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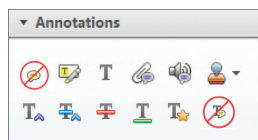
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Outsourced racism in Italy: discrimination at work and trade union responses in three sectors

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Summary

Research findings suggest that in some Italian industrial sectors a structural relationship may exist between new forms of work organization deriving from subcontracting and the embedding of racial discrimination in the workplace. This article first analyses the transformations of work that have led to the increasing recourse to the use of outsourcing. The second part examines the structural transformations due to subcontracting in the construction, metalworking and shipbuilding sectors in Italy from a comparative perspective. The third part presents the main empirical evidence on the effects of the crisis that have made union intervention against both contractual stratification and racial discrimination particularly difficult.

Résumé

Des résultats de recherches donnent à penser que dans certains secteurs industriels italiens, une relation structurelle peut exister entre de nouvelles formes d'organisation du travail dérivées de la sous-traitance et l'installation de la discrimination raciale en milieu de travail. Cet article analyse tout d'abord les transformations du travail qui ont conduit au recours croissant à l'externalisation. La deuxième partie examine dans une approche comparative les changements structurels dus à la sous-traitance dans les secteurs de la construction, de la métallurgie et de la construction navale en Italie. La troisième partie présente les principales données empiriques sur les conséquences de la crise qui ont rendu particulièrement difficile l'intervention des syndicats à la fois contre la stratification contractuelle et la discrimination raciale.

Zusammenfassung

Forschungsergebnisse legen den Schluss nahe, dass in einigen italienischen Wirtschaftssektoren ein struktureller Zusammenhang zwischen neuen Formen der Arbeitsorganisation, die Tätigkeiten an

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Subunternehmen ausgelagert, und einer am Arbeitsplatz verwurzelten Rassendiskriminierung besteht. Dieser Artikel untersucht zunächst die Umwandlungen der Arbeitsstrukturen, die zu einem zunehmenden Outsourcing von Tätigkeiten geführt haben. Der zweite Teil befasst sich mit dem Einsatz von Fremdfirmen und den daraus entstehenden Veränderungen in der Bauwirtschaft, in der metallverarbeitenden Industrie und im Schiffsbau in Italien aus einer vergleichenden Perspektive. Der dritte Teil legt die wichtigsten empirischen Erkenntnisse über die Auswirkungen der Krise vor und erklärt, warum sie die Maßnahmen der Gewerkschaften gegen die immer vielschichtiger werdenden Vertragsbeziehungen und die Rassendiskriminierung so erschwert hat.

Keywords

Outsourcing, racial discrimination, migrant workers, trade unions, crisis

Introduction

This article argues that in some sectors a structural relationship may exist between new forms of work organization deriving from the outsourcing of production through subcontracting and the embedding of racial discrimination in the workplace. Focusing on the metalworking, shipbuilding and construction sectors in Italy, it is based primarily on interviews conducted by the European Union research project CRAW (Challenging Racism At Work),¹ on a literature review, and on trade union migration and anti-discrimination policies. The fieldwork for CRAW involved 16 interviews with trade unionists at national, regional and local levels and with migrant workers, and holding three focus groups. The article also makes use of data collected in three other research projects: 'A survey on the impact of the Racial Equality Directive on trade unions and employers' (funded by the EU Agency for Fundamental Rights)², 'Undocumented workers' transitions' (funded under the EU's Sixth Framework Programme)³, and 'Trade unions, economic change and active inclusion of migrant workers' (funded by DG Employment of the European Commission)⁴.

The first section underlines how, over the past two decades, outsourcing has become a global practice covering all production sectors, and how such 'globalization by tender' has contributed to reshaping labour market stratification and to creating new potential for the spread of discrimination. The second section focuses on the features of the subcontracting system and work organization in the three sectors. We conclude by discussing the effects of the crisis on the inferred systematic discrimination linked with subcontracting in those sectors and of union countermeasures.

1 While some data exist for the 'formal' economy on workers' nationalities in Italy, the absence of ethnic monitoring and the scale of the informal sector make qualitative research the only suitable vehicle for researching workplace racial discrimination. The aim of CRAW (www.workingagainstracism.org/) was to examine, 10 years after the Framework Five project, RITU (Racism and Trade Unions, <http://archive.workingagainstracism.org/>), changes in the context of racial discrimination in the workplace as a consequence of the implementation of the Racial Equality Directive, the social transformations that have occurred in the past decade, and the recent economic crisis. For this purpose, we also interviewed unionists, delegates and migrant workers who had been interviewed 10 years ago as part of the RITU project.

