



## The Role of Immigrants in Inner Areas and Peripheral Economies

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## Acronyms' List

DR: Developed Region

DC: Developed Country

LDC: Less Developed Country

LDR: Less Developed Region

SME: Small and Medium Enterprise

ID: Industrial District

S.M.A.: Structure-Agent Model

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## Introduction

The theme of immigration is today one of the most prolific in the academic field. It touches various fields, from economic to social and moral one, to include policies and issues at various levels of governance, local and/or international. Despite this, Italian politics seems to be totally unaware of the characteristics and theories concerning international migrations which today, more than ever, affect Europe and our country. Indeed, the benefits of immigration are rarely recognized by the ruling class, while the media tend to distort and exaggerate its negative side. Given the need to obtain a greater awareness of a phenomenon of this magnitude, this thesis attempts, is to answer a simple research question: are immigrants essential actors within the economy and society of inner areas? Their role within a certain system of economic dualism, as the Italian one is, that is, split into core and peripheral economies, is essential to increase wealth in certain areas. According to this, this thesis attempts to generalize the phenomenon and to cast a light on what are the main features of international migration in Italy and how they are transforming our society.

In the first chapter we build a systemic theory, which can summarize the cause-effect relationships between structure and agent, i.e., as the international division of labour creates the supply, and how it meets the demand precisely in the SMEs Italian enterprises in the internal areas and in the economic peripheries. Immigration is therefore the result of the international supply of migrant labour, of a structural nature, and dependent on the Italian internal demand. Migrations are partly justified by the unequal division of wealth and well-being, guided by the level of wages and the type of demand; at the same time, the role of the agent, i.e. of the immigrant, also appears essential, who in this theory has the power, through a rational choice which include their family, community and country, to become part or not of this supply which, although structural, does not precede necessarily the agent but rather is influenced by the same. The immigrant therefore has the power to reverse the vicious circle of low-cost supply and demand, claiming his own rights and indirectly those of his country. This System-Agent Model, or S.A.M., therefore attempts to give a *tout court* vision of the phenomenon, which however would not be able to explain why supply and demand meet in the economies of the first and second sector of the inner and peripheral Italian areas.

After a careful analysis of the nature and history of the Italian economic fabric, and after an analysis of the transformations that the various SMEs have undergone over the years, the research focuses on the reason for these transformations, i.e. a model of dependence of the SMEs on large companies, which territorially translates into a relationship of dominance of the "core economies" of large urban and industrial centres towards the "peripheral economies", a relationship that over the years has led to a peripheral development model, i.e. based on labour-intensive supply chain and low capital

investments that have led SMEs and IDs to be fragile, not very competitive globally and nowadays dependent on foreign labour

International migrations are therefore part of a process of territorial degradation and intersect with internal migrations and the socio-economic decline of inner areas, as the statistical-demographic study of the second chapter states, distinguishing various types of migrations linked to different types of demand and often complementary. The analysis is carried out on a national and regional basis, while distinguishing the various provinces and looking for evidence capable of confirming the S.A.M. model and how it characterizes the development model of some IDs today. Internal and international migrations therefore offset each other within the areas most in difficulty, creating a circle that can be vicious or virtuous. The creation of geographical map based on an original gathering data help to visually represent the migration flows of Italians and immigrants between provinces and to give evidence of the presence of a system-agent model which can explain the whole phenomenon of migrants within the Italian labour market and particularly in the peripheral economies.

The nature of the latter is given by the agent, i.e. by the behaviour of migrants and how societies consider them; in fact, their integration leads to an increase in the collective well-being and economic development of the SMEs themselves, while their exploitation leads to a subsequent socio-economic degradation that does not benefit anyone except the "core economies", which can outsource low-cost jobs cost without relocating the production process. For this reason, the third chapter is dedicated to integration policies and to an analysis of the problems that the Italian reception, distribution and integration system presents, both at the national level, but above all at the local one; the example of the province of Macerata, in the conclusion of the research, is a qualitative proof of how much is still along the path towards a real policy on immigration and integration, unfortunately still today interpreted, erroneously, in an emergency rather than a systemic way. The qualitative interview with the managers of one of the few assisting centres for migrants in Marche confirms the importance of foreign workforce in local economies and of SMEs for their integration, given the absence of responsible public organs charged to improve integration. Indeed, this thesis point out that the only chance that some provinces have, to reverse the Italian dualism in favour of peripheral economies, is the new human capital of immigrants and their family, not only for SMEs, but for the society as a whole.

## Chapter 1:

### A theory for immigration in Italian inner areas and peripheral economies

#### 1.1 Theoretical review

##### 1.1.1) *Introduction to inner areas, peripheral economies, and migrations*

International migration is the most puzzling issue of our times; indeed, catch on the causes of such a great phenomenon lays necessarily on the ability to clearly understand what are the actors involved, why they engage themselves in dangerous travels and why they decide to land and settle in a certain country; on the other hand, the study on the effects should cast a light on both the country of origin and destination and on the changes which affect the *status* of a migrant in the short and long term. As the argument goes on, realistic research whose hope is to concretely add something to the established literature should impose itself specific uncrossable boundaries, by well-choosing the actors and the areas to be analyzed and the goal to reach.

According to this assumption, this research focuses mainly on the international migration and its role within the inner areas of Italy, a field that rarely fit in the political debates, which in turn are more interested in the issue at a national scale; despite the demographic relevance of the phenomenon, a sociological and economical perspective it's essential to give a meaning to the statistical numbers involved in this research. Indeed, two are the purposes of an academic study: to paint the clearest picture as possible of a certain issue and to propose a solution the most general as possible, despite the research focuses on specific case studies, with the purpose to apply a general theory to different contexts. According to this, this research aims to describe the role of migrants, once they arrive in Italy, within inner areas and how this decision shapes the latter; this bring us to the other fundamental object of this research, that is, the inner areas, which deserve particular attention for their declining socio-economic conditions and, for this reason, often target of specific regional policies, which however doesn't include migrants and rarely consider them a resource. The economic and social conditions of these inner areas often offer some opportunities to migrants while leading, on the other hand, to a mass emigration of natives to bigger cities with more opportunities. This in- and out- migration gives to the inner areas a pivotal role, making us able to test a theory which could apply to both the phenomenon simultaneously and understand better the causes and effects of international and internal migration, how do they intersect and how do they influence the social and economic conditions of the place where it happens; moreover, focusing on a specific internal area allows to limit our research by focusing on a smaller part of the territory, restricting the data-gathering to a single province with specific features.

As regards the concept of inner area, it is politically used to define remote places, purely rural and in a state of abandonment and degradation, which often do not include other small and medium-sized cities which, despite being industrial and with a population density not indifferent, however they



undergo heavy transformation processes, which include depopulation and a decrease in wages, wealth, community services and in general a progressive state of abandonment by the institutions. For this reason, this thesis focuses on a general concept of inner areas, which also include semi-industrial, industrial places or even places that, seasonally, become tourist destinations, albeit often of a predatory nature. These areas alternate with the more traditional inner areas and in this thesis they are defined as "peripheries" or "peripheral economies", not to be confused with urban "suburbs". Although of different natures, these two settlement and development models present today the same demographic dynamics, including migratory phenomena. Give that, it seemed appropriate to include them both in a general concept, summarized by the labels "inner areas" and/or "peripheries".

Thus, the theories used to describe such dynamics should apply both to international and internal migrations, because the two phenomena are strictly related. Even though this research applies only for migrant in inner areas, the theories which were initially devised to explain international migration as a whole world phenomenon seems to well-fit our need to paint a systemic framework of the whole phenomenon. According to this, the main theories which try to explain causes and effects of international migration can be easily translated to the local phenomenon of out-flows of natives from inner areas, accompanied by in-flows of foreign people, as though the local issue was the reflex or the indirect consequence of a structure which involve both the phenomenon. Indeed, the more we read the huge amount of research and theories about international migration, the more it's possible to see that a system effectively exists, which link the expectation and necessities of people who migrate, both internally and internationally, with the world system of the division of labor, which seeks economic efficiency and in turn shape the society structure, according to the main assumptions of capitalism.

Though the chance to apply a big all-explanatory theory is appealing, our scope is not giving the final solution of a so complex issue; as said before, migration phenomenon is so heterogeneous which seems hardly to find a theoretical concept which could fit every situation; for this reason, the theories which follows give only a general overview of how dynamic the issue and the broadness of this field of study is. These theories will help to understand why certain phenomenon apply within the inner areas, what are the main consequences and what we should expect from the main actors involved; indeed, each of this theories gives an important piece of the puzzle that, all together, complete an essential picture to understand, at least theoretically, why people migrate and why they arrives in specific part of Italy, and, at the end of the day, why migrants are essential for inner areas development, that is, our research question.

### *1.1.2) Migration theories*

To begin with, many of the theories concerning international migration are built on economic concepts, especially the ones popular during the 1960s, a period of great optimism for development of

countries since then excluded from the world free market; the neo-classical school of thought, considering migrants as rational individuals seeking to maximize their utility, asserts that the flow of people from the developing country to an industrialized one is due to the difference in welfare within the two countries; reasonably, a migrant from Burundi, a country with 771\$ GDP per capita, will seek a new life in Italy, where the GDP per capita is 31695.00\$, and where there are more opportunities and higher wages. From a theoretical perspective, the industrialized country need all this new workforce to cover the demand of labor (usually for specific kind of jobs), to lower the cost of wages and, in turn, the prices of products and services; on the other hand, in the country of origin of migrants, less workforce means automatically that the demand is higher than the supply of labor and this would lead to higher wages and better conditions in the long-term; once the differences of wages between the two countries is levelled, then to migrate won't be no more a good option for the citizens of the developing country or, in economic terms, all the resources of the system have been perfectly allocated. However, the "equalization of factor prices" stay true only on theory, as it imposes that technologies of two countries must be the same, the trade should be costless in order to equalize the prices of goods and they should produce the same goods; these assumptions never apply in concrete cases (Krugman, Obstfeld & Melitz, 2018).

Nonetheless, The Heckscher-Ohlin Model can explain the kind of exports of some countries to others, asserting that a state will produce more of the goods whose resources are abundant; further, developing skill-scarce countries but abundant of labor will produce goods abundant of the latter, while developed countries with more capital and skilled labor force will produce and export high-quality goods which need skilled labor and a concentration of capital, that is, technology. This division of the international workforce could explain why some goods are produced in certain countries but cannot cast any positive consideration about the conditions that developing countries can achieve in the future by basing their economy only on capital-scarce and unskilled labor products; this could partially explain why such a countries stay underdeveloped, but cannot clarify why they doesn't invest in most profitable economic sectors and, establishing social policies as the minimum wage and the universal school, they don't try to catch up with the industrialized part of the world, thus leading to mass migration of people seeking more opportunities abroad. The neo-classical theory base itself on the assumption that migrants are the surplus workforce of their country, thus considering them not a "brain drain", but an essential overflow of men and women who wouldn't have any chance to find a job in their countries, thus relieving the latter economic system (Baldwin, 1970, p.359). However, the long-term effects are not foreseeable, and seems often impossible for many countries to catch up with the DCs, so much so that many scholars started to give up the optimism for a more realistic and often ideologically shaped ideas which highlighted the loss of brains, the dependency from international aid and a capitalistic division of international labor which automatically creates winners and losers.

The side effects of this international division of labor are historically clear: the mass migration from rural to urban areas, the rise of life conditions of many and the new possibilities for people who don't migrate to benefit from remittances or, in case, to reach their families in rich countries; on the other hand, this kind of mass transfer of workforce have had often deep side-effects on both the country of origin and landing. As instance, concerning the former, the mass migration of people from rural areas of developing/underdeveloped countries created a lack, in some cases, of essential "arms" and "brains" (Baldwin, 1970), thus leading to a crisis of essential goods' supply, skilled labor drain, and favoring the richer countries industrial centers and their national economies (very different from the aftermath of an internal migration within a single state which, despite having the same effects on the region of departure, it leads partially to a national economy increase of the GDP and, in turn, more possibilities for the politics to fill the gap between regions, financing special policies); further, the creative destruction that the neo-classical thought welcomes, that is, the change of means of production due to technology and knowledge development, had only the effect to disrupt traditional sectors in the country of origin without creating nothing new, however feeding the dynamism in the country of arrival; the international workforce also has bad effects on the developed country, which usually is not ready to welcome huge mass of foreigners, leading to social and political issues as the troubles of integration and lack of fundamental services for all.

Ideally, from the point of view of these "developmentalist theories", migrants were expected to use the knowledge and the money acquired in industrialized countries in their homeland, thus leading to a rapid growth, with the help of international aids, as happened to western Europe after World War Two. In reality, the world market of labor is far from being free and many barriers are erected to hamper foreigners to join another country, thus creating a selection of people who can and cannot arrives in another places and leading, *de facto*, to a discrimination since the very beginning, of people from certain states; moreover, sending countries haven't experienced the increase of welfare as the theory predicted, but only a huge loss of brain and arms from traditional sectors of the country and a high degree of livelihood dependency from remittances from members of the family working abroad, leading indirectly to an endemic dependency of the local economy from industrialized countries. We should also mention the side effects of immigration in the receiving countries, where the citizens see their wages lowered by the arrive of unskilled labor force from other countries, benefiting in the meanwhile the capital owner, who sees its profit increase because of the lower price of input factors, that is, labor (Hijzen, A., & Wright, P. W., 2010).

According to the evidences of economic stagnation within these countries, the optimistic ideas left the stage to historical-structuralist and dependency views of the conditions of developing countries; increasing concerns about the "brain drain" and the lack of economic development at home brought many scholars to see the capitalism as the cause of the underdevelopment, forcing people to seek job abroad and feeding the need of the capitalist system for an international unskilled and underpaid

workforce, thus hiding a kind of dependency of the periphery from the center and making unlikely for the former to make that jump toward better economic and social conditions; this neo-Marxist view, which acquired much attention from Latin-American scholars, tried to explain why, despite the world economy was taking off, some countries in the South of the world were still far-behind, and it found the solution in the structure of the world economic system which stuck the poorest in a vicious circle of exploitation by industrialized countries, which detain the means of production and, according to this, dominate the world economy (Wallerstein, 1979). This concept went hand in hand with the cumulative causation theory, which asserts that capitalist development is inevitably marked by deepening productive and, in turn, welfare inequalities and that, once this difference occurred, it can only widen, by concentrating more capital in certain places and leaving the developing regions poorer, making migration more likely (De Haas, 2010)<sup>1</sup>. Moreover, according to the cumulative advantage perspective, this gap, occurred since the industrial revolution which touched only western countries, can only widen in the future (DiPrete A.T., Eirich M.G., 2006).

The main difference of the two models here exposed is that in the first one, which is liberal in nature, the market forces should push the main productive input to equalize, such as labor wages and product prices, leading to the same amount of demand and labor supply in both the countries and, in turn, equal social conditions. On the other hand, the historical-structuralists theories, which are shaped by a neo-Marxist ideology, see the gap between industrialized and developing countries as doomed to deepen, both for the competitive advantages and the concentration of capital of the former acquired historically long before other countries, and the capitalist structure need of unskilled workforce to exploit. The dependency is therefore the outcome of this system; the remittances from rich countries are not positive inasmuch they are an evidence of such an economic domination, the international aids do not produce wellness but is used only as a palliative for the population hardship without diminish the necessity to import goods that should be nationally-made; for the same reason, migration is usually held responsible of provoking consumerist and non-productive attitudes, disrupting traditional kinship systems and community solidarity and breaking the traditional institutions (de Haas, H., 2010).

Despite the structuralist point of view seems appealing, an heterogenous phenomenon cannot be explained by applying the same structure to all the cases; indeed, the study of specific cases led many scholars to set aside the deterministic theory, looking for specific dynamics related to similar cases; some questions rose, as why some countries which were initially “periphery” became richer and entered the club of DCs in few decades, as happened for China, or why some countries effectively benefited from the migration, the “brain gain” and remittances, in contrast with the theorized vicious circle, made up of underdevelopment, migration, “brain drain” and more underdevelopment.

Indeed, dependency theories ignore the importance of the knowledge and skills that migrants can obtain in richer countries, that is, the “brain gain” (Gaillard & Meyer, 2005), and the remittances as main driver of economic growth. Moreover, many scholars have started questioning even the main reasons to migrate, which could be sometimes a matter of “risk-sharing behavior” for families which want to diversify resources and minimize risks, spreading the risks of external economic shocks by sending family members working on foreign markets, as asserted by the *New Economy of Labor Migration theory* (Stark & Bloom, 1985).

Moreover, structuralists and neo-classical theories do not care of the endemic issues within each LDCs, which are noteworthy to understand how they face the issue of development; from this point of view, the study of Acemoglu and Robinson in *Why Nations fail* asserts that some countries historically managed to invest money and take advantage of their abundant resources to enforce their socio-economic structure thanks to inclusive institutions which were working for the common good and the nation’s interests, while in countries where governments were dominated by a bunch of corrupted politicians or generals at the head of extractive institutions, the main resources, including labor, were exploited at the advantage of the few, thus hampering any kind of possible development. Examples of extractive institutions are provided to clarify what it is, as the one of the absolutists empires of Russia and China, or the more recent governments in Latin America where the executives are not accountable to anyone. Thereby, politics shapes the economy of a country which, in turn, strengthens the existing political institutions; if politics are featured by pluralism, rule of law and the respect of fundamental rights, is very likely that the economy will feature competition, investments on new companies and all the citizens will join their part in the engine of national development, thus affirming the importance to maintain the open and transparent political institutions which must be accountable to the people. In cases where politics is not inclusive, people at the head of the state will try to use the economic forces of the country at their own benefit, thus enriching themselves and gaining more power, creating a vicious circle in which even in case of the overthrowing of the dictator/military junta, probably the following leader will try to take advantage of its prestigious role as his predecessor (Acemoglu & Robinson, 2013). This “vicious circle” force the people of country such as Sierra Leone, Ethiopia, Congo, Nigeria and many more to witness an endless sequence of oligarchic governments which hamper economic development; however, history has witnessed hybrid systems in which extractive institutions persists within inclusive ones, such as the slave economy of the southern states of the democratic USA, and, more recently, extractive institutions have allowed such an high degree of economic inclusiveness, as market competition, respect of private property and partially of the rule of law, that they managed to develop at a breath-taking pace, such as in the case of South Korea after 1950 and of China after the death of Mao Zedong in 1976. Even though the division between inclusive and extractive institutions is very useful to make sense of the issues between divergent development paths, the authors support also the deterministic idea that inclusive institutions rise only with critical historical

junctures, as the Glorious Revolution in Britain or the French and American one roughly a century later, thus dooming the underdeveloped countries to poverty even in the future because of the lack of institutional improvements which, by contrast, occurred in western countries in the past, given that these “junctures” are often out of the control of the same citizens; this concept can be also be linked to the cumulative advantage theory which asserts that political gains can also accumulate, bringing exponential benefits in all fields over the years, just like the interests of a bank account, thus dooming LDCs to never reach the level of the DCs (DiPrete A.T., Eirich M.G., 2006).

It's useful to notice that many migrants usually come from countries with extractive institutions looking for more freedom in inclusive ones; nonetheless, they find often an equally extractive situation also in the advanced countries of arrival: here the theory of the dependency of the periphery from the center returns in all his strength, forcing the migrants to the lowest skilled labor force and leaving them with low possibility to climb the economic ladder even in DCs, reinforcing the idea of the necessity, for the capitalist structure of the system, of unskilled labor both internationally and internally, dooming the migrants to their poor conditions also within the richest economies; but the real question is why the same migration flows are present even in the countries which are in the club of the developed ones concerning the locals themselves, or how LDCs have managed to economically rise up within a system of dominance, if it exists, as Italy after the WW2. Moreover, many citizens of inclusive countries are forced to move to other regions (internal migration), or toward places considered more inclusive; Italy is an example of a country shaped by both the phenomenon: Why foreigners would reach Italy if natives are also leaving, for one reason or another? is that only a matter of differences in perception of economic possibilities between immigrants and Italian citizens, thus explaining the migration flows only from the point of view of the “agent”, that is, the migrant? Or there is a larger structure which influence and push people to migrate against their will? World-system theories of the 1970s cannot explain these issues. On the other hand, the state-centric view of *Why nations fail*, even though comes nearest to an explanation of development of China in contrast to others less “lucky” countries, miss to give a role to migrants, the main topic of this research: this means that we are still in need of a firmer theoretical basis.

However, despite the fact that these kind of questions assumes that people arriving from the South are “economic migrants” and not people forced to leave and to seeks asylum from war and violence from their countries, in reality, the previous hint on the difference between extractive and inclusive countries should suggest that all migrants are somehow refugee and that is doesn't matter if they are escaping from a war or an economic crisis because the two phenomenon are strongly related: political crisis brings economic crisis which in turn reinforce political crisis. The absence of a formal war or political persecution doesn't mean that people are happy to take part of extractive institutions, and the existence of the latter always carries the risk of political radical changes and instability, thus suddenly turning a “migrant”, that is someone who “chose to move”, into refugee, who instead “flees

armed conflict and persecution” (Edwards, 2016). Thus, even if governments often try, with no success, to separate the two categories, for a matter of priority, allowing people seeking asylum from political persecution and wars to enter their borders more easily than people looking for better economic conditions, for the scope of this research it’s more useful to consider the mass migration to Italy as a whole phenomenon of people who can chose and decide to migrate to seek better economic and political conditions, given that it’s hard, statistically, to understand who really can be considered a refugee, according to the fact that people often lies to national authorities to simplify their welcoming, as well as being a morally debatable distinction. We thus need migrants to choose and to make rational decisions, as the one of the NELM theory, in order to understand why they start to migrate and to justify the existence of an international supply of migrant-labor. However, the decision-making power of the agent doesn’t exclude the existence of a system which push migrants to certain places instead of others; this assumption allow us to introduce the second part of this reasoning, that is, the role of the migrants once they arrive in Italy; specifically, what socio-economic part they play in the inner areas of Italy and their effects. To face these aspects of this phenomenon, we will focus on the specific features of inner areas, their state of subordination toward more developed regions and the effects that such a dependency has on foreigners and natives.

## 1.2 The Structure-Agent Model, or S.A.M.

### *1.2.1) A hybrid model*

We will return later to how center/periphery reflects both power relations internationally and within DCs as well, especially in relation between developing and developed regions of the same country, as the South/Center and the North of Italy; in the meanwhile, is though noteworthy that the examples of economic success of countries and migrants have inspired other recent theories which took a point of view between the neo-classical and neo-Marxist theories, in order to match the different empirical evidences of 1980, 1990s and 2000s, shaped by both the agent and the structure, thus creating an hybrid approach; for instance, the NELM approach gives the same influential power to both the structure and the agent, the latter including not the migrant, but his family or household as decision making unit, which seeks to share the risks more than maximize their utility. This approach, while letting us the possibility to use structural theory as the one of the dependency to explain the contest in which migrants move and why they arrives in inner areas, it also let us explain why in other cases migrants decisions to leave and to reside in inner areas is not structured pre-determined but a individual or familiar decision, thus allowing us to escape from a vision of indiscriminate exploitation that often such theories involve and that do not always match with reality; indeed, even if migrants seeks better conditions, they are not necessarily forced to leave, thus having different choices to evaluate with different cost-benefit ratios before deciding where to land. Indeed, Oded Stark assumed in the 1990s

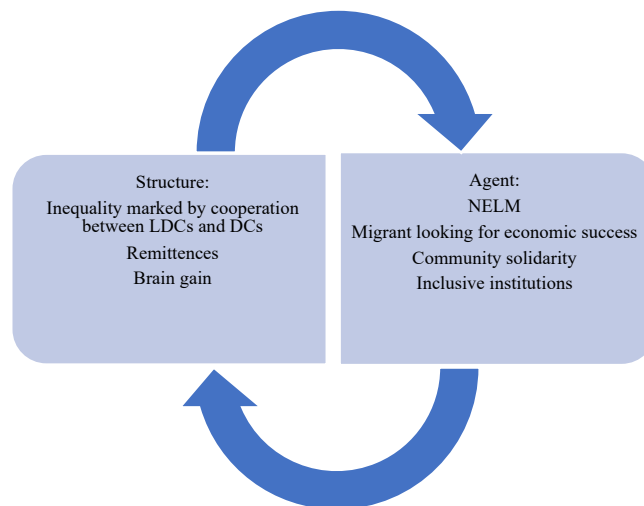
that migrants move to foreign workplaces as a mean to maximize the income, status and minimize the risks of the whole household. To rise the income of a household means also rise its status compared with community members, while to minimize the risks mean to shield the household from the market failures of their environment, as an assurance (Stark, 1991). The outcome of this strategy is the diversification of incomes and risks, the former represented by remittances which, in this theory, are considered not only positive, but even necessary for the development of new activities in the less-developed country, at least where the sending country present institutions which provide conditions for development, as happened in Asia (Taylor, 1999 p.71); moreover, these reasons behind the decision to leave can explain why some of them come from relatively stable countries without political violence or deep market crisis and why most of them usually come back periodically, suggesting the existence of a strong cultural and emotional linkage with the community of origin where, partially for the precarious labor market, solidarity count more than individualism (a feature which can be found usually even in the communities of national minorities within the most developed countries). According to this, migrations as an agent-decision is at the base of many labor flows from LDCs to developed ones, but also between different regions of the same country, may despite the high wealth of the nation as a whole; however, there is a constant between internal and international migration, that is, a huge differences in economic opportunities, which suggest the existence of a systemic structure which govern the direction of migration from, usually, a poorest place to a richer one. According to this, the system has a role in perpetuating the migration's conditions because, as we will see, migrants are essential for the labor market of the welcoming countries and often a relief valve for markets featured by over-supply of labor. Moreover, if migrants are driven partially by their considerations, only the attraction for a certain kind of demand of labor can explain why migrants occupy a specific role within industrialized countries and, specifically, within inner areas. While migrants can decide where and how migrate, once arrived they enter a system based on a contraposition between the center (large urban areas) and the periphery (provinces of the South and Center of Italy), thus feeding a system which can only perpetuate the poor conditions of migrants and provides evidence of the dominance of one area to another, typical of capitalism. The households' decisions feed the system which tend to perpetuate itself, thus creating a vicious circle of exploitation which can be found both within the developed countries between center and peripheral economies and internationally, between developed and less developed countries. To clarify this point, we will use the term "center" and "periphery" during the first section of this research during the developing of the theory, while the term "inner areas", which have the characteristic of the peripheries, will appear later, in the study of specific cases. However, the main assumption of this hybrid model is that the decisions of the agent, affected by the center-periphery division, can change the structure, in contrast to the previous theory in which the system had an absolute control on the agents.

### *1.2.2) the S.A.M.: negative and positive agent-structure relations*



How can the latter change the system? From the point of view of foreign workers, many scholars recently suggested that their remittances can help their economies of origin to boost their consumption and production, but this could happen only if the country presents inclusive institutions which protect and foster investments and development (Acemoglu & Robinson, 2013); otherwise, remittances would be only a form of unproductive subsidy. The problem arises again when migrants arrive in less developed regions of DCs which presents the same kind of extractive institutions, as we will see for inner areas, thus limiting the possibility of integration and emancipation of migrants. Generally, among theories enlisted before, it's hard to find one perfectly able to identify the main issues of the migrants role within inner areas; for this reason, we need to form an hybrid theory which explain both the structure influence on the agent and *vice versa*; indeed, while the NELM explain why migrants often

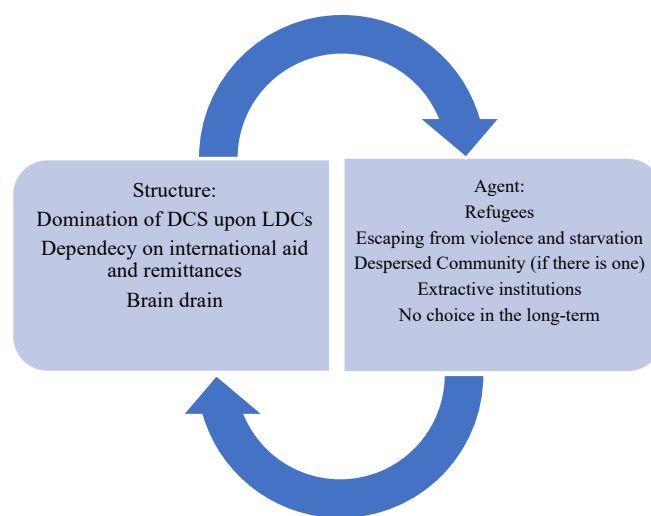
*The virtuous Structure/Agent model*



decide to migrate (Stark, 1991), thus giving decisional power to the agents, it doesn't explain why migrants chose a country, when they decide to leave and what are their socio-economic conditions in the long-term. This sub-chapter is devoted to theories explaining why people migrate, and NELM theory is useful, but incomplete; indeed, the domination theory, with the divisions of the world international labor into center, periphery and semi-periphery (Wallerstein, 1979), shows why in the world, despite the general increase of the total GDP, there are still less-developed country which are constantly offering and exporting labor to industrialized ones, thus creating a capitalistic world-system which cannot avoid inequality, but instead is based on it. Despite some evident fault of this comprehensive theory, the division between LDCs and developed ones is factual and regardless of what this inequality is due to, whether from factors of external domination as Wallerstein states or for indigenous problems

as in the essay *Why nation fails*, it is undeniable that a dichotomous structure exists and that this leads to a unskilled and underpaid job offer from the global south to the industrialized north. How this offer of cheap labor falls within the inner areas of Italy and beyond will be explained later through an analysis of the division of labor within Italy; for the moment, it suffices to note that migrations, where they are purely economic albeit in some cases indirectly linked to political crises, are nothing more than a job offer in search of wealth in the globalized market. Furthermore, if the structure of the system allows many LDCs to have a lot of unemployed and unskilled manpower, it remains for the agent to make the decision on the basis of more complex risk sharing and profit maximization reasoning. This means that the system does not predetermine the agent's decision but creates the conditions for making the latter, or his family, consider migration as a choice, if not obligatory, even admirable and desired; structure and agent influence each other; this would explain why it is difficult to reverse the vicious circle given by the underdevelopment of some countries, where political crises are mixed with scarcity of resources, but it would also explain how in some cases vicious circles have been reversed with the help of favorable

*The Vicious Structure/Agent Model*



economic situations, international aid and, above all, political figures dedicated to the cause of development. This is because even if the system precedes the agent, the latter can, with his own decisions, overturn the system, turning a vicious circle into a virtuous one. An example of the latter case could be the dawn of Deng Xiaoping and the economic reforms that brought China from a third world country to an industrialized one within a few decades. The conditions that led China to become rich, as well as other European countries after WW2, were a mixture of system openness and agent commitment to the development goal; after the death of Mao, the system opened up and many countries started to trade and invest in China; however, this happened even in Latin America where, in reverse, extractive

institutions dominated the resources and allowed multinational companies to plunder instead of invest at the detriment of citizens. In China, the agent, that is, the political establishments and the citizens, planned the development of China while protecting their own interests, thus riding the new opened system instead of being swept up by it. We can imagine that a migrant from north Africa coming in Italy is a victim of an unequal division of the world wealth, but despite this it still has a choice and the power to change, in its small way, the system. The figure shows the international supply of labor, which is the main drive of migrations, as the outcome of a virtuous circle where the system, shaped by inequality, allows for a political and economic cooperation between LDCs and DCs, and through migrations the former gain knowledge and remittances, essential for investments; on the other hand, the agents, that is the migrants, offer their labor to the DCs not because it is forced to do that, but because is the best choice for him and his family (as the NELM asserts), while keeping strong linkages of solidarity with the community of origins, highlighted by the huge flows of remittances, given that the country of origin allows for inclusiveness and some prospective of developments (Acemoglu D., Robinson A.J., 2013). Even this last point shall be part of an agent strategy which include not only the individual but the whole community which should break down any kind of extractive institutions, political or economic. In the long-term, through the tool of migration, development of LDCs can be achieved, thus equalizing the life standards of both countries. In contrast to this, the vicious circle would be featured by a strong domination of the South by the North as the Neo-Marxists theories foresaw, thus giving a negative shades to remittances which would be international subsidies more than a kind of investments; moreover, there would be any possibility to gain knowledge from industrialized countries, thus leading to the phenomenon of the “brain drain” which fuels more poverty; as a result, starvation often produces political violence turning the economic migrants looking for wealth to a fleeing refugee, leaving a country more and more destroyed by the dominating class and their extractive institutions; the possibilities to change are low, because the extractive institutions create more brain drain and so more migration, which is not considered by DCs an illness to cure, but an essential low-cost input factor for their economies, thus reinforcing the existing relations of power which indirectly or directly strengthen the extractive institutions within LDCs and taking away the power to choose whether to migrate or not.

