

SPECIAL ISSUE

SEER

JOURNAL FOR LABOUR AND SOCIAL AFFAIRS IN EASTERN EUROPE

Journal of the European Trade Union Institute

Migration Waves in Eastern Europe [1990–2015]

A Selection from 16 Years of SEER

Calvin **Allen** and Béla **Galgóczi**: Waves of migration from south-east Europe to the EU

Ilia **Telo** [1999]

Stefano **Ruvolo** [1999]

Marion **Möhle**, Susanne **Huth** and

Jens **Becker** [1999]

Ágnes **Hárs** [2001]

Drenka **Vuković** [2002]

Angela **Munteanu** [2002]

Birsen **Ersel** [2002]

William T. **Bagatelas** and Bruno S. **Sergi** [2003]

Martin **Baldwin-Edwards** [2004]

Rossitsa **Rangelova** and Katia **Vladimirova** [2004]

Drenka **Vuković** [2005]

Martin **Baldwin-Edwards** [2006]

Viorel **Rotilă** [2008]

Arben **Tabaku** [2008]

Rossitsa **Rangelova** [2009]

Chris **Wright** [2010]

Deniz **Genç** [2010]

Anna **Rocheva** [2010]

Kerstin **Zimmer** [2010]

Lela **Rekhviashvili** [2012]

Biljana **Čavkoska** [2013]

Violeta **Ivanova**, Stella **Georgieva** and

Evangelos **Evangelou** [2015]

Bruno S. **Sergi** and Giacomo **Morabito** [2015]



Nomos



etui.

SPECIAL ISSUE

SEER

JOURNAL FOR LABOUR AND SOCIAL AFFAIRS IN EASTERN EUROPE

Journal of the European Trade Union Institute

What is the European Trade Union Institute (ETUI)?

The ETUI conducts research in areas of relevance to the trade unions, including the labour market and industrial relations, and produces European comparative studies in these and related areas. It also provides trade union educational and training activities and technical support in the field of occupational health and safety. Through its expertise, scientific publications, specialist journals and training programmes, the ETUI provides European trade unions with the tools to participate in the European debate and to contribute actively to achieving Social Europe. Its current work programme is built around the following five priorities: worker participation, social dialogue, the Lisbon/sustainable development strategies and their follow-up, trade union renewal and the economic and financial crisis.

The European Trade Union Institute is supported by the European Union.

For more detailed information on the ETUI please see the homepage www.etui.org

Aims and objectives of the SEER Journal for Labour and Social Affairs in Eastern Europe

SEER aims to stimulate an exchange of information between researchers, trade unionists and people who have a special interest in the political, social and economic development of the region of eastern Europe.

It seeks to draw attention to new research results and the latest analysis about the ongoing process of political and social changes in the broader eastern European region, and tries to create deeper understanding of the importance of the elaboration of democratic structures within industrial relations.

SEER combines contributions from different disciplines and schools of thought into an information package intended to be of interest to policy-makers, researchers, academics and trade unionists from various backgrounds.

The editors would like to point out that it is the authors who are responsible for the content of their own articles and that neither the editors nor the publisher, the European Trade Union Institute, necessarily share the opinions of the authors whose work is featured in the SEER.

Editor

Béla Galgóczi

ETUI, research department

Boulevard du Roi Albert II 5

B-1210 Brussels

Tel. ++ 32-2-2240492

Fax ++ 32-2-2240502

eMail: bgalgoczi@etui.org

Associate Editor

Calvin Allen

eMail: calvin_allen@btinternet.com

Production: Nomos Verlagsgesellschaft/edition sigma, Baden-Baden, Germany

JOURNAL OF THE EUROPEAN TRADE UNION INSTITUTE

Migration Waves in Eastern Europe [1990–2015]

A Selection from 16 Years of SEER



Nomos

edition
sigma



etui.

Die Deutsche Nationalbibliothek lists this publication in the Deutsche Nationalbibliografie; detailed bibliographic data is available in the Internet at <http://dnb.d-nb.de>

ISBN 978-3-8487-3652-2 (Print)

ISBN 978-3-8452-7939-8 (ePDF)

1. Edition 2017

© Nomos Verlagsgesellschaft/edition sigma, Baden-Baden, Germany 2017.

Printed and bound in Germany.

This work is subject to copyright. All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording, or any information storage or retrieval system, without prior permission in writing from the publishers. Under § 54 of the German Copyright Law where copies are made for other than private use a fee is payable to "Verwertungsgesellschaft Wort", Munich.

No responsibility for loss caused to any individual or organization acting on or refraining from action as a result of the material in this publication can be accepted by Nomos or the author(s)/editor(s).

Contents

Bela Galgoczi and Calvin Allen: Waves of migration from south-east Europe to the EU, as documented in 16 years of the South-East Europe Review	3
Ilia Telo: Employment structure, Migration and the informal economy in Albania	11
Stefano Ruvolo: The Labour Market Aspects of Migration between Italy and the Balkans	19
Marion Möhle, Susanne Huth and Jens Becker: Global asylum flows in the context of EU enlargement: The consequences of the safe third country rule	29
Ágnes Hárs: Hungarian emigration and immigration perspectives – some economic considerations	41
Drenka Vuković: The position and problems of refugees in Serbia	61
Angela Munteanu: Moldova without Moldovans: labour emigration – a loss or a gain?	71
Birsen Ersel: The social and political problems raised by the emigration of Turkish workers	77
William T. Bagatelas and Bruno S. Sergi: The Balkans ‘brain drain’ – its meaning and implications	93
Martin Baldwin-Edwards: Sustainable development and emigration: the contemporary Balkans and the European Union	99
Rossitsa Rangelova and Katia Vladimirova: Migration from central and eastern Europe: the case of Bulgaria	105
Drenka Vuković: Migrations of the labour force from Serbia	129
Martin Baldwin-Edwards: Migration between Greece and Turkey: from the ‘Exchange of Populations’ to the non-recognition of borders	141
Viorel Rotilă: The impact of the migration of health care workers on the countries involved: the Romanian situation	151
Arben Tabaku: Ethnic Albanian rings of organised criminals and the trafficking and smuggling of human beings: an international, regional and local perspective	179
Rossitsa Rangelova: Labour migration from east to west in the context of European Union integration	191

Chris Wright: The regulation of European labour mobility: National policy responses to the free movement of labour transition arrangements of recent EU enlargements	215
Deniz Genç: A paradox in EU migration management	237
Anna Rocheva: Adaptation of labour migrants as a function of social management	249
Kerstin Zimmer: The implementation of migration policy in Ukraine: autonomous or directed?	259
Lela Rekhviashvili: Survival strategies of the poor and marginalised – The case of internally displaced people in Georgia	271
Biljana Čavkoska: Freedom of movement of workers as a condition for implementing the Europe 2020 strategy for employment and growth	285
Violeta Ivanova, Stella Georgieva and Evangelos Evangelou: Information bridge: Bulgaria-Cyprus – Trade union co-operation for immigrant labour rights	295
Bruno S. Sergi and Giacomo Morabito: Migration and remittances: the rise and fall of Albania and Kosovo	305
About the Authors	317

Waves of migration from south-east Europe to the EU, as documented in 16 years of the *South-East Europe Review*

SEER Journal special issue 2016: migration

The context of this special issue of the *SEER Journal* is that migration has become the major concern of EU citizens (Eurobarometer 2016) and the number one political issue on the continent.

