The underground economy and the impacts of the informal opportunity structure

Undocumented Worker Transitions

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Introduction

In the following the underground economy, its character and its impacts is seen as a sociological phenomenon which means it is:

**Contextual**: It is specific to the national and other contexts in which it is used and understood.

**Situational**: It refers to the experiences of those people who are subject to those definitional and operational categories, in this case specifically undocumented migrants themselves.

**Gradual**: It has a different meaning and consequences depending on many factors such as migrants’ length of residency, year of entry, gender, capitals etc.

**Conditional**: It refers to the character of the residency as being understood and dealt with by migrants themselves, and by the actual practice of formal intuitions as a formal and/or informal response to the structural need of the national economy in the era of globalisation.

Above all, though, the underground economy should be understood as a product of the business structure of the global system, the country, and the region, that provides certain structural opportunities structure, described above. It should also be emphasised that the underground economy involves not just migrants, whether compliant, semi-compliant or non-compliant, but it binds together all categories of individuals, be it nationals, natives and migrants, operating within the specific dominant socioeconomic system that through formal and informal institutional practises allocates benefits asymmetrically. Operating within the same system means nevertheless that all agents are bound together by interdependence, with economic and social interest as the core axe.

Saying this we have to be aware that the kind of activities, the kind of available openings in the actual opportunity structure in the specific country,
both is shaped and responds to the status of the individual migrants. The degree of compliance (or legality) together with many other factors like the level and the kind of human capital, social capital, gender etc. is in this way understood as institutional circumstance, dominating the individual and collective possibilities for migrants to participate in the economic activities available within the opportunity structure. Reported experiences of compliant, semi- and non-compliant migrants, as well as stakeholders’ evaluations in different European countries with regard to underground economy, indicate both differences and common features.

Based on migrant interviews, expert interviews and stakeholder perspectives we address two specific issues within the study of the underground economy in European context:

What circumstances and factors characterise specific sectors as the ones in which undocumented migrants participate in underground economic activities. We will specifically address the role of market clearance as independent of the political and societal discourse (balances or imbalances between actual supply and demand curves) on the one hand, and the available opportunity structure to migrants due to their operational capability within the country specific contexts on the other.

Is the underground economy a pull factor for irregular/undocumented migration?

Answering this question we depart from the migrant and expert interviews, their experiences and reflections with regard to the impact of the underground economy on their life chances. Their experiences within the informal opportunity structure and the impact of the informal opportunity structure on their choices will be included.
The informal economy as a precondition

The existence of an irregular labour market seems by itself to facilitate the existence of such a market among migrants, as well. This is the case in Bulgaria, but also in all the other countries studied in this project. The percentage of the underground economy has increased in Bulgaria since 2004, thus one can presume an increase in the percentage of the informal employment. The development of the underground economy is hardly due to the growth in the numbers of compliant, semi compliant or non-compliant migrants. Other factors are crucial. One is the structure of the welfare state. Migrants and refugees in particular, in Bulgaria, have to work out of necessity rather than to earn high incomes. This is also the case in a country like Denmark, a well-developed welfare state. People who are marginalized from the ordinary labour market are, all else being equal, motivated to participate in the underground economy in order to maximize their earning, in order to be a part of the consumer society. In Bulgaria the small financial assistance on the part of the state makes them look for any kind of job. Thus, for example, the second most frequent type of complains of the interviewees in the Bulgarian case is the low monthly benefits, which they receive and which cannot provide for normal living. Soon after being accommodated in the corresponding institutions male migrants start looking for a way to enter the underground economy in order to support financially themselves and their families. Migrants often compare the conditions in Bulgaria with the much better ones in countries as Sweden, Switzerland, The Netherlands, Belgium, Germany, etc. though probably not fully aware, as the following will show, that the cost of living in those countries are correspondingly high.

Migrants with higher education and a good knowledge of their own and the Bulgarian language can find work on a piece rate basis in NGOs, computer companies, other private business companies, where they provide translation and other intellectual services but without a formal contract and paid cash in hand. These violations of the law are embarrassing for the migrant and for the
employer and usually these are short-term agreements, which force the educated migrants to move from one job to another.

Being a structural phenomenon the underground economy involves several kinds of firms and individuals. Even large and international companies use undocumented labour. The Coca – Cola company in Bulgaria is quite popular among migrants who are hired (along with the local Roma) to perform the heaviest tasks – packing, loading and unloading. Migrants are paid BGN 20 daily, while at other places the undocumented workers receive BGN 10 to 15. The fact that the migrant employees are undocumented leads to other violations of the law – they are not provided with working equipment and naturally social security contributions are not paid.

A special category of migrants in Bulgaria is Iraqi women who usually belong to the middle class; they are more likely to be university educated and have a secular culture, whether arriving with their families or alone. The poor conditions in the refugees’ dormitories, the efforts to secure a better living for their children, the fact that probably they would not be able to work in accordance with their qualification in the near future, cause depression and encourage them to move to other western countries at the first available opportunity.

In short, undocumented migrants work basically as temporary laborers performing heavy manual labour in construction or they work as porters in big companies like Coca Cola. Others are employed in fast food restaurants (mainly Arabian), while others work as sellers or suppliers of goods in the big markets where undocumented immigrants are concentrated.

It does not seem that the conditions that dominate the informal economy in Bulgaria by themselves can be considered as a pull factor attracting people to migrate to Bulgaria. On the other hand it seems that the welfare benefits and governmental financial assistance encourage involvement in underground economy. Also it is obvious that informal economy not only attracts migrants with no or low skills, but all kind of individuals.
Looking at a general level at the circumstances and factors that make specific sectors or branches more likely locations in which undocumented migrants participate in underground economic activities, the Bulgarian Index of the hidden economy is lower than in 2003 - about 10% (about 12.5% in 2003, 6% of which in the private sector\(^1\). Men are over-represented in construction, while women are overrepresented retail, hotels and restaurants. According to the “General Labour Inspectorate” the sectors most likely to have written labour contracts which are registered economic activities are “Hotels and restaurants”, “Retail” and “Agriculture”.

These sectors are typical for their seasonal activity resulting in greater fluctuations of manpower in enterprises. There is a concealment of existing breaches of the law in the Construction sector by signing contracts for production in compliance with the Liabilities and Contracts Law. Infringements on the registration of labour contracts in the micro- and small-level enterprises are more common.\(^2\)

Empirical data from Bulgaria indicates that well educated migrants cannot accept the humiliatingly low remuneration of qualified specialists in Bulgaria and prefer to open their own businesses in order to secure higher standards of life for their families. An interviewee from the Ukraine describes how at the time that she registered a company in Bulgaria; she had a legal obligation to secure at least ten work places for Bulgarians. Most of these

\(^1\) Ruslan Stefanov, statement on a ‘Round Table’ discussion on: The Underground Economy in Bulgaria: tendencies and challenges”, 27 May, 2008 (http://www.csd.bg/bg/fileSrc.php?id=2510)

\(^2\) Discussion on „The Underground Economy: Its reflection on the development of Bulgaria and measures to overcome the problems” (19\(^{th}\) June 2007). Statement made by Totyu Mladenov, Executive Director of the Executive Agency ‘General Labour Inspectorate’. Changes of the legislation concerning the labour contracts and results further to the control exercised by the Executive Agency ‘General Labour Inspectorate’ regarding the labour relations.
‘businesspersons’ employ ten persons on paper, solely with the objective of obtaining registration.

