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VULNERABILITY OF CHINESE MIGRANT WORKERS IN ITALY: AN INVESTIGATION INTO THEIR WORKING CONDITIONS AND RELATED CONSEQUENCES

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Abstract

Although the vast majority of new Chinese immigrants in Italy are employed within the ethnic economy, their voices, contributions, sufferings and needs are rarely recognised due to the nature of the “closed community” they belong to. This paper argues that the vulnerability of Chinese migrant workers is related to the poor working conditions in their workplaces and the social isolation they experience, and that these two problems are interwoven. This can be illustrated by a preliminary survey of 28 Chinese- and Italian-owned manufactories in the textile, garment and leather sectors in Veneto. This paper aims to: develop a framework for observing the working conditions in those sectors; compare the differences between Chinese- and Italian-owned manufactories; reveal the impacts in terms of social isolation and vulnerability of Chinese workers. Policy implications are also highlighted.

Biography

Dr. Bin Wu is a senior research fellow in the School of Contemporary Chinese Studies at the University of Nottingham. He holds a BSc in Physics, a MA in Science and Technology Studies, and a PhD in Human Geography. Before he joined Nottingham in September 2007, he had spent seven years as a researcher in Seafarers International Research Centre at Cardiff University. He has a wide range of research interests in the areas of globalisation, labour mobility and sustainability at local, national and international levels, with a focus on the impact on working conditions, career development, health and safety of migrant workers. He is the author of *Sustainable Development in Rural China* (Routledge, 2003, sole monograph), *The Global Seafarers* (ILO, 2004, co-authored), and *Marginalisation in China* (Ashgate, 2007, joint edited). He has recently undertaken a project, funded by the Italian government, on the mobility and impact of Chinese ethnic entrepreneurs in Italy, which involved ethnological observation and questionnaire survey in more than 30 Chinese owned manufactories.

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1. Introduction

Chinese migrant workers in Italy are perhaps more vulnerable than other ethnic groups for two reasons. Firstly, Chinese immigrants tend to be quite isolated (belonging to a so-called “closed community”) and there is a lack of effective communication and interaction with local Italian communities. Secondly, the vast majority of Chinese immigrants are recruited by ethnic Chinese businesses which are widely known for having poor working conditions. This is particularly true for those in the textile, garment and leather industries -- the major sectors for Chinese employment -- where the high walls of manufactories and remote locations make them susceptible to labour abuse and exploitation.

The poor working conditions faced by workers in the textile, garment and leather sectors are not limited to Chinese migrants but are the central battlefield of the global anti-sweatshop movement (Bender, 2002; Whaken, 2002; Armbruster-Sandoval, 2005; Chin, 2005; Powell and Skarbek, 2006). Whereas overseas Chinese studies have tended to focus on the development of the Chinese ethnic economy and Chinese entrepreneurs, little attention has been paid to the voices, contributions, sufferings and needs of Chinese migrant workers in the West. The exceptions are surveys of the working conditions of illegal immigrants in Chinese garment manufactories in New York (Kwong, 1997; Bao, 2002). The case of Chinese migrant workers in Italy offers an opportunity to examine the relationship between social isolation and working conditions in Chinese-owned manufactories.

This paper attempts to develop an objective viewpoint and account of the working conditions of Chinese migrant workers in Italy and their consequences. This has been done through close observation and intensive interviews with Chinese owners and workers conducted in summer 2006, which involved 28 manufactories in the textile, garment and leather sectors in Veneto, an industrial cluster in Italy. Accordingly, this paper aims to: i) establish a framework for observing and analysing the working conditions of Chinese migrant workers in those sectors; ii) compare the differences in working conditions between Chinese- and Italian-owned manufactories; iii) reveal the consequences of social isolation and vulnerability of Chinese workers.

This paper is organised as follows. The next section describes the background and survey methodology. Section 3 establishes a framework for observation and analysis. Section 4 compares the working conditions between Chinese- and Italian-owned manufactories. Section 5 analyses the consequences for Chinese workers. The paper ends with conclusions and a discussion of policy implications.

2. Background and survey methodology

Driven by globalisation and economic transition, the last decade has witnessed a rapid growth in the non-EU population in both Italy and Veneto¹. By the end of 2004, non-EU immigrants with resident permits in Veneto had climbed to 273,606, 12.8 times more than in 1991. The

¹ For a detailed background of Chinese migration to Italy and Veneto, see a separate paper (Wu and Zanin, 2007).

total number of legal Chinese residents in Veneto totalled 14,063 by 2004, accounting for about 5.1% of non-EU residents in this region. Although the Chinese population is still small in absolute terms, the rate of its growth is rather high, increasing 2.56 times from 2000 to 2004, faster than the national average increase of 1.8 times of Chinese residents in Italy in the same period. Veneto's share of Italy's Chinese population increased from 9.1% in 2000 to 12.6% in 2004. At the moment, Veneto is the fourth most popular destination in Italy for Chinese immigrants.

According to the figures supplied by the Italian Ministry of Labour, the number of Chinese workers registered with employment centres in Veneto amounted to 7120 in 2004, 2.13 times more than in 2000. The growth rate of Chinese migrant workers is faster than the average growth (1.47 times) of non-EU migrant workers over the same period. As a result, in 2004 Chinese workers became the fourth largest ethnic group in the Veneto region, moving up four places from their position of eighth in 2000.

