

Italians say ciao to their 'dolce vita' in austerity era

€2,026

The net median monthly wage in Italy

11%

Italian families who earned below poverty line last year

30%

Percentage of Italy's youth that is unemployed

The squeezed MIDDLE

Just back from a holiday in Italy's aeolian islands, Patrizia Bianchi remembers when summers away with her husband and two children lasted up to a month.

"Now we are down to two weeks, no more," Ms Bianchi says.

She earns more than half of the population, taking home a net sum each month of around €2,026 (\$2,770) – the median wage in Italy. But, like other middle-class Italians facing higher taxes as part of the government's latest austerity plan, Ms Bianchi is feeling anxious about her future.

"We have felt the impact of the economic crisis and now make more cautious and shrewd decisions, sometimes even sacrifices," she says. "Before, we were more carefree."

Born to a Roman middle-class family, with a degree in law from La Sapienza university, Ms Bianchi works for Poste Italiane, the state-owned mail company and largest public sector employer in Italy, with over 150,000 staff.

In a country where small and medium-sized businesses form the backbone of national production, it is entrepreneurs, along with public sector workers such as Ms Bianchi, who make up the twin pillars of Italy's middle class.

According to Demopolis, a research institute, only 7 per cent of Italians interviewed in a recent survey believed their family's economic situation had improved over the past three years, compared with 45 per cent who felt living conditions had worsened.

"The study reveals the progressive impoverishment of the fixed-income middle class of our country," says Pietro Vento, institute director.

Struggling below the squeezed middle class are the 11 per cent of Italian families who earned below the monthly €992 poverty line last year, according to Istat, the national statistics bureau.

Istat noted a slight increase in those families sinking into poverty who are dependent on income from one member with a higher education.

"We are losing the middle class. We risk having, in the future, a minority of rich people and an endless mass of neo-proletarians," writes Gian Maria Fara, chairman of Eurispes, a research institute.

Financial pressure on Italian citizens is rising, as is discontent, following the latest €54bn austerity budget passed by parliament, which raises taxes for ordinary Italians while leaving the political elite virtually unscathed.

"With state or public workers, government can count on certain sums.

They are the most exposed because as soon as an economic crisis arrives, they pay," says Luciano Pellicani, professor of sociology at Luiss University.

Similar patterns are playing out elsewhere in the European Union, says Prof Pellicani. "Western Europe has become homogenous, both politically and socially," he says. The Italian middle class emerged in the 1960s and 1970s. As a result of greater social mobility, a second generation of peasant families were able to move up the social ladder and gain access to education and jobs in small industries, mainly in the north of the country.

The attributes of the new middle class were house ownership, better living conditions, belonging to a profession and ability to save part of one's income.

Sociologists say that this group has been undergoing a progressive slide in the past 15 years, as social

Gli italiani dicono ciao alla loro "dolce vita" nell'era dell'austerità (pds)

Patrizia Bianchi è impiegata presso Poste Italiane, azienda di proprietà della Stato italiano e gruppo che conta il maggior numero di dipendenti nella Pubblica Amministrazione con 150.000 unità. Il suo stipendio è di 2,026 euro netti al mese, ma come gli altri italiani appartenenti al cetto medio che si vedranno aumentate le tasse dall'ultima manovra di austerità del governo, la signora Bianchi, già colpita come altri connazionali dalla crisi economica, è preoccupata per il suo futuro.

mobility has halted and purchasing power has fallen. For Ms Bianchi, the future is clouded by worries over pensions and savings. "We were the core of the social structure, those who were better off and did not complain," she says. "But now . . ."

She wants to give her children the chance of maintaining the lifestyle they are used to, but knows it will be a struggle.

Her daughter is leaving for Sweden to study business and management – one more addition to Italy's brain drain, fuelled by a stagnant economy, low investments in research and development, and a gerontocracy that has left little, if any, space for the youth.

According to the Organisation for Economic Co-operation and Development, the number of Italian graduates living abroad is four times the number of Germans, triple the English and double the French. Nearly 30 per cent of Italy's youth is unemployed, according to official figures.

"Back in my time a degree was the finishing line. Now it is only a starting point," says Ms Bianchi.