A structure of domination, combined with extractive institutions which force people to escape and disperse communities, takes away bargaining power to LDCs citizens, who hardly will have the power to change the situation. Therefore, while the offer of labor and thus migration itself can be described in this terms, that is, through a continuous flow of events influenced by the system and by the agent, it's time to understand the role of the DCs and how they shape the world demand of cheap labor; indeed, a country can decide to establish a relation of dominance with a LDC while building one of cooperation with another, in both demanding cheap labor; this confirms the impossibility to use a deterministic and omni-comprehensive theory to find a solution to underdevelopment and thus to

migration, according to the fact that vicious and virtuous circles have different outcomes. Each case is isolated and need to be analyzed on its specific issues; however, despite the fundamental differences between the two systems, the outcome is always migration, even if for different reasons. Moreover, even if a country is dominated by another, the former could not be affected at all by the consequent migrations, which in turn could reach countries totally extraneous to the vicious circle, for economic and geopolitical reasons; Once clarified the offer of labor, the time comes to find the foundations of the demand, which demonstrates why migrants are present in Italy and, more specifically, in inner areas. This happens because regardless of the causes of migration, the job offer enters a globalized market where the relationship of dependency or cooperation between LDCs and DCs cannot explain why migrants reach a certain place instead of another; in other words, we need to explain why and where migrants labor supply meets its demand in inner areas and peripheral economies. It is therefore probable that even if a migrant has been forced to flee Iraq because of the war, he will not necessarily seek his fortune in the United States, which is the country that exercises a kind of “domination” on its homeland, but he could end up within the Italian market in need of cheap labor. Similarly, it is likely that although some LDCs have privileged cooperation agreements with industrialized countries, such as those between France and its overseas territories, migrants from that virtuous circle may decide to go to a third country. Therefore, the only way to understand why migrants choose Italian inner areas, not only as a landing point, but as their new home, is to analyze the Italian demand of labor.

### 1.3 The Italian Dualism and migration fluxes

#### *1.3.1) North/South economic dualism*

We have attempted to explain the phenomenon of immigration from the supply side, that is, as the result of a structure-agent model which influences the system and results in the export of cheap labor. This system arises from the difference in wealth between LDCs and DCs and can be characterized by a vicious or virtuous circle; from what the viciousness of this circle? The reasons can be many and linked: corrupt institutions, exploitation by multinationals ad/or by the DCs themselves or political crises; on the contrary, responsible institutions, negotiating power towards DCs and local communities united within the LDCs can trigger a virtuous circle, where emigration is an input for growth. However, our goal is not to define whether a system is virtuous or not, but to understand when and why the product of this circle, i.e., immigration, arrives in the inner areas of Italy and what effects it has. Indeed, according to the fact that a DC can have different kind of relations with different LDCs, to clarify if a circle that push a specific migrant of a certain nationality is vicious or not means to focus on each specific LDCs economic and political relations with the developed word. By instance, eastern European countries were subdued to a domination structure and extractive institutions until 1989 exercised by the Soviet Union which led, at the end of the day, to many refugees directed toward Europe and low

economic growth rate. On the other hand, the creation of inclusive institutions and the openness and collaboration of DCs aided Deng Xiaoping to foster the development of China which still goes on nowadays.

Given the issue at stake in this research, we are not going to focus on the relation of Italy with LDCs, which should be part of another entire research. For what concerns our interest, that is, migrants role within inner areas, the fact that the latter feature nowadays in- and out- migration can be explained only by analyzing the historical and economic characteristics of these areas and of the country as a whole; from a careful analysis, the explanatory theories of international migration are also applicable to internal migration, and to understand the reason for this, we must start from the presence of so-called “economic dualism” (Acemoglu & Robinson, 2013). Italy experienced a migration from the South to the North during the 1960s and 1970s, which was due to the presence of a two different type of economy: urban and industrialized in the North, rural and agricultural in the South. This kind of inequality created a pool of cheap labor in the South which was waiting to be used in case of need; the case came up when the North started the fast industrialization and needed a great amount of unskilled and underpaid workforce. Despite the risks of subordination of the South, the data demonstrates that some features triggered a virtuous circle which, while maintaining the gap, at least improved the conditions of the South, as the data on the GDP shows (Lepore, 2020, p.9).

As we have seen, remittances can be a useful investment tool to foster economic development or, in contrast, a subsidy with any effects on economy in the long-term. The difference between the two outcome is the institutions and the economic conditions of the country where the remittances arrive. Italy is considered a developed country where people can invest and seek a better life by migrants coming from LDCs; on the other hand, some regions are still experiencing a kind of underdevelopment. The South, for instance, is characterized by high level of unemployment, exploitation of the labor force and emigration of people to the Northern Italy or the rest of Europe since the end of the Second World War; in these regions, subsidies by the central governments are often considered essential by many households to escape the threat of absolute poverty, even though these money are far from lead to positive effects on economy in the long-term. As well as the remittances which arrives in countries with extractive institutions, social policies in Italy didn’t always manage to foster economic development in the South, and the same can be noticed within inner areas in the rest of the country. According to this, we could imagine a kind of dualism of the Italian system in which the developed regions coexist with less developed ones; the real question is: what’s their relation? Is there a kind of subordination of the South to the North, the latter fostering the existence of extractive institutions of the former? Is this underdevelopment chronic or it presented some changes over time? To answer these questions means that we need to clarify the nature of the Italian economic system, unique in Europe, which is essential to link international migration to inner areas and peripheral economies, which are the underdeveloped part of Italy.

The presence of a dual system in Italy was clear since the very beginning of the reconstruction when, thanks to a newly established world order and the great number of investments drowned by the USA, Italy was preparing to develop; but the great differences between the North and the South were astonishing, as this short passage in a number of Foreign Affairs of October 1949 proves:

“When one goes to Southern Italy, right down in the toe (Calabria) and the heel which is called Salento (Southern Apulia), one finds oneself in a pre-industrial age” (Wiskemann, 1949, p.84)

The author believed that the main issues which hampered the development in the South were the environmental issues linked to different climate conditions, and the lack of investments of capital; moreover, since the very beginning of the studies on underdevelopment of the Italian South, the overpopulations was already present, and the bad effects were already there: strong competition for underpaid jobs, lack of fundamental services such as sanity and school, strong dominance of local powerful men called *latifondisti*, who basically controlled the main resources and the level of wages. With the end of the war, the land of the Allies and the news about the existence of a developed world in the Northern Italy and in the rest of Europe, the apathy who characterized the citizens of the South, more interested to survival than development, started to turn into exasperation; indeed, as Wiskemann asserts:

“The war showed many southerners what is like in other parts of the world, and the Communists have been able to make use of this. In fact, while they lost in the North and remained steady in Italy, it was in some of the most primitive parts of *Mezzogiorno* that the Communists made gains in 1948” (Wiskemann, 1949, p.88)

This few considerations suggests that in the 1950s, Italian south could have been considered as we now consider a country of the third world, featured by analphabetism, unemployment, starvation, diseases, extractive institutions represented by the concentration of power in the hands of local landlord and the overpopulation issue which exerted political pressure to the newly established institutions after WW2 and which advantaged the opposition party, the Italian Communist party, which benefited by the disgruntled population in order to impose their revolutionary ideas; in few words, economic and political crisis characterized the South as well as the actual LDCs. The difference between the South and the North of Italy, the latter far more developed, with a stronger capitalistic culture and an economy driven by investments and exports, led to a mass migration of southern people between the 1950s and

1970s, at least 2 million (Ballarino & Panichella, 2015, p.1110). The economic boom invested mostly the north, thus leading to a wider gap between the North and the South. The people who migrated were mostly low-educated and unskilled workers looking for jobs and higher wages in the big new industries which were enlarging in the North and which needed all that new workforce to be competitive internationally and to expand the production to meet a high demand for goods of consumption.

The North took advantage of the overpopulation of the South, where citizens in the working age couldn't have been employed in the agriculture sector, while the absence of industries in the cities couldn't foster the traditional rural-to-urban migration. The huge demand of labor from the North, driven by the unexpected economic boom of the 1950s and 1960s, and the following mass migration from the South, had also important side effects on both the region of departure and arrivals; in the former, many didn't return to their place of origins and many communes experienced a loss of production even in the agriculture, while in the latter the public authorities didn't manage to meet all the needs of the newly established communities which were often ghettoized and considered by the local as "foreigners", despite the same language and culture, thus opening the way for the politization of the disgruntled blue collars. Indeed, migrants from the South entered to the lowest occupational strata, and some scholars have demonstrated that despite the integration process was fast, many migrants and their children experienced a negative effect on school achievements, while the children of southern couples born in the North had almost the same results at school (Ballarino & Panichella, 2015, p.1126). This means that for the first generation of southern migrants, the integration was hard as well as the one experienced now by the international ones.

Moreover, as usually happen in the international migrations, the first wave of migrants composed by young-adult males looking for jobs, were often followed by the second wave, made up of the family's component. This fed the circle of migration until the 1970s, because after 1980s, the decrease of the demand of labor from the North, state-driven investments, new social policies, and the better conditions of the South allowed the population of the latter to find a job near their home which could leave up their expectations.

Indeed, the data shows a change all over the second half of the century, especially in the years of the economic boom; the ratio between investments and GDP grew in the South during the 1960s, overcoming the national mean, until the 2000s, when the global crisis led to the national economic stagnation (Bank of Italy Workshops and Conferences Series, 2022). Despite the gap persisted on productivity and GDP, the great efforts to accumulate capital led to an increase of the productivity and wealth even in the South with almost the same pace of the North (Lepore, 2020, pp.11-13).

Generally, the systemic inequality between the North and the South, which was inherited since the unification of Italy and only widened after WW2, created a dualism in the Italian system, whose structure divided into poor regions with abundant unskilled labor and richer regions, where all the

capital, skills and technology was centralized. This difference between the two regions didn't lead immediately to migration, which instead started with the collapse of socio-economic equilibrium in the North, that is, with the implantation of capitalism and the arrival of investments; the North found itself in extreme need of labor, which was supplied by the South, creating a first linkage between the two parts. Indeed, even if the inequality of the system led to over-presence of labor in the South, the latter, as in other underdevelopment countries, was *demand dependent*, thus needed a strong attractive force to develop into the migration phenomenon; at the end of the day, the development of the North towed the Southern one, till the labor changed and became, from demand dependent, a *wage dependent* one, thanks to the improvement of wealth (Böhning, 1970, Reyneri, 1979). Thus, Italy presented systemic dualism, which persists still nowadays, which was essential to boost the economic development of the North when the economic critical juncture arrived in the 1950s, but the substantial economic progresses of the South during the 1970s have led to better economic conditions and to different relation of power with the North, giving to the migrants more choices other than migration.

### *1.3.2) How internal migrations coincided with North-South dualism*

According to the idea that migration is the outcome of a system which influence the agent and *vice versa*, and given that this circle, vicious or not, existed in Italy, is essential to understand what the causes were and how this influenced in the long-term the Italian productive structure, because this will be fundamental to understand the role of migrants in peripheral regions and provinces. Indeed, Italy was a country of emigration until 1980s; from then on, it started to experience stronger fluxes of immigrant from third countries. This thesis defends the idea that the drivers of the international migration are the same of the internal ones, that is, the existence of an unequal system which create surplus of labor in a place, and a demand for that labor in another one, and that a vicious as well as a virtuous circle can be established even between less developed regions and developed ones, despite being part of the same country, according to the idea that inclusive and extractive institutions can co-exists. The agent has however the power to foster a virtuous circle if certain socio-economic conditions are met.

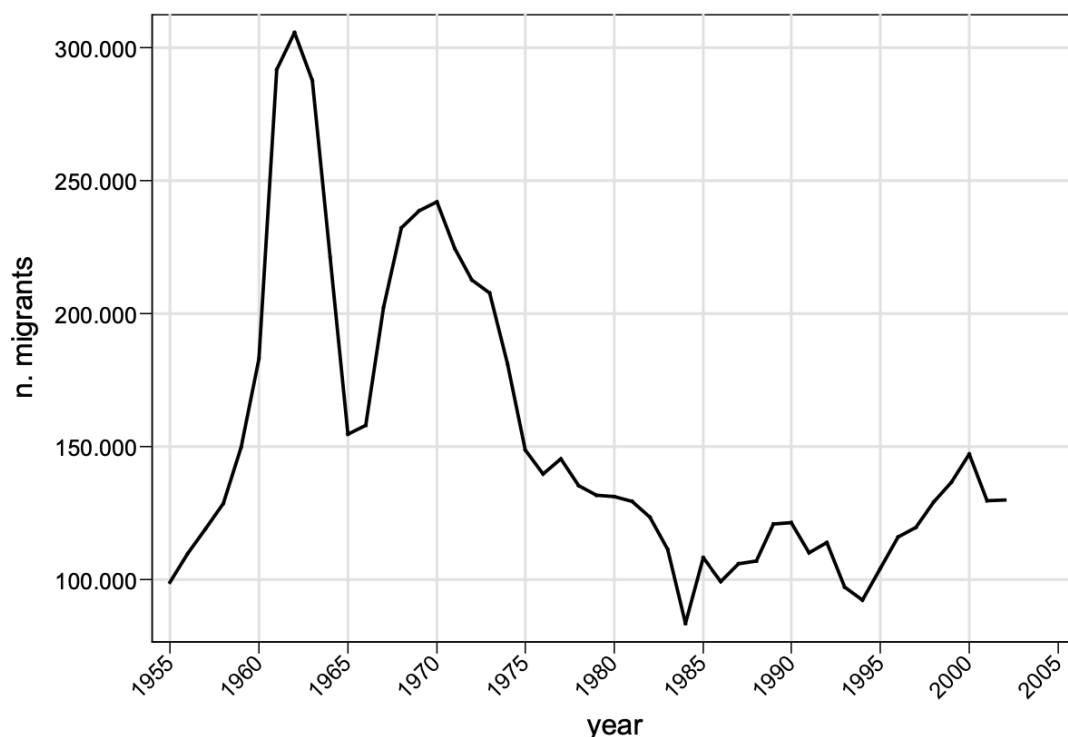
The Italian economic system didn't change since the mass migration from the South; indeed, the most developed regions are still in the North, while the South, though presents better conditions and far less emigration, is still experiencing less industrial development; the Central regions were often linked to the North because presented similar features, but in reality it should be considered a third different unit of analysis for the presence of industrial centers, but not that big as the ones of the North, and some evidence of underdevelopment, even though cannot be compared to the ones of the South in the 1950s or the actual conditions of many LDCs. To understand why migrants arrives in inner areas, which include also the central regions of Italy, we need to understand how the Italian productive system, including the supply and the demand of labor, developed in the last decades; The unequal conditions



between North and South of Italy indeed led to the division of the productive system into two economic typologies: Center and Periphery. As well as the international division of labor of the world system conceived by Wallerstein, the development of the industrial North needed cheap labor force from the South, thus creating a center, in which the centralization of capital, technologies and development was higher than in the periphery.

Given that the model of the agent-structure system shall apply for both international and internal migrations, was the circle a virtuous one which helped, in the long-term, also the LDRs, or was it a vicious one, which used the latter only to exploit resources and labor? The theory explained above suggests that the outcome of the virtuous one is reduction or the end of migration itself from LDCs to DCs due to the exhaustion of the conditions which determined the demand for cheap labor and the cheap labor itself, given the growth of the LDCs due to the cooperation with the DCs; the same can be pointed out for the relation which tied the DRs of the North with the LDRs of the South, according to the fact that, since the 1970s, migration started to decrease, as the figure below shows.

**Figure 1: Number of migrations of Southern Italian citizens to Northern Italy since 1995**

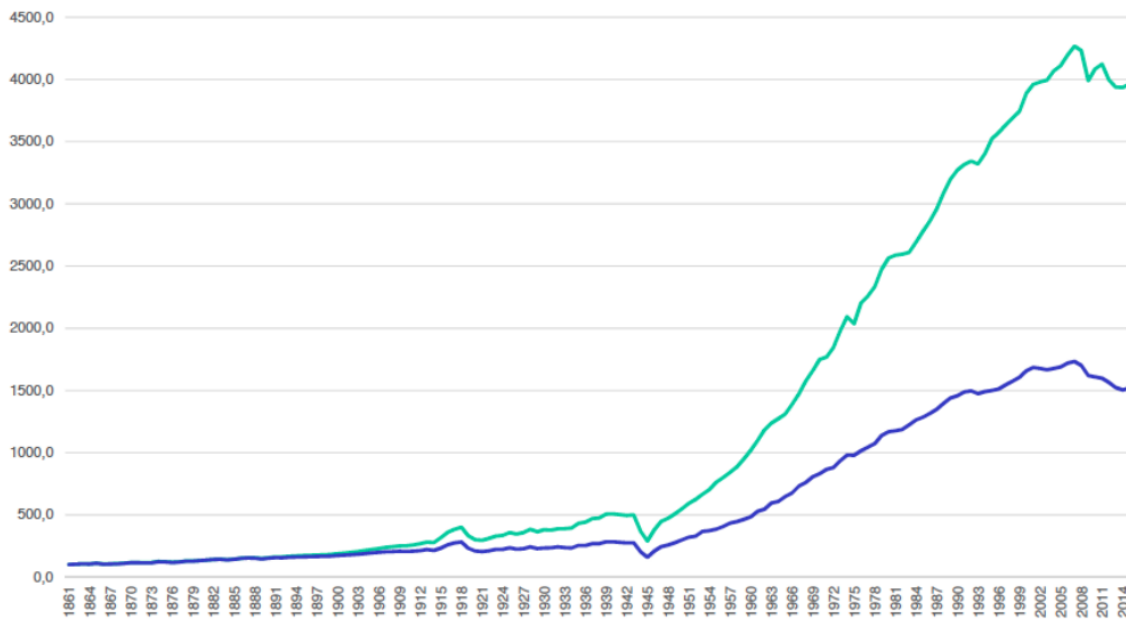


*Source: Istat*

Indeed, while the North was taking advantage of the cheap labor from the South, the fact that both the regions were part of the same system avoided the establishment of a relation of domination, thanks to the political representation of the proletariat and sub-proletariat within the Italian inclusive

institutions. As the graph shows (Lepore, 2020, p.9), migration fluxes coincided with great amount of investments in the South, both private and public ones, while the GDP assisted to a stable growth, even though it never reached the level of the Northern one, but was enough to satisfy in the long-term the need for better economic and social conditions of the citizens; moreover, emigration was essential to employ all the unskilled people who initially couldn't be employed for the lack of productive activities in their regions.

**Figure 2 :North-Centre (green) and South (blu) GDP trend since the 1960**

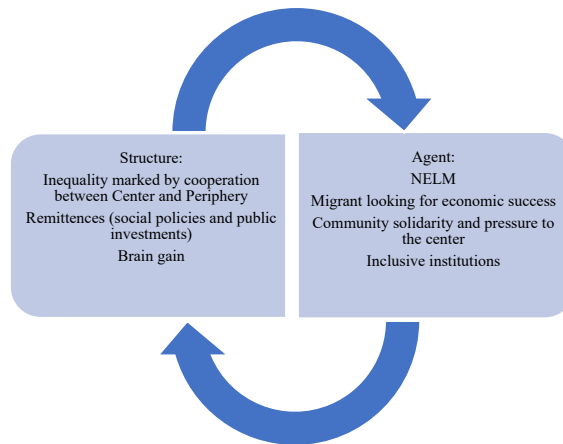


**Source :Lepore, 2020**

The agent, that is, the southern migrants, were not forced to leave because of a domination and exploitation by the great industries of the North, instead they took advantage of the need of cheap labor of the latter in order to maximize the possibility of their livelihood; indeed, the first wave of migration are usually composed of the more skilled workforce of a determinant rural/urban area, who are in contact with more info's about the external environment, thus capable to make calculations on the cost-benefits of leave their home. The difference in wage levels and standard of life preexisted, but didn't push the agent to take the decision to become migrant until the North, facing a boom of production, demanded more and more labor; on the part of the system, the socio-economic conditions of the South was partially fostered by subsidies and other national policies to help the less-advanced regions to catch up the North level, sometimes with concrete investments and landings financed by the central government itself (see the *Cassa per il mezzogiorno*); from the point of view of the model presented before, these policies were nothing more than institutionalized remittances that were given by the government in exchange, or in compensation of, the cheap labor "exported" by the South. It's not

awkward to hypothesize that from all this migration the South had the possibility to import, in the long-term, essential knowledge to create local industrial facilities, to create schools and universities thanks to the public and private investments often driven by the central government and, thus, catching up with the level of wages, education and wealth, as the kind of “brain gain” experienced internationally by the Asian countries which managed to develop in few years, even though in Italy this phenomenon was easier given that the two regions are part of the same system and the costs to move are fewer, therefore there was not the need to plan national return policies (Gaillard, Meyer, 1996) . On the other hand, this would have been useless if, on the side of the agent, the migrants didn’t maintain a united and organized community essential to foster its interests in the face of more powerful economic or political institutions and interests, thus leading to a political block fairly represented in the institutions which fostered the development of the South; meanwhile, inclusive institutions partially replaced the old feudalist organization of power and resources of these territories, which were essential to make productive investments and start the cumulative advantage chain which, in the long-period, made possible to end mass migration.

Even though the GDP rested higher in the North, nonetheless the growth of the South allowed to develop better conditions, due to the virtuous circle already theorized for the relation between DCs and LDCs; in this case, given that the phenomenon concerned internal migration between regions of the same system, we consider the latter as divided into center and periphery, respectively demanding cheap labor and offering it; the relation was a one of cooperation because the periphery exported cheap labor but gained more investments (in the form of social policies and public investments) and knowledge from the North, while the agent, according to the rationale of the NELM, looked for economic success and risk sharing in the North. Meanwhile, the community stayed strong and formed a political pressure group, thus obliging the state and the North to more investments, which in turn found a fertile ground in the South, given the inclusiveness of the institutions. The cumulative effects of community pressure and public investments led to new productive activities and the need for new skilled labor, thus creating a demand for “brains” more than “arms”. This happened because, in a relation of cooperation, the more the migrants succeed to put pressure to the system, the more the center will be obliged to invest into the periphery, both directly and throughout the government. Migration is not only the result of this system but is a source of political power for the periphery against the center, thus avoiding the dominance of the latter and establishing better conditions for the citizens of the former. Indeed, the effects of the return of migrants are the ones of a better socialization and consciousness which are essential to foster active participation and support local interests. Moreover, especially when the need of unskilled labor in the center decreases and a turnover of migrants is no more possible, the inclusive system is obliged to answer the migrant’s demand for more social policies and better opportunity in the periphery; indeed, given that southerners were Italian citizens politically represented, the system allowed them to exert essential political pressure to the system. Moreover, during this



virtuous circle, women obtain their first job while males experience a sectorial change, from the first to the second, until reaching, at the end of the process of equalization between center and periphery, the third sector, the one of services (Reyneri, 1979, p.187). This happens because the system evolved, the periphery demanded more labor, and the center didn't need huge amount of unskilled labor. At this point, migration reach its lowest level and a new equilibrium between the center and the periphery was established, lowering the benefits of moving across the country to find new jobs.

### 1.3.3) From North/South to Center/periphery economic dualism

The fact that we use the concept of center and periphery, instead of North and South, is due to the necessity to enlarge the conditions of the South to other part of Italy, as the Central regions. Indeed, apart from the case of the South where the peripheral conditions were an heritage of its history, the same features of socio-economic fragility can arise as an effect of political and economic choices and external shocks, thus leading to a sudden change of the structure and influencing the choice of the agent, by a sudden new supply and demand for unskilled labor which, as we will see, attracts migratory flows to compensate for a lack of local workforce in the peripheries where this demand is concentrated, i.e. in inner areas. For this reason, it is now necessary to analyze the reasons for the current migratory flows in the economic peripheries. The model of the circular relation between the center-periphery structure and the agent-migrant will be then used to find a relation between internal regions and immigration.

The system-agent structure can explain both the international and internal migration; the latter is important because introduce us to the concept of center and periphery, whose relation explain the presence of international unskilled migrants in inner areas. Indeed, even if the system tends to equalize

different regions, the process never comes to completion; the reasons are many and can be traced in whatever situation of inequality, both within and outside a nation's border. Above all, the capitalistic system requires that who holds the means of production, that is, the capitalist, excludes the others since the very beginning from enjoying the same amount of power and wealth; furthermore, the capital tend to lower the costs of production in order to increase its wealth, by replacing employees with machines or by lowering the salaries of the former if technology cannot improve. Even though we want to avoid ideological explanation for inequality, it has been proved that where the means of production are grouped, they start a process of cumulation of capital and knowledge in their industry, creating an economy of scale in order to be more competitive and productive; this cumulative advantage, once started, necessarily leaves out the regions which have little to do, if not indirectly, with the developed ones, thus leading to a difference of resources and capacities. In doing so, the capital accumulates where the economy is already ripe and can only improve, thus creating a "center"; there are different types of economic centers which take the lead of their sector at a national or global level; in case of the latter, Wall Street and the Silicon Valley are considered respectively the financial and technological center of the world (even though other center are moving that way). At the Italian level, for all the second half of the XX century the industrial triangle, which included the cities of Genoa, Milan and Turin, represented the industrial center of the country, not only for the presence of FIAT, which was the company leader of the heavy industry, but also for the importance of Milan as financial center, being the seat of the Italian stock-market. As we know, the triangle was the destination of most of the internal migration from the South. The main companies there benefited of the large concentration of skilled and unskilled labor force, the credits offered by the banks and the technological advances of some industry to build multinational companies which still nowadays operates in the European and world market. On the other hand, the periphery was characterized by a lesser concentration of capital, fewer technologies and a productive system made up of Small and Medium Enterprises which aimed at supply the demand for traditional local products which usually didn't deserve much technological development; indeed, much of these SME were focused to hire more labor instead of develop more technology, both for the absence of visionary and competitive management (indeed, most of the SME were family owned), but also for the pre-existing system which divided the main resources between the center and the periphery, benefiting the former and the great economies of scale. According to this, despite the periphery managed to increase its conditions, as in the case of the South, the system has also inherited a strong economic division between the center and the periphery marked by inequality as well as different socio-economic conditions, which does not necessarily overlap with the North-South division but can invest potentially all the regions.

Indeed, the Italian system has a dual economy, more than other European countries, based on few strong capital centers where innovation and technology drive the development, and many less-developed areas based on traditional industries where labor more than R&D still underpin the goods

produced there. On one hand, the cause of this different development path could be the outcome of different historical changes, so that after WW2 companies were born more in the North, accumulating an advantage against other regions, which instead rested anchored to more traditional sectors, but this deterministic idea should be avoided as well as we did for the world system theories which didn't include the possibility of a window of opportunity for less developed countries, as well as regions, and their agents; on the other hand, the division of the production among few financial and innovative industrial centers and many periphery could also be an outcome of a natural inclination of the system to rise the efficiency and productivity of the whole Italian economic structure. To explain why this division occurred, economic and political viewpoints are needed.

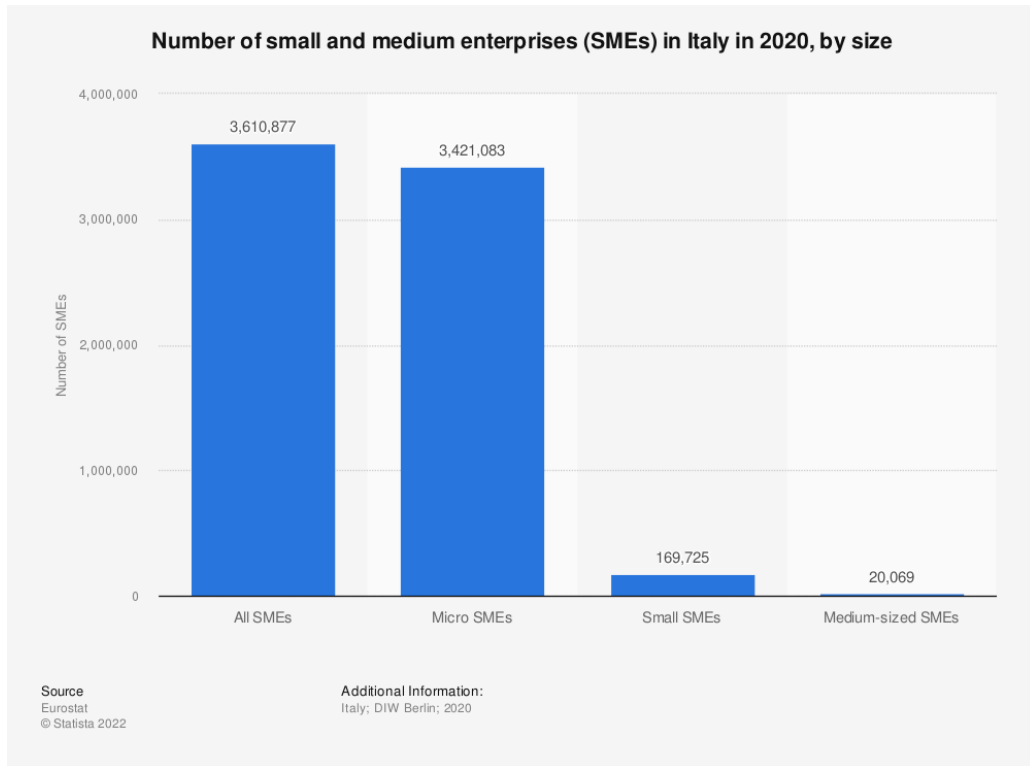
Indeed, there is no doubt that immigrants have prevented certain hyper-standardized jobs from being relocated to third world countries with more low-wage labor, as Reyneri reiterates (cfr. Bourguignon, Gallais Hamonno, 1977, Sassoon, 1977); this kind of works were instead entrusted to companies which, for their characteristics and geographical collocations, made more convenient for bigger companies to leave the whole chain of production in Italy. The center found a fertile ground for the externalization of the low-added value productions in the peripheries, given that Italy has a unique economic system based on many Small and Medium Enterprises, which can be also considered the unique source of wealth and economic dynamism of many peripheral regions. Epifani (1999) tied the great technological bias between Italy and the other countries of Europe to the model of the Italian specialization, based to labor-intensive traditional industries which, despite the great amount of capital acquired in the last decades, didn't have any interest in catching-up with the technological level of international companies, given the great comparative advantage of these territorial districts that dominated the market of the traditional products, thus locking the economy of entire regions to the development of external economies linked to bigger industrial centers; in a period when Italy's GDP was steadily growing, these SME found out really convenient to link their production to the macro-trend controlled by larger companies, creating a synergy with them; this had two negative side-effects: the SME were indirectly dependent from the decisions and the progress of the larger ones, while the creation of external economies within the same region led to a lack of competition which hampered the growth of the same SME, aggravating the addiction of the periphery from the center. In addition to this, the center wanted to externalize the low-skilled production chains, in order to enhance the resiliency of their economy facing deep crisis and to avoid all the political problems linked to high concentration of workforce (Bagnasco, 1977).