Turning to ethnic businesses in Veneto, non-EU entrepreneurs managing active enterprises numbered 16,013 (5.5% of the national total), with Chinese entrepreneurs accounting for 1,751 (11% of the regional total). They ranked as the second largest group of non-EU entrepreneurs after Moroccans in 2005. Since 2003, the number of enterprises owned by non-EU entrepreneurs has increased mainly in the building (+31.8%) and clothing (+14.5%) industries. Table 1 shows that manufactories are predominantly run by Chinese ethnic businesses in Veneto, 60% owned by Chinese entrepreneurs, compared with the 10.7% and 5.6% of Italian/EU and other non-EU counterparts respectively. Chinese entrepreneurs have demonstrated their competitive advantages when it comes to manufactories, particularly in the industries of textile, garment and leather.

Table 1: Distribution of Entrepreneurs (owners) by Sector in Veneto (2004)

Sector	Chinese	Other non-EU	Italian/EU
Manufactories	1,041	627	29,652
Trade	530	3,319	67,081
Building	7	5,416	42,114
Transport	8	986	11,569
Other	165	809	126,945
Total	1,751	11,157	277,361
Manufactories in the total (%)	59.5	5.6	10.7

Table 2 confirms the competitive advantages of Chinese entrepreneurs in the textile, garment and leather sectors compared with other ethnic groups in Veneto, with Chinese entrepreneurs accounting for over 90% of all non-EU entrepreneurs in those sectors. In particular, the vast majority (87%) of Chinese entrepreneurs are concentrated in the garment sector, in which 95% of ethnic manufactories are owned by Chinese entrepreneurs.

Table 2: Ethnic Entrepreneurs in Garment, Textile, Leather Sectors in Veneto (2004)

Sector	Chinese	Other non-EU	Total	Chinese in total (%)
Garment	840	46	886	94.8
Textile	70	31	103	68.0
Leather	61	19	80	76.3
Total	971	98	1,069	90.8

Despite the rapid growth of the Chinese population in Veneto in recent years, the public know little about Chinese immigrants. Instead, there have been many negative reports in the Italian media which have damaged the reputation of Chinese businesses and workers and caused unnecessary tension between Chinese and local Italian communities. To fill knowledge gaps about Chinese immigration to Italy in general, and Chinese entrepreneurs and workers in Veneto in particular, a research project has been jointly funded by Padova University, the local councils of Padova and Venice. With a focus on the working conditions of Chinese-owned manufactories and effects on Chinese migrant workers, an extensive fieldwork was undertaken in Veneto in summer 2006, which involved 28 manufactories in the textile, garment and leather sectors.

Many methodological difficulties were taken into account in advance. Firstly, Chinese manufactories are not concentrated in a few cities or industrial zones but rather spread throughout the whole region. Furthermore, there is no assembled information about the Chinese community in Veneto which can be used as a sample framework. Secondly, the demand for Chinese workers in Chinese-owned manufactories varies with the seasons. Working patterns differ significantly between peak times (e.g. June and July) and the quiet seasons (e.g. April and August), which would affect availability for interviews. Thirdly, not all Chinese firms are registered with the local authorities², and not all Chinese migrant workers hold resident permits. The differences in legal status have significant impacts on migrants' working conditions and participation in our survey. Finally, it would be a mistake to assume that all Chinese workers are employed by Chinese entrepreneurs. In fact, a large number of Chinese workers are employed by Italians.

The following measures have been taken to tackle the above difficulties. Firstly, instead of targeting local Chinese employer associations (although we have a good working relationship with them), we selected and targeted Chinese manufactories by accessing the national database of Chinese firm registrations in Veneto. Secondly, our visits focused on the health and medical needs of migrant workers. This is a topic of universal interest and it would have been difficult for Chinese owners to have denied us access. Thirdly, a comparative perspective was adopted to observe the differences in working conditions between Chinese- and Italian-owned manufactories, and to explore the consequences for Chinese workers.

² In this case, obviously the problem is that we have no realistic data about the number of non-registered firms. According to the opinion of Venetian police officials, the percentage of Chinese non-registered firms in Veneto is as high as 30% of the registered active firms, but the way this estimation was made remains dubious: for instance, during an interview with a local police inspector, he quoted an example of two non-registered firms that the authors of this article had visited, identifying them using the official record of the Venetian Trade Chambers. It seems that sometimes the local authorities treat firms operating in the shadow economy in the same way as all firms which in some way contravene national labour laws. For the purpose of this article, we consider only the registered firms. These are the firms that operate in the formal sector of the economy, but sometimes do not regularise the position of their employees.

Depending on the production status, working environment and willingness to participate, we took a flexible approach and collected relevant information using a range of methods that included the following:

- Close observation of working environments including: light, air, temperature, space, number of workers and machines, products and brands, etc.;
- General talk with the owner and workers about the market situation, the nature of subcontracts and products, major issues relating to access to both Italian and Chinese clinics;
- Self-administered questionnaire survey with a focus on health and medical needs;
- Group interviews when there were no tight production deadlines and many workers were willing to talk. Whenever appropriate, digital recordings of the interviews were made.
- Participatory observation and analysis with a local trade union officer, a bank manager with industrial expertise, a Chinese medical doctor, and a Chinese worker.