In 2015, Europe was facing the greatest migration inflow since World War II as asylum seekers, mostly from the middle east, Asia and Africa, fled war and political oppression. European institutions were not able to tackle this historical challenge, national governments pursued self-serving, often obstructive, policies and only a small number of member states took up the challenge to take action, in particular Sweden, Germany and Austria, while Italy and Greece were heavily affected due to their geographical location.

The broader phenomenon of migration has created new fault lines in Europe and threatens to escalate into a deep institutional and political crisis. Different categories of migrants are subject to different legislative bases, but public perception often does not recognise this. For refugees and asylum seekers, the ‘Geneva Convention’ applies and it is a humanitarian obligation to provide protection without selectivity. ‘Regular third country migration’ is subject to selectivity, in which the EU blue card system and national policies apply. Intra-EU labour mobility is – on the other hand – a basic freedom of the European Union with equal labour, social and residence rights.

Even if the legal status of the above three groups is entirely different, the effects they have on receiving country labour markets and welfare systems are not isolated.

Furthermore, political repercussions are interconnected.

The lack of co-operation between member states saw to it that parts of the existing European legal framework have begun to break down, with the collapse of the Dublin III regulation to administer and manage third country migration being the most notable. The initiative of the European Commission to overhaul the Dublin regulation does not seem to function in practice, because the principle of burden-sharing cannot be forced upon countries who are not willing to co-operate, despite the proposed ‘fairness mechanism’ for the redistribution of migrants across member states being applicable to all members.

The Schengen system of free movement has, at certain times (e.g. in March 2016), been *de facto* suspended and border controls re-introduced.

Meanwhile, a common European policy for administering and integrating asylum seekers is not in sight. The decrease in migration pressures since early 2016 is mostly due to the unilateral actions of some member states and western Balkans countries to close down the so-called ‘Balkans route’. This is not a European solution, and some of the direct approaches that governments have adopted are hardly praiseworthy, but it has created a *fait accompli*, stopping the refugee wave at a time when political tensions

in some member states were escalating and allowing policy something of a breathing space.

The subsequent EU-Turkey deal, with all its contradictions, offered EU temporary relief but neither can this be seen as a long-term solution.

It is evident that the lack of co-operation and solidarity that member states have shown in handling the historical refugee crisis seems to threaten the very existence of the EU.

The role of the new member states in central and eastern Europe is particularly controversial: these countries benefit most from the cohesion funds and see free movement within the EU as a major opportunity; but they refuse co-operation in seeking a European-level solution to the refugee crisis.

This is the background to why we are covering, in this special issue, migration-related articles from sixteen years of the *SEER*, from 1999 to 2015, addressing developments and the debate from the early 90s.

The western Balkans has been a migration hotspot for several decades and, in 2015, it became the major transit route for refugees from the middle east to western Europe.

The articles collected in this special issue of the *SEER Journal* deal with all the major channels of migration corresponding to different waves, from refugees and asylum seekers fleeing war, including civil war, and ethnic conflicts on the peripheries of the former Soviet Union, to the longer-term wave of people moving from the middle east and Asia to western Europe, passing through central and eastern European countries in transit.

One big issue which our authors have covered during these sixteen years is the flow of migrants from the east to the west of Europe which started with bilateral agreements to receive guest workers (from Turkey and Yugoslavia), continued as economic migration prior to eastern enlargement, and appears now as intra-EU labour mobility. In the twenty years between 1992 and 2012, nearly twenty million people moved from central, eastern and south-eastern Europe to western Europe. IMF researchers (Atoyan et al 2016) calculate that this has resulted in a net loss of population of 8% and a relative loss of GDP/capita of 5% in the respective sending countries across the whole period.

Our overview starts with the article by *Ilija Telo (1999)* that discussed the relationship between employment structure, the informal economy and emigration during the 1990s in Albania. Migration from Albania in the 90s was focused on Greece and Italy as major destinations. The author identified economic backwardness and the transition crisis as major push factors. Emigration was an escape strategy from massive employment loss in both agriculture and industry. Nearly 90 per cent of Albanian migrants were illegal workers, i.e. without work permits, and they were consequently subject to wide-scale discrimination.

Stefano Ruvolo (1999) discussed the already-perceived changing geopolitical function of Italy in the Mediterranean by focusing on the labour market effects of migration between Italy and the Balkans. Large-scale migration in the 1990s from Albania – often referred to as the Albanian ‘boat people’ – raised concerns in Italy, with immigration being increasingly perceived as a threat, even if – as the author stresses – no evidence of conflicts between Italian unemployed people and immigrants was found.

The article by *Marion Möhle, Susanne Huth and Jens Becker (1999)* dealt with east-west migration flows in the period before the eastern enlargement of the EU. These were times when Hungary was taking in refugees from Romania from the end of the 80s and, later on, from the civil war in former Yugoslavia, while post-Soviet transit migrants were on their way to western Europe through Poland. Some of the issues raised here can be seen as early signs of the events and processes that would gain much importance a decade later. In this regard, the authors focused, among others, on global migration flows towards western Europe in a post-Soviet and pre-enlargement context and raised issues such as the ‘safe third country rule’ as well as the nature of challenges to the Schengen system.

In 2001, *Ágnes Hárs* was discussing emigration and immigration perspectives in the context of Hungary. Some of her economic and social considerations put down the conceptual framework for intra-EU migration flows after the EU’s eastern enlargement destined to take place in a few years’ time. By discussing migration potential, and pull and push factors, her projection was that ‘no mass emigration’ from newly-joined central and eastern European member states could be expected as long as people in those countries were able to retain a domestic economic perspective.

This is, quite clearly, a very important proviso since it highlights that the failure to tackle the social dimensions of enlargement – of the need to raise the wages and living standards of workers in central and eastern Europe, prior to enlargement – has had an impact which has now come back to haunt the EU and raise questions over its future role. The political imperatives of enlargement had taken priority, alongside a hegemonic belief in the power of the clearing functions of markets, and an action plan to establish a Social Europe, on the basis of good quality services, equal opportunities, social justice and protection, and tackling ongoing inequalities such as higher unemployment and lower pay in the new Member States, was naively and foolishly omitted.

Drenka Vuković (2002) addressed the problems of refugees and displaced people in Serbia in the aftermath of the war in Yugoslavia. There were 451 thousand internally-displaced people and war refugees in Serbia at that time, most of them from Croatia and Bosnia. The article examined a number of key issues related to the formal legal status of refugees and displaced people and the way in which they were able to exercise the rights guaranteed by international standards. Marginalisation and social exclusion were identified as the main unresolved problems faced by refugees and displaced people in Serbia.

Another ‘visionary’ article included in our pages addressed the early signs of a phenomenon that was to gain much more importance in the next decade. *Angela Munteanu (2002)* raised the question of a ‘Moldova without Moldovans’ in discussing the potential losses and gains of looming mass emigration. After almost one-third of its population of working age had left the country in the ten years after 1989, there is no doubt as to how to answer her question.

Birsen Ersel (2002) addressed the social and political problems raised by the emigration of Turkish workers in previous decades. Sending Turkish workers to western Europe based on bilateral state agreements had started in the early 1960s. The initial assumption was that these ‘guest workers’ would stay for a limited period and would then have a positive development effect on the Turkish economy upon their return. The

article struck a negative balance as returns were rare and, ultimately, the case of ‘guest worker’ agreements proved effectively to amount to little more than resource transfer from developing to developed countries.

