IMMIGRANT ENTREPRENEURS IN ITALY’S SOUTH: THE NEW DRIVERS OF GROWTH IN AN ECONOMICALLY DEPRESSED AREA?

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ABSTRACT

Once a migrant-sending country, Italy has recently become one of the Europe’s destinations of migrant workers. One interesting emerging phenomena is that of immigrant entrepreneurship in the economically under-developed south. Based on current literature and data, this paper argues that the unplanned nature of immigration in Italy, the difficulties of the immigrant population to enter the mainstream, highly regulated labour market, the non-recognition of foreign academic and professional qualifications and the lack of proper policies of settlement and integration may partly explain why higher than expected numbers of immigrants seeking self-employment opportunities, event in areas economically depressed and disadvantaged.

INTRODUCTION

Formerly a country of emigration, Italy has recently become one of the Europe’s destinations of migrant workers from developing (Africa, Asia and Latin America) and developed countries (Central and Eastern Europe). This new phenomenon has mainly occurred due to ongoing pattern of migration from under-developed countries to countries with greater economic opportunities. European countries continue to be destination for many of these immigrants. Ironically natural population growth in Italy is one of the lowest in the world, and as such immigrant labour has become the fastest growing cohort of the working and wider population thereby assuring population growth. Economically migration is increasingly recognised to be one of the drivers of economic growth and wealth creation (responsible for approximately 10 percent of Italy’s GDP). Migrant labour brings to Italy not only much needed unskilled and skilled labour, especially in labour intensive sectors, such as agricultural (ie. fruit pickers), heavy industry (ie. labourers and building workers) and hospitality and health services (ie. waiting staff, home-based aged carers and nurses), but also boosts, among other things, a sluggish market consumption, a record-low birth rate and the state-run pension systems.

An interesting and emerging phenomenon is that of immigrant entrepreneurship in the context of new immigrant communities emerging in Italy. There are many reasons for this development and certainly not in the case of Italy it is due to carefully planned immigration and labour policy. Nonetheless immigrants are critical to the economy and provide that urgent replacement of labour shortages in labour intensive, low-paid and often unregulated business sectors. What however begins as employment for migrants can over time, as the integration process develops, evolve into self employed and business activity of an entrepreneurial nature. Moreover it is not just occurring in the prosperous centre-north of Italy, but also in the least affluent area of the country: the south as new drivers of economic growth. This is especially noticeable in the region of Calabria: chronically plagued by alarming levels of unemployment, poverty and organized crime. The aim of this paper is to examine the place and role of immigrant entrepreneurs in Italy at large and specifically in the southern regions of Italy. Based on current literature and data, this paper argues that the unplanned nature of immigration in Italy, the difficulties of the immigrant population to enter the mainstream economy, highly regulated labour markets, the non-recognition of foreign academic and professional qualifications and the lack of proper policies of settlement and integration may partly explain why higher than expected numbers of immigrants seeking self-employment opportunities, event in areas economically depressed and disadvantaged. A further examination will be undertaken of the penetration and characteristics of immigrant firms in one of the poorest regions of the South – Calabria. The growth in immigrant firms in Italy at a faster rate than the growth of ordinary firms begs the question as to why this might be the case. Anecdotal evidence might indicate that it is the marginal
economic and legal nature of immigrants in Italy and especially in the Italian south which might be the cause for this relationship rather than some propensity of immigrants to seek entrepreneurial role in the new homeland they have arrived in.