From the point of view of the vital cycle of the product, this division of labor would have occurred anyway, because of an economic rule: the technological characteristics of a product decrease during time, turning from a skill-intensive product to a low-one, thus pushing the production from skills and capital abundant countries to labor-abundant ones; this is true especially for multinational companies, which tend to group the sensible activities within their home countries where there are most of the R&D

activities and where the outcome of these researches can be controlled, while externalizing only the standardized productions chain to countries with cheap labor. In Italy, this theory could explain why the initial comparative advantage of the northern regions where more investments occurred pushed the latter to externalize to other regions the works that were no more convenient to do at home, thus benefiting the creation of productive facilities in regions which developed relatively later, such as in center and in the south, benefiting the virtuous circle which increased their development, nonetheless locking Italian economy to a dual system made up of many peripheries and few centers. This great division is demonstrated by the amount of SME present in Italy over the total, about 3.6 million, the 95% of them being micro-SME with a maximum of 9 employees, and the other 5% being small SME with 10 to 49 employees. The medium companies count roughly less than 20.000 units (with 50 up to 250 employees and a balance sheet equal or less of 43 million euros (European Commission). In 2019, the large companies were only 4,179 (Istat). Hirsch defined three vital phases of a product: the technical know-how development in the introductive phase, the management activities (such as market introduction and commercialization) in the growth phase, and the non-specialized production in the maturity; The creation of external economies happened in this last step, because as the age of products increases, the optimal location for their production shifts to countries, or regions within the same country, where the unskilled workforce is relatively abundant (Hirsch, 1974; Aquino, 1977).

Despite many peripheries grew under the shadow of larger companies, they were strictly related to the economic trends of the latter; being stuck to low-skilled productions demanded by larger companies means that the elasticity of the SME was minimum, they couldn't face large economic crisis and their capacity to innovate was hampered by the demand for low-skilled products and services. This led to a strict dependence of the peripheral regions from the center, amplifying the effects of external shocks.

**Figure 3**



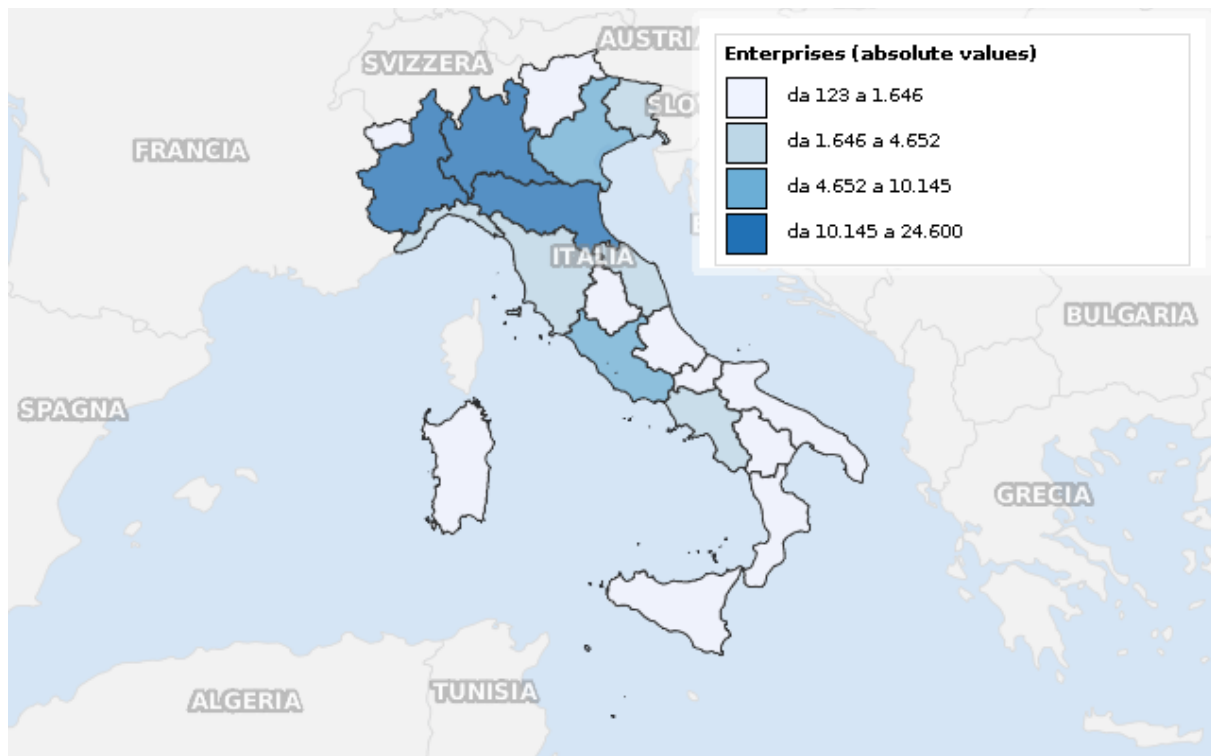
**Source: Statista 2022**

Arnaldo Bagnasco in “*Tre Italie*” (Three Italies) added that the economic nature of the drive towards peripheral decentralization also has a social character. In fact, the typical feature of central productions is the involvement of the working class in a growth of wages and consumption, corresponding to a high dynamic of productivity and profits, which the central economy permits. The very concentration of employees in the same production structure allows them for a forced socialization throughout which individuals become a group and then a class. Worker organization allows greater control over workers' wages, limiting the earnings of the center by blocking the supply of labor at certain prices. The peripheral economy, on the other hand, tends to have lower productivity dynamics, precarious working conditions, lower income, strong exposure to the cycle and lower wages. Indeed, in the 1970s in the North-west regions the weight of the large industries increased, in contrast to the peripheries of the South and the North-East where the small and medium ones still covered a huge part of their productive structure (Bagnasco, 1977). The center would therefore tend to outsource low-cost jobs to avoid social crises and clashes between capital and labor that would prevent the normal functioning of production. Furthermore, by outsourcing the jobs at low cost, the center can better protect itself and respond to external shocks, such as global financial crises, unloading the main consequences on the SMEs which are thus forced to lay off and bear the greatest socio-economic costs. The dependence of the periphery created a specific kind of society, far from the disorder of the center which characterized the fast economic growth, but at the same time weaker in front of great economic crisis and led, over time, to



certain negative side-effects which, over the years, risk to turn out into a vicious circle as the one which often characterizes LDCs strictly dependent by the developed ones: brain drain and emigration, demographic decline, the return to extractive institutions and lack of fertile ground for productive

*Figure 4: R&D Investments in 2002 by enterprises, by region*

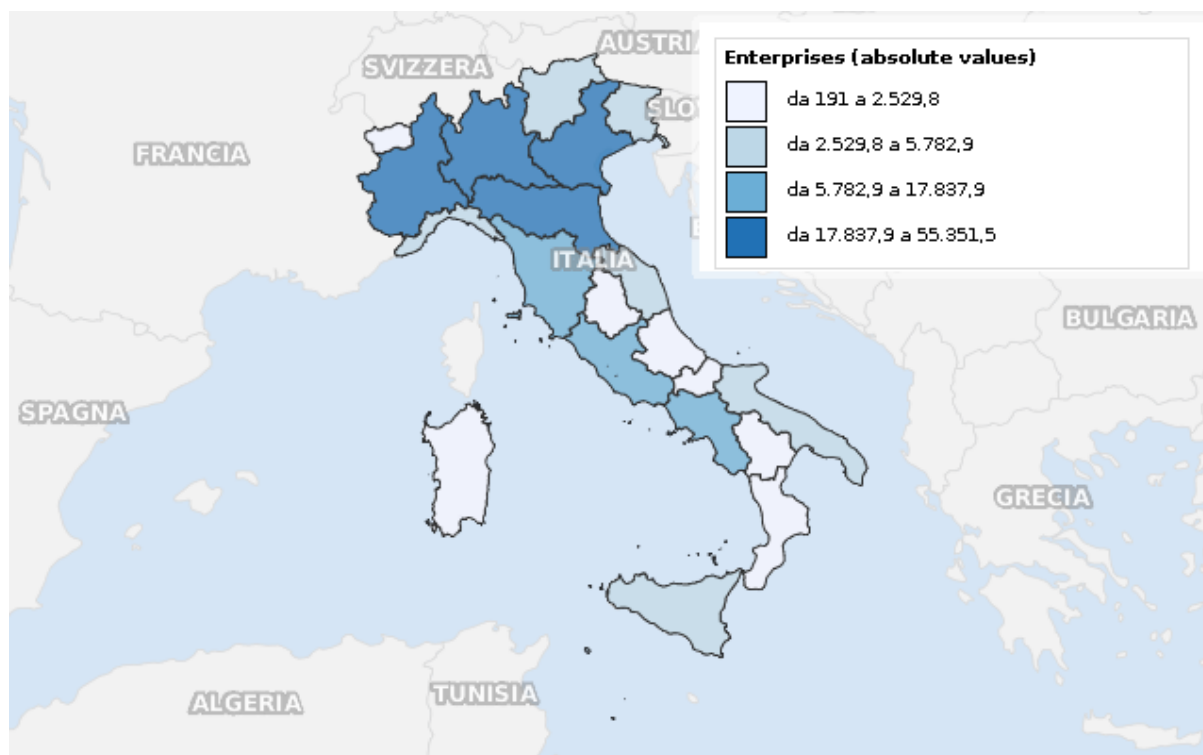


*Source : Istat, 2002*

investments; indeed, the traditional industrial districts of peripheries have often proved to be an obstacle against a high-tech oriented structural change (Cutrini & Valentini 2011). Even though some traditional industries became over the years also an example of the Italian excellence, the ones which didn't make that jump remained extremely dependent by the center, that is, the main supplier of works. Indeed, if we look at the statistical data, we can see a deep difference concerning the amount of money invested by private enterprises not only between North and South, but also between the regions in the center, where Campania, Lazio, and Tuscany, that is, the ones on the western coast, have similarly higher level of R&D, while the regions on the eastern coast present the same level of the Southern ones (Istat 2022). The situation was not so different in 2007, before the global financial crisis; indeed, the central-west regions invested more than the center-eastern ones, as the map shows (Istat, 2007). As the OECD reports asserts, nowadays the SMEs sector contribute to 76% of employment and 64% of value added, which reflects a very large economy of low-productive enterprises, which are located more on the regions where less investments occurred (OECD, 2021). These data demonstrates that not only the South suffers of unproductive businesses and fragility, especially facing economic crisis due to external shocks. We

looked at the R&D investments level because it is one of the forces which drive economic specialization (Cutrini & Valentini, 2011).

*Figure 5: R&D Investments in 2007 by enterprises, by region*

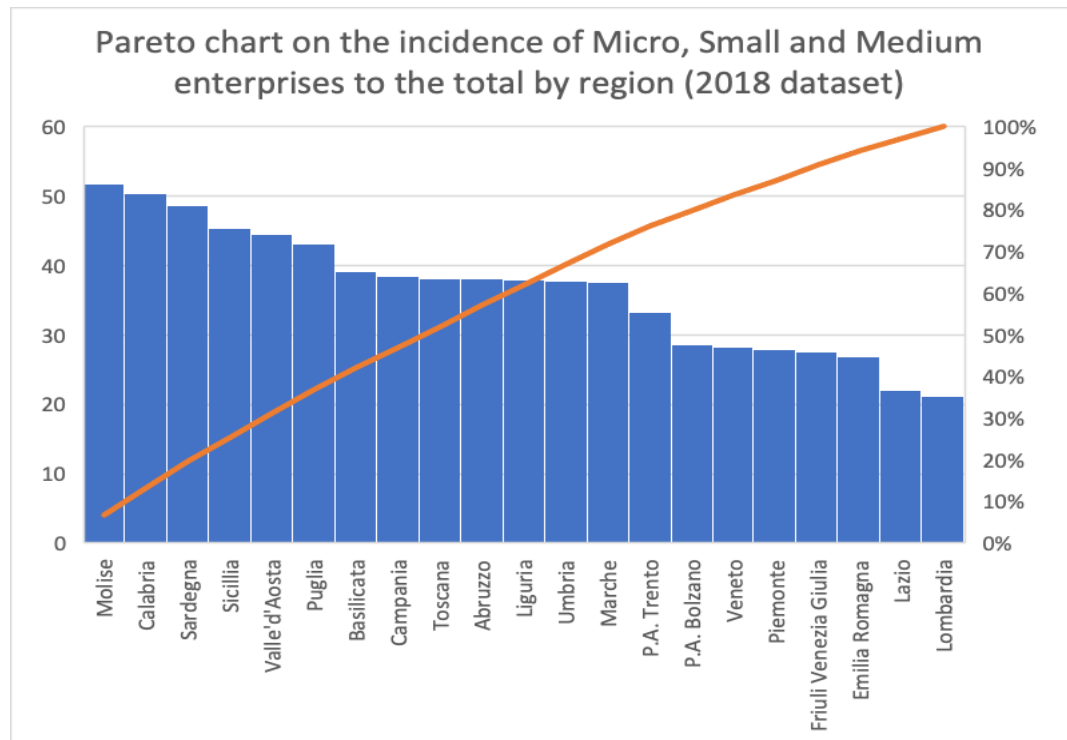


*Source: Istat 2007*

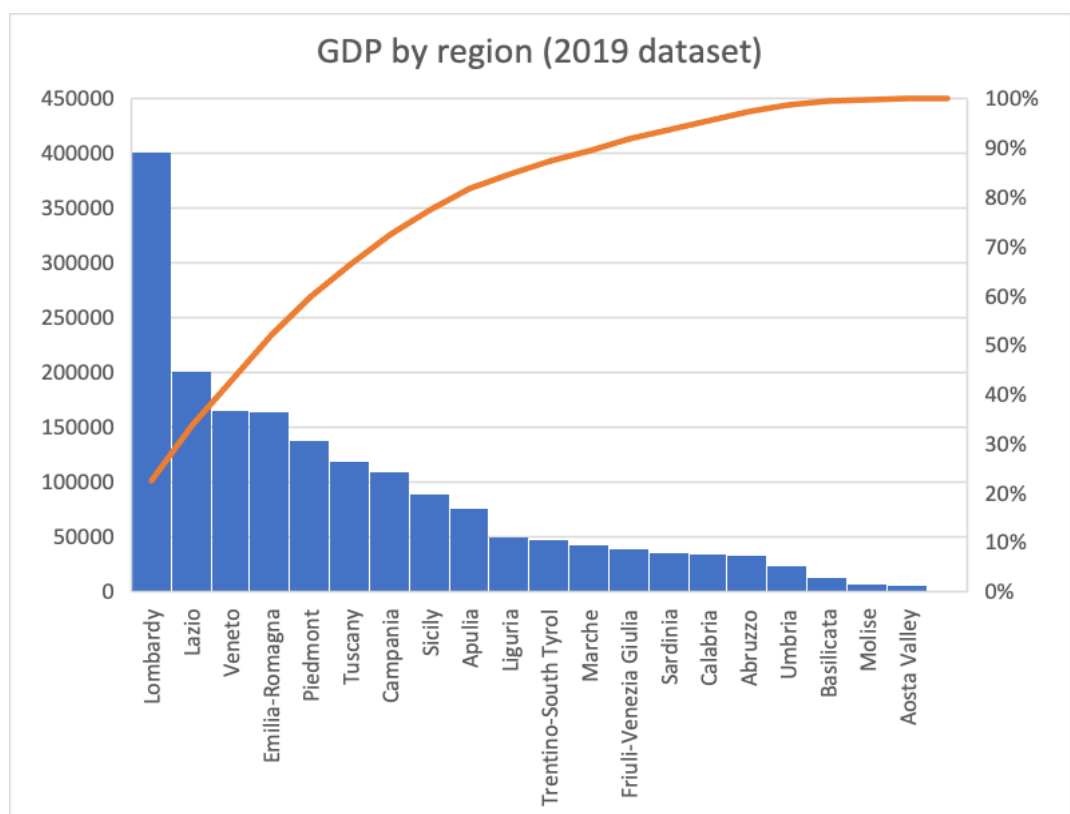
Even though SMEs are quite diffused along all the territory, some regions are more affected by others; Bagnasco (1977) asserted that in the North-East and in the center, there were more ESME, while in the South there were more micro enterprises and large companies due to the presence of strong capital accumulation driven by the state, which led to extreme differences between industrialized areas and the rest. The North presented the largest companies instead. Looking at the concentration of Small and Micro enterprises in Italy, it's clear that were few R&D activities occurred, both driven by the private and public sector, the incidence of the smaller companies (between 1 and 49 employs) is higher, as in the Center and the South, with the exception of Lazio, which, being the capital, presents almost the same level of development of the North, thanks to its political weight and the near activity of the central government (Bagnasco 1977). On the other hand, most of the GDP is concentrated within the Northern regions, with the exception of Lazio for the same reason asserted above; this situation demonstrates the great differences of the Italian sub-economies, which presents a strong division between industrialized areas with more capital and many peripheral regions with smaller companies focused on traditional and interstitial productions. According to this, we can confirm the Pareto rule, according to which the

80% of the effects are generated by the 20% of the cause; in other words, most of the Italian wealth is produced in the Northern regions where larger companies can profit of larger scale economies and, as this research asserts, can also externalize the unskilled and less profitable works in the peripheries, that is, less developed regions of the center and the southern areas.

**Figure 6**



**Figure 7**



**Source: Istat 2018-1019**

This situation seems to not have changed over the years, since Bagnasco got the same picture of the Italian economy in the 1970s. Thus, we can assume that unproductive SME are the main economic actor. It's hard to understand, on a national level, what are the main effects of this divisions; a specific focus on a specific region is needed; however, we can now figure out what's the role of migrants in such peripheries, or inner areas. According to the fact that, despite the Italian inequalities, the general wealth increased, we can assume that SMEs find hard to employ Italian citizens for unskilled and low-paid jobs, given that even in the peripheries the level of instruction has increased and social policies protect them from exploitation and bad work conditions; on the other hand, SMEs are still dependent from the companies of the center and survive only thanks to interstitial works and low-added value productions asked for by bigger companies, thus leading to an increasing demand for unskilled workforce which is rarely supplied by the local citizens, who prefers to move in other European states or even in the Italian centers, where most of the *wage dependent* workers goes. The need of this companies for *demand dependent* workforce meets the aspirations of economic migrants. Indeed, the difficulty for SME in Italy to digitalize itself and invest in R&D, which automatically would lead to a new demand for skilled jobs, is attested by the recent European Commission and the EIB report: most of the Italian SMEs presents knowledge gap and economic barriers, as the difficulty to have access to credit (Innovation Finance Advisory, 2021). Moreover, this research asserts that the main cause is the actual vicious circle that some peripheries are experiencing nowadays, which benefits the center and lead to externalization of unskilled workforce in the inner areas and peripheral economies, which sees an increase demand for low-paid labor, thus attracting economic migration fluxes; we will see then what their role should be, given the agent's capability to turn this circle in favor of peripheries and thus indirectly to migrants and their country of origins.

## 1.4 The immigrant's role in the Italian center-periphery structure

### 1.4.1) *Push and pull factors of inner areas*

The division of work among center and periphery is internationally given for granted, guided by multinational companies and hard to contrast, given the substantial anarchy which leads the international environment, despite the efforts of governments to defend the workers of their weaker countries from exploitation. However, the traces of a dominance relationship among regions can be found within developed countries such as Italy, despite being part of the same system. According to the theories showed above, the periphery presents a productive system based on low-skilled labor which demand a great amount of cheap workforce, due to the externalization from the center of this kind of works (Bagnasco 1977); despite this, in many Italian regions, the labor market is hindered by social policies which protect the citizens to be forced to do low-skilled jobs to survive, while these jobs-

opportunities are usually grabbed by migrants; however, to attract migration fluxes, the demand for cheap labor should be huge, and usually arise from the breakdown of an economic and social equilibrium which push SME to offer less money to do the same job, or accepting kind of works from the center which were not used to, because of the bad conditions it presents and the low-added value, which are usually rejected by the local workforce, who instead prefers to move towards other regions thus creating a new internal migration flux. Indeed, the development occurred in the periphery has led, in the last decades, to a cultural and social improvement; the compulsory education and gave to the new generations of peripheral citizens the chance to look for skilled jobs where they can be more gratified, in the main urban center of Italy or Europe, breaking down linguistic and cognitive barriers. Moreover, when the equilibrium collapse because of external shocks as a huge financial crisis, while the peripheries start demanding competitive and low-skilled workforce, the center start demanding the skilled one, thus creating a bias which lead the center to attract graduated people from the periphery and the latter to attract immigration as a result of a lack of competitive workforce. Thus, the periphery is featured by a “push” and “pull” forces which feed a kind of demographical substitution effect: immigrants tend to replace locals within SME which usually ask for low-skilled labor force, given the bad conditions and hard kind of works they offer; this situation “push” locals to find well-paid and skilled jobs in the center, where bigger companies usually group the activities which ask for graduated employees, coming often from the peripheries; these two effects lead to a replacement of locals by migrants in the periphery, not only as an important section of cheap workforce, though socially and culturally. This means that internal migration of natives is not an effect of immigration, but exactly the contrary: are locals that, disillusioned by the economic possibilities within the periphery, leave the place for new foreign workforce.

Moreover, according to Pugliese (2002), internal migration is usually permanent, referring to the South-to-North fluxes during the 1960s and 1970s in Italy, while international migrations of Italians in Europe, given the easiness to move within the EEC, were often temporaries; we can now imagine that while the characteristic of permanence of the locals arriving in the center persists, the possibility that the stay of migrants arriving in the peripheries will be temporary is minimal, considering the difficulty of the journey undertaken and the distance; it is more sensible to imagine that migrants maintain ties with their countries of origin through remittances and that only after several years and only in the presence of a series of favorable circumstances regarding their country of origin and Italy, they could return to their homeland. Meanwhile, the replacement of the workforce takes place, and the portion of the foreign population grows over time, demanding services that the first migratory flows could not have asked for. In fact, prolonged work in the SMEs allows for forced socialization of foreign workers, and only through the SMEs are they able to create interest groups which, little by little, ask for social and civil rights even outside the workplace. In fact, Reyneri (1979) states that the first of the four migratory flows are often made up of a purely young, and not exclusively male, workforce; only later

are they joined by their respective families. The closeness of these families and their common work interests creates a class consciousness, as well as actual cultural sub-groups. As mentioned above, the peripheries are natural landing points for these types of migratory flows, which arise precisely from a structural supply of low-skilled labor. On the other hand, the attraction force of the center is for skilled workforce. This is explained by the dualistic structure of the Italian economy which sees the periphery and the SMEs as the favorite place for low-value, interstice jobs, often controlled by the center. The replacement takes place from the point of view of work rather than ethnicity. Furthermore, in a system-agent model, the SMEs are forced, in a relationship of dominance as such it is in certain cases, to accept such jobs outsourced from the center, and the peripheral society can do nothing to curb emigration, with its own resources alone, of the local workforce toward places where wages are higher. Therefore, the survival of SMEs and of the society of the peripheries is based on the presence of immigrants, their workforce, and their ability to contribute to public spending through it. The immigrant become therefore the agent on whom the fate of the periphery moves.

Moreover, even though it may be too early to understand if the emigration of local will lead to a “brain drain” or, in contrast, to a “brain gain”, essential to help the development of these regions and to stop the demography and social decline which they are now experiencing, this issue contribute to rise the dependency of the periphery from the center until the former will be the target of all the externalization of the latter; moreover, while the center externalize, in period of crisis, low-value jobs to peripheries, in order to increase its resilience, the periphery accept this kind of works for necessity, thus accepting a dominance relationship to not close the whole activity. However, this relationship to which the system naturally tends because of its dualism, persists even after many years from the original shock; the reason is the arrival of migrants who, as said before, are demand dependent, and over the years menage to conquer an essential role in these regions and allow with their prolonged stay to perpetuate this relationship between the center and periphery. Indeed, on their work the periphery managed to face global economic crisis and to keep going on with their production chain. The dependence from the center, nonetheless, persists.

The economic system of a country inevitably influences the social environment and vice versa; Accordingly, the low-skill production system of the periphery, the depopulation due to emigration of skilled workforce, and the use of migrant labor to fuel this dependency rather than reverse it, would lead to the decline of the periphery. A society that forbids any possibility of legal integration of migrants indirectly favors their exploitation; in the worst case, the migrants could move to another country, leaving the periphery without manpower or saved capital for investments and consumption, and increasingly depopulated. On the other hand, integration policies would lead migrants to assert their rights, forcing SMEs to increase wages and consequently pushing the center to invest more in SMEs and to give up its predatory attitude toward peripheral economies, under penalty of closure of the SMEs themselves and the transfer of the production chain abroad. Furthermore, integrated foreign

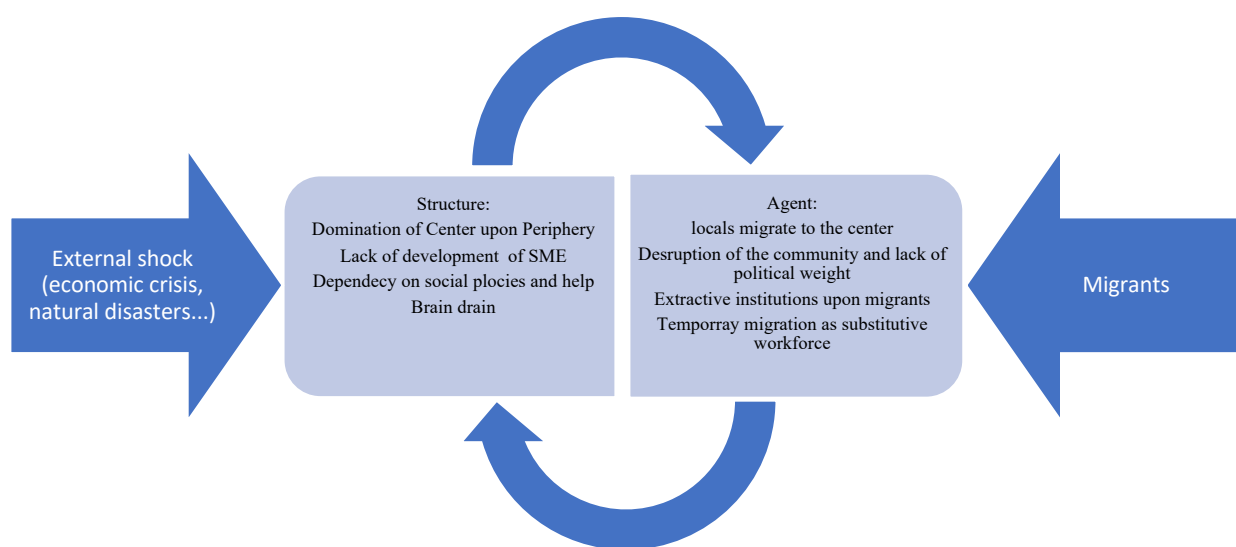
citizens would be able to vote and make their voices heard, restoring political weight to peripheral areas otherwise abandoned by any national and regional policy. The demographic development supported by foreign families and accompanied by integration policies would not only lead to a growth of SMEs at the expense of large companies, but also social growth, as the new citizens will demand new services and support a new demand for consumption, rebuilding the tertiary labor market that had been lost in the years of demographic decline (Reyneri 1979). According to the model proposed here, the gradual integration of migrants would lead to a substantial growth of the economy and a social and demographic development of inner areas, reversing the cycle of dominance established by the center, which sees SMEs and peripheral societies such as last piece of their production chain, usually concerning manufacture activities, raw materials transformation and all the works included in the secondary sector, and in migrants as a workforce to be exploited.

The indiscriminate use of migrant workforce allows the center to continue to outsource and earn without investing, leaving SMEs with very few margins and backward technologies. The educated population will flow towards areas with greater growth potential. At the same time, the migrant workforce, attracted by demand, without national and local policies aimed at their complete social integration, will only feed extractive institutions not very dissimilar from those present in third world countries. If the nature of the center-periphery system is at the origin of poverty and the decline of the periphery, the lack of integrative social policies is at the origin of the exploitation of immigrants, whose permanence in Italy will only be temporary and will not be able to become an essential resource to peripheral areas or inner areas, the description of which will be dealt in the following section. In fact, the thesis proposed here is that immigration is an opportunity, to stop in the long run, the system of dominance described above that is being established between the center and the peripheries of Italy and aggravated by economic crises and unpredictable external shocks that affect more the inner areas for the reasons described above: lack of flexibility of SMEs and social fragility. This division of labor between financial and technological urban centers and industrialized inner areas creates a demand for cheap labor in the latter which only large flows of international migrants can meet; at the same time, however, using these migrants only for temporary jobs and fostering their turnover, in addition to saving SMEs from possible purchases by larger companies, which take advantage of systemic crises to expand their sphere of influence, also tend to feed their addiction to the system. Once the importance of migrant labor has been demonstrated, it is necessary to consider the latter not as a resource to be exploited, but on which invest in the long term to reverse the negative trend of inner areas and subvert their dependence on the center. In a nutshell, immigrants can empower the agent, that is, the inner areas communities, and re-establish the virtuous circle described above.

#### *1.4.2) The S.A.M. applied to center/periphery structure and the role of immigrants*

Facing international crisis and harsh competition, the center will continue to fiercely externalize all the possible low-productive jobs, while inner areas will find themselves in deep economic crisis which highlights all the contradictions of a dependent development and of the Italian dualistic system; thus, a system can be virtuous and balanced until a cyclical or unexpected crisis occurs, upsetting the social and economic balance of an area. The inequality inherited by the center-periphery system will lead inevitably to the attempt of the former to lead and dominate the latter, for both necessity of efficiency and natural economic tendencies. The same apply in relations between LDCs and DCs, until another critical juncture occurs, donating the possibility for a change of the system. In case of inner areas, this critical juncture is fostered by international migrants, who arrived within inner areas thanks to a combination of great pushes to leave from their country and the unexpected great demand for cheap labor by SMEs facing great financial crisis, especially after 2012. The offer and the demand for cheap labor meet within inner areas, that is, in the peripheral economies of Italy, because of the dualism of the Italian system, unique in Europe, characterized by many SMEs and few large companies. The graph shows how a global crisis can affect this equilibrium creating a vicious circle.

