# Behind the surge in foreign immigration in Italy: the economic context at the local level.

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# Introduction

In 2007 the foreign population legally resident in Italy surpassed the 3 million mark. This is the result of a steep rise of foreign immigration since the second half of the 1990s. In a very short period of time the foreign population living in Italy has become one of the largest in the European Union. During the last years Italy has recorded some of the highest net international migration rates of the EU. In 2006 net migration of the foreign population was about 238 thousand, compared to a high of 412 thousand in 2003, and the number of live births of foreign citizenship reached 58.000 thousand. The foreign population represents today more than 5 % of the total population living in Italy.

The foreign population is concentrated in certain areas of Italy: the major part of the foreign population is living in the urban agglomerations of Rome, Milan and Turin, and in the areas of the Third Italy of the North-East (compare figure below). The growth of the foreign population in these areas is sustained by direct international immigration flows and, in more recent years, increasingly by internal migration flows and natural growth.

The foreign immigrants are clearly concentrated in the most prosperous areas of Italy, which have at the same time the highest demand for foreign labour. This demand is generated by the economic sectors of manufacturing, construction and services, especially in the tourism sector. Further demand for foreign labour is generated by private households, because the Italian welfare system relies heavily on the involvement of the family in the care for the young and old in need of assistance. Because the Italian family cannot cope with these charges, foreigners are involved as babysitters, housemaids and 'badante' (people assisting the elderly). Needless to mention the agricultural sector as an important sector of the economy relying on cheap foreign labour.

The foreign population originates from a great variety of countries: even if the countries of Central and Eastern Europe dominate (Albania, Romania, Ukraine, Poland, Moldavia) the origin of Italian immigrants are all around the world: Northern-Africa (Morocco, Tunisia and Egypt) and Africa (Senegal), Asia (China, Philippines and India) and Latin America (Ecuador and Peru) (only countries with more than 50 thousand immigrants are mentioned).

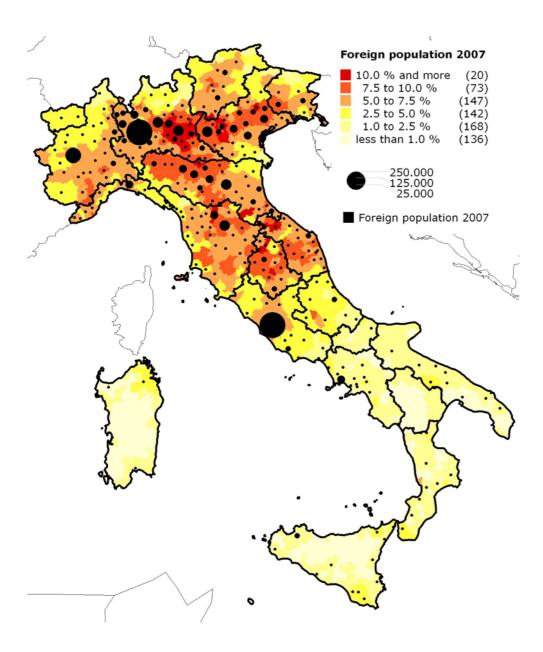
# Hypotheses

The contribution moves the focus of the analysis of the nexus between economic structure and development and foreign immigration from the national to the local level. The geographic distribution of the foreign population, its socio-demographic structure and growth patterns are put into relation to the socio-demographic and economic structure of the labour market areas. The areas

of reference for the analysis are the 686 local labour market areas, defined based on the 2001 commuting patterns.

Some hypotheses of this contribution are:

- A positive relation between economic change and foreign immigration at the local level does exist.
- Foreign immigration leads, given certain conditions, to further economic growth at the local level.
- Even if the phenomenon of foreign immigration is spreading to less developed areas of Italy, the true driving force behind foreign immigration are the more dynamic labour market areas.
- The specialization process of foreign communities in specific occupations leads to a further concentration of specific foreign communities in local labour markets.



### Data

Data from the 2001 population census and population register data on flows and population structure by gender and age, as well as citizenship, provide information regarding the structure and dynamics of the foreign population until the 1<sup>st</sup> of January 2008. The socio-economic information available for the local labour market areas stem from the 2001 population census and the national economic statistics (2001 to 2005 local estimates of occupation and gdp).

The 686 local labour market areas are classified according to their economic structure. This classification will be used to select the specific case studies.

### The case studies

To explore the nexus between economic structures and dynamics and the process of foreign immigration over the last years a restricted number of local labour market areas will be selected as case studies. These case studies will also serve to analyse the importance of the formation of ethnic communities and the mechanism of their specialisation in the labour market. The aim is to show the positive impact of foreign immigration and the formation of ethnic communities on the economic structure and change.

#### **Expected results**

Preliminary results show that in the first place economically dynamic local labour market areas continue to attract most foreign immigrants. The analysis also confirms a positive contribution of foreign immigration to the socio-economic change in the areas of destination. Ethnic communities play a special role in this nexus.