ECONOMIC MIGRATION AND ETHNIC ENTREPRENEURSHIP

It is suggested that immigration is one of the most important aspects of the contemporary global economy (Drinkwater et al. 2003). A widely held definition of the meaning of a migrant has been to define them as persons who have been outside their country of birth or citizenship for a period of 12 months or longer (Sasse & Thielemann 2005). Estimates suggest that there might be 160 million migrants worldwide, 2-3 percent of the world population with a further 10 million illegal migrants (Baycan-Levent & Nijkamp 2009). Traditionally much literature treating immigration has been associated with negative connotations and especially in the economic sphere. Migration remains controversial and, for some even threatening. In part, this is because migration, like trade and capital movements, has distributional consequences, whereby net gains for society may mask important losses for some individuals and groups (World Bank 2006). It has been seen in the context of ‘brain drain’, salary reduction, loss of human capital and constraint on development (Carrington & Detragiache 1999). Clearly this discourse in an economic recession or downturn can easily revert back to negative connotations and this must always be a consideration for social scientists when examining this question. Other scholars (Hugo, Rudd & Harris 2003) however argue that a new orthodoxy has emerged in which global institutions such as The World Bank and the Asian Development Bank have begun to highlight the positive economic impact of migration flows, remnants of the argument of negative effects of migration still reign. Economic impact of migration takes many forms. Its impact on the host population can be measured at various levels including welfare, housing, employment and salary. It can be a contribution to ethnic entrepreneurship, skills enhancement, ethnic business participation and remittances. One of the most prominent aspects of migration from a socio-economic standpoint has been the increasing rate of self-employed immigrants in the labour market. According to one study immigrant entrepreneurship has become one of the driving forces for the growth of national and regional economies, particularly in the US and in many European countries (Baycan-Levent Nijkamp 2009). These have been the mainstay of the literature contribution over the decades on the economic impact of migration.

While this paper addresses ethnic entrepreneurship there is a need to separate the two concepts. There is an established body of literature on the nature and meaning of entrepreneurship which this paper does not intend to address. On the other hand the issue of “ethnic” entrepreneurship has another newer place in literature and meaning and requires explanation. There is little that is controversial when the term ethnic is raised. As one scholar has suggested that an ethnic group is:

a segment of a larger society whose members are thought, by themselves or others, to have common origin and to share important segments of a common culture and who, in addition, participate in shared activities in which the common origin and culture are significant ingredients’ (Simpson & Yinger 1985: 27).

The study of ethnic entrepreneurship was pioneered in the US in the 1970s and only in the 1980s did it enjoy some understanding in Europe and other locations in the world. Since the 1980s it has been noted that immigrant self employment has risen faster than the rate of entrepreneurial growth amongst native citizens in many European countries (Koff 2008). There is a vibrant debate on the causes of this phenomenon in which some scholars are of the view that this is caused mostly by immigrant exclusion (Jones & McEvoy 1996), as opposed to another view which is that the cause is a sign of greater levels of integration (Koff 2008). In a report released by experts in the field, the EU indicated that:

immigrant entrepreneurship was blossoming in Europe, partly as a result of the structural change brought about by post-industrial economies, although it was concentrated at the lower end of the market. These ‘new’ immigrant entrepreneurs are highly skilled, highly educated and mobile – moving easily between business sectors. As a group they differ from indigenous entrepreneurs because they have better access to informal labour – often employing members of their extended family (European Commission 2006: 90).

There are numerous connotations of the terms ‘ethnic’ and ‘immigrant entrepreneurs’. According to one scholar Ethnic entrepreneurship means ‘a set of connections and regular patterns of interaction
among people sharing common national background or migration experiences’ (Waldinger et al.: 3). But the meaning and understanding of ethnic entrepreneurship was more effectively offered by Chaganti and Green (2002) with their three distinct forms of emigrant business descriptions which some other scholars have embraced. These include (a) Immigrant entrepreneurs defined as immigrant entrepreneurs as individuals who as recent arrivals in a host country start up a business as a means of economic survival; (b) migrant entrepreneurs; are a community united by a set of socio-cultural connections sharing a common background or migration experience and the third is (c) Minority entrepreneurs who are business owners who are not a majority group or race within their own country (such as African Americans in the US). The scenario under investigation in this paper uses the term explained under the category of immigrant entrepreneurs (“a” above) where immigrants have only recently arrived in the host country and seeking economic outlets for establishment and survival are their main priority. Immigrants and immigration in Italy is a very recent phenomenon and for this reason it will be this meaning ugh the term ethnic entrepreneurship which will be used throughout this paper.

