Italian Migration

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ABSTRACT

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Italy is a country with a long history of emigration and a very short experience of immigration. The paper first surveys the Italian emigration pattern describing the characteristics of the Italian emigrants (age, sex, skill level), their area of origins and the directions of their movement. The determinants of the migration choice are then analyzed as well as the policies affecting the decision to migrate. The end of the first section provides an analysis of the emigration effects in the areas of origin, namely the positive effect of the remittances and the changes in the composition of the remaining population. The second section surveys the recent Italian immigration phenomenon with a description of the immigrant characteristics, such as area of origin, sex, age, and location in the country. Special attention has been given to the illegality issue because the majority of the immigrants became legal by applying for an amnesty. The determinants of the emigration in the country of origins and the effects in the destination close the picture. The conclusion provides a look at the future and the policy changes that should be adopted.

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1. Introduction

Italy is a country with a long history of emigration and a very short experience of immigration. Mass emigration started with Italian unification: during the period 1861-1976 over 26 million people emigrated, half of them towards other European countries, the rest towards North and South America. Two fifths of all these emigrations originated from the regions of the South of Italy.

The reasons were, on the one hand, the slow and difficult development of the Italian economy and, on the other, the economic expansion which characterised other countries between the second half of the nineteenth century and World War I. After World War II, Italians emigrated mostly towards Europe, especially Germany. In the same years, the development of the industrial North stimulated mass internal migration from the South to the North-West.

Emigration declined sharply in the period 1970-1980. In spite of the high unemployment rate (especially among young people), the higher level of income of Italian households allowed them to bear the long periods of unemployment of their members. Now only a few highly skilled and specialised workers leave the country in search of better job opportunities.

During the same period, Italy changed from being a sender country into a host country, receiving immigrants largely from developing countries and Eastern Europe. While the effects of immigration are still difficult to grasp and interpret thoroughly, there

is wide consensus about the crucial role that emigration has played in the history of the Italian economy.

In this chapter we analyse the facts, motivations and effects of emigration and immigration in the Italian experience. While Section 2 analyses the facts of emigration and its motivations and effects, Section 3 illustrates the more recent phenomenon of immigration to Italy. Section 4 provides some conclusive remarks.

2.1 Emigration: the Facts

The history of Italian emigration has started after the period of unification and has characterised the Italian economic history for over a century. During the period 1861-1985 over 26 million people emigrated, with an average of 3.4 million emigrants per decade between 1875-1928 and 2 million between 1929 and 1975. (approximately one Italian out of four emigrated).

Table 1 1876-1985 Emigration and Migration rate (per 1,000)

	Emigration	Migration rate
1876-1885	1,315	4.56
1886-1895	2,391	7.76
1896-1905	4,322	13.06
1906-1914	5,854	20.60
1876-1914	13,882	11.01
1915-1918	363	2.44
1919-1928	3,007	7.70
1929-1940	1,114	2.20
1941-1945	4,121	0.32
1946-1955	423	5.24
1956-1965	3,166	6,28
1966-1975	1,714	3,20
1946-1975	7,351	4.86
1976-1985	861	1.53
Total	26,595	

Table 1 summarises the emigration and migration rates (in thousands). These data show that emigration is not a steady flow, but it is characterised by periods of growth and stagnation

As Figure 1 shows there are increasingly sharp fluctuations after the turn of the century. Between 1875 and 1928 emigration from Italy reached its peak with about 17 million emigrants abroad, between 1929 and 1985 about 9 million left the country.

Figure 1. Italian Migration Abroad (thousands) 1876-1981

_____Emigration   **++++ Return migration**
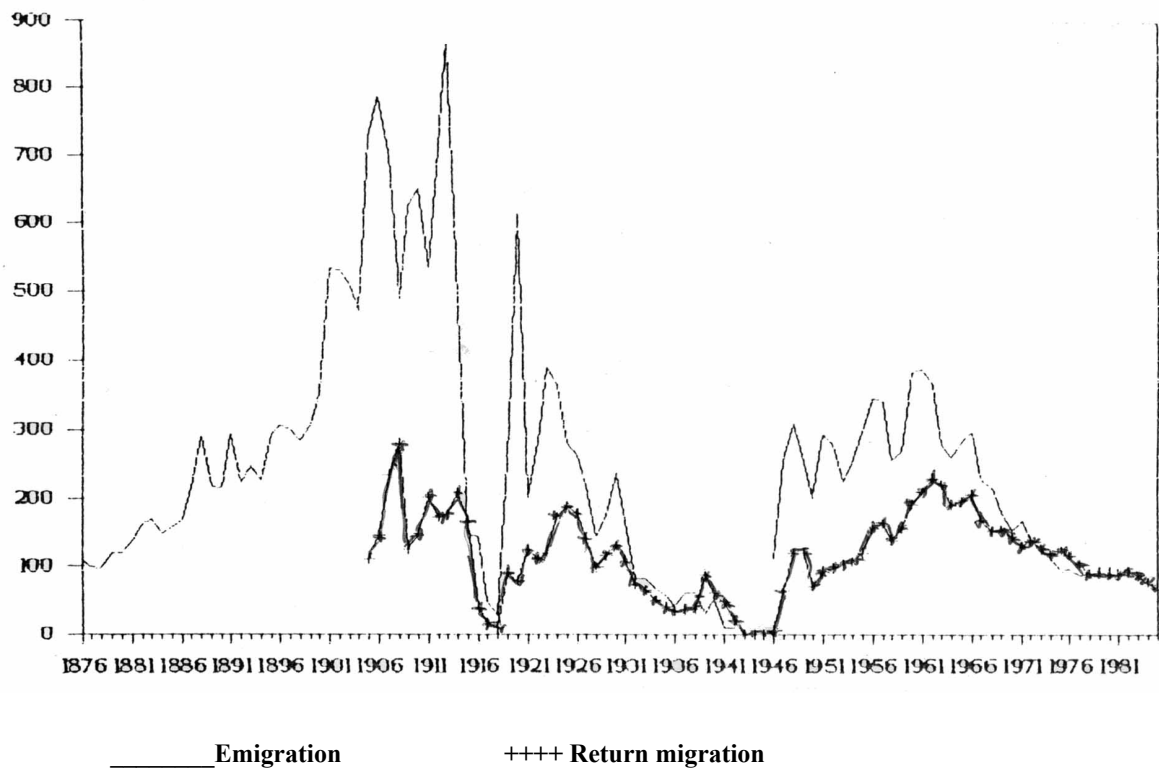
From: Golini, Birindelli, 1990

The period of most intense emigration was the 1880s when flows from the Northern areas of Italy were integrated and replaced by flows from the Southern areas. The first period

of Italian emigration was dominated by emigrants from agriculture as a result of the economic crisis and the poverty levels of central and Southern areas, the industrialisation process being concentrated mainly in the North western regions.

Table 2 shows the regional contribution to emigration and its direction. Emigration from the industrial regions of the North was particularly evident only until World War I. Already in 1913, only 39 per cent of total emigrants came from the North, while 47 per cent were from the South and only 14 per cent from the Centre against a population distribution of 45 per cent, 38 per cent and 17 per cent respectively. In the North itself, most emigrants came from the North-Eastern regions: 33.3, while only 23.4 came from the North-West, due to the differing stage of industrial development.

Table 2 Regional Contribution and Direction (per cent national migration)

	1876-1886	1887-1900	1901-1914	1915-1918	1919-1931	1931-1942	1932-1942
Continental							
North	87,4	88,4	76,8	76,6	79,0	66,0	21,8
Central	8,3	6,4	15,5	15,1	12,2	11,7	
South	4,3	5,2	7,7	8,3	8,8	22,3	
Transoceanic							
North	46,0	32,8	17,6	13,6	24,6	24,2	
Central	5,7	8,9	11,2	9,5	10,0	10,0	
South	48,3	58,3	71,2	76,9	65,4	65,8	

.Source Vitali (1974, 8-9) in Sori E. p.