2 http://fra.europa.eu/sites/default/files/fra_uploads/838-RED_Italy.pdf.

3 <http://www.undocumentedmigrants.eu/>.

4 <http://www.ub.edu/TEAM>.

The increase in the use of tendering over the past two decades is directly associated with the global spread of outsourcing. Although outsourcing is no new practice for capitalist production (Goldstein, 2006; Huws and Podro, 2012), together with other processes in the neoliberal era it has played a decisive role in transforming the international division of labour and in further subordinating workers to company interests. In this sense, it may be considered a structural element of the reorganization of production, with increasingly global and across-the-board dimensions: ‘global’, since outsourcing includes countries in both hemispheres, and has developed at transnational level in the form of international offshoring and at intra-national level as regional offshoring and increased subcontracting; and ‘across-the-board’, as it has spread beyond the limits of the industrial sector to become standard practice in agriculture and services in both the private and public sectors (Huws and Podro, 2012).

The ‘globalization’ of outsourcing and the subcontracting system springs from processes which, though converging on the aim of lowering production costs (*in primis* labour costs), have developed separately. First, it derives from the application of lean production principles, formulated in sector-specific and national contexts. The shift from Fordist to Toyotist factories has brought about a remarkable drop in the volume of production carried out by the parent company⁵ through its transfer to the production chain – including contractors and subcontractors – and the spread of the ‘reduced and diffuse factory’ (Antunes, 2006). The reorganization of production under the flexible accumulation model has entailed a marked segmentation of the labour market and, thus, a stratification of working conditions, constantly worsening the deeper the level of subcontracting is – as seen in the Italian textile sector (Zanin and Wu, 2009) and in the US⁶ (Bernhardt et al., 2009).

Secondly, especially in the services sector, the spread of ICT has enabled the outsourcing of functions involving its use, creating new stratifications within the workforce based on the multiplication of employment contract forms for the same job and on their spatial reorganization, as seen in call centres (Huws and Podro, 2012).

Thirdly, it derives from the restructuring policies of welfare systems carried out through the privatization of public services, adopted in Western countries to limit public expenditure and to lower labour costs through acting on indirect wages. Their application has favoured the proliferation of outsourcing, making subcontracting a structural element of work organization and promoting the dualism of its labour market, as is evident in the health care sectors in France, Italy and the United Kingdom (Bernardotti et al., 2007).

This fragmentation of the production process has gone hand-in-hand with a resetting and reconfiguration of inequalities on grounds of nationality, race, gender and age, forcing increasingly broader layers of workers to work in conditions that are not only worse, but also more precarious, with fewer rights and increased exploitation, even resulting in *de facto* forced labour.

The linkages between production organization, labour market stratification, and discrimination are well exemplified by the subcontracting system. Enabling discrimination to thrive, the key role played by new forms of the division of labour and work organization such as cascade tenders and on-site outsourcing can be seen in several sectors. Discrimination can nestle in the new spaces

5 In Fordist factories approximately 75 per cent of production was carried out on site, whereas in the Toyotist factory, this percentage is about 25 per cent (Antunes, 2006: 74).

6 Research on sweatshops in the US has highlighted that ‘a world of work in which the core protections that many Americans take for granted – the right to be paid at least the minimum wage, the right to be paid for overtime hours, the right to take meal breaks, access to workers’ compensation when injured, and the right to advocate for better working conditions – are failing significant numbers of workers’ (Bernhardt et al., 2009).

opened by changes to the work process: ‘as the recent processes of deregulation of the labour market and of relations between contractor and contractee fall upon the work factor, though differently, they may weaken the system of employment protection and guarantees’ (Carchedi, 2010). Thus discrimination can intensify as ‘decent work’ retreats and undeclared and severely exploited work advances (Ceschi and Mazzonis, 2003).

Subcontracting and discrimination

The reorganization of production has thus contributed to generating a new stratification of the labour market – formally based on contract status – and a fragmentation in protection, paving the way for discriminatory practices (Ferrero and Perocco, 2011; Wrench et al., 1999). This is evidenced in particular in the construction, metalworking and shipbuilding sectors, where the introduction of subcontracting has been associated with the growing insertion of migrant workers employed under extreme working conditions.