Some of the refugee families had belonged to the middle or upper social layers in their countries of origin, and the poverty in the dormitory of the Agency for Refugees and in the Busmantsi Center, as well as the opportunity to work only in the underground economy as porters, construction workers, retailers on the market etc. makes them desperate. At the same time they soon realize that even if they manage to legalize their status they would not be able to compete on the labour market with the Bulgarian specialists, and even if they manage to do that their remuneration would be extremely low. At that moment migrants start to view Bulgaria as a transit country and to plan their move to other European states. This is for instance the case of an Iraqi interviewee – a very skilled computer specialist and a physician from Iraq. A respondent from Afghanistan cannot understand why the host country does not want to use his knowledge and skills – he is an engineer, he is a very good coach in Eastern sports and was trained as a film director, too. Several clubs have used him as a coach for children, but without any papers being signed, secretly and on a temporary basis. A respondent from the Lebanon stated that he was one of the best cooks of Arabian cuisine among the migrants and was very disappointed with the fact that he had to work for BGN since he had lost his documented status.

The above does not apply for the majority of the Chinese migrants, who do not have higher levels of education and have arrived in Bulgaria with the aim of starting a trade or to open a restaurant. In contrast to those migrants from the Middle East or Africa, Chinese migrants may settle for engaging in some trade or in opening a restaurant, to make money and to send funds to their relatives.

A further issue to be addressed is whether migrants’ specific social capitals function as a dynamic or as an obstacle for their upward socioeconomic mobility, when compared to those social capitals of the native population, and
in particular and whether these advance or hinder the integration of migrants in the long run.

Communities based on family ties or nationality support participation in undocumented employment. The general example is of persons who have documented status and a registered business. They are registered as self-employed and support newcomers, usually relatives. While waiting for their status to be regularised, newcomers work for their relatives in exchange for accommodation and food, sometimes receiving salary in cash, under an oral agreement with their relative. Sometimes women work in a similar manner for their husbands, brothers or other relatives. A political refugee from Iraq who runs a small factory producing furniture and a shop where the furniture is sold, explains the relationship between inter-community solidarity and the employment of refugees. “Many refugees from Iraq arrive nowadays. Sometimes with their families and they have to feed them because the financial support is very low (EUR 27.5) per month per person. I hire two or three the newcomers in my workshop. I lose much, because I have to train them for two or three months and I pay them for that time. Usually they save the money and pay a trafficker, so that they can set off to another European country, where other members of their family reside or where the conditions are better. Then I have to hire new people, to train them, etc. This is not good for my business but I have to do it, because I am doing well and have the ability to help my fellow nationals.” It is clear that this is a special case of undocumented employment: legal business where undocumented employees are hired but not with the objective of generating profit in the underground economy; the goal is solidarity and support for refugees.

Those who have come earlier and have gained experience assist in the adaptation of newcomers and orient them towards the informal sector. Newcomers are assisted in establishing contacts with employers, who are usually well-settled immigrants or Bulgarians who have traditionally employed workers without formal contracts. Almost all of the interviewees had begun by working at the big Ilentsi market in Sofia or in the other great market in the
city of Dimitrovgrad, where practically everything is being sold, and where a documented employer provides jobs to unknown numbers of undocumented migrants.

The migrants who were interviewed by the UWT research team were unanimous in their opinion that the procedures for legalisation of their status and residence in Bulgaria were burdensome, extremely bureaucratic and to some extent impeded the process of their integration in the country. Obviously, with regard to migrants Bulgaria keeps to the policy of the developed countries, i.e. not to create favorable conditions for the candidate-migrants, which is an element of the bigger game of those states protective of higher living standards. Empirical data indicates that most migrants and especially those who have passed through the lengthy procedure for the granting of refugee status, are of the opinion that what is missing in the system for integration of refugees and migrants is a specialized employment office, to assist them at least in the initial stages of their settlement. “Even if one has managed to overcome the stress caused by the escape, the illegal crossing of the border, the months in the Agency’s dormitory, the court trials, and after studying the language just for three to six months, then you are kicked out in the street entirely on your own – with poor knowledge of the language, with no friends, with no money for rent and for living expenses during the period of searching for a job”. This increases the solidarity between the migrants.

The semi–documented or undocumented status of the migrants puts them in an extremely unequal and disadvantageous position in Bulgaria. They are unable to sign employment contracts, they drop out of the healthcare and social security and welfare systems, and they encounter difficulties in renting accommodation. As a matter of fact, semi–documented and undocumented foreigners live in an invisible, parallel world deprived of any security. It is especially difficult for them to overcome the obstacles, with regard to the access to the healthcare system; to any type of employment; and to trade union protection. Almost all of the thirty interviewees were surprised by the
question of whether they had heard of trade unions and whether they had had access to trade union protection. All the answers were negative with the exception of those given by interviewees from the ex-socialist countries (USSR and Mongolia) and by a former stewardess from Guatemala where the membership in trade unions has been mandatory.

The Bulgarian experience
Based on the Bulgarian case it seems that the existence of an underground economy in itself makes it possible to make a living. Empirical evidence indicates on the other hand, that the kind of living that can be made by involvement in the underground economy is not attractive enough to explain emigration to the specific countries. The size of welfare benefits is reported by interviewees to have a major impact on their reasons for becoming involved in the underground economy. Beside it seems that bureaucratic obstacles, with regard to gaining a compliant status, can be seen as a further motivating factor. The specific feature of the Bulgarian case is that the underground economy is a character of the labour market structure itself, as the phenomenon occurs, both potentially and actually in all sectors and branches in the private sector. In other words it provides a special situation where job offers (the demand for labour) exist in all sectors, although the wages gained are far from corresponding to the human capital actually offered, and the supply side (of labour) plays the crucial role. Upward socioeconomic mobility remains a dream to be realized beyond the Bulgarian border, preferably in the old EU countries. It seems that the Bulgarian labour market and the opportunities available to migrants (and probably also Bulgarian nationals) for upward socioeconomic mobility operate as a push factor.
The underground economy as a facilitator of upward mobility

Is underground economy a pull factor for irregular/undocumented migration in Spain? And what is the impact of the underground economy on migrants’ life chances, and their choices?

Empirical data from Spain reveal rather little information that can be directly attached to these questions. On the other hand it is beyond doubt that the presence of low skilled job offers in Spain, as in the Bulgarian case, is a motivating factor with regard both to migration to Spain and decisions to remain. Other very different and mixed pull factors (legal transitions, love affairs, education-related interests, instinct, and fascination for Barcelona or simply the need of a change) have been observed empirically.

Another important aspect can be considered in the case of regrouped women who moved to Spain with their children. Considering that the Spanish legislation links the regroupment permit to the regrouper’s earnings, the possession of a working permit and their housing conditions, we can assume that they have successfully overcome any period of working in the underground economy.

In some of these cases their migration plan is subject to other issues, such as their children’s adaptation to the host country; in two cases mothers, for example, mothers decided to return to Morocco with their children.

However, the Spanish economic slowdown appears to be affecting parts of this apparently stable labour situation, indeed the research has detected cases where migrants are either trying to send their families back to the countries of origin or have stopped paying the loan for the house they have bought.

It also seems that some of those who had worked in the underground economy also experienced the push factor of the socio/economic situation in
Underground economy

their countries of origin, this being the case of South Saharan or Chinese interviewees.

In other words, the real pull factor is the improvement of migrant living conditions and/or the capacity to sustain the family, regardless of whether the latter has remained in the country of origin. In this sense the underground economy can only attract and work as a pull factor in so far as involvement in underground economy is functional to these aims. This is why they are disposed to accepting poor working conditions.

Regardless of these assumptions, once economic migrants understand the Spanish reality, they need to start earning money and if they are undocumented, their only possibility is the black economy.

Actually some of the interviewees did not know what the Spanish labour situation was; they were convinced that initial labour difficulties would be overcome, both with regard to work and residence permits.

