Can the Horticultural District in South-East Sicily benefit from migrant workers to achieve an efficient internationalization pattern?\(^1\)

**Salvatore CANNIZZARO*, **Gian Luigi CORINTO**

Jel code: R23, Q18

### 1. Introduction

The Barcelona Declaration of 1995 attempted to establish closer relations between the EU and the Mediterranean countries. In this general framework, within a comprehensive plan, cooperation mechanisms have been set up to contrast illegal migration and (human beings) trafficking, in particular with Eastern European Countries and North African ones. Notwithstanding highly ethical declarations, the EU includes a dedicated section on migration in all the agreements it makes with non-member countries, focusing more on efficient measures to control migration flows than planning strategic actions to fight human rights violation (CE, 2006).

It is quite evident that the EU has not adopted means to understand the illegal immigration phenomenon it declares to fight. Despite the fact that there are joint instruments to achieve results on understanding and controlling illegal migration flows (Danieli, 2005).

In many developed countries, protectionists stress the defense of local workers from competition by low-wage foreign labour. In their opinion and official statements, the sole way to preserve local employment and wages is to protect domestic workers by banning or putting high tariffs on goods produced in low-wages countries. Their main fear is that wages could converge to the lower level of foreign workers and cause local unemployment, with their consequent intent of contrasting any (theoretical) arguments in favor of free trade and international commerce. While the economic literature clearly indicates the advantages coming from labour migration both for origin and destination countries, in reality protectionists do contrast the official European policy on free commerce and opening of markets (Mundell, 1957; Leamer, 1995; Borjas, 1995).

The gap between theoretical assumptions and real facts and behaviors seems to be an interesting issue to be investigated locally. The paper attempts to make some steps in this direction by making a field survey in the South-East Sicily Horticultural District, one of the major migration attractive zones in southern Italy agriculture.

The paper aims at describing the immigrating workers sit-
uation in the local labour market and giving some insights into the District benefit of immigrants’ work-force in internationalizing its patterns and understanding the opportunity to undertake forms of internationalization by exporting the local economic model in the Northern African Countries from which immigrants come.

The field research has been carried out by collecting and analyzing statistical data and performing more than a dozen of face-to-face interviews of key informants, pertaining to productive sectors, policy-making agencies, administrative institutions, entrepreneurs, humanitarian associations, immigrants.

The migration literature is impossible to resume in short, because it is vast and varied, but some brief remarks can be noted as follows.

The Heckscher-Ohlin and Stolper-Samuelson theoretical models consider the asymmetric endowment of productive factors (capital and labour) as the cause of the international trade with the fundamental intrinsic meaning that traded goods are actually bundles of factors, land, labour and capital (Leamer, 1995). Thus, the international commerce is the simultaneous buying and selling of indirect factors, transferring services of immobile factors from the sites where these are available in large quantities to sites where they are insufficient for the demand. Open commerce is an indirect arbitrage able to completely eliminate factor-price differences transforming local market in a global one with the growth of GDP. This growth is possible only if the potential decline of the marginal productivity of capital is counterbalanced by a move in the produce mix towards more capital intensive productions. Nevertheless, in a small open economy – and even more in a closed one – “moves” in the produce mix are limited or definitely impossible as any production must be sold within domestic boundaries.

Yet, importing goods produced by low-wage foreign labour involves managing difficulties in local labour markets, but producing locally importing foreign low-wage workers adds other and more complicated problems.

In the local case study, migrants employed in agriculture are unskilled workers (Stocchiero, 2002). This form of migration can benefit both origin and destination countries, even though the benefits distribution is still controversial (Borjas, 1995; Ranis, 2007). Causes of migration both of unemployed, underemployed and workers employed at very low incomes are the availability of information, geographic distance, gaps in prospective life-time incomes, joined to the perception of probable gaining employment in the destination country. Furthermore, the actual capacity to migrate depends on a mix of personal factors, such as family income levels, access to credit markets, possible government support, the existence of feasible – legal or illegal – carrying passages and, on the other side, the level of entry barriers erected by the host country.

The country of origin clearly benefits from unskilled migration. Usually it finds itself in a labour surplus condition and migration of great numbers of unskilled workers from rural, urban informal sector employment doesn’t diminish significantly GDP. The origin families can subsidize migrants with underemployed relatives and the country can benefit from these departures by positive adjustments in technology because national productivity is likely to rise and poverty to decline. But the main benefit for the origin country is the receipt of the migrants’ remittances which have the double effect of substantially enhancing family incomes and inducing dynamic spillover effects (Ranis, 2007).

