

Informal employment in the Italian and Greek construction industry:

Case study on migrant construction workers in Milan and Athens

For many years, both in Italy and Greece, many immigrants have been employed in the construction sector in which high rates of informal employment have been always rife (FORBA, 2007: 17). After a long period of uninterrupted growth from 1970s until 2008, construction has been hit hard with the onset of the economic and financial crisis and many migrants have been pushed out of the labour market or ended up working in an informal (OECD, 2013: 80).

The downturn in construction industry in Italy and Greece lasted longer than for industry (EUROSTAT, 2014). Between 2009 and 2013, Greece and Italy recorded five consecutive negative annual rates of change in their construction activity, while the decline in activity in Greece was even more pronounced and the construction productivity was almost 50% lower of the Italian one (EUROSTAT, 2015; IOVE, 2015). In the region of Attica in Greece, the number of building permits still remains very low (ELSTAT, 2015) and construction has not recovered, while in Lombardy of Italy in 2014 the investments for new constructions seem to be ready for a recovery (ANCE, 2014). According to the Italian National Association of Construction Companies (2014), from the fourth semester of 2008 to the fourth semester of 2013, the construction sector in Lombardy lost some 60,000 jobs (-16.6%): 35,100 dependent workers and 24,900 self-employers. On the other hand, according to the statistics of IKA (Social Insurance Institute), comparing the month of July (when it is the peak of construction activities) of the years 2006 and 2015, the number of construction workers in Greece decreased by 87% (from 205,179 in 2006 to 26,972 in 2015).

Regarding informal economy, I use the definition of Castells and Portes (1989:12) who argue that it includes “all income-earning activities that are not regulated by the state in social environments where similar activities are regulated” (Castells and Portes, 1989: 12).

In urban and regional studies, scholars have argued the existence of two separate and disconnected realms of economy: the formal and the informal sector (Geertz, 1963; Harris and Todaro, 1970); and, the distinction have also concerned enterprises and workers - the informal and the formal – each with their own agency and reasoning (Fernandez-Kelly, 2006). However, in this research, I study informal economic activities adopting a formal-informal continuum approach, that is the continuum between the two parts of economy. Informal and formal economic activities are fluid and may become intermingled (Gibson-Graham, 2006;)

Shedding light on the nature of the informal economy in the European construction industry, Williams and Nadin (2012) argue that the undeclared work is conducted mainly by self-employed workers for kinship members, friends or acquaintances, and less by employees or self-employed workers for other private persons or household. Further, the reasons for which workers are involved in undeclared work are mostly the reciprocal benefits that have both parties (construction worker-client), the occasional (seasonal) nature of job or the difficulty of finding a regular job. In addition, they criticise the burgeoning literature that considers informal work as an exploitative waged employment conducted

by “a weak and unprotected workforce for unscrupulous employers out of economic necessity due to no alter-native options being available” (Castells and Portes,1989; Sassen, 1996).

From a structuralist standpoint, informal economy is the result from the extended deregulation of global economic processes that place a strain to the welfare state. New sub-contracting, outsourcing and downsizing practices have caused the growth of informal employment (Castells & Portes 1989, Gallin 2001, Slavnic 2010). Here, social actors are involved in informal economic practices out of necessity, and to survive and resist to the deregulated global capitalism effects.

Taking into consideration these two approaches that go beyond the dualistic views and the pure-agency theorisation of the informal economy, this article aims to explore on a comparable basis (a) the nature of informal economy in the residential construction sector of the two countries, (b) the representations of migrant workers of their undeclared work, and (c) the reasons for which they are engaged in informal economic activities.

This study is part of a larger research project on migrant construction workers in Milan (Italy) and in Athens (Greece), their agency and involvement in informal economic activities. The empirical analysis in the Italian context is based on 29 in-depth interviews with construction workers (of whom 17 are Albanians), one Egyptian and 10 Albanian self-employed workers without employees and 2 Albanian construction entrepreneurs. There were 13 semi-structured interviews with trade union officials (3 of them are of Albanian nationality with prior working experience as construction workers), the Director of the Milan Construction School (Ente Scuola Edile Milanese), 3 labour inspectors and 3 Albanian Cultural Association representatives. In the Greek context, the study draws on in-depth semi-structured interviews with 19 construction workers, 8 self-employed workers, and 7 construction entrepreneurs, all the three categories of Albanian origin. As for the institutional actors, material has been collected from 3 interviews with trade unionists, 4 labour inspectors and representatives of Albanian Association. Data was also obtained through legal document analysis, statistical analysis, press reviewing and pertinent websites.

Preliminary versions of this work have not been published yet or presented in other conferences or seminars.

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