One interpretation driving immigrants towards ethnic entrepreneurship is located in the greater difficulties and circumstances new immigrant communities may find when they arrive in a new host country. Social exclusion, lack of education and skills high levels of unemployment and cultural factors may push an increasing number of immigrants towards entrepreneurship (Baycan-Levent 2003). Simultaneously immigrants may start businesses because of a preference for business ownership or because of the inability of the labour market to absorb the immigrant stream. The propensity of immigrants to turn to self-employment as a route of absorption and upward mobility in their host society is influenced substantially by opportunities offered by the economic environment at the national and local level. Such opportunities are an outcome of the structure of the local economy and of legal-institutional factors that influence the position of the small-business economy in general and the access of immigrants into small-business in particular. In accordance with the meaning of ethnic entrepreneurship there is an association between the term ethnic entrepreneurship and it being an activity used by migrants to avoid being unemployed in their host country (Sahin et al. 2006).

There are various economic consequences from immigration. While they may be triggered by economic difficulties, lack of opportunities for the home country, they bring to the host country remittances, skills, trade enhancement and market consumption. One of the significant forms of economic impact of immigration is that related to immigrant entrepreneurship skills and businesses established by ethnic communities in their new host country. That immigrants produce almost 10 percent of Italy’s GDP makes research on immigrant entrepreneurship ‘obligatory’. Moreover immigrants have similar problems as other entrepreneurs, especially access to credit and training without which there can be no growth (Fondazione Ethnoland 2009: 9).

**MIGRATION AND ITALY**

The last two decades has seen Italy, once a country of mass emigration, ‘evolve’ into a country of immigration. This ‘evolution’ has been with sufferance and unevenness as much of Italy’s approach and policies towards immigration still fail to denote the underlying acceptance of immigrants as a permanent societal phenomenon. This difficulty was brought to the surface again in early 2010 when racist incidents against African immigrants in Calabria showed the ongoing difficulty of integrating immigrants in Italy. French newspaper *Le Monde* commented:

> Within twenty years Italy has gone from being a country of emigration to a country of immigration. But the state has only taken a repressive approach to the problem by introducing an arsenal of measures meant to discourage people from travelling to the peninsula. In part it has been successful. Although four million foreigners, almost 600,000 of whom are illegal, live in Italy, the country has yet to put consistent thought into their integration. Today the bulldozers have ploughed down the barack camps in which the migrants in Calabria had found an undignified refuge. With them disappears also the possibility of reflecting about how to construct a multiethnic, multicultural society in Italy.’ (*Le Monde*, 10 January 2010)

Immigration has not been explicitly demanded by employers, nor has it been ruled by agreements with the immigrants’ countries of origin, nor perceived as necessary for the economic system. For all these reasons, immigration has been chaotic and managed in an emergency and approximate way, even though it is deemed useful and is requested by the “informal” as well as the “official” economy. Yet despite this reluctance Italy has become a destination of immigration. With this evolving acceptance in Italy, at least in some quarters, has come also a greater awareness of the positive economic benefits
about the role of immigration. This appreciation of migration in the last decade or so is recent and is in marked contrast to the previous negative immigration discourse.

When reference is made about the south of Italy, the areas include the six regions including the poorer Calabria alongside the richer southern region of Abruzzo as well as the two islands – Sicily and Sardinia. The presence of immigrants in the south brings a different dimension to immigrants that settle in the rich and more affluent areas of Italy. The establishment of immigrant businesses in the south of Italy while following the norms of ethnic entrepreneurship enters a different context of a lower socio-economic scenario. This offers new dimensions and outcomes including the production of more social and economic tension between communities that need to share a less accessible richness.

Once upon a time economically destitute Italians sought their economic security (in some cases fortune) by migrating to new locations as well as distant shores. They migrated from the south of Italy to the north, from their villages to parts of Europe and in some cases to far away destinations and continents few had familiarity with. Italian mass migration has disappeared and the Italian diaspora have settled into their new homelands as permanent residents. The Italy of today is one of incoming immigration where Italy is the host and no longer the home of migrants.

Now the tables have turned. Italy is a location for migration and this trend has become one of great debate and controversy. It is made more so by the levels of immigration desperation and the countermeasures adopted by incumbent governments – centre-left and centre-right over the last two decades. Public focus and media coverage on the desperate plight of immigrants as well as the alleged anti-social behaviour of immigrants has been a constant. This has, to some extent, placed a cloud over the examination and study of immigrants. Just as the arrival of immigrants into Italy is a recent phenomenon, so too is the academic and even public attention given to the concrete engagement which ethnic communities have through the economic effects of their migration to this country.