This (sometimes) erroneous understanding together with their economic necessities is reasons that oblige newcomers to sacrifice some time to adapting themselves to a new labour context. In some cases this adaptation obliges migrants to radically change their work intentions, as for example in the case of an Ecuadorian man who had to work as an unskilled worker in the underground economy even though he had a degree in mathematics. Anyway, this choice was functional both short and long term, because he had found a way of earning a living and in three years he regularized his status.

First jobs are normally those that settled migrants do not want because the labour conditions attached to them are the worst: low pay, long working hours, harassment…In one case, an Ecuadorian migrant worked in a building site for one month (12hrs a day six days per week) but the employer did not pay him at all; in another case a Bulgarian woman was paid less than 50% the usual wage because the employer argued that it was the standard rate pay for domestic work in the local area. Obviously this was a lie.
Sometimes, in addition to the underground economy being the way of earning some money, it also represents a cul-de-sac, as in the case of the sale of fake bags/DVDs or the collection and recycling of scrap. In the first activity, earnings are higher but it is riskier due to police repression. None of these jobs offer a route into regular jobs as they take place entirely within the informal economy.

The interviews offer three scenarios: in some cases the underground economy is completely separated from the regulated one, sometimes even operating in contradiction to it, as in the case of the sale of fake bags/DVDs. In other cases the underground economy is simply separated from the regulated one. Domestic work in Spain, for instance, has a long tradition of informality.

Finally there is a third case in which the underground economy is a part of a wider regulated business.

This is the case in the hotels and restaurants sector and in the building industry, within which migrants have the possibility of becoming legally compliant.

According to the interviewees, transition to the legal economy represents, even if sometimes being a slow process, an evident improvement in working conditions. The main exception is in the clearing sector where mainly women workers find no evident improvements: they continue to earn the same amounts, have the same terms and conditions but have to make their own social security payments. Another case is that of a Malian woman, working as a chef even if, in her contract, she is referred to as a “kitchen helper”.

The worst work conditions observed empirically relate to the hotels and restaurants sector: a lot of extra hours, bad shifts (working at nights and weekends), low pay. In one case the migrant in question did not have enough time to rest, suffered sexual harassment and lack of privacy.
The construction sector also registers cases of difficult working conditions. This is due to physically heavy work conditions, but also to the extra hours and to fraud committed by some employers (in one case they did not pay the worker his wages).

Concerning the domestic service/cleaning sector, work is very difficult in the beginning can be very hard, in particular due to low pay, but after an initial period (6 months – 1 year) the situation improves, even if migrants usually do not earn the levels of pay which locals receive. We can highlight the case of a Romanian woman who worked in a retirement home for in excess of 50hrs a week for a very low pay (700€). She tried to raise these poor conditions with the trade unions but none of her colleagues was prepared to help her.

These three jobs have another thing in common: they are usually carried out in hidden places. This protects employers from labour inspections.

Looking at the sectors where underground economic activities are evident, the Spanish empirical data highlights the construction sector, the Hotels and restaurants and Cleaning sectors. The construction sector had experienced a remarkable growth during the 2003-2007 period, and this enabled a lot of male migrants to find quite stable jobs, better valued than those within the hotels and restaurants sector. Anyway, the tightening of legislative controls (when an undocumented migrant is injured or dies, the employer is considered responsible and he can be arrested) and the sector’s current slowdown have prevented the recruitment of new workers and have also led to the dismissal of undocumented workers.

With regard to labour conditions, we found different situations, ranging from casual work and the non-payment of overtime to conditions that are very close to those of documented workers. This was the case of an Ecuadorian male interviewee who worked in the construction sector; the only non-entitlement was his lack of social security benefits.
No undocumented construction worker reporting having had to deal with labour inspectors.

The Hotels and restaurants sector represents another entry door for undocumented migrants who want to participate in the underground economy in Spain. We have to divide this sector in back office and front office tasks. In the former we find migrants working as kitchen assistants. This is usually a very demanding job involving additional working hours that normally take place during the night or during weekends (in these periods labour inspections are less likely) and is paid at below the minimum wages. In the second case we found examples of two South American migrants (one from Columbia and the other from Argentina), both worked weekends as waiters to finance their studies (an MA and a doctorate). When they had started work things were particularly hard, due to the long distances they had to travel, low pay (respectively 50€/night in 2001 and 35€/night in 1995), and job instability, since they had moved jobs at least once a year. Both could pass as Europeans, both speak Spanish and it was probably for these reasons they could work in jobs where they had contact with other people.

In the case of a Chinese woman, her experiences were very different. She worked only in Chinese restaurants under very poor conditions (long working hours, too short rest periods, lack of privacy and attempts of sexual harassment).

Little by little, undocumented migrants reach agreements with some employers who put in hand the process to regularise their employment enabling them to obtain accept to make the job offer official, which allows the former to achieve the work permit.

With regard to the Cleaning sector, it should be emphasised that Spain has a long tradition of cleaners working in the underground economy; as in the case of waitresses, Spanish families saw this as a source of extra income. The increasing number of aged people living alone and of Spanish women working...
in the regulated economy, as well as the tendency of young people to leave the parental home opened a lot of work possibilities for foreigners.

Amongst the cleaning ladies the Spanish empirical data shows some common aspects: the fragmentation of their work, in other words every week they clean a considerable number of homes (up to 10) but for only a few hours; lower pay; they earn less than local cleaners.

Concerning the labour conditions these are usually difficult at the beginning and they can be even worse if migrants are not aware of “normal” labour conditions. Even when conditions improve, it is very difficult to convince some employers to regularise domestic. Sometimes they oppose this for reasons of ignorance or for fear of sanctions.

This was the reason why one Romanian woman had to wait until January 2009 in order to get a work permit.

**The Spanish perspective**
Based on the empirical data from Spain the real pull factor from the point of view of those taking part in these activities, is not whether there is or there is not an underground economy, but whether involvement in the underground economy can help improve their living conditions and/or the capacity to sustain the family, regardless of whether it is still living in the country of origin or not. In this sense the underground economy can only have the attraction and work as pool factor as far as involvement in underground economy is functional to these aims. This is why they put up with bad working conditions. Obviously the first jobs are normally those that settled migrants do not want because the labour conditions attached are the worst: low pay, long working hours, harassment…The Spanish economic slowdown is affecting some of this apparently stable labour situation. Confronted by the darker economic perspectives, some migrants are either trying to send their families back to the countries of origin or have stopped paying the loans they had taken out to buy a house.
The Spanish empirical data also reveal three different perspectives with respect to the character of the underground economy, a so-called “triple situation”:

In some cases the underground economy is completely separated from the regulated one, sometimes even opposed to it, as in the case of the sale of fake bags/DVDs.

In other cases the underground economy is simply separated from the regulated one. The domestic service in Spain, for instance, has a long tradition of informality.

Finally there is a third case in which the underground economy is a part of a wider regulated business. This is the case of the hotels and restaurants sector and the building industry, within which migrants gain the possibility of becoming legally compliant.

From the point of view of those willing to be involved in activities in the underground economy the transition to the legal economy represents, even though it might be a lengthy process, results in an evident improvement in working conditions. Employees interested in stability and formal rights can in this way have a natural resistance to working completely underground, where employers and labour conditions are beyond the reach of labour inspections.