*The S.A.M. applied on Center/Periphery dependency context*

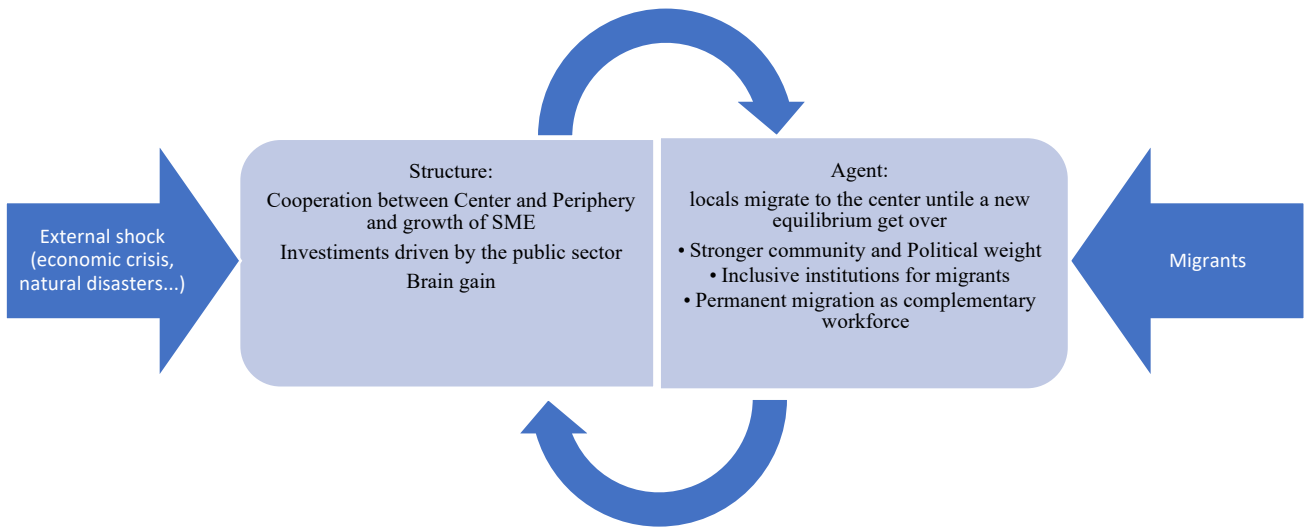


The center is more in need to externalize low-skill production in time of crisis (Bagnasco, 1977); the same crisis, being a systemic one, affects the SMEs within inner areas, in a deeper way, given their fragility and lack of resilience. It would not be surprisingly to see many SME bought by larger



ones especially when a crisis occurs in order to expand the chain of production with fewer costs, even though it is often more convenient to externalize some part of the production chain in order to discharge any risks on other companies. The SMEs respond to this crisis as they always did, by answering the demand for low-skilled production of the center, without the possibility to cover the costs for a lack of liquidity. At this point, the wages lower, and local workers are no more willing to long and hard turns; the demand of the center for cheap products and services by the SMEs increase, while the local labor market is blocked by social policies that shield local Italian workers from any possible exploitation, as any other inclusive system would have done. The SMEs have no choice, apart from closing the activity, then hire foreign workers attracted by the demand for unskilled jobs, with low wages which are, nonetheless, higher than the ones of their home countries. Despite the SMEs manage to continue and, in some cases, to increase its productivity by hiring more migrants, the possibility to develop technologically are few, because of the nature of the work done and the pushes of the system to reproduce itself; indeed, while the domination of the center on the SME rise, the social conditions of the inner areas worsen: demographic emigration of skilled workers, loss of people, services and political weight; all these negative trends in the long-term will hamper the development of the SMEs which will be forced to hire more migrants, creating an extractive system which, in turn, will force migrants to leave and to be substituted. As the argument goes on, the will of the center is fulfilled: low-skilled productions externalized in peripheral regions using foreign workforce who hardly will acquire the class self-awareness essential to negotiate better salaries and fundamental rights respected by local authorities, thanks to their turnover. As the system of domination of the center to the periphery reproduce itself, the SMEs become more and more unable to decide their own destiny, and at the same time the social conditions of their region decrease. The extractive nature of this system will hamper every attempt to invest and improve wealth. A virtuous system should not only welcome the migrants, but for the good of the inner areas it should also hope that they remain to activate the virtuous circle, given by a gradual socialization of the workforce which becomes a social and political class, whose well-being is closely linked to the well-being of the area in which they are located. On the other hand, a vicious circle will not foster any kind of development, exploiting migrants and putting in competition natives and migrant workers, throughout a substitution relationship, in order to lower the overall salaries and hampering any will of the center to invest on SMEs, because the productivity would be associated to the amount of cheap workforce instead of to innovation and technology.

*The S.A.M. applied on Center/Periphery cooperation context*



The beneficial effects of migration within inner areas which, as said before, are usually characterized by demographic decline, stuck labor market and unproductive economies, are clarified in the diagram above; indeed, when a crisis occurs, inner areas are more affected than economic centers, given their economic and social fragility. The equilibrium of the labor market then can feature both the “push” and “pull” effects, revolutionizing the socio-economic structure of these areas, because while the crisis push many locals to find new opportunities in the larger urban centers, suddenly a great demand of cheap labor arise, pulling in all the migrant labor and starting the migratory chain which, over the years, reinforce itself, feeding the demand for labor of SMEs which base their economic resilience on the possibility to use cheap workforce, and reinforcing the economic power of the center which usually face the crisis by externalize the low-paid jobs to weaker SMEs. The economy thus presents a dualism, between urban center and inner areas, large companies and SME, skilled Italian workforce, and migrant cheap labor. Migration thus is the only factor of resilience of inner areas which undergo an economic shock. On the other hand, the structure would tend to freeze this situation at the expense of inner areas, because in the long-term, the demographic decline and the lack of development of the SMEs will disrupt the society and the economy of these places. Migration in inner areas is the result of this economic dualism, but also the resource upon which social policies and economic development of inner areas should bet, given their fundamental role. According to this, migration can

be considered the agent of this system, who has the power to turn around the circle and avoid the dependence of inner areas to urban centers.

Indeed, migrants usually undergo a forced socialization thanks to their job within the SMEs, but a political interests concerning their conditions is fundamental to trigger a virtuous circle; only through the possibility of a full integration, migrants could start building communities which gives new life on the inner areas society, not only regarding new economic consumptions, but demanding more services to the public sphere which will then be forced to invest again in these almost abandoned areas, creating new demand for labor, even in the third sectors (Reyneri 1979); moreover, once they reach a high degree of integration, migrants will ask for more rights on the workplace, forcing SMEs and then the larger companies which externalize cheap labor, to invest more, thus developing new technologies and increasing the productivity of the SMEs themselves. Thus, in the long term, the demand for cheap labor will decrease, as well as migration, proportionally to the increase of investments in the SMEs chain of production and in the inner areas' society improvements thanks to the increase of demand for services by the first, second and third generation of migrants. This virtuous circle will then foster the end of the migration of locals skilled workers from the inner areas, given the increase of possibilities near their home. A new equilibrium would be established, thanks to migrants and their integration within inclusive institutions which gives them the real chance to be a complementary part of the society, instead of random substitution workforce to be exploited based on frequent turnover. Moreover, an unintegrated migrant workforce would lead to reinforce the informal sectors, reducing productivity, especially in a period of crisis when even official sectors tend to shift part of their production into the informal one to avoid tax and controls (Viseth 2020). Moreover, the "push" and "pull" factors doesn't foster the competition among migrants and locals for the same work: migrants work can increase production while augmenting the demand for native workers in other sectors as the overall economy of inner areas start to grow, thus presenting a complementary relation between locals and foreign workforce, at least concerning the first generation of migrants; indeed, the integration should lead to an economy able to demand even skilled labor and to a society in which the second generation of migrants could compete with locals in the labor market. It goes without saying that precisely in this phase of "new development" policies should focus on preventing the ghettoization of foreign labor or episodes of racism, considering the risks that could be incurred in putting local and unintegrated foreign labor into competition for the same type of work, producing a political polarization, while integrative policies would support healthy competition; these kind of policies, needed to foster integration, see SMEs and migrants synergy as the skeleton of the new development of inner areas; thus means that while the economy is the canal through which migrants socialize, this would be useless without a political representation and basic social rights. Concrete proposals will be covered in the third section.

This thesis presents migration not as an unexpected outcome of a deterministic system which always offer cheap labor from peripheries and demand it every time a deep crisis occurs in the developed

centers; indeed, if the system influence the agent as well as the agent can do to it, then migrants are the agent on which occurs focus our attention, in order to understand what is their present and possible future role in inner areas; moreover, the peculiarity of the Italian system not only help us to understand the migration flows, but the result of this analysis based on a theory which give the same power to the system as well as the agent, make possible to propose solutions to dependent systems nowadays present in Italy as well as in other countries and, with the necessary generalizations, between certain LDCs and DCs.

The virtuous circle between the central-peripheral Italian structure and migrants can in fact influence the one between developed and non-developed countries structure and the migrants themselves. The socialization of the latter is therefore essential but occurs only if accompanied by the concrete possibility of participating in the organization of the company through unionization or any struggle to claim certain rights. This presupposes that they have the same civil and political rights that southern immigrants had in the second half of the 1900s. In doing so, immigrants would not only be individual particles of an alienating production process, but part of a "society" which cooperates for the realization of a certain output. Thus the migratory experience itself, which arises from an individual decision (Reyneri 1979), or family decision (Stark, 1991), takes on a common character in inner areas and peripheries, that is, the birth of a social class over time. The return of immigrants to the countries of exodus is instead associated with a failure of this integration process, often due to political vetoes that hinder any benefit deriving from the integration itself.

How such socialization can help LDCs is another story altogether. In fact, it has been demonstrated that in conjunction with a successful integration of migrants in the country of arrival, they lose the will to return. Despite this, the possibility that they could return and import essential knowledge of production processes exists, capitalizing their investments and knowledge at home. This could happen only and exclusively if socialization in the country of arrival has been completed, as it presupposes a learning process that goes beyond the simple assembly line, and which concerns the entire socio-economic organization. It follows that a virtuous circle of the structure-agent system in Italy is a necessary condition for the development of capital in the LDCs. However, it is not enough since there must be the socio-economic conditions for such investments in the country of exodus. Various research mentions the impossibility for migrants to invest in their homeland due to the very absence of a production system or a real market. In fact, remittances, which are therefore used to buy consumer goods, end up fueling imports of such goods from abroad, together with an inflationary push due to the sudden demand for goods that are not readily available, which are purchased from more competitive countries, like Italy, often produced by the migrants themselves in the peripheries and sold on behalf of the big companies in the center. This creates a dependency of the LDCs on the DCs. This happens for two reasons: lack of socialization of migrants who rarely manage to develop a class interest both in developed countries and at home, and the consequent difficulty for LDCs to cooperate with rich

countries. So, the possibility that remittances become productive investments depends on the national policies of both countries that give migrants an important role.

Public policies in LDCs that also replace the private sector in the infancy of a new productive sector, and protectionist policies in favor of domestic products, could favor industrial developments and new SMEs. Simultaneously with the skills development of the SMEs in Italy, this virtuous circle would ideally lead, in the long run, to the end not only of the demand for migrant labor, but also of the supply itself.

## Chapter 2

### Internal and international Migrations: statistical research

#### 2.1) The Italian Productive System

##### *2.1.1) The historical development of the Italian economic tissue*

Once we have set a general theory about immigration as the result of a vicious or virtuous circle triggered by the agent and structure relationship of cooperation or exploitation, we should now apply this theory to concrete cases and see whether it can match with the real conditions of the Italian productive system and on a specific micro-area, our final case study. Concrete data should suggest that a particular relation of productions between the center and the periphery are the main drivers of the development, or exploitation, of certain areas, and that the society of the two are then forcefully shaped by this relation, as the inner areas are. Indeed, as introduced before, the peculiarity of the Italian productive tissue is the one of the divisions of works in many SMEs among all the territory; they have a maximum of 50 employees and can be considered the foundations of the Italian productive system. On the other hand, the existence of many SMEs often depends on their relationship with the few larger ones, being their sub-contractors and, for this reason, they were often born specifically to cover certain production phases that the bigger companies hoped to externalize for a matter of convenience. Moreover, this organization of labor helped the Italian economy to survive despite the crisis of Fordism and several financial crises. Indeed, the particularity of the Italian system stem from the evolution of its productive tissue, since the large non-competitive firms dominating the Italian economy were followed by SMEs since the 70s, in a way which was unique in Europe.

Historically, the Italian production system was divided into an industrialized North and an underdeveloped South, whose economic relation and migration pattern has been fully covered in the first chapter. During the 60s and 70s, a phase of reorganization of the industrial sector has been achieved in response to market saturation and stiffer international competition (Stannard, 1999, p.309). Indeed, big firms started to decentralize and fragment the production, by externalizing some specific parts of it to other SMEs which in turn developed rapidly during that period. The demand was changing, from a standardized product to a customized one, and SMEs specialized in manufactories were perfect to supply it, leading to a diffuse industrialization outside the economic triangle of the North-west and far from the state-driven industrialization of the South. During that period, many small firms specialized into the “Made in Italy” products, the demand for these high-level goods was increasing internally and internationally, and the competition was under control, thanks to the growth of the market and the protection from foreign competitors. The usage of sub-contractors on which big firms charged some

production phases allowed the big firms to avoid the traditional issues of a centralized production, as the lack of flexibility, the low resilience toward the market failures and the social problems which stem from the organization of a large workforce in a trade-union, especially in a period when the socialist and communist political parties were spreading among the working class; on the other hand, this need for flexible production fostered the developing of SMEs, often family-owned, which supplied the demand of the big firms and the growing market, operating into external economies of scale where many SMEs with different specialization worked together throughout official synergies but even unformal networks: from many SMEs, large Industrial Districts were born. During the years, these SMEs developed under the shadows of the big firms, especially in the center and North-east. Indeed, between 1951 and 1981 the local units with less than 100 employees gained 6,2 points, while companies with more than 500 employees lost 6,5 points (Fiorentini & Prosperetti, 1988). This supports the historical shift of the production chain from a centralized industry model to many small firms diffused among the territory, due to the increase of the quantitative variable and the qualitative composition of the demand, that is, the need for flexible and customized products, but also due to the need to deconstruct the high-conflictual workplace within large firms, and, last but not least, to the accumulation of capital due to the shared technological progress (Fiorentini & Prosperetti, 1988). Despite the concept of a “third Italy” where the diffused industrialization took place gained more and more attention, several differences between provinces and areas in the same region made hard to generalize the bad and good effects of this diffuse industrialization to a specific large geographical area. Indeed, this industrialization took over even in the South, even if they were few exceptions. However, this concept helps to understand why in the Italian productive tissue there are many SMEs are and how they organized into industrial districts, how they worked and where they are allocated.

The ID and represents a cluster of companies, linked together throughout a formal or unformal network, often in a strong relation with the society of the area where they settle; being an external economy of scale, this clustering of industries leads to a lowering of the cost of production and a natural spillover of knowledge which is shared among the firms. Theoretically, we should prefer the term industrial districts instead of clusters due to the fact that the latter doesn't take care of the social relation among the firms, which instead are essential for the correct functioning of the external economies of scale in the Italian case. These industrial districts were born in the 70s in the South thanks to the delocalization of some industries of the North-West, helped by state incentives (Auci, 2014), but even in the Center and North-East (Bagnasco, 1977). In these regions and provinces, which developed in the last few decades as a result of a great externalization of works by larger firms, the SMEs were the main pillar of the socio-economic prosperity of small and medium size cities which, in turn, developed as well as the industrial districts did. At the same time, the inner fragilities of these territories were inherited from this path of development which was extremely dependent from the demand of the larger firms and far more fragile facing exogenous crisis. Moreover, the SMEs had strong endogenous fragility

on the organization and production chains which didn't lead to the increase of the capital accumulation and technological development, but they were stuck to a labor-intensive way of production. As seen before, some regions had, despite the presence of many SMEs, low investments in R&D. The industrial districts were, at the same time, part of a vertical cooperation with larger industries and of a horizontal competition with other SMEs, which never competed to become independent from the larger ones nor this competition fostered the development of capital-intensive product instead of labor-intensive one. Moreover, the cultural factor, as the unformal trust and division of labor between family-owned firms, hampered the competition, making hard for them to develop as larger firms did. Indeed, the regions characterized by industrial districts made up of SMEs became the peripheral size of the Italian industrial tissue, extremely dependent by the center and facing the socio-economic causes of this development: "where one firm dominates as customer (as in the case with Benetton in the Italian clothing industry), small firms are highly vulnerable" (Stannard, 1999, p.316). This vulnerability contributed to push these regions into a deep crisis facing international financial turmoil and other unforeseeable crisis, which in turn had a strong effect on the society of these already fragile inner areas and peripheral economies, including the international and internal migration.

The center-periphery division of labor was though inherited by the 70s, when the larger firms started to externalize and triggered a diffused industrialization in the form of industrial districts; while the latter took advantage of the external economy of scale, on the other side, the larger firms retained the high-value production chains and were the only ones which could trade in foreign markets and be part of the globalization processes. The global economy indeed has highlighted the difficulty of IDs to compete internationally while big firms retained the technological skills and fostered the former to focus on what was better for them. The global firm can be outside the industrial district, or be part of it, but in both cases, it is the head of the supply chain and the only one which has the resources to compete internationally (Auci, 2014, p.623). In the case of an external center, the dependency has a strong effect on the SMEs of an ID and on the society where they operate, on the other hand, a local large firm, part of the ID itself, can foster the whole group to achieve better results throughout cooperation instead of a sterile relation between contractor and sub-contractor. In the former, the society suffer of the fragility of the industrial districts, which shape the socio-economic features of the area, while in the latter, the industrial districts as a whole increase the resilience against global competition and financial crisis. We are going to focus on the case where the center and periphery, that is, the large firm and the IDs, are part of a vertical cooperation which only consider the SMEs as sub-contractors without any kind of spillover, instead it increases the dependency of the letters from the center for technologies, financial capabilities, bargaining power and work. According to this kind of economic relation, the SMEs had not an easy life facing external shocks; indeed, as the report from the Bank of Italy asserts, "The findings of more recent studies have provided evidence of a weakening of the district performance, starting from the 2000's years, in conjunction with the entry of China and emerging economies into global markets

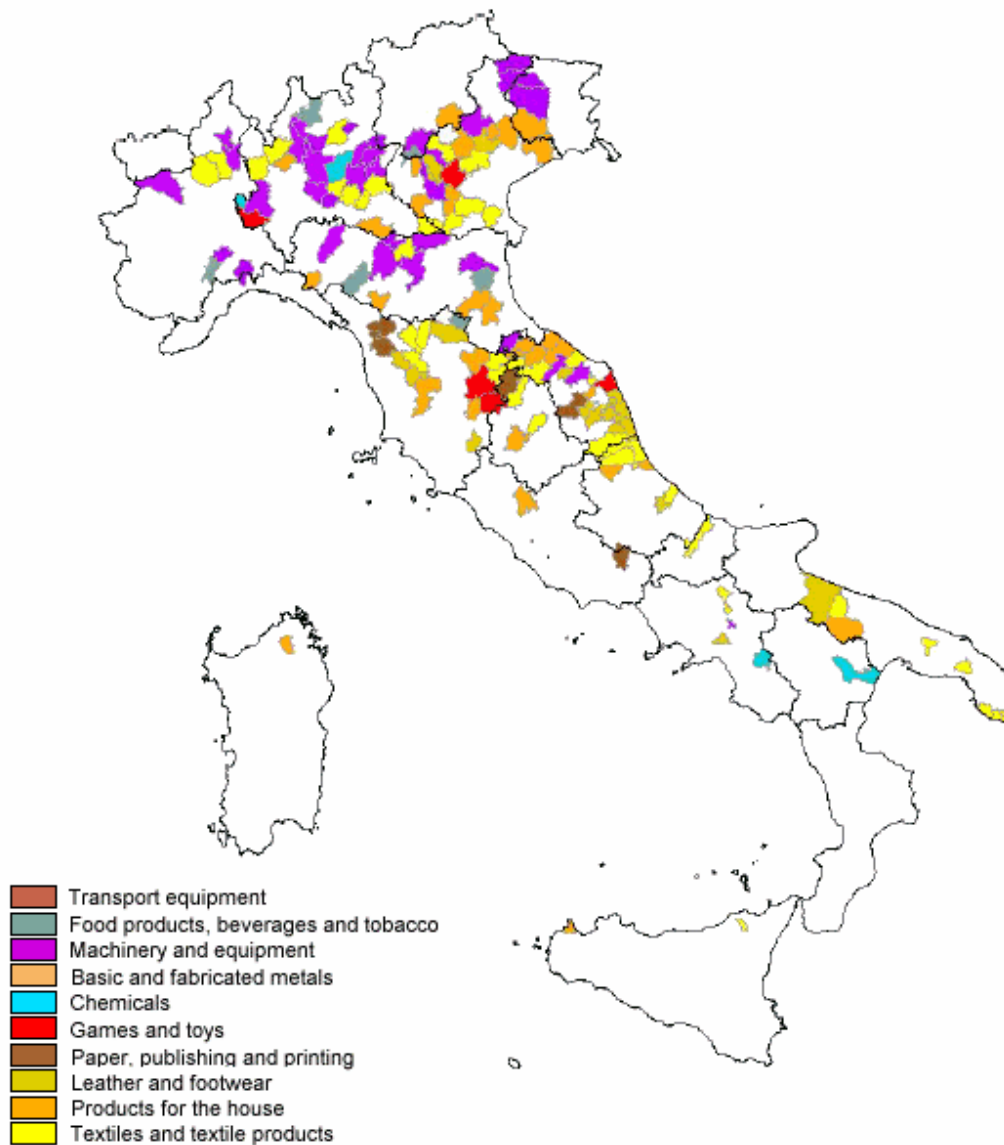


and with the IT technological revolution [...] the heightened global competitive pressures supported a significant reallocation of resources to the best performers; the long recession that followed the global financial crisis triggered further improvements in allocative efficiency, the entry of more selected firms and an increase in R&D intensity” (Giacinto, Sechi & Tosoni, 2022). We can though consider another historical period of evolution of the Italian productive tissue, that is, the 90’s and 2000’s, when global competitiveness and financial crisis forced the SMEs to readjust to survive, thanks to migrants, while deepening their dependency from larger firms.

Becattini divided the Italian system into two types of provinces, the Large Enterprises Provinces (LEPs) and the Industrial districts Provinces (IDPs), the latter often specialized into the “Made in Italy products”; during the 90’s, the IDPs took advantages of the great specialization and economies of scales, thus increasing the welfare of the provinces, as demonstrated by the demographic trends: while the LEPs lost the -0.92% of residents, the IDPs acquired the +2.94% in 2001, showing the capacity of the peripheries and their SMEs to attract internal migrants from other provinces, at least until 2002, where the research of Becattini ended (Becattini & De Ottati, 2006).

We can imagine, without excessive speculation, that this force of attractiveness has declined, as we have already quoted above, as a result of external shocks and global economic changes, which advantaged the larger firms instead of industrial districts economies of scale, with consequent effects on demographic and migration trends. As in the 90s and 2000s, today the IDPs are mostly in the North-East (45) and the Center (38), while the North-West presents a bigger share of large firms together with almost the same amount of IDs of the center (37); the South has only 17 IDs, while Sardinia only 4. The Made in Italy represents the 92.2% of the productions the IDs do, and 5 Regions accounts for the 88.3% of all the manufacturing industrial districts employment in Italy (Istat, 2011). The map shows the presence of the IDs on the territory, made up from 2005 data from Istat (Domenech & Galletto, 2007).

**Figure 8: Kind of IDs' specialization on the Italian territory**



**Source: Istat 2005 Dataset, in Domenech & Galletto, 2007**

The economic decline of the SMEs is confirmed by the data. Despite the number of SMEs remained almost the same, these graphic from an European report expose the end of their economic growth, represented by the decline of the added value of their productions, despite their number of employees rested the same (Gagliardi, Dimitri and others, 2012).

**Figure 9: Number of SMEs, Employment and Value-Added change EU-27, 2008-2012**



**Source: Eurostat, National Statistical Offices, DIW, DIW econ, London Economics**

Even though this could be a general trend experienced by all the western countries, it asserts the vulnerability of this model of doing business; we now concentrate to the social costs it has to the society and the communities where the SMEs and the IDs settle and works, that is, in the Italian peripheries of the so-called “third Italy” (Bagnasco, 1977), in order to understand the role of migrants. Indeed, the model of development of the IDs has merely survived to the global shocks and competition, thanks to foreign workforce, facing harsh economic crisis and disincentivizing Italians to live and work in these areas, which are now experiencing a shift toward the category of “inner areas”, that is, an area featured by a lack of services and socio-economic capital.

## 2.2) From center to periphery: the decline of IDs and society’s “shrinking”

### 2.2.1) *The economic decline and effects on inner areas*

First, the definition of inner areas can be misleading; indeed, we usually refer to them as almost rural and abandoned territories, far from essential services which were never built because, during the years of the industrialization, the economic development never touched these places; the National Strategy for Inner Areas, launched in 2014, has been established in order to help these places to survive, throughout public investments. In order to classify the inner areas, and considering the various shapes of the latter, the Technical Committee for Inner Areas has divided the territory in 5 zones, clustering the areas’ most in need for help, according to several indicators, as the quality of sanitary and transport services, the presence or the distance from schools and more; they came up with 5 class of areas: Centers, peri-urban areas, intermediate areas, peripheral areas, ultra-peripheral areas. The concept of inner areas includes the intermediate, peripheral and ultra-peripheral ones, in comparison with the center and the peri-urban areas where all the services are offered and where the life conditions attract people from the formers.

Usually, the government efforts were all driven toward rural areas where the lack of services were evident, despite the presence of small villages almost depopulated; however, we should also understand how the frequent crisis of the last decades impacted the intermediate and peripheral areas, but also the peri-urban ones; indeed, there the model of development was the one of a diffused industrialization that is now in crisis. The IDs, and in general the SMEs which are built there, are still far from the kind of technological development of the center, their supply chain is less strong, and they have been left aside from the global competition and innovation. All the Italian and European policies to foster digitalization and innovation for the SMEs confirm that the actual economic condition of mostly all the Italian firms is far from what is needed to be competitive nowadays. The dependent model of development of these SMEs increased their fragility, hampered their capacity of innovation, and shaped the society around them, which is now “shrinking”. Therefore, there are more than a bunch of rural and abandoned places to consider to have a full picture of the problem of the inner areas, which should include also all the territories which are losing economic and political weight and, as a result, their social capital, due to economic, material, symbolic, spatial, social and demographic shrinking; the geography of the recent fragility can be found in many different provinces, not only in the South, but even in the North, as the example of Como demonstrates (Alberti, 2006), or in the center (Di Baldassarre, 2021), particularly in the areas which cannot be ascribed either to metropolitan or internal areas, but which are usually called *Italia di mezzo* (In-between Italy) (Kërçuku, 2021). Though we need to rethink the criteria to establish what an inner area is (Costa, 2021). Indeed, the internal migration from certain municipalities to others is nothing more than an effect of this economic stuck within certain areas which, after an initial phase of capitalist development, didn't find its own path, but limited themselves to follow the larger firms where the capital was invested to be globally competitive.

In the areas where SMEs and IDs happened to be the economic fundamentals, companies started to pay less facing harsh economic crisis, their fragility finally came out and people started to move to places where more opportunities were offered, not only vertically as in the 60s, that is, from the South to the North, but even horizontally, from one province to another of the same region. Indeed, despite is quite easy to understand the direction of movement from rural areas to urban ones, it is otherwise tough to trace back the movements from one province to another within the same region. Especially in the areas where the industrialization was pretty diffused among many SMEs, the internal movement of people can include distant journeys within the same provinces, as well as between provinces of the same regions, between regions, up to definitive change of residence. For the purpose of this research, we must focus on the fluxes from the peripheries, where SMEs offers low wages and labor-intensive jobs, to the centers, where wages are high and there is more skill-intensive labor. To establish the boundaries between economic peripheries and the center, we cannot use most of the classification methods based on the geographical distance or the lack of services, because the former offers only a geographical distinction between urban and rural areas which can be misleading for the purposes of our research, that

is, the economic conditions and the effects on migration; on the other hand, the lack of services, or the distance of certain areas from them, in our theory, is only an effect, and not cause, of the dependency of the economic development of these areas. As the argument goes on, in order to geographically delimit the peripheries and the centers, we need to apply a method which include the economic factors, as the degree of specialization; indeed, Barbieri and Cruciani distinguished, using the Local Labor System, whose boundaries are defined using daily home/work travel flows, four areas with different degrees of economic specializations: while the highly specialized urban areas are the one around Milan, Turin and Rome, there are many low-skilled and unspecialized urban areas mostly in the North-easter and central one of Italy (Cattivelli, 2022).

As mentioned above, the Italian system is divided, from a socio-economic point of view, into a center, and four other zones, whose social services and wealth decrease the more the distance from the center increase. The peri-urban area is the category the nearest to the center, but different from a suburb; indeed, it is a “third space”, between urban and rural areas, which takes the form of highly fragmented productive and residential agglomerations connected together by more or less dense infrastructural networks and separated by empty agricultural or residual spaces (Cattivelli, 2021). Historically, these areas developed hand by hand with the diffused industrialization which created IDs, as well as a diffused urbanization, featured by relatively low population density by urban standards, scattered settlements, high dependence on transport for commuting, fragmented communities, and lack of spatial governance (Cattivelli, 2021).

Intermediates, peripherals, and ultra-peripherals are, as well as the peri-urban areas, affected by a decrease of residential population, a low rate of wealth, a lack of services, and a low productivity due to the massive presence of the agricultural sector and the low level of industrialization based on labor instead of capital and technology, which in turn lead to a vicious circle of mass emigration and depopulation, up to the probable full abandonment of the area. Apart from the remote zones of Italy, nowadays is useless to speak about a urban-rural division, according to the presence of many different type of peripheries which were born under the shadows of the large urbanization of the main cities. Historically, the productive tissue of the Italian economy was divided, since the star of the capitalist development after WW2, into big industrialized and Fordist firms and large rural areas which offered a pool of workforce, but then the crisis of the Fordist model in the 70s pushed the already quoted “diffused industrialization” which created the so called peripheries, featured by SMEs and IDs; the expansion of the latters created a polycentric model where urban and rural territories coexists, and the economic activities are differentiated among many SMEs. The model of development of these areas, based on labor-intensive jobs and low wages nowadays is in crisis, thus marking another historical phase of the Italian economy, leading to a mass migration of people from the inner areas, rural or semi-industrialized to the center, which in turn foster a further deindustrialization of the former, with disastrous effects on the society as a whole. Moreover, the movement of people since the 90s until nowadays is not

determined by the geographical features of the areas, that is, is not a matter of rural/urban migration, as some research had demonstrated (Anania & Tenuta, 2006, p.13), but is driven by the economic changes and relations between center and periphery, and the different levels of income.

**Figure 10: Historical changes and periods of the Italian economic structure**

	<b>From WW2 until the 60s</b>	<b>From 70s until 90s</b>	<b>From 90s until nowadays</b>
<b>Economic structure</b>	Few large firms in the North-western urban poles and a lack of industrial development in the rest of the country	Decentralization of the production in the traditional poles, a diffused industrialization in the rest of Italy thanks to SMEs	External shocks and low efficiency of the SMEs, the concentration of technological skills in the traditional urban poles, disruption of the supply chain in the IDs
<b>Economic equilibrium</b>	Lack of equilibrium in wealth distribution and the job market.	Social equilibrium, diffused wealth due to more job and equal opportunities from North to South;	Fewer jobs and lower wages, increase of inequalities among all the country between large firms and SMEs.
<b>Migration trend</b>	Mass migration from South to North-west	Great decrease of migration and a general rise of wealth	Internal Migration, both horizontally and vertically, from low-income to high-income areas; international migration to low-income peripheries.