Table 2 shows that the contribution from northern regions to continental migration decreased from 87 to 66 per cent of national migration, while the outhern contribution increased from 4.3 to 22.3 per cent. A similar trend is evident for transoceanic emigration in which the contributions of the North and South are initially more equally distributed.

While the North decreased its contribution from 46 to 24 per cent, the South increased its contribution from 48 to 65.8 per cent

Emigration from the North of Italy was mostly European, while the emigration from the southern regions was mostly transoceanic, directed to the United States, Latin America and Australia. The geographical position and the cost of transportation played an important role in explaining the different initial destinations.

Figure 2 shows that Europe received 75 per cent of total Italian outflows in 1880, declined to 45 per cent during the boom of Italian emigration and regained the majority of the flows later on.

 In the years of the emigration peaks, a crucial role was also played by the earlier settlements of relatives and friends[1]. However, the region that had most emigrants is the Veneto, the region which has become the most important labor importer in recent years (Bacchetta, Cagiano de Azevedo 1990).

The characteristics of emigrants are well identified by statistical analyses: they were usually male, of working age, and tended to be economically active. In terms of skills and occupation characteristics, the agricultural sector would appear to have been dominant, with most emigrants having low skills. Italian emigrants were largely hired in sectors such as construction, railways and mining, all sectors characterised by a very high level of instability.However these characteristics as well as the composition of emigration changes in the course of time.