Table 3 provides a profile of all the manufactories we visited according to the owner’s place of origin in China and products. Three Italian-owned manufactories that employed Chinese staff were included for the purpose of comparison. We do not claim, however, that Table 3 represents Chinese businesses in Veneto due to the complexity of the Chinese ethnic economy and the time constraints of the survey.

Table 3: Visited Manufactories by Owner and Product

Owner’s Place of Origin	No	%	Product	No	%
Wenzhou	13	46.4	Cloths	19	67.9
Qintian	8	28.6	Jeans	2	7.1
Fujian	4	14.3	Leather	3	10.7
Italian	3	10.7	Shoes	4	14.3
Total	28	100	Total	28	100

A self-administered questionnaire survey was used when owners and workers showed an interest in participating. Twelve out of 28 manufactories took part, including one of the Italian-owned manufactories. However, not all workers in the selected manufactories were willing to fill in the questionnaires for various reasons: some were too busy to stop work; some were worried that trouble would ensue; others had poor Chinese literacy. Of the total 152 Chinese workers in the sampled factories, 46 participated, giving a response rate of 30%. Furthermore, of those respondents, 80% were skilled workers (known as *Chegong*) whose jobs involved tailoring, sewing and ironing and 40% were female. Half of the respondents were aged between 30 and 40, and 56% of the total number of respondents arrived in Italy after 2000.

In addition to participatory observation and the questionnaire survey, we also conducted 72 group or individual interviews, of which nearly 60% were with Chinese migrant workers (including 10 undocumented workers). More than one third (36%) of the interviews were with females, and one third were with Chinese owners including community leaders (e.g. chairmen or vice chairmen of Chinese owners’ associations). In relation to the theme of the survey, three unregistered Chinese clinics were visited for close observation, while doctors were interviewed in depth.

3. Framework for Observing Working Conditions

Working conditions vary according to production sector, geographic location and the nature of the employment. Even for Chinese migrant workers, working conditions would be significantly different between the food/beverage and manufacturing sectors, between big and small firms, and between workers with legal and illegal status. Based upon the participatory observation and analysis of the sampled manufactories in Veneto, the following dimensions can be applied to describe the working conditions in Chinese-owned manufactories including: production environment; working pattern; wage system; welfare, tax and insurance.

Production environment is defined as the sum of all relevant conditions which influence the health and safety of workers. It contains, but is not limited to, mode and safety devices of machines, space, lighting, noise and ventilation, cleanliness and hygiene. The production environment is closely related to the scale of Chinese manufactories, which can be divided into four types according to the number of workers excluding the owner's family members (Table 4). Generally, Types III and IV are similar to Italian workshops, which are usually located far away from local residents and have plenty of space, a high roof, good lighting and ventilation. Some are even equipped with powerful air-conditioning. Due to the extremely hot weather (nearly 40⁰C) when we visited, many workers mentioned the importance of ventilation for their work and health.

Table 4: Scale of Migrant Workers in Visited Chinese Manufactories

Type	Scale	No.	%	No. workers	%
I	4 - 6	3	14.3	15	5.4
II	7 -9	6	28.6	45	16.1
	10 - 15	6	28.6	88	31.5
III	16 - 20	5	23.8	91	32.6
IV	40	1	4.8	40	14.3
Total	Total	21	100	279	100

Note: Scale refers to the actual number of workers when we visited. It excludes those Chinese manufactories which were not fully operated due to no enough production orders when we visited.

Type II is generally poor and suffers from one or many of the deficiencies described below:

- old building without necessary protection from wind, rain, and hot or cold weather;
- limited space occupied by crowded workers and machines;
- poor air and light due to closed windows and doors -- particularly problematic during the manufacture of leather products with a strong chemical odour.

Type I is the worst type of manufactory -- a family house located in a residential area. Here, the garage has usually been modified to form a workshop with crowded machines, people, materials and products. The lack of fresh air is a big issue because of attempts by the owner to hide the manufactory from the sight of local residents. As a result, all windows and doors are closed.

Working pattern refers to work and rest times and includes: working hours and daily schedule; the number of working days each week; flexibility of working time; penalties if the

working pattern is broken. It is common in a Chinese manufactory for employees to work a 14-hour day, 7 days a week. Working hours however vary greatly, depending on the nature and duration of the subcontract rather than workers' preferences. For instance, in some factories (e.g. jeans washing) workers work only in the daytime, while in others they have to work through the night to meet deadlines. The latter is called *Ganhuo* in Chinese. During this period, workers may have to work 24 hours continuously, 36 hours or even longer until the job is done. *Ganhuo* may occur occasionally or frequently, depending on factors to do with the market and the owner. While *Ganhuo* is an important means for Chinese owners to make profits, Chinese workers often do not earn more money and lose out in terms of health and safety, as shown by the interview in Box 1.

Box 1: *Ganhuo* in Chinese manufactories

Q: Is the factory busy?

A: Yes, very busy indeed! It is better if you visit the Chinese factories in the early morning or at midnight when all the workers can be found busy working very hard.