The construction sector is an interesting example of the linkage between the stratification of the labour force along racial lines and the fragmentation of the production process. On the one hand, as underlined by Geddes and Balch (2002), ‘the sector has been an important one for foreign workers because of its often large-scale requirement for low-skilled labour and its association with informal employment practices’. It has been a fully fledged global laboratory for new forms of exploitation, as seen with posted workers (Lillie, 2012; Eldring et al., 2012). On the other hand, construction has also been affected by the disintegration of the vertical production process and the fragmentation of building firms, fuelled by the evolution of working and organizational techniques (moving from craft to industrial manufacturing and component assembly, technical specialization and subcontracting) in the wake of market liberalization, internationalization and competition).

These trends have led to extreme flexibility in the recruitment process and to a remarkable decrease in labour costs. Moreover, they have produced a marked polarization of the business structure, with massive impacts on the labour market and on working conditions, as witnessed by the Spanish case before the crisis, where the whole construction sector was controlled by six huge companies focused on management and coordination, and based on a system with up to five or six levels of subcontracting, on the undeclared work of undocumented immigrants, on temporary contracts (which applied to almost two-thirds of the workforce) and on ‘dependent’ self-employment (ILO, 2001; Recio et al., 2006).

Such work organization has helped create exploitation differences based on race which, as illustrated by the example of Italy, have increased since the crisis. The Italian construction sector employs a high percentage of migrant⁷ workers: in 2012, 19.2 per cent of the workforce (346,000 migrants). They perform the more difficult and dangerous tasks⁸ and are employed mainly at lower-skilled levels, despite the fact that many have been working for several years within the industry and are capable of performing higher-skilled jobs. In 2012 the accident rate was slightly higher among migrant workers while, on average, they earned €133 a month less than locals. Moreover, migrant workers were hit greatly by the crisis, with wage differentials between

7 In this article the terms ‘migrant’ and ‘immigrant’ refer both to third-country nationals and to non-Italian EU nationals, in particular from the new EU Member States.

8 About 90 per cent of immigrants are involved in ‘worksites’ activities (construction workers, finishing workers, painters, exterior cleaners and general labourers), while only 1 per cent practise in the technical professions; among native-born Italians, some 60 per cent carry out ‘worksites’ duties while almost 15 per cent are involved in technical tasks.

them and Italian workers rising from 4.1 per cent to 10.5 per cent between 2009 and to 2012 and with them having greater recourse to the redundancy fund (Ires – Fillea Cgil, 2012).

The Italian metalworking sector similarly presents interesting examples. During the 1990s the government privatized many state-owned enterprises and they, along with many other private companies, began to outsource production to eastern Europe, resulting in a reduction in the number of companies and employees. The larger and more dynamic enterprises that maintained production in Italy lowered their production costs through increasing their use of subcontracting, which helped stratify the labour market on the basis of company size and employment contracts. This paved the way for increasingly differentiated working conditions between migrant and native-born workers. A 2008 survey highlighted that most migrant metalworkers were employed as semi- or unskilled manual workers, although many had higher levels of education. Similarly, their average monthly net wages were lower than the sector average (€1186 vs. €1246), and the migrant workers considered themselves to be the victims of both discrimination and intimidation at work, experiencing high levels of aggression from their management, superiors and fellow workers (Fiom-Cgil, 2008).

The linkage between racial discrimination and labour market stratification on the basis of employment contracts is evident at Electrolux-Zanussi, a major European producer of appliances, and at Fincantieri, a state-owned shipbuilding company. In the 1980s, Zanussi was acquired by the Swedish multinational Electrolux, which introduced a production model based on Toyotism. As a result of the crisis, Zanussi-Electrolux cut its Italian workforce from about 9000 workers in 2006 to 5715 employees in 2012, working in plants in Solaro, Porcia, Pordenone, Forlì and Susegana.⁹ The hiring freeze, the stabilization of the workforce and the company's introduction of an Ethical Code providing for zero tolerance of discrimination, led Electrolux-Zanussi to improve the working conditions of its existing permanent immigrant workforce and even to implement seniority increments and career progression. However, as pointed out to us by a trade union delegate from the Susegana (Treviso) plant, in the cooperatives to which Electrolux-Zanussi has outsourced its loading and unloading operations, and which mainly hire temporary migrant workers, there are now higher levels of precariousness and contract infringements, together with significant inequalities and discrimination. Temporary workers are paid less, are often obliged to work overtime, and are not paid production bonuses (permanent workers have monthly bonuses). These differences occur even when the temporary migrant workers work side by side with permanent (native-born or migrant) workers.