William T. Bagatelas and Bruno S. Sergi (2003) dealt with the phenomenon of the ‘brain drain’ from the western Balkans, discussing its meaning and analysing its implications. This critical review by the authors came to the conclusion that the ‘brain drain’ from south-east Europe was a result of the EU-inspired integration policy of ‘educate and train’: given the lack of domestic perspectives and the failing absorption capacity of local labour markets, this led to the problem of over-education and, with the prospect of free movement, created a ‘brain drain’ out of the Balkans.

Martin Baldwin-Edwards (2004) drew a devastating balance between sustainable development and emigration in the context of the western Balkans and the European Union. In the fifteen years up to 2004, 15% of the population of the western Balkans (Bosnia 25%, Albania 20%) had emigrated to the EU; in absolute numbers, this represents one million people from the former Yugoslavia and 600 thousand from Albania, alongside some two million from Turkey. These findings underpin the results and conclusions that were emphasised in the previous three articles we have included here and which also continued over the next decade.

Rossitsa Rangelova and Katia Vladimirova (2004) provided a systematic analysis of the migration potential and perspective from the point of view of Bulgaria. Seen from 2004, three years before Bulgaria’s accession to the EU, mass emigration was already a realistic perspective but, while discussing whether this was to have positive or negative effects as regards the Bulgarian economy, it seemed nevertheless the case that policy options continued to be open.

Drenka Vuković (2005) describes the consecutive migration waves and their effects on Serbia. In providing a historical overview of the waves of migration from Serbia of guest workers in the period from 1965-1992, through to emigration due to the transition crisis of the early 90s and then as a result of civil war, the author completes a picture of western Balkans emigration. She also discussed the effects of the migration of skilled workers and the existence of the ‘brain drain’.

Martin Baldwin-Edwards (2006) examined the specific relationship of two neighbouring countries from the perspective of migration: Greece and Turkey. The long history of population moves between the two countries has seen times of a regulated ‘Exchange of Populations’ but also of a non-recognition of borders. The article discusses the development of inter-state relations and migration management.

Transit migration to Greece via Turkey by third country nationals had already played a role in earlier times, as the author points to this dimension of population movements, not yet knowing what a central role these moves would play one decade later.

Viorel Rotilă (2008) looked at the impact of the migration of health care workers on the economies of the sending countries, paying particular attention to the situation in Romania. Based on a survey of health care managers, the major impacts of the migration from Romania of health care workers were identified in terms of massive labour shortages and in the deterioration of health care services.

The article by *Arben Tabaku (2008)* delivered an insight into the criminal activities of ethnic Albanian organised crime rings, with a view to exploring the trafficking and smuggling of human beings in their international, regional and local perspective. Tabaku looked at the side effects of this very specific aspect of international migration, that continues to raise great concern in the populations of several countries across Europe, and examined the development, the nature and the business model of Albanian organised criminals engaged in human trafficking.

Rossitsa Rangelova (2009) analysed the development of labour migration from east to west in the context of European Union integration. Her article provides one of the first comprehensive and systematic overviews of how east-west EU mobility was unfolding in the post-enlargement period and the policy failures stemming from asymmetries in the development of human capital that were already becoming apparent.

Chris Wright (2010) provided an overview of the regulation of European labour mobility after two rounds of the EU's eastern enlargement. The author examined national policy responses and their background to free movement, with particular attention to labour transition arrangements. He also made an account of EU-8 migrant flows and their development in the first years after enlargement and examined the repercussions for the UK labour market, public opinion and policy spill-overs.

Deniz Genç (2010) took a critical look at EU migration management practices and addressed emerging concerns among a European population that saw a threat to public order and security, and to domestic welfare systems. The repercussions of these concerns in EU migration policy, which the author labels as a 'securitisation of migration', are in contrast with the overall 'positive contributor' image of migration. The author referred to the paradox between the EU's long-term need for migrants and the restrictive policies applied to migration by many.

Without wishing to dwell in this overview on the aftermath in the UK of the outcome of the UK's referendum on leaving the EU, it is clear that this paradox has only rarely been satisfactorily resolved within the EU. This is so particularly in association with the decision by the Blair government that the UK would be one of the few countries not to apply a staged process to free movement of labour from the new member states from central and eastern Europe, as Chris Wright discusses. There are some echoes of this in the approach taken by the German government to Syrian refugees in 2015 – that a growing German economy simply required more labour if economic growth was to be sustained; as, indeed, did the UK of the 2000s.

We might here debate another paradox – why Germany has been able to sustain high wage levels and productivity despite being a long-term destination country for migration while the UK has never been able to escape – and, indeed, now seems destined to entrench still further – a role as a low-productivity economy. On the one hand, a high-tech economy that is able to absorb migrants without disruption to the economic position and potential; on the other, a country that seems to need to resort to low-tech car-washing jobs to be able to do so. The contrast is significant and, in this, the roots of German productivity – not least in terms of social consensus in the workplace, as opposed to managerial absolutism – are likely to be highly significant in the context of assessing the political as well as the economic outcomes of governments' policy responses to migration.

Anna Rocheva (2010) examined migration policies in the Russian Federation with a view to labour market integration and social management. The Russian Federation is second to the United States of America in the amount of workers that it imports. However, its scant experience at dealing with immigration means that Russia is facing more difficulties than other main receiving countries. Migration is seen as a controversial process: it has the potential for advantage which Russia could exploit, as well as disadvantages and risks, among which are included the marginalisation and the lack of integration of migrants. Adaptation policies that target illegal practices seem to have a limited effect; thus, social management seeks to create the conditions for adaptation in the preferred direction.

Having analysed the laws of the Russian Federation devoted to the issue of visa-free labour immigration from CIS countries, and conducted interviews, the author drew the following conclusions. Formal institutions do not exist in all the spheres of labour market integration. These spaces are being filled by informal institutions acting in parallel with formal institutions in cases where they are estimated by individuals as less costly. The result is a prevalence of illegal practices, a marginalisation of migrant groups and the exploitation of migrant workers with very limited labour rights.

In this respect, we need to hear better the trade union voice on the issues of migration and migrant workers, whether this is in the east or the west. Some countries are, clearly, better at this than others, as we have already said; while the institutions of the EU leave a little to be desired. In this respect, little criticism is aimed at trade unions, many of whom do raise their voices, and repeatedly, on these issues; the trade union movement at international level (the ETUC) has argued, for instance, for a Social Europe consistently and over an extended period of time. Our criticisms are aimed here, instead, at the extent to which such voices are taken on board by governments and social democratic institutions from the perspective of the likelihood that they will be capable of having an influence on the policy debate.

In drawing up a balance sheet on migration policy, the experience of workers and workers' organisations, and perceptions of the impact of migration on wages and on employment rights more generally in a time of decline and austerity, need to be placed at the heart. Those countries that, currently, are better at listening to the views of workers' organisations need to ensure that they continue to do so on this issue (indeed, among others).

Kerstin Zimmer (2010) looked at how Ukraine is implementing a migration policy framework directed by the EU.

The case of Ukraine as a transit country for migrants from Asia to the EU in the first decade of the 2000s appears to act as a predecessor in the sense of the roles and agreements that the EU tried to arrange with Turkey and, later, with a number of north African countries to protect its own borders from the recent large waves of migration from the east and the south.