Q: Why work at night? Why not work in daytime?

A: Daytime? The boss cannot bring in the job in the daytime, so the workers have to work at night after the boss gets the job. If the job needs to be done by the next morning, the workers have to work throughout the night...

Q: Can you adjust the working time to daytime?

A: No, you cannot because the Italian contractor finishes his designs in the daytime, and wants to sell the products on the market tomorrow, so you must complete the remaining job at night.

Q: Is your job one part of the process or the whole process?

A: The whole process except the design. The design is in the Italian factory. The products must be given to them the following morning. Even if he [the Italian subcontractor] didn't ask for the job to be completed by the next morning, the Chinese boss may still ask workers to do so because he wants to earn more money. Suppose the products must be delivered to the Italians within 3 or 5 days, but the boss thinks they can be done by today, he will ask the workers to finish them today. If the products cannot be completed by tomorrow, he will ask us to finish them by the day after tomorrow. The deadline is set by the boss, and workers cannot know whether that's the actual deadline or not. This is the reason why you can repeatedly hear the story of *Ban Ye Ji Jiao* (半夜鸡叫) [a classic story in Chinese which revealed the terrible working conditions on a Chinese farm before 1949] in Italy.

Q: If I were a worker, would I have to work like this? Could I find work which is not like this?

A: No, but you could try (laughs). The situation is the same in 99% of Chinese-owned factories. The remaining 1% might just be suffering from poor business or losses. If you cannot earn money in the latter group, will you still want to work there? The answer is obvious.

Due to our limited sample size and survey time, however, we were not able to prove whether the above example was representative of all Chinese-owned manufactories. While the phenomenon of the *Ganhuo* is more prevalent in the months of June and July, we do not know the precise percentage of Chinese factories which adopt this pattern, and how often they adopt it for production management each year.

The wage system for Chinese workers can be divided into two types: monthly salary and piece-rate wage. The former mainly applies to unskilled workers who are responsible for many jobs including: cooking meals for all staff, including family members of the employer if they live in the same quarters; cleaning the house and workplace; loading and unloading; completing the remaining work after skilled workers have finished (e.g. cutting strings, fixing buttons). These workers are known as *Zagong*, which means “multiple function workers”. Depending on the size of manufactories, there is at least one *Zagong* per workshop. The salary ranges from 500 to 700 euros per month.

The piece-rate wage is applied to skilled workers, or *Chegong*, who operate sewing or interconnecting machines, or do the ironing. It is not easy to provide a benchmark for the piece-rate system in Chinese manufactories, as it involves many variables including: sector (e.g. textile, garment, leather), product (e.g. cloth, shoes, bags), amount of work (e.g. whole or piece of cloth to do), and also their positions in the supply chain (or the nature of the subcontract). It is estimated that most *Chegong* can earn between 900 euros and 1100 euros per month given a normal workload. During peak periods, it is estimated that many earn 1500 euros per month or more, and sometimes as much as 2000 euros. In contrast, *zagong* receive a fixed-rate salary throughout the year without any bonuses.

Owing to the shortage of skilled workers and competition among Chinese manufactories, some owners may use other means to retain highly skilled workers. This is particularly true of new employers who are heavily dependent upon the expertise of one or two experienced workers, or during peak periods when many bosses find it difficult to find and keep highly skilled workers. This has resulted in a new and higher wage, called the *Baodi* wage, a monthly wage which is at least 20% higher than the average piece-rate income. The *Baodi* wage in Chinese means that, whether busy or not, the employer will pay a certain amount to workers within a defined period. Depending on factors such as the sector, product, bargaining power and technique of the workers, the *Baodi* wage can be as high as 3000 euros per month. Adopting the *Baodi* wage system, employers can not only reduce the risk of losing key skilled workers during peak periods, but also make more profit as they accept more work from Italian contractors without having to worry about being refused by the *Baodi* wage holders. Compared with the rise in incomes of *Chegong* and *Baodi* workers, *Zagong* workers unfortunately stand to gain nothing but a bigger workload. However, the prevalence of the *Baodi* wage system in Veneto needs further investigation.

In terms of welfare, tax and insurance, the most important welfare provided by Chinese employers takes the form of free food and accommodation. Free food and accommodation, in principle, include periods of day-off, sickness and even visits from friends who might be looking for a job nearby. Generally, four meals are provided daily: breakfast, lunch, dinner and supper at midnight. Mealtimes are included in breaks, which tend to consist of 20 minutes three times a day or one hour each day. Besides meal breaks, there are no other formal breaks in Chinese manufactories. The quality of food and accommodation, however, varies greatly, depending on factors such as the scale, location, management style and personal preferences of employers. Tensions may arise between owners and workers in circumstances such as: i) unification of a worker’s family members or a baby being born to a couple (whether married or not); ii) factory closures during lull periods; and iii) when workers fall sick. Depending on the situation and personality of the owner, many workers may find it hard to stay with owners and their families in the above circumstances according to our survey.

In the vast majority of cases, Chinese owners do not pay any tax, pension, health or unemployment insurance for their employees unless the Chinese workers are willing to pay for them out of their own salaries. Chinese workers have to pay a large portion of their wages to the Italian authorities for a valid work permit or to renew their residential permit. This leaves a lot of room for labour abuse and unfair treatment.

