

Immigration of PECO Workers in Italy and Umbria

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The progressive opening of the European Union towards the Centre East Europe and some Mediterranean countries, is a necessary process for reasons of social, economic and political stability.

The consequent effects must be analysed and considered from various points of view. One of these is the problem of employment and the modifications of the labour market. In fact, the European economic environment is characterised by a labour market that:

- is reducing the dependent employment by big firms as a consequence of rationalisation and extended use of automation and informatics;
- is increasing the dependent employment by minor enterprises, even though there is a growing demand for flexible work contracts and associative type of work contracts;
- is basing the improvement trend of the employment index on forms of independent and atypical work, both of traditional and innovating kind.

We must not overestimate the burden of present threats nor the importance of opportunities, but we must carefully examine and specify the guidelines in order to formulate an employment policy that will prove optimal both for the European Union and the candidate countries' demands.

For demonstrative purpose, it would be of interest to give an estimate of relative advantages/disadvantages that arise within the EU because of the liberali-

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sation in course. The methodology used by Neven in 1994, examines five industrial sector groups on the basis of the intensity of three production factors: work, human capital and physical capital. The groups are:

- 1st group: high technology and high intensity of human capital industry (electronics, space, etc.)
- 2nd group: industries with high intensity of human capital and moderate intensity of physical capital (mechanics, instrumental goods, etc.)
- 3rd group: industries with high intensity of work (construction, clothing industry, etc.)
- 4th group: industries with high intensity of work and of physical capital (iron and steel industry, car industry, etc.)
- 5th group: industries with high intensity of human and physical capital (mineral, food, etc.).

The indicator used to measure the relative advantage/ disadvantage is the following:

$$V_{cr} = x/X - m/M$$

where:

x = sectarian exportations of a considered country

X = total exportations

m = sectarian importation

M = total importation

Positive or negative values indicate relative advantages or disadvantages of the considered country with respect to the country in comparison.

Applying this methodology to the EU ² with comparison to the Mediterranean and PECO countries we have the following table:

Relative comparative advantages for EU-12

Partner	Years	Groups				
		1	2	3	4	5
		Technology Intensive	Human Capital Intensive	Labour Intensive	Labour & Capital Intensive	Food, etc.
Mediterranean Countries	1988	106,8	165,5	- 76,0	192,3	1,3
	1993	79,9	171,6	- 147,9	210,3	4,2
PECO Countries	1988	129,2	187,5	- 98,7	- 58,3	- 13,0
	1993	74,5	125,9	- 168,9	0,9	- 13,6

$V_{cr} = (x/X - m/M) * 1000$

It appears from the table that the EU presents a relative disadvantage in the 3rd and 5th group in comparison with PECO countries and in the 3rd group with Mediterranean ones; the recurring disadvantage is present in industrial sectors with high intensity work. These difficulties will tend to grow together with the integration process and the consequent increase in the competitive pressure.

The position of Italy

Italy has always been favourable to the process of enlargement of the Community, even when the entrance of new members like Greece, Spain and Portugal affected some of its own sectarian interests.

² F. Lecce Riccioppo, Gli effetti economici dell'allargamento dell'Unione Europea; sta in: Commercio Internazionale, n. 3/2001, IPSOA, Milano.

On the occasion of the last extension towards the North European countries and Austria, Italy tried to counterbalance the risk of an excessive shifting of the political barycentre towards North and East Europe, supporting the Mediterranean candidatures, Malta in particular.

The present debate regarding the entrance of PECO countries finds Italy favourable again, considering that political and economical integration seems to be the most reasonable way to achieve rapid and stable democratic standards.

From the economic point of view however, the prospect of a rapid adhesion of the Centre East European countries to the EU, places Italy in a difficult position for following reasons:

- reinforcement of the PECO position as competitors in certain productive sectors where Italy is already in disadvantage because of higher incidence of the cost of labour.
- risk of partial margination of Italy from the barycentre of Europe, as a consequence of shifting of the strategic axis towards East.
- diverting of structural funds towards the poorer entering countries, placing Italy in the condition of becoming a financing country rather than a financed one.