Other structural factors, additional to the long tradition of cleaners working in the underground economy in Spain apply such as the case of waitresses, where the underground economy operates as a pull factor, these include the increasing number of aged people living alone and of Spanish women working in the regulated economy, as well as the tendency of young people to leave the parental house. All these have opened up a lot of work possibilities for foreigners.
Governmental initiatives and the needs of the market

The Belgian empirical data, like those of other country studies, is not representative of illegal activities in Belgium, or even in Brussels. Sectors frequently employing illegal labour are not represented in this panel: the industrial work of manufacture (clothing industry workshops, processing meat and other foodstuffs), transport (taxis, Lorries), except the final component of door-to-door delivery, pubs and restaurants (except one hotel), retail trade (food and car trade), health (in particular, care or convalescent homes), personal and beauty care (hairdressing). To find interviewees, there had been no case made for a “representative” panel. The work proceeded according to a proximity method, by using personal contacts and those the research team had in associations. The search for interviewees was restricted to the Brussels area, except for the semi-formal part of horticulture and trade-union contacts.

Like the other partner countries, in Belgium too, working conditions/ working experience in the underground economy, indeed involvement in the underground economy is usually related to the status. E.g. - Payment/working time/working hours, - Relations with colleagues (local and foreign), - Relations with employers: (local and foreign), - Relations between employers and employees in domestic work, - Experience with Trade Unions. Being undocumented as a migrant women for instance there are hardly any choices to be made, with cleaning being the only accessible employment, and more particularly cleaning in private houses.

But in the Belgian case, and in specific sectors, there is also a growing and threatening competition. There is for instance a downward pressure on the already low wages, due to the large scale presence of Polish women, there is a supply surplus, in this niche and, on the other hand, a new government measure to create domestic service jobs (“emplois de proximité”) has been
introduced to integrate long-term women unemployed into the labour market ("titres services").

The low cost of work, the fact that employment is declared and the tax incentives given to the users of the services have led to the disappearance of a great number of un-declared jobs. In addition, the sector also includes live-in domestic employment which is still open to non-declared women, but office and industrial cleaning jobs are more often jobs reserved for men.

Looking more specifically at the sectors, the empirical data suggests that the most represented sectors are: building sector, cleaning houses, horticulture, also “delivery” jobs (newspapers, printed matter), garage “business”, industrial cleaning, hotels, social work are represented. Social work is regular work when it is done for associations subsidised and recognised by the public authorities. A church minster’s work is a good example of this.

Work in horticulture is part legal, part illegal. Strawberry, apple and mushroom picking (summer) and maintenance of fir trees (winter). The fields are located in Wallonia (Namur-Luxembourg area - 70-100km SE of Brussels) and in Flanders (Limburg area N-E 100 km); For many years Walloon and Flemish horticulturists and forestry developers have called on foreign labour for fruit picking and mushroom gathering and for woodcutting in the fir tree forests of Ardennes. Their sectors are particularly supervised by the labour inspections, as are all seasonal activities which often give rise to breaches of labour law. Many flexibility exemptions have been granted to these employers but they are never enough.

Casual workers employed for strawberry and apple picking worked in an irregular way, i.e. in infringement of the law, even if they were legal residents in the country. Whatever is the status of the worker (legal, illegal, with or
without work permit…); it is the employer that contravenes the law and labour law\footnote{NB: Only employers are liable in the event of labour law infringement}, not the employee.

In horticulture and arboriculture, there are at least two ways in which foreign labour is taken on: regular employment for the season and occasional employment. However, not all the regular seasonal workers are legal; in the same way, as not all the occasional ones are illegal.

Faced with a temporary shortage of workers (for whatever reasons employers resort to casual work. The presence of foreigners, refugees and illegal residents offer a large pool of workers ready to accept such jobs and often employed without any contract. Some interviewee reports the same patterns and conditions of work completely independently of each other that they worked as casual labour with no contracts in the ‘plantations’. One is a young man of Guinean origin who lives on social aid and his small "bizness"; another is an Congolese adult, university graduate and former civil servant.

What is similar is the organisational model of recruitment, not the individuals. In Brussels, as is typical employment for Africans, hired as a group, not as individuals. The organisation of the groups takes place in Africans pubs, in churches and other community places. Certain sectors are more likely to take on such migrants. Work in the transportation sector is performed in rural areas and transport is often a problem as individuals rarely have their own cars. Usually transport is organized in a group. The group meets, for instance at the Midi train station at 6am, and the employer picks them up on arrival and takes them to the orchard. They are driven back to the station in the evening. According to the interview transport and housing are not trivial problems, in particular when the work-sites are far from the city.

In the past, in rural areas, the employers housed the workers. Today, lodging has become an income-generating activity: buildings have been converted
into hostels by the employers themselves or by intermediaries who are part of
the network involved in horticultural activities. That network includes, in
particular, recruiters and agencies. Casual labourers therefore have to pay
rent to the intermediary or employer for lodgings.

It is not always the case that the employee has contact with his real employer,
only with the team leader, whom he calls "the boss". It is the employer who
gives them their wages before sending the group back. But on the spot, the
work is lead by a foreman, some times himself as a seasonal worker each
year working for the same two employers. Data indicates that none of the
interviewees know in advance what they will be paid. Wages are based on
productivity, which is measured by distance: paid according to the length of a
line of trees (500 m, or 1 km). Others are paid by the weight of an apple
/strawberry’ crate. Depending on each, there are daily or weekly wages. But
neither of the two knew how the wages were calculated or whether everyone
had the same wages. BE 11 received 43 € a day, but another member of his
group was paid 56 € for the same work. In strawberry picking not everyone is
undocumented, there are even local Belgians and some believe the Belgians
are paid more. Some are less satisfied, but “chose” to 'accept their lot': to
keep your job, you mustn’t complain. Everybody knows how precarious the
job is but it’s the only one you’ve got. It does depend on you, when you find a
temporary job, they tell you if you want to work 10 hours or more, you can’t
insist, but in the black, you can insist". Group interviews with Polish workers
indicate that in the Belgian situation in horticulture the situation is as that in
the countries of Northern Europe and is not new. Belgium’s practice is similar
to that of Germany and Holland. Other countries, too, have supplied workers
for those jobs, such as India and countries from the South. As already
mentioned, legal employment (with a C temporary work permit) and irregular
jobs go side by side.

At present, access to the C permit has been facilitated for the 27 European
Union countries and the system of posting has been widely developed,
despite its blurred legal status. Theoretically, employees working for the whole
season (three months maximum; there mostly for eight weeks) in summer or in winter have legal authorisation and a statutory framework. It was nevertheless difficult to confirm with certainty the legal status of certain interviewees, in particular those of posted workers. According to the law, they were recruited in Poland and employed by a Polish firm, then made available to Belgian horticulturists.

In short, take a case where the legal employer is the Polish firm, and it is the one that pays the salaries and social taxes. On the ground, however, one finds that the Polish firm is a temporary job agency and we cannot tell if it has received approval or not. But it is known that it was set up especially for Belgian employers who use it in order to remain legal. The polish employer, in this case relieves the Belgian employers of the tasks both of selecting candidates and from administrative procedures related to immigration in both countries. In one case an organiser of migrant labour, in conjunction with her brother and the agency, was providing the documentation to those applying for work.

According to the empirical data the demand for work abroad is strong. Some say that a quarter or a third of the adult population of a certain region in Poland leaves every year to work in Belgium, Holland, England, Germany, Lithuania: One woman (interview 5) said: "Last year in the bus, out of 46 places, about half came from my town. Previously, all the young people left also. They go to Belgium, Germany and Italy. In Italy, it is women, mainly, that go to work as cleaners, baby sitters or domestic helps. In Germany it's practically everyone to pick fruit and vegetables, asparagus, strawberries, etc, and in Belgium also for the fruit." The important issue, according to empirical data from Belgium is earning money, not the country or the work.