Figure 2. Emigrants by main destination 1870-1940 (percentages)


```
%100   OAC*
 90                      Argentina
 80
 70        Brazil
 60                              U.S.A.                    Oceania  Africa
 50
 40        OEC**                        Canada
 30     Austria
 20                    Switzerland
 10                              France
  0           Germany                        Belgium
     1876-80  1881-90  1891-1900  1901-10  1911-20  1921-30  1931-40
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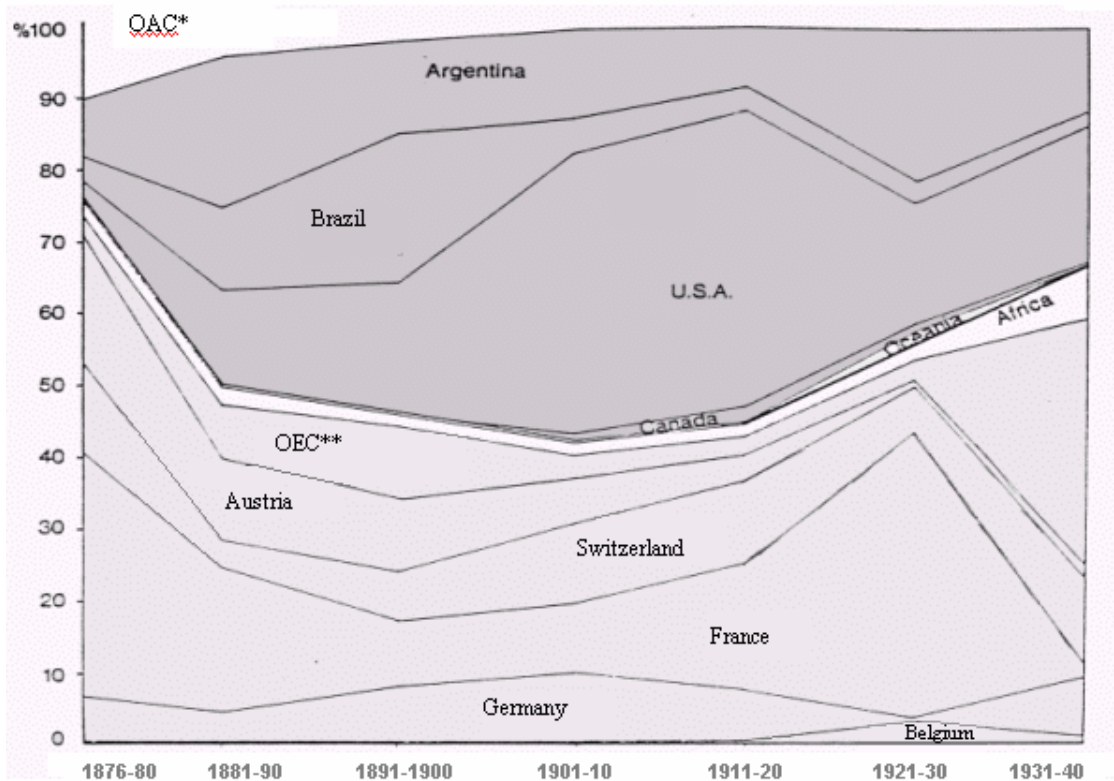
*   Other American Countries
** Other European Countries
From Sori, 1979, p.31

Before 1886, the great proportion of emigrants were males prime age (80-85 per cent male). Sori (1979) shows how the proportion of Italians leaving with their families increased after 1886 and started to decline after 1905. It began to rise again around 1930.

The workers who emigrated in the first phase had fewer skills. The first group was formed of labourers («braccianti») from the agricultural sectors and unskilled manual workers. After 1900, workers with higher level of skills as well as craftsmen emigrated.

Not all Italian emigrants settled permanently abroad. While, during the first period of prevalently transoceanic emigration, the proportion of returns was relatively small, in a

second phase, in which emigration was largely towards Europe, returns tended to be of sizable number.

Table 3   Return Migration

Years	Total	Migration rate
1905-1914	1,800	5.65
1915-1918	229	0.15
1919-1928	1,302	3.33
1929-1940	835	1.65
1941-1945	67	0.30
1946-1955	898	1.90
1956-1965	1,853	3.67
1966-1975	1,453	2.70
1976-1985	904	1.61

Source ISTAT

The data show a higher proportion of returns among emigrants to Europe than among emigrants to the US and Latin America. The trends in return migration seem to be coherent with emigration patterns: the two curves are closer at the lowest level of emigration (Figure 1).

According to Giusti (1965), who calculates net migration, during the period 1811-1911, net emigration was about one third of the gross flow. An implication of these estimates is that instead of an increase in the first decade of the century there was actually a fall in the net emigration rate. According to Hatton and Williamson (1988) the big surge in gross emigration after the 1890 was not matched by a big surge in net migration, but was manly the spurious result of a change in passport regulations. When adjustment for defective official statistics is taken into account, the upsurge in Italian emigration is not very dissimilar from that in northern Europe.

The understanding and measurement of migration flows and stocks are in fact severely limited by the lack of definition of emigrants, especially in a country like Italy , which is characterised by vulnerable frontiers. Until 1913, a person was considered an emigrant if he/she left because of poor economic conditions; later the definition was extended to include manual labourers and those emigrating to join other family members. In 1921, a special passport (with coupon for return migrants) was introduced for labour emigrants. From 1926 to 1958 ISTAT[2] collected data on emigrants every year, using the coupons attached to the passports as a unit of observation. Only in 1958 did ISTAT revise emigration statistics, while local authorities continued to registering emigrants, classifying them by motives of migration (Golini, 1987).

2.2 Policies affecting Italian Emigration

Only during the late 1860s and 1870s did the Italian government start to show concern about emigration. The first laws controlling emigration are the 1868, 1873,1876 circulars allowing the emigration of individuals who already had an employment contract or could demonstrate that they had sufficient income to support themselves. The first legislation, ratified in 1888 with the vague intention of controlling the relationship between recruitment agencies and emigrants, reflected different political and economic interests. On one hand, mass emigration solved the problems of restructuring the agricultural sector in the South and relieving poverty. On the other, employers in the industrial area saw emigration favourably only if developed coherently with the economic growth (Golini and Birindelli 1997).

Several periods can be identified. A growing pressure for control and protection of emigrants, which gradually gave the State a more important role, characterised the first

period, 1869-1925 (years of growing emigration). During these years numerous laws were introduced to control and protect emigration and emigrants remittances. This effort was also accompanied by measures to provide the emigrants training support to facilitate integration. A General Commissariat for Emigration was established under the Ministry of Foreign Affairs. In 1924, the National Congress of Emigration and Immigration was held in Rome with the important goal of co-ordinating the actions of several sender and recipient countries. (Canistraro and Rosoli 1979)[3]

The second period (1926-1939) is characterised by a new international and national situation. Internationally the outbreak of World War II limited the entry of foreigners and, nationally, the Fascist regime limited emigration. Restrictive legislation was introduced to limit permanent emigration (with the exception of family reunions) and encourage returns. The Department of Italians Abroad, which was set up to control emigration, encouraged returns in order of increasing the population in Italy as well as populate Italian colonies in Africa.

The third period, which began in 1946 was dominated by the protection and promotion of emigration and various issues such as family reunion, remittances and social security were better organised. In 1947 the Department of Emigration was set up to replace the Department of Italian Abroad.

Finally, the 1960s saw a more active involvement of various actors such as labour offices, trade unions and, employers who act explicitly to ensure better co-ordination and constant efforts to protect Italian emigration and the Italian community abroad.

However, Italian emigration policies have had limited effects on the flows and directions of emigration. More important factors would appear to be the changes in the economic activities and the migration policies implemented in the countries of

destination. One examples of this was the 1902 law banning emigration to Brazil, which failed to have the expected effect in view of the coffee boom and substantial subsidies offered to Italians by the Brazilian government (Merrick and Graham 1979). Very important in reducing and redirecting flows to South America were the USA immigration barriers. In 1917, the US prohibited entrance to the illiterate, reducing the eligible immigrants from southern Italy, and in 1924 they introduced the quota system restricting the right to a limited number (about 5000) of Italians[4]. Moving to more recent flows, it is worth recalling the much negotiated migration to France, Belgium and Germany organised through Government agencies.

2.3 Determinants of the decision to migrate

The reasons for Italian emigration reside in the poverty and lack of jobs and income opportunities caused by poor agriculture, which pushed Italians from both the North and the South to look for better chances abroad.

The traditional model of migration based on the human capital theory interprets the decision to move as an investment of the individual physical and monetary resources into a risky but probably better future life.

$$1) \qquad M_{(iod)} = f(W_d - W_o - C) \qquad\qquad f > 0$$

The individual decision to emigrate (M_i) from the area of origin (o) to the area of destination (d) is a positive function of the expected income differential in countries of destination (W_d) and origin (W_o), net of migration costs (C). Thus, the larger the income expected benefit from migration, the more likely the move.[5].

This equation is frequently tested with aggregate data, where the gross emigration rate – (emigration flows over population in country of origin) - is explained by the expected wage differentials between origin and destination - namely real wage differentials- plus labour market variables which proxy the probability of finding a job in the labour markets of origin and destination – usually proxied by the employment or unemployment rate or the participation rate - and a demographic variable which proxies the labour market pressure of demographic origin in departure areas– usually the population growth lagged 20 years-. In such a model, also a lagged dependent variable is usually introduced to capture the inertia.

This interpretation implies if income in the country of origin increases – ceteris paribus – the income differential decreases and migration would decrease).

Faini and Venturini (1994) have questioned this interpretation arguing that the willingness to migrate is constrained by inadequate human and physical capital and, for a given wage differential, income per capita increases, in poor countries, release individual constraints to migrate and favour outflows [6]. At a given "threshold", income per capita stops being a pushing factor and becomes a restraint factor, when people have achieved enough well-being to prefer to stay home rather than to leave[7].

They test this hypothesis to explain the Italian migration hump of the beginning of the 90s and add the income per capita variable to the already-mentioned variables to capture their hypothesis with very satisfying results (see Table 4 column I).

Wage differentials as well as the labour market variables coefficients have signs which are coherent with the theory (in sender and recipient countries). However, population growth lagged 20 years as proxy of demographic pressure is not significant, while the time trend to proxy transportation costs in American flows is significant with