As far as the specific subject of this paper is concerned, we must add that only recently Italy has been called to face the new phenomenon of the migratory pressure. This phenomenon could offer high benefits on the condition that we are able to operate opportunely to grant the best conditions of reception, stabilisation and appreciation of foreign workers.

The following conditions must be assured:

- a) to provide dignified solutions for entry, permanence and mobility of immigrants;
- b) to favour the integration of immigrants into the social and cultural hosting context, in respect of their origin and ethnic valence;

- c) to offer serious and profitable opportunities of work, compatible with the occupational expectations of the resident population, young in particular.

Consistently with the introduction, the aim of this paper is to describe the qualitative and quantitative characteristics of the immigration phenomenon in the Italian region of Umbria, in order to reach and evidence some operative initiatives and legislative proposals that will provide for foreign workers' contribution in the direction of self-employment and creation of multi-ethnic enterprises.

We want to underline that in this paper we omit several aspects of political, social and psychological nature; however they are closely connected with labour problems and they greatly affect the resulting policy of insertion of immigrants into the local economic context.

The migratory phenomenon in Umbria

The foreign presence in Italy is estimated to be about 1,5 million people; it is probably an estimate by default, considering the difficulties to quantify the phenomenon of illegal presence and interregional mobility.

According to the analysis made by Caritas, Italian territories live a kind of a "specialisation" with respect to the migratory flows: the southern regions represent the principal gate of entrance; the central regions function as the places of reception and passage; the northern regions represent the points of stabilisation. The consequence is that the centre and southern regions bear the most difficulties owing to the arrival and the first presence of immigrants, without receiving any of the benefits they yield in the stabilisation stage.

Having an old tradition in the reception of foreign citizens, Umbria may be considered as an interesting case to examine.

Even though it is a small region, its capital city counts two Universities: the University of Studies of Perugia – the second oldest University in Italy after

Bologna – and the University for Foreign Students, which gives superior education in Italian language and culture in order to prepare the foreign students for academic courses in various disciplines.

Its vocation to host foreign scholars has placed Umbria in the condition of becoming recently a pole of attraction for migrant flows of various nature. Foreign people find a favourable disposition among the inhabitants and a superior reception compared to other Italian regions; in fact the percentage of foreign citizens resident in Umbria is 3 %, superior to the national average (2,5 %).

A recent research has shown a change in the structure of migrant flows, with “an overturn of the student compound primacy in favour of the working compound, and the primacy of the western and industrially advanced compound in favour of the third world countries”³.

The national classification of regions shows clearly that Umbria represents a privileged reception for foreigners: it results to be in the fourth place (after Lazio, Trentino-Alto Adige and Friuli-Venezia Giulia), regarding the increase of the foreign population with respect to the resident one.

We can say that Umbria is one of those Italian regions that have a high intensity of international immigrant flows.

We can identify 5 typologies – not connected with study or tourism – observed in Italy and Umbria since 1997:

1. the flow of refugees coming from situations of grievous internal national crisis;
2. regular work entries, regarding mostly domestic work and agricultural sector;
3. reuniting of families;
4. territorial mobility;
5. coming out from illegality.

³ R. Marini, *Convivenza interetnica e politiche pubbliche locali*, IRRES, Perugia 2000, p. 29.

The official data regarding the illegal flow is unknown, but the researcher Marini estimates about 8 % of illegal presence in Umbria.

The estimate of foreign commuters in Umbria is higher, but only for limited periods, mostly related to seasonal agricultural activities.

On the other hand, if we observe the relative trend of immigrants with families, we have a significant increase in comparison to other Italian regions.

We agree with Marini that the working conditions of immigrants are assuming the features of growing stability.

If we consider the stable work compound, we find it is concentrated beyond 50 % in industry (mostly construction) and less than a half in the traditional tertiary and domestic work. The seasonal work prevalently regards agriculture (tobacco crop harvest and other typical products of Umbria like olives and chestnuts), and activities connected with tourism.