4. Comparison between Chinese and Italian Manufactories

The poor working conditions in Chinese-owned manufactories cannot be fully understood without comparing them to those in Italian-owned manufactories. According to local informants, there is a growing number of Chinese migrants who want to work in Italian manufactories. This is particularly true of those who have a residential permit and wish for a normal life in Italy. It is estimated that the total number of Chinese workers in Italian manufactories is about 3000, more than 10% of the Chinese labour force in Veneto. In reflecting the demand for jobs in Italian manufactories, according to an interviewee, interested workers need to pay a broking fee of between 300 euros to 1000 euros, depending on the working conditions. Why do Chinese migrants like to work in Italian- rather than Chinese-owned manufactories? What are the differences in working conditions between them? Applying the framework described in the previous section, the following paragraphs will address these questions.

In terms of production environment, most Italian manufactories are located in industrial zones where the owner rents or builds a building designed to meet national standards for health and safety. By contrast, Chinese-owned factories are more likely to be outside of the industrial zones and sited in rented outdated or abandoned buildings. Some of them may be located in residential areas in remote villages or small towns where a family house has been modified for industrial production. Compared with their Italian counterparts, Chinese manufactories are generally poor in terms of space, air, light and hygiene standards, and many even fall short of safety standards due to old machines which lack protective devices. There are some exceptions, however, among both Italian- and Chinese-owned manufactories. For instance, we found many Chinese factories located in industrial zones having standards similar to their Italian neighbours. We also visited an Italian leather manufactory where over 20 Chinese workers worked in air polluted by strong chemicals, busy dyeing and polishing leather on a hot day. A poor environment such as this cannot attract and retain Italian workers and is the most likely reason why the Italian owner preferred to recruit Chinese workers. One of the biggest differences between Italian and Chinese owners, however, is the function of the manufactories themselves. For the former, the manufactory is a place for industrial production only, totally separate from the living spaces of workers, and the only responsibility of the Italian owner towards the workers is to provide a safe working environment. In contrast, Chinese-owned manufactories are used for both production and living purposes. Even if there is a geographic separation between the production building and accommodation, Chinese owners are still responsible for providing free food and accommodation to all staff.

The difference between Italian- and Chinese-owned manufactories is even more obvious when we look at working patterns. In the former, it is usual for Chinese employees to work eight to nine hours a day (including breaks) and during the evenings, we saw parents going shopping or playing with their children in the park, just like Italian families. Depending on the business, some Chinese workers may work at the weekend with extra pay of 8 euro per hour. In contrast, Chinese workers in Chinese-owned manufactories normally work more than 14 hours a day, 7 days a week, totalling more than a hundred hours a week, twice as much as their colleagues in Italian manufactories. The difference between the two systems is not

limited to the number of working hours but also related to the working pressure on the workers. Workers in the former system have a regular working schedule in the daytime and may not have any *Ganhuo* experience. Those in the latter system not only have to work into the middle of the night, but they are also frequently involved in *Ganhuo*. While Chinese workers in Chinese-owned manufactories don't mind working longer hours in order to earn more money, such long hours of work cause problems for many Chinese workers who are concerned about the consequences for their health and safety.

The hard work in Chinese manufactories may bring in a monthly income of 900 euros to 1100 euros for the workers, which is 200 euros to 300 euros more than workers in Italian manufactories get in absolute terms. Taking into account free food and accommodation, which may be equivalent to between 200 euros and 300 euros monthly, the total income of Chinese workers in Chinese-owned manufactories adds up to between 1100 euros and 1400 euros per month, which is about 40% to 60% more than the incomes of those working in Italian companies. This calculation, however, ignores the difference in the payment systems because the former adopts a piece rate system while the latter pays a monthly wage based on total working hours each week and month. Taking into account the longer working hours in the former, which are roughly double the latter, the actual salary in Chinese manufactories is around 60% that of Italian manufactories in terms of hourly pay.

The working conditions in Chinese manufactories seem even less favourable when compared with those in Italian companies if welfare and other benefits are taken into account. Although some interviewees complained about the lack of welfare and benefits compared with native Italians, Chinese workers in Italian companies are entitled to paid holidays and illness and maternity leave, all of which are unheard of in Chinese manufactories. Injury and unemployment insurance is paid by Italian companies but not by Chinese owners. The main issue that concerns Chinese migrants, however, is the wage tax. Under the current regulation system, all employers are responsible for paying the wage tax to the state, while the receipt for wage tax is a crucial document needed by a migrant worker to apply for or renew their residential permit in Italy. While all Italian employers obey this law and pay the wage tax for Chinese workers, according to our survey, the vast majority, if not all, of Chinese employers do not pay this unless workers are willing to use their own money. Occasionally, some employees with bargaining power are lucky in that Chinese bosses offer to share the cost of the wage tax with him or her. In contrast, other workers are devastated when they find out that their contribution to their wage tax has become revenue for their bosses. According to our interviews, the knowledge that Italian employers will pay their wage taxes is one of the main reasons why Chinese workers prefer to work for Italian rather than Chinese owners.