In 2013, Fincantieri had 8367 direct employees in Italy¹⁰, though if allied industries composed mainly of subcontractor companies are included, the figure rises to about 30,000. It is among the world leaders in the production of cruise ships, a niche market it targeted after the crisis of the 1970s and in the face of growing competition from the Far East. In terms of work organization, between the second half of the 1980s and the first half of the 1990s, Fincantieri underwent major restructuring, resulting in a 75 per cent reduction of its direct employees and halving labour costs. The whole production process was simplified, facilitated by the computerization of design and planning and the introduction of a flexible work organization based on the use of direct employees in building the hull and the on-site outsourcing of ship assembly operations using subcontractors whose employees primarily originated from Africa, eastern Europe and southern Italy (Zanin, 2003; Basso, 2007).

9 Solaro is in the Lombardy region, Porcia and Pordenone are in the Friuli Venezia Giulia region, Susegana is in the Veneto region, and Forlì is in the Emilia Romagna region.

10 Employees of Fincantieri numbered 36,000 in 1975. This went down to 30,000 in 1981, 20,000 in 1991 and 8674 in 2004.

The so-called ‘Fincantieri model’ model led to the coexistence, in the same shipyard, of working conditions which were very different but closely interdependent – and generally worse. Interviews with migrant workers, employee representatives and unionists have revealed that working conditions in the subcontracting system are characterized by strong racial segmentation in the workplace, by extensive use of undeclared work, failure to respect workers’ rights and safety standards, working hours of up to 10–12 hours per day, lower wage levels through piecework pay and the use of ‘global pay’¹¹, as well as a ban on joining a union, the signing of undated resignation letters at the time of hiring¹², blackmail and violence.

A similar work organization is found at Saint-Nazaire in France: in the Chantiers de l’Atlantique, a company also specialized in building cruise ships. Here the *montage exotique* system was introduced, based on outsourcing and the hiring of immigrants considered to be more willing to accept low wages, longer working hours and fewer rights (Patron, 2004). Subcontracting is also to be found in the shipbuilding sector in other countries, such as China, Turkey and to a great extent South Korea, where the ratio between direct employment and subcontractor employment is 4:1 (Thorsten and Jochen, 2006).

Unions face a major challenge to come up with a new strategy against the discriminatory system of subcontracting, covering both the racial segmentation of the labour market and the stratification of rights created by the work organization. In Italy, such strategy has been implemented, though in a piecemeal manner. Before the crisis, particularly at Fincantieri, collective bargaining was used to reaffirm the principle of equal treatment for workers in tenders, but this principle has been melted away by the crisis and increasing attacks on unions. Employers’ associations and unions are currently primarily confronted with issues related to the impact of the crisis, and there have been growing difficulties in signing national agreements. These are now almost always signed very late, and small companies have often been granted small wage concessions after already obtaining concessions from the unions on flexible working hours and fewer rights.

The crisis, together with a tightened up migration policy, has also affected anti-discrimination strategies. The unions now largely focus their interventions and demands on combating the effects of the crisis on the labour market as a whole, tending to give low priority to specific support for migrants. Protesting against the discriminatory system as a whole has been put on the back burner and, when it does take place, is less intensive than in the rallying phase of the first half of the 2000s. The practical commitment by unions to tackle discrimination at work has been limited to specific local contexts backed by individual union officials, and to a number of specific national-level campaigns, though not always with unanimous support (Carrera et al., 2014: 370). This was the case over the demand to extend resident permits for those awaiting employment to up to one year, helping to prevent immigrants who had lost their jobs from losing their residence permits and becoming ‘undocumented’, and over the campaign ‘Stop caporalato’ (stop the gangmaster system) of the Flai-Cgil (the agro-industrial workers’ union) and Fillea-Cgil (the construction workers’ union) against severe exploitation in agriculture and construction, which led to the new criminal offence of illicit labour intermediation via Decree No. 138/2011.

11 A legal expedient used by subcontractors to avoid paying social security contributions and to casualize their workers and subject them to blackmail. This provides pay for a minimum of 160 hours per month – a figure that has nothing to do with the number of hours actually worked. Actual payment, in fact, is based on individual bargaining in which workers are obliged to monetize all their social rights.

12 Attached to this letter of resignation is the blank ‘release letter’, that consists of a written letter of consent, issued by the former employer, without which no worker could go back to work at Fincantieri for other subcontracting firms.

