

**LABCIT
COUNTRY
REPORT**

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**EXPLOITATION
AND MIGRANT WORKERS'
STRUGGLES IN THE ITALIAN
LOGISTICS AND TOURISM
SECTORS**



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“Testing EU Citizenship as Labour Citizenship: From Cases of Labour Rights Violations to a Strengthened Labour-Rights Regime” (LABCIT) project is co-funded by the Europe for Citizens Programme of the European Union. We start from the position that a decent wage and working conditions are necessary for promoting full citizenship and the democratic participation of all European Union citizens. As such, the project aims to “test” the ability of European citizenship to be extended to work, favoring the respect of social and labor rights which form labour citizenship. We perform the testing through analyzing “extreme” cases of labour violations and exploitation in several EU countries, aiming to understand which existing and new instruments can be used for strengthening the protection of workers’ labour rights.

As part of LABCIT’s activities, Padua University organised several meetings with groups of migrant workers in Italy, as well as a public hearing with labour rights experts. This Country Report investigates migrant labour exploitation in the tourism sector in Rimini and the logistics sector in Padua.

Short overview

Currently there are over five million foreign citizens living in Italy, of which 1 491 863 are EU citizens, including 1 131 839 Romanian nationals (Istat 2014). Although they have EU citizenship, high levels of education and skills, Romanian workers are segregated in manual jobs and are almost entirely excluded from the qualified non-manual jobs. They are employed in different labour-intensive sectors characterized by low salaries, short-term contracts, seasonal and informal work. This report focuses on two of these labour-intensive sectors: tourism and logistics.

The findings in this report are based on the results of preparatory activities and one public hearing with migrant workers and privileged witnesses such as trade unionists, activists of solidarity associations, health inspectors, experts and government representatives, including the Undersecretary of Economics and Financial Affairs, Pierpaolo Baretta. The focus of the preparatory activities and hearing concerned the workers' labour and life conditions, cases of severe labour exploitation, migration trajectories, the means of access to justice and citizenship rights, migrants' agency and trade unions and NGOs' and public institutions' intervention.

The tourism and logistics sectors were chosen because: 1) the percentage of migrant workers they employ has risen in the last few years (CPI Rimini 2015); 2) the tourism sector has recently been dealing with labour rights violations including severe ones (Carchedi 2014); 3) in the last years the logistics sector has been the scene of several migrant workers' struggles aimed at denouncing the exploitative system of cooperatives and at improving labour conditions (Sacchetto 2015; Cuppini et al.2015).

The Tourism Sector in Rimini

The tourism sector in Rimini is by far the most important economic sector in the area with a history dating from the second half of the nineteenth century. For a long time, the difficult working conditions – which have always characterized the sector – were balanced with a strategy based on high salaries and easy access to some social benefits, such as the seasonal unemployment benefit. Since the 2000s, there has been a gradual worsening of working conditions and a strong compression of wages. At the same time, the industry started to attract workers from other countries, both EU and non-EU. Workers are mainly employed with seasonal contracts from June to September. Currently, the workforce is composed of Italian (local and internal migrants), European mobile workers (mainly Romanians) and non-EU migrant workers (Albanians, Senegalese, Moroccans, as well as growing numbers of Ukrainians and Moldovans).

In 2014, the number of hotels in Rimini was about 2 200 and the workforce nearly 34 000 workers. The employed foreign workforce reached just under 40% of the total. According to data provided by the local employment centre, there is a strong internal stratification in the labour market based on four elements: gender, age, nationality and “race”.

The Logistics Sector in Padua

The logistics sector in Padua is quite important since the city is situated behind the port of Venice, at the heart of one of the most important manufacturing areas in Italy and in the middle of the West-East transportation corridor. In the inland port, where containers in the Venetian market are mainly concentrated, there are about 90 logistics companies.

Despite being a major logistics area, the sector is characterized by high fragmentation: warehousing and other operations are outsourced by firms to a wide number of small companies and cooperatives. In Italy cooperatives have a long history going back to the end of the nineteenth century, when they were founded as instruments to defend workers' interests (Sacchetto 2015). Nowadays, the Civil Code (art. 2511) defines the cooperative society as a company with variable capital and the aim of mutualism. However, the gradual expansion of the cooperative movement and the growth of these societies, linked to the tax breaks accorded by the law, have given impetus to a new business style.

Small firm dimensions in the logistics sector determine low investments in technology and high pressure on working conditions in order to increase profits. The employers' strategies to cut down the cost of labour is behind the search for cheap labour in poor communities and the preponderance of migrant workers (both EU citizens and third country nationals) in this sector.