Another benefit of Italian companies is the opportunity for social space and a private life. For instance, it is very difficult for a Chinese couple who work in a Chinese-owned manufactory to care for their children themselves. As a result, most married couples leave their kids with grandparents in China. In contrast, Chinese workers in Italian manufactories can have a normal family life and enjoy social interaction while their children can grow up in Italy like normal children.

It is worth noting that alongside the quantitative growth of Chinese employees in Italian manufactories, there are some signs that indicate an increasing awareness of their rights to a decent job and pay. According to a recent study by an Italian trade union in Venice, more than ten of Chinese employees in Italian manufactories have joined trade unions. During our visit, a female worker seemed very happy when she talked about the benefits she had gained as a member of an Italian trade union, which included compensation from her Italian employer

who did not pay her salary for two months due to the temporary closure of the manufactory. Many Chinese workers in Chinese-owned manufactories also wish to contact local trade unions about cases of labour abuse but are unable to gain access.

To summarise the above discussions, the major differences in working conditions between Chinese- and Italian-owned manufactories are illustrated in Table 5. It is worth noting that in Table 5 it is assumed that all migrants have: (A) a valid residential permit and (B) skills suited to the textile, garment and leather sectors. The above assumptions, however, apply more to Chinese employees in Italian companies than those in Chinese manufactories. As a result, working conditions for undocumented and unskilled workers are assumed to be even worse than those described in Table 5.

Table 5: Working Conditions in Italian- and Chinese-owned Manufactories

Category	Item	Italian	Chinese
Environment	Location	Industrial zone	Residential areas
	Facilities	Good	Probably poor
	Production and living	Separately	Together
Working pattern	Length (hours/day)	8-9	14-16
	Working schedule	Daily only	Overnight likely
	Weekend/holiday work	Sometimes	Always
	<i>Ganhuo</i> (tight deadlines)	Never	Often
Pay and tax	Payment system	Hourly rate (monthly)	Piece rate
	Income (euro/month)	800-900	900-1100
	Paid leave	Yes	No
	Tax paid by	Boss	Worker
Welfare	Food and accommodation	Charged	Free
	Illness and maternity leave	Paid	No
	Insurance for injury/death	Yes	No
	Parental responsibilities (looking after their children)	Yes	No
Legal rights	Access to trade union	Yes	No

5. Consequences of Vulnerability and Isolation

Due to many complex factors³, the poor working conditions in Chinese-owned manufactories have made Chinese migrant workers very vulnerable in Italy, and this is made worse by a lack of understanding and support from the public. This is particularly true of illegal immigrants who are even more susceptible to labour exploitation and abuses under the current production and migration management systems. The vulnerability of Chinese migrant workers can be

³ There are many factors responsible for the poor working conditions in Chinese-owned manufactories. These include: the subcontracting system, short-term view of Chinese owners, the *Jiating* (or family) production system, and under-development of civil society organisations in Italy, etc. The details will be discussed in a separated paper, “Working conditions in Chinese ethnic workshops: An empirical study in textile, garment and leather sectors in Veneto, Italy”, a chapter of ILO document with the theme of Chinese Human Trafficking and Forced Labour in Europe, forthcoming.

analysed and displayed from three aspects: dependency on Chinese owners, segmentation of the migratory labour market, and the health and medical needs of migrant workers.

Total dependency upon Chinese owners is perhaps the most striking characteristic of the Chinese community in Italy as the vast majority of Chinese workers are employed by Chinese entrepreneurs. The dependency on Chinese owners is not limited to employment opportunities but is also related to the totalist system in which the working and living arrangements of Chinese migrant workers are joined together within one building or house. Whilst this enables Chinese owners to gain the maximum production from migrant workers, the latter have to depend heavily on the former for almost everything including food, accommodation, transport, Italian language learning, etc. Box 2 indicates how vulnerable Chinese migrant workers are to labour abuse. It would be a mistake to assume that the behaviour of all Chinese owners is similar to the example highlighted in Box 2. Rather, it indicates that the vulnerability of Chinese migrant workers is closely related to the totalist institution upon which they have to depend for their survival in Italy.

Box 2: The boss makes a profit from ‘paperwork’.

Mr. Ding used the above phrase to talk about his personal experience. As an illegal migrant couple, Mr. Ding and his wife were promised by their first boss that he would sort out resident permits in Italy if they continued to work for him for two years. At the last minute before the application deadline, however, the boss went back on his promise and asked them to pay 8000 euros (4000 euros per person) for the ‘cost of documentation’. Otherwise, their application would not be submitted. Mr. Ding was upset and had no choice but to comply.

Ms. Liu, from Northeast China, paid over 7000 euros to a Chinese manufactory owner for her legalisation document two years ago. It included 5000 euros for an employment statement from the owner and over 2000 euros for taxes which ought to be paid by the owner. She was shocked when she learnt that the owner did not submit the tax to the state but took it for himself. As a result, she had to pay the tax again through another channel so that her resident permit could be extended. According to her, most Chinese workers in Italy have to pay the wage tax themselves, which is about 300 euros per month for part-time work (4 hours a day) and 800 euros for full-time work (few pay this amount). In some cases, a Chinese owner may share half of the cost if the worker has bargaining power.