Discrimination at work and union responses in time of crisis

In the Italian metalworking sector there are now two sets of working conditions (and therefore of discrimination): those in big enterprises, where unions are present, and those in SMEs where unions are hardly present at all or totally absent. As highlighted by a Uil national representative and a Cgil local representative, in this sector the crisis has not only caused a general worsening of working conditions and industrial relations, but has also increased the difference between the two tiers.

Within unionized factories, there are no reports of any serious discrimination, since union interventions have largely resulted in equal treatment, as in the above-mentioned case of Electrolux. By contrast, our interviewees reported that in the SMEs migrants continue to be given heavy menial work exposing them to adverse conditions. Their wages are lower, they are often classified at lower levels than their actual work deserves, and they do not benefit from seniority increments. In some cases they are exposed to situations of severe exploitation, which one Uil unionist even termed 'brutal'. Their precariousness and contractual weakness is further worsened by institutional discrimination, such as migration policies linking a residence permit to the employment contract and social rights to migration status. One local Cisl representative stated that workers in large companies often enjoyed contractual stability, thus gaining access to long-term residence permits and in some cases citizenship, and running fewer risks of becoming 'over-stayers'. But with the crisis, workers at SMEs have lost or risked losing their residence permits, and have also faced greater difficulty in accessing social security benefits. Moreover, cases of non-payment of wages have multiplied. As reported by one migrant interviewee, workers are reluctant to report these to the unions for fear that their employer might retaliate by dismissing them, thus causing them to lose their residence permits as well.

After many direct workers' campaigns, an agreement was signed at Electrolux on social security provisions. It introduced incentivized job mobility, solidarity contracts, and the possibility of accessing redundancy payments. Migrant interviewees and a Fiom-Cgil delegate reported that taking voluntary redundancy has put some migrant workers in difficulties, especially single-income families or families with mortgages. But there was no unequal treatment between migrant and national workers. Access to voluntary redundancy concerned about 180 workers of whom one-third were migrants and was based on seniority. According to a Uilm trade unionist, migrant workers who quit their jobs with this kind of agreement were the 'less rooted' ones:

'In some cases, the crisis has triggered a selection process among who is rooted and who is not. Those who have deep roots in our country do not consider it convenient to accept the incentive, preferring to remain in the factory, perhaps because they have a mortgage to pay. The crisis is sending back home those who are less rooted in our country. This is what happens in factories where there are unions.'

In the shipbuilding sector, discrimination is closely connected to work organization, which, in combination with Fincantieri's hiring freeze, has resulted in racial segregation, with workforce segmentation dividing the Marghera site into 'two workplaces'. For nearly two decades, permanent workers have been almost exclusively native-born workers, whereas the workforce in the subcontracting system is largely composed of migrant workers.¹³ The worsening of

13 A Fim-Cisl local representative estimated that immigrants make up about 80 per cent of the workforce at the Marghera site (most of them employed by subcontractors). A Fiom-Cgil unionist defined the non-respect of rights and the widespread situation of illegality present in the subcontracting system as a 'condition of extra-territoriality'.

their conditions is also the result of national migration policy: a migrant interviewee and a Fiom-Cgil local representative both argued that the link between residence permits and employment contracts puts migrant workers in an extremely vulnerable position for blackmail by their employer. It can lead them to accept the precariousness inherent to the subcontracting system, and can also involve permanent workers whose continued contracts depend on the tender being renewed.

Falling orders and the crisis have caused a general deterioration of working conditions, in particular for subcontracted workers. Job cuts feature major inequalities in access to the collective agreements over redundancy benefits. While permanent workers at Fincantieri had immediate and automatic access to the redundancy fund, this was not the case for subcontracted and temporary workers, as highlighted by a Fim-Cisl local union representative:

The first to pay the consequences (of the crisis) were workers in the subcontracting system; they disappeared in total silence. Some firms ended up in bankruptcy; here, nothing: workers were simply kicked out, often without redundancy provisions. Sure, agreements had been made for the redundancy fund: but while in bigger firms it is normal, here accessing the redundancy fund is almost impossible.

In the subcontracting system, wages have been cut further because subcontracting firms are trying to maintain their profit margins in the face of lower-price and lower-volume contracts. The Fim-Cisl representative reported that ‘global pay’ itself – which used to enable subcontracted workers to have higher direct pay than permanent workers at Fincantieri owing to the monetization of their social rights – has been significantly cut back and is now equal to the level of permanent workers’ direct pay. Moreover, the shorter duration of tenders, recurring failures of subcontractors, and the frequent change of company names (often an excuse not to pay wage arrears) are elements used to blackmail migrant workers.