The last two decades has seen dramatic demographic changes to the profile of the Italian population. While numbers of immigrants are still not comparable to levels in neighbouring European nations, the numbers are still significant for Italy. Italy is renowned for being a country of very low natural population growth and population levels are maintained primarily through immigration growth. Italy is now a demographically transformed country after experiencing the 130 years of emigration producing an estimated sixty million Italian descendents abroad (Gallo & Tintori 2006: 132). While Italians no longer emigrate abroad as before, southern Italians certainly continue to emigrate to the north in search for better economic opportunities and economic security. Recent studies have indicated that educated southerners have increased the internal migration from the south to the north (Piras 2009).

Immigration into Italy is from countries geographically nearby which numerous regions from the African continent, Asia and more recently from Eastern Europe. Italy has an estimated 3.4 million ‘legal’ immigrants which is approximately seven percent of the population (Fondazione Ethnoland 2009: 19). In an official report the spread of migration was that in the centre north immigrants made up 6.8 percent of the population, while in the south they only made up 1.6 percent of the population (Minister of the Interior 2007: 57). The estimation of illegal immigrants, put more precisely immigrants without the necessary paperwork, is of course speculative but estimates indicate there are over 500,000 without authorisation and surviving by evading the authorities (Fondazione Ethnoland 2009: 25). This state of uncertainty in terms of so-called ‘illegal immigrants’ was recently exacerbated by punitive and quasi racist legislative changes enacted in Italy in July 2009 making the status of ‘illegal immigrant’ a non status in which pecuniary measures including fines and jail sentences to both the ‘illegal immigrant’ as well as the harbouring element. This new legislation has serious moral and judicial consequences and will place immigrants without authorisation in an untenable situation. Nonetheless those that are legally resident have sought to integrate into Italian society through employment and of course establishing themselves as business entities. This is not different from other diaspora scenarios and if anything it probably should have happened in Italy long before now.

Italy’s immigration issues did not start as early as those of its European neighbours. Not until the 1970s did foreigners start travelling and residing in Italy to find new jobs or better lives. In the years before this, there was a large amount of immigration into Western Europe, particularly during the de-colonization of many African countries. These immigrants were primarily immigrating to France, the UK and Germany. But the European Economic Community (EEC) at the time formally closed its doors to migrant workers who were not from the EEC and thus the term in Italian emerged extracomunitario (literally, “from outside of the community”). At that time, Italy’s government did not follow suit and migration intake was not yet on the radar screen. In some respects Italy’s low rate of population growth suited Italian authorities that some of the immigration would flow into Italy. Migrants that were being turned away from other Western European countries looked to Italy.
Migration legislation has been late, reactive and more recently punitive. The legislation was produced in four essential moments: them being 1986, 1998, 2002 and 2009. In 1986, a law was passed by the Italian parliament that protected those workers from outside the European Union by giving them more rights and trying to secure them more jobs in Italy. In 1998 immigration legislation, law 40/1998, more commonly known as the Turco-Napolitano Law stated that those foreigners who are arrested (for various reasons, usually crime related), are to be judged by a magistrate. If the magistrate decides that this person would be deported, they are then given two weeks to appeal the decision, during which time they would be able to slip underground and out of sight. Its two main goals were the integration of immigrant minorities while creating an environment of low conflict between nationals and migrants, and of respect for immigrant’s personal integrity. The act also requested full rights for legal immigrants and basic rights for illegal immigrants. Supporters of this legislation, members of center-left party, tried to match the demand of labour with the supply of migrant workers. The idea of this act was that it would handle any problems or short-comings of immigration laws that had failed in other European countries, and keep any aspects that had succeeded. Unfortunately the act like many others was deemed complicated, and many thought there were too many loopholes regarding immigration.