the expected sign. The income per capita variable is significant with the expected sign, supporting the view of a "push" effect of income growth, or as Hatton and Williamson (1998) argue a poverty-trap effect on migration. Had Italy's income per capita remained unchanged from its 1900 value, emigration in 1913 would have been almost 27per cent lower than its fitted value.

Hatton and Williamson (1998) discuss this interpretation on two grounds: first they underlay an over-estimate of the gross migration flows of the beginning of the century, which determines an over-size of the hump. They correct it by introducing a dummy for the period 1901-1913, and then they attribute an important role to the migrants' stock to explain the rapid emigration growth at the beginning of the century. They also introduce the real wage variable to capture the poverty-trap effect.

Equation II for Faini Venturini (FV) and equation III for Hatton Williamson (HW) in Table 4 present comparable specifications which are not the best specifications for either of the two teams; the first is a fixed effect estimate of the Italian migration rate to France, Germany and the USA[8], while the second is an aggregate estimate of the total emigration rate toward the previous destination, plus Argentina and Brazil.

In both specifications wage differential, labour market variable in sender country and population growth are not significant, while the proxy for the «poverty-trap effect» is significant in the F-V case and not in the H-W one, just as the time trend is significant in the first case and not in the second. H-W argue that the income variable significant in the F-V test captures the remittance effect, which is better captured by the stock of immigrants variable used in their best specification (equation IV), while the income differential also becomes significant.

H-W (1998) also find support for their interpretation in their regional analysis. Cross-sectional analyses show that large wage gaps and lower levels of economic development drove emigration up. They also show that some of the forces driving migration were different regionally. Urban development in the North reduced emigration while agricultural underdevelopment in the South raised it. These factors raised southern migration above northern.

The debate is still open. The income per capita variable is likely to capture other phenomena, not only the increase in domestic human and monetary resources that released the constraint and allowed more Italians to invest in emigration. However, H-W use two proxies for the chain mechanism, the lagged dependent variable following Gould (1980) and also the stock, and they do not question the negative sign of the lagged one.

As a concluding comment on both best specification equations (Table 4 column I and IV), wages and labour market variables and a lagged dependent variable are important to understand migration dynamics, while demographic pressure seems to be not statistically significant and intercontinental and European emigration rates follow the same interpretation.

The same conclusion is reached by T. Straubhaar (1986, 1988) in his empirical analysis of the Italian emigration flows to Germany and France in the more recent period 1963–1984. Income differential, labour market variables and lagged dependent variables are significant with the expected sign, while the income growth in the origin country has a "pulling" effect (positive and significant coefficient) in the Italian-German flow, and is not significant but with the expected negative sign in the Italian-French one.

Table 4 Time series Regression for Italian Emigration 1878-1913

	Faini Venturini I	Faini Venturini II	Hatton Willliamson III	Hatton Williamson IV
Dependent variable	LnM/Pop	M/Pop	M/Pop	M/Pop
Ln Wf/Wh	0.55 (2.14)	0.31 (1.51)	9.67 (1.31)	9.23(2.91)
LnWh			6.19 (0.52)	1.56(0.21)
Ln Yh	1.13 (3.9)	1.21 (3.51)		
LF/Popf	5.37 (3.27)	12.3 (4.18)*	45.1 (3.0)	39.7 (3.03)
LF/Poph	-0.84 (2.26)	-0.58(1.14)*	-12.2 (1.30)	-7.27(0.90)
GrowthPopt-20	-0.001 (1.0)	-0.001(0.84)	1.07(1.58)	0.72(1.16)
Trend	0.01 (2.36)	0.09(2.96)	0.19(0.95)	
Stock Mig.f				0.13 (2.75)
Dummy for 1901-1913			5.91(3.32)	4.85(2.95)
Lagged emigration rate(t-1)	0.72 (12.5)	0.70 (10.8)	0.25 (1.56)	0.06 (0.04)
Lagged emigration rate(t-2)			-0.49(3.24)	-0.55 (4)

In another very interesting paper, Daveri and Faini (1997) analyse the choice between internal and international migration as alternative means for risk diversification. The empirical test for the Italian Southern regions after the second World War show that in addition to the variables already mentioned above the risk-related variables play a significant role in shaping migration decision.

2.4 Social and Demographic Effects of emigration

The social and demographic impact of emigration is certainly difficult to measure because of the lack of knowledge of the real dimensions of the phenomenon. Some evidence emerges concerning the working age population as well as the sex structure. Demographic studies show that the effect is particularly strong in small areas where the emigration rate has higher than the natural population growth rate, such as the region of

Basilicata and Abruzzo–Molise, where there was a reduction of total population, –0.98per cent in the first case and –3.58 in the second, during the big hump of 1910-1911. At the aggregate level, the net migration rate never reached more than 50per cent of the natural population growth rate and more sizeable effects are found in the sex and age distribution of the population.

In 1987, for every 1000 females there were 1005 males, 1026 in the North and 984 in the South. After the big hump in emigration of 1911, the national average fell to 967, with 979 in the North and 948 in the South. The percentage of males of working age (20-50) in the same period dropped on average to 36.6 per cent, while it was even lower in Abruzzo-Molise and Calabria, 29 per cent (Sori, 1979).

This transformation of the population and of the working age population pushed women, children and the elderly to substitute the males in their work, which was, however, mainly subsistence agriculture and did not induce any sizeable social change.

However, the important benefits of emigration are worth considering. The saving sent back by emigrants to the country of origin played a crucial role. The amount of remittances was lower before World War II, when migration was largely permanent, and increased after WWII, when migration was temporary and families did not followed the emigrants, but stayed in their place of origin (Figure 3). According to Sori (1979), remittances were very important for the rest of the families who remained in the region of origin being the resources to pay off debts and support the members of the family, but also had an important role in the national budget where the banking system was used.

During the big emigration hump of the beginning of the century, remittances were vital for the current account of the Italian balance of payments (Zamagni, 1990), which,

thanks to workers' saving inflows, was in equilibrium[9] and represented a positive exception for a country which was developing through domestic demand.

During 1960-1980, the total flows of remittances increased, especially from Germany and United States where Italians had achieved greater economic outcomes (Bacchetta, Cagiano de Azevedo 1990).

The data on remittances provide just an idea of the dimension of the flows. The introduction of a banking network in the areas of emigration strongly encouraged flows, avoiding the frauds that previously oppressed low-income migrants.

Data are a serious limitation for the assessment of the effect of emigration on the sender country. According to some studies on the effects of remittances (i.e. D'Amore, D'Andrea, Scudieri 1977), 45 per cent was used to buy land or houses, 34 per cent was used to buy durables and 12 per cent was deposited in bank accounts. Their effect was also important for the short-term reduction of local poverty, but did not contribute to any form of economic development. A social change was instead introduced by the new role played by women, who were now holders of bank accounts and could take decisions on the use of the savings (Moreno J.L 1995).

Research on the effect of return migration shows a discouraging scenario, which indicates the various constraints to start-up new enterprises and the limited contribution to develop the local economies. Only in the North East where returns have been encouraged as well as supported, it seems easier to identify the positive effect of returns.

Figure 3 Remittances of Italian Emigrants 1876-1980 (five-year mean values)
(in 1938 liras)
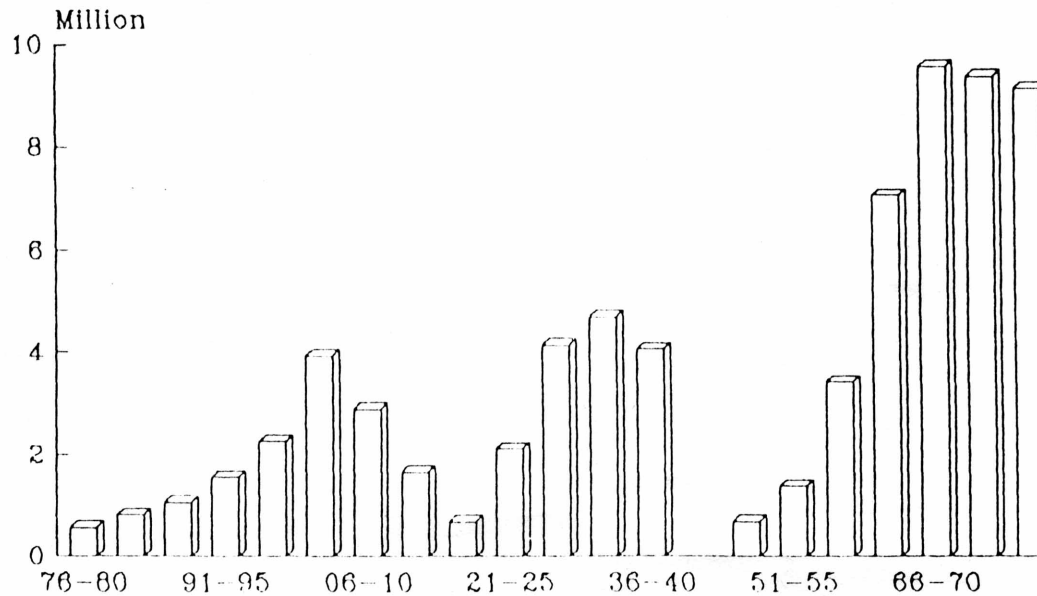
Golini Birindelli, 1990, p. 163

In the South, where the labour market was still characterised by excess labour supply, the returning migrants face harsh difficulties in finding a job or in finding support available for their investments. Moreover, several other economic constraints of the environment severely limited the possibility of improvement, while little support was provided by local residents. Cerase (1967), in his research on returns migration from the USA, find out that 19 per cent returned because their migratory project failed, 40 per cent because their saving objectives were reached, 26 per cent came back for retirement and only 16 per cent with the intention of investing in the country of origin. The last-mentioned, however, were unable to implement their plans partly because of the hostility of the local bureaucracy and partly because of the disregard of the central one.

There can be no doubt that remittances released many Italian from their consumption constraints, but an aggregate balance on the benefit of emigration on the longer term economic development of the areas of departure seems negative, especially