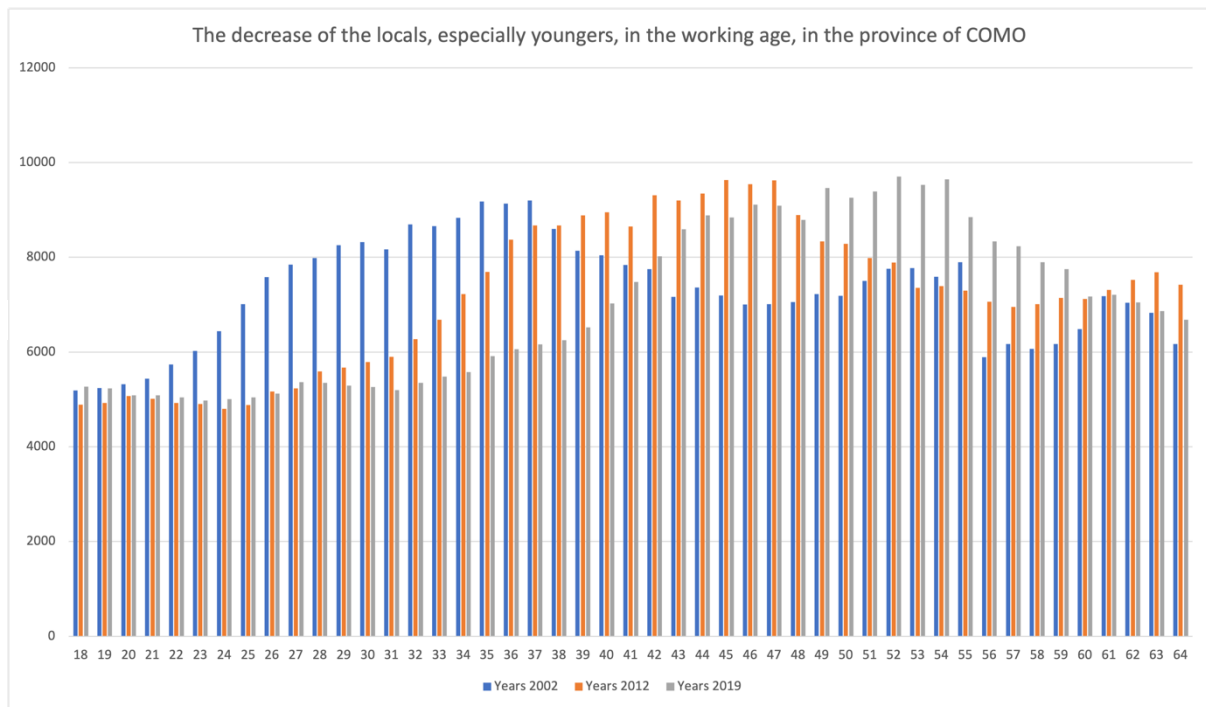
The shift of many IDs from the center of almost the majority of the value produced in Italy to the less active and most backward economic areas of the Italian productive tissue is well represented by many research, as the one of the textile ID in Como (Alberti, 2006); indeed, its decline, as for many others IDs in Italy, started in the 90s as a matter of three different but interconnected reasons. Above all, there were endogenous structural factors which were the preconditions for the crisis, as very high production costs due to the inefficiency of the organization and the lack of technology, mainly an effect of the *success myopia*, in a period when the international competition was still limited, and the internal demand was huge despite the costs.

### 2.2.2) *How the new labor market attracted international immigration*

Then, when the effects of globalization pushed the market to a crisis due to fierce competition, combined with a general recession, which were the exogenous causes which triggered the crisis of the industry, the ID of Como didn't manage to face it well as modern and larger firms did. These issues fostered a structural, more than cyclical, crisis within the ID, with the effect of an increase of the strength of traders, who gained bargaining power, and a reorganization of the SMEs which started to specialize into low-skilled and less expensive productions, facing even a new consumer demand for low-cost products, which they couldn't supply according to their lack of flexibility and efficiency. Many firms started to relocate in poorer countries, trying to survive where the production costs and wages were lower, thus reducing the size of the ID, disrupting the *filière*. The consequential effect was a new mismatch in the labor market: while SMEs started to pay attention to medium-low job profiles, with a continuous employment of poorly skilled workers, the skilled ones, especially young workers attracted by a managerial career, moved from a less attractive IDs to another one (especially in Milan). Moreover, the lack of a high-level education centers hampered the SMEs to hold back many possible entrepreneurs and new skilled workers, determining in the long term the shift of the knowledge from the IDs to larger ones, and a subsequent dependency of the periphery from the center. From a cognitive point of view, this situation strengthened the individualism and increased the lack of trust, people started to lose the sense of belonging and the will to interact with other firms in order to cooperate, which was the base of the economic success of the ID. Then the social effects were a decrease of locals, especially the youngsters and generally the ones in the working age, migration towards other centers and an influx of foreign migrants, thanks to a new demand for low-skilled labor. The internal migration was then partially compensating by the international ones, as the two graph shows: the youngsters moved toward places with more opportunities for skilled workers, and the ID became a pool of attraction for low-skilled foreigners, looking for a job and a better quality of life, settling for low wages (Istat data).

Generally, we can speak of three different economies in Italy, marked by different model of development: the center, where the firms cluster the R&D, the workforce is skilled and the capital saved is reinvested to be globally competitive; the peripheries, which include the small and medium urban agglomeration, characterized by SMEs and IDs, where the workforce is unskilled, the capital is not reinvested because of the decrease in the last years of the profit due to the absence of R&D and inefficiency; last but not least, the rural areas, where the economic pillar is based on the primary sector. The inner areas are then the one featured by a negative shrinking of economic, spatial, social and

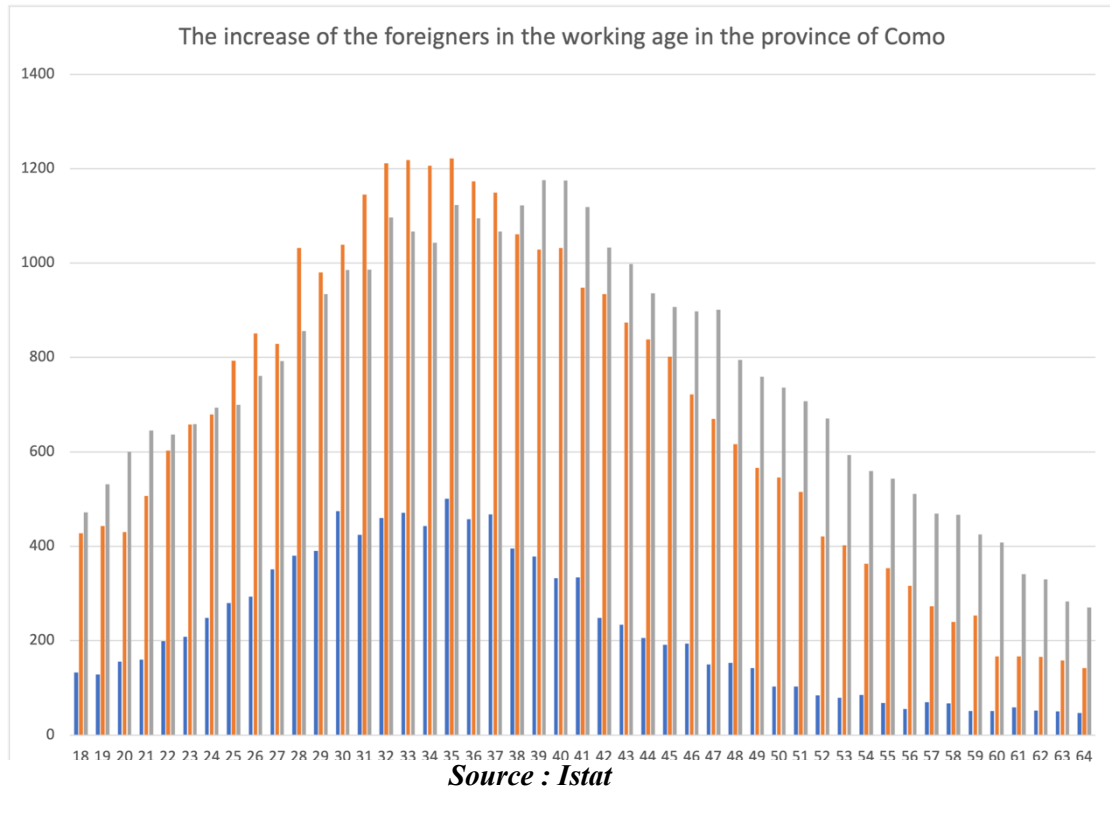
**Figure 11**



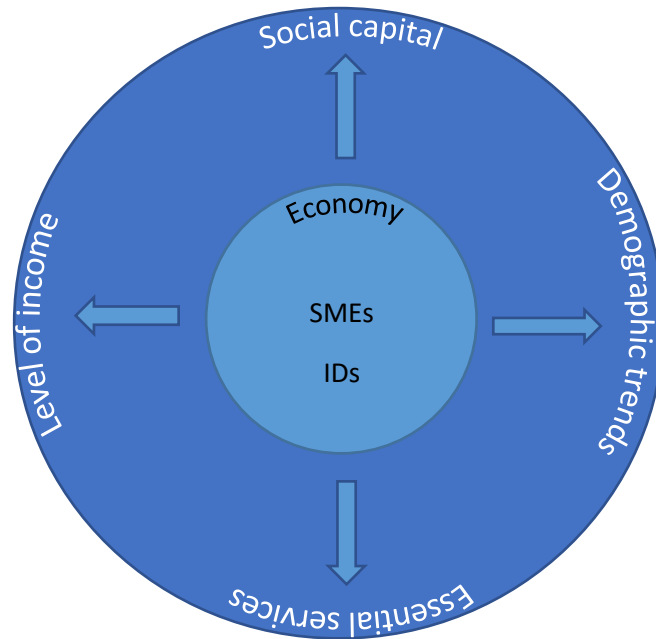
*Source :Istat*



Figure 12



demographical conditions, and affect mostly the second and third model. We now focus to the effect of this shrinking on migration, especially from the peripheries, where despite the industrialization, they are dying facing different structural and systemic issues. These areas are indeed fragile, with a low resiliency level and highly dependent from the success of the larger firms around which they developed in the last decades. For this reason, to understand the effect on migration trends is essential to know the economic fundamentals of these areas which are the reason behind the social and demographic shrinking. These areas are “in transition”, they were born from a fast and immature capitalism, and they are now facing the problem of the globalization, of the market prices lowered by bigger firms, the competitive advantage of the center and their own backward organizational structure. The way in which they will face these issues will determine these areas survival and expansion, or their extinction. Indeed, as the graphic shows, society is directly shaped by the economic structure; the efficiency of the IDs increase the level of income which in turn determines the attractiveness of these places, their social capital and shape the demographic trends, which, in case are negative, can lead to the decrease of essential services and the progressive abandonment of these places. Among these demographic trends, we now turn to the studying of migrations.



## 2.3) The internal/ international migrations fluxes within the peripheries

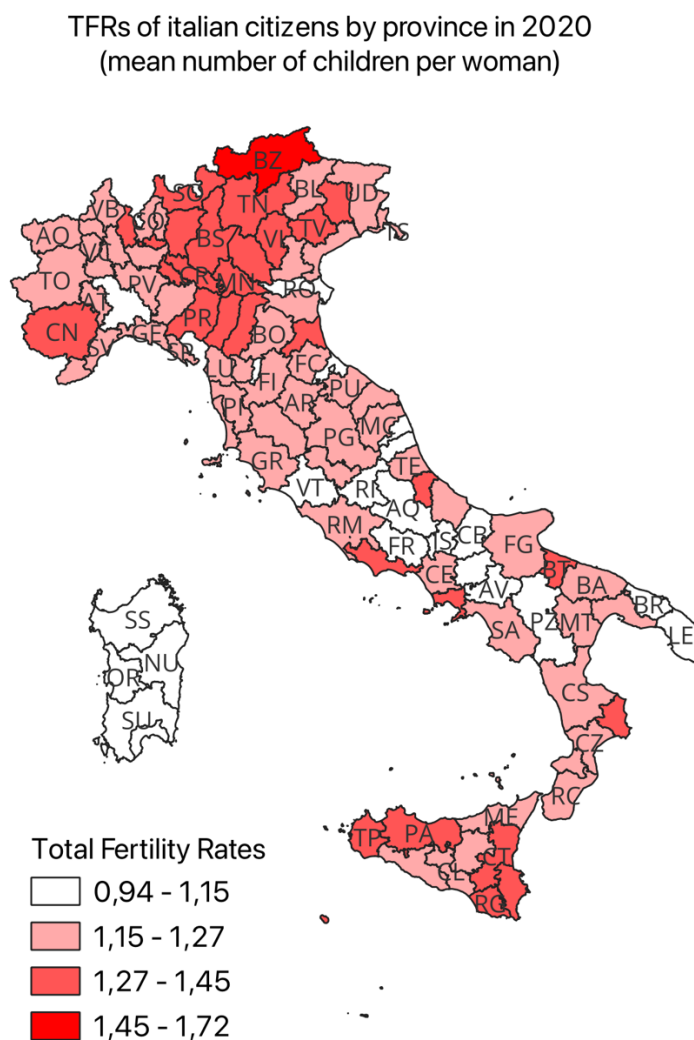
### 2.3.1) *The Total fertility Rates of Italian and foreigners*

This thesis attempt is to relate the two phenomenon of internal and international migrations in a general theory based on the economic demand for labor, which drive different kind of movements which shape, and are shaped by, the socio-economic conditions of a specific area; we have seen that, apart from the traditional movement of people from rural and abandoned areas to the urban ones, there are many provinces that, because of a systemic under-development path and the will of the locals to seek better opportunities, are now experiencing a massive emigration of the skilled people in the working age, who cannot achieve their aspiration in the SMEs of the once successful IDs of their zone; this makes them “peripheries”, that is, areas far from the socio-economic possibilities of the centers, shaped by demographic and economic stalemate. In fact, alongside the traditional depopulation of inner areas, as defined by SNAI, and of rural areas in general in favor of urban agglomerations, which has been underway since the beginning of the last century, there is also the phenomenon of urban "shrinking", i.e. a gradual depopulation of recent urban agglomerations caused by the crisis of local economies (Lanzani & Curci, 2020, p.80); this means that apart from places were these negative trends are clear, there are also many others in which the signs suggests a low and gradual shift toward core economies. These areas have garnered little academic interest despite the growing emigration of residents, the SMEs crisis and the gradual abandonment of public and private heritages. Many IDs fall into this category,

but not all. In fact, even if all the areas within this development model show the same negative signals typical of peripheral economies, there are exceptions of success and demographic dynamism. This makes it difficult to analyze such a fragmented phenomenon at a national level, but the common characteristics also allow for the construction of a general picture, which needs to be supported by the analysis of specific cases.

The decrease of the local population of these areas, especially the younger and dynamic one, create a vicious circle in which the society as a whole lose political weight, the probability of new economic ventures decreases and, in the long term, even the essential services,

**Figure 13**

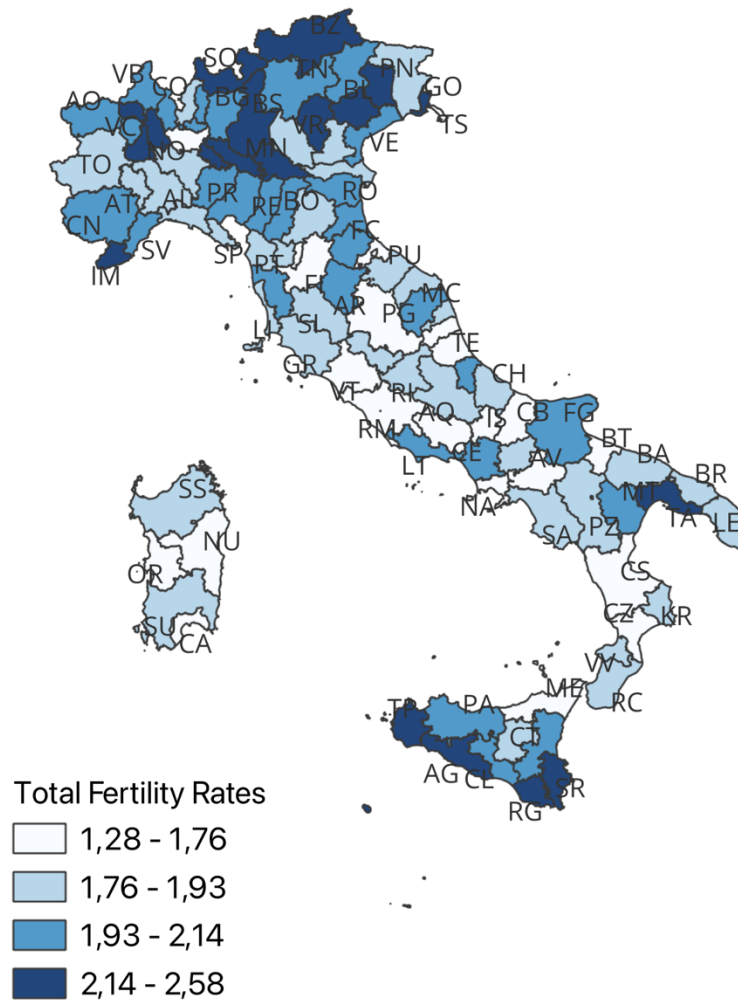


*Source: Author's own elaboration of Istat Data (2020)*

which are needed to attract population as well as investments; in this sterile environment, the SMEs have no conditions to change, reorganize and develop, but offer to the market the lower price for their products and services, advantaging the larger firms and the consumer, at the expense of its workers and of the society of the province where they are settled. The specificity and the territoriality of this phenomenon is demonstrated by figure 1, that is, the map of the Total Fertility Rates which, despite a great polarization between North and South, it presents great shades in the Center and North-East. The TFR shows the number of children per woman in the fertility age; even though the low fertility rate is an issue which characterizes the whole territory, it helps to understand where and why certain areas are experiencing a decrease of the population more than others. The first map shows the share of TFRs by province of Italians; the highest values, between 1,27-1,45, are concentrated in the North-eastern provinces and in Sicily, while in the rest of the country the TFRs do not exceed 1,27, however it is at its minimum in the provinces among the Apennine ridges. The South and the North-Eastern provinces are the ones with the higher TFR. The reasons can be many, first of all a cultural heritage of the South, more focused on the family as a social construct, and the wealth of the North-East which, despite a culture more prone to the career path, has reached in the last decades a level of wealth which helped the citizens to create new families, thus leading to a dynamic society. However, cultural and economic reasons fuel a crisis in the fertility rates in the rest of the country, especially in the provinces of the North-West and the Center, where the middle values are at its lowest (if we do not consider Sardinia). Where people used to move during the great industrialization and the rise of the SMEs in the 70s, building new families and creating whole new cities, they are now moving out or prefer to not take risks, threatened by economic instability of their homeplace. Marche, Umbria, Toscana, and Lazio are entire regions featured by low population growth, as well as many other provinces in the North-West (with the exception of Cuneo), and the South (apart from Sicily, the province of Napoli, Latina, Barletta, Crotone and Pescara).

**Figure 14**

TFRs of immigrants by province in 2020  
(mean number of children per woman)



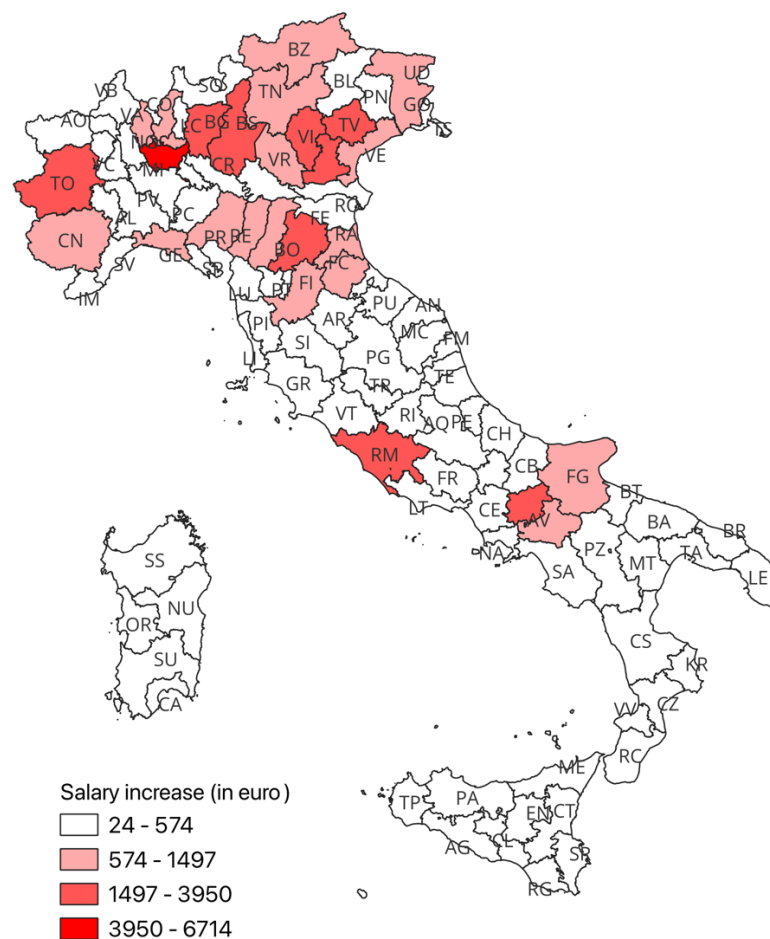
*Source: Author's own elaboration of Istat Data (2020)*

However, in many places where negative demographic trend would have hampered their socio-economic growth, migrants arrived, reestablishing a kind of demographic equilibrium which helped many small and medium peripheries to survive both economically and socially, as the blue map shows in figure 2. Indeed, 2 is the value which assure the replacement of the current generation, and migrants TFR's mean is of 1,9, even though in some places, especially in the the North-Eastern provinces, can overcome 2. We can concentrate to the provinces where there is an higher concentration of migrants

families, because we can assume that there they found economic stability and a better integration path: indeed, the point of arrival can differs from the point where they decide to rest. The TFRs of migrants in the North-East confirms that the economic wealth there is diffused, as well as in the provinces of Vercelli, Novara and Milan. In the South, the highest values are presents in Sicily and Taranto (Puglia). In the rest of the country, medium-high values alternate with medium-low values, and it is precisely in this intermittence that we can find the reason for the internal migrations of migrants. Latina has a migrants' TFR higher than the Rome's one, and the same is true for some provinces compared to their neighbors in the same region, most of all peripheries near bigger economies; just to quote few, it is the case for Caserta, which has higher values than Napoli, but even Taranto in respect of Bari or Foggia, Pescara and Macerata in respect of the rest of their region, Pisa and Arezzo in respect of Firenze. All these places present higher values than large urban areas, which have the power to attract more

**Figure 15**

Salary increase of an employee by province in 2020  
(base 2015)



*Source: Author's own elaboration of Istat Data (2020)*

investments but less workforce, suggesting the presence of a peripheral economic structure, based on manufacturing work, that gives more possibilities for migrants to gain wealth. Not by chance, the places where TFRs of migrants are higher presents an economic model of SMEs, often clustered into IDs, especially in the central regions where, on the other hand, the economy fails to retain the residents or are not deemed enough to build new families. This kind of differences in perspective, confirmed by the analysis of the two TFRs, suggests the existence of two different migration flows, one from abroad of migrants towards Italian peripheries, the other of Italian residents toward places with more opportunities and where they can be valued. For instance, in Marche region, all the provinces present low FRs by Italian, but in the Macerata province the FRs of immigrants compensate the former. The dire need by some provinces of the demographic contribution of immigrants is also economically, as in this case, given the presence of large economic areas and IDs which, despite the negative trends, are still operating. This countertrend means that the labor market in these places is changing, toward a low-skilled and low-value productions, especially in the regions where there are more SMEs, offering the perfect kind of job for migrants, while pushing locals, especially the skilled one, to not take risks, or to take them in other regions or at an older age. These numbers assert a change in the productive path of SMEs, while at the same time confirming them as an essential receptacle for migrants who, without this kind of labor-intensive jobs, would be attracted by other illegal activities, exploitation in harsh rural environment, or ghettoization in urban suburbs, without gaining any degree of integration. Thus, in the long term, the demand for unskilled and cheap labor is supplied by foreigners, who are more attracted by the possibility to have a stable, even though it's often a low-paid job, seeking a way to integrate into the new environment; indeed, the centers of the capital, being specialized into the high-skilled phases of the production chain or in sectors where a good degree of knowledge is needed, are not well equipped to welcome these migrants, who would risks to be rejected and emarginated in the suburbs of the big cities. On the other hand, their workforce is extremely needed by SMEs which face nowadays a reorganizational structure, being forced to respond to global competition and to their own inefficiency and backwardness by simply lowering the wages. However, the local labor market is in crisis too, according to the fact that while many locals moved to other centers, the one who stayed over are protected by social policies which shield Italian workers from underpaid and intensive jobs; indeed, foreigners have no social rights. The absence of the capital, and their impossibility to produce the surplus needed for technological investments, stuck up the SMEs in a kind of economic limbo, in which they can survive thanks to foreign workforce, but in the meanwhile they cannot improve, because of the type of job they do, their inefficiency and the dependency, for the know-how and the global market, from larger firms. Thus, these provinces become a pool for the low-value products of any kind of the supply chain, depending on the former specialization of the SMEs and the IDs, forcing locals to move. The negative demographic trends cannot be worst, and the prediction should doom these areas to a

complete subordination and then, to the complete absence of what is essential for the life of any community: the social capital. The gravitational power of few urban centers, which draw skilled workers from peripheries, is demonstrated by the map of the salary increase by province in 2020 (base 2015) (figure 3), which shows, despite the presence of good values in some IDs of the center and the North, that a great economic gap persists between centers and peripheries. Indeed, despite the North has higher values than the Center and the South, thanks to its historical industrialization, the highest salary are concentrated in the areas of Milan, and with far lowest values in the provinces of Lecco, Brescia, Bolzano e Treviso; the other provinces are at least above the national means. In contrast, all the other provinces colored in white are under the national means and are concentrated in the center and in the South, except for the province of Rome, focus of many investments thanks to the presence of the government. This differences in the salary increase is due to different model of economic development which in turn shape the migration of residents from peripheries, especially after the globalizations and the 2008 crisis, which worsened negative trends already begun during the 90s, fostering harsh individualism, environmental exploitation and auto-referential public policies which invested into useless infrastructures without creating the conditions for auto-improvement, thus incrementing the inequality between urban centers and the peripheries, as small and medium cities, peri-urban industrialized areas, and all the places which constitutes a *continuum* between rural and large urban areas (Lanzani & Zanfi, 2020).

### 2.3.2) *The international/internal compensatory migrations*

These different economies supply different kind of jobs, thus draining skilled workers from all the country into few urban or industrial centers, while leaving more job opportunities in the peripheries to migrants, as in the case of Taranto, Macerata, Lucca, and in the area all around Turin and Milan. This compensatory migration trend is demonstrated by the maps of the change of residency; it depends on many factors: the presence of a solid community for the arriving migrants, the cost of the travel or life, and many other factors which influence the cost-benefit analysis during the phases before the migrant arrival. Generally, big cities are the main target of migrants in the initial phase of their travel when they must find an initial job and need the help of an established community but the place where they settle is often different; indeed, peripheries offers a lower cost of life and an economy in need of cheap workforce, while modern transports facilities allows to move from one city to another, thus leaving people the possibility to decide where to live in.

Moreover, the fluxes directions can be different, according to the place of departure. Observing the destinations of Italians who decide to relocate, it is possible to notice points in common for all the five geographical areas represented in figure 4 to 8(North-West, North-East, Center, South and Islands), albeit with some differences, which confirm the attractive power of large centers compared to industrial peripheries. In common all the areas share a marked propensity for residents not to leave their own



province or region. Internal migrations therefore tend towards a short distance, and this demonstrates the more or less generalized attempt to avoid long-distance transfers, for cultural and family reasons, unlike the migrations of the 1950s, which instead were characterized by enormous migratory flows from South to North. Today, the verticalization of migrations, which remains very broad for the migratory movements that depart from the South, is joined by huge flows of horizontal migrations, along the Apennine ridge and within the same industrial areas of the Northeast, Center and South. However, it is important to note the attractiveness of the capital centers, above all of Milan followed by Rome, which confirms its economic appeal not only, albeit obvious, for the citizens of the North-West, but also for those of the North-East, Center and South. Milan instead it seems to attract fewer workers from the North-East, where the widespread industrialization of many provinces seems to have taken root and still seems to offer many job opportunities also for Italian citizens.

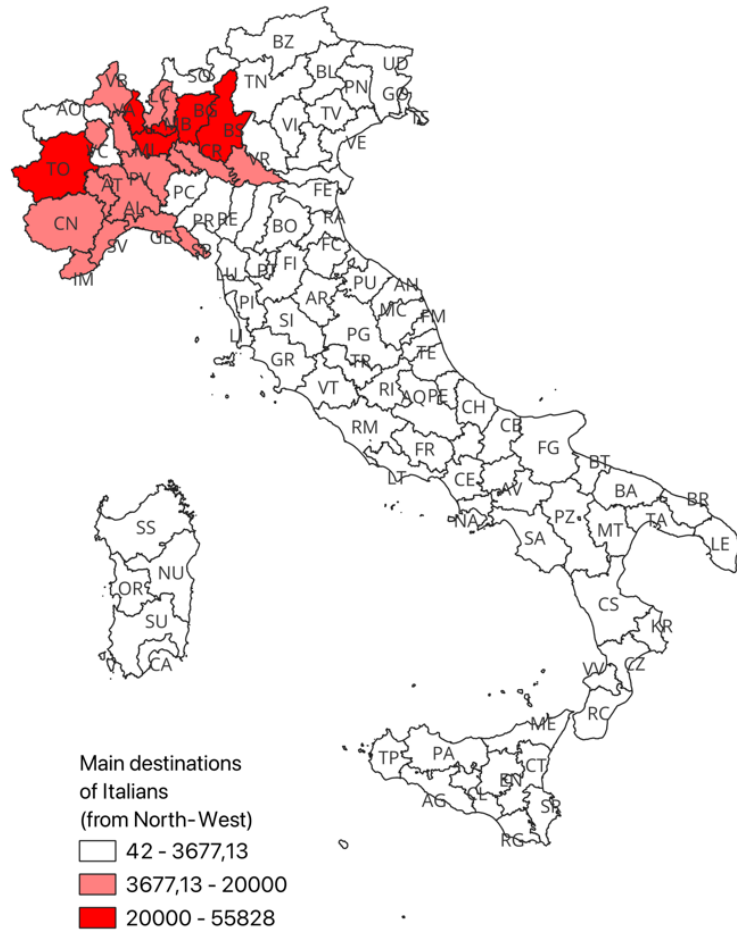
Instead, Rome remains the first destination for all transfers from Central Italy, followed by Florence and Milan. The South is much more varied, synonymous with the greater need to find different economic solutions to many structural issues; in fact, in addition to the classic southern urban centers, such as Naples, there are some provinces, such as those of Salerno, Bari, Lecce and Cosenza, which contribute to keeping internal migrations contained, even if the most important destinations remain Rome and Milan. Unlike the other areas, southerners are also attracted to Bologna, perhaps for study reasons, while they renew their historical interest in Turin and its industrial province. The same goes for the Islands, where although migrations are very limited within the regional borders, Rome, Bologna, Turin and above all Milan still stand out. From this first glance, two types of migratory movements of Italians can be distinguished: that from municipality to municipality within the same province, and that from one province to another, not exclusively within the same region of origin. In the first case, migrations may have reasons other than economic ones, as the importance of the demand for labor in short distances is relatively low and qualitative interviews would be needed to trace the reasons for choosing one municipality rather than another, even if nearby.

