

The Labour Market

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2.1 Migrants' inclusion in the Italian labour market: lights and shadows

To introduce our analysis of last year's trends, it is convenient to recall some features characterizing migrants' inclusion in the Italian labour market; features which have become more and more evident during the economic crisis period – in which, both the migrant population and its active component have grown at an extraordinary rate.

Within the industrial sector, the foreign workforce responded to the need for a generational turnover of workers, filling poorly qualified positions and ensuring the survival of businesses which otherwise would have failed due to their low levels of competitiveness. Migration thus contributed to the good performances registered by the Italian manufacturing system in the years before the crisis (De Arcangelis et al., 2015). At the same time, however, it has concurred to maintaining one of its traditional weaknesses – namely, the high incidence of personnel employed in manual and poorly qualified positions – inhibiting the growth of competitiveness and innovation, particularly crucial in a medium-term perspective. This explains why precisely those sectors which had abundantly resorted to migrant labour have been dramatically affected by the economic crisis: indeed, migrants are the most affected by the business failures, and 10% more likely to be dismissed compared to their Italian counterparts (OECD, 2015). Moreover, the most recent estimates

regarding future hirings (Unioncamere-Excelsior) confirm a downward trend in businesses' attitudes towards hiring migrants.

If we turn to the demand for private employment within the home, the abundant offer of migrant labour has completely transformed the Italian system of care, while at the same time reinforcing its privatistic and familistic traits. The management of migratory flows, together with the nature of Italian care policies (based on subsidies given to families with members in need of assistance, but without any control on how the money is spent), and the lack of any formal requirements for this kind of job have fostered a system where little interest in professional skills goes hand in hand with a widespread tolerance towards undeclared work (Soletierre, IRS, 2015). Occupation in this sector - which is certainly the most ethnicized - has yet to be reduced, despite the growing economic difficulties faced by Italian families. Quite on the contrary, it is interesting to note that the number of Italians employed in care work has also expanded significantly: a further demonstration of the dramatic impact of a crisis which has reshaped the labour offer, pushing the entrance in the market of new categories of workers (such as a low educated woman whose husband lost his job).

Within the agricultural sector, in 2014 the number of migrant workers surpassed that of natives by 14%: indeed, migrants almost trebled their number (relative to natives) since the beginning of the crisis. Despite a small quota of native workers who have "returned" to the sector because of the occupational crisis, the contribution of migrant workers has been fundamental in mitigating the decline in the number of employed workers, particularly regarding activities characterized by high seasonality, low qualification, intensity of work and heavy duties. The last forecasts by Unioncamere-Excelsior estimate an incidence of migrants among new hired workers between 23% and 32%, together with a very high request for seasonal workers (almost 300,000 in 2014). Considering its occupational relevance, it is fundamental to give the right attention to the degradation which has invested the sector during the last years. The pressure to reduce labour costs, together with the large influx of new migrants (many of whom come from EU countries, particularly Romania) have concurred to the intensification of competition and to further worsen working conditions (for a deeper

analysis see Inea, 2014; Zanfrini, 2015a). Currently, despite their status as EU workers, Romanians, Bulgarians and Poles enter the "migrant labour market", concurring to the failure of system of management based on 'yearly quotas' and, de facto, vanquishing any deterrent potential of those sanctions put in place for those who employ undocumented migrants. All this within the peculiar Italian "geography" of migrant labour: if cases of workers' rights violation are amply documented also in the Northern regions (sometimes also by cooperatives managed by the migrants themselves, who accept very low remunerations), in the South both undeclared work and wages significantly below the statutory minimum are the norm.

With regards self-employment, unaffiliated and freelance work, migration has contributed significantly to maintaining the levels of independent occupation - another typical trait of the Italian development model -, with a positive rate of new business creation among migrants even during the "darker" years of the crisis, thus counterbalancing the general trends. In 2014, the number of businesses headed by a foreign-born entrepreneur reached 335,452. On the other hand, enterprises launched by migrants have accentuated some traditional weaknesses of the system - this is particularly evident in some sectors, such as transportation and construction - contributing to a downward trend both in terms of prices offered and margins of profit. In 8 cases out of 10 enterprises managed by migrants are individual businesses, which take advantage of the low entrance barriers of those sectors most affected by the difficulties in ensuring a generational turnover. Thus, as well as supporting the process of business creation (though credit access, bureaucratic simplification, infrastructures and so on), there is a need for an effective control and management of this entrepreneurship phenomenon driven by demand and generated by the pressure to reduce labour costs and to limit workers' rights and protection.