Only the less experienced persons complained of the working conditions in strawberry picking despite the uncomfortable position (kneeling in the alleys). A woman (from the sample) says she is satisfied with the work in the strawberries, in comparison to the job she did before, picking mushrooms in Germany: "Right at the start there is a difference. When you pick the
mushrooms, you don’t have to be on the ground. Here you are on the ground, confined, and it is hot inside. But I prefer to cut strawberries because I love it. But in the mushrooms, it was a lot of hours to work. Sometimes 18 or 20 hours a day. But they gave us ten minutes rest every two hours (…) I worked on an elevator because the mushrooms, you cut them on several levels. No, no, I am much better here than there”. "…Myself, I’m fine, for example, here in the house, thanks to the fact that they are Poles, because as I do not speak another language well; it could be difficult for example with Belgians or Turks or with someone else. So, like that, if we are together in the evenings and everything, we can talk. That’s good too”. “Everything is fine. There are no conflicts. Well, we speak to each other just a little. They speak a lot. Now there are many Turkish women working, and sometimes they speak a lot. But with us not everyone can understand. We’re really together, you see, we all work here and all, its fine ”.

Many of these workers are clear about their own situation. They do not consider themselves as migrants, not even as the temporary migrants, but as foreigners needed by Belgium, that is to say in a subordinate position, which is indeed the case. For that reason, they do not complain or place demands of the State, or on the employer, or even on the agency and polish managers who are the only ones that they could call upon. On the contrary, they see themselves as indebted to those intermediaries that save them all the procedures.

Turning to construction as another sector of employment: informal or semi-formal work is common in the building sector in Belgium as in other countries. It is done by Belgian citizens and legal workers as much as by foreigners and undocumented workers. According to the labour inspection’s data, the highest number of irregular workers in fact is Belgians and other Europeans settled in Belgium, in particular Italians. In Belgium, there are many prevention and control measures, the main one being "DIMONA", which requires an immediate declaration of hiring, as well as the system of “trickle-down responsibility”, which also makes it possible to bring charges against the
principal who operates with sub-contractors using undocumented work. But not all segments of the sector are affected in the same way. Undocumented work reported by interviewees (except one) covered only the refurbishment sector, not shell work or work requiring security devices (such as, electric installations).

The work most often described here is ceiling and wall plastering, a job that can be learned relatively quickly; which is done indoors; and which is therefore hidden from outside. There is also initial demolition work and work-site cleaning, which are jobs not requiring any qualification and are often heavy and risky.

The Belgian survey was carried out at the end of 2007 and the beginning of 2008 amongst illegal workers of Brazilian origin.

We learned\(^4\) that Brazilians are currently attracting the special attention of the social fraud control authorities, in particular in Brussels. The reason is the recent increase in numbers which has made them more visible. This very visibility led to our special interest in this group.

We also learned that the immigration and police authorities had focused on them mainly because Brazilians are generally recruited through trafficking networks in undocumented workers. This is this aspect of the fraud that interests the inspections at the moment. The aim is said to be to reduced trafficked labour and to remove those responsible from the system. The first objective is therefore not necessarily to arrest the individual workers.

The inspection aims to establish whether the current traffic relies on the system which emerged before Portugal entered the European Community. At the time, there were a large number of Portuguese nationals among the

\(^4\) Indications given during the meeting organized by GERM–ULB on illegal work in the building trade (18 February 2008) with the federal and regional labour inspectorate, the police authorities, labour auditor of the Region of Brussels Capital
unauthorised building workers in Belgium. When Portugal joined Europe, they were regularised and some set up their own companies which undertake subcontracted work for the big groups in the building sector. Portugal became the host country for Brazilians who are employed by Portuguese companies. In Brussels, they try to pass for Portuguese, if need be with forged papers.

In the mind of the inspection and the police, the working hypothesis is that it is impossible to clean up that sector entirely, but that it is necessary to weaken the networks in order to improve the workers’ protection.

For their part, the political authorities chose the building trade to test the coordination of its services against "labour fraud".

A hypothesis was drawn up, according to which Brazilians occupied a position in the segment of the undocumented work market previously occupied by the Poles. The latter are still working without authorisation in this sector, but in different trades, as revealed in the interviews of women in strawberry picking. For those Poles have not yet obtained the right to work in wage employment in Belgium (these are Romanians and Bulgarian nationals) they set up their own companies and employ themselves, on the margins of legality.

The construction sector is an example of the operation of an undocumented labour market that adapts itself to the evolution of societies (migratory phenomena), to the evolution of working and organizational techniques (craft to industrial manufacturing and assembling components, the development of technical specializations and subcontracting) and to the evolution of regulations (liberalisation, internationalisation, competition). Its effect is the constant lowering of social norms for workers.

The Belgian perspective
The Belgian case is characterised by the dominance of the demand side of the market, the specific form of organising of underground activities, subcontracting, and governmental initiatives to combat the underground
Underground economy, and, in specific sectors, a surplus on the supply side of the labour has been observed.

The government response has included creating domestic service jobs ("emplois de proximité") in order to integrate female long-term women unemployed into the labour market ("titres services"), to lower the cost of labour. Tax incentives given to the users of the services have led to the disappearance of a great number of un-declared jobs.

The needs of the market, however, remain as the dominant factor with regard to the form and the content of the underground economy, binding together suppliers and demanders of labour around common interests. Governmental initiatives do not seem to resolve the situation completely, specifically in sectors that are dominated by seasonal needs for labour. Many flexibility exemptions have been granted to these employers but they are never enough. Casual workers employed for strawberry and apple picking worked in an irregular way, i.e. in infringement of the law, even if they were legal residents in the country. In horticulture and arboriculture, there are at least two ways in which foreign labour is used: regular employment for the season and occasional employment. However, not all the regular seasonal workers are documented; in the same way, not all the occasional ones are undocumented. But faced with a temporary shortage of workers (for climatic, administrative5 and other reasons) employers resort to casual work. The presence of foreigners, refugees and undocumented residents offer a large pool of workers ready to accept such jobs and often employed without any contract.

What is similar is the organisational model of recruitment, and subcontracting that goes together with a self identification among individuals involved in the underground economy, not as migrants, but as those fulfilling needs of the market. The important issue, according to empirical data from Belgium is earning money, not the country or the employment.

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5  For instance, in 2007, late issue of C work permits.
The manner of recruitment is not of hiring individuals but as a group, also with regard to subcontracting abroad. According to the law, many workers were recruited in Poland and employed by a Polish firm, then made available to Belgian horticulturists. And it is not always the case that the employee has contact with his real employer, only with the team leader, whom he called "the boss". The Polish firm, in this case, is a temporary job agency and it is impossible to tell whether it has received approval or not. But it is known that it was set up especially for the Belgian employers who use it in order to remain legal. The polish employer, in this case relieves the Belgian employers of the tasks of selecting candidates and from administrative procedures with the control authorities of both countries.

The downside of the phenomenon mentioned above; self-identification as foreigners needed by market, no more no less, is detrimental: It puts workers in a subordinate position, where the workers do not consider it necessary to make complaints or demands of the State, or to the employer, or even to the agency who are the only ones that they could call upon. On the contrary, they see themselves as indebted to those intermediaries that avoid them having to deal with all the procedures.
The underground economy under highly regulated and monitored conditions

The Danish situation, in short, is characterized by an “either – or” situation, indicating either you have legal status or you don’t. If you do not have legal status you won’t have any rights, and you will be at risk of arrest and deportation. The side effect of this situation is that migrants who reside the country without legal permit, not only have no relations with the authorities, but they are on their own. Migrants hold the following status: □ Asylum seekers, □ Individuals aged under 24, married to Danes, but who are not allowed to stay in the country or work, □ Individuals from former non- EU-countries, which now are members of the EU, □ Students whose limited work permit has or has not expired, □ Au-pair □ Individuals who live in neighboring countries and work without documents in Denmark on a regular basis, □ Individuals who follow a similar pattern to seasonal workers although not working seasonally, but in accordance with the needs of the parallel economy.