This totalist system prevents any significant communication between Chinese workers and Italian communities. Because the entire livelihood of workers depends on one Chinese manufactory owner, it is very difficult for an individual worker to complain about bad behaviour or labour abuse to the Italian authorities or civil society organisations. This means that Italian regulators and inspectors rarely receive complaints from Chinese workers, even if they meet them in person.

Segmentation of the migratory labour market refers to labour division between *Chegong* (skilled workers) and *Zagong* (multiple function workers). Compared with the former, the latter suffers from not only longer working hours and lower wages, but also from a lack of

respect and dignity. Besides the different skill levels, *Zagong* are more likely to be newcomers without a residential permit and most of them are from Northeast China. They differ quite significantly in terms of cultural and social backgrounds from their counterparts in South China. Given the shortage of *Chegong* and surplus of *Zagong* in the labour market, stories of labour abuse are prevalent. Box 3 is one of many genuine stories we were told.

Box 3: Who can help me gain justice?

Mr. Yuan, a cook from the central Chinese province of Hunan, asked me for help with the case of his injured finger. He came to Italy two years ago on a tourist visa and has yet to get his residential papers. A finger on his right hand was broken during a period of *Ganhuo* one year earlier. He was sent to an Italian hospital for treatment. He had to continue to work with a broken finger until the factory closed a month later and he was asked to leave. He was angry when his boss asked him to leave without mentioning anything about compensation for his injured finger. He had not intended to continue to work there. His demands for an apology from his boss and one month's salary before leaving were refused. This made him so angry that he was determined to kill the man. While he was preparing for his revenge one evening, he received a phone call from his school-age daughter in China who felt something was wrong because her father had not been calling home as regularly as usual. This led him to suspend his plan because he needed to consider the consequences for his daughter. Since then, he has been searching for legal assistance to penalise his ex-boss. If he fails to get help, he plans to take his revenge in the near future.

It seems that labour disputes such as that mentioned above cannot be resolved by the Chinese community itself for two reasons. Firstly, the victim was an illegal worker who was told he would be sent back to China if he submitted his case to the Italian authorities. In contrast, the penalty for the owner would likely be the closure of his manufactory, and it would not be difficult for him to open another manufactory in Italy via registration under another name (e.g. his wife or even one of his legal workers). Secondly, there is no Chinese community organisation in Italy which represents the interests of Chinese migrant workers. Instead, many Chinese community organisations in Italy, including Veneto, are actually owners' associations which have been established by a few successful entrepreneurs for mutual support in either Italy or China. Besides the violent revenge mentioned by the interviewee in Box 3, the only means for Chinese migrant workers to express their dissatisfaction is "voting with their feet" and disseminating the message about the bad behaviour of their bosses amongst other workers. This may have a negative impact on the recruitment of *Chegong* but little on *Zagong* given the surplus of the latter in the migratory labour market in Italy.

Health and medical needs are a common concern of Chinese migrant workers not only because poor working conditions inevitably put a strain on their health but also because they become even more vulnerable once they have suffered from an illness. Under the constraints of the language barrier and working patterns, it is almost impossible for most Chinese workers to access and use the Italian health system except in the case of emergency calls supported by Chinese owners. This has resulted in the emergence and popularity of "underground" Chinese clinics which do not have a permit of the Italian authority to provide health and medical services for Chinese community. Whilst some Chinese clinics may have

benefits for Chinese migrant workers who need to alleviate pain and illness, others may pose health and other risks because of the lack of regulation of staff qualifications, services and charges. The issues and consequences for the health and medical needs of Chinese migrant workers can be illustrated by the interview in Box 4.

Box 4: Medical care is the toughest challenge facing Chinese migrants

Q: It has been said that you've just come back from China. What was the purpose of your trip?

A: The main purpose was to see a doctor in China. It is quite usual that many Chinese workers here go back to China to see doctors.

Q: Is it expensive to see the doctor back in China?

A: Yes, it's expensive. But we have no choice as we do not understand the Italian language. If we go to see an "underground" Chinese doctor here, it would be even more expensive compared with seeing a doctor in China.

Q: You can fly to China because you have a residence permit. But can those who do not have a residence permit fly back to China to see a doctor?

A: Of course not! They have no choice but to see Chinese doctors here.

Q: How do you assess the quality and services of Chinese doctors here?

A: I don't know who is a real doctor and who is not. There is no way of telling. What we know is that they have some medicines. For example, if we get a cold and fever, we need medicine. We don't care whether he is a real doctor or not but hope that he has effective drugs. We have no other choice but to buy the drugs even if it's very expensive. I think that medical care is the most difficult issue for Chinese migrants in Italy.

The interview in Box 4 suggests that despite contributing to the Italian economy and the profits of Chinese owners, Chinese migrant workers have to bear all the costs related to their own health, including the risks of using medical services of the underground Chinese clinics. This is the reason why the interviewee suggested that medical care in Italy is the biggest issue for Chinese migrant workers⁴.