Moreover, migration has reinforced two ancient plagues of the Italian labour market: the North-South dualism and the strong contiguity between the formal and informal (undeclared) economies. The first phenomenon is clearly evident in the symmetrical conditions of migrants' participation in local labour markets. If in the North - where the largest share of regularly employed migrants are concentrated - we can observe a "normal" situation,

with migrants more exposed to the risk of unemployment compared to natives, in the South migrant workers are, paradoxically, at an advantage. But this "advantage" is merely due to their acceptance of working and salary conditions that are so poor they are considered unacceptable even in such degraded contexts as many provinces of the Italian South. And this is without considering the extraordinary pulling power of the submerged economy, so widespread and rooted that it represents - particularly in some sectors - the typical destination of migrant workers, be they legal or undocumented, from Europe or the Third World.

However, it is quite evident that undeclared labour is not a prerogative of the Southern regions: from the top to the bottom of the boot many occupational sectors benefit from the large presence of migrant workers employed partially or entirely "off the books", and largely recur to contractual solutions at the limit of legality or applied in a very improper manner. This produces a drastic worsening of working and salary conditions, which negatively influences both migrant workers' hope of stabilisation and the proper functioning of a competitive economy. New arrivals from abroad, by inputting on the market a large, irregular workforce, have given a new lease of life to a phenomenon which, in any case, is not merely a prerogative of undocumented foreigners, but largely involves migrants from the EU.

In light of this, migrants' contribution to the Italian economy and society is at risk of being jeopardised. Currently, migrants' segregation in low income jobs produces a limited capacity for fiscal contribution, even without considering the widespread phenomena of fiscal and social security evasion. Massively employed in mature and declining sectors, migrant workers' occupational - and human - destiny is subject to great challenges, as the crisis has abundantly demonstrated. The proliferation of businesses who are able to survive only thanks to their strict margins of profit is reason to worry given that, in various sectors, the generational turnover among entrepreneurs seems to come with a general decline in the quality of goods and services provided. The widespread use of poorly guaranteed contractual solutions enlarges the number of those who are potentially excluded from the area of industrial citizenship, bringing new challenges to the welfare systems for the poorer and more vulnerable

members of society, who are already struggling. Finally, migrant workers' employability seems to be fundamentally based on their availability to fill "bad" jobs, with obvious implications in terms of discrimination and of scarce increase in productivity. In other words, the extraordinary growth of migrant employment, and its fundamental contribution to the GNP, represents only one side of the coin.

2.2 Migrant workers in the labour market: the most recent trends

Most recent data confirm a set of trends which have been becoming clearer and clearer since the beginning of the economic crisis.

Table 2.1 - Activity rate, employment rate and unemployment rate, by gender and worker nationality (Foreigners and Italians); 2005-2014

	2005		2008		2011		2013		2014	
	For	Ita	For	Ita	For	Ita	For	Ita	For	Ita
Activity Rate										
Men	87.5	74.0	87.1	73.6	84.0	72.1	81.4	72.6	81.3	72.8
Wom	58.0	50.0	59.9	51.0	59.1	50.7	60.4	52.8	61.1	53.6
Tot	72.9	61.9	73.3	62.3	70.9	61.4	70.3	62.7	70.4	63.2
Employment Rate										
Men	81.5	69.4	81.9	69.5	75.4	66.7	67.9	64.5	68.1	64.3
Wom	49.1	45.1	52.8	46.8	50.5	46.1	49.3	46.2	50.2	46.4
Tot	65.5	57.2	67.1	58.1	62.3	56.4	58.1	55.3	58.5	55.4
Unemployment Rate										
Men	6.8	6.2	6.0	5.6	10.3	7.4	16.6	11.1	16.1	11.4
Wom	15.4	9.8	11.9	8.3	14.6	9.1	18.3	12.6	17.7	13.3
Tot	10.2	7.7	8.5	6.7	12.2	8.1	17.4	11.7	16.9	12.2

Source: Rilevazione continua sulle forze lavoro, various years

Regarding migrants' economic activity rate (Table 2.1), we have witnessed a further reduction in the positive gap compared to natives, parallel to the growing incidence of migrants for family reasons. If the EU as a whole is ex-

pected to register a significant reduction in the volume of the active population (a trend which “officially” began in 2014), Italy is one of those countries who faces the specific challenge of needing to support the growth of the activity rate, for both native and foreign workers. Equally important will be the capacity to exploit migrants’ human capital, in order to increase labour productivity.