The specific opportunity structure, created by the specific relationship between the lack of legal status and rights in Danish context leaves no other ways for earning a living and improving socioeconomic status than involvement in the underground economy. Many undocumented activities take place within firms and enterprises that are formally registered and otherwise pay their taxes. The underground economy is the arena where common economic interests between individuals of different legal and undocumented status meet each other, and where all have advantages, some more, some less, depending on the degree of dependence. Everyone, be it buyer, seller, employer and employee, take a risk, and mutual trust is the factor that makes it possible. (Rezaei & Goli, 2008)

The majority of the interviewees in the Danish sample were involved in the underground economy. The majority of those who were not actually involved, would also be as a consequence of change of status from legal (time-limited) to illegal, when the legal residence and work permit is expired.
Working experiences and perspectives among (compliant, semi- and non-compliant) migrants, be it EU-citizens, au-pairs, overstayer students, asylum seekers, individual with expired residence or asylum seekers whose applications has been turned down, are quite different. The very majority of the interviewees were actually working under different circumstances due to their status, network, human and social capital and other circumstances. It is beyond any doubt, like in other cases mentioned above, that there is a demand for the services they can provide. This demand has been increasing during the last five years due to the growth of the Danish economy and the tremendous reduction in the unemployment rate. Some are fluent in English and due to that plan to leave the country to settle down in English language countries such as Canada or the States. Some have relatives overseas and consequently are more motivated to leave the country, and some others think that they can take advantage of the situation of having their relatives in other countries. The evidence shows that non-compliant migrants who have relatives with a certain degree of socioeconomic resources and success are more motivated in their plans to leave.

It seems that migrants working outside the protection of law, regardless of whether the dominant discourse is friendly or hostile towards migrants, think that if they can make their own money, they will gain respect and success, and the natives and their institutions will be much more tolerant towards their lack of cultural or lingual incompetence. It creates a hierarchy that is building on economic success, and not the degrees of integration. As an interviewee expresses: "My uncle, who is legal migrant, in Denmark has his own business, a chain of restaurants all in all he has 6 different restaurants and I, in spite of being illegal, have been helping him around his restaurants. I do both management, watering, purchasing at the wholesalers and practically everything I even go to the tax department with him and sometimes translate for him from our mother tongue to English at the tax office cause his Danish is not that fluent but when you have money and you are a legitimate tax payer no one question you anything at all they only focus on getting more and more tax out of you."
Migrants seem also to be aware of the advantages that the crossborder movement and activities that Schengen creates for them, so that they can shift from country to country without taking great risks. They are at the same time aware of not taking risks outside Schengen. Many are aware of doing the best they can not to attract police and other authorities attention because at the end it will damage their chances to move upward socioeconomically. It seems that many migrants work illegally for or with most close relatives, such as parents, friends and so on. There seems to be a pattern with regard to distribution of migrants among breaches and business lines that closely follows the status of the migrants and the ethnic business enclaves.

Migrants on fixed temporary terms of residence are usually occupied in professions corresponding to their educational merits; even a pattern of some overeducation among immigrants has been observed empirically (Nielsen 2008). The only difference is probably the students who, beyond the amount of monthly work time, can be engaged in business lines where it is easier to avoid the eye of taxing authorities and police. “...I've been student in the beginning of my stay in Denmark, and had different student jobs. I have now been living in Denmark in 3 years. And in the recent time I have been involved with import business, mainly import of furniture to Denmark. We import from China to Denmark. Plans to go to Holland or Belgium.”

Also among au-pair individuals it is rather clear that they work only with the job on basis of which they have their residence permit, at the same developing relations that can help them stay when their legal period expires.

Also individuals from former eastern European countries follow a certain pattern, specific to their situation: They work mostly in construction, and they enjoy the possibility of travelling between countries and are due to that fact probably among mobile migrants.

Migrants who are completely non-compliant can not afford being selective in any case; they do what they get, and do not have priorities beyond that of making money; cleaning, working at restaurants, grocery, loading/unloading at...
green markets, supermarket, pizzeria, cafés and taxi, construction, sales and so on. These groups of individuals work completely without contracts of any type, many women are in entertainment and prostitution, dancing clubs and so on: “I make different wage depending on how busy we are but have no contract – they only make contract with people who has their paper ok. I make about 2000-2500 (ca. 350 Euros) during a good night and about 5-600 (ca. 90 Euros) when it’s a bad night normally toward the end of the month. When there is a big exhibition of fare or international conference or big football game then we make a lot of money. “

Also a group of individuals who are trapped in the situation by violating the specific Danish restriction on marriage, explained else where, do nothing, having a life as spouse, financed by their partners. Those who work are primarily dependent on the family and friends to get necessary information about vacancies. “Information on these vacancies and needs circulate in the network, and I’m not the only one who do have this specific sort of work life. There is no other way. I’m not in a situation where I can have any wishes on what sort of job I want to do. I have to help the family and our own life and therefore I am forced to, that is by my own consciences, to make a contribution.”

The collaboration between the business owners, usually relatives and friends on the one hand and the employers on the other hand is characterized by “linked fates” a feeling of “sitting in the same boat: “I work illegally in countryman’s businesses such as restaurants, caterings, flower shop, bakery etc. If there is a job and a reasonable payment I will do the job, without making any noise. It is good for the business owner and for me. It is a closed situation where two unlucky people’s fates are linked together.”

Individuals who have had illegal status from the beginning do not have any contracts and have not held any regular positions. On the other hand they usually think it is rather easy to go to other countries. So inside the circles of friends and families, they adjust their contribution to the needs of that circle. It is not a seasonal work, but rather an expression of staying available for what
ever needed, that make it possible for them to offer the labour where it is
needed, literary after a short notice or a phone call. They are very mobile and
in a strange way are expressions of free movement and adjustment of labour
force par excellence. They also take notice, pay attention and do have
information on the comparative wages in different countries, and they use that
information to manage their preferences with regard to maximizing the upward
socioeconomic mobility or simply make a living under the actual and changing
circumstances. They know for instance that the wages in Germany and
Norway is much better when you are illegal. Local customs means a lot.
Danes are not used to give tips at restaurants, as an interviewee expresses:
“…. you don’t get any extra thing for being specially nice or good or gentle or
friendly. In other countries tips in restaurants and similar breaches are very
high and make up a considerable share of your earning. Even when you don’t
get wage you can live of the tips in restaurants or bars. In Denmark they don’t
have the tradition for tips, and the tips are included in the price you pay, so is
rather difficult to be nicer to get more money. ..”

The possibilities for free movement make it also possible to work in terms that
associate sort of seasonal work among undocumented workers. Taking an
Algerian male as an example; he comes to Denmark on a regular basis and
work on and off for 2-3 months in some Algerian friends’ businesses, mainly
restaurants, shops and firms. He makes some money in busy times - high
seasons (October to January) and (May to August) and then return home.
Anytime anything happens he can be back in France within 2-3 hours and
take care of things and if there is a need for him in Denmark he can be here
within 2-3 hours –He does not pay tax in Denmark but says: “….on the other
hand… I work and pay a lot of money for plane ticket so I have no desire to
change my situation.”

Working undocumented also means not following the normal rhythm of work
by the majority of the people. It is advantageous and a disadvantageous at
the same time. In the specific circumstances that undocumented workers
experience, it is, in a comparative manner, experienced as an advantageous
condition: “I have been working for some Danish companies with catering at nights, making sandwich and other fast food, cleaning hotels etc. It’s much better for me that I don’t follow the ordinary peoples work time, so I work primarily when others sleep, or are home. It’s quiet and you are not stressed, and the risk of being caught is much lesser. On the other hand you can in a bigger degree be your own boss when it comes to the tempo of working, you can take breaks and so on, and the most important thing is to get the job done properly and satisfy the owner or the Forman.”