In the second case however, as in international migrations, since the distances are greater, we can consider the demand for labor as a predominant factor in the choice of place. The incidence of higher wages in Milan means that in all 5 areas it is the main destination for citizens who decide to move outside their own province. Rome is in first place only for the citizens of the center, due to a factor of geographical proximity. It is important to note instead how the industrial districts attract internal migrations from the respective provinces and regions, but not from the others: the IDs of the center do not attract workers from the North and *vice versa*. This demonstrates a substantial equality of possibilities for the IDs, synonymous with a development model which remains more or less unchanged throughout the Italian territory, and which fails everywhere to retain all those residents who instead, from all over Italy, choose Milan, Rome and to a lesser extent Naples, Bologna, Turin and Florence. The latter are not only centers of economic development, of modernity, of technology, but they are also

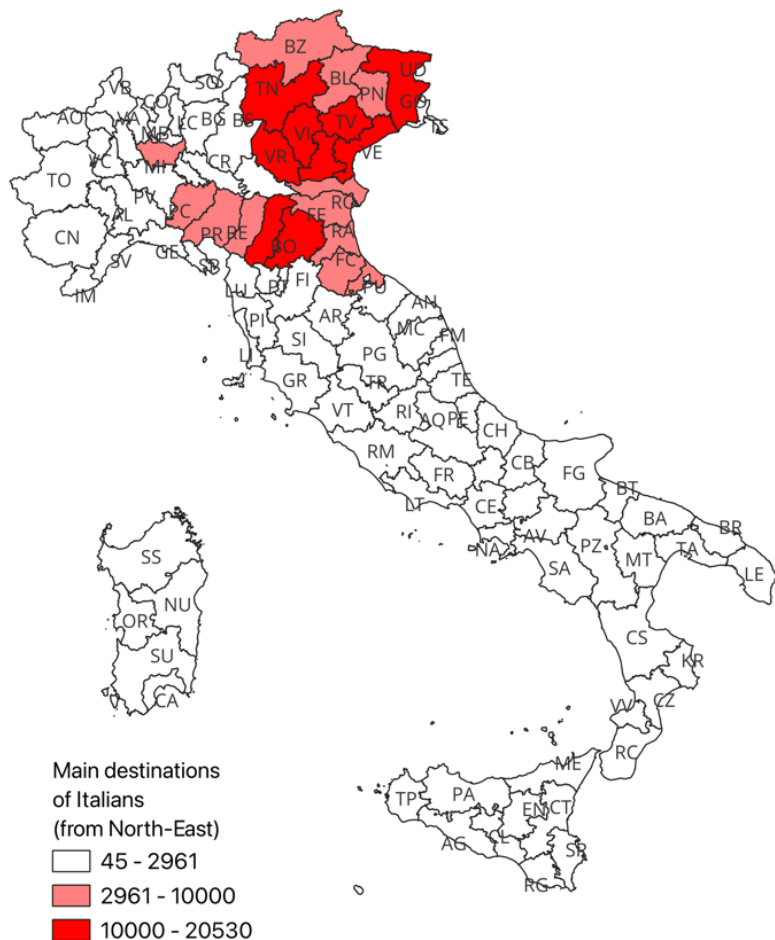
academic centers. Just to use a metaphor, these capital centers represent the head of the train, the first class, while the IDs, even if they offer often a better lifestyle than the countryside, lag behind the head, even if they represent the engine of the former, not only in terms of production, but also of knowledge (think of the thousands of students who arrive at the centers every year to pursue their academic career). These migrations are the result of a process of economic and demographic transition in which international migratory movements intertwine. Two points can be confirmed by these data: internal migrations tend to be not very dispersive, i.e., to remain within the administrative borders of the provinces and regions to which the migrant belongs, and at the same time that there are economic centers with such a gravitational power as to refute the first point, pushing many workers to more drastic changes of residence, attracted by the extreme wage gap between their own periphery and a core economy. The phenomenon of urban shrinking of industrial and semi-industrial areas is therefore due in part to competition from the more competitive nearby industrial districts, and in part to the presence of economic centers which, although distant, offer more possibilities than any other IDs, including those in other developed regions such as the North-East which, in fact, does not attract workers from the Center and the South.

**Italian Internal mobility:  
the change of residency of  
Italian citizens, by  
geographical areas  
(People who move from  
their initial province of  
residency to another)**

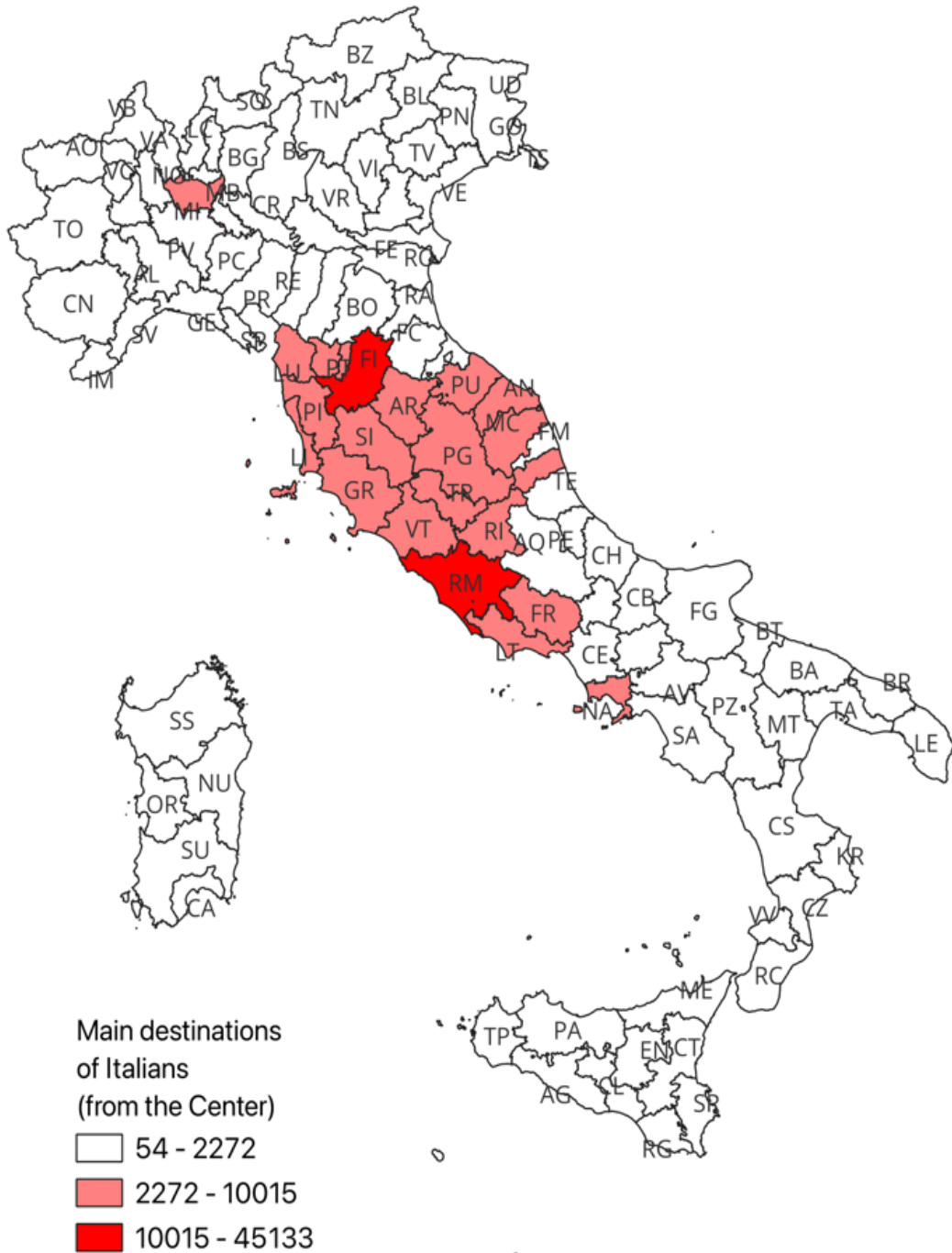
**Figure 16: From North-  
West (initial residency)**



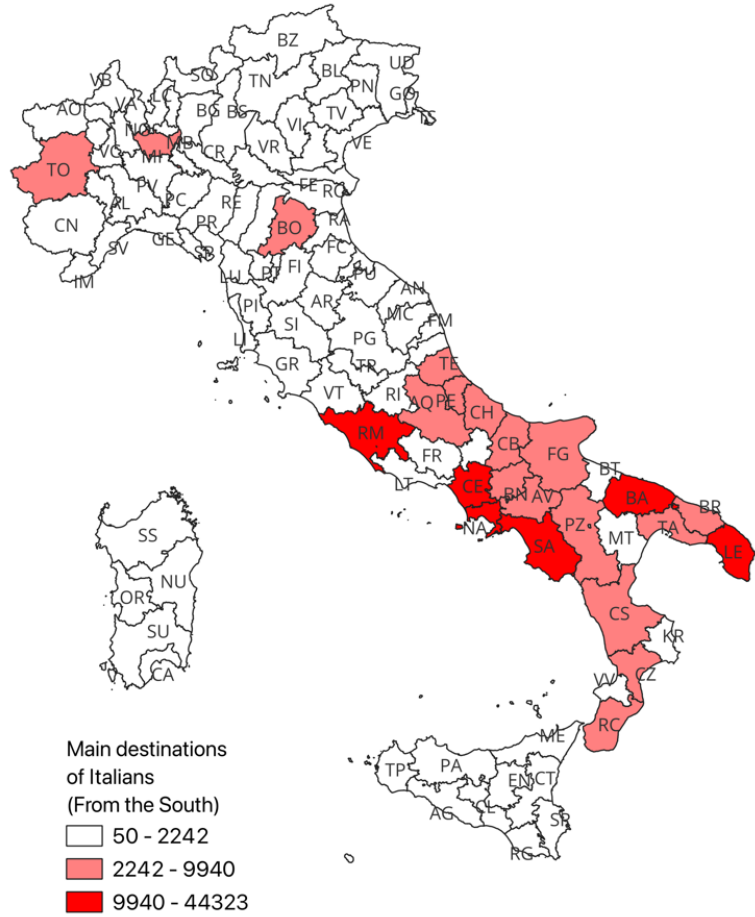
**Figure 17: from North-East  
(initial residency)**



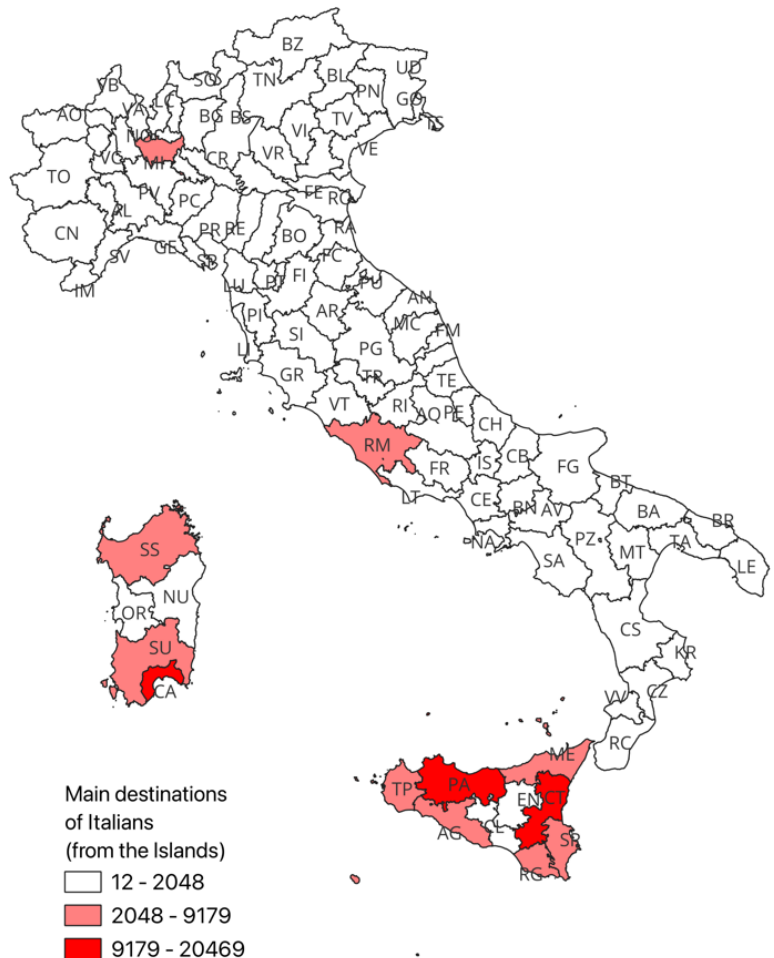
**Figure 18: from the Center (initial residency)**



**Figure 19: from the South  
(initial residency)**



**Figure 20: from the Islands  
(initial residency)**

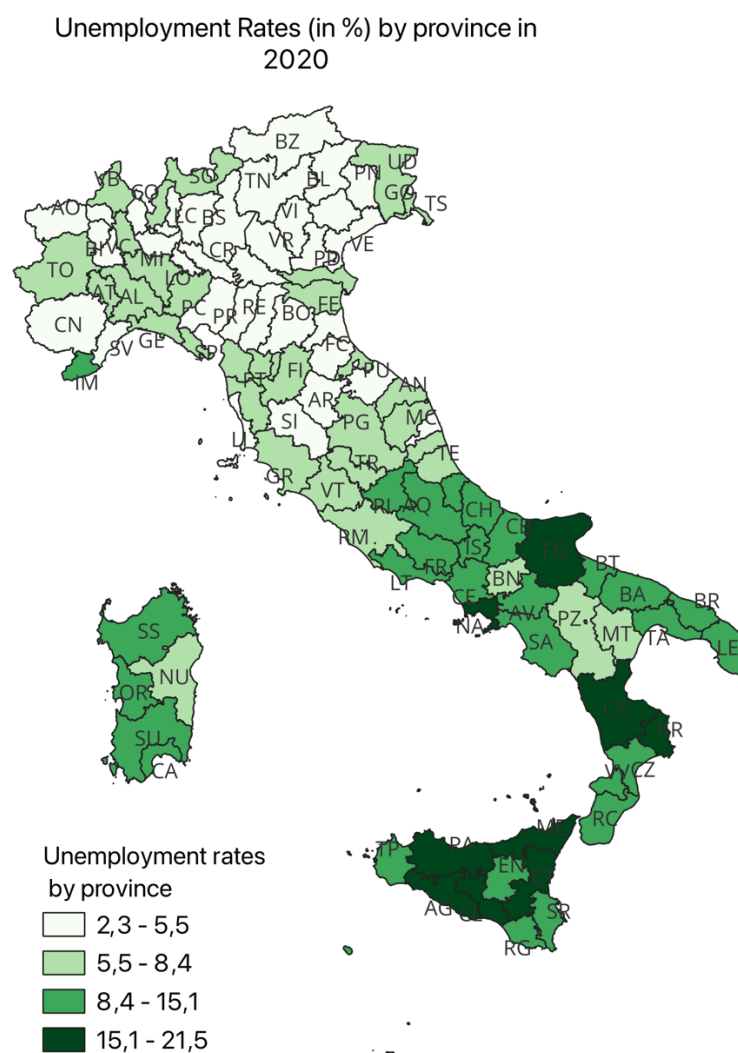


*Source of figure 16 to 20: Author's own elaboration of Istat Data (2021)*

### 2.3.3) Where immigrant workforce is deemed essential?

Foreign workers, although following the laws of labor demand like Italian workers, seem to have a less organized spread throughout the territory, the administrative borders of provinces and regions no longer matter, and it is increasingly difficult to understand the starting and finishing points of such individuals. Where are they located and why? Our theory requires that international migratory flows follow a compensatory logic, i.e., that they go to fill the gaps left by Italian workers.

**Figure 21**



*Source: Author's own elaboration of Istat Data (2020)*

We can therefore observe that, even though urban centers have a considerable capacity to absorb foreign labor, their preponderant presence is precisely in the North-East and Center, and in some provinces of the South. To understand why, we first need to define the concept of labor mismatch, a typical paradox of the Italian economy, that happens when the supply is unable to match the demand in a certain type of work to such an extent that unemployment and job vacancies occur at the same time. That's why in many provinces the high rate of immigration is accompanied by a high unemployment rates (figure 9); for instance, despite the unemployment rates above the national mean, which is about 8,39, in many central and north-western provinces, there the migration rates stay far higher than in other places. The provinces of the North-east presents an exception because the low rate of unemployment goes hand by hand with a high number of foreign workers, thus demonstrating an high capacity of absorbing workforce without scarifying economic wealth; The mismatch between demand and supply of labor is far more present in the central and North-western regions, especially in provinces of recent industrialization. The South presents a high degree of unemployment, but a lower number of foreign workers, thus confirming the structural absence of job vacancies for both locals and foreigners, with the exemption of the tourism and agricultural sectors. Where we can find this labor mismatch? In provinces where the TFRs of immigrants is high despite the unemployment rates, thus meaning that the labor demand fit with immigrants' supply of labor but not with the locals' one; Macerata in the Marche region, but even Latina in Lazio, Imperia in Liguria, most of the provinces around Milan such as Varese, Pavia and Como, Pisa and Lucca in Tuscany, Trieste in Friuli-Venezia Giulia. In the South, the unemployment rate is more systemic, due to its economic heritage, but some provinces more than others attract migrants despite this, among them there are Agrigento in Sicily, and Foggia in Puglia, even though the neighboring provinces have the same characteristics. Probably the undeclared work, albeit underpaid, very widespread in the South, allows many migrants to survive, albeit in precarious conditions, contributing to an economy mainly based on the exploitation of the workforce both in industries and in the agriculture, the kind of jobs that the local population is not thus forced to do. This confirms the presence of an economic crisis of many IDs which cannot offer proper job opportunities to locals, forcing them to move in other provinces or to main urban centers, thus freeing job vacancies for international migrants, the only workforce able to match that demand of labor. These maps shows the particle nature of the phenomenon too, very diffused in the Center and the North-West, with the exception of the North-East, which appear to be the area where wealth and job are better distributed; while in the "Third Italy" (Bagnasco, 1977) we find this complementarity of internal and international workforce, in the South the situation is different. The lack of a structured IDs, the crisis of the Fordist large firms which delocalized during the 70s and the inability of the local and national authorities to foster a state driven development cause a structural unemployment which cannot be traced back to the globalization and the 2008 crisis, even though the latter worsened the situation; the South economic heritage is different from the one of the North and the Center and, for this reason, it need another kind of analysis. We choose to concentrate to a specific area in the center of Italy, an area which is in an

economic and social “transition”, in the middle between the rural and the industrial model of development, because of the arrival of a fast and recent industrialization in places historically devoted to agriculture: Marche region. The presence of many IDs, the socio-economic decline and the increase of foreign communities will confirm the presence of a structure-agent model in which migrants have and will have a fundamental role in development of these peripheries. Again, the smaller administrative boundaries help to limit the research and dive deeper into the migration analysis, fostering better bottom-up policies, which are the key to reverse a vicious circle of territorial degradation, migrants’ exploitation and political polarization.

The presence of international foreigners and their family could boost, as this thesis asserts, a new dynamism in the society and economy of these places. Before analyzing the benefit and costs of this migration influxes, we should consider the case that, even though many IDs presents similar trends as the one of Como, Macerata and others, especially for what concern the endogenous causes of their decline, in other districts the exogenous factors were different; indeed, while almost all were hit by the financial crisis of 2012, in some regions there were additional external shocks which in turn accelerated a process already underway, as the earthquake in Abruzzo and Marche. These cases could be misleading from a statistical point of view, but instead they confirm that, where a dependent development of SMEs took over since the 90s, the resilience of the entire socio-economic system decreased, and so the capacity to face external shocks. All the peripheral economies need to rebuild their fundamentals before being able to face natural as well as economic shocks, and the international migrants could be the key for success. Suggested policies to took advantage of them will be discussed in the third chapter; for the moment, we limited ourselves to describe the migration fluxes and how they interact.

As we asserted above, internal, and international migrations are interconnected, economic environment in the center and the periphery create a particular demand and offer of jobs which in turn push people to move in and out the peripheries. From a geographical point of view, which is fundamental to understand the directions of movements, the map of the possibility of salary increase shows important differences between provinces in the three Italy. Indeed, the provinces with the highest salary increase are the one of Rome, Turin, Milan and Brescia. The rest of the areas colored in orange, have a medium level of salary increase, and the majority is clustered in the Northern region, even though in some regions still persists some provinces with a low level of salary. This map shows that the traditional view of an North-South divide is no longer attainable, at least to understand the problem of the peripheries, which can be found in the North-west and North-East, as well as in the center, despite the South is still generally a step backward. Indeed, the same regions can contain low-salary economic activities which in turn can foster negative demographic trend and influence migration movements. The areas where the majority of industrial districts are, are featured by a medium/low salary increase, thus confirming the existence of an economic divide in the demand of labor; indeed, were the companies are bigger, the economy is well-developed and the firms can produce and sell added-value goods, and the



salary must necessarily increase in relation to the value of the product and the possibility to commercialize it, even internationally. Where the salary is lower, the economic activities are often traditional and inefficient, as in many IDs. If we compare the level of salary increase with the migration index, we can map the provinces with interesting flux of movements. Moreover, even though many provinces present a relatively high salary increase rate, the difference with the nearest urban areas is overwhelming, as in the case of Como and Milan; this high discrepancies in the level of salary have important effects on the economic structure, which is split into a center with a gravity power for jobs and investments, while the periphery retain the low-skilled jobs and workforce, despite the presence of highly specialized industrial districts. In the specific, Turin has a salary increase of 2372 euros, which is far higher than the national mean, which is about 586 euros, but the provinces around Turin have smaller values, as Vercelli with 150 euros, Novara with 424 euros, Asti with 183 euros, Alessandria with 404 euros, Biella with 209 euros and Verbano-Cusio-Ossola with 135 euros; only Cuneo has a value above the national mean with 888 euros. This creates a disequilibrium in the job's market in all the provinces enlisted above, where there are IDs specialized in the textile and mechanic sectors, created as an externalization of the centralized factories of large Italian firms as the FIAT, the most important automobilist firm in Italy. Lombardy is the only region where the salary in the provinces retain high values in more than a province, as for example Bergamo, Brescia, Monza and of Brianza, and Varese, even though the gap with the rests stays high, as if we compare them with Sondrio, Como, Pavia, Cremona, Mantova, Lecco and Lodi, where IDs are presents too. On the other hand, Veneto presents the highest equilibrium, with only two provinces under the national mean (Belluno and Rovigo), while the other presents relatively high values, even though they don't reach Rome, Milan, or Turin. We can suggest that this kind of economic equilibrium, due to a diffused industrialization, and its resilience over the years, has contributed to a decrease of migration fluxes.

The situation is far more critical in the center, where despite the presence of many IDs, in some regions there are no provinces with a salary increase which reaches the national mean; indeed, only Florence presents a high value, with 1497 euros, and Rome, with 3905 euros. This kind of inequality has triggered some demographic consequences which, in turn, has decreased the wealth of these places both in term of social capital and national services. The data on employment rates confirms the different possibilities and wealth among the main geographic areas of Italy.

**Figure 22: Employment Rates by geographical areas (in %)**

Employment Rates (2022)	Foreigners	Foreigners with degree	Italians	Italians with degree
North-West	62.4	68.4	68.3	86.1
North-East	64.7	73.9	69.7	86.1

Center	60.8	66.0	65.4	83.1
South	50.3	50	46.5	72.4

Source: Istat (2022)

Only the 23,2% of immigrants live in the metropolitan cities, and more than a half lives in the peripheries. Furthermore, in areas with a high concentration of migrants, i.e., the North-East and Centre, their employment rate is higher than that of Italians. On the other hand, the employment rate of graduates is higher in the North-West and North-East than in the Center-South. This confirms the migratory flows of skilled workers from the peripheries to the center and of international migrants to the peripheries, since, even if both flows are guided by a quest for the best salary with equal living conditions, the supply and capabilities of the workforce differ. Indeed, in the North-East, the employment rate is the highest in Italy, given its development model based on efficient economies of scale. In the Centre, the employment rate in general drops, the Italian one exceeds the foreign one by 5 points, but that of graduates drops dramatically. This demonstrates a convergence between foreign and ungraduated Italian workforce, complementary and replaceable, while the gap between graduates and non-graduates increases, and above all between North and Central South, the latter unable to offer enough skilled jobs.

**Figure 23: Inactive Rates by geographical areas (in %)**

Inactive Rates (2022)	Italians	Foreigners
North-West	27.8	28.6
North-East	27.1	27
Center	30.6	27.3
South	45.9	35.6

Source: Istat (2022)

In the South, the employment rate of foreigners is even higher than that of Italians, although the average level is lower than in the rest of Italy. Therefore, observing all 4 areas, we can state that the composition of the workforce in Italy is homogeneous, as the difference between the Italian and foreign employment rate is always 5 points, even if the highest level is found in the North-East. However, the attraction of the North as a whole is increasing, for qualified graduate personnel. This confirms the tendency of the Center and the South to choose distant destinations for internal migration. These rates

suggest that the North-East, the North-West and the Center offer equal job opportunities to non-graduated foreigners and Italians, but only the first two attract graduates. The inactive rates instead suggest a marked dependence on foreign workforce, especially in the peripheries of the center and south. In fact, the inactivity rate is higher for Italians than for foreigners in the Center (about 3 points higher) and in the South (10 points higher). Since the inactive are those who are not looking for a job, they are replaced by an unemployed workforce which is the result of a systemic global and national crisis, which produces both an immigrant and an Italian workforce without specific professional skills. Immigrants find work in the SMEs, becoming part of that proletariat from which the Italian citizen can often free himself through public subsidies, or by entering the third sector. Summing up, we can assert four points:

- Migrant work is complementary to that of non-graduate Italians, and it is well needed, especially in the Center and in the South, to compensate for the high rate of inactive citizens.
- The north offers more possibilities than the center and the south for Italian graduates (but also for graduated foreigners, albeit to a lesser extent).
- Italy is divided into areas with a strong productive tissue, especially in the North-East and some North-Western provinces, which together offer skilled and unskilled work, both to Italians and foreigners, and weaker areas, above all in the Center and in the South, which offer more work for non-graduate Italians and foreigners.
- Migrations, following a logic of demand, tend to empty the weaker areas, i.e., the peripheries, while the skilled workers tend to seek their jobs outside the SMEs in crisis creating a labor mismatch.

However, this phenomenon is particle-like and concerns, in their small way, many peripheries throughout Italy. An analysis of the single territory is therefore necessary.

## 2.4) The “Marche” Region: A Case Study

### 2.4.1) *An introduction*

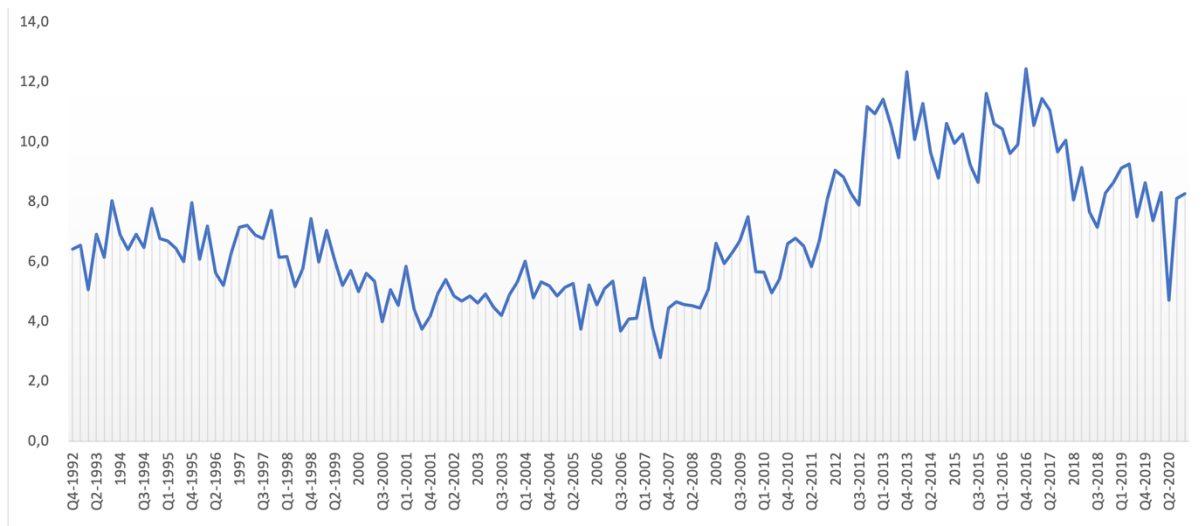
If the IDs are facing a time of great crisis and changes, the immigrants within are rebuilding that working class which led to Italian prosperity during the economic boom decades; their civil and social rights is therefore the main political issue of our political establishment, given that the development of inner economies goes hand by hand with their integration and the increase of wealth within immigrants’ communities. Many cases have been studied since the 90s on the migrant’s role

within IDs, such as in the leather districts in Veneto, which showed up their fundamental role for the worst phases of production, given the absence of local labor supply (Andall, 2007). On the other hand, that research also asserted the bad conditions which the foreign workers were forced to undergo, a frequent feature of the jobs offered by SMEs in crisis, which is theoretically the result of a vicious circle of exploitation, unsustainable in the long-term. In fact, an attitude of exploitation of the migrant would lead the latter to an extractive attitude toward peripheral economies, without reinvesting social or economic capital; in other words, a virtuous circle could only exist, in a place where the foreign workers class is predominant, when the latter shares the same rights of the Italian residents. Indeed, the integration of immigrants within peripheries means a new behavior toward the civil society, a different point of view of their own rights and a new attitude toward the main drivers of the capitalist development; savings, as well as consumption, of immigrants will help the sterile environment of the peripheries to rebuild their wealth, sacrificing cultural and ethnic homogeneity on the altar of economic development and social integration. Moreover, the immigration theory has demonstrated the capability of the migrants to build their wealth, especially by the second generation, that is, the children of migrants, whose earnings increases the more they stay in a certain place, reaching some peaks that overcome the one of the native-borns (Hurst, 2016). However, to allow the creation of a second generation means to foster the recently arrived migrants to stay, according to them the rights and the power to defend their interests; for this reason, this thesis attempt is to explain a phenomenon too often misunderstood by the media and the politics, setting aside political ideologies and offering a realistic picture of the issues at stake, while focusing on the matter of integration of these migrants into localities such as the peripheries of the Italian territories.

However, to analyze this phenomenon on a national scale could be misleading, especially in Italy, where the economic tissue is so diversified that mostly all the regions and Provinces are linked to a specific territory, with particular economic characteristics and socio-cultural heritages, which is why the “made in Italy” is so admired and envied. However, the fact that Italian economic tissue is made up of SMEs nowadays in crisis, the importance of the role of the migrants within the economies and society of these places can be easily generalized; indeed, SMEs are always territorially tied, thus shaping socio-economic relations around them. On the other hand, every territory presents different socio-economic specificities which in turn gives specific advantages or problems to the IDs which they host, forcing us to focus on a specific Italian region to understand how the System/agent theory works, with the attempt to assert, at the end of the day, general principles to help the reading of fluxes of immigrants. Indeed, the replacement of the classic Italian blue collars by immigrant workers in the IDs was also highlighted in other countries where the international migration fluxes already took place in the previous decades for historical heritages, such as the colonialism; it was the case for France, Belgium and even Germany, where in the 70s the decrease of the working class was accompanied by a rise of a gradual concentration of immigrants, and in all these cases in the IDs the foreign workforce

became the dominant class: a post-Fordist economy was the main common denominator in all these countries (Solano, 2013).