The United Nations estimated that up to six million undocumented migrants were residing in Ukraine in 2003. In practical terms, the Ukrainian authorities sought to protect the EU's eastern border, control their own territory and either readmit undocumented migrants or else prevent them from reaching the EU. At the same time, Ukraine requested reciprocity in financial and political terms. In 2008, a general EU-Ukraine

readmission agreement was concluded in exchange for the greater facilitation of bilateral visas for Ukrainian citizens and for further support with regard to economic and political reforms. Ukraine was, however, unable to cope with the societal and political consequences or to fulfil its international obligations. In the field of refugee and asylum policy, this led the Ukrainian government to adopt a wait-and-see attitude – expecting the EU to fund certain projects before taking measures itself.

Lela Rekhviashvili (2012) described the survival strategies of internally-displaced people in Georgia. The cause of such displacement was the ethnic conflicts that erupted simultaneously with, or shortly after, the dissolution of the Soviet Union and the declaration of independence by Georgia. Georgia experienced ethnic conflict with two secessionist regions: South Ossetia and Abkhazia. From Abkhazia, 300.000 ethnic Georgians fled, while 60.000 were displaced from South Ossetia. By 2009, there were between 220.000 and 247.000 people displaced from the conflicts in the 1990s and, after the Russia-Georgian war of 2008, around 37.000 more people were displaced. Statistical analysis of the Georgia Household Survey in 2009 showed that noteworthy differences continued to persist between the general population and the internally-displaced in terms of economic status, living conditions and educational attainment.

Biljana Čavkoska (2013) examined freedom of movement of workers in the EU and how this contributed to the implementation of the Europe 2020 Strategy for Employment and Growth. The article discussed the legal framework and the implementation of free movement in the EU and analysed its potential positive effects on EU 2020 goals. The key assumption was that free movement of workers contributed to better labour allocation within the European Union and, by this, it contributed to the fulfilment of the employment targets of the EU 2020 Strategy.

The timing of this particular article – against the backdrop of growing Euroscepticism in many places in Europe founded not least on the response to migration and in reaction to austerity – is key. It might be argued that the EU has not been able properly to articulate and explain the role and contribution of migrants to economic growth and development, as perhaps it ought to have done were such a Strategy to be fully capable of effective implementation and policy success; more likely, however, is that the recurring failure to do so has been the fault of national governments. This has, in turn, led to migrants being blamed, in the UK and in other places, by populists for the economic ills that have resulted from the 2008 and subsequent crises – blame for which governments have, quite shamefully, not taken on and effectively tackled. There is, in many places in Europe, an insider culture taking root.

The extent to which this has been the deliberate outcome of a policy to divert attention of people in hard-pressed areas of decline from both the systemic and regulatory failures which had led to the need to pump so much money into economies to prop up and rescue financial institutions, and the resulting austerity policies and their impact on public services as governments sought immediately to keep public borrowing in check, is clearly a matter for debate both as regards historians as well as contemporary policy experts.

Violeta Ivanova, Stella Georgieva and Evangelos Evangelou (2015) addressed trade union co-operation between Bulgaria and Cyprus on immigrant labour rights. The authors discussed the main trends and patterns of Bulgarian labour emigration and took

a more thorough look at the working conditions of Bulgarian migrants in Cyprus based on a survey. They also described a ‘good practice’ case in respect of how a trade union co-operation project might be established between unions from the two countries to provide proper assistance to migrant workers.

Again, this is an important article which not only provides a look at the practical contribution trade unions provide in terms of making a difference on behalf of workers in workplaces across Europe, and irrespective of the nationalities of the workers concerned; but which also highlights the need for the trade union voice to be better heard (or, more likely, better received) in the national policy debate.

Finally, *Bruno S. Sergi and Giacomo Morabito (2015)* analysed the relationship between migration and remittances in the context of Albania and Kosovo. By examining trends in migration and return migration, with their focus on two Balkans countries, the authors were able to look at the effect of remittances on the economy and also the main labour market trends in the two countries. They concluded that, in the wake of the crisis in Greece, the mass return of migrants to Albania from Greece in the last couple of years caused a huge surge in unemployment and also led to a substantial fall in remittances hitting both economies hard, but particularly the Albanian as a result of the greater number of returnees.

We commend this volume to our readers and we hope, in this brief overview, to have raised a debate over some of the issues that we identify as embodying the broad impact of migration. We hope our readers might respond to these and other concerns in future issues as the *SEER Journal* continues to explore the theme of migration in the next period as it has done in its life up to now.

As always, we are keen to hear from existing and potential authors with an expertise in any field of this subject: if you have an idea for article on migration – or indeed on any other issue of the social and individual and collective labour market concerns that we regularly tackle in our pages – as it affects the countries of south-east Europe, do contact either of us for a discussion. We look forward to hearing from you.

References

- Eurobarometer (2016): Spring 2016 Standard Eurobarometer, available at:
http://europa.eu/rapid/press-release_IP-16-2665_en.htm
- Atoyan, R. Christiansen, L. Dizioli, A (2016): Emigration and Its Economic Impact on Eastern Europe, IMF Staff Discussion Note, Washington DC, available at:
<https://www.imf.org/external/pubs/ft/sdn/2016/sdn1607.pdf>

November 2016

Béla Galgóczi
Calvin Allen

Employment structure, Migration and the informal economy in Albania

Introduction

It is a well-known fact that Albania was, and remains, the most backward country in Europe. This backwardness is proved by indicators concerning national *per capita* production and the incomes of the population.

The implementation of mistaken policies during the period of the Communist totalitarian regime, such as “The policy first”, “We don't need credit or help from others”, “Self-reliance”, etc. isolated the country. As a result, the gap in the development of our country with other European countries grew even larger. After 1990, following the introduction of political pluralism, the application of the theory of “shock-therapy”, mistakes in the process of privatisation, and the absurd events of 1997 and 1998 led to a decline in economic development and a deterioration in the well-being of the people.

A survey called *World Economic Freedom 1997*, carried out by reputable research institutions in 115 countries of the world, ranked Albania 106th in its economic development, below not only European countries, but even some African ones such as Nigeria, Zimbabwe, Uganda and Tanzania.

According to the magazine *Transition* in June 1998, the index of net domestic product in 1997 compared to 1989 was 79.1 (or 21 per cent lower). But, if one recalls that, during this eight-year period, the population increased by 3.9 per cent, one can reach the conclusion that *per capita* product has, in fact, fallen by 24 per cent. Industrial production is, at present, one-third of what was produced in 1990.

These figures need no comment. They show that the small volume of national product turned out before 1990 has further decreased. In such conditions, one can not talk about economic development and the growth of well-being in Albania.

Overall employment structure

Historically, a considerable part of overall output – over 80% – was produced in the industry and agriculture sectors. In 1990, 81.7% of employees worked in the so-called “production sphere” and 18.3% in the “non-production” sphere, as a part of the direction of the communist centralised economic system. The notion of “unemployment” was considered to be an economic wound of the capitalist system; instead the notion of “free forces not busy at work” was accepted – a practice which has contributed towards reduced productivity, efficiency and overall output. In particular, labour productivity was lower than elsewhere and showed a tendency towards decline throughout the 1980s, being 15.2% smaller in 1990 than in 1980. The situation in rural areas, in which the whole of the rural labour force was directed to work in the agricultural co-operatives or enterprises, even though neither needed extra labour, was even worse and contributed towards a continuing decline in the real incomes of the co-operatives in the 1980s. The miserable situation of agricultural co-operatives and their members in this

decade is illustrated by the fact that incomes from agricultural co-operatives made up less than 50% of the general incomes of co-op members, while in the north-east of the country, they made up only 13.6%.