CASE 1

SEVERE LABOUR EXPLOITATION IN THE TOURISM SECTOR.

THE CASE OF THE "HOTEL LE CONCHIGLIE" IN RIMINI.

Dora is a 45 year-old Romanian worker who arrived in Italy in 2012 through an international recruitment agency. At the beginning Dora was sent by the agency to work in a hotel in Puglia, a region in southern Italy. Later, she was compelled to move to Rimini after some conflicts with her boss. In Rimini, she worked as a chambermaid at the Hotel Le Conchiglie.

Nowadays, the Hotel Le Conchiglie is an abandoned building between the two towns of Rimini and Riccione – emblems of one of the most popular areas in Italy for summer holidays. The building is a reminder of one of the best known cases of severe labour exploitation in the Adriatic coast through the system of International Recruitment Agencies (IRAs henceforth).

In January 2012, the Mediterranea Gestioni Co. Ltd, the last company which managed the hotel, fired its long-term employees. To hire new workers, the managers turned to an IRA located in Romania, owned by a former worker in Rimini's tourism sector. Workers were employed with Romanian labour contracts and with hourly wages of 2-2.5 euro; no other security contributions nor any insurance were provided. Moreover, according to some workers, the IRA did not have the necessary accreditation at the Italian Ministry of Labour and Social Policy. In Rimini, their working time exceeded eighty hours a week, with no days off. The workers, both Italian and migrant, lived in the same accommodation, a dormitory close to the hotel, with overcrowded and very hot rooms.

After several months of unpaid wages and in the middle of the tourist season, workers began to organise various forms of protest, including strikes and sit-ins, with the support of some associations and the trade union Filcams-CGIL:

"We have opened bank accounts in Romania for our salary because they hired us in Romania, but we worked here. When the first month passed, I don't remember if the date of pay was the 17th or 18th, no one said a word. We called the agency: 'the salary? A month has passed'. Little by little, we realized that something was wrong. The boss, all the time, said [to] us: 'tomorrow, the day after tomorrow ... because I haven't received any money from Italy so I can't pay you.'" (Dora, Romanian worker, 11 May 2015).

The actions of trade unions, together with the verifications of the Labour Inspectorate led to the bankruptcy of the *Mediterranea Gestioni Co. Ltd.* The legal dispute, which is still ongoing, prevented the full recovery of wages and many workers have even been forced to rely on various sources of money to pay for their return trips to Romania.

CASE 2

SEVERE LABOUR EXPLOITATION IN THE LOGISTICS SECTOR. THE CASE OF ASIPIAG

Cosmin, a 26-year-old Romanian worker has been working since 2006 for Aspiag (the dealership for the Dutch multinational retail chain Spar in Northeastern Italy), first in Udine, and then in Mestrino (Padova). Like many other food retailers, Aspiag subcontract labour in warehouses to cooperatives. During the several years when he worked for Aspiag, Cosmin was employed as a "working-member" by three different cooperatives: "Popular", "Mestieri e Mestieri" and "MG".

In Mestrino, the cooperative "Mestieri e Mestieri" used to recruit young workers directly in Romania, using formal or informal intermediaries (recruitment agencies or individuals). In the Aspiag warehouse there was strong ethnic and national segregation: Italians were placed in the morning shift, while Romanians were assigned to the afternoon one, the shift with the worst working conditions (in terms of salary as well as of work intensity). In 2008 Cosmin moved to Padua where the Aspiag warehouse was managed by the "Popular" cooperative. Until 2014, the collective bargaining agreement for the logistics and transportation sectors was not applied at these cooperatives. Instead, workers had a cleaning service contract, which provided a lower salary. Predominantly long and irregular working hours (from five up to twelve hours per day), significant overtime, and the high pace of work caused serious health issues (especially back problems) to many of the workers. The management style was based on threats and punishments. For instance,

in case of a sick leave request, workers were obliged to move to another warehouse run by the same cooperative, in general one farther from their home. “Mestieri e Mestieri” started to operate in the Padua warehouse of Aspiag in 2013 but did so only for a year. In 2014, when workers started to unionise asking for better wages, lower pace of work, and regular labour contracts, the cooperative decided to leave, informing them only one day in advance. The new cooperative, MG, announced it was not going to rehire twenty-one of the workers, selected among the most unionised, and introduced a form of piece rate work through an individual productivity bonus. In response, on the first of May 2014, workers organised a strike. The strike won the rehiring of almost all the workers but, in just two months, the 103 workers received 300 letters of reprimand for “unsatisfactory work performance”, and ten workers received more than forty days of suspension, as well as economic penalties. Supported by the rank-and-file union Adl Cobas, workers contested those disciplinary sanctions and recently obtained important concessions. Nevertheless, they are still trying to obtain a decrease of the work pace especially through the removing of the individual productivity bonus.