Two aspects ought to be highlighted, however. Firstly, once disaggregated by age, activity rates turn out to be only apparently advantageous for younger migrants: in actual fact, unlike their Italian counterparts, they leave school early and enter the labour market (the rate of early school leavers is “only” 13.5% for Italians, reaches 27.1% among EU migrants and increases to 34.4% among non-EU migrants). If we also take into account the larger incidence of NEET among young foreigners, we can identify a very critical segment of the migrant labour offer. Moreover, even if they gain access to employment more easily than their Italian counterparts (thanks to their vocational educational background), they face more difficulties in stabilising their occupational condition, and suffer higher rates of unemployment and overqualification (OCDE, 2014).

The second aspect to be taken into account is the gender composition of the inactivity phenomenon, which is even more pronounced than within the Italian population. Among the 1.2 million inactive immigrants, more than 70% are women. Women are excluded from the labour market mainly because of difficulties in balancing work and care responsibilities. If we consider their weaknesses in terms of human capital, we can appreciate how it will be difficult to increase their rate of participation. To this we must add the tremendous incidence of young people in the NEET group among certain migrant communities: among Bangladeshi women 8 out of 10, and almost 7 out of 10 young women among Pakistanis, Moroccans and Egyptians. If we now turn to analyse occupational trends we find that in 2014 there was a further increase in the number of employed foreigners (+111,000), and a reduction in that of employed natives (-23,000), albeit markedly weaker than the trends registered in the previous years. Despite this, migrants’ employment rate continues to be characterized by a negative trend, with a progressive reduction in the percentage of foreigners employed and in

the positive gap compared with the corresponding Italian rate (which, in any case, is particularly low).

Finally, the number of unemployed migrants has also continued to grow (despite the modest reduction in 2014), making the issue of sustaining their re-entry in the job market increasingly dramatic. In 2014, this number reached 465,700 unemployed persons (almost 11,000 more than the previous year) and at a rate of 16.9% (17.4% for non-EU workers). We can outline two typical figures of the unemployed migrant: one is represented by a man, previously employed in the industrial or building sector, who lost his job because of the economic crisis; the other by a woman who entered the labour market following the main family breadwinner's loss of a job. Both represent a challenge to public employment services and their ability (or lack thereof) to support and foster the employability of the most vulnerable workers. Suffice it to say that only 0.3-0.4% of employed foreigners found their job through a public employment service.

If we consider the qualitative dimension of migrant labour, the first phenomenon to highlight is the high level of segregation. More than 70% of foreigners are employed as manual workers, and less than 1% as managers or supervisors. If we look only at migrants who possess a high level of education (tertiary or post-lauream), only 36.7% (compared to 83.9% of their Italian counterparts) are employed in an intellectual or technical position, whereas 23.2% carry out a non-specialized manual job. In light of this data we can understand the reason why many migrants (23.6%) experience a downward mobility after their arrival in Italy (ISTAT, 2015b), and many more experience a downward mobility compared to their condition before emigrating.

Another aspect concerns migrants' low levels of qualification. As repeatedly noted in previous editions of this Report, in the last 20 years, migrants have become the "typical" recruitment basin for many poorly qualified jobs, thus generating their progressive ethnicization. Traditionally seen as the proof of a structurally discriminatory labour market, which inevitably pushes migrants towards low-salary and low-status jobs, this process is actually also the mirror of a migration which is - for the most part - "weak" in terms of human capital. Without neglecting the existence of a large over-qualification phenomenon, what emerges is the picture of a country who is mostly able to attract a poorly quali-

fied workforce. The comparison with the situation of some other European countries is striking (Table 2.2). At the same time, those (few) highly qualified migrants are the only ones who register employment rates lower than their native counterparts, confirming how Italy is particularly “friendly” towards foreigners with lower educational levels.