Another specific feature of being illegal or undocumented in Denmark is, that you need to have trustworthy connections, so that you can own things without being owner in an officially registered manner: “….I have established a trade company in the name of some one else – a family member in Sweden who has legitimate permission to stay in Sweden. We import all kind of food and Middle Eastern products and have a shop and a distribution channel in different cities in Sweden as well as in Denmark. We also export a number of products to Dubai and Iran and from there sending them to Iraq. I travel almost everyday to Sweden and work in the office and some times at the shop.”

Like in other countries, specifically that of Belgium, the worker usually doesn’t make any conditions for offering his/her labour; the only parameter is whether you get paid, and how much you get. All other issues are more or less irrelevant, and you don’t trust formal authorities such as police, tax-office, municipalities, social workers and such. You don’t trust semi-formal actors such as unions. As an undocumented worker in Denmark you know that those institutions are not working for you, but for the natives and nationals and those with legal stay and for their members. Managing a life beyond and beside the law, that is the very characteristic of being undocumented in Denmark, requires understanding, assistance and concerns from the family, if the individual has any, and that regardless if they live in the country where the individual live and work or they live in the neighboring countries. Some have their address in a neighboring country but work in Denmark. It is rather
impossible to improve your skills, qualifications and competencies when you are excluded from the mainstream educational and labour system. Undocumented workers have usually ideas about which countries provide better conditions, even the formal status does not change by moving to another country.

Under specific conditions and dependent on one’s human capital engagement in underground activities can even been preferred with regard to how quick you can mange climbing up the socioeconomic hierarchy: An individual working illegally as erotic dancing expresses: “My financial situation was not that good and I was studying at the university but saw all people around me even those with top educations and they all had very little amount of money to live for and they struggled to even have enough food for their children everyday. I studied English literature and art and in the best option I would have got a job as translator or such a job in an international company and could never ever have money to survive and could never ever get a family.” For these individual it does not matter if you can get formal skills, it is about make plenty of money, so that when they get back home, knowing that in the Danish context, they will never change status from illegal to legal, to have enough money to start their own businesses. Obviously they improve their skills but it is in businesses that are not formally accepted, even there is obviously a market for them. “I want to stay here another 2-3 years and make more money then get home and get marry and have my own family. I have a younger sister who also works here and we try to get as much as money as possible so our third sister does not need to come and work here.”

“I work with anything that can give me money. All my work is in the field of personal entertainment and my services are to the rich people who enjoy the life. But I don’t get much of that for myself because to be able to give high class service it cost you a lot in maintenance of yourself and your body. It costs you to have nice cloth, nice bag, nice shoes – pedicure, manicure, hair dress etc. and on the top you have to compensate a lot to people who let you work. As I said I work in personal entertainment business and in the luxury
end of it in different clubs as personal dancer and personal accompanied – I have been doing the same thing in Italy, Belgium, and Germany and now in Denmark. There is no specific working hour; they call you when they want to. You are on hold all the time and when they call you then you should be there. But when I work in the club it is from 5 P.M. to 5 A.M. But most of the time you have one client to take care of and nurse so you do that. This is the ideal way of work but you can be less privileged and have to work and have to have 24 hours shift. Well it is risky because they cheat you with your money, they can beat you, they can give you a lot of nasty things but there is risk in every business – But I have no fear – Who pays my bills if I don’t take the risk, ha? You tell me!”

In other business one is used to be used and abused, knowing one’s own situation. Being sort of Diaspora people, they usually don’t compare their situation to that of similar natives, but to their similar in the country of origin: “I work within construction business; I work both illegal and legal. I have a contract but I am underpaid compared to Dane colleagues. I start working here to build some summer houses in the northern part of Copenhagen and then I had no permission to work here and I did it very cheap but it was still a lot of money compared to the same work in Poland.”

Specifically women working as au pairs can be lucky if their host are kind and concerning, and can manage to integrate them in the society by providing opportunities for them for get some demanded skills, language course etc. Some other times the host families can take care of formal procedure that can be very demanding for the individual au-pair women, so that they have more time to improve their skills, to make some deeper relation with other people or to increase their orientation towards the host society. Some other times they they have to do more work than they expected. “I came here to be au pair girl. In the beginning I got visa for 3 years but it could not be prolonged after the period and my host was very bad. They borrowed me to all their friends and family any time that the others needed someone to work for them. During the first 3 years at the time I worked at 5 different houses and I had never off.”
Every time I complained they told me that they will not help me with extending my papers. I applied for an au pair job and based on that I got visa at Danish embassy in Latvia. Then I got here and my host family turned to be a very bad family and they abused me in 4 years.”

Usually the complaint as well as non- and semi-compliant workers have the idea that if you have the time and the necessary understanding of the society, you can get a job. The Danish economy has opened up during the last years because of the economic growth. There is also a paradox experienced by semi- and non-compliant migrant workers, They know that the economy needs them, they know that they can get any job because of their willingness to work, and at the same time they know that regulations does not necessarily serve the need of the market, but some political, though according to their point of view, irrational, discourses. They know that they have to get by somehow. “…She has a work contract, stating that she can stay in Denmark for the maximum of 18 months which is also the length of the arrangement with the host family. The pay is 2500 dkk. a month. Accommodation and food is included.” “We are not interested in the benefits that the government has provided for au pairs (and stipulated in the work contract, such as the right to attend Danish lessons) but mainly interested in more time to work” This is also the case for migrants who work completely undocumented: “…Let me tell you what happens if I am not here … my sister goes bankrupt and her kids (she has 4 kids) will be raised on Danish tax payers money. They will not have someone who cooks food for them at home and in the end they have to hang around with other Arab kids in the neighborhood, making trouble, burdening the welfare state that they are so concerned about. We foreigner sacrifice our life and own happiness for the family. I had a nice life in France but got here to help my sister and her families cause my mother and father and uncle asked me to do so. I am sure that if I get caught by police and sent back to France or Morocco they will help me out so that’s the way we do it. Rest of my family are in Morocco and my kids and wife are also there, I send money to them so everybody is happy.”
Another interviewee experiences: “…So our activities are all through underground, and it of course have major impacts on not only the kind of job we can get, but also on the working condition, work-time, leisure timer and so on, every thing is mixed together, and you live a pretty stressing life, but that is exactly how it is.”

According to the empirical data the visible minorities are most in jeopardy while participating in the underground economy. While the lack of legal status distribute risks equally among the undocumented, being a visible minority put the worker in a double jeopardy, that is the employer have to make sure not to put the visible minorities and therefore “the usual suspects” in front, where in some businesses most possibilities are to make an extra earning.

Many workers operate cross border and dreaming of making enough money to leave the country for other western countries: “… I operate cross border, between Sweden, Denmark and Germany, and of course the whole thing is illegal and part of underground economy. Other wise it wouldn’t be possible to do this. Especially in countries like Sweden where it is illegal for ordinary people to visit my business. It pays well and I am satisfied. But at the same time I know that I am doing this for a short period of time. “Or “… I have my own business in France and my staff takes care of that and while it’s running. I come here and work as well. “

In the Danish situation the underground economy, as far as non-compliant migrants are concerned have to take place in immigrant businesses. But it is far from limited to that. Being part of the migrant networks makes it possible to work in mainstream businesses to.