Even permanent workers at Fincantieri report a worsening of their working conditions, suggesting the ‘two sites’ are converging in a race to the bottom. In the years prior to the crisis, opposition to the introduction of less advantageous measures fought off the attacks on rights while maintaining the ‘labour aristocracy’. Now, as a Fiom-Cgil local representative reported, this opposition has been ‘bought off’ using the redundancy fund as blackmail.

This situation has had a major impact on worker relations at the shipyard. On the one hand, tension between ‘the permanent workers’ site’ and ‘the subcontractor site’ is growing, while on the other hand the need for solidarity among workers is becoming more and more important. Migrant workers are the weak link in a chain mirroring the distress and tension at the site, in a sort of ‘war among the poor’. One Fim-Cisl delegate and a migrant interviewee reported that in many cases native workers considered migrant workers as ‘unfair’ competition, ‘stealing work’ in a situation exacerbated by the crisis. They are seen as workers who, by accepting inferior conditions and lower wages, are responsible for the overall worsening of working conditions at the site. Moreover, some permanent workers have a widespread feeling of superiority over workers employed by subcontractors, not as much due to racial prejudice as to the fact of feeling in an objectively superior condition concerning their rights, wages and working hours.

On the other hand, the worsening of living and working conditions, accelerated by the crisis that affects everybody regardless of national origins, is also leading the two groups of workers to grow closer. Through a general race to the bottom the crisis is objectively ‘uniting’ those formerly separated by labour market stratification, as one Fim-Cisl delegate commented:

‘There is mistrust between native and migrant workers which sooner or later will have to disappear because the labour market favours those who cost less. More flexible and scarcely regulated work drives out unionized, regular, and structured work.’

In the Italian construction sector, discrimination can be grouped into three main types: occupational under-classification, the non-implementation of safety rules at work and higher levels of exploitation¹⁴. As a result of the crisis migrant workers are experiencing new forms of discrimination, mainly linked to dismissal and a lack of access to social rights. A Fillea-Cgil national representative pointed out that some construction firms have first dismissed (or made ‘voluntarily’ redundant) migrant workers and then, if necessary, native-born workers. The highest levels of redundancies are among workers who are less rooted, without a family, and in Italy for a shorter period of time. Discrimination regarding the receipt of redundancy funding is linked especially to the way construction firms have re-instated employees, with several giving precedence to native-born workers. A Fillea-Cgil local representative explained that this is often linked to the under-classification of migrant workers: they are left at home under the excuse that they do not have the skills necessary to carry out certain responsibilities.

Working conditions vary according to whether the workers are employed by the main contractor or by a subcontractor, and whether the migrant workers actually have employment contracts. Conditions in the subcontracting companies where most migrant workers are concentrated¹⁵ are worse than average, with employees required to increase their pace of work and to work longer hours, paying less attention to safety measures. Many must eat on-site in precarious conditions instead of in a canteen or in one of the eating places provided for by national contract. As explained by a Fillea-Cgil local representative, the systems of ‘global pay’ and piecework are particularly widespread in subcontracting firms, especially among workers assigned to drilling and scaffolding. A Fillea-Cgil national representative stated that migrants often benefit less from promotions, tend to be classified at lower levels and have fewer possibilities to benefit from training, but with migrants constituting 45 per cent of the official workforce, inequalities between migrant and native workers are slight insofar as immigrants are formally employed. Inequalities and discrimination are however widespread and deeper in the major segment of undeclared work. As the Fillea-Cgil national representative reported, ‘the undeclared worker is not registered in the Construction Fund, does not receive regular pay, and lives in continuous fear of blackmail and subjection to the employer, who very often is a gangmaster’.

The interviews showed that the crisis has hit all construction workers, although migrant workers have suffered more. Many of them have accepted cuts in working conditions just to be able to keep their employment contract. The Fillea-Cgil national representative reported that some have signed part-time contracts despite working 8–10 hours a day, while others have set up their own one-man firms as bogus ‘self-employed’ workers.

We conclude by considering union actions. In the metalworking sector, according to some of the interviewees, migrant workers are more inclined to join unions than native-born ones. Their greater need for protection also leads them to the unions in order to access the services provided. There has been an increase in union representation by migrants in all three unions (Cgil, Cisl, Uil),

14 A Filca-Cisl local representative stated that immigrant workers, especially the undocumented, are sometimes not provided with personal safety gear, and have little knowledge of the rules provided for by the national agreement.