for the Southern regions. The latter received a large amount of funds which they failed, however, to use in productive activities. Furthermore, the human capital drain from those regions have worsen the economic situation. Even if the emigrants from the South were unskilled and frequently illiterate, they were self selected: their risk-prone attitude testified to their willingness to learn and to work, which is a vital component to implement economic and social development.

3. Italy as a Country of Immigration

3.1 The facts

Italy became a country of immigration during the 70s. The number of foreign residents increased from 143,838 in 1970 to about 300,000 in 1980 and, by the mid 80s it had reached half a million (1985). In the 90s, the foreign population increased further and

Table 5 Stock of foreign resident population in absolute value, as share of domestic population and by area of origin and most important nationality of origin.

year	Value	Share	By Area of Origin %					By main nationality of origin total	Morocco	Philippinos	Jugoslavia	Albania
			Africa	Asia	Europe of which East	LatAm EU						
1970	143.834	0.27	3.3	7.8	61.3			100	_	_	_	_
1975	186.415	0.33	4.7	8.1	60.5			100	_	_	_	_
1980	298.746	0.53	**10.0**	**14.0**	53.2			100	0.2	0.2	3.9	0
1985	423.004	0.74	10.5	**15.4**	52.1			100	_	_	_	_
1990	781.100	1.37	**30.5**	**18.7**	33.5	5.6	8.4	100	10.3	4.5	3.8	0.3
1993	987.400	1.76	29.1	17.5	36.9	**15.5**	8.1	100	9.9	4.6	6.8	3.1
1995	991.419	1.85	26.7	16.6	40.8	**21.0**	8.0	100	9.5	4.3	5.2	3.5
1998	1250.214	2.01	28.8	18.3	38.5	**22.5**	8.4	100	11.7	5.4	3.3	7.3
2000	1500.200	2.20	29	18.6	38.0	**27.1**	8.3	100	11.6	5.0	6.9	9.9

workers are concentrated most.

Even if the stock of foreigners with a residence permit in absolute value increased substantially, it still represents a small percentage of the population, just a little above 2 per cent, and also the percentage of foreigners employed in the total labour force is still low on average, and it never reaches a value of over 7 per cent, even in the sectors where

foreign workers are concentrated most.

The composition of the immigrants change remarkably in the 1980s and 1990s. The incidence of immigrants who came from the European Union declined, while the proportion of immigrants from outside the European Union increased, and in the late 1990s accounted for 86 per cent of the total . Among the non-Europeans, in spite of the increase in Afro and Asian immigrants, their relative incidence declined in relation to Eastern European immigrants from Yugoslavia, Albania and Rumania, who became the fastest growing group.

The growth of the African and Asian communities is clearly seen from the data emerging from the legalisation procedure. Where the African and Filipinos nationals accounted for the most important groups in the first and second legalisation procedures, the Yugoslavian, Albanian and Rumanian were more important in the third and last.

The new immigrants tend to locate where demand for work is higher and more facilities make immigrants' integration possibilities easier and faster. According to the territorial distribution of residence permits, in 1998, 30.4 per cent of the legal foreigners are in the North-West, 29.4per cent in the Centre and 22.3per cent in the North-East. During the 90s, the North-East area is the one, which has most increased, its inflows, especially for Eastern European immigrants, but also for Africans. The South, with 11.2 per cent and the Islands with 5.5 per cent are much less important [10]. Among the urban areas, Milan and Rome have respectively 13per cent and 17per cent of total resident permits, but the fastest growing provinces – Brescia, Vicenza and Verona- are in the North-East. The North-East is more appealing on many dimensions. First there is an excess demand of labour. The industrial and service structure is dominated by small firms

in which labour legislation is less strict, and it allows an employment relationship more flexible and more favourable to the immigrants who care less for employment stability and higher wages.

The gender composition indicates a small imbalance in favour of male immigration; in fact, 54.7 per cent (2000) of the total number of foreign residents are male. Data show a prevalence of female immigrants among some Asian groups - i.e. Filipinos-, where only 33.8per cent are male, Latin American groups (Brazilian 27.8 per cent, Peru 28.3per cent), while male immigrants prevail among the African groups (72.3per cent among Moroccans, 78per cent among Tunisians, 92.9per cent among Senegalese) and East Europeans, namely ex-Yugoslavia (65per cent) and, Albania (70per cent). Among these two groups where the male component prevails, there are exceptions, such as Rumanians and Poles, where female immigrants are prevalent and, among Africans, Somalis and Ethiopians.

In terms of age and household composition, young adults (18-39) constitute by far the most important share with 65.2per cent of total presence. Most of them, whether married (48.6per cent) or not (46.4per cent), do not have children 75per cent. This shows that Italian immigration is still in an initial phase of migration in which one family member alone usually immigrates. However, according to Caritas report data, the number of family re-conjunctions are increasing at a fast rate. On the total new inflows in 1999 40 per cent were family reunion permits while this type of permit represents only 21per cent of total stock of permits.

Among the immigrants from outside the European Union, 61.8per cent hold a residence

permit for work reasons, of whom 93.1per cent are regular employees and, 6.9 self-employed, while 13per cent hold a permit to look for job [11].

The Census data from 1991 show distribution by sectors: about 36per cent in the Industrial sector, of which 18per cent in the construction industry, 17.6per cent in the agricultural sector, 30per cent in trade and service and 16per cent self employed. A degree of ethnic specialisation exists: in fact, Africans are concentrated in agricultural, construction and self-employed activities, while Asians work mostly in services and agriculture and Eastern Europeans in construction.

Since then, Social Security data (covering only employees) has shown an increase in total foreign employment which reached 563,000 in 1998, 17per cent of whom as family workers, 9per cent as agricultural workers and the remainder (74per cent) in the private industrial (roughly 42per cent) and service sectors (32per cent)[12].

In terms of occupational characteristics, 73per cent are registered as manual workers. This is due to a combination of two causes: their relatively low education level and the difficulty of finding a job on a par with their education and training.

The information available regarding the education of foreigners serves little, given the educational differences which exist between schooling systems. When it is based on their declarations, there is an overvaluation of their education, when it is based upon recognition of their degrees – the difficulties in comparing different schooling systems may induce an under-evaluation of their education. Thus, given this provision, the educational level among those registered at employment offices, based on degree recognition - has fallen in the course of the 90s. The proportion of immigrants with no

education was 75% in 1995 and increased to 85 per cent in 2000.

3.2 Illegal immigration.

The spontaneous flow of immigrants and the initial difficulty of controlling the phenomenon create the impression of a largely illegal [13]phenomenon. On account of the work they do as street vendors, windshield cleaners and prostitutes, a small number of foreigners is highly visible and contributes to the impression that illegal immigration is growing at a rapid rate.

The results of the legalisation procedures, however, seem to have brought some realism to the size of the illegal phenomenon. The foreigners who were regularised were limited in number and much fewer than expected; 118,000 with the first measure (1987), 234,841 with the second (1991) and 247,500[14] with the third (1996) and 219,000 with the last (1998). The illegality rate – namely, the number of immigrants regularised over the number of residence permits - was 30per cent with the first procedure, 45per cent with the second and 27per cent with the third and 18per cent with the last one, and it is quite constant over-time, and the very limited decline suggests that only a small percentage of the total number of illegal immigrants can take advantage of the legalisation procedure, that its frequency may determine repeated legalisation by the same foreigners, and may attract additional flows of illegal immigrants[15].

Estimates of the number of illegal presents have been made on many occasions using different sources [16].The most recent survey of the estimates made by Strozza (2000) stresses the use of information drawn from the legalisation procedures in the calculation of the share of illegal immigrants. In 1994, the lowest estimate was 465,000

while the highest was 564,000 while in 1998 it ranged between 176 or 295.000.

The changes in the immigration flows that resulted in illegal Polish immigrants being replaced by illegal Moroccans and Filipinos, then illegal Albanians, and than illegal Curds and illegal Rumanians, increase the difficulties in monitoring the phenomenon, and make it more difficult to produce reliable estimates of the number of illegal immigrants presents.

The national statistics office (ISTAT) provides a time series data (estimates) concerning the work done by illegal or legal foreigners in the underground economy [17]. The total work measured in standard unit of labour amount to about 700.000 units, which represents 3per cent of the total units of work and 7.6per cent of total non-regular units of labour and 25per cent of total non-regular units of labour among employees. The sectors where they work are the same as where they work in regular employment but with a different intensity, mainly services (70per cent), agriculture and construction.

3.3 Determinants of Immigration