In July of 2002, new legislation (law 189/2002) was passed commonly known as the Bossi-Fini Law, contained an amendment to the Turco-Napolitano Law, stating that illegal immigrants will be ordered to leave the country within five days, during which time they will be held in Italian custody. The problem with this approach was that proper deportation procedure was not always followed and few foreigners were actually deported. Then in May 2009 Italy put through new anti-illegal immigration legislation which according to the European Commission would be investigated “…to determine whether they comply with EU norms, warning that automatic expulsion rules in the legislation are not acceptable.” (European Commission 2009)

The new rules introduced by the 2009 Berlusconi government meant that illegal immigration became a criminal offence, punishable with a fine of up to 10,000 Euro. The legislation also included increasing the time period of detention of illegal immigrants and the discretion of using immediate deportation. Citizens caught housing illegal immigrants could themselves face jail. Most concerning is the legislation encouraging and allowing the creation of unarmed citizen patrols, to help police and soldiers fight crime promoted on the instigation of the Lega Nord. Though the legislation drew strong criticism from many quarters including the Vatican, center-left politicians and human rights groups, the bill was passed and is being implemented by the government. In the meantime the arrival of migrants legal and illegal continues without great changes. According to some reports 2008 alone saw around 36,000 migrants arrived in Italy mostly coming by boat from Libya across the Mediterranean (European Commission 2009). Looking at the table below related to ‘illegal immigrants’ this would be 10 percent of the total amount of legal immigrants entering Italy in one year alone.

Table 1 – Legal Immigrants resident in Italy (as of 30 June 2008)

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of ‘legal’ immigrants</th>
</tr>
</thead>
<tbody>
<tr>
<td>North West</td>
<td>1,223,363</td>
</tr>
<tr>
<td>North East</td>
<td>923,812</td>
</tr>
<tr>
<td>Centre</td>
<td>857,072</td>
</tr>
<tr>
<td>South (inclusive of Islands)</td>
<td>426,404</td>
</tr>
<tr>
<td>Total</td>
<td>3,432,651</td>
</tr>
</tbody>
</table>

Source: Fondazione Ethnoland 2009: 23

ETHNIC ENTREPRENEURSHIP IN ITALY

Studies in the area of ethnic entrepreneurship in the Italian context are scarce and primarily conducted by industry practitioners and government officials (Chiesi 2007). Of the few studies undertaken in this area, the Chinese ethnic entrepreneurs and their ethnic and business behaviour and positioning have received some examination (Fladrich 2008). In a early report on immigration published by the Catholic Agency Caritas of Rome in 1993, the category of immigrant entrepreneur was not even mentioned. They also failed to get a mention by the Italian Chambers of Commerce throughout the country until very recently. Immigrants were classified on the basis of their employability on the margins of the Italian economy and society (Caritas Roma 1993), although statistics did indicate a category known as lavoro autonomo (self-employed) where many embryonic ethnic firms were initially being registered but not brought to the awareness of the country.

When addressing the main determinants in Italy for the spread of ethnic entrepreneurship in a study by Baycan-Levent et al. was Italy’s “informal sector” and its “underground economy” (2003).
The informal sector is associated with high levels of labour exploitation in agriculture, limited opportunities for regular jobs and the availability of welfare provision. (Baycan-Levent et al., 2003). Not surprisingly immigrants and to some extent ethnic entrepreneurs will easily fall into this segment of the economy often known not only as informal but also black economy. What is also a factor is that 99 percent of all Italian companies are small and medium enterprises ultimately creating a specific relationship between the immigrant/ethnic entrepreneur and the patterns of economic organisation traditionally existing in Italy.

Throughout the decade of the new millennium the number of immigrant entrepreneurs grew rapidly in Italy and began registering a significant contribution to the country's economic growth and international development. This was reflected through important developments in which the number of immigrants establishing their own businesses after working as employees for a number of years. In June 2008 immigrant entrepreneurs registered 165,114 companies throughout the peninsular out of a total of 6,133,429 companies registered with approximately 1 million companies inactive. Immigrant established firms represented approximately 3.2 percent of all companies in Italy in 2008. In 2009 there 165,000 immigrant firms registered in Italy. Lombardia, the commercial heart of Italy with its capital Milan, alone registered 37,147 immigrant firms. It alone was 2.5 times greater in number than all of the southern regions put together (Fondazione Ethnoland 2009: 259) in terms of the total number of ethnic firms registered. The actual percentage of ethnic firms registered in the south was a low 12 percent of the total immigrant firms. The centre-northern Emilia Romagna region recorded over 20,000 firms registered, and the northern Piedmont and Veneto regions and central Lazio and Tuscany regions (with 15,000 each).