After 1990, following the acceptance of political pluralism, “shock therapy” was embraced, although only partially. This had terrible consequences for the economy, including lower production, closure of enterprises, destruction of assets and massive unemployment. Closure even affected some parts of businesses that were able to compete in a market economy, such as chemical fertilisers, metal mining and manufacture, and industrial-agricultural enterprises.

Increasing the employment of labour resources is now a very difficult task. If we could rely on the experience of other countries, we should make significant structural changes in employment in different sectors of the economy. My own survey *Well-being and the Living Minimum* provides the following data about employment structure in recent years (page 184):

Sector	Albania (%)	Western Europe (%)
1. Agriculture	67	13
2. Industry	10	27
3. Services	23	60
Total	100	100

The data show that radical changes should be made in our country towards increasing the share of services and industry and reducing the share of agriculture. This process, which can take place only over a long time frame, should be properly thought through and co-ordinated within a strategy for the development of economic sectors and sub-sectors. This will not be achieved by decreasing agricultural production; on the contrary, this must be increased further. We say this because, even though agriculture takes the biggest share of production and revenues in Albania, agricultural produce is still insufficient because our agricultural sector is behind in both the extensive and intensive aspects of its development.

Population, employment and migratory trends

When a backward country such as Albania is opened up to the outside world, one may notice two tendencies: the workforce in the backward country tends to emigrate in search of higher wages; while investors in developed countries seek to make inward investments because cheap labour increases their profits.

After 1990, the first tendency has been more strongly felt in Albania than the second one. Large-scale emigration has been particularly important because it has had an easing effect on the economic difficulties of the transition period. It is estimated that USD500-800m in currency or goods is sent by emigrants back to Albania every year. This is a considerable amount for our country, which has a low level of national product.

The second tendency has been less conspicuous due to different reasons such as a lack of political stability and public order, the absence of legislation, high criminality and corruption.

However, there are no accurate and reliable data about employment and emigration in Albania. The latest population census was made in 1989 and its findings cannot now be used to study these two phenomena. Figures in official publications are also dubious, for example:

- an INSTAT publication, *Labour Market 1996-1997*, states on p.5 that, by the end of 1997, 761 000 people were employed in the private agricultural sector. But in 1990, the number of people employed in the co-operative system was 525 000, while the total number of people employed in the agriculture sector was 674 000. On the other hand, INSTAT official publications claim that, in 1996, the rural population had been reduced by 242 000 people in comparison with 1990. Then, one may logically ask: how can the claimed growth in rural employment be justified? Do people from Albanian cities or from other countries come to work in the Albanian countryside?
- the same INSTAT publication claims on p.14 that, in 1997, the level of unemployment was only 14.9 per cent. Officially, unemployed people are considered to be only those who are registered at labour offices. But, in reality, they represent only a fraction of those who are unemployed; people do not believe that labour offices can offer job vacancies, so they do not register. The magazine *Enimerosi*, published by the Labour Institute of Greek Trade Unions, has pointed out that the average level of unemployment in 12 countries of the European Union was 11.3 per cent in 1997, including 22.7 per cent in Spain and 15.5 per cent in Finland. It is difficult to believe that the problem of unemployment has been solved better in Albania than in Spain or Finland!

Difficulties in the elaboration of data, the lack of authentic information about emigrants and the lack of figures about the real proportion of the informal economy, which makes up a considerable part of the private sector, have deprived us of the possibility of accurate data. In these circumstances, we have applied other acceptable methods for calculating the size of the population, employment and emigration.

The Statistical Yearbook *Albania in Figures – 1997*, published by INSTAT, acknowledges that, in 1990, the population was 3 286 000 people and that, in the period from 1990 to 1996, the natural growth of the population (the difference between births and deaths) was 389 000 people. Thus, on the basis of these figures, one may conclude that, in 1997, the general number of the population should have been 3 675 000 inhabitants ($3\,286 + 389$). But, in fact, these figures are not accurate, because they do not taken emigration flows into consideration. According to official figures, the population in 1997 was 3 324 000 people. Thus, one may assume that 351 000 people have emigrated ($3\,675 - 3\,324$). This figure coincides, more or less, with relevant data published by different institutions. For instance, the publication *Programme Review and Strategy Development Report – Albania* stated on p.3 that the number of Albanian emigrants in recent years is in the order of 300 – 350 000 people. However, this would not appear to be a fully accurate figure. The majority of emigrants are in Greece, we believe numbering about 300 – 350 000, followed by Italy with 170 000 emigrants. Germany, the

United States, and Switzerland, amongst others, have lesser numbers of Albanian emigrants.

Below we give the official data on employment and unemployment and our own calculations for 1997:

	Official figures (000)	BSPSH data (000)
1. Population in total	3 324	3 324
2. Population of working age	1 861	1 861
3. Disabled, students, etc of working age	-	415
4. Remaining workforce	-	1 446
5. Employed	1 107	885
a. State sector	226	226
b. Private non-agricultural sector	120	120
c. Agricultural private sector	761	539
6. Registered unemployed	194	
7. Real unemployment (4-5)		561
8. Active population (5+6)	1 301	
9. Unemployment (%)	14.9	52

Notes:

(1) It has been calculated that people with physical disabilities, school pupils, students, soldiers, etc. of working age represent 22.3 per cent of the population of working age (according to labour statistics from previous years).

(2) The workforce in the private agricultural sector has been calculated on the basis of the employment level in agriculture in 1990, which was 674 000 people. The active rural population has been reduced by 135 000 in recent years.

(3) The level of unemployment has been calculated as follows:

- Official figures: $\frac{193.5}{1301} \times 100 = 14.9$ per cent - Our calculations: $\frac{562}{885+194} \times 100 = 52$ per cent

It is noticeable that in the state and non-agricultural private sector, 346 000 people were employed in 1997, compared to the 908 000 who were employed in the state sector in 1990. That only two out of five of those who had jobs in 1990 are still in employment illustrates clearly the large unemployment problem in the country. The problem is actually proportionately worse in industry, which in 1997 employed only 88 000 workers compared to 338 000 in 1990, while industrial production is only one-third of its 1990 level.

The unemployment situation is very grave. The social partners must undertake programmes geared towards socio-economic development which would support overall output and expand employment. Knowing that the country has to develop its economy,

future priorities ought to lie in the extension of employment and therefore the removal of emigration as a means to economic protection.