A strong component of irregular work persists in all economic sectors, but mostly in family services (domestic collaboration, assistance to the aged and invalids) being this sector less subject to control and facilitated in the evasion of social burdens.

The share of immigrants dedicated to independent regular work and business is still extremely low. We want to underline this aspect because we will deal with this topic in the final part. In fact, we consider it is of great importance in the medium – long term prospective.

The extra-community immigrants in Umbria

The extra-community immigrants resident in Umbria with a regular stay permit are about 16.500, that is 80 % of total immigrants; almost entirely represented by citizens from low income countries (PVS)⁴.

The following tables illustrate the national classification of PVS foreigners present in the areas of Perugia and Terni at the end of 1996.

⁴ D. Spagnuolo-S. Cavalaglio, *Il fenomeno migratorio in Umbria*, CIDIS, Perugia 1997, p. 26.

Data from the Police Headquarters of Perugia

Nationality	Male	%	Female	%	Total	%
Marocco	1748	79,1	461	20,9	2209	17,4
Ex Jugoslavia	1134	69,2	505	30,8	1639	12,9
Albania	1046	71,4	418	28,6	1464	11,5
Romania	144	19,7	587	80,3	731	5,8
Polonia	247	36,7	426	63,3	673	5,3
Filippine	121	31,3	265	68,7	386	3,0
Perù	117	31,3	257	68,7	374	2,9
Ex URSS	45	12,1	327	87,9	372	2,9
China	170	48,6	180	51,4	350	2,8
Algeria	315	91,3	30	8,7	345	2,7
Other	2000	28,2	2135	38,2	4135	32,6
Total	7087	55,9	5591	44,1	12678	100

Data from the Police Headquarters of Terni

Nationality	Male	%	Female	%	Total	%
Albania	82	0,9	116	9,1	398	15,4
Ex Jugoslavia	72	7,3	80	2,7	352	13,6
Romania	61	4,7	186	5,3	247	9,5
Polonia	48	1,0	107	9,0	155	6,0
Filippine	41	7,9	106	2,1	147	5,7
Brasil	17	4,7	99	5,3	116	4,5
Marocco	81	9,8	35	0,2	116	4,5
Rep. Dominicana	13	11,5	100	88,5	113	4,4
India	77	75,5	25	4,5	102	3,9
Ex URSS	16	6,5	81	3,5	97	3,7
Other	327	3,8	420	6,2	747	28,8
Total	1235	7,7	1355	2,3	2590	100

A recent study made by Caritas⁵ points out the first 10 foreign communities living in Umbria:

Country origin	Number of people	%
Marocco	3354	13,3
Albania	3118	12,4
Macedonia	1401	5,6
Romania	1127	4,5
Germania	1091	4,3
Polonia	854	3,4
Filippine	738	2,9
Grecia	736	2,9
Perù	633	2,5
Regno Unito	598	2,4

SOURCE: Caritas, Immigrazione. Dossier statistico 1999

We can note the prevalence of immigrants coming from the Centre East Europe and the Balkans; this fact puts Umbria in the condition to have to outline a far-sighted immigrant policy, giving particular attention to those European citizens that do not yet belong to the Union but are, sooner or later, destined to a progressive integration.

In order to elaborate the best immigration policy we must realise that the pursuit of work is the main cause of attraction for immigrants to Umbria, as we can see from the following table.

⁵ CARITAS Roma, Immigrazione. Dossier Statistico '99, ANTEREM, Roma 1999.

Reasons for stay	Area of Perugia	Area of Terni
Subordinate work	56,5 %	45,6 %
Enrolment in employment lists	4,4 %	4,1 %
Job expectations	8,9 %	9,1 %
Independent work	2,8 %	1,3 %
TOTAL REASONS FOR WORK	(72,6 %)	(60,1 %)
Other reasons(family, worship, etc.)	(27,4 %)	(39,9 %)

If we consider the qualitative composition of workers, we note that many immigrants do not have any qualification: 72,4 % in Perugia and 87,5 % in Terni.