As can be seen the concentration of immigrant entrepreneurs varies considerably from one region to another and this is equally reflected in terms of differences between one province and another. Not surprisingly the province of Milan and the province of Rome are those hosting the highest number of immigrants (17,297 and 15,490 respectively), followed by the province of Turin (11,662) (Fondazione Ethnoland 2009: 17). This is in sharp contrast with the 4,962 immigrant firms recorded in Sicily and the 2,924 firms in Abruzzo (Fondazione Ethnoland 2009: 23).

In a 2005 Italian Government report it was noted that 65 percent of all registered immigrants were employed in the north of Italy, 25 percent in the centre and only 10 percent in the South (Campani 2007). Italy’s immigrant growth per annum (2007 data) was approximately 350,000, with 100,000 made up of family reunion, 60,000 born in Italy and 190,000 arriving in Italy to work or reside.

Italy has a number of differences and peculiarities in terms of a comparative analysis with other states in the European Union. It derives from institutional factors related to the recent liberalization of commercial regulations and changes to the restrictions on immigration. In the north of Italy there are higher levels of self-employment compared to the European average. The number of immigrant-owned firms has tripled since 2003 and is growing at a rate of around 20,000 per year, while the number of Italian-owned firms is declining.

Immigrant-owned firms generate employment for a total of 500,000 people, a significant figure in the current economic recession, where joblessness is predicted to reach 8.2 percent in 2009. Between 2003 and 2008, the number of companies owned by Romanian immigrants increased the most (61.2 percent), followed by Albanians (48.5 percent), Tunisians and Bangladeshis (38.5 and 38.0 percent respectively), Egyptians (32.2 percent) and Moroccans (27.4 percent). According to the report, the great majority of Moroccan entrepreneurs in Italy own trading companies, while Romanians and Albanians own building firms and Chinese own manufacturing and trading businesses.

**IMMIGRANT ENTREPRENEURSHIP AND THE SOUTH**

Historically and not surprisingly literature and studies on immigrant entrepreneurship in Italy is still limited and research experiences are characterized by a lack of systematisation and territorial fragmentation as they have primarily focused on the large metropolitan areas of Milan (Ambrosini & Schellembaum 1994), Turin (Luciano 1995), and Rome (Caritas Rome 2003), as well as on the industrial districts of Northern and Central Italy (Colombi 2002). In the South, however, the empirical analysis is still lacking, but for some exploratory studies carried out in Puglia (Brandimarte, Chiarello & Petrosino 2000) and Sicily (Avola & Giorlando 2004).

According to Fondazione Ethnoland (2009) the percentage of self employed immigrants in Puglia is inferior to the national average, representing 3 percent of the total immigrant population. In a study by Brandimarte, Chiarello and Petrosino they noted that self employed immigrants were “extremely rare” (2000). Their argument is that this occurred because of the institutional obstacles faced by immigrants to start and operate a business and the second factor was the strength of their
social networks. The logic applied was that the stronger the networks the greater the success of a business; the weaker the network the poorer the chances of establishi ng a business (Koff 2008: 217).

Immigrant self employment through their networks in cities of the south like Bari have suffered in the past because they have been transit areas. Immigrants have not necessarily considered themselves permanent. Testimony of this has been the fact that in the south many immigrants have preferred to send their earnings back home as remittances rather than invest in the future. Moreover the social networks and participation within the community are weaker and immigrant groups find themselves divided within their own communities (Koff 2008: 218). Bari represents a case where neither civil society nor local authorities have provided much support to local immigrant communities (Koff 2008: 221).