These receipts can support additional entrepreneurial and investment activities in the origin country and, probably more important, new activities with the return of migrants who gained training and skills in the host country, obviously if the destination country is a more advanced market economy. The financial capital can easy be followed by entrepreneurial, human capital contribution of returned migrants. As a consequence, as migrants’ remittances are equal to any other type of capital inflow, such as international subsidises or private corporate investments, remittances themselves are a substitute for unskilled labour migration.

The main substitute for unskilled labour migration is trade which permits to incorporate unskilled labour in the labour intensive commodities and send it to the destination embodied in the traded products (Ranis, 2007). The labour moving (migration) and the goods moving (free trade) are substitutes so that the free international movement of labour and the free trade of goods can generate the same economic results within the involved countries. The increase of free commerce can decrease to zero the labour migration (Mundell, 1957).

Also the inflow of technology is an additional substitute for unskilled labour to trade and capital movements, especially when it can be adapted to a more labour-abundant environment. Thus the unskilled labour can be maintained at home and productively employed or embodied in exporting products (Leamer, 1995).

In the post WWII era frequent liberalization efforts took place, replaced in more recent periods by specific protectionist measures, so that the progressive markets opening has been contrasted in many productive sectors such as textiles, shoes and agricultural produce and food.

2. Migration in Sicily and the South-East Sicily Horticultural District

For its central and strategic position in the Mediterranean, Sicily attracted for long periods many people from North Africa both for settlement and as a bridge to the rest of Italy and Europe. After being an emigration region, during the Seventies Sicily has become a migration attracting zone. Indeed, from Tunisia to Trapani province a chain migration took place, and in the Belice valley after the 1968 earthquake. This natural catastrophe compelled farmers and fishing owners to hire foreign manpower in substitution of dead workers or impoverished emigrating people. Furthermore, during the end of the Sixties and the beginning of the Sev-
entities the reconstruction of the earthquake zone drained local workers from agriculture to building, worsening the scarcity of supply of local agriculture workers.

Mainly Tunisia fed the commuter traffic of migrants through the Sicily channel, the traditional flow becoming soon a feasible corridor of entry and shunting migrants to agriculture and fishing. In a first phase, migrants were really commuters, arriving with tourist permits, without protection and safety at work. Immigrants were recruited day by day, because willing to accept lower wages and very hard work conditions. Then, for over twenty years, migrants arrived by fishing boats under clandestine conditions, favored by non-existent or inefficient public control. This has to be considered as the main reason of the choice to illegally reach Sicily, as well as the presence of relatives previously migrated in Sicily. Furthermore, many Sicilian intermediaries acted in the name of local land and ship owners to recruit workers. Migrants accepted very competitive wages and bad work conditions, causing local protests from agriculture workers, themselves involved in low wages and seasonal and uncertain jobs.

During the Seventies, the Sicilian Government tried to impose restrictions to arrivals, repatriating illegal migrants with no results, because foreign manpower was essential for agriculture and fishing so that laws were not really implemented. In the last Seventies, the Sicilian Government decided a regularization policy of migration, but the irregular labour market continued, with “black payments” and evasion of social security contributions.

During the last Seventies and the Eighties, besides traditional agriculture and fishing, foreign workers were employed in specialized agriculture, building, street trading, tourism, handicraft, housework and also in public services. During this period, migrants reached new Sicilian destinations, adding to the traditional immigration zones of Trapani and Mazara del Vallo, also the province of Ragusa, where labour conditions in greenhouses are particularly hard. Meanwhile, several migrants reached the main cities, Catania and Palermo, and worked as artisans, smiths and carpenters.

The number of migrant women from Maghreb increased quickly during the same period as well as Philippine and Mauritian women employed as house and care workers. Afterwards, women came also from Sub-Saharan Africa and Asia, searching employment in commerce and restaurants. The Nineties saw increasing numbers of migrants coming from Romania, Albania, Poland, China and India.

Nowadays, immigrants are mainly concentrated in urban zones, Palermo, Catania, Messina, where the labour market is more articulated and they can find a sound agriculture labour market in Ragusa and Trapani provinces. The rest of the migrant flow reaches Agrigento, Siracusa, Caltanissetta and Enna provinces. In fact, after the first presence in stronger economic zones, migrants flowed into poorer provinces. More skilled Italian workers left unskilled duties to migrants who are willing to accept hard, less remunerative and unhealthy jobs.

Notwithstanding the fact that Sicily has the highest unemployment rate among Italian regions, and a big emigrating flow of natives too, migrants can find employment in agriculture, building or less favorable industries. In particular, greenhouses agriculture appears as a favorable sector for migrant’s employment. Thus, Ragusa province, where the South-East Sicily Horticultural District is located, ranks second in the region in terms of migrants density, and first if we consider the male employment rate in agriculture (Nerozzi, 2010).

