/m² in Ostia and to 3000 €/m² in upmarket areas of the borough. These values do not include the tranche paid in advance before the deed. In 1997 1047 out of 3517 construction permits (for works done during the 2000s) were for housing in the 13th borough of Rome (Source: Rome City Council)

6 | However, the real difference is due to female employment. In families above the poverty threshold, there are 11% more housewives and 23% less employed women.

takes a reversed U-shape and, for the reasons mentioned above, its values are much higher than the average, particularly for large family units.

Figure 3: Percentage distance of consumption from poverty threshold number of family members



Source: Survey on Minors and Family 13th Borough

The intensity of poverty for families with more than two individuals is higher than for families with 3-4 people. Here, families with two individuals are defined as single parent families and our sample was taken exclusively from families with children of school age. However, when measured against the entire sample, their consumption per head is not the lowest among the different family types.

Let us now examine, with all the areas highlighted in the available literature being equal, whether family types come to bear on the state of being poor. We have estimated a model of logistic regression in order to verify the effect that certain key factors have on the possibility of being under the poverty threshold. We will analyze five dimensions: family type (in order to observe the incidence of atypical family units), nationality (in order to observe the relative disadvantage experienced by non-Italians, employment status (in order to verify the theory of social inclusion), housing status (in order to verify the importance of inequality within the scope of housing) and, the

number of individuals who might be considered friends, who are living in the same building (in order to verify social isolation).

Tab. 1 Model of logistic regression on the features of people in poverty

LR $\chi^2(14)=28.35$

Log Likelihood= - 398.01166

Prob> $\chi^2= 0.0128$

	Odd Ratios	Robust St. Error	z	p>z	[95% Confidence Interval]	
<i>Family type (Marriage)</i>						
Cohabitation	.543693	.2419569	-1.37	0.171	.2272731	1.300647
Single parent	1.62971	.6882688	1.16	0.247	.7122389	3.729021
Couple living with children from a previous relationship	1.04472	.3891443	0.12	0.907	.5034296	2.16801
<i>Citizenship (Italian)</i>						
EU	.5714982	.3607577	-0.89	0.375	.165842	1.969405
Non EU	.9518561	.4954527	-0.09	0.924	.3431709	2.640171
<i>Occupational status (Employed)</i>						
Non standard job	1.251878	.69108	0.41	0.684	.4242964	3.693641
Unemployed	**2.250014	.761232	2.40	0.017	1.159322	4.366832
Inactive	.9781898	.4408875	-0.05	0.961	.4043631	2.366327
<i>Tenure (rent)</i>						
Usufruct/free	.8182038	.319286	-0.51		.3808016	1.758021
Squatted housing	1.83841	1.039168	1.08		.6071525	5.566564
Home ownership	**5.448215	.138929	-2.38		.3305207	.8980695
<i>(family units who have friendship relationships with or more than one family)</i>						
With only one family	.726066	.2274622	-1.02	0.307	.3929266	1.341655
With no family	1.042498	.2280839	0.19	0.849	.6789604	1.600686
There are no families in the building	*2.524578	1.157822	2.02	0.043	1.027569	6.202501

Source: Survey on Minors and Family 13th Borough

Here, there are three statistically significant modes. First and foremost, the fact of being unemployed, which is known to be the most solid predictor of poverty. Individuals who are unemployed have a 125% higher

chance of being poor. Secondly, all other things remaining equal, home ownership provides protection from the risk of poverty⁷. In light of these two dimensions, which, in our case, have also proven to be the strongest, nationality does not appear to have a significant effect. Single-parent families have a 62% greater chance of being poor, but it must be noted that this effect is not statistically significant and does not apply when older longer-term residents are taken into account. Thus, there remains no connection between exclusion from labor market and social exclusion, as the number of people classed as friends in the neighborhood does not have an effect, although people who live in single-family households tend to be statistically poorer in a more meaningful and widespread way. This is a spurious effect, which can be explained by examining the territory's urban development: there continues to exist greater inequality among people living in illegal self-built buildings, compared to social housing settings.