The immigration phenomenon and its timing is partly explained by the closure of several Northern European labour markets at the beginning of the economic recession in 1974 which pushed foreign immigrants to search for new countries of destination.

During that period, the conditions for Italy to become an immigration country were already set. Wages for manual workers were higher in Italy than in France, and income per capita had increased too to reduce the gap from Northern European countries. Contrary to the 60s experience, where migration was pulled by the demand in the countries of destination, in the 80s immigration was initially pushed by supply factors, high fertility rates, lack of jobs in the country of origin, low wages and poor working

conditions and, given the proximity, relatively low transportation costs (Table 6).

Some available job openings were found in sectors such as family services, in the agricultural, in construction and in many small industries, as well as in the informal economy. Then, a chain mechanism was trigged and additional flows joined the stock of immigrants (the flow stock ratio is on average 12per cent, with higher value in the more attractive regions).

Table 6 Determinants of Immigration

Country	GDP per capita $ ppp 1995	Fertility rate	Share of Employment .in Agriculture 1990	Share of GDP in Agriculture 1995	Rural population 1995
ITALY	19890	1.2	9	3	33.4
MOROCCO	3320	3.4	45	14	48.1
PHILIPPINE	2850	3.7	45	22	46.0
ALBANIA	670	2.6	55	56	62.8
RUMANIA	4360	1.4	24	21	44.1

Source World Bank, Social Indicators

The lack of an appropriate (restrictive) immigration law and the long and pouring frontiers caused the flow to start and the chain effect brought in additional immigrants, even though the law became more restrictive and economic opportunities diminished. During the 90s, the collapse of the former Yugoslavia and Albania put Italy even more under the pressure of illegal flows. "Boat people" came in from Albania and other nearby Mediterranean countries, but also from as far away as Kurdistan. All these people initially entered as asylum seekers, and only after bilateral agreements were some nationalities, Albanians first and foremost, repatriated without accepting their application for demand asylum. Only 25per cent of application have been accepted (Caritas 1996, p.122).

The fact that individuals know they fail to possess the appropriate prerequisites and prefer

to enter anyhow, even at the risk of being and remaining irregular may be one of the causes of the decline in total number of applications. Even if East European immigration does not have the traditional characteristics of labour immigration (in the Yugoslav and Albanian cases, for instance, radical political changes took place), the push factors are still economic, with immigrants looking for better labour opportunities and higher income prospects. The country tried to regulate the flows, but the political disruption of neighbour areas increased the preassure.

3.4 The effect of immigrants on the domestic economy

One of the main reasons for the opposition to immigration is found the state of the Italian labour market, characterised by one of the highest unemployment rates in Europe. Italians were afraid that migrants working in the formal or informal economy could compete with the natives and "steal" their jobs.

There is no empirical evidence to support this assertion, but some preconditions that favoured complementarity between natives and foreigners in previous experiences were lacking in the Italian case. If the high internal mobility of the native labour force favoured the complementary role of foreign labour in the USA, and a selective immigration policy guarantees complementarity in the Australian, Canadian and Swiss cases, Italy with its 4 ex-post legalisation and its very immobile labour force was a potential case of strong competition between different segments of the labour market, both in terms of wages and employment.

This expectation does not seem to be confirmed by closer analysis of labour market variables.

First we examine potential *direct competition between natives and foreign*

workers in the regular labour market.

Three arguments can be provided against foreign regular workers having a noticeable effect on the wages of domestic labour. First, in Italy wages are the result of national bargaining with strong trade unions and regular foreign labour is only 3per cent of total employment and in few branches reach 7per cent.. Second, the number of regular foreign workers has increased recently after the 1991 and 1996 amnesties, and it is too early for their presence to have a significant effect on the wages of domestic workers. Third, decentralised bargaining was introduced only in 1995 and so far there has been no noticeable effect on wage differentials for the weakest categories of domestic labour - the young and women - due to the presence of foreign workers.

A more formal analysis has been carried out by Gavosto, Venturini, Villosio (1999). First they extracted from the Social Security Administrative Archive an individual data set on foreign workers. The data set covers only employment in private firms, which is 60 per cent of total employment for natives, but 76 per cent of total regular foreign employment, hence quite representative.

The results of empirical analysis [18] (using repeated cross-sections from 1989 to 1995) by branch and region show that the share of immigrant flows out of the native ones (F) - after controlling for changes in demand (ΔY) and fixed years(t) and branches (b) and regions (r) effects – has a positive effect on the growth of the native's wage. This complementarity effect is larger if we focus solely on blue-collar workers, on small firms and on Northern Italy (see Table 7) where migrants are more numerous, where unemployment is very low and where there are open vacancies.

The same previous complementary effect remains if a different measure of

foreign intensity, namely the share of the stock of foreign employment on total native employment (S) and its square (S^2) – since 1989 - is used. It has a positive but declining effect, which suggests that, ceteris paribus, as the share of foreign workers increases – at about 10-14 per cent of native branch and region employment - they will shift from a complementary to a competitive role. Many provisos should be applied to these results and to this last interpretation, because the data set available is probably too short for this type of long-term analysis. However, at the moment a general complementarity effect prevails.

Table 7 Wage competition between natives and foreigners

	I a Total	I a Manual workers	I a Firm size 0-50	I a North	II b Total	II b Manual workers	II b FirmSize 0-50	II b North
$\Delta Y_{t,b,r}$	0,03	0,027	0.08	0.04	0,03	0,027	0,08	0.04
	5,3	4,55	6.2	2.3	5,3	4,55	6.1	2.3
$F_{t,b,r}$	0,09	0,118	0,15	0.19				
	1,8	2	2	1.9				
$S_{t,b,r}$					0.22	0.48	0.80	0.73
					3.1	6	7.6	4.7
$S^2_{t,b,r}$					-0.034	-0.08	-0.10	-0.08
					-3.4	-5	-4.8	-3.7
Fixed effect:								
Branch	yes	yes	Yes	yes	yes	yes	yes	yes
Region	yes	yes	Yes	yes	yes	yes	yes	yes
Years	yes	yes	Yes	yes	Yes	Yes	Yes	yes
R2	0,87	0,86	0,93	0.95	0,87	0,87	0,83	0.95
n.obser.	1983	1917	1839	780	1983	1916	1834	780

Dep.Variable: $(\dfrac{\hat{\gamma}}{se_{\gamma}})_{b,r,t}$ = Average rate of growth of wages of the natives by branch and region

$\Delta Y_{t,b,r}$ change of value added by time, branch and region

$F_{F,b,r}$ flow share of foreign, $S_{t,b,r}$ stock share of foreign employed since 1989 by time, branch and region

a OLS estimates, b IV instrumented cumulative inflow of foreign workers (stock) by share of blue collars workers, share of woman and lagged dependent variable.

Let us now examine the effect on native employment .

The territorial distribution of foreigners is uneven. More than 53.9 per cent of the foreigners holding a valid residence permit are in Northern Italy, and 29.4 per cent in the

Centre, 70 per cent of the workers found a job in the North, and 21 per cent in the Center. These areas are, however, the ones in which the unemployment rate is below the national average.

A simple correlation between unemployment and the foreign labour rates among Italian regions yields a high, negative figure of -0.7. Given the different territorial distribution of the labour demand, this correlation suggests that foreigners are employed where the labour demand is high and domestic unemployment is low. The main concern is however on the possible reduction of the probability of finding a job or a possible longer duration of the search process or also on a possible disincentive in intensive investment. A more fomal test has been done by Venturini and Villosio (2000c). They use the "ISTATs quarterly labour force survey" datset (from 1992 to 1996) to analyse what effect the percentage of foreigners in the employment has on three cases: the probability of those employed losing their job and of those unemployed looking for a fist job or with previous employment experience to find a job with annual probit cross-section estimates. The percentages of foreigners and the other aggregate variables are respectively fixed at regional and sector levels in the former case and only at a regional levels in the latter[19].

When the probability of natives becoming unemployed is considered it is found that the effect of the percentage of foreigners on the regions and sectors in which natives are employed is either negative, that is to say, the probability of losing a job is reduced, or it is not significant. Similarly the effect on unemployed workers looking for a new job, usually adults, does not appear to be competitive, while there is a slight competitive effect on young people looking for a first job in the first few years. Looking more closely at a territorial distribution, there is no trace of such an effect in the North or Central of Italy and in fact it turns into a complementary effect.

Table 8 The Results of the probit regression of the probability of moving from unemployment to employment for those looking for their first job