The percentage of immigrants with a High School Certificate is low and totally insignificant is the number of the graduated. But even for the qualified subjects the insertion into an adequate working level is difficult, both because of lacking equivalence of studies and above all, because of a conspicuous difference in the scholastic systems and in the contents of the educational programs.

Consequently, the real expectations for all immigrants regarding employment are generally low and without any real prospect of improvement and elevation of the social status in the civil context. We must not forget the inevitable competition of Italian workers as soon as the possibility of a job with an elevated role and income arises.

In spite of this uninviting outlook, the number of dependent foreign workers employed by Umbrian firms has increased from '92 to '97 by 80 %: one point more in comparison to the Italian average.

If we examine the contract typology, we observe a very low number of employment contracts and a great prevalence of less stable contractual typologies:

Typologies	Area of Perugia	Area of Terni
Temporary contracts	87,7%	63,3%
Part time contracts	6,2%	14,0%
In service training contracts	5,1%	22,7%

It is particularly interesting to reflect on the last type of contract, where firms assume the duty to provide young workers with a specific professional training; in fact, these kind of contracts are useful in order to improve the quality of the job and of the social status of foreign workers.

We can not ignore that one of the major problems regarding the integration of extra-Community citizens into the working process is the level of insertion and the prospects of improvement. The lacking solution of these problems could undermine the stability of the economic and social system in the medium-long term prospective.

The best solution for a concrete possibility of improvement of the immigrant workers' condition is to increase both activities identified as "atypical work", and initiatives for self-employment and entrepreneurship.

We intend to dedicate the last part of this paper to the above topic.

Focus on the area of Terni

Compared to the rest of the Region, the area of Terni is singular because of a high presence of immigrants from the Centre East Europe. We will therefore concentrate our attention on that area.

According to the up-to-date data from June 2000, elaborated by the Police Headquarters of Terni, the resident foreign citizens amount to 4.170: 52 % of these reside in the city of Terni, while the remaining 48 % is distributed in a scattered way in the minor towns of the territory.

If we look at the ethnic composition, we notice that more then half of residents belong to 5 nationalities; in decreasing order: Albanian, Romanian, Macedonian, Philippine, Moroccan. Follow other 97 ethnic groups, but only the Polish and the Indian reach a slightly superior percentage to 4 %.

The following table elaborated by the Police Headquarters illustrates the motivations for granting the stay permits:

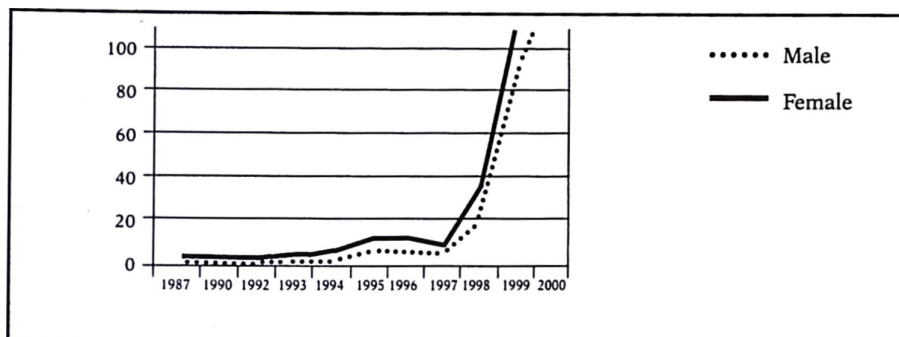
Motivations	Permits granted	%
Work	1976	47,4
Family	1430	34,3
Tourism	160	3,8
Commerce	143	3,4
Study	115	2,8
Health	85	2,0
Adoption	65	1,6
Elective residence	64	1,5
Religion	57	1,4
Extraordinary	21	0,5
Other	16	0,4
Extraordinary for work	10	0,2
Sports	9	0,2
Business	8	0,2
Asylum	7	0,2
Judicial	4	0,1
Total	4170	100,0

SOURCE: Police Headquarters of Terni (May – June 2000)

We observe that 47,4 % of permits have been granted for working reasons. If we consider other motivations connected with business, the percentage rises to 51,2 %.