In 2009, migrant workers in Sicily were employed prevalently in agriculture (21.1%), commerce (14.5%), hotel sector and restaurants (12.6%), buildings (10.8%) and industry (10.1%) (Nerozzi, 2010).

In 2008, in Ragusa province there were 10,058 male migrants. The Italian Workers’ Compensation Authority - INAIL - stated that 23% of regular migrant workers in Sicily are employed in agriculture. This rate rises up to 63% in the province of Ragusa, is more than 30% in the province of Trapani, whilst the illegal migration data are very hard to be evaluated (Nerozzi, 2010).

The economic policy of the Sicily Government follows the National Strategic Framework on Regional Policy (Ministero dello Sviluppo economico, 2007) and the “Mezzogiorno” Strategic Plan on Southern Italy (Ministero dello Sviluppo economico, 2005), both documents indicating the opportunity to adopt a “district approach” for the production development. Thus, the Region recognizes (Regione Sicilia, 2005) the local diversities and specializations and promotes a district policy in order to implement a global territorial marketing for the valorization of productions in specific sectors, aiming at eliminating internal economic disparities still evident in the region.

In this framework, the South-East Sicily Horticultural District has been officially set up by the Sicily Region (Regione Sicilia, 2007). Initially the district territory was localized in province of Ragusa. Today, it aggregates also the Greenhouse District of Licata-Palma di Montechiaro (Province of Agrigento) and the Fruits and Vegetables District (Province of Caltanissetta), aiming at controlling the production chain, enlarging the economic dimension of the business, becoming a big entrepreneurial agent and an administrative and territorial body.

The managed area pertains to the provinces of Ragusa, Caltanissetta, Agrigento and Siracusa, with 518 farms, 37 Administrative Bodies, 5,500 employees in a very vast geographical area from Pachino to Ragusa and from Gela to Palma di Montechiaro. The annual turnover is equal to €520 millions and the main horticultural productions are tomato, zucchini, pepper, eggplant.

In this area politicians and some economic agents stated the necessity of an economic cooperation among entrepreneurs in order to achieve the governance of the entire production chain, understanding the strategic significance of a more aggressive policy to face the increasing competition in
the international markets. Thus the importance of a sound partnership is growing up rapidly, concerning quality labels, origin and typicality denominations, in order to differentiate local products as a district production, controlling quality, produce and market on a larger scale.

In 2009, the District adopted the New Pact for Development (SESHD, 2009) in order to enucleate and implement four strategic axes:

1. Production Chain and Induced Activities;
2. Research and Innovation;
3. Business Promotion and Growth;
4. Policy and Infrastructures.

The document plans the internationalization through actions of supply aggregation, quality improvement, R&D, marketing, considering prevailingly the topic of a strong support to the penetration in new and foreign markets.

The plan is more laconic on migrants’ labour supply and their role in international relationships:

“Studies on agri-food and horticultural system state some fundamental characteristics of the horticultural sector; to see eventual work perspectives for the young people on the basis of the evolution of some fields; to determine the impact of immigrants and the importance that they will take in the future” (SESHD, 2009 page 28).

“Migrants are hired with mainly seasonal labour contracts and this gives them the possibility of requesting unemployment subsidies as the main source of revenue to be sent in the origin Country to feed families. Just think that, during 2004, 21,000 unemployment claims have been sent (data from Italian National Social Security Institute - INPS of Ragusa), of which more than 14% coming from non-EU (estimated data)” (SESHD, 2009 page 30).

Besides the declared intention to undertake international partnerships and other internationalization activities under axis No 3 (SESHD, 2009 page 68), the plan doesn’t consider the possibility to undertake joint-ventures with foreign firms, especially with respect to the opportunity to transfer production abroad, for instance by starting demonstration farms in Tunisia or in other countries of North Africa where climate conditions would be favorable.

3. Method, data and results

In order to describe the situation of the labour market in the South-East Sicily Horticultural District and to understand the possibility to export the local model abroad or to internationalize the production patterns, qualitative data have been collected by means of face-to-face interviews.

The field survey follows the qualitative research interview method, capable to enucleate meanings of central themes of interviewed subjects and cover both a factual and a meaning level, though it is usually more difficult to interview on a meaning level (Kvale, 1996). Also following Tremblay (1982) the key informants interview is seen to be almost fit to catch the right information with less difficulties and less time since face-to-face interviews can assure high quality data collection (Marshall, 1996; Berry, 1999).