The problem of emigration

In addition to the general number of emigrants, another interesting aspect is their composition. Various studies, surveys and calculations have shown that:

- more than 90 per cent of our emigrants are illegal and do not have work permits. This is the reason that our emigrants are discriminated against and, in many cases, paid less than home workers or emigrants from other countries even though they are doing the same kind of jobs. They also often do the hardest jobs in these countries;
- about 90 per cent of emigrants have settled in Greece and Italy, while the remaining 10 per cent are in other countries;
- the majority of emigrants are male. This is illustrated by the fact that, in 1990, there were 100 females for 105.9 males, whereas in recent years this figure has fallen to 97.9 per cent. It is estimated that 68-70 per cent of emigrants are male and only 30-32 per cent are female;
- 71 per cent of emigrants are aged between 20 and 30 years old. This has created social problems. In the 15-30 age bracket there are 67 000 more women than males in Albania, which means 84 young males for every 100 young females;
- it has also been estimated that 24 per cent of university-educated people have emigrated and, in most cases, they do second-class jobs.
- surveys conducted by the IOM (World Migration Organisation) have shown that 90 per cent of emigrants had been forced to emigrate because of economic reasons. These reasons include the high level of unemployment and the low level of wages found in our country.

These are some approximate data on emigration. Accurate data may be obtained only if a new population census is made, or if the emigrants are partially registered in their host countries. The state would be able to implement social policies in this field and increase support for poor families and in particular regions only if it has full and accurate data about the number, composition and density of emigration. We say this in order to draw attention to the fact that emigration in our country has taken place spontaneously, creating imbalances in the regional make-up. As a result, some areas have been abandoned, while others have become over-populated.

The state has, so far, not been able to manage emigration. This has led to the flourishing of illegal emigration, which has turned into a highly profitable business for a handful of people and a tragedy for thousands of Albanians. On the other hand, the state has long announced that it will sign agreements for seasonal labour with other countries, but these have not so far materialised.

The absence of state involvement is particularly conspicuous in regard to protection for emigrants. This is the reason that Albanian emigrants are despised and discriminated against. The state ought to provide judicial, political, economic and other kinds of protection for its citizens.

Article 19 of the European Social Charter, which was recently signed by our government, specifies the obligations that home and host countries should meet for pro-

viding multi-dimensioned protection for immigrants. The work started by the Greek authorities for the legalisation of Albanian immigrants should be followed by other countries. On the other hand, measures should also be taken to ensure that migratory movements are conducted on the basis of agreements between states and proper work contracts between employees and employers.

The informal economy

The growing informal economy has had a large impact on socio-economic development in Albania. Inevitably, it adds an unknown factor into the equation: statistical data on output, incomes and employment, for example, are invalid while it is consequently not possible to undertake effective measures to combat poverty and unemployment. It also leads to discrimination and the maltreatment of employees, while facilitating for employers streams of undeserved and illicit income. Government organisations are responsible for the situation, but the other social partners, especially the trade unions, do not have lesser responsibilities: the future belongs to the private sector, not to the state one and, while the problems of collective agreements are easier in the state sector, the trade unions have to increase their membership in the private sector in order to protect the interests of employees there.

The problems of the informal sector will not go away in the future. Based on data from the Social Insurance Institute, there is now a ratio of 1:1 between social insurance beneficiaries and contributors, compared to the 1:4 reported in 1990. Apart from the scale of unemployment, this ratio is also influenced by the size of the informal sector and will have a significant bearing on the ability of the state to provide social security. Many private sector companies have not registered their employees and do not pay insurance contributions, while the contributions from rural workers are very small, as are those from emigrants working abroad. These are the reasons why the old age pension is now half its 1990 size: in 1990, the old age pension amounted to 70% of average salary but is now reduced to 50% of it.

Non-payment is storing up many problems for the future. We underline this fact because those who do not pay contributions now will not be able to profit from old age pensions after they retire, and the state will be obliged to provide for them in different ways.

Conclusions

The expansion of industry, services and the infrastructure cannot be realised without foreign capital investment. But these investments depend on the restoration of political stability, public order, the improvement of legislation, etc.

We suggest that the development of both the economy and the social sphere in all the former Socialist countries, including Albania, should not take place spontaneously but on the basis of cohesive programmes. Development should also take place at low cost. This is an important component because low-cost development would alleviate critical social problems in these countries. To this end, the state should not adopt the role of a spectator. It should, instead, use economic policies to stimulate national production and create new jobs in the country. This requires the preparation of short-term,

medium-term and long-term strategies for demographic and economic development. Only in this way could the competition between local employment and emigration be won by the former.

Furthermore, the country may develop the economy and the population have more confidence in the future only if laws are strictly applied and corruption and the informal sector are duly fought. An increase in the private sector, although necessary, provides insufficient guarantees by itself.

Our country has real possibilities for the development of the economy and for the growth in the well-being of its people. In the current situation, it is most necessary that the political parties display tolerance towards one another and that the social partners agree on social peace. Only in this way could the level of employment be increased and the current grave crisis be overcome.

Albania's problems of local unemployment and emigration are acute. Success or failure in solving them will show whether this country is developing or not; whether our politicians are committed to the progress of Albania and the Albanian nation, or whether they will continue to be indifferent to continued illegal emigration, corruption and smuggling; and whether they are more anxious to reap individual profits or to achieve social development, growth in national production and well-being for all social strata, especially for the poorest segments of society. Improvement in the social and economic indicators will, undoubtedly, orient the development of Albania towards the new century, not towards the Middle Ages, as is happening now.

References

- Economic Freedom and the Wealth of Nations*, p.10, Albanian publication Newsletter No.9, p.4, September 1998.
- Enimerosi*, publication of the Labour Institute GSEE, p.22, May 1998.
- Prof. Dr. Ilia Telo, *Well-being and the Living Minimum*, p.184.
- Programme Review and Strategy Development Report – Albania*, UNFPA, p.3.
- Statistical Yearbook Albania in Figures – 1997*, INSTAT.
- Labour Market 1996-1997*, INSTAT.
- Transition*, May-June 1998.
- Kostaq at Papa, “Albanian emigration dictated by credo, pressure and plunder”, *Republika*, February 1998.
- Kostaq at Papa, “Albanian Emigration – Albania's Bridge to Europe”, paper read to the BSPSH Congress on 23 January 1998, partly published in *Sindikalisti*, January 1998.

The Labour Market Aspects of Migration between Italy and the Balkans¹

The arrival of clandestine immigration in Italy has assumed the character of a social emergency and collective attention has followed in the wake of the spectacular arrival of large boatloads of Albanians, men, women and children, which started in summer 1990-91. Until then, immigration, from all round the world, had taken place in established and well-worn ways; the Albanians, for the first time, arrived *en masse*, in a real exodus, and demanded – in a very public way – a refuge and concrete help.

The country's response was, for a long time, tentative and unclear either in scope or in method. Towards immigration and the reception of immigrants in Italy, the attitude of the government remains frozen both in its official declarations and in its concrete acts; in particular, in frequent and repetitive acts of regulation.

It is estimated that, every night, hundreds of clandestine immigrants arrive, mostly Albanians, but also Yugoslavs and Kurds, following in the wake of civil or other acts of war, Russians and Chinese. All along the Adriatic coast, entry points have been forced open, through which many of those who arrive have experienced journeys lasting for months, at the hands of merchants, black marketeers and gangsters of all sorts. Every day, televisions in Italian homes and around the world show pictures of many immigrants who have arrived safely, but in ever more tragic circumstances, on the Adriatic coast. The TV pictures of illegal immigrants and of refugees in transit show one aspect of what is happening, but it is useful to analyse its effects on the economy of the country, on its demographic processes and on the realistic prospects for integration.

All recent research suggests that there are 1.5m people of foreign origin in Italy; around three per cent of the Italian population. Even when foreseeing more immigration in the coming years and further “regularisations”,² Italy will still have numbers and percentages lower than other European countries.