Table 2.2 - Distribution of educational attainment in the labour force by level and immigrant status, 2010

	Immigrants			Compared to native-born		
	Low	Medium	High	Low	Medium	High
Austria	28	53	20	13	-14	1
Belgium	32	32	36	12	-8	-4
Check Republic	12	64	24	6	-13	7
Denmark	26	38	36	0	-4	4
Estonia	3	55	41	-7	0	7
Finland	25	49	27	10	2	-11
France	40	32	28	19	-14	-4
Germany	32	46	21	21	-15	-6
Greece	49	38	13	19	-3	-16
Hungary	14	52	34	0	-12	12
Italy	42	45	12	7	-2	-5
Netherlands	33	37	30	7	-6	-2
Poland	--	50	46	--	-16	20
Portugal	48	32	20	-18	14	4
United Kingdom	14	47	39	-5	2	3
Spain	43	34	23	0	12	-12
Swedish	26	37	37	10	-15	5
EU 27 Average	25	44	31	3	-5	3
OECD Average	25	42	32	4	-6	2

Source: OECD, 2014, p. 70; only some countries

In this context, migrants tend to have a low income-generating potential: in 4 cases out of 10 their salary is less than 800 euro, and only 0.6% of non-EU workers gain more than 2,000 euro per month. This circumstance obviously reduces their potential contribution to the tax and pension provision system, and pushes a significant share of employed migrants to look for a second job.

Considering this situation, the importance of any initiative aimed at making migrants' skills and the competences more evident and transparent, particularly those acquired in informal and non-formal contexts, and to give value to and fully exploit their peculiar knowledge and abilities, cannot be overstated. These are precisely the aims that are at the core of the DIVERSE project, to which we will now turn our attention to in the final section of this chapter.

2.3 The DIVERSE project: reinventing the Italian (and European) approach to immigration

The DIVERSE - Diversity Improvement as a Viable Enrichment Resource for Society and Economy - Project, co-financed by the European Integration Fund¹ and coordinated by the research centre WWELL of the Università Cattolica of Milan, was carried out in cooperation with 14 partners (including the ISMU Foundation) in 10 EU countries: Estonia, Finland, Germany, Hungary, Italy, the Netherlands, Poland, Portugal, Spain and Sweden.

Its basic aim was to overcome the axiom of a "natural" complementarity between migrant and native workers, enhancing a shift from the perception of migrants as a contingently instrumental workforce to the conception of their human capital as a structural resource for the economic and social development of European societies. In order to realize this objective, a set of activities were implemented, aimed at both inquiring and promoting: the recognition and exploitation of migrants skills, knowledge and competences, acquired in formal, non formal and informal settings; a wider awareness, among different types of organizations (profit, non-profit and public), of the importance and potentialities of Diversity Management strategies; improving migrants' social participation and civic and voluntary engagement with the aim of developing an inclusive European society and in order to change the common perception of immigrants as people in need of help and assistance.

The project ended in June 2015, with the dissemination of the findings of the transnational analysis (see

¹ Grant Agreement No. HOME/2012/EIFX/CA/CFP/4248 *30-CE-0586564/00-20.

Zanfrini, 2015b) and a set of precious indications aimed at realising a “qualitative leap” in the Italian and European model of integration (see: www.ismu.org/diverse). Looking at the Italian report (Zanfrini et al., 2015) we can observe, first of all, how the Italian system for the recognition of qualifications obtained abroad is characterized by an extremely complex legislation, which involves a wide range of actors and agencies, depending on the purpose for which recognition is sought. Above all, the main critical element is represented by the poor awareness and preparation among the civil servants engaged in the various stages of the procedures. Migrants residing in Italy, for their part, show a limited propensity to apply for recognition because they are discouraged by the cost and length of the procedures, by the fact that the outcomes appear uncertain, and by the belief that employment opportunities are scarcely accessible to immigrants who aspire to a skilled job.

With respect to the recognition of non-formal and informal knowledge, we must note the improper delay with which the State has defined the national framework of qualifications, thus contributing to the heterogeneity of regional situations and of the rules and procedures in force in each. Within this scenario, Lombardy – the region on which the field work was based – stands out due to the existence of some interesting experiences on three fronts: the offer of technical assistance to migrants willing to apply for recognition of their qualifications in the field of nursing and health care; the recognition of informal knowledge through a model that allows to certify single individual skills rather than entire professional profiles; and spontaneous actions by employers’ organizations, which has generated interesting experiences in the certification of non-formal and informal knowledge, also in sectors – such as construction and care – that exhibit a significant incidence of migrants.