In this research, we chose to perform in-depth interview method following a semi-structured form, with the aim to collect exhaustive information and a sound understanding of the interviewee’s point of view on the role of migrants in the local labour market, and if this could be favorable in the future evolution of the international relationships.

Any interview has been previously prepared, contacting people by phone and mail, exposing the aim of the research and discussing during the face-to-face interview any uncertain aspect.

The interview structure has been prepared in order to enucleate three main research issues, regarding: (i) the migrants local labour work competition, local labour demand, illegal work conditions; (ii) migrants skill, their competencies and internationalization of production; (iii) public policies for internationalization. The 10 questions are reported in table A.

Fifteen key informants have been selected and inter-

<table>
<thead>
<tr>
<th>Tab. A. Interview Structure and Questions.</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Migrants local labour work competition, local labour demand, illegal work conditions;</td>
</tr>
<tr>
<td>1. Is it true that migrants and Italians do not compete in the labour market?</td>
</tr>
<tr>
<td>2. Can agriculture survive without migrants?</td>
</tr>
<tr>
<td>3. Is the migrants’ work regular for wage, assurance and job quality?</td>
</tr>
<tr>
<td>B. Migrants’ skills, their competencies and internationalization of production;</td>
</tr>
<tr>
<td>4. Does migration favor the internationalization of local economic system?</td>
</tr>
<tr>
<td>5. Of which sector? Give a rank.</td>
</tr>
<tr>
<td>6. Are the acquired skills of migrants useful in the countries of origin?</td>
</tr>
<tr>
<td>7. Would it be useful to organize training courses for migrants?</td>
</tr>
<tr>
<td>C. Public policies for internationalization.</td>
</tr>
<tr>
<td>8. To organize Italian-Tunisian joint-ventures, which is the preferable sector, agriculture, olive agro-industry, sheep and goat breeding?</td>
</tr>
<tr>
<td>9. Does the Sicily Region invest enough in international cooperation?</td>
</tr>
<tr>
<td>10. Does the Sicily Region correctly perform the strategy of Euro-Mediterranean Partnership?</td>
</tr>
<tr>
<td>Key Informant</td>
</tr>
<tr>
<td>--------------</td>
</tr>
<tr>
<td>N.</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
<tr>
<td>8</td>
</tr>
<tr>
<td>9</td>
</tr>
<tr>
<td>10</td>
</tr>
<tr>
<td>11</td>
</tr>
<tr>
<td>12</td>
</tr>
<tr>
<td>13</td>
</tr>
<tr>
<td>14</td>
</tr>
<tr>
<td>15</td>
</tr>
</tbody>
</table>

viewed for a total of 20 hours, during the June-August 2011 period. The list of people interviewed, their activities and pertaining institutions, are reported in table B.

The interview to the illegal migrant (No 14) followed a flexible and simpler scheme for the absolute lack of information on Sicily international policy for agriculture by the interviewed person.

The first aim of the research is to describe the local labour market and its real legal/illegal conditions and competition patterns. Analyzing the surveyed data, it is noticeable that the Italians/migrants workers rate is near 3-4/1 (as stated by informant No 14) and that the most part of interviewees affirm that migrant workers don’t compete with local workers in the labour market. The main declared reason is that local workers refuse very hard labour conditions in greenhouses where farmers cultivate horticultural products. Neither the young and non/underemployed Italians are willing to accept greenhouses jobs.

On the opposite, informant No 4 denied the refuse of Italian workers because entrepreneurs usually prefer local workers and hire migrants only in case of lack of manpower. Informant No 6 says that the competition on market labour shifts to higher specialization duties because migrants are really going to improve their skills. Otherwise, a new competition arises between Tunisian and Romanian migrants (informants No 7 and 14) while informant No 9 surely affirms that in his/her experience there is a real competition between migrants and local workers.

Quite all respond that local agriculture cannot survive without migrant workers, with only two exceptions. In particular informant No 10 says:

"Following numbers, migrants are still a minority at all. But entrepreneurs use the alternative to have a higher control on undisciplined local workers”.

Considering the detected data, but in particular the irregular migrant’s interview (informant No 14), the wage situation is almost clear. Italian or regular migrant workers gain more than the double for the same duty than illegal migrants. For seasonal duties, the average day wage is €45, paid cash in hand, evading 2,50 Euro/day social security contribution. The illegal work is paid no more than €20/day for a working day lasting up to 10-12 hours in very hard conditions, especially due to very high temperatures in greenhouses. The hiring period of illegal work usually lasts 4-5 days, periodically renewed with a high degree of uncertainty. Informant No 14 reports this sentence from an entrepreneur:

"It is much better to have an alive plant than ten alive migrants”.