Main issues

As it emerges from the two cases of severe labour exploitation described above as well as the several interviews conducted through the preparatory activities and the hearing, both in the logistics and in the tourism sectors there are recurrent patterns of serious labour exploitation. In particular, workers are confronted with: non application of the collective bargaining agreements, long and irregular working hours, pressures and threats by the management, withholding of wages and benefits.

The main mechanisms that lead to these conditions are: the fragmentation of legal responsibility via outsourcing; precarious employment in cooperatives; recruitment through IRAs; isolation and language problems; gender violence and sexual harassment; forms of accommodation that facilitate exploitation; and a slow-moving justice system.

■ OUTSOURCING

The process of subcontracting determines a system in which companies are organised in various chains. This situation is frequent especially in the logistics sector, where warehousing is

outsourced by firms to a wide number of small cooperatives. Outsourcing allows the parent company to shift its risks onto a different entity, making it more difficult to identify the workers' employer in cases of workplace disputes. Indeed, in many cases client companies and subcontractors try to shift the responsibility to each other: generally the former argue that it is the labour managers who are responsible for subcontractors whereas the latter place the blame on the economic conditions imposed by the client firm.

■ COOPERATIVES

Despite the ideology of participation in cooperatives, migrants employed as “working-members” by cooperatives do not have any decisional power within them. In addition, despite the fact that often they have open-ended contracts with the cooperative, the document does not protect them in any way from precariousness because at the end of an agreement between the client and the cooperative the rehiring of workers is not assured. This form of practically temporary employment seems to be often used as an instrument to remove “undesirable” workers from the warehouse, generally targeting those who have participated in protests and work stoppages. Moreover, cooperatives often close suddenly and change their name, in order to not pay part or the promised wages and social security contributions. Indeed, when a cooperative fails, shuts down or loses the contract with the client company, it is very difficult to find a responsible entity that can be sued.

■ PROCESS OF RECRUITMENT

Sometimes employers use international recruitment agencies. Generally the agency provides the recruitment, the selection and the transfer of the workers to the workplace. In this way agencies have a direct responsibility for the level of workers' exploitation. For instance, in many cases, especially in the hospitality industry, agencies employ Romanian workers with Romanian labour contracts. Other times, recruitment can be based on family and community ties, ensuring in this way a dual control of labour, in the workplace and in the community. At the same time, this type of recruitment enforces divisions and internal hierarchies in a highly racialized sector.

■ ISOLATION AND LANGUAGE

Migrants' poor language skills and their lack of knowledge of Italian laws are used by employers in order to not observe rules (as shown by frequent cases of deduction of bonuses, severance pay and overtime, and of violations of the collective bargaining agreements). Moreover, social isolation and invisibility, especially for seasonal workers, makes them more vulnerable to exploitation.

■ GENDER-BASED VIOLENCE

In the more feminized sectors (e.g. tourism) abuses or sexual harassment at work are quite widespread. Trade unionists underline that for women gender violence at work is often associated with other forms of labour rights violations and it functions as a control instrument: the fear to suffer gender violence and sexual blackmail prevent or weaken female workers' capacity to denounce or protest exploitation. For this reason, according to trade unionists, it has become necessary to be prepared to handle these types of situations as well.

■ ACCOMMODATION

The practice of providing accommodation for workers in the workplace – a widespread practice in the hospitality industry in particular – functions to discipline and control workers: if they are fired or decide to resign they lose their accommodation immediately. This allows employers to extract work even during an employee's break times by demanding the permanent availability of workers living inside the hotels. Furthermore, accommodation is frequently quite inadequate: spaces adjacent to hotels, obtained from warehouses or cellars, often unhealthy, lacking toilets, badly ventilated and small.

■ JUSTICE SYSTEM

In many cases it is very difficult for the workers to find the entity responsible for their exploitation and file a legal lawsuit. Furthermore, the timing of the Italian civil justice procedures is too long and this often discourages workers from taking legal actions, in particular if they move to another country to work or if they return to their country of origin.

