Housing issues and a new kind of poverty
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Abstract

Housing issue in Italy is increasingly creating pathways to poverty and social exclusion and this is particularly true for women, especially if they are single parents with young children. Today, in fact, more and more women have to handle difficulties in a society becoming more and more insecure and precarious, a situation which policies seem unable to deal with. Therefore, in addition to job loss or irregular employment, the trauma of separation from a family or social isolation, and difficulties in maintaining or finding a suitable home become the factors most likely to lead to a process of impoverishment and marginalization.

Even in a "rich" city like Milan, the gradual reduction of the stock of private rented dwellings and the rising costs of those still on the market, and the continued failure of the public housing system to meet the growing demand from a different kind of population, make access to housing a very complex and uncertain issue.

Housing issue in Italy nowadays

In recent years, housing issues in Italy have increasingly been discussed both in academia, the media and political circles. This renewed interest stems from the fact that the housing question is not a transitory issue as was thought during the building expansion phase, but it is a persistent phenomenon, linked to long-term dynamic structures, such as the transition to a post-industrial economy and the crisis of the welfare state. It is, moreover, a problem which today concerns not only the marginal sections of the disadvantaged population, but it is increasingly affecting social levels and groups which were previously considered protected.

As far as Milan in particular is concerned, the profound changes in the economic and demographic structure in the last twenty years have considerably affected the property market in the entire metropolitan area of Milan. In particular, the de-industrialisation to service-production process has brought about transformations which firstly affected the city’s “centre” and then spread outwards. The underlying factor consists in the “occupation” of the central area by an increasing number of financial operators and a population of middle-high, naturally together with very high income levels, constantly seeking new spaces and willing to pay any price for them. This has led to a swift, constant and generalised process of erosion of the residential housing
stock, to the advantage of the service sector, as well as an overall lack of residential dwellings for rent and an uncontrollable increase in real estate prices.

As regards rent housing market, we can see a remarkable increase in the rents in all the cities after the year 2000. Milan is the second most expensive city after Rome and it had a rent growth of 51% in 7 years.

**Figure 1 - Rent prices increasing**

As emerges from a national survey carried out by Cesnis, Sunia and CGIL (2007), the high financial costs borne by families for housing are for many citizens becoming a difficult burden to bear: for the lower-income groups the quota of financial resources for rent may reach 65% of family income in the larger cities. From the early nineties above all, the combination between the rented housing market and the rental market led to a two-fold phenomenon: a flow leaving the city and a further drive towards property purchase, often relying on mortgages and bank loans.

This trend may be clearly seen from an examination of some data: while in the ‘91 census the housing stock in the city was roughly half owned property and half rented, the picture currently emerging shows an increase in homeownership with approximately a 60% share, and an erosion of rented housing today accounting for just over one third.

But home purchases have proved to be a largely ineffective antidote to the housing problem, above all in a period of recession when property values have been rising for years and interest rates increasing, making mortgage repayments increasing burdensome.
At the same time, public spending in the housing sector has fallen dramatically, the building of social housing is essentially at a standstill and the increase in the housing supply is entirely given over to the market, which actually responds only to a medium-high demand.

Moreover, the pre-existing public housing stock has undergone erosion over the years due to the policy of selling off dwellings enacted by the ALER public housing association, above all in the ‘90s, with an average of 800 dwellings sold per year. To this must be added the material and social degradation of the existing public housing stock.

The stock of public housing in Milan is today no longer able to meet the increasing demand for low-cost rented accommodation and cannot be considered a resource to offset poverty processes linked to homelessness.

**Housing issues and a new kind of poverty: a female perspective**

The housing problem in fact tends to be intertwined with new forms of social and economic vulnerability affecting above all people living alone, particularly the elderly, with a higher female component, and single-parent families with children, approximately 90% of whom are women.

More precisely, from an analysis of the applications made by those requesting public housing, a particularly high percentage of single women emerges (approximately twice the number of applications made by men) and, above all, of elderly single women, accounting for 60%.

The category of applications for social housing which has shown the greatest increase is however “persons living alone with young children”: between 1997 and 2006, the percentage of people in this category doubled, moving from 7.5% to 15.1% of all applicants. And, although in quantitative terms, the phenomenon mat not yet be considered alarming, the characteristics of the labour market and the growing weakness of the family institution risk making the category of single women with young children one of the most vulnerable to poverty processes (Zajczyk, Cavalca, Palvarini, 2007).
Figure 2 – Temporal comparison social housing applications per special categories of applicants

Source: Our processing of Erp data (Zajczyk, Cavalca, Palvarini, 2007).