Relative coefficient of the share of foreigners employed (*t*-statistics in brackets)

Probit estimate and exploited variable probit (a)	1993		1994		1995		1996		1997	
Aggregate Probit	-0.28	(-3.8)	-0.17	(-2.6)	-0.12	(-1.4)	-0.08	(-1.2)	-0.05	(-0.7)
Aggregate ProbitIV	-0.49	(-3.8)	-0.18	(-2.6)	-0.15	(-2.0)	-0.18	(-2.2)	-0.002	(-0.2)
Centre North Probit	-0.35	(-2.5)	-0.03	(-0.3)	0.01	(0.1)	0.2	(1.3)	0.27	(1.9)
Centre North Probit IV	-0.72	(-2.6)	-0.06	(-0.5)	-0.09	(-0.6)	0.29	(1.2)	0.24	(1.3)

(a) instruments used: share of foreigners employed in the earlier period, share of women employed, share of workers employed in the region, average wage in the region received by employed foreigners.

Source : Venturini Villosio (2000c)

Other less direct competition between foreigners and regular domestic labour exists in *irregular labor market,* where the lower wages that foreign workers are willing to accept might attract capital from the regular sector, and therefore, indirectly displace regular labour (Dell'Aringa Neri,1987). There is a further area of competition between native regular workers and immigrants working irregularly. In fact, irregular migrants could favour the growth of the irregular economy at the expense of the regular one.

A empirical analysis using Italian data, (where available ISTAT estimates exist) (Venturini 1999), shows that migrants working in the irregular sector are also not very competitive with native regular workers. The long run aggregate elasticity between native and foreign labour is -0.1, and only in the Agriculture sector reaches a higher value, (-3.5). The latter value, however, overvalues the competition of migrants because it understates the decreasing national supply of labour in that sector.

Another important aspect of the comparison between immigrants and native employment relationship concerns the wage differentials. Are foreigners paid the same wages as natives? Villosio and Venturini (2000a, 2000b) analyze wage differentials between

foreign as well natives employment using Social Security Administrative data. The average wage differential between native and foreigners is 1.15 (log 0.130) which is not surprising given the higher level of education of natives and their higher tenure. When the Oaxaca decomposition is used to distinguish between the wage differential explained by the different workers' characteristics and the unexplained one, over the years the latter is never more than 34per cent. The male-female differential computed by Bonjour and Pacelli (1998) on the same data set shows that the gender differential is almost the double that of the native-foreigners[20] and the unexplained part is on average 75 per cent, more than the double the foreign – native one.

Another recent research focused the gender differential among foreigners (Strozza, Gallo, Grillo, 2002) analyses [21]. The survey data set used by the authors is much more informative than the administrative one used in the previous research but limited to foreigners. It includes important information such as years of education, proficiency in the Italian language and number of relatives. Taking all these information into account, the log wage gender differential is 0.182 for the Moroccans, 0.341 for the former Yugoslavs and 0.288 for the Poles[22]. It is higher than in the native-foreigners case shown before, but very similar to the native gender wage differential mentioned above. In addition, the different national employment behaviour is reproduced in the male-female differential: in the former Yugoslav and Polish groups, the wage differential is mainly due to differences in human capital; the unexplained part is about 10per cent, while, in the Moroccan case, the differential is totally unexplained.

From another data set , the result of another survey[23] conducted in the 1993-4, foreign immigrants in two regions (Latium and Campania) with a much larger number of ethnic groups, Baldacci, Inglese and Strozza (1999) estimates the legal-illegal wage differential

which results in log 0.246 for male and 0.192 for female immigrants in both cases, indicating a low economics for illegal work.

The illegality of some immigrants suggests that public goods are consumed as well as some social benefits (hospital, assistance) without any fiscal contribution to them and this gives rise to widespread protests. A research of the Brodolini Foundation, (1992) have predicted the cost for the national welfare of regular immigration for the next 10 years through six items of expenditure - compulsory education, training or adults education, university, housing, health assistance, police - and the fiscal benefits drawn by income taxes and social contributions[24]. The balance is negative if social contributions (mainly pensions) are not included, while it becomes positive if they are included. This balance is, however, positive only if regular immigration is considered. If illegal immigration persisted, its use of public utilities without any contribution to their financing would make a final evaluation impossible. Needless to say immigration cannot be considered a long run solution for the pension funding deficit[25], and the intertemporal pension distribution scheme needs to be revised (Vitali, 1991).

The degree of integration of foreigners can be also point out by the employment and unemployment rate of foreigners. Unfortunately the ISTAT Labour Force survey is unable to get appropriate information on immigrants because they are still difficult to sample. Thus as proxy of the unemployment rate among the extra-European union immigrants, the share of foreigners registered at the employment bureau on the total residence permits is used and reaches 13.3% in 2000. The number of foreigners registered at the employment offices increases trough time, from about 100.000 in 1995 to 205.000 in 1999, but more important 50% of the registered are registered in the North, the area with less unemployment rate. This last information evidence the search for a regular job,

and underlines a demand effect. Registration at the employment registers does not necessarily mean poverty in these cases, but mainly irregular forms of work, though the high level registration at the placement offices shows that the greater demand for regular economic integration was not completely achieved.

Other indicators of more widespread integration are available. One is the incidence of the family reunion entrances over total entrances which represents a growing share of total residence permits (about 21 per cent in 1998). We find a different trend by nationality, where 75 per cent of the 1998 inflow of Africans entered under the family reunion programme, against only 15 per cent among the East European immigrants. This difference would suggest that immigration was at a more mature stage among the Africans.

Data on the number of arrests show the increase of their role in deviant behaviour; in fact 26 per cent of all those arrested are foreigners. They represent a large share of the foreign population, 21 per cent of the estimated foreign population and 39 per cent of the foreign residence permits (Natale,Strozza, 1997). The African community is also the most important in this respect due to its incidence on the total stock of immigrants, but also to some deviant behaviour. The East European community shows a lower number of arrests, but its share is increasing rapidly (Natale e Strozza, 1997).

3.4. Italian Migration policy: 4 laws and 4 legalisations

As was stressed earlier, when immigration started in any sizeable way the Italian institutional infrastructure was not prepared to cope with it. The legislation was not adequate, the administrative structure insufficient and the financial support for the

necessary activities was not even planned. The 4 legislation tried to adapt the institutions to the new phenomenon. The asylum law was revised and extended to all other countries, a visa to enter the country was requested from countries of potential immigration, and an expulsion policy was improved and financed.

Now, however, even though Law 59/1990 established a "planned number" of new entrants each year, the number was not decided upon, and it thus remained at zero, with immigrants continuing to enter the country illegally, by the "back door". The existence of a large shadow economy contributes to attracting immigrants who come solely to earn money for a short time, and the expectation of a legalisation procedure attracted not only temporary migrants, but also the ones who wanted to change their country of residence. The large inflows of Albanians in the 90s induced the Government to rethink its immigration policy and its role in Europe and the Mediterranean with a more restrictive law (DL489/1995). The initial feeling of a country of emigration is to behave differently toward immigrants – such as to treat them more favourably than Italian immigrants were treated in the past - but this sentiment has now been replaced by the feeling that Italy is a country of immigration, part of a broader area in which there is freedom of movement, the Schengen area, and the country now has the duty to think more in terms of the integration of foreigners.

Regularisations are emergency interventions. Since the beginning, the Government wanted to abandon them as policy instrument. However, it is difficult to succeed in a country with a large underground economy - about 25 per cent of total activity - and with long frontiers which are difficult to police to prevent illegal immigration – (similar to the USA experience)-. The Government under the pressure of illegal immigrants always implemented the last legalisation for foreign already integrated in the labour market. The

abolition of possible regularisation procedures for the future together with a clearer definition of the possibilities for legal entry from abroad with a quota system, supported by more controls at the frontiers and stricter persecution of organised clandestine flows are the back bone of the Italian immigration policy.