Table 2 - Immigrant firms registered in Southern regions - 2008

<table>
<thead>
<tr>
<th>Regions</th>
<th>N. of Immigrant firms registered</th>
<th>Immigrants residents registered</th>
<th>Total firms registered</th>
<th>% immigrant firms of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abruzzo*</td>
<td>3,051</td>
<td>59,749</td>
<td>150,074</td>
<td>4.9</td>
</tr>
<tr>
<td>Campania</td>
<td>4,222</td>
<td>114,792</td>
<td>457,849</td>
<td>3.7</td>
</tr>
<tr>
<td>Puglia</td>
<td>1,612</td>
<td>63,868</td>
<td>397,779</td>
<td>2.5</td>
</tr>
<tr>
<td>Basilicata</td>
<td>154</td>
<td>9,595</td>
<td>62,938</td>
<td>1.6</td>
</tr>
<tr>
<td>Calabria</td>
<td>3,514</td>
<td>50,871</td>
<td>84,535</td>
<td>4.2</td>
</tr>
<tr>
<td>Sicilia</td>
<td>4,962</td>
<td>98,152</td>
<td>481,362</td>
<td>5.1</td>
</tr>
<tr>
<td>Sardinia</td>
<td>2,150</td>
<td>25,106</td>
<td>173,889</td>
<td>8.6</td>
</tr>
<tr>
<td>Total South</td>
<td>19,665</td>
<td>428,404</td>
<td>1,931,844</td>
<td>4.95</td>
</tr>
<tr>
<td>Total North</td>
<td>104,657</td>
<td>2,147,175</td>
<td>2,835,961</td>
<td>4.85</td>
</tr>
<tr>
<td>Total Centre</td>
<td>40,792</td>
<td>857,072</td>
<td>1,265,624</td>
<td>4.8</td>
</tr>
<tr>
<td>Total</td>
<td>165,114</td>
<td>3,432,651</td>
<td>6,033,429</td>
<td>4.8</td>
</tr>
</tbody>
</table>

Source: Fondazione Ethnoland 2009. *Includes the (very small) number registered in the neighbouring Region of Molise.

What is noteworthy from Table 2 is that the percentage of immigrant firms over the total number of firms is actually (though marginally) higher in the south with 4.9 percent than the north with 4.85 percent. This was much less the case in some of the more deprived regions of the South such as Calabria where immigrants firms comprise 4.2 percent of total firms and in Sardinia where they make up 1.9 percent of all firms. Given the proclivity of the south to be economically deprived of economic activity, and with greater levels of unemployment in comparison with the north this must be seen as significant. We examine Calabria, one of the more economically deprived regions in Italy to further this understanding of the location and significance of immigrant firms in the local economy.

**IMMIGRANTS AND IMMIGRANT FIRMS IN CALABRIA**

That a greater number of ethnic entrepreneurs establish more business in Calabria than elsewhere in the South and in a greater degree on a per capita basis is somewhat astonishing. It was only two decades ago that Putnam defined the regions of Italy, specifying Calabria specifically as an “uncivic region.” (Putnam 1993: 36). Yet despite this backdrop Calabria has a recorded number of ‘legal immigrants’ of 50,871 and within this figure saw the establishment of 3,514 immigrant firms as of 2008. This figure is only second to Sicily which is a much larger region in the south in terms of population and as a consequence as a significantly higher number of immigrant firms. The 3,514 immigrant firms should be placed alongside Calabria’s total number of registered firms numbering 84,535. Within this number of registered firms, immigrants make up 6.9 percent of all firms. According to these same figures 67.5 percent of all immigrant firms are of Moroccan origin followed by 9.1 percent from Senegal, 8.9 percent from China and 3.7 percent from Pakistan. Moroccan and Chinese immigrant firms are also in the top group at the Italian national level. Over 90 percent of the commercial activity undertaken by these large immigrant groups is in the commercial retail segment of the Calabrian economy (Fondazione Ethnoland, 2009: 23).

Table 3 - Immigration profile of Calabria – 2008

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population</td>
<td>2,007,707</td>
</tr>
<tr>
<td>Immigrants resident (2007)</td>
<td>50,871</td>
</tr>
</tbody>
</table>
Percentage of women of the total of immigrants 55%
Percentage of immigrants of the total population 2.5%
Total number of firms 84,535
Total number of immigrant firms 3,514
Percentage of immigrants firms of the total 6.9%
Largest ethnic group Moroccans (67.5%)
Most significant firm sector of immigrants firms Sales (96%)
Immigrant total contribution to the Calabrian economy 5%

Source: Elaborated from Fondazione Ethnoland (2009).