15 An increasing share of construction SMEs are owned directly by immigrants who tend to hire people from their own countries.

even though not quite proportional to the numbers of workers registered. Their numbers have increased at the provincial leadership level, though not yet among full-time union officials. Trade union members and delegates reported that their relationships with migrant associations have become more substantial, in the case of Cisl through the coordination role played by Anolf Cisl¹⁶; in the case of Cgil through establishing an internal organization coordinating migrant members.

In the Electrolux factories in Porcia and Susegana with their high percentages of migrant workers there is also a high rate of unionization among migrants. In general, these workers take part in union meetings and have participated in the strikes held in the past years in opposition to the company's reorganization plans. The trade unionists interviewed did not consider it necessary to intervene in a specific manner to oppose discrimination.¹⁷ According to a Fim-Cisl unionist and a Fiom-Cgil delegate, union policies are already per se anti-discriminatory since they are based on the principle of equal treatment, and in any case the protection and services provided are considered sufficient. Discrimination was considered less frequent than 10 years ago in unionized companies and relations between migrant and Italian workers are less problematic within factory walls than outside.

But what are trade unions doing in SMEs, or, in the case of Electrolux, in its subcontracting cooperatives? Here, the weakness of union intervention emerges dramatically, as does their loss of ground in the face of labour market transformations and production reorganization. As one Fim-Cisl unionist told us:

'We have great difficulties in representing these workers because obviously they undergo coercion from their Cooperative. We encounter difficulty with the user firm, the contractor, in negotiating conditions that are not exploitive and which do not reduce the contractual rights of direct employees. It is an evolution in working conditions, in terms of law, and of contractual development.'

Several critical assessments were made suggesting the crisis has led to a more negative relationship between migrants and the unions. One migrant interviewee reported feelings of disinterest, discomfort and closure becoming widespread among migrants active in the unions, reflecting the impact of the crisis that has led workers to fear possible retaliation when participating in union activities. But it also reflects an internal crisis within the unions themselves as an instrument of organization and struggle. Hence a shift in union opposition to racist migration policies, for example, has seen the promotion of the direct migrant mobilization characterizing the period between the end of the 1990s and the mid-2000s being substituted by individual legal actions that do not actively involve either migrant or native-born workers (Carrera and Galossi, 2014: 372).

In the 'Fincantieri shipbuilding model', the unions have to deal with the existence of two distinct but interdependent employment regimes on one single site, and with workforce segmentation. They also have to cope with anti-union policies implemented by the majority of subcontracting firms which dismiss or do not hire anyone in contact with unions. A Fiom-Cgil local representative reported that, unlike permanent workers, subcontracted workers (except for some traditional painting firms) have very low rates of unionization and much greater difficulty in participating in union activities, as reflected by the absence of migrants among union delegates. The Fiom, Fim and Uilm representatives report that when migrants employed in the subcontracting system do join unions it

16 Anolf (Associazione Nazionale Oltre Le Frontiere - National Association Beyond The Frontiers) is an association funded by Cisl in 1989 for dealing with immigration issues.

17 None of the interviewees explicitly mentioned any interventions aimed at fighting racism and xenophobia, despite, for example, Cgil's campaign 'Stesso sangue, stessi diritti' ('Same blood, same rights').

is mainly for protection, for individual (rarely collective) disputes, to gain payment of unpaid wages, to obtain social security provisions or to have their rights acknowledged. As one Fiom-Cgil local representative stated:

‘Sometimes it is difficult to talk with workers about our agreements in non-unionized firms. We have to face up to the limits of the organizational forms, which are very complicated because all union rights are monetized. When Fincantieri workers or unionized company workers attend our meetings, they are paid. However, subcontracted workers risk not being paid for hours spent at union meetings provided for in the Agreement, because ‘global pay’ covers everything.’

The unions had to abandon their ‘classical’ intervention methods of calling meetings, which had lost most of their effectiveness in subcontracting firms, and are now trying to intervene more flexibly, for example approaching workers in canteens or in front of gates during non-working hours. In this way, as the Fiom-Cgil representative reported, unions are able to overcome some of the obstacles and maintain a good level of involvement of permanent and subcontracted workers in initiatives and mobilization campaigns:

‘We talk to the whole workforce, because the issues faced certainly concern permanent workers, but also subcontracted workers. Recently, we held two strikes: one on 5 December against a separate agreement for metalworking employees and workplaces; and another one this morning, a three-hour strike also involving subcontracted workers, because the more working conditions at Fincantieri are challenged, the more the conditions at subcontracting firms tend to get worse. With the exception of initiatives only concerning permanent workers at Fincantieri, we tend to organize forms of protest that involve subcontracted workers as well. Also because we have to effectively suspend productive activities. We have to unite the people. From this point of view, we are more effective when the entire workforce at the site is involved.’