6. Conclusions and Policy Implications

This paper has attempted to explain why Chinese migrant workers are vulnerable in Italy in general, and how this is related to the poor working conditions in Chinese-owned manufactories in particular. Focusing on the textile, garment and leather sectors, we have examined and displayed relevant evidence drawn from 28 Chinese and Italian manufactories in Veneto, an industrial cluster in Italy which has become increasingly attractive to Chinese entrepreneurs. Bearing in mind that the working conditions in the Chinese ethnic economy are under research, this paper has endeavoured to develop a methodological framework for observing and analysing the working conditions in Chinese-owned manufactories, and to reveal the consequences of the social isolation of Chinese migrant workers. The following preliminary findings and conclusions can be drawn:

⁴ A detailed discussion of the health and medical needs of Chinese migrant workers will be the theme of another separate CPI discussion paper in the near future

- The working conditions for Chinese migrant workers can be observed and assessed from various angles such as production environment; working pattern; wage system; welfare package, including food and accommodation; tax; and formal or informal health and safety insurance. In this regard, a significant gap can be seen between Chinese- and Italian-owned manufactories who recruit Chinese migrant workers. As a result, we have witnessed an increasing flow from the former to the latter amongst those who have a valid resident permit with a minimum competency in the Italian language.
- It would be a simplification to attribute the poor working conditions in Chinese-owned manufactories to the piece-counting system. In fact, there are three wages for different types of migrant workers within Chinese-owned manufactories: monthly pay for *Zagong* (multiple function workers), piece-count for *Chegong* (skilled workers) and the *Baodi* wage for those who are highly skilled or in key positions. A hierarchy is clearly visible in the wage system. The cycle of work demand is also an important factor affecting working conditions. This refers to the frequency of *Ganhuo*, a tough deadline for a production contract, which is often imposed by Chinese owners seeking to gain maximum profits from available resources. Whilst *Chegong* may share in the profits from the *Ganhuo* with the Chinese owner, this is not case for *Zagong*, who gain nothing but suffer from overwork.
- The difference in working conditions between *Zagong* and *Chegong* reflects the unevenness and segmentation of the Chinese migratory labour market in Italy, i.e. the surplus of the former and the shortage of the latter. The segmentation in the Chinese migratory labour market is not merely caused by different skill and knowledge levels but by other factors as well. For instance, *Zagong* are more likely to be illegal workers who are newcomers from Northeast China whilst *Chegong* are more likely to be legal workers who come from South China and from Wenzhou in particular. Furthermore, based on preliminary observations, it appears that it is very difficult for *Zagong* to move up to the position of *Chegong*. As a result, *Zagong* have become the most vulnerable group amongst Chinese immigrants in Italy who are suffering from discrimination and labour abuse everyday.
- The poor working conditions in Chinese-owned manufactories are closely tied to the “totalist institution” which confines the Chinese migrant workers within the high walls of manufactories with little opportunity for contact with local communities. This leads to a total dependency on Chinese owners for almost everything from food and accommodation, to necessary social communication with Italian communities, including seeing Italian doctors. As a result, Chinese migrant workers are even more vulnerable and susceptible to exploitation and labour abuse because their livelihoods and health are largely dependent on the personality and moral standards of Chinese owners. The health and medical needs of Chinese migrant workers suffer greatly as they can neither use Italian medical services due to the language barrier nor depend on Chinese owners except in an emergency. As a result, they have to pay a high price to see underground Chinese doctors. This is particularly true of those illegal migrant workers who have little protection from exploitation and labour abuse.

In short, the vulnerability of Chinese migrant workers in Italy is related to both the poor working conditions in the ethnic economy and their status of social isolation from local communities. The empirical evidence in this paper has shown how these two phenomena are actually interrelated. As a result, the contributions and voices of Chinese workers are not recognised by the public, nor do national or local migrant policies and services address their sufferings and needs in most circumstances.

In order to address the causes of the vulnerability of Chinese migrant workers in Italy, many policy implications can be drawn from this paper:

1. Instead of focusing on the behaviour and statements of Chinese entrepreneurs, more effort should be made by academic and policy studies to communicate directly with Chinese migrant workers in order to understand their contributions, sufferings, needs and constraints.
2. Given the communication barriers Chinese workers experience, a social support network should be established by voluntary organisations with the aim of listening to and supporting Chinese workers (regardless of their migratory status) and helping them to cope with any difficulties or special needs (e.g. language learning, legal advice, complaints). The Italian government should provide funding support and bi-lingual people should be recruited.
3. It is crucial that a critical and empirical investigation is undertaken looking at the structure, function and reform of Chinese community organisations in order to identify opportunities and feasible strategies for the participation and empowerment of Chinese migrant workers.
4. A new platform should be established to facilitate communication, interaction, and joint project management between Chinese and Italian communities at local, regional and national levels. This can take the form of a so-called “Marco Polo Association” (named after the Italian traveller who was probably the first Western man to visit China around 700 years ago), which would fulfil the mission of promoting Chinese community development and harmony with the local economy and society through joint decision-making, funding, and management of all stakeholders, including Italian government agencies, civil society organisations, Chinese entrepreneurs and community leaders as well as representatives of Chinese workers.
5. It would be misleading to attribute poor working conditions to the behaviours and moral standards of Chinese employers alone. Rather, they are part of long supply chains or local subcontracting systems. Therefore, there are many structural factors responsible for the vulnerability of Chinese migrant workers and further research is needed to address this issue.

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