While table 3 may begin to lay out a picture of optimism, some of the figures require some further investigation and explanation before drawing such conclusions. The number of immigrant firms is clearly one of the highest in proportion to the total number of existing firms in Calabria. This is in part explained by the large number of immigrant self-employed sales people who roam the city and surrounds selling low value goods with often no premises, overheads and little in the way of legal standing. These would still be heavily represented by the racist and offensive description of the viù cumprà (literally, “would you buy?”) category of ‘self-employed’ immigrants especially those from Morocco and Senegal regularly seen roaming the streets selling their wares. Moreover Calabria’s weak economy, low per capita gross domestic product not to mention poor export share of the country’s exports provides little consolation for ethnic entrepreneurs. What may explain this fact is that ethnic entrepreneurs limit most of their economic activity to internal economic servicing such as commercial, retail and farming activities and do not in any large quantity engage in manufacturing or specialist industries.

On the whole, the immigrant population in Calabria as a percentage of the total population is rather small. It is 2.5 percent of the total population while in the Veneto it is 7.0 percent and in Lombardia it reaches 8.5 percent of the total population. In terms of the ethnic origin of the firms in the respective regions, Lombardia’s largest immigrant entrepreneur is actually Egyptian (almost 15 percent) while in Calabria it is Moroccan. Since 2003 the number of immigrants that have established firms in Calabria has doubled in numbers from 1,707 to 3,514 in 2008 (Fondazione Ethnoland, 2009, p. 23). However there are no studies which can pin point the specific reasons for this growth other than growth in immigration numbers overall settling in Italy. Moreover the levels of unemployment in Calabria are the highest in the country with youth unemployment reaching 50 percent and normal levels of unemployment certainly no lower than 10 percent. This might indicate that competition for the few places of work would be exceptionally high and therefore difficult for immigrants to be successful in finding work.

In the 2007 first official report on Immigration (Primo rapporto sugli immigrati in Italia) it was noted that the region of Calabria had the lowest acceptance rate of immigrant work visas presented. Over 52 percent of all requests were accepted in Calabria while Lombardia had 71 and the Veneto 79 percent respectively (Ministry of the Interior 2007: 121). This data would indicate that part of the explanation for the growth of immigrant firms might be as a way by-passing the more difficult route of visa acquisition for immigrants and a solution to acquire access to the economy.

CONCLUSION

Cumbersome Italian bureaucracy and poor legal knowledge, problems in obtaining and renewing permits of stay, non-recognition of academic and professional qualifications and access to credit are the main obstacles immigrant entrepreneurs face. But they are the administrative face of an inability to embrace immigration and all of its facets into Italian society. Invariably Italian legislators had hoped for a greater role played by returning diaspora populations that left the Italian shores in large numbers almost the day after the foundation of the Italian state in 1980. This did not happen. Parallel to these developments, Italy’s birth rate slumped and it’s ability to provide a sufficient population for the needs of the 21st century were clearly put in doubt. Immigration was the only solution.

Immigrant entrepreneurship is in the Italian context, certainly influenced by the Kafkian immigration legislation as well as the greater inflexibility of the labour market. Italy’s attachment to jus sanguinis as its citizenship principles has played a significant role in the delay in embracing immigration. Italy’s growing immigrant entrepreneurs have defied much of the hurdle based approach of Italian legislators and in the face of opposition. The have not only emerged but have also thrived. Moreover they have also grown in the poorer south where the richness of the local economies is under greater pressure as the poor compete with the poor. Greater levels of immigrant firm ownership in the
south can only but reinforce the notion of the development of a slightly different form of immigrant presence within Italian southern society.

What however is most concerning, as evidenced by the alarm voiced recently by *The Economist*, was that of the economically failing south and the pervasiveness of “organised crime” (*The Economist* 2009). Italy is only just emerging from the worst recession in decades and again the Italian south suffers more than the rest of the country. While immigrant firms in the south have registered a better than expected presence as compared to the north, immigrant firms and their new businesses in the south can become victims and targets for organised crime in the face of an absent state and protective laws. In an existing state of difficulty most graphically experienced by regions such as that of Calabria, the challenges facing the growing desire of immigrants and immigrants firms to establish themselves in the Italian south remains an uphill one for the foreseeable future and will require greater efforts by politicians and legislators to offer greater leadership and understanding of immigrants needs.

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