The expectation of high wage compels migrants to accept these very low life conditions, because as declared by informant No 14, the working conditions in the country of origin allow a farm worker to gain a maximum of €60/month, that is €3/day.

With respect to migrants’ skills and their role in the internationalization of the district, the research shows that migrants employed in the South-East Sicily Horticultural District are gaining competencies and skills useful and transferable in their country agriculture. All informants agree on this issue as well as on the necessity to organize training course for migrants, especially of Italian language.

There is also a large agreement on the absence or scarce
importance of migrants to assure an internationalization of the district production. But for this issue, it is interesting to note the opinion of informant No 12:

“Not yet today. But it is very emblematic that more than 2,000 former foreign workers have become entrepreneurs themselves”.

In any case, sectors best considered for a potential future internationalization are agriculture and tourism, followed by agro-industry and commerce.

Opinions are mainly concordant on public policies for internationalization. About this issue, eight informants said that Sicily Region doesn’t invest sufficiently in internationalization, six that they don’t know anything about this. The informant No 4 declares:

“By means of the Vine and Wine Institute, the Region did much, helping wineries in participating in wine fairs (Vinitaly), while for horticulture they did little or nothing at all”.

Quite all informants do not know the Euro-Mediterranean strategy at all. Only two of them (informants No 3 and 7) say that Sicily Region does not invest in this policy.

4. Conclusions

The paper presents a case study carried out in the South-East Sicilian Horticultural District with the specific aim to understand the real role of migrant workers in the local labour market and the possibility of the local entrepreneurs to use the foreign labour to start some sort of internationalization of the horticultural productions. The case study has been chosen because the South-East Sicilian Horticultural District is one of the most important agricultural districts in Italy and also because the Sicily Government stated a dedicated policy on district economies and in particular on agricultural districts. However, the most important reason is the strong and historical presence of migrant workers in Sicily and in Ragusa province specialized agriculture.

The collected data are reliable because all the interviewed persons participated voluntarily to the survey and their declarations have been confronted to literature on migration in Sicily (Stocchiero, 2002; Consoli, 2002). They freely declared their name and profession and job duties, including the illegal migrant. The substantially concordant opinions on some issue, often an absolute homogeneity, expressed by all the interviewees confirm the reliability of answers.

The limitation of the research consists in the difficulty to transfer conclusions in other local cases, due to the absolute production originality and empirically detectable difference between the South-East Sicilian Horticultural District and any other Italian agricultural district, both for social and producing aspects. This mainly depending on (i) the long lasting and particular relationship among local communities and legal/illegal migrants, (ii) the autonomous regional policy, both on migration and agriculture, (iii) the impossibility to estimate the real presence of illegal migration, the impact of labour market intermediation and its degree of violence and illegality.

Nevertheless, the results are important for local and regional policies, as it could be interesting to investigate the future opportunity to use the migrants flow between Sicily and North Africa to stabilize the number of migrant by means of bilateral, or multilateral agreement programs and to export the district model abroad.

The field survey carried out in the South-East Sicilian Horticultural District allows to draw these conclusions:

- foreign (mainly Tunisian) migrants don’t compete with Italian agricultural workers, as the latter prefer more skilled jobs or migrate in other industries and in other Italian regions and abroad;
- an increasing number of migrants are becoming entrepreneurs, and some of them return to the country of origin to work in the same sector, after having improved competencies and skills;
- Tunisian workers are facing Romanian workers’ competition on the unskilled labour market segment;
- the black labour market is still largely diffused;
- local agriculture cannot give up migrants’ manpower;
- entrepreneurs claim for training courses for migrants;
- entrepreneurs and the District government intend “internationalization” prevailing as a stronger presence of their products in foreign markets;
- entrepreneurs think that migrants can use improved skills in their countries of origin, mainly in agriculture and in tourism;
- the EU Agro-Mediterranean Policy is an unknown issue for private entrepreneurs and also for local administrators;
- the Sicily Government policy on the horticultural district is unknown, or evaluated as non sufficient.

Local communities and local governments substantially use migrants’ manpower to lower production costs, actually profiting of illegal conditions to control the local market. As a matter of fact they prefer free trade for their products and control for foreign migration.

The answer to our question whether the South-East Sicilian Horticultural District could benefit from foreign labour to internationalize its pattern is substantially negative. The road of exporting the model based on district economies, with numerous small firms connected in an operating network is impervious and paved of good intentions as well as the road to hell.

References


Borjas, G. J. (1995). The Economic Benefits from Immig-


Consoli, M. T., (2002). Migration phenomenon in Sicily. Laposs, University of Catania. Catania