Practices of resistance against severe labour exploitation

Do workers stand idle in the face of abuses in the workplace? The preparatory activities and hearing carried out show that they do not. On the contrary, interviewed workers put in place several strategies against severe labour exploitation.

These strategies appear to be often nonlinear processes related both to subjective paths and to the objective opportunities to make contact with trade unions and NGOs. Factors which characterize and at the same time, constrain and promote workers' agency are manifold. Social background, the pre-migration political and work experience, the professional trajectory, the migratory paths and social networks are certainly some of the most relevant. The social characteristics of the workforce are some of the most important elements that can guarantee the capacity to implement various forms of agency. Although the majority of these resistance strategies are enacted by workers at the end of the employment relationship or in the form of the "ability to exit" (leave the job), there are many cases in which workers have expressed forms of protest in the workplace.

However, in the two sectors analyzed, important differences emerged in the implementation of such strategies. In recent years, the logistics industry has witnessed a multiplication of both unionization and worker-supported struggles. These struggles are often concentrated in the demand for increased wages, reduced labour intensity and regularity of the work contract. In many cases, workers have achieved important victories thanks to the involvement of other sectors of the civil society and social movements in numerous strikes and so-called "road blocks", a typical form of social unionism protest designed to stop or slow down the circulation of goods. Furthermore, the ability to cooperate with the associations and the unions has allowed the workers to achieve even greater visibility.

On the other hand, in the tourism sector, the fragmentation of the production structure, the segmentation of the labour market, seasonality as well as the different types and purposes of migration, seem to transform workers' agency from a collective social process into individual strategies. In the context of Rimini, the degree of abuse is connected both to the role of recruitment agencies and to the housing of workers in the same hotels. However, what is evident is that recruitment agencies are often a vehicle for the first entry into the Italian Riviera area. Many workers, in fact, take advantage of this first experience to improve their knowledge about the place and its labour market, freeing themselves from agencies later.

Secondly, workers sometimes waive the accommodation. This limits one of the employers' major control measures and allows workers to regain their free time and rest hours. The ability of workers to manage their free time is a key factor in building social relations, gathering useful information and putting down roots in the host region.

Despite the strong activities of associations and some trade unions, many impediments prevent the activation of workers' unionization. The relationship that workers have with trade unions is often reduced to the mere use of their financial support services (such as unemployment benefits or fiscal assistance) and does not extend to the negotiating of working conditions and wage levels. Only in severe cases – those that relate to fraud or failure to pay – do the workers ask for the union's support, with the latter then opening a labour dispute. Despite these difficulties, both in the tourism and in the logistics sectors, support from trade unions and NGOs was and remains fundamental to finding a way out of severe exploitation. The actions of solidarity associations are key especially in cases of complaints of gender violence suffered by women workers.

In conclusion, to limit the different types of severe labour exploitation, workers experience – thanks to the support of social networks and unions – new forms of bottom up and horizontal organisation. The strength of these associations seems to be the ability to create functional alliances with other segments of civil society. Empowerment is a nonlinear social process, not generalisable to the entire workforce. However, the knowledge of the social environment and the availability of institutions, unions and solidarity associations seem to have helped to limit, in the tourism as well as in the logistics sector, the most serious forms of labour exploitation, allowing migrant workers to benefit from some citizenship rights.

Recommendations

1. Guarantee genuine access to justice for EU mobile workers through free legal aid by the state, economic support aimed at helping them cope with living and travel expenses during the trial.
2. The creation by the state in cooperation with employers' organisations of a guarantee fund for workers who suffer fraud or non-payment of wages.
3. Improvement of transnational and local cooperation between public institutions, trade unions and NGOs, since migrant workers' labour problems are often complex. In particular it is necessary to take into consideration not only labour conditions but also the reproduction sphere (where people live, food quality, sleeping quality etc.), health issues and the gender dimension.
4. Introduction of employment contracts in a language known to EU mobile citizens, in order to make the labour contract understandable to workers.
5. An increase in the control and prevention of severe labour exploitation through the synergistic activation of institutions (building on a strengthening of labour inspection resources) at both national and international levels in order to identify the recruitment agencies involved in different forms of abuse and labour exploitation.
6. Developing specific services managed by local institutions to provide welcoming shelters and social housing for seasonal migrant workers, in order to integrate migrant workers in the Italian social contexts and labour market and protect them from the control exercised by employers within hotel-based dormitories frequent in the tourism sector.
7. Encouraging through specific grants the activities of NGOs and trade unions aimed at promoting labour citizenship.

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