For a woman, living alone constitutes a poverty risk which is twice as high as that for a man: and this is true both in the case of elderly persons living alone and in the case of lone mothers, especially with young children.

From a survey carried out by the Observatory on Urban Poverty on the Milanese population in 2003, women frequently prove to be poorer than men, both at individual level (14.4% vs. 11.1%) and, above all, when they are the head of the family (20.6% vs. 10.0%).

Women, therefore, continue to have to deal with a financial and family dependence which, while it is particularly common among adult women and the elderly, is not exceptional among younger women, for whom an increased presence of the work market often signifies (and the phenomenon is particularly high in Lombardy) irregular, flexible jobs with low professional standing and gratification from the income point of view; often accepted or sought because they are the only way to carry out the dual role of worker-mothers, also in the absence of adequate welfare services. And they continue to have to cope with an unfair, disadvantageous inequality in the distribution of domestic tasks.

Different types of poverty

The phenomenon of poverty is closely linked to housing costs. A recent research study carried out at national level distinguishes between two types of poverty: that depending on housing and that independent of housing. The first is exclusively due to a lack of income, the second is caused by excessively high housing costs (Palvarini 2009).
Housing-dependent poverty is a very widespread phenomenon: it affects 8.8% of Italian families and accounts for 56.4% of all surveyed poverty. This means that over half of poverty in Italy depends, to a greater or lesser extent, on costs related to dwelling.

Housing-dependent poverty might be reduced or eliminated through specific policies geared to affordability of homes allotted to persons with dwelling costs higher than their means.

**Figure 3 - Incidence of the different types of poverty in Italy**

As in the case of poverty measured with conventional means, housing-dependent poverty also reveals a considerable inequality between the sexes and it very frequently concerns single-parent families and families in which a woman is the main income-earner.
In these cases it is clear that, given these conditions, separations or divorces may involve a risk of greater poverty for women.
The data relating to divorces, separations and children born outside wedlock show that Milan, a true social laboratory, is closer to other European situations. If we observe, for example, the data relating to the births of children outside marriage, while Italy – with a 22% birth rate of children born outside wedlock – is well below the European average, Milan, with 37% of children born outside wedlock, is perfectly in line with the European average.

This is a process of modernisation in a frame of growth towards women’s autonomy, which in the absence of social protection, in a context characterised by a high spread of irregular work contracts, involves the serious risk of social, financial and psychological vulnerability, especially for women and children, above all when under age.

According to a study published by the OECD, 15% of children in Italy are poor, and their poverty is related to the low level of employment of women (d’Ercole, 2005). These data also confirm the trend of an increasing number of children under age among the vulnerable persons in our society (Istat, 2004).

**Figure 6 – Relation between poverty levels among children and employment rates of mothers in OECD countries**

Source: OECD, 2005

This is extremely important both from the point of view of the needs emerging at local level, and from public responses. If it is true, as it seems to be, that poverty is increasingly influenced by structural factors, then the phenomenon, and the social demands linked to it, might be expected to grow further in the next few years. In this situation, it will be indispensible for local governments to find responses going beyond the mere management of the emergency, but instead oriented to structural and multi-dimensional actions, as structural and multidimensional as the needs they must meet.
The increase of women’s employment and the adequate provision of services necessary to make women’s employment possible are therefore of fundamental importance. Alongside these two directions for action, it is necessary to deal with the housing issue: too often the “home” issue is forgotten among the basic rights of citizens. In Milan, in particular, the strategies imposed on the market by real estate companies which tend to increasingly reduce the stock of rented accommodation and the often inaccessible prices make it exceedingly difficult for people in conditions of economic-social vulnerability to keep the home in which they live or, even, to find another to replace it. On the one hand, the absence of a policy for public building and social housing and, on the other, a merely emergency stop-gap management of the problem risks making it explode in an exponential manner.

It is therefore fundamentally important to develop both support policies for women’s employment and those aimed to increase care services for children, appropriate in quality and price, and above all to deal with the question of lone mothers in the more general frame of the area in which they live and relate.

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