**Figure 24: Unemployment Rate trend since 1992 (In %)**



*Source :Istat (2020)*

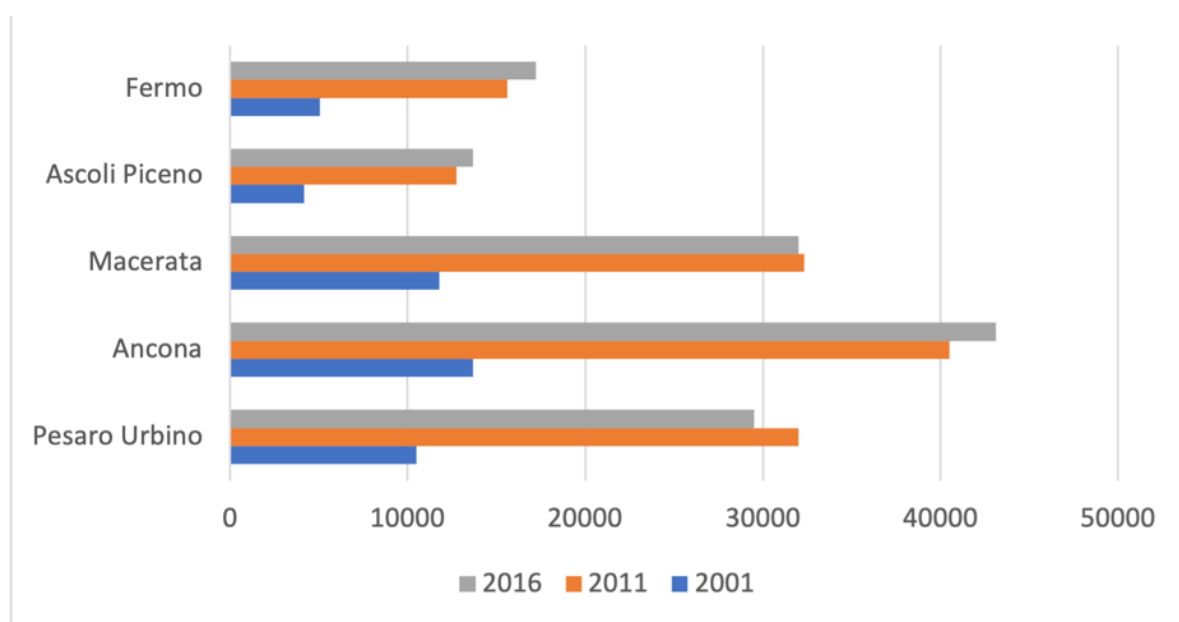
The case study of Marche was chosen, not only for the huge presents of foreign workers recently arrived and for the crisis which mostly all the IDs of that area are facing since the very beginning of the globalization, but even for the specificity of this territory, tormented by exogenous events, as the devastating earthquake in 2016, or the financial crisis due to the failure of the main regional bank. These facts made clearer in Marche region more than wherever else the importance of immigrants to correct the labor's market deviances and to enhance the resiliency of the society and of the economy which, far from the spotlight of the media and marginally helped by the central or European politics, can only count on their communities. Unfortunately, the globalization process was undergoing for many years, and since the rise of global competition in 2001, the socio-economic decline started to worsen, however without leading to effective counter-politics; while capital centers were accumulating power and wealth, entire provinces were losing competitive advantages and attractiveness, something that was almost clear to all only when was too late, that is, after financial crisis in 2011 and the earthquake in 2016; like a frog inside a boiling pot, some provinces were becoming quietly social peripheries, with an increasing gap with other capital centers. Indeed, the unemployment rate increased through the years, reaching the higher values in 2013, when the financial crisis took over in Italy, and in 2016, when the Banca Marche officially closed and, in the same year, the earthquake hit several provinces of. The Marche region. Generally, the unemployment rates started to grow since 2008, after a slight decrease in the previous years.

The increase from a mean of 6 up to 12 points of unemployment would suggests a decrease of available jobs and a rise of the structural unemployment rate, that is, the absence of job offer, apart from the structural base of non-workers for a lack of skills or the imperfect mobility and information within

the labor market. This apparent decrease of effective jobs should confirm the trend of delocalization or closure of many SMEs which took place throughout these years. However, the number of economic migrants increased, due to a change of production instead of a reduction of the latter.

In the Marche, since the 1990s, as in many other provinces of the third Italy, there has been a qualitative growth of structured enterprises, and the decline of many other less efficient ones, mostly SMEs. From centers of ideation and production, IDs become less and less connected to global markets, and more and more dependent on those large companies that instead control global value chains. Where it is not possible or there is no desire to relocate, global competition forces a lowering of wages and the quality of work, both once essential characteristics of the “Made in Italy” (Cersosimo, Ferrara, Nisticò, 2020), leading to a decline of the social capital.

**Figure 25: Number of foreign residents by province**



*Source: Istat (2016)*

Indeed, despite the high unemployment rates of some provinces, the number of foreign residents started to increase since the very beginning of the globalization processes, even in the years of the deepest crisis, that is, in 2013 and 2016, as the bar graph shows. This confirms that a labor mismatch was taking over, more in some provinces than in others; indeed, all the five provinces had roughly the same number of foreigners in 2001, thus suggesting a general equivalence of the various economies with the same demand of labor, all demanding the same amount of unskilled foreign workforce; During the years, facing harsh crisis, some provinces started to attract more immigrants than others, especially the one of Ancona, followed by Macerata and Pesaro Urbino. These places offered more possibilities of work for immigrants, thus attracting more and more fluxes, despite the general high unemployment rates and the difficulty of some SMEs to get out of the crisis.

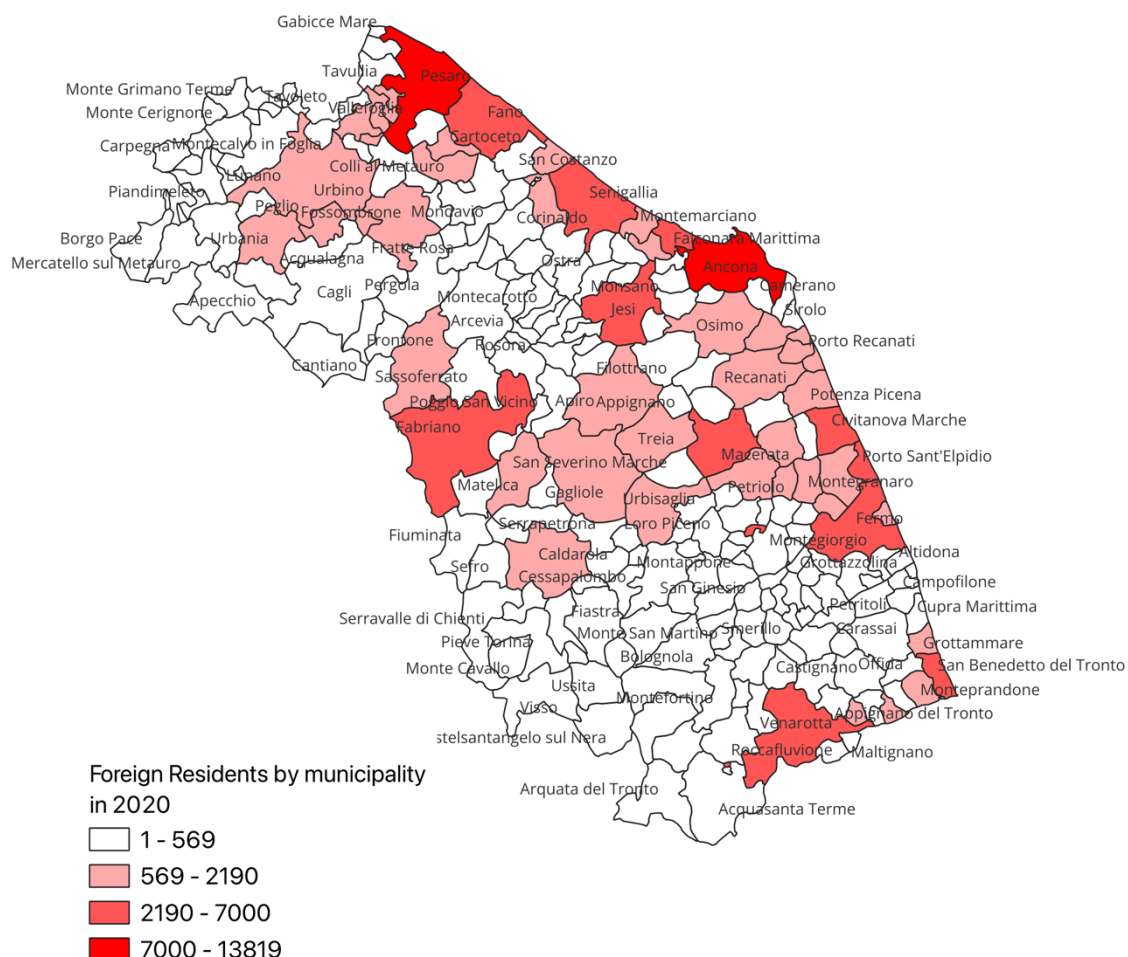
Why a labor mismatch came out? The labor's demand of a SMEs can meet the offer only if certain conditions are met: the worker's objectives should be satisfied, according to a specific job search environment; the latter is over influenced by the costs of search of a new job, the duration of the latter, the distribution of wage offers and by the knowledge itself of the worker about the market's conditions. In time of crisis, as in 2013, the governmental subsidies started to rise facing a high rate of layoffs. The subsidies increased the time that Italian workers could effectively wait, looking for better opportunities, and the reservation wage, that is, the minimum they could accept (Hurst, 2016). In the meanwhile, the behavior of the immigrants, who are always looking for job, given that in globalized economy there is always an international workforce moved by the demand, were more suited for the offer of the SMEs of the region; given the absence of social rights, their reservation wage was far lower than the Italian workers' one, and they usually couldn't wait a long period of time to look for better opportunities. Indeed, their need for salary at any cost, and the absence of basic skills, such as the language, helped the SMEs to reorganize toward a labor-intensive production at a lower cost, profiting even of the fast turnover of the workforce that only migrants could offer. Indeed, the lack of training lowered the "efficiency wages" for immigrants, thus making the employers able to pay less without increasing the turnover, and decreased the possibilities of layoffs and quits (Hurst, 2016).

#### *2.4.2) The immigrant importance in the stressed sectors of Marche economy*

Most of the IDs are concentrated in the province of Pesaro, followed by Ancona and Macerata, all specialized in furniture production, textile-clothing and leather; the IDs presents in the province of Ascoli instead, are specialized in footwear production. Different sectors may need different skills, so that the SMEs of the textile-clothing, leather and furniture sector offers manufactured jobs with a quick learning curve, low wages, bad work conditions and the possibility to a fast turnover of the workforce. The map of figure 10 shows the number of foreign residents in each municipality of the region.

**Figure 26**

**Number of foreign Residents by municipality  
in Marche Region (2020)**



*Source: Author's own elaboration of Istat Data (2022)*

The highest concentration of foreign residents is found in the provincial capitals and in some medium-large municipalities with a high population density (Fabriano, Macerata, Fermo, Porto Sant'Elpidio, Civitanova, Ancona, Jesi, Senigallia, Fano and Pesaro). Here the services offered to citizens and the low cost of living, combined with a demand for work in the personal services sector and the possibility of moving around by public transport, have allowed the birth of foreign communities. However, more than half of the foreign residents in the Marches are located along the coast and in the small municipalities around the province of Macerata and Pesaro-Urbino, in correspondence with manufacturing economic activities of various types. A perfect example is the leather industrial belt,



represented by a dotted line on the map, which crosses all the municipalities of central Marche, from Fabriano (more specialized in the mechanic industry) and, passing through 9 municipalities, up to the coast. Here the small municipalities, which today suffer from socio-economic hardships due to the negative trends of recent years, host IDs specialized in leather, leather and shoes, but also food: a real economic belt that surrounds the central part of the Region, around which entire municipalities have prospered since the 1970s, and which today offer work to a surprising number of immigrants, who are slowly replacing the traditional Italian middle class. A similar situation is found in the municipalities in the province of Urbino and above all Pesaro, where the wood and textile industry thrives, both activities with a high intensity of manual labor. A different reasoning occurs along the coast, where tourism and commerce have allowed the maintenance of less productive but more dynamic societies, allowing for a better offer of services and different kind of jobs, such as seasonal and precarious jobs usually held by immigrants. In the services sector. The settlements of foreigners in the southern part of the region, in the province of Ascoli Piceno, curiously, where there are any relevant production sites suggests that foreigners have chosen these municipalities for two reasons: the low cost of living and the proximity to the textile and food industries of Northern Abruzzo. The leather industrial belt is perfect for analyzing in depth how the structure intersects with the agent influencing migratory flows. In fact, these industries, like the textile, food and wood industries, are distinguished by two characteristics: the first is the presence of production phases with low added value, such as the processing of raw materials, which are highly manual labor-intensive, being historically handcrafted products that only became industrial in the 1970s. The absence of technological investments makes such jobs tiring and wages low; moreover, these stages of production must be competitive with competing countries that exploit labor. Secondly, these production phases contribute to the creation of products with the "made in Italy" brand, which often requires, by law, that all or most of the production must be in Italy: it is the so-called supply chain.

Therefore, the impossibility for these companies to relocate has created a paradox in the economy of the IDs, which to compete globally have been forced to lower the price of products and wages in order not to relocate. But while the world economy forced a productive reorganization, the expectations of Italian workers, accustomed to the well-being of the previous decades, had remained the same; the resulting political turbulence forced the central state to offset these expectations with subsidies of all kinds. These industries were therefore reorganized on the basis of lower labor costs, using migrant labor. The crisis also forced the IDs to a growing dependence on public aid and commissions from multinationals. The resulting society was, over the years, less and less dynamic, as the most active social class, that of migrants, was legally and politically unable to participate in the *Res Publica*, while the abandonment of public and private spaces by Italians increased; the growing rate of inactivity and unemployment of the latter, the migration of Italians to larger centers and the increasingly evident absence of public services are the signs that these municipalities, born on the push of widespread industrialization, are today at risk of depopulation, as much as are the internal areas already identified

by SNAI. The inactivity rate of the province of Macerata (30.4) is the highest of the region after Fermo, despite the higher intensity of productive spots (Istat). On the other hand, in all the municipalities of the industrial belt foreigners have increased sharply since the early 2000s. Therefore, according to the theory described in the first chapter, the crisis of globalization has led to a breakdown of the supply-demand balance of labor within the companies born around the industrial districts of this region. These districts then reacted by lowering wages and creating a mismatch between supply and demand in the labor market, which was compensated by the arrival of foreign labor, which is permanent, i.e. an effect of the global division of labor and wealth, given by the capitalist model. This situation has led to a gradual decline of the correspondent companies. Students and workers, especially young people, have begun to emigrate, contributing to the gradual loss of economic and political weight of these municipalities. Indeed, the provinces of Macerata and Pesaro-Urbino have the highest numbers of emigrations of Italian residents toward different regions, while Macerata is the first for moves toward different province of the same region. Moreover, Macerata is even in the second place for people moving abroad. These numbers are worrying considering that Macerata is the third province for population size with 314.178 citizens (Pesaro Urbino and Ancona have respectively 358.886 and 471.228 citizens), thus confirming the stressing socio-economic conditions of this area (Istat).

## Chapter 3

### The issue of immigrants' integration

#### 3.1) Theoretical review on integration issues

Italy has recently become a country of in-migration after many years of traditionally out-migration; many foreigners have come, and many others are coming as a result of global changes, wars and economic turmoil. Despite many of them came in the 90s and early 20s for political reasons, the people who are coming now are mostly escaping from bad life conditions due to the structural poverty in which their home countries are stuck, and the reasons, quantity and type of migrants are pretty different nowadays in respect to the past; moreover, in Italy, the huge flows of immigrants is a relatively recent phenomenon which other countries already experienced in the 19<sup>th</sup> century. Indeed, while in the 1970s the foreign residents in Italy represented only the 0.2 % of the population, in 2011 it exceeded the shares of a traditional immigration country such as France (Colombo & Dalla Zuanna, 2019, p.586), for two reason: first, the new fluxes are mainly driven by the economic demand for unskilled labour which is traditionally present in manufactured country such as Italy; secondly, France managed to integrate under the same Republican values many different cultures, especially the immigrants of the second generation, throughout assimilation policies, according the legal status of citizens to many of them which now are fully part of the French community, thus escaping from many statistical research (Schnapper, Krief & Peignard, 2003, p.15).

On the other hand, Italy didn't experience this assimilation, thus many of them, and even their children, appears as foreigners, legally or illegally residing in Italy, because of the lack of structural and specific immigrants' integration policies. Despite this, Italy has always welcomed many refugees, especially after the fall of the Iron Curtain, as after the collapse of the ex-Yugoslavia. During the 80s and 90s the situation changed, and from political refugees Italy found itself to deal with economic migrants attracted by the higher salaries and better life conditions from surrounding countries such as Poland, after the EU enlargement in the early 21st century, and Albania. Moreover, after the 2008's economic and financial crisis, and simultaneously with the restructuration of many SMEs, which cover most of the Italian productive tissue, combined with structural poverty of third world countries, huge fluxes of economic migrants appeared, opening a new era of the immigration history in Italy, disturbing the political equilibrium of the Italian government, and leading to the rise of nationalist movements, as well as in the rest of Europe. Indeed, being economic migrants with different skills, they were looking for different work conditions and, as demonstrated in the previous chapters, many found unskilled labour demand in many SMEs of Italian peripheral areas, as well as many other found their place in other European countries; indeed, mostly all the EU states are now net-importers of foreign workforce, even though they present different way to deal with it. Many countries managed to integrate them, granting easily the legal citizenship, and fostering the assimilation of universalistic principles of

freedom linked to a large national identity, such as in the U.S. or France, while others decided to protect the immigrant interests, by granting them the same social rights of the natives, such as the free healthcare services, while maintaining cultural and ethnic differences, considering the latter as a point of force instead of a threat to social peace, but hiding at the same time a kind of insecurity which translates into greater protection of national identity, such as in Germany (Heckmann, 2003, p.45) and particularly in Switzerland (Mahing & Wimmer, 2003, p.135).

However, from a comparative study, it's clear that any of the European countries managed to solve the issues which naturally comes with immigration: xenophobia, social instability, political polarization, and many others which are the result of a lack of total integration. The fact that the EU doesn't have a common policy to deal with the immigration issue, due to art. 79(5) of the TFUE which reserves the Member States to set their own policies, anyway, gives us the possibility to see if and how other countries managed similar issues. For instance, the reason behind the huge immigration flows in France after and before World War 2 were mainly economic and were needed to offset the French demographic decline and labour shortages. Italy is now facing the same changes of the economic and demographic structure, even though the policies to manage the immigration of foreigners should be studied on a nation-base due to particular differences: many people seeking jobs in France were from Italy, Spain and Portugal, thus all coming from western countries with different levels of development but similar cultural background, while the people who came in France after the decolonization, such as from North-Africa, they were already accustomed to the French culture as it had been partly exported to the ex-colonies (as instance, in Algeria, Tunisia, and Morocco the majority of the population speak French as second or first language). Nowadays, Italy deals with migration in-fluxes which need to be integrated in the social and economic tissue, and these people have often a different background, especially concerning religion, language and labour skills needed to a continuing changing labour market. In order to avoid further problems, and accepting Italy as a country doomed to become, for the first time, multicultural, we now discuss the main theories and applications, on a national and local level, of integration policies.

Above all, we should clearly define the concepts of integration and assimilation because, as we will see, they are linked to different policies and goals. The former foster active policies to help foreigners to integrate in private as well as in the public sphere of the host country, while maintaining their cultural and ethnic identity which is regarded as fundamental to a multicultural society; the assimilation policies instead, focus on the incorporation of immigrants in the host country, especially culturally, with the aim to let the dominant culture to overcome the one of the foreigners' home country, thus creating a multi-ethnic society but with a cultural homogeneity. In the latter case, diversity is not totally sacrificed, but it changes throughout a mutual process in which even the dominant culture is affected, shaped partially by the assimilation of new cultures; this process can follow different steps, such as a cultural assimilation (or *acculturation*), marital assimilation (or *amalgamation*), the structural assimilation, that

is, when foreigners are entitled with jobs which are usually reserved to the citizens of the host country, as public servants, but even the cultural identification with the shared values of a society, which should lead, at the end of the day, to the totally absence of discrimination based to the ethnicity, however accepting a process of huge denationalisation and recreation of cultural values of immigrants (Gordon, 1964). Integration is more concerned with the respect and the defence of the cultural diversity, while fostering an individual integration of the foreigner, by giving them work, skills and fostering the civic and social participation; this idea is usually considered respectful of ethnic minorities, while at the same time many scholars are concerned with the social unrest which could follow by creating a society with so different cultures and prides, especially when policies focus in integration of immigrants regarding the latter as “problems”, cementing a power relation where the dominant culture defend itself and counter the smaller ones (Laubenthai, 2022). Metaphorically, this two different path have been compared to a Melting and Salad Pot: the former suggests the assimilation of foreign cultures in the dominant one, narrowing as much as possible all the differences and creating a cultural homogeneity, such as a *melting pot*; on the other hand, in a society where many culture are preserved, the diversities of its units, such as the distinct ingredients of a salad bowl, is maintained through a respectfully integration of foreigners in the social and working life of the host country (Berray, 2019). While the U.S. were used to foster assimilation policies, given the similar background of the migrants from western countries, they are now changing their path, moving toward a restricted policies according to the easiness of integration, using quotas and accepting only the in-fluxes which can be controlled and managed with federal policies, and according to the labour market needs. At the same time, while the European Union is trying to foster a cultural assimilation of all the European citizens, the member states are facing the problem of assimilation as well as integration of newcomers from third world countries, thus creating a double process of assimilation of European citizens accompanied by the integration of foreigners in the culture of the host country. For, instance France is historically a country more prone to assimilation policies, while Germany is considered the homeland of integration policies, but both are now struggling with rising nationalism, a rejection by both the natives and foreigners of the respective cultures and social unrests due to economic and social marginalization of certain low-social class where traditionally the foreigners are over-represented.

Italy therefore fits into a broader context where national policies should be in line with the objectives of the European Union, and at the same time defending specific national interests: this entails the need for hybrid policies which are able to make immigrants participating in common European values, therefore a cultural assimilation of the newcomers, while national integrative policies should help immigrants to integrate into the social and economic contexts typical of the country, such as, for example, providing adequate work and cultural skills through a socialization suited to Italian context, but even to the migrant exigences. Indeed, a refugee who seeks asylum from political persecution or escape the war in his country, could have a different way and wisdom to integrate in the hosting country,

if compared to an economic migrant. Indeed, while the former could have no choice about when, how and where to land in Italy, the latter should take a rational decision only partially influenced by the structure around him; the economic migrant, following a cost-benefit *rationale* which should maximise the gains for him and his family, chose Italy, and even a specific locality within it, in order to find a job and improve his life conditions. The demand of labour is though, as asserted in the previous chapters, essential to understand the reasons why so many migrants are coming in specific places; such an assertion should foster specific questions by the national and local authorities which should go hand by hand with the reasons behind this migration fluxes: if SMEs are such a fundamental actor in driven foreign workforce, should we involve them in the application of immigration policies? And if immigrants have such an essential role in fostering the socio-economic development of certain areas, should the local authorities cooperate with local actors to foster integration instead of exploitation? Should we support integration or assimilation policies? The way in which the media and the political parties usually refer to this issue is often too simplistic to fully cover such a huge matter, and the negative shades that certain political actors casted in the previous years on immigration hamper the rise of different point of views, as the one of this research, which instead consider the foreigners an essential resource, especially for depressed areas. There are therefore different levels of assimilation and integration, which need to be analysed piece by piece.

### 3.2) National assimilation and local integration

#### 3.2.1) *SMEs importance for the integration process*

In the model we developed, migrants are economic/rational actors, who settle in the Italian peripheries for, and until, there is the need to fill the gap left by Italian workers because of demographic decline and economic turmoil, whose outcome is a structural labour shortage. These areas face a gradual shift from an industrialized to a depressed economy, many natives refuse the low-wages offered by SMEs and the foreign workforce, which is complementary to the former, is demanded to allow these companies to survive; in the meanwhile, the declining process of the society continues, because skilled workers leave these areas, attracted by higher salaries in core economies, and migrants' workforce cannot be a valid substitute for these kind of jobs. Thus, in this first stage, many companies would delocalize the production phases which need skilled workers where there is a pool of neo-graduated and where they can choose, lowering the salaries for skilled jobs, while profiting of the low wages offered by SMEs to migrants for the labour-intensive jobs. Usually, large companies are mainly employers of the former, while they externalise the low-productive phases to SMEs which in turn make use of migrant workforce. In this kind of scenario, the first point of contact for a migrant with the host country is within the company, with the owner, the other employees, whether there are still locals, but even all the private and governmental organisation whose role is to lead the newcomer in the labour market, such as employment agencies and trade unions. The result of the work within the SMEs is a first,

essential form of socialization of the migrant, who develop a deeper knowledge of the labour market, of the needed skills, of the wages' level, but even basic skills which are usually asked to find better jobs and start to integrate into the society, such as the language and local formal and informal usages; it has been asserted, by communitarian studies, that a cooperation between private actors, such as small companies or NGOs, and public one, such as trade unions and migrants welcome centres, is essential to support migrants in this critical stage, when it could be really easy to fall into the black labour market where workers' rights are not respected, especially in economic depressed areas, where the local government has not the tools to be an effective watchdog (Gauci, 2020).

However, the socialization within SMEs doesn't offset the great cultural gaps of migrants, who mainly end up in bad job positions within labour-intensive productions, while the companies, due to the low wages of the foreign workforce, are not willing to invest in capital-intensive production chains, thus stuck migrants in a job without higher salary expectations. This economic structure of the peripheries doom the migrants, the companies and the society of these peripheries to a further socio-economic decline, of which the large firms are now profiting, outsourcing the low-value productions in the peripheries at a low costs, casting the burden of these to the SMEs and the society as well. The only way to free the SMEs as well as migrants is to further invest into their integration, in order to develop new possibilities in the society and within the same companies. Indeed, companies should be considered as institutionalised actors which should help, with the local government and public funds, the preliminary integration of workers, while supporting the assimilation of fundamental cultural and labour skills, essential to climb the social ladder and defend their interests in the primary and secondary sector. Social policies should also offer mandatory and free courses, as the local authorities did in Belgium, Germany and the U.S. However, that's not enough, because skills and ambitions would be still far from the natives' ones.

The public actors should invest more into newcomers in order to prevent their unemployment, rise their reservation wages and prevent precarious job positions. Mandatory courses of labour and language skills are essential, but not enough to support the rise of the status by these migrants, because there will be enough unemployment and workforce turnover to keep wages low and prevent any investments within companies; in order to put pressure to all the economic structure, we must foster a social integration of workers, establishing a protection net which prevent their exploitation and give them the bargaining power to make a better choice about labour. In turn, companies would be forced to invest into capital and skill-intensive productions, agreeing for better salaries and demanding skilled labour, teaching foreigners to the latter, thus fostering a better socialization. In this scenario, the public should help and support, financially, the companies which make this transition, which focus on integration of migrants within the production chain. Every investment of the private sectors should be accompanied by an investment of the local government to foster a better integration of migrants, and to do that, national social policies should be inclusive, such as health care, unemployment aids, free

schools, in order to give migrants the tools to integrate into the society. Moreover, it's essential to make easier the acquisition of citizenship. By the moment, the conditions for a foreigner, coming from outside the EU, to gain the naturalisation, that is, the acquisition of citizenship by residing in Italy, is to wait for 10 years, and to present, at least for the three years before the citizenship request, a personal or familiar income. This situation lead to two issues, above all the fact that 10 years, with a residential permits, means that a huge part of the foreigners residing in Italy are doomed to not be entitled of social rights for a long time, thus making integration impossible; moreover, many of them are doomed to not gain the naturalization, given that they will continue to receive unofficial salaries in the black or piecework market, especially the foreign rural communities in the South of Italy. In France and Belgium, *la naturalisation* can be requested after 5 years, as well in UK, 8 years in Germany and 10 years in Spain; not by chance, the countries of recent immigration, such as Spain and Italy, are still hesitant to easily grant the nationality, but the example of countries such as France demonstrates that it's natural, when huge fluxes arrives and many foreigners participate in the social and economic life of a country, to make easier and faster the acquisition of the nationality, in order to foster a better integration and prevent social unrest. Indeed, the social integration of these migrants will lead to the creation of a new middle-class, which will be essential to the economic development of the peripheries, as happened in the U.S. with the integration of blacks in the 1960s after years of segregation: "the 1960s have seen an enormous increase in the number of blacks in stable jobs...we have seen a transformation in the position of blacks...who formerly had no or weak unions and worked at low wages, and we have seen the movement of Blacks into existing strong unions" (Glazer & Moynihan, 1970, p.47).

### 3.2.2) *The role of public institutions for the acculturation process*

The job market is not the only arena where migrants must integrate, and the legal naturalization of their status would not be enough, without a strong process of acculturation which is essential to their integration as Italian citizens, and for this, policies toward the integration of migrants' children are fundamental, because the positive outcome of this process are better represented by the second generation of foreigners. Indeed, after the economic migrants' fluxes will be expired, a second wave of foreigners will come, that is, the family reunion. The huge increase of foreign women and children who are going to settle in peripheries risks putting pressure to the already poor hospital facilities and degraded social services, hampering the chances to create a stable and dynamic multicultural society by offering unequal opportunities. This means that schools should help the children of migrants with specific programs aiming to bridge their gap with the natives' children, according to the fact that they usually have more difficulty to enter high school and then university (Minello & Barbam, 2012); moreover, all the social services should work and should include migrants, such as efficient public transports, security, and healthcare, in order to prevent the ghettoization and the creation of closed ethnic groups far from be really integrated. Indeed, it's common for a foreigner to enter small communities based on the same ethnicity, where they feel accepted and can find the help they need,



especially if they are seeking a home and a job; on the other hand, these informal organisations represents closed ethnic enclaves which hardly open up to the social and cultural values of the host country, thus creating ethnic polarization. According to this, the only way to overcome the ethnic barriers should be given since the very beginning, throughout acculturation for children, as well as adults, fostering the creation of a common culture. In the peripheries, the lack of funds and services due to a decrease of productivity and population, will hamper the chances of these migrants to live and work there, even though throughout a real integration process, the presence of a huge foreign population could give new life and dynamism to the peripheries; indeed, once legally citizens, they could vote for local as well as national elections, thus giving new political weight to forgotten areas, their demand for goods and services will rise the productivity, attracting investments and further developing SMEs and IDs of the area. Above all, they must have the same social and civil rights, addressing their aspiration to be part of a new middle-class. The example of the New York policies to integrate blacks and Puerto Ricans is enlightening: the local government issued many fast-training courses for foreigners in order to teach them, in few weeks, to pass all the courses needed to find high-job salaries, such as in the construction sector (Glazer & Moynihan, 1970), a kind of courses which were initially closed to defend the wages and purchasing power of that working class. Public courses and on-the-job training increased their salaries. Affirmative actions by government are though essential to address housing, schools and poverty issues; in case of the former, specific measures should be attained to avoid the ghettoization and creation of slums especially for the first generation of migrants, through public investments on requalification of areas and on public services, especially in depressed areas.