Let us now investigate the relationship between deprivation and vulnerability. We do not possess a set of precise questions to be able to objectively measure vulnerability, however, as an indicator, we will use the quantity and type of instances in which families have perceived themselves to be under economic hardship. Here, we will continue to highlight that our interest here is on the state of significant economic hardships and not on indicators of objective states of being. The collation between the number of instances of perceived economic hardship and the state of indigence illustrates how poor communities are set apart from the average population, particularly due to the constant exposure to events that make them vulnerable. Only 18% of poor communities (against 27% of non-poor individuals) consider themselves to have undergone economic difficulties/hardships. It is nevertheless interesting to see that the causes of fragility differ markedly, depending on the profile of indigence. Among the different economic events, those connected to insufficient levels of income and job losses characterize the poor. Among the events that relate to self-employed workers it is clearly more likely that a missed start-up of a personal business venture will involve a poor family. The risk of eviction affects the poor only marginally more than other groups, although this group is much more protected against a failed house purchase, than non-poor groups. Family events only differ when it comes to divorce, which

7 | The poverty line does not consider imputed rents.

causes slightly greater difficulties for the poor. These results stand in slight contrast to literature on the subject (Whelan and Maintre, 2005), and require further in-depth analysis of other local contexts. It is clear that the families cover these risks in ways that differ from one another: if we examine the social capital employed during these instances of challenge, the poor do not differ from other groups for having received less support, but are rather set apart by the fact that they have lacked the support that comes from strong familial ties (parents and in-laws).

Tab. 2 Risk coefficients for type of discomfort events

	Poor	Non Poor	General OR	[95% Confidence Interval]	
				Lower	Upper
A period of unemployment	1,557	,958	,615	,395	,958
Insufficient income	1,246	,981	,787	,506	1,223
A disease	,972	1,003	1,032	,484	2,200
Debt of an enterprise	,691	1,028	1,489	,587	3,775
Bankruptcy of an enterprise	1,231	,980	,796	,308	2,059
Start-up of an enterprise	1,921	,921	,480	,219	1,052
Debt at too high interest rates	1,004	1,000	,996	,549	1,807
An Eviction	1,153	,987	,855	,462	1,585
A house purchase	,421	1,059	2,515	1,197	5,287
A divorce	1,171	,985	,841	,495	1,432
The death of a family member	,973	1,002	1,031	,434	2,445
The birth of a child	,901	1,009	1,120	,618	2,027

Source: Survey on Minors and Family 13th Borough

After having outlined these essential traits of social need, let us now analyze what social inequalities look like post-crisis, through the data available from social services in order to ascertain whether the social composition of claimants has changed and whether local institutions were able to adapt to these new conditions.

8. SOCIAL ASSISTANCE IN THE 13TH DISTRICT SINCE THE CRISIS

In 2008, the 13th district was affected by the crisis that hit the former national airline as its proximity to the town of Fiumicino, the location of Rome's main airport, had made it a popular place for both cabin and ground crew to live. Today, the 13th district is a suburb that continues to experience various social problems including higher unemployment than the average in the city of Rome with those who are unemployed experiencing greater segregation and a crime rate perceived to be greater than it actually is. There is the prospect of further economic and building investments, if the investment project aimed at creating a second tourist hub for Rome on its coast proves to be successful, although paradoxically such investments – quite apart from being difficult to raise due to a lack of capital – are based on a development model that the crisis has already shown to create a degree of job vulnerability.

Within that context, this is an effort to analyse the initial effects of the crisis at local level and to determine if the changes described at market level are causing any repercussions in terms of increased social needs. Our source of reference on this occasion is the data provided by the Social Services' administration department. When Rome's Department of Social Services was reformed at the end of the 90s, it was divided into sections known as Socio-Educational, Cultural and Sporting Units (UOSECS). However, on the eve of the implementation of law no. 328, a decision was made to set aside the idea of providing services according to the categorization of clients (the disabled, minors, foreigners, etc.) and to start by providing primary level services through usual social services channels, and secondary level services by means of integrated actions. During the crisis, the number of people contacting the administrative offices of social services increased steadily and significantly (from 1,918 people in 2007 to 3,638 in 2011). The change in the type of people contacting social services is reflected in that increase as in the final and most intense phase of the crisis, the majority, some 21.1% of the total, were foreigners, even though they only make up 10% of the local population. The particular characteristics of the immigrant population mean that the change of client nationality has also had an obvious effect both on the age and the family composition of those making contact. The 41-61 age group

is the largest, followed by those aged 18 to 40 years while the over 65s are in the minority.