The following graph corroborates the fact that since '97 until today there has been an increase of immigrants registered at the Employment Office.

Enrolments of foreigners at the Employment Office of Terni



The following table reveals the composition of registrations at the Employment Centre, evidencing the already mentioned fact regarding an elevated presence of the Central East European citizens in Terni area.

Country of origin	Female	Male	Total	%
Albania	49	82	131	24,0%
Romania	62	18	80	14,7%
Marocco	13	28	41	7,5%
Filippine	18	9	27	4,9%
India	7	17	24	4,4%
Tunisia	11	13	24	4,4%
Polonia	16	4	20	3,7%
Rep. Dominicana	16	4	20	3,7%
Brasil	16		16	2,9%
Jugoslavia	5	8	13	2,4%
Bulgaria	11	1	12	2,2%
Iran	4	7	11	2,0%
Pakistan	2	9	11	2,0%
Senegal		10	10	1,8%
Other	69	37	106	19,4%
Total	299	247	546	100,0%

This interesting quantitative data must be analysed in order to identify the most critical problems.

Firstly, the fact that almost only men find regular occupation, while women must often be contented with informal and submerged work, mostly assisting children and aged and in domestic work.

The fact that most unemployed foreign citizens are married causes further apprehension because the precariousness of income has consequences on the quality of life of the entire family, whether residing in Italy or in their country of origin.

These workers are forced to accept any possible job, for any wage and on any condition. These facts emphasise their critical status of the weak link inside the labour market. This weakness increases if we consider "that more than 70 % declares to have no qualification, language difficulties and uneasy insertion into the professional formation system as weak as the Italian one"⁶.

This fact is corroborated by a research carried out in Terni area by Cidis.

Problems encountered by immigrants

Major problem	Total	Minor problem	Total
Work	27	Other	30
Housing	26	Integration / Friends	29
Stay permit	21	Work	23
Other	15	Nothing	16
Integration / Friends	7	Housing	1
Other	4	Stay permit	1
Total	100	Total	100

SOURCE: Cidis. Osservatorio sui flussi migratori

⁶ D. Spagnuolo, Un'immigrazione quasi invisibile. Gli stranieri a Terni, CIDIS/ALISEI, Perugia 2000, p. 61.

The table shows that finding work remains the greatest problem for immigrants; and even when the work is found, they can not expect any improvement as they generally remain confined to the lowest scale.

In conclusion, it is necessary to concretely extend the occupational prospects in atypical, independent and enterprising work sector.

This strategy encounters various obstacles, connected with cultural, social and professional factors that must be efficaciously solved as soon as possible.

Some proposals for the requalification of immigrant work

Considering the above analysis, the Faculty of Economics of the University of Studies of Perugia – in its seat of Terni – has promoted the opening of a window for guidance and assistance in favour of immigrants who are willing to search for an outlet in the independent work sector.

The project is based on the supposition that work opportunities are already – and will be more so in the future – linked to the will and the ability of immigrants to “cut out” for themselves forms of self-employment. This condition prepares the way that leads to an elevation of the working level and of the social status, without colliding with the expectations of the local qualified workers, mostly young and with higher education.

An incentive to self-employment favours the achievement and stabilisation of immigrants; in addition, it can enrich and improve the local economic context that still appears wanting in enterprising stimulus.

The initiative of the University – called “Point of Entrepreneurship” – already successfully started in favour of our students, intends to be extended to immigrants, considering that they represent an important resource of the territory.

Obviously, such a project can have success only if it is supported by the territorial organisms that are called to decide and carry out the policy on immigration.

The University, on the other hand, assumes the following task:

- a) to listen to the needs of immigrants, in order to help them to choose a work project, preferably of independent kind;
- b) to offer the know-how and the technical and economic advice to define a project and to draft a preliminary business plan;
- c) to assess the technical feasibility and the potential profitability of the project;
- d) in the case of positive evaluation, indicate the organisation or enterprise that could be interested to support the project technically and financially. In the case of negative evaluation, to assist the immigrant in drawing an alternative hypothesis;
- e) to offer assistance and support during the period of initial contact with the supporting enterprise.