Nevertheless, there are many critical factors and weaknesses, which can be approached through a set of suggestions. The most fundamental indication is regarding the need to break the vicious circle made up, on the one hand, of employers who are insensitive towards the opportunity to enhance migrants’ educational capital and pool of expertise, and, on the other hand, of migrants, many of them are reluctant to invest time and money in the recognition procedures. This calls for: a capillary action of consciousness-raising among the entrepreneurial

class, so as to undermine stereotypes and prejudices about the "place" of immigrants in the labor market; a parallel campaign of awareness raising among those migrants potentially involved; the development of quantitative and qualitative research on the phenomenon at stake, in order to provide reliable information on the value of skill and competence recognition in the Italian labour market.

If we turn to consider the second main issue we can observe how, up until now, Italian businesses and other organizations have given little attention to the application of Diversity Management (DM) principles where migrant workers are employed. Moreover, the few (albeit, sometimes, very interesting) existing practices have received only modest attention by both academic scholars and business consultants. This mainly reflects the fact that the recourse to migrant workforce in Italian organizations is substantially determined by the need to fill specific job vacancies in low-skilled professional and organizational positions. This "complementarity approach" to migrant work keeps on underlying organizational managers' attitudes and, even before that, their views (tacit or explicit) about migrants' role in and contribution to the workplace. This typically takes place, in daily organizational life, through the - usually unintentional - adoption of perceptions and stereotypes about migrants' prerogatives and attitudes.

Among those factors which facilitate DM practices we find: socially-oriented organizational cultures, stemming from various sources such as traditional paternalistic philanthropy; a propensity to build partnerships and networks with other local actors, also located beyond the boundaries of the organization's business environment; informal processes linked to participative leadership styles and collaborative organizational climates which favour openness to innovation and exchanges. On the other hand, factors hindering DM practices include: a pressures to reduce costs, which has been further exacerbated by the current economic crisis; an underdeveloped use of more formalized and systematic tools for planning and implementing DM actions; the traditional absence, within the Italian context, of a "culture of evaluation" with respect to implemented programs and initiatives. In this scenario, the first recommendation concerns the need to change the perception of migrants as an adaptable, low-cost workforce, through the increased awareness of the

organizational advantages inherent in a new perspective conceiving diversity as a resource. This must be achieved: at the organizational level, through specific training initiatives devoted, firstly, to awareness raising and, secondly, to the development of the cross-cultural competences which are needed to manage a heterogeneous human capital. A second suggestion concerns the opportunity to highlight the tacit dimensions of organizational cultures and practices which already revolve around the values of inclusivity and diversity valorisation.

With respect to the third issue, neither local authorities nor civil society actors seem to be fully aware of the role that migrants' formal engagement in volunteering could play in supporting the process of integration, as well as - obviously - contributing to the performance of volunteer organizations themselves and, consequently, to the social, civil and cultural development of the local community. In legislative terms, the provision of an entry visa to Italy for volunteering reasons and of a reward system for residence permit renewal which assigns specific weight to volunteering activities would be important innovations, if only at a symbolic level. Any debate on this issue, however, is hindered by the lack of data and studies on migrants' participation in mainstream associations. According to experts and key informants, this presence seems to be rather modest, due to the lack of specific recruitment campaigns but also to the widespread perception of migrants as users and beneficiaries of voluntary organizations, rather than as a pool of competences and experiences to be exploited for the improvement of organizational performance itself. Only in rare cases, indigenous organizations have launched ad hoc projects for the involvement and promotion of migrants, but these examples show how engagement in volunteering can be crucial for the empowerment, integration, and social perception of migrants. The picture is different with regards to "ethnic" associations: they are numerous and fairly attractive, albeit characterized by some well-known weaknesses in financial and organizational terms and seldom preferred over other organizations in the allocation of competences and funding from public bodies.

Finally, there is a need to - resolutely - foster a cultural transformation in the models of reception and support aimed at migrants, still prevalent in a large part of both civil society and in the institutional do-

main. What seems to be urgent, here, is the development of a new mindset that leads to view immigrants not only as persons in difficulty and in need of an urgent response or, primarily, economic help, but rather as new actors in a plural society who are able, if successfully accompanied, to activate potentialities and resources, thereby contributing to a common growth. Within this framework, what appears to be pivotal is civil society and institutions' capacity - and determination - to read, acknowledge and shed light on immigrants' untapped potential.