### *3.2.3) The structural integration as final goal*

Once the economic and social integration is achieved, it's time for the private integration, that is, for the integration of foreigners in environments usually reserved to Italians, the creation of formal organizations and spontaneous political parties representing migrants, up to a total integration of cultures within private life, the case in point of which are mixed marriages. The natural outcome, in the long-term, is the assimilation of two or more cultures under the same values. This bring us to the last issue of migrants' inclusiveness, that is, preventing a structural inequality of opportunity, as often happened in western countries, caused by frequent cases of xenophobia, which in turn lead to social insecurity. How would the actual Italian working and middle class react with the rise of social status by migrants? How would be seen the gradual denationalisation of a large share of the population? How could a multicultural society compete without combat? Even though these policies should foster a better integration, the last step is to achieve, at least nationally, the assimilation of a common culture based on respect and tolerance, on the model of the European one. Unfortunately, any country has ever achieved such a degree of perfect assimilation of cultures with so different backgrounds, but it is always a tendency, without a specific end line, but a continuous process during which the dominant culture is

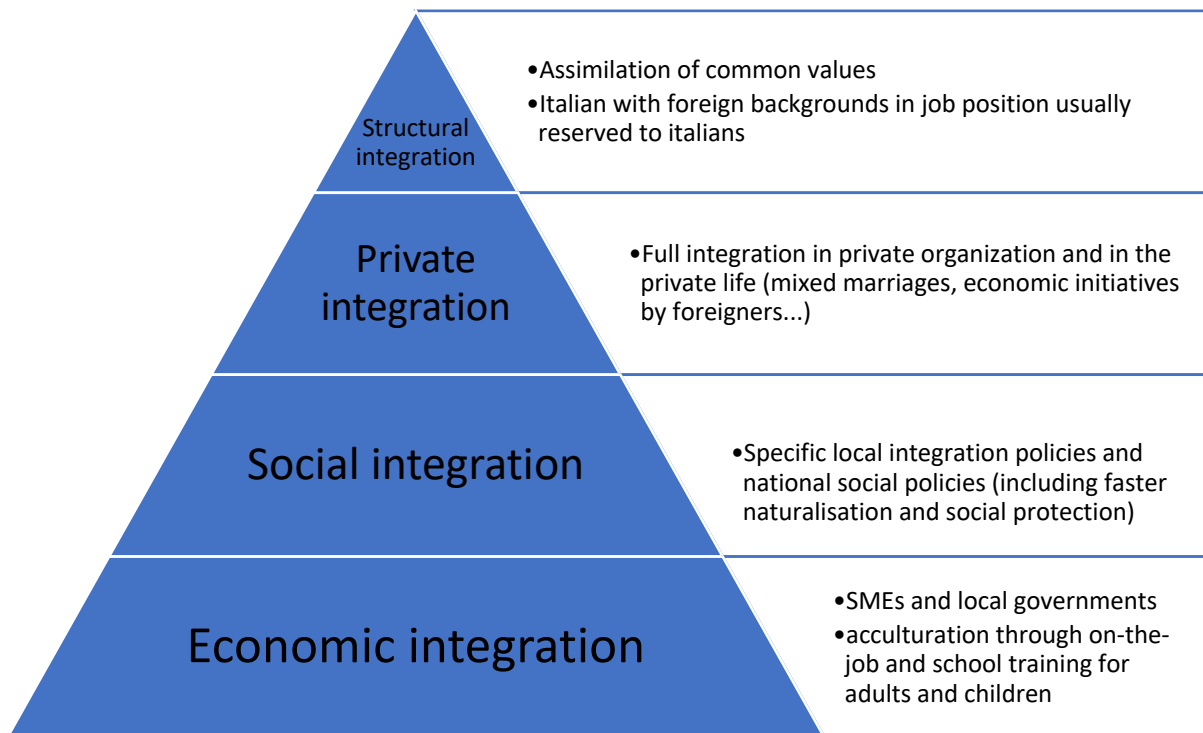
influenced by the minor ones and *vice versa* in a reciprocal exchange relationship which define differently every generation of natives and migrants, especially at a younger age.

According to this, a substantial integration needs to be achieved especially at school, in order to teach since the very beginning the respect for “the other”. On the other hand, minor cultures should not disappear in a new undefined mixture of ethnicities, but instead each culture should maintain their national pride, according to the fact that many scholars have demonstrated the good effects on grades and integration of foreigners where they feel accepted while still maintaining their national values, especially by youngsters. For this reason, we should even talk about inclusion, that is, “an interactionist perspective on in which both organization members (managers, insiders) and newcomers exert agency. Based on this, it is the specific socialization tactics adopted and the nature of newcomers’ responses to them that generates outcomes and constructs common meanings associated with socialization”, thus without cancel the small differences between cultures (Omanović & Langley, 2023).

Moreover, it is even essential to not address the issue of poverty, inequality and social protection to migrants alone, even if they represent a large part of the country's poorest population. Once legal equality, i.e. citizenship, has been achieved, these programs should be common to all indigents, both Italian and non-EU, in order to avoid the typical media association between foreigners and degradation, which is the main cause of all episodes of xenophobia and racism. The dialectic with which the problem is presented is as important as the problem itself, and a nationalist discourse risk leading to policies of exclusion and exploitation from which no one can really benefit. This is especially true for second and third generation immigrants, i.e. those who will find themselves competing with the historically more conservative social classes.

Finally, once private integration has been achieved, the structural integration of foreigners into the socio-economic fabric of the country would come, according to the presence of Italians of foreign origin in positions once reserved only for “pure” Italians, such as public, ministerial and military positions. For a matter of clarity, the pyramid schematizes the integrative phases described here, showing how at the base there is an economic integration, where companies are the main players, to then move on to social integration, where companies and public policies collaborate to a process of gradual acculturation, to then pass, in successive generations, to a private and then structural integration. Once the last phase is reached, even a process of partial assimilation can be considered concluded.

## Integration phases



### 3.3) The history of immigration management by the Italian governments

#### 3.3.1) *The history of the Italian policies: the 80'*

Given the difficulty to generalize in few dogmas and principles a so vast phenomenon as immigration is, we must focus on a particular case, in order to understand how the reception and integration of migrants in peripheries works there and how it should be implemented, with the hope to highlight the main leaks of the communes and municipalities which are experiencing huge flux of foreigners. However, we need to consider that despite localities have great discretion about immigration policies, the main funds come from the central government and the European Union, which in turn give conditions and rules to be applied by the governments of regions and communes, that is, the impact of the local policies are linked to the amount of funds and the kind of rules issued by the central government.

The first attempt to tackle the problem of managing migratory flows in an organic way took place in 1986 with the Foschi law, which introduced issues such as family reunification, tourist and study stays, and entries for work on lists prepared by entrepreneurs, declaring at the same time full equality between Italian and foreign workers; the law also introduces an instrument that will be used over and over again in the following years, precisely to fill the evident incapacity of the Italian system to welcome and integrate immigrants, whose number was constantly growing; that year in fact, about

116,000 people were regularized through an amnesty (in Italian “Sanatoria”). Furthermore, it should be remembered that at the time the vast majority of immigrants belonged to the category of political exiles and for the first time even foreign workforce, turning Italy from an exporter, which it had always been in previous decades, to an importer of labor. This immigrant presence immediately strengthened in the driving economic sectors of the Italian economy, while the unemployment of the local workforce grew, giving life to an immigration model that various scholars have defined as the "Mediterranean model" common to all the countries of the Southern Europe, where we find the following characteristics: substitute emigration from immigration, large component of seasonal agricultural immigration, initial absence of regulating rules, subsequently issued in a restrictive sense, large outlet offered by the tertiary sector, particularly in personal care, with consequent large component of female foreign labor supply and, last but not least, the poor ability to provide immigrants with access to social policies (Pugliese, p.114-15). Indeed, in the 1980s, the increase in the presence of immigrants and their exploitation in contexts of irregular work prompted the government, under the pressure of trade unions and private organizations, to launch the Foschi law in 1986, which immediately appeared insufficient to cover issues such as language learning and the possibility of accommodation, thus failing to establish systematic integration policies.

The Martelli law was approved in 1990, an attempt to improve the reception conditions of immigrants and refugees, not only those from Eastern Europe, thus abolishing the "geographical reserve", which only gave the possibility to some countries of the Eastern Europe to apply for asylum. The law defined with greater care the types of residence permit, including that for self-employment and subordinate work, tourism, worship, medical care and study; moreover, an amnesty regularized about 218,000 people, i.e. all foreigners who proved to live in Italy since 31 December 1989. The regions were included in the distribution and integration process, but again the attempt to establish a flow planning failed, leading to evident gaps in the ordinary daily management, especially in cases of emergency such as the unexpected arrival of refugees from Albania and ex-Yugoslavia.

The 90s saw mainly the regularization of immigrants through amnesty: a decree law by the Dini government regularized, in 1995, 244,000 foreigners, most of whom were employed. Furthermore, the Puglia law allows for the first time the use of the army on the border, as well as the opening of the very first temporary detention centres, which will then become the norm in other Italian regions. The Italian coasts also experienced the first humanitarian tragedies with the first deaths for shipwreck. Thus begins the political dialectic of emergency immigration, which will put the lives of asylum seekers arriving on Italian coasts at risk.

In 1998, the Turco-Napolitano law regularized around 217,000 positions by amnesty, while the provisions on the reception of new arrivals merged into the Consolidated text of the provisions concerning the discipline of immigration and regulations on the condition of foreigners, which made

temporary detention centres a fundamental instrument of the government to welcome new arrivals and attempts to facilitate the acquisition by foreigners of the same rights, *pleno iure*, as Italians, including family reunification, the right to health and education.

### 3.3.2) *The 90' and the debate on security*

The Bossi-Fini law of 2002 moves in continuity with the previous one, however intervening on the issue of entry and expulsion, giving foreigners the possibility of legally crossing the borders only with a signed contract, therefore for work, through a window possibility provided for by the "flow decree" (in Italian "Decreto Flussi"). The law also restricts the circle of family members who can carry out the reunification and increases the time limit in temporary detention centres from 30 to 60 days, a period in which the quaestor evaluates and, in the event of a negative outcome, rejects the applicant. The law therefore provided for the methods of refoulement, subject to bilateral agreements with the countries of origin, of boats with migrants on board. Although this law was extremely restrictive and increased, in the long run, the condition of precariousness of the immigrants, given that the path for regularization was characterized by bureaucratic obstacles, arbitrary discretion and the dependence of migrants' status on the respective employers thanks to the "residence contract", it foresaw the largest amnesty in Italian history, which numbered 701,906 people. Again, closing borders and protecting ethnic uniformity remained only a utopia of some right-wing parties within Italian politics, given that the presence of immigrants tripled in the early 2000s.

In 2008, the international economic crisis led to a tightening of restrictive migration policies, which focused more and more on the issue of security, as with the law n.94 of 2009 "Provisions on public security", which increased the length of stay of foreigners in temporary reception centers from 60 to 180 days and made irregular stay on Italian territory criminally punishable. Meanwhile, migratory flows by sea experienced exponential growth after the Arab springs of 2011, polarizing the political debate on immigration and giving life, in addition to border security programs such as Mare Nostrum and Frontex's Operation Triton, also to the advent of far-right and populist political parties, which have had the merit of equating the arrival of immigrants with a danger to public safety and the Italian economy, without however obtaining results either in blocking the flows, or in their reception and integration, inaugurating the darkest period in the history of immigration in Italy. The subsequent "flow decrees" have in fact greatly reduced, residence permits for work, leading to an increase in asylum applications by refugees, making it increasingly difficult to distinguish economic migrants from refugees.

The high number of asylum seekers and the lack of resources led to an update of the reception system, which in addition to the SPRAR (System for the protection of asylum seekers and refugees) and the CARA (Reception Centres for asylum seekers) managed by the Ministry of the Interior, it also made use of the CAS (Extraordinary Reception Centres) since 2014, i.e. structures placed in charge of

the prefectures and entrusted in the management to private organizations. These CAS, managed in a non-transparent manner, have led to investigations which have brought to light the poor living conditions of the immigrants, the clientelist management of the assignment procedures, the non-compliance with the standards of the reception and integration services, and in some cases the presence of criminal associations (Colucci 2018, p.29).

### 3.3.3) *The emergency management and the political polarization*

The tightening of reception and integration policies culminated with the two "security decrees" of 2018, which made the Cas from second reception centres to first reception centres, no longer extraordinary, but ordinary, without improving their conditions. Furthermore, the decrease in funds penalized the small reception centres, which were forced to close given the heavy staff cuts, favouring the large centres, which are however worse in terms of health, safety, and inclusion. Furthermore, to participate in tenders for the assignment of economic resources it is no longer necessary to offer social inclusion services such as language teaching, support for asylum applications, professional training, or support for audits at the Territorial Commission in charge of issuing the residence permit. Services for the assistance of the weakest, such as social assistance services, are also removed. The second reception also passed from the "Sprar" al SIPROIMI, that is, the Italian acronym for "Protection system for holders of international protection and for unaccompanied foreign minors", restricting the right to a guided integration process only to asylum seekers who obtained refugee status or subsidiary protection, excluding the remaining portion of foreigners who are thus forced to remain in the CAS, where neither reception nor integration reach sufficient levels to preserve their dignity and rights. The elimination of the residence permit for humanitarian reasons also allowed those who did not obtain refugee or subsidiary protection status to begin a process of inclusion through second reception centres, but with the security decrees they risked entering a condition of marginalization and exploitation, so much so that Amnesty International estimated at 670,000 immigrants living in conditions of irregularity on Italian territory. Finally, the safety decree-bis provided for a closure of the maritime borders and the *refoulement* of boats containing immigrants, through the direct decision of the Ministry of the Interior, which was much criticized due to the violation of international standards on the reception and protection of immigrants at sea, having been put at risk the lives of thousands of people (Amnesty International).

However, the Decree-Law n.130 of 21 October 2020 modifies some flaws of the previous decrees, reiterating the importance of humanitarian protection already present in the Turco-Napolitano law, now called "special protection", for all those who have the right to the protection of the Italian state without the possibility of obtaining refugee status. Another novelty lies in the possibility of converting these permits into residence permits for work, for elective residence, for disasters, assistance to minors, acquisition of citizenship and for sporting reasons. As regards rescue at sea, the law repeals the administrative sanctions for NGOs carrying out rescue missions, although the power remains for the

Ministry of the Interior to block their missions. Other changes to the security decrees concern the 90-day limit of stay in temporary reception centres; unfortunately, the mass reception centres remain unchanged, such as the CAS, while reiterating the importance of a widespread reception throughout the territory (Pioli, 2021).

From a quick glance at the history of Italian migration policies, the inability of all the various governments to deal with the management of flows both at a political and material level is evident, fuelling xenophobic dynamics and increasing the risk of radicalisation, creating a vicious circle which pushes some politicians to take restrictive measures against the rights of immigrants, increasingly hampering their integration. The fact is that in Italy the immigration process is still today considered as an emergency situation and is managed as such, i.e. improvising, chasing events that seem unpredictable, but which in reality are predictable as well as cyclical, and plugging where possible the leaks, compressing the Italian and international constitutional rights of foreigners, who, if welcomed, find thousands of obstacles that prevent a real "human" welcome and effective integration. Furthermore, considering the migratory phenomenon an emergency, a parenthesis in the history of Italy, and not a systemic phenomenon as it is, due to structural supply of cheap labour and an internal demand of SMEs, does not allow us to address the topic with pragmatism and to find efficient and lasting solutions; in other words, international economic immigration is a fact, an event that is anything but political and under many points of view a natural effect of the world division of labour, as well as a resource for the socio-economic system of every country where it happens. The continuous legislative changes, sometimes permissive and sometimes restrictive, as well as the enormous and confusing amnesties, demonstrate the inability of all political parties to know how to even deal with the immigration topic. This translates into a lack of efficiency, an increase in the discretion of local decision-makers, such as the managers of CAS, territorial commissions and prefectures, exposing many poor immigrants to episodes of discrimination and marginalization who have no other choice but to remain in extreme hardship in mass reception centres, or living clandestinely, exposing themselves to undeclared work, crime and poverty. The effects of the governments' incapacity in the last two decades to deal with the phenomenon can be confirmed by an analysis of the small towns and provinces where immigration, although it was on the rise, has been less and less controlled year after year, where the integration took place mainly through private channels, with private associations, non-profits NGOs, and SMEs, which filled the enormous hole left by public bodies, often in an inefficient way due to their lack of transparency, as was highlighted by several investigations, or due to a lack of adequate funds and resources, given the number of immigrants welcomed, who can often only count on the goodwill of voluntary associations.

### 3.4) The province of Macerata: a case of lack of integration

Local public authorities have always been the most important actors in the reception, distribution and integration of immigrants, as they should, at least in theory, help the migrant find a location, guide him/her in the job market, help him/her with the language and support a full integration. court within the local society, thanks to public, Italian or European funds. Actually, this rarely happens, for many reasons. The chain of reception and integration today has obvious flaws that ultimately fall visually in the society of the municipalities where the immigrants are distributed, as well as those who arrive irregularly and who in any case begin an autonomous integration process.

Immigrants therefore arrive in the municipalities, whether small or large, after a long and often psychologically and physically trying process; they immediately enter temporary hotspots where they are held to carry out an initial identification and allow them to present their will to request asylum. Subsequently, they are moved to first reception centres, which are currently 9, against the 12 in 2019 and the 15 in 2018. In these governmental centres, migrants can wait for their residence permit for the reasons set out in the flow decree; if there are no places available, the migrants can be transferred to the notorious CAS, often assigned to private organizations on the choice of the prefecture, or to other temporary reception structures: in the latter two cases, the migrants suffer from a lack of social assistance, which is often provided by private non-profit associations.

In any case, those who can apply for refugee status or international protection will be able, after a limited period, to begin their integration process in the second reception centres, today the Italian SAI, or "Reception and Integration System" (formerly Siproimi and Sprar), while those who are identified as economic migrants in the hotspots are immediately detained in the RDC (Repatriation and Detention Centers) and in the IEC (Identification and Expulsion Centres), waiting for an executive act from the questor for their repatriation within a limit of 90 days; in the event of delays, many of them are released on Italian territory in conditions of irregularity. From the outset, therefore, a distinction between economic migrant and refugee is totally useless, since taking away the right to request a permit for work reasons presents various flaws: first of all, migrants can lie and claim to be asylum seekers, thus trying to lengthen their legal residence in Italy; moreover, those who do not obtain refugee status, despite being in the same conditions as the latter once they arrive in Italy, and who in any case manage to remain in Italian territory, have much more chances of entering the black market, the criminal world, as well as risking exploitation and their own lives on the streets of Italian cities. This distinction therefore remains legally valid, but part of a legacy of the history of immigration in Italy which today does not find any useful confirmation in reality, since economic migrants are in the same conditions as refugees, and in some cases, they are even more motivated to start a path of work-based integration.

Going back to the second-round items, i.e. within the SAIs, which offer assistance, inclusion and integration services to asylum seekers, but also to protection holders, who are also offered a job



orientation service, immigrants begin a process of integration , which takes place through projects presented by local authorities via the ANCI network(that is, the “National Association of Italian Communes”) and coordinated by the Central Service; the most evident flaw of this system is the lack of obligation of such projects, which are presented on a voluntary basis and therefore often follow political rather than practical logics. In fact, second reception projects of the SAI network, although favouring the initiative of local authorities in a multilevel governance system, should be mandatory where there is a recent immigrant community. It therefore happens, as in the province of Macerata, that only one SAI Project is present within a province which, as we saw in the second chapter, is now more than ever multicultural. Furthermore, where SAI projects are not sufficient, immigrants do not leave the CAS at all, where the possibilities for inclusion and integration are minimal, while others begin, after the 90-day limit, a period of irregularity, during which only private associations of volunteers manage to provide them with essential help to survive. On the other hand, the same national policies, by decreasing funds for first and second reception centres, have favoured the closure of many small centres which previously materially helped individuals, especially the most fragile, to find a home, a job, a medical help if necessary, etc. The province of Macerata is an example of how private associations, albeit with little money, are still the only point of reference for many of the immigrants who are transferred in the local CAS.

In fact, SAI projects are 26 in the Marche region, of which only one in the province of Macerata, with about 18 places. The remaining immigrants are hosted in the Cas network, which host 41.5% of the 3,449 immigrants, while the others are included in the SAI, around 58.1%. The top five nationalities are: Pakistan, Bangladesh, Somalia, Afghanistan and Nigeria, followed by Mali and Ukraine. They are mainly distributed in apartments and communities, and to a lesser extent in collective centres. There are 19 bodies managing reception, and in the province of Macerata the only reference body is the Marche Immigrant Services Center Association (ACSIM), which in addition to inclusion, integration and international cooperation projects, deal with permanent services such as reception for minors, second reception, linguistic mediation and various other services to help foreigners obtain aid and documents. During an interview with the owners of the association, they highlighted the obvious flaws of the integration system in the Marches, which have been already pointed out in a survey by the ASR Marche in April 2023, that is, the presence of "an emergency approach to a phenomenon by now for a completely ordinary time which should be pertinent to social policies", since in fact "the majority of asylum seekers are welcomed for long periods in the form of extraordinary reception (CAS)". The prevalence of CAS and the lack of SAI network projects have made other private management bodies indispensable, such as the aforementioned ACSIM, which every day, thanks to the few operators that can be hired and the many volunteers, only partially succeed in helping the life of the hundreds of people who work and live in the province of Macerata in precarious conditions, due to the absence of their own means of support and the total inability, or lack of will, of the public sector, to help them through social

policies, which the owners of the association evaluate "non-existent" at the local level and completely "insufficient" at the national level.

In particular, in the province of Macerata, the municipalities are reluctant to submit tenders to design local first and second reception centres, since the Arab spring of 2011 and the rise of migrants in-flows, the year in which also the CAS replaced widespread reception, which was previously managed by the municipalities themselves. In the meantime, the funds to be allocated to the centres for each immigrant dropped dramatically, reaching the current 17 euros per day per immigrant welcomed in the apartments and 20 euros for those who live in the centres. The once essential figures of the Italian teacher are eliminated, and the hours of linguistic mediation are reduced. "In the centres", says Norma Santori, head of ACSIM reception services, "operators were not enough, as funds were often enough for only one employee for every 50 immigrants, moreover only averagely trained".

During years of work in hospitality in the province of Macerata, the visible problems are still many and "there is no stimulus for change", such as for example in the incentives to learn the Italian language well, essential for a concrete process of social inclusion, as the state, in addition to not offering enough funds for integration, provides only an A2 certificate as a necessary, but not sufficient, condition for the issue of the "long-term resident" residence permit and a modest B1 for the issue of citizenship. Furthermore, attending these courses is not compulsory and most of them continue to speak English for years. Another obvious problem in the province is discrimination, especially in the search for accommodation, and the inability of schools to undertake a suitable training course for the children of immigrants, who often find it difficult to reach the same level of locals while learning a new language, creating a competitive disadvantage which they are then destined to inherit in adult life.

There are various reasons for this lack of integration, first of all the state's incapacity to welcome and give incentives not only to the responsible local authorities, but also to the immigrants themselves, who, with or without obtaining documents, decide to stay and work in Italy, albeit without rights or duties. Secondly, the emergency vision of immigration does not allow for an efficient and long-term solution to solve the issue of integration, since as long as the emphasis is placed on the issue of security with relative expulsion of the new arrivals, neither the state nor the citizens themselves will be encouraged to find a way to coexist with immigrants, helping them to become an effective part of a whole, a melting pot, as has already happened in other countries. The only actor in the Italian system that today allows for integration, mostly through linguistic and working skills, remains the SMEs, which hires immigrants without making any discrimination and, with work, allows the latter not only to improve one's economic position, thus filling the gaps left by the third public sector, but also to absorb a segment of the population that would otherwise become part of a new extremely marginalized underclass. In fact, the ACSIM of Macerata state that the most important partnership remains the one with SMEs looking for a workforce that they would not be able to find among Italians jobseekers,

especially in the case of agricultural companies. So, socialization takes place mainly in the workplace, although it is insufficient to integrate the immigrant into the society, the culture and the politics of the place where he resides, often forcing him to find comfort in closed ethnic communities.

## Conclusion

This research, starting from a macroscopic analysis of the Italian socio-economic condition, aimed to assert the presence and importance of migratory flows within left-behind economic areas, not only as a workforce compensating for the scarce Italian labour, but as enrichment of society in places otherwise doomed to be abandoned.

Through a statistical analysis conducted within the administrative borders of regions and provinces, we have defined the internal migratory flows of Italians, and how they intersect with the international ones, being compensated by the latter within SMEs and IDs in the peripherals economies and inner areas, as both flows are influenced by the demand for work, by expectations of higher wages (albeit with different reservation wages) and by a now globalized labour market that moves the lives of employees and workers, Italian and otherwise, and whose effect is visible today more than ever in areas that were, until a few years ago, monocultural and isolated from globalizing processes.

The tendency of some peripheral economies or inner areas nowadays is not to deal with the migratory phenomenon at all, as confirmed by the example of the reception and integration system of the province of Macerata which is almost non-existent. In accordance with the theoretical framework of the S.A.M. of the first chapter and with the statistical analysis of how internal and international migrations compensating each other within the Italian IDs, at least where there is a labour mismatch, the question of integration, rights and duties of migrants appears, in conclusion, the most important issue to be addressed, especially by local institutions which most of the time lack the capacity, but also the will, to act; they tend to issue arbitrary decisions on a daily basis instead of constructive integration policies, throughout a daily management of the phenomenon, and at the same time considering the integration of foreigners a temporary emergency. Therefore, when the local political debate is interested in the migratory phenomenon, it seems to treat the problem of immigration as an emergency, even though it's a phenomenon which still interests our municipalities since 2011. The structural nature of the phenomenon suggests that the flow of immigrants is not something which we are meant to stop, but to ride, being a symptom of a global phenomenon beyond our control. Yet, the migratory flows have continued to arrive for years, and hundreds of thousands of immigrants today compensate for a lack of Italian workforce within the most important productive sectors of the country.

If we remove the humanitarian nature of the problem, which should still remain the basis of political decisions, at least those regarding reception, from an economic point of view, integration is the only way to control, internally, a global phenomenon. We have demonstrated how the Italian labour market, with a division between centre and periphery, allows the flows of Italian workers from the provinces to the centre to be compensated by foreign labour. Yet, despite the importance of the latter in peripheral economies, there are few proposals to improve the cultural, social, and political integration of immigrants, thus also hampering the social development of Italian peripheries. The System-Agent model serves to give a theoretical framework that is as realistic as possible to explain the cause-effect relationships and to prevent nationalist politics from warp it, since it is not the immigrants who "steal" the job, but it is the typical Italian job-market that "attracts" immigrants.

Furthermore, the distinction between economic immigrants and refugees appears useless, for a general theory, since it is immoral and as both fall within the international job offer. The second chapter, which analyses the national and international case, states precisely how in the areas most in crisis the concentrations of immigrants are associated with a change in the labour market, which gives more opportunities to low-skilled workers, forcing an exodus of social capital of young Italians to the centres and a concentration of foreign workforce in SMEs and IDs, with devastating effects concerning services, economic well-being and social degradation.

This tendency appears to be reversible only by considering immigrants as an actor whose presence is part of a dynamic of the world labour market, which is precisely systemic, and which gives the landing societies the possibility of using new workforce and social capital through the SMEs and effective integration policies. In contrast to this, the lack of integration policies will turn to the exploitation of the workforce and of the local economies, and the consequent degradation of both the SMEs and the surrounding communities. Unfortunately, we are witnessing the inability of the Italian central government and of local institutions to face the systemic problem with multi-year plans and long-term objectives that could lead the economic peripheries and inner areas to a new dynamism, not only economic but also cultural. A multi-ethnic society, on the model of other European countries, is the solution to the economic and social degradation of many Italian provinces. On the other hand, ineffective or non-existent policies on integration, as they are nowadays, would lead to a continuous socio-economic decline, as well as social problems and hyper-nationalists' decisions, often in violation of basic human rights. In fact, we must not forget that, despite this research being purely scientific, the main subject remains a human being, in search of refuge and with the full

right to be welcomed, regardless of what the motivation is, whether it is a result of the international distribution of wealth and work, a war, or political persecution.

The analysis of the particular case, i.e. of the Marche and the province of Macerata, was needed to highlight, aside from the theory, how concrete is the integration issue and how badly is now arranged: for an effective integration policy, targeted public policies are needed that only local institutions can devise, and that today only private and non-profit associations are able to implement. The SMEs, so closely linked to the territory, remain the most important actors, to date, to allow the migrant workforce to integrate, not only economically. The possibility of local communities and immigrants to reverse the vicious circle in favour of the economic and social development of the peripheral economies, left-behind IDs and, generally, of inner areas is therefore directly proportional to the degree of integration of immigrants achieved at the local level. Obviously, a less hostile policy at the national level appears essential, which also should invest more funds in first and second reception programs and which obliges municipalities to implement integration projects. Moreover, it's important to issue a new legislation to make easier for foreigners, and particularly for their children, to obtain a full citizenship.

Moreover, there is a general tendency which risks to further hamper the integration of foreigners, that is, an unfair interpretation of the problem, made by political parties and the media, which tend to associate poverty and security issues to the presence of immigrants on Italian territories, without according to migrants the right to defend themselves on the public debate, thus making far harder the integration of local communities and foreign one. On the other hand, the politics seem to don't even know how to deal with this issue, interpreting it as an occasional emergency rather than a systemic event, so as not to annoy taxpayers and fuel political propaganda, creating an imaginary enemy who would be "invading" our country.

In conclusion, to refound a new, multicultural, and respectful society, on the model of other Western countries, we need to reinvent the issue, interpreting it in a way that see immigrants as a resource, and not a security or poverty issue, fostering integration. Only from a more respectful political debate can rise concrete proposal for a new, peaceful society, especially in small local communities where the presence of foreigners is, and will be, more and more evident.

## Appendix

Survey administered to the manager of the ACSIM, during an interview physically conducted in the agency of Macerata (Marche), the 25/08/2023

“The perception of immigrants’ integration in the province of Macerata (Marche)<sup>2</sup>”

- What motivation mainly drives immigrants to settle in the province?
  - Economic reasons (work/cost of living)
  - Family reunification
  - Presence of a community (word of mouth)
  - The ministry distributes them (it is not at their discretion)
- What are the main difficulties that an immigrant encounters in the long term (from the most to the less common)
  - 1-Learning the language
  - 2- Find a home
  - 3- Find a job
  - 4- Become part of the local community
- What educational background do immigrants in the province mainly have?
  - Elementary education (rarely)
  - High school education
  - University education
- What working background do immigrants in the province mainly have?
  - Primary sector
  - Secondary sector
  - Tertiary sector
  - They have no previous work experience
- How do you perceive local policies regarding integration?

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<sup>2</sup> Information detected within the ACSIM (Marche Immigrant Service Center Association)

- Inclusive and sufficient
- Inclusive but insufficient
- Exclusives
- Non-existent

- How do you perceive national policies on integration?

- Inclusive and sufficient
- Inclusive but insufficient
- Exclusives
- Non-existent

- Is there resistance from local politics and society to the integration of immigrants?

- Yes (entrepreneurs no, prefecture, public and private bodies yes)
- Not
- I don't know

- Are incidents of discrimination and/or marginalization, if existing, increasing or decreasing?

- Increasing
- Decreasing
- They do not exist

- Are there private associations and organizations that help immigrants in their integration process? If so, are they very or little useful?

- Very useful
- Not very useful
- They are not there

- How useful are companies/SMEs in the process of integrating immigrants?

- Very useful
- Not very useful
- I don't know

- For the same job, how are the wages of immigrants compared to Italian citizens?

- Higher
- Lower
- Same



- I don't know
- In what context does the integrative process mainly take place, i.e. the acquisition of socio-cultural knowledge essential for their inclusion in local communities?
  - In the workplace
  - In schools
  - In the private sphere
  - Other
- How much are local policies committed to facilitating the integration process of immigrants?
  - A lot
  - Little
  - Sufficiently
  - I don't know
- How much are local policies committed to facilitating the integration process of foreign children?
  - A lot
  - Little
  - Sufficiently
  - I don't know
- How much does local politics intervene in facilitating the search for accommodation for immigrants?
  - A lot
  - Little
  - Sufficiently
  - I don't know
- How much does local politics intervene in facilitating the search for a job for immigrants?
  - A lot
  - Little
  - Sufficiently
  - I don't know
- Which actors should improve, in your opinion, its commitment to facilitate the integration process?
  - Public bodies (reception, orientation and placement centres)

- NGOs and private associations
- Enterprises
- Schools for children/adolescents/adults

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