It seems that Italy's anxiety is reflected in an unsuitable political reception. In fact, all the Puglian church centres and the Caritas Romagna have pressed for some time for a programme aimed at combining social integration with laws which offer sustenance and charity.

The phenomenon of migration, aside of the more contingent aspects of welcoming gestures, should be seen in broader terms and not only as reflections of its occurrence inside the country or inside the European Union. Migration will not stop in the coming years, concerning not only entry into Italy, but also from Italy in relation to other countries. The geopolitical function of Italy in relation to the Mediterranean is changing

1 Translated from the Italian by Jane McCarten.

2 The Italian government has repeatedly used laws to regularise the position of illegal immigrants by giving an amnesty and granting citizenship to those in residence at a set date (see Ruvolo, S and Le Quyen Ngo Dinh (1999): “The Role of the Caritas in Italian Immigration Services”, *South-East Europe Review*, Vol. 2 No. 1, pp. 23-28).

and, moreover, the economic and commercial roles of Italy will change in relation to the countries from which immigrants come.

Until now, the characteristics of Italy's internal labour market have not changed, while the incentives provided by labour offering itself unconditionally at low cost has produced some tensions in some areas of the country.

Much more important for Italy and for the Italian economy is the process of industrial and commercial localisation which interests certain overseas countries whose coasts face those of Italy.

The Adriatic: a large river

The Adriatic is no longer a sea boundary between East and West, more a large river across which rolls an innumerable and ever-growing amount of commercial trade and goods, in addition to traffic in illegal drugs, arms and people. A multitude of people and goods move every day around the shores of the Adriatic region and ever-increasing numbers of factories produce and sell on the open market.

Let us look at some examples. For several years there have been daily flights connecting the airports in Rimini (in Emilia Romagna) and Ancona (in Marche province) with Moscow. Each day, especially outside of the summer season, these planes bring young Russians, particularly women, who, in the course of four or five days, buy clothes, shoes and small leather items. These things have been produced in Italy, from the Rome Riviera to the industrial shoe-producing area of the Marche, and, as soon as the Russians have stuffed their bags and suitcases to capacity, they return to Moscow. There is an uninterrupted daily flow of products made in Italy, transported in this way, presumably destined for the Muscovite black market. These goods represent for the factories of the Adriatic area a large and constantly growing part of their output, not only for the Russian market, but for lots of areas in the east.

Many business people in Puglia have opened shops and export businesses in Montenegro not just for the local population; much more as a staging post for all of eastern Europe, right up to Russia.

Another example would be the shoe producers of Puglia who, in Caserano (in Lecce), have the biggest concentration by area and, with *Filanto*, the biggest shoe factory in Europe (around 3,000 workers), have established production lines and undertake parts of the manufacturing process, employing around 10,000 workers and around 10,000 Italian technicians, in Albania and in Montenegro and as far east as the Ukraine.

Along with the major producers *Filanto* and *Adelchi*, many other medium-sized shoe producers have moved some aspects of production to Albania, and currently employ another 2,000 workers.

At Bitonto (in Bari), industrial factories and artisans employing around 2,000 people making knitwear have moved to Albania, decentralising work to the area where costs are lowest. Furthermore, to date, more than a thousand textile, clothing and shoe businesses from Marche, Abruzzo and Puglia, employing around 100,000 workers, have established themselves on "the other coast".

In reality, for Italian businesses, the region across the Adriatic was at first a sort of “Eldorado” with low labour costs and tax benefits. After the initial euphoria, these factories have since had to take account of civil wars and uprisings and have become little fortresses in order to protect themselves from armed bands during the continuing riots and civil wars. The process of relocation has, in every case, involved the large undertakings and has been consolidated by the process of the decentralisation of production which exists today in Italy.

There is a realistic view that it is possible to identify a growing flow in the exchange of people – not only illegal immigrants and refugees – who move every day for work between the two coasts of the Adriatic; the so-called *frontalieri*, i.e. border-dwelling Italians who work every week on the other coast, and vice-versa.

Between 1992 and 1996, passenger numbers at the port of Bari went from 375,256 to 674,543, cars from 78,820 to 110,994 and trucks from 37,947 to 74,981. Goods moving between the two coasts reached three million tonnes, with an annual increase estimated at more than 20 per cent.

Every large city on the Adriatic now not only manages the flow of goods by sea and by air to all the countries on the opposite coast – Croatia, Bosnia, Serbia, Montenegro, Albania, and Macedonia – but also holds trade fairs such as that normally held in Levante di Bari, which last year was hosted by Tiranë, or else operates cultural exchanges, such as that between the universities of Bari and Belgrade, or organises medical and scientific co-operation.

To sum up: aside from the ships and rubber dinghies transporting illegal immigrants, drugs and arms, there is a growth in productivity on both coasts of the Adriatic, which has a noticeable influence on the production of goods and on the labour market, above all in Italy and the countries which face its Adriatic coastline. The future – including that of migration – seems to depend on the success of integration between the two Adriatic coasts and on integration between peoples and economies.

In short, the thesis which I would like to explore is that Italy (and the EU), at one time endowed with a valid political policy and structure of integration, needs to regulate a policy for receiving immigrants which would translate into a strategic advantage for the economy and for demographic processes, aside from kick-starting indispensable economic development in the countries of origin. For countries such as Montenegro, Albania and Bosnia, the possibility of integration into the industrialised west relies on their development and on the integration of relationships between the two sides of the Adriatic.

In the meantime, we need to manage the problems which immigration is causing today in Italy and with regard to its economic and social mechanisms. We need to manage and suppress the large-scale development of gangsters and of organised crime which obstructs the processes of integration by being able to profit in the ports and surrounding areas from a type of *carte blanche* from which to organise their criminal activities in peace.

Where do immigrants work in Italy?

In reality, the labour market in Italy is only marginally affected by immigrant labour; after all, around 1,500,000 immigrants constitute only three per cent of the Italian population and they do not have a substantial effect on the Italian labour market – they just underline the problems. The common belief that immigrant workers work underground in the shadow economy is both true and false at the same time.

Unregulated work in the south of Italy has far-reaching reasons and roots, found in the causes of under-development and the economic and production dependence of many areas. To date, it is estimated that, for the 4-5 million workers in the local economy, the availability of irregular work in the south means that one person in two works in the shadow economy.

Illegal immigration is certainly feeding the development of this type of market with its constant supply – despite the lack of decent conditions of work, it is, above all for immigrants, the only way to get an income and to gain access thereafter to legal work. In particular, in the south of Italy, the four most widespread, and most irregular, industries – agriculture; construction; small textile and clothing factories, and shoe manufacturers; and finally commerce – are interested in immigrant labour.

In addition to the traditional work within the family, domestic work and that of itinerant workers spread around the large urban areas of Rome, Milan, Turin, Naples, Catania and Palermo, immigrant labour has arrived at manufacturing work by scaling the ladder of jobs which are tiring, hard and illegal. You only need to attend a meeting of the unions in Emilia Romagna to note – in this case in the construction and foundry sectors – the growing presence of immigrant workers. The same is obvious in the craft and manufacturing sector in the Veneto and among the milk producers in many areas of the Padanian plain.