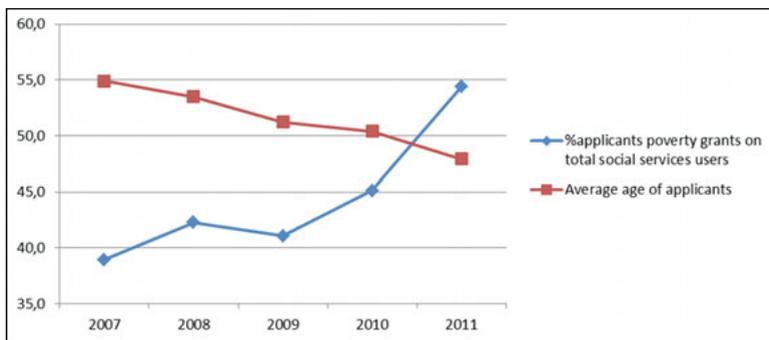
As to the type of family making contact, the number of those with at least one dependent minor rose from 21.6% in 2007 to 41.3% in 2011. The change in the social background of social service clients is not a direct indicator of economic difficulty, as the provision of services by local UOSECS is not necessarily connected to lack of income. In Rome, resolution no. 154/1997 provides the regulations if and how benefits are provided to those that seek it. In the 13th District, such requests are not merely considered by the administrative offices but are determined by a points system that takes six different factors into account, namely income, the ownership of any vehicles, housing conditions, health, the type of family unit and enrolment on any educational/vocational courses. Benefits are allocated to three categories of person – the elderly, minors and adults – each of which is assigned a basic score. That said, the number of people assisted ultimately depends on budgetary constraints determined by the district's political bodies.

As requests received by social services can be tracked by their number and according to general socio-demographics, it is possible to analyse and draw up a rough guide to financial hardship in the district. Most subsidies are likely to be categorized as “special payments” in that they exceed the standard €400 provided for. Requests for subsidies have not only increased more than general requests for help, those making them also represent almost half social services clients during the last two years of the crisis. Almost three quarters of those who have contacted social services and are eligible for subsidies are women and between 2008 and 2010, the number of foreigners applying increased by almost 10% (to 26%), the average age of applicants decreased but the overall number of applicants increased (figure 4). New applicants are mostly, therefore, adults with dependent children and not the elderly.

The other financial subsidy, as per resolution 163/1998, is a housing benefit, which covers a specific share of clients' rent (with the evicted having priority) as long as they can obtain a private rental contract. They are therefore those who are at the upper end of the housing emergency in Rome and not those forced to move to residential hotels managed directly by the mayor's office and the Central Department for housing policies. The distribution of these benefits is regulated not only by the number of evictions, but also according to the time social services' existing clients

continue to need help – their tenancy agreements are usually for a four year term plus the option to renew for a further four years. The number of applicants peaked in 2008 and 2009 at 125 and 92 respectively and decreased to 73 in 2010. The number of female applicants has steadily increased and now represents 75% of all applicants while the average age, at 46, is lower than it was at the time of the 154/1997 resolution cited above. The overall number of applicants is almost the same as then, but the percentage of foreign applicants has risen significantly from just 4% of the total in 2007 to 24% in 2010. Despite such an extraordinary increase in the number of adults experiencing difficulties who have sought assistance, the district has been able to increase the funds available for both types of benefit⁸ and while in 2008 they paid out a total of €540, 856 in 2011 that rose to € 758,298.

Figure 4: Applications for financial subsidies



Source: Social Observatory of the 13th district

There has also been a significant change to the categories of people eligible for financial assistance. Initially, by halving what was available for adults, more money was set aside for minors and funding for the elderly remained the same. That shake-up also affected the numbers of those receiving

8 | Bearing in mind however that in 2008 that only represented only 2% of the council's total budget (and did slightly increase later). Funds were however divided up in a very different way. In 2011, funds for housing benefits represented almost half of what was available to fight poverty compared with the 11% they represented in 2008.

benefits, the 684 in 2008 rising to 1,596 in 2010, more than half of which were minors. In 2012 however, the number of minors receiving funding came to a standstill, as receipt of funding, once awarded, had been limited to a two-year period. Well aware that the reality of the situation meant that the amount of funding⁹ allocated by resolution 154/1997, was not nearly sufficient to fill the poverty gap, the authorities decided to share what was available amongst as many applicants as possible.

Even before the crisis, there had been a significant number of people whose “points” kept them high in the rankings of those eligible for assistance. No less than 49.7%¹⁰ of those eligible in 2007 remained so in 2008, and even since eligibility has been restricted, the number of those who remain eligible remains very high. Comparing 2008 and 2011 for example, 34.9% have remained in the ranking despite being divided into those whose payments had been suspended for a year and those who had not applied for the two preceding years. This proves that it is not at all easy for the poor to move out of the ranks of those who need and are eligible for assistance. It shows furthermore that there are indeed people who are permanently poor (in terms of the “objective” criteria used in the ranking system) and who therefore have an on-going right to assistance, even though this is not enough to raise them out of poverty.