In addition, in the presence of specific needs, the "Point of Entrepreneurship" may provide focalised courses for small homogeneous groups of subjects.

This initiative could contribute in a qualifying way to the policy of reception and stabilisation of immigrants.

We are aware that such an initiative must be backed by the political subjects, by the local enterprises and by the institutional and financial organisms.

Since we are dealing with initiatives that mostly concern the young people, we believe that our main interlocutor is the organism called "Imprenditorialità Giovanile" which operates as a division of SVILUPPO ITALIA.

This Company, with public majority, has the principal role to promote and support the development of the Italian enterprising system in view of improving the index rate of employment. Its division "Imprenditorialità Giovanile" (with which our University actively collaborates), directs its activity towards the young people in order to sustain and stimulate with real and financial services the initiatives of new entrepreneurship.

The Company also maintains active agreements regarding projects localised in foreign countries, while there is a lack of specific initiatives that support enterprising ideas and self-employment promoted by young immigrants resident in Italy.

We intend sustaining the proposal that benefits provided by the law in favour of young Italian enterprises, be extended also to business activities promoted by young immigrants resident in Italy.

Special benefits should be granted for those initiatives that promote multi-ethnic structures; and additional benefits should be granted to those multi-ethnic enterprises that commit themselves – within a certain period of time – to open a branch in the countries of origin of their immigrant members, in order to extend their activity abroad.

The advantages for our country and for the economic system are evident, considering the interest of Italy to extend, also in form of joint-ventures, its own positioning abroad.

Italy has moved in this direction, mostly in the Centre East European countries, participating in this way to the promotion of conditions for political, social and economical democratisation of these countries.

Recently however, we can observe a slowing down in the rate of establishing of joint-ventures because the competitive advantages deriving from investments in PECO have been reduced, and because of persisting difficulties in administration and controlling of the joint-ventures, owing to different cultural, operative and legislative practice.

The analysis of the economic convenience and of the operative difficulties can not however interrupt the process of enlargement and osmosis of economic systems, especially regarding the countries destined to enter in the EU.

It is necessary, in the interests of all, that new formulas be conceived and carried out.

Accordingly we propose that the Italian organisation SIMEST SPA⁷ assumes the competence of sustaining the multi-ethnic enterprises, including those established in Italy, on the condition that they commit themselves to generate a form of spin-off in the countries not belonging to the EU.

⁷ The SIMEST SPA is a financing agency established in Italy by law n.100 on the 24th of pril 1990. Its aim is the promotion and the constitution of joint-ventures abroad, excluding the EU territories. FIMEST SPA (established by law 19/91) works for the same purpose but operates only for the North-East Italian enterprises, and directing its benefits to the joint-ventures situated in Austria, the Balkan countries and the ex Soviet Union.

This kind of financial and real support should prove especially advantageous for the young multi-ethnic enterprises; in fact they would become privileged places of formation and training for managers and business men with a real international stature and a multi-ethnic extraction.

It is known that Italy has a low tendency for active internationalisation (foreign investments) both because of its history and also because of a constant worry about reducing the employment opportunities of its own citizens. The experts are still asking whether the foreign investments are prejudicial to employment for the domestic economy. It is difficult to give an univocal answer, as we are in presence of both evident opportunities and frequent menace.

The mixed enterprises – either located in national territory or in foreign countries – represent the embryonic cell of the internationalisation structure that Italy needs. No effort should be spared in that direction; not only financial and institutional, but above all organising and cultural effort, depending on the human factor. It's the people that must assimilate an international culture and mentality, and then use it to internationalise the institutions and enterprise. This culture can be obtained mostly through both active and passive mobility, in which immigration plays a prominent part.

We can say therefore, that migratory flows represent a resource for the labour market but mainly they offer a precious opportunity to consolidate the integrating processes of cultural, social and economic internationalisation.

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