The Moroccan community, for example, which has settled in some metropolitan areas undertaking illegal work, has quickly entered into open conflict with the residents of the surrounding suburbs. Unresolved conflict, for example, in Turin's San Salvario quarter, where the trouble spread into rioting by Italian residents, has created rising tensions. However, aside from these isolated episodes, the phenomenon of integration is a regionalised one; in the Veneto, in Lombardy and in Emilia Romagna, a process of social integration and work with recent immigrants is well advanced. After all, the first immigrant workers spread most quickly into the north – where there is a need for labour – and took over areas of work already abandoned by Italian workers.

It is also worth taking a separate look at the Chinese in their communities in Prato, Florence and San Guiseppe Vesuviano, aside from the communities of Milan and Brescia. In particular, in Florence the Chinese have specialised in working leather and making leather goods, besides making counterfeits of designer-label objects bearing the label “Made in Italy”. The conflict with small and medium-sized artisanal and industrial “Italian” businesses is unresolved. At stake is all of the considerable market in leather related to the city's tourism, from which the work of the Chinese community takes up around 30 per cent of the total.

But it also underlines that the Chinese have no regulation of work, from the use of child labour to unfair working conditions and hours, and salaries up to 60 per cent below

the minimum wage. There has been a revolt among Chinese women in Prato through the Italian union organisations, because their bosses had required them to work an extra hour on top of their normal daily 16! This episode does, however, illustrate that there is in progress a strongly-motivated policy of integration and of awareness-raising among Italian trades unions towards all aspects of immigration, which has produced appreciable results.

In Prato, in the region of Tuscany, for example, there is a Chinese community of 10,000 workers within a labour market of around 40,000, employed in an area with a great tradition of wool weaving where producers have cut back on clothing production. The Chinese workers are producing additional low-cost products nearly abandoned by all the local firms. From Prato and Florence, the Chinese community, which specialises in working in clothing and leather production, has linked up with San Guisepppe Vesuviano, in the province of Naples, where there is another community of Chinese people who produce in co-operation with them.

The work done by immigrant workers has spread from the south – where it is mostly in the shadow economy – in particular in the fishing industry in the two large deep-sea fishing ports of Mazara del Vallo (Trapani) and in that of San Benedetto del Tronto (Ancona). The Moroccan, Montenegrin and Albanian immigrants are destined to become the sole occupants of the boats which are sent to the “fishing paradises” of the Libyan and Tunisian coasts and below the Albanian coast.

Seasonal work in agriculture (picking fruit, tomatoes and other early produce) is the other alternative for clandestine workers in the extensive production which is most important in the centres of Salerno (Naples), of Villa Literno (Caserto), a town on the edge of the three biggest areas for harvesting tomatoes from Capitanò (Foggia), and of Latina for vegetables. Other places for work are the fruit-growing areas of Metaponto (Matera) and Salento (Brindisi).

One area which is not yet very important, but is certainly growing, is that of the manufacturing sector of small factories in Salento (Lecce and Brindisi) and small shoe and leather workshops in Fermo and Macerata in the province of Marche.

But it is easy to predict that, in the future, the movement of small and medium-sized undertakings away from the Italian Adriatic will increase in production and in commercial terms, whether through the opening up of markets, or in taking advantage of low labour costs.

At the moment, some immigrant workers are working in Italian firms in the same way as there are Italian workers and small businessmen working in businesses in Albania and Montenegro.

Unemployment and immigration

Outside these episodes, the Italian labour market has not produced any evident conflicts stemming from immigration. And within the southern labour market – with its high unemployment rates and “submerged” economy – there is no competition between unemployed people and immigrants. There are many possible explanations for this and maybe not all are valid for the future when the number of immigrants will be more consistent. The first explanation involves the type of unemployment in the south

of Italy; predominantly among educated young people who are supported by their family and who have an expectation of getting better paid, qualified jobs. The level of qualifications – diplomas and degrees – and the opportunity to live at the family's expense means that young unemployed people can wait until they find the best jobs.

For less well-educated unemployed people, the reality lies in the shadow economy at various levels, where jobs are hard, uncomfortable and dangerous. Within the shadow economy, there are possible overlaps between jobs and, if these do not happen, this is due to precise hierarchies and divisions of labour.

The tiring labour of agriculture, fishing and tanning bear very little relationship to “Italian” occupations, so the presence of immigrants is stable, and without alternative. On the contrary, work in garment-making, shoe manufacture and in making household furnishings, at least those of high quality, calls for professionalism, productivity and a stable workforce. These characteristics are prerogatives for the female Italian workforce (with the sole exception of the Chinese community in certain areas) which means that there is little mobility of labour in these sectors and jobs are filled by word of mouth. Much easier to find and with fewer ties are itinerant workers who can be found in catering, domestic work and, above all, the world of illegal work (selling drugs, prostitution), which is quickly and conspicuously gaining ground.

Paradoxically to the situation with regard to unemployment in the south, the extensive existence of an underground economy – present all over Italy, but strongly visible in the south – has permitted the beginnings of integrated labour. Certainly, immigration has not helped to resolve the problem of the shadow economy – equally it is not the cause – but it has accentuated and underlined its characteristics. However, this is a problem which the country already had in any case. More complex is the problem faced by the location of businesses and industrial areas in comparison with decentralisation to the other Adriatic coast and to eastern Europe in general. Economic crises in the markets can push the advantage for contractors towards the other locations, taking away jobs and resources which were traditionally Italian.

In the shoe-making and clothing sector, for example, the conjunction of the economic situation and a loss of orders has been a hard test of the productive capacity of plants and businesses in this sector in Italy. But this could be a problem for all parts of the EU and of the way in which it confronts the location and industrialisation of developing areas.

The problems of integration are evidently more complex, including assuming the connotations of intolerance in the urban and metropolitan environment. In the society of the big cities of Milan, Turin and Rome, the process of integration is clearly more difficult and complicated. The arrival of illegal immigrants awaiting permits and the recruitment of organised delinquents make it difficult for people from the various communities to live together and to live with the resident Italian population. Episodes of intolerance in mixed urban areas, above all in certain big northern cities, are being repeated with an alarming frequency, despite the opportunities that these metropolitan areas offer for work and a welcoming reception.

The future of Italy rests on solving the problems presented by immigration, which is also a problem for the type of Europe which we want to build.

Table: Areas with an immigrant presence in the centre and south of Italy, and employment levels in light industry (textiles, clothing, shoes, leather and household goods)

Region and province	District	Numbers	Type of product	Presence of immigrant workers
TUSCANY				
	Prato – Florence		Clothing manufacture and leather	High (Chinese)
MARCHE				
	Fermo-Macerata	25 000	shoes	Medium (Montenegrin and Bosnian)
ABRUZZO				
Teramo		7-8 000	Casual, clothing manufacture	
	Val Vibrata	7-8 000		Low (Montenegrin and other Slavs)
Pescara-Chieti		4-5 000	Clothing manufacture	
Francavilla -Ortona-Orsogna-Guardiagrele		3 000	Clothing	
MOLISE				
Isernia Campobasso		4-5 000	Casual	
	Isernia	2 000	Casual	
LAZIO				
Frosinone		4-5 000	Clothing manufacture	
	Sora	4 000		
Latina		3-4 000	Clothing manufacture	Low
CAMPANIA				
Napoli		40 000		
	Grumo Nevano	10 000	Shoes, clothing	High (Chinese and others)