Furthermore, to discourage illegal entrance in search of job, the sponsor institute has been introduced, namely as in Australia a native, a legal foreigner, or an organization can sponsor the entrance of a foreigners in search of job for a limited amount of months.

The Italian migration regulation is not only focused on the entrance of the foreigners. Since the mid 1990s the Government provides also support for foreign integration. A number of intervention have been implemented in the field of education (training and

Table 9 Legalizations by countries of origins (millions)

I 1987-1988		II 1990		III 1995		1998	
Marocco	21.7	Marocco	49.9	Marocco	42.3	Albania	39.4
Filippine	10.7	Tunisia	25.5	Albania	34.9	Romania	23.4
Sri Lanka	10.7	Senegal	17.0	Filippine	29.9	Marocco	22.5
Tunisia	10.0	Ex-Yugoslavia	11.3	Cina	14.9	Cina	19.1
Senegal	8.4	Filippine	8.7	Peru	14.9	Nigeria	11.6
Ex-Yugoslavia	7.1	Cina	68.3	Romania	10.0	Senegal	10.8
Altri	50.1	Altri	97.1	Altri	102.1	Altri	97.2
Total	118.1	Total	217.7	Totale	247.0		218.2

Source: Sopemi, 1997, Caritas, 1998, Annul Report

language courses) as well as in the field of social services (mainly housing subsidies and childcare) [26]

4. Conclusions

In this chapter we have summarized and interpret Italian emigration and immigration patterns and discuss the role of migration policies.

While it is difficult to predict the future of Italian Immigration given the early stage of the process, it seems easier to make some consideration on the emigration process. International emigration no longer seems to be an option for young Southern European workers. Income differentials among European countries has shrunk through time and in some cases it has reversed its sign [27]. In addition unemployment is a very widespread phenomena, thus there is a shortage of work opportunities everywhere. International emigration is no longer a rewarding investment for Italian workers.

A possible stream of emigration could involve skilled workers who represent an increasingly important source of labour demand in many advanced countries. However in Italy the proportion of higher education workers is among the lowest in Europe.

The limited increase in the level of education and wealth in the South has not increased the international and internal mobility of workers but contributed to some extent to its immobility: increasing job expectations of young people and the length of search (financed mainly by the family and frequently by occasional work in the black economy). While in the North of Italy (especially in the East) labor demand for all skill levels is growing, a low cross regions mobility is observed.

In this mismatch between supply and demand, immigrants from abroad fill the gaps left by the domestic labour force. If migrants are not directly competitive with native workers, they could however have an indirect competitive effect by increasing production

in the labour intensive and traditional sectors. Such a process would slow down the modernization which would create more jobs for qualified natives. At the moment none of these effects is apparent, (that is there is no evidence of direct or indirect competition), but in the future the scenario could change.

In the future, however, the aging of the labour force will create a generational demand for additional young workers. Already in the next 10 years young male workers will find one and half jobs available in the Center and North of Italy because of generational factors. In South of Italy fertility is higher and the demographic demand for immigrants is simply postponed [28]. Thus, if internal mobility does not increase, in the first five years of the next century in Northern Italy the explicit demand for foreign workers will amount to 30% of new entrants.

The immigration policy should comply with the short and long term evolution of Southern European labour markets. This objective can be achieved if the immigration policy is selective and flexible so that it can on one hand descourage clandestine flows and on the other hand cope with the many changes in the labor market that take places

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[1] Sori (1979) shows how the proportion of Italians leaving with their families increases after 1886 and starts declining after 1905 to start again after 1930.

[2] ISTAT is the Italian central statistical office.

[3] The National Congress of Migration and Immigration was the first attempt of coordination of receiving countries and sending ones to define guidelines and coordinate actions

[4] An interesting analysis on the emigration to Argentina see Moreno J. L. , 1995, Le donne in Banca: rimesse e famiglie di emigranti meridionali in Argentina prima del 1930. Il caso di Molfetta, Studi Emigrazione XXXII, n.118, pp.289-320.

[5] For a complete model see for instance Hatton T., 1995, "A Model of U.K. Emigration, 1870-1913," The Review of Economics and Statistics, pp.407-415.

[6] For a detailed exposition of the theoretical model see Faini R. Venturini A., 1994, "Migration and Growth: the Experience of Southern Europe", Working Paper C.E.P.R. n. 964

[7] When the income effect dominates the substitution one.

[8] Results presented are from Table 4.6 where F-V use as dependent variable the migration rate for comparative purposes while in Table 4.7 F-V they test an aggregate estimates of gross emigration rate.

[9] In 1911-1914 the Italian current account has a surplus of 77 millions of lira at current price which resulted from the deficit of the goods balance –910, the surplus of the services balance +386 and the surplus of the factors' income balance which includes remittances inflows and interests on capital outflows of 510.

[10] The data set derived from Anagrafe residency registers are a subset of total permits because not all foreigners holding a permits are registered at the Anagrafe but they show the same territorial distribution. .

[11] In Italy the following information is available:

1 information derived from the residence permits issued by the Ministry of the Interiors. This document specifies the reason for which it was granted, (family reunion work, tourism, study, asylum etc.) and work is the most important reason given (about 50%). The figures are revised each year by the National Statistical Office and so the permits which expire during the year (about 25-30% of total permits) are excluded;

2 census for 1991 carried out by the Central Statistical Office, ISTAT;

3 local registry offices (Anagrafe);

4 legalization procedure data set;

5 only for employees, the Italian Social Security Data Set (not available in detail up to now);

6 the National Placing Office data set where foreigners have to register to enter the labour market.

[12] As mentioned before data on recent foreign employment are derived from administrative sources which does not collect data on that purpose, and Venturini and Villosio in their 2000 paper present a different way to select migrants and a much higher value.

[13] The illegal presence of a foreigner is either due to his/her clandestine entry or to him/her remaining in the country after the permanency right has expired.

[14] The Caritas Report gives a smaller number 202.000 while the number reported is derived from the OCDE SOPEMI Report

[15] See Caritas 2000 Immigrazione Dossier statistico '96, Anterem, Roma and Natale and Strozza 1997.

[16] For a survey of the different methods used and of the different estimates see Natale M., Strozza S., 1997, Gli immingrati stranieri in Italia, Cacucci Editore, 1997 and Strozza 2000.

[17] The ISTAT estimates of foreigner non-regular "work" are based on information regarding overstays when residency permits expire, police controls but there are no detailed description available.

[18] Following Moulton objection in the first stage the native wage changes are regressed against individual characteristics and branch regions dummy variables, while in the second stage the dummies coefficients and the explicative variables are divided by the dummies standard error.

[19] To solve for the aggregation bais (different level of aggreation were present in the equation: individual, sector and region) in the probit equation an heteroschedasticity consistent estimator has been used. To control for the endogeneity of the migrant location choice the share of foreigners was instrumented by lagged foreign share, the share of women employed, the share of blue-collar workers employed in the region and average wage among immigrants.

[20] The log wage differential is 0.225 in the male-female case and 0.130 in the foreign-native case.

[21] The survey covers 1440 immigrants belonging to three communities: Moroccan, former Yugoslav and Polish with an employment rate of 70per cent among the Moroccans and 82per cent in the other ethnic

groups. Female employment behaviour is uneven among the groups: Moroccan women have the highest duration in long-term unemployment (more than 4 months), and the lowest employment rate, while the former Yugoslav have the shortest long-term unemployment duration and the Polish the highest employment percentage.

[22] The authors use the Olsen correction to take into account the different participation rate.

[23] The survey covers 1574 immigrants in working age, 1052 employed during the survey with a much larger ethnic group from less developed countries.

[24] Dolado, Ichino, Goria (1994), show that immigrants holding an amount of human capital below the average of natives will reduce the income per capita growth rate.

[25] Vedi anche Gesano 1994.

[26] A complete review of the new policies and their effects are in the newly published Ministry Report edited by the Commission on Foreigners' Integration,(chaired by Giovanna Zincone)(2000).

[27]In the Franc-Italian case for instance according with the Swedish Employer Confederation data the wage differential became -6% in 1985 see Venturini 1991.

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