With regard to perceptions of racism, the trade unionists expressed various positions. Most of our interviewees observed that union interventions against discrimination take second place because of the Fincantieri model’s interweaving of discrimination and work organization and the post-crisis need to protect jobs. According to some interviewees, effective opposition to discrimination had to involve a reorganization of the Fincantieri model, ‘internalizing’ outsourced activities, i.e. with the parent company directly hiring the subcontracting workers. A Fiom-Cgil representative highlighted the inclusive potential of a mobilization for the generalized extension of rights associated with work, wages, and citizenship, as this would make the ‘privileged’ position of permanent workers disappear, with a levelling upwards, while Fincantieri uses this as a ‘divide and conquer’ tool. Even if the crisis and the deterioration of working conditions that went hand in hand with the re-launch of Fincantieri are making it harder to achieve this aim, according to him, the battle carried out by unionists to extend social provisions to subcontracted workers is moving in the direction of inclusion, unity among workers, and opposition to precariousness and blackmail deriving from racial discrimination:

‘In Fiom we are trying, with a campaign that has lasted several years now, to help people understand that the rights we have as workers are rights for all, regardless of nationality; otherwise, we risk finding ourselves, without even realizing it, in a category that no longer has rights but privileges. The risk is for a weaker section of the workforce to be overworked, thereby enabling a category of workers to gain greater protection, though even here such protection is losing ground, as even direct employees are seeing the right to a job, the right to health (. . .) being undermined. Last year we fought to extend social

provisions and redundancy funds to subcontracted workers. First, because there was a risk that these workers would leave and totally disappear from the labour market. Contrary to what Fincantieri believes, I think that these workers, who have been here for years, represent added value for the site. Therefore, it was necessary to create a safety net for these workers and their families through social provisions. Secondly, because it was necessary to protect the site, since when work starts up again (as has occurred) there was the risk of losing skilled labour.’

Our research in the construction sector focused on the Treviso area, where production and work organization are characterized by a high degree of fragmentation and where at the same time the activities of the various companies operating in the same territory are greatly inter-linked. In the Treviso area migrants constitute about 45 per cent of the total workforce. They make up 30–40 per cent of delegates and 10 per cent of trade unionists (not far from the national average of 5–10 per cent). Migrants employed in the construction sector depend on unions mainly to defend their rights and improve their working conditions and to gain access to the services offered by them.

Interviewees reported that for some time now migrants have been increasingly joining unions. In addition, their participation is active, with them attending coordination meetings and the conferences, participating in assemblies, collaborating in defining national agreements, joining strikes and demonstrations, taking on representation roles and helping organize various activities. This process has transformed the unions themselves, which have since become the first truly multinational and multiethnic associations in Italy, and are important venues of social and political interaction between migrants and native Italians. However, many trade unionists reported difficulties in organizing specific categories of workers in this sector, in particular seasonal workers, subcontracted workers and undeclared workers. According to a Fillea-Cgil local representative, it is complicated work establishing a continuous and fruitful relationship with seasonal workers since they move from one province to another and from one site to another. Moreover, a Fillea-Cgil national representative reported that it is very difficult to approach and unionize undeclared workers because they do not want to run the risk of being recognized, as this would endanger their stay in Italy.

Unionists use three main strategies against discrimination: raising awareness, both at work and outside; monitoring construction sites to observe immigrants’ working conditions; and offering protection and specific services for migrants. As an example, Cgil in Treviso sent a multilingual letter to migrant workers registered in the Construction Fund to help them check for irregularities in their wages, their payments into the Construction Fund and their employment classification.

Conclusion

Since the 1980s the spread of outsourcing and subcontracting in the sectors examined has promoted the restructuring of production and encouraged the spread of more precarious forms of employment. Over the past two decades the increase in outsourcing in certain areas has gone hand in hand in several European countries with a highly vulnerable model of migrant worker integration. Within this process a labour market stratification appears to have emerged, differentiating between the employment conditions and rights of parent company employees and those of subcontracting companies along both temporary-permanent and racial lines. As the case studies show, the crisis has made union intervention against both employment stratification and racial discrimination particularly difficult, at least in Italy.

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