Given the situation described above, more focus and funding was directed towards allocating housing benefits, and the number of recipients increased from 27 in 2007 to 42 in 2012 in order to prevent a significant number of people finding themselves in a housing emergency and consequently falling into extreme poverty. Even so, the effort made is certainly not enough to cope with the potential number of people seeking assistance because of the increasing number of evictions underway caused by the fierce increase in house prices mentioned earlier. If, prior to the new millennium, evictions were a phenomenon that mostly involved the main city of Rome, in recent years, the number of eviction orders issued by the local District 13 section of the Court of Rome has always been in

9 | In 2011, the average payment was €544 for the elderly, €1004 for adults (accounted for by special payments to those with HIV – although a great many received much the same as an elderly person) and €1400 for minors.

10 | This number has been calculated following analysis of the relative databases dealing with those receiving benefits and could perhaps be higher given that the list of benefit recipients for 2007 was incomplete.

excess of 200. While the figure is lower than in other districts, it is worth pointing out that evidence of the seriousness of this particular problem in this district is that in contrast to what happens in the rest of the city, people here do not leave their homes on receipt of the eviction order, but wait for the bailiffs to come and evict them.¹¹

CONCLUSIONS

The first aim of this chapter was to define the characteristics of poverty in a particular urban context by looking at various categories of people. The picture of poverty that emerges from this study is not unlike that associated with poverty in southern Italy and provides a somewhat ambivalent comparison with concepts held in the 90s. On the one hand, looking at the many aspects of neediness confirms, for example, the earlier belief that owning one's own home does provide some protection from poverty.

The housing bubble – houses built before the crisis – has created a new kind of housing related poverty that is linked to employment (or lack of it). What is more, unemployment is also an extraordinarily powerful portent of future poverty. It calls to mind those who have been excluded from society even if that is not linked to either particular demographic groups (nationality, type of family) even in the suburbs, or to the consequences of social isolation in terms of strong relationships. Above all else, suburban families seem to be “normally” helpless when it comes to employment, with poor support from family networks making them particularly vulnerable – especially with regard to job security – and this can lead to a downward slide into poverty.

This consideration leads to the second aspect of this study. Although without any in-depth research on the conditions faced by families in our suburbs, the cross-section of data gathered on income, unemployment

11 | To be specific, the number of eviction notices issued in 2007 stood at 244 and at 221 in 2011 of which 195 were due to arrears in the rent and the rest because the rental agreement had expired. Repossessions accounted for 77% of eviction notices in 2007 (although in Rome in general that figure dropped to 44%) and for 80% in 2011. (Source: The records office of the external section of the Tribunal of Rome).

and the increase of requests for help received by social services has to be sufficient here to formulate a theory, even if it is somewhat vague.

The consumer economy of the service sector has created a specific type of social polarization within the labour market, involving an increase in the number of precarious workers, thereby creating a world of opportunities for the poor featured in this report to try and earn some sort of income. It would seem that a metropolitan labor market is unable to identify a development model that will allow it to replace the precarious service sector workers who were responsible for the growth of some cities in the noughties.

The crisis has meant that these income opportunities have disappeared, to be replaced by unemployment and consequently, an increase in poverty, particularly amongst foreign workers who often have more dependent family members than the Italians. The increase of applications to Social Services concerns, above all, young foreign adults, seen in this study to be more at risk even when they are no longer unemployed.

This leads on to the third aspect of this study – how the welfare system has dealt with the crisis. Given the impossibility of a systematic response to the poverty that exists today and continues to grow as a result of the crisis, social services have chosen to concentrate the insufficient resources available to them in trying to prevent new cases involving a housing emergency as that would only lead to even more families finding themselves in extreme difficulty.

It is a strategy of selective assistance that has little in common with the selective universalism identified some years ago (Bifulco and Centemeri, 2007) as it is based on a lack of resources rather than subjectivity. What is more, the current pursuit of equality through downsizing will soon be hit hard by the latest round of austerity measures. In Rome the palpable feeling that the work of the social services department has been ineffective in dealing with the consequences of the first years of the crisis seems to be because of their inability to dealing with the increase of applications, even without having to cope with a cut in resources. This shows their failure to resolve some of the inherent features of poverty that are rooted in the chronic underfunding of the fight against it, before the crisis even began.

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