The experiences of workers from eastern European countries like that of Poland tell the story that once changing status from illegal to legal, the motivation for doing underground economic activities decrease. Worker from Poland that due to the EU enlargement now residing the country legally expresses it this way: “…As the situation has changed we do more or less exactly the same job, but now it is legal. The difference for us who do the work
is minimal. “… I have my own company and making contracts by myself for many people. All my contracts are legitimate and have no problems with tax authorities. Have planned to expand my businesses and when I get big enough I want to go back to Poland and led the Danish branch from Poland.”

The Danish situation is characterized by migrants relaying on their own networks acting on the basis of bounded rationality and shared understanding of a kind of legitimacy of underground activities as a human condition. Being dependent on the underground economy means having and developing good relations with people, usually countrymen, but also other migrants who can use cheap and easy labor. Understanding each others condition and status creates a situation of mutual trust and need, where no body will be better off to break the rules of mutual trust. “…The form and character of my job is of course informal and underground if you like. But it is not criminal in any ways. Om the contrary I feel that I help people when they need me, and if they don’t, well they wouldn’t hire me any more. If I can get the same amount of money by the owner pays tax it will be all right for me, because I am not going to stay or get old here or to get education or any other welfare aid, I feel it is completely all right what I do. All that is back is a mutual trust between the two people, the man who wants a job done, and the man who will do it.” Another specific aspect of the common understanding is that “The lesser you know, the better it is”, “…It is a big night club but I don’t know the owner they say it is someone in Monaco but we never see him he has his managers and I don’t know them either cause its different persons almost every night. I know the person who helped me to know these guys and he knows the managers. My friend never comes to the club but I have a girlfriend from Malaysia and she says that she has seen my friend in another club and my friend has been manager in my girlfriends club 2-3 years ago. But I don’t ask and I don’t want to know – the less you know the better.”

Another element of the legitimacy is the idea of so-called “alternative tax” “…I am not stupid I know when you don’t have permission to stay and work in a country then you don’t pay tax but it costs you in another way, you pay to
other people who let you work without permission. You don’t pay tax to the Government but you pay the same money to the one who secures your life. That’s why they protect you otherwise why should they give you a job.” They also share the idea that unions are not working for them, and that underground activities leads to devaluation of their merits

**The Danish perspective**

Semi- and non-compliant migrants’ engagement in the underground economy in Denmark is obviously closely related to the type of status. But the lack of legal status and the lack of possibility to attain it, being once illegal, it does not seem to hinder development of underground economy. Neither does the existence of a highly regulated and monitored labour market.

The Danish study is an example par excellence for this case. Studies (Rezaei & Goli, 2006, 2007, & Rockwool Fonden, 2007) have shown that activities in the informal economy is far from exclusively related to undocumented migrants or migrants in general. The major difference is the willingness to accept lower wages and worse working conditions. Due to the vulnerable situation in which undocumented migrants are suited, they usually, depending on their human and social capitals and market demands, end up in positions and businesses where working conditions are worse, lowest paid, and all or many labour market regulations are ignored.

Being situated in an illegal situation, as refused asylum seeker, involved in a prohibited marriage etc. and forced to be involved in undocumented economic activities and transactions, the question, that is with regard to life chances and the possibilities for the improvement of the socioeconomic status; what counts most: Human capital or the social capital? The specific Danish context described above, is an example par excellence of two phenomenon: 1. the contradictions between the political (and probably also societal) discourse on the one hand and the needs of the market on the other. It is rather obvious that the equilibrium at the political market is completely different from the equilibrium created between supply and demand in the labour market, making a situation of rather schizophrenic character. 2. The contradiction between the
formal aims of integration policy, that is more integration in the Danish society and institutions on the one hand, and at the same time creating a situation, where the crucial importance of the social capital and migrant network is rather obvious for the individual and collective migrants, in order to make a living.

Being illegal, that is not staying in the country in accordance with law, you don’t have any rights, and any claims. One has to build up trustful relations, create and expand the networks relations and perform trustworthy within the network. Saying that it does not exclude the importance of the human capital, but the human capital can almost exclusively be exploited in the underground economy, due to the fact that it is against the law to hire individuals who are not supposed to be on the Danish soil. Even if they get hired and get a contract within the mainstream economy, it will be undocumented work, done in businesses that otherwise are operating lawfully. Interviews show that migrant workers are very aware of the fact, and they try to manage to navigate through. The character of the human capital among interviewees is different depend on their educational merits, some with university degrees, some almost without any education, and they have different professional skills to.

Another important feature is the development of the skills obtained due to the involvement in underground economy. Underground economy, like any other feature, has got its own principles, norms of behavior, values etc. Learning these roles and rules, and taking advantage of them is the pivotal factor in differentiating between winners and losers.
The complementarity between the underground and the regular economy

The situation in Italy with regard to answering our two questions is rather different: The empirical data provide us with the portrait of a generation of wage laborers confronted with great difficulties in overcoming labor segregation but who, nonetheless, manage to free themselves from the immediate economic necessities that drove them first to emigration and then to “illegality”; now, through self-activation in trade unions and immigrant associations, they are progressing towards emancipation not only as immigrants but as workers.

In the phase of inclusion in the regular economy the immigrant worker is confronted, on the one hand, with the trend towards increasing labor casualisation and, on the other, with the problems of maintaining administrative regularity caused by the rigidity of the immigration legislation now in force: it thus becomes indispensable to have labor stability, and not simply documented employment. The interviews attest that nearly all the interviewees, after having experienced the “illegal” precariousness of the underground economy, then also experience the variety of forms of “legalized” precariousness of the regular economy. It takes two years on average to obtain a job with a permanent contract.

Many immigrants send money to relatives in their countries of origin, pay for their children’s education, help their elderly parents: they see this not as a burden, but as reflecting the success of their migration project, that can offer better working conditions and greater opportunities of obtaining a permanent contract: from agriculture or from the hotel and catering sector one takes a job in industry, from domestic work and care giving one goes to work in the hotel and tourism sector or in services. This shifting of sectors often entails a migration form the South to the North of Italy, due to the inequalities inherent to Italian society.
Inclusion in the labor market and occupational stabilization are far easier for the younger immigrants or for those with grown-up children. For them it is possible, in the course of time, to improve their working conditions and find subordinate work more in keeping with to the studies they have completed: “the factories prefer to take younger persons. For the older ones it's difficult to find work with a permanent job contract. Recognition of educational qualifications and professional experiences in the immigrant's country of origin is systematically refused. At times immigrant workers have to perform tasks not called for by their contracts and quite often they are denied the automatic promotions due them.

This under-qualification has a decisive influence on wages, which amount to between 1,000 and 1,100 Euros per month in industry, and only half that in the sector of domestic work and care giving. To live decently or, more and more often, just to make ends meet, many of the interviewees are obliged to work overtime habitually or to find a second job.

A majority of the interviewees in the Italian study work in industry or in unskilled services, in sectors where the immigrants are “obliged to do the manual work, the dirtiest and most dangerous jobs [...] and the least paid, underpaid”, in “penal” departments or where injuries or occupational diseases are more frequent. Or also in multinationals and in firms in the international avant-garde when it comes to cutting the costs of labor through casualisation and intensification of the work pace, such as Fincantieri, Malagutti, Electrolux or Luxottica.

A growing trend is emerging of jobs with wages well below average, close to the levels of the underground economy. This spread of low-paid jobs is coming about through a restructuring of the labor market that is founded on an increasing recourse to apprenticeship and training contracts, on large scale outsourcing of entire branches of production to temporary agencies, and on systematic recourse to subcontracting to outside firms and cooperatives, especially in the public sector. This trend highlights the complementarity between the underground and the regular economy; as a result, in the sphere
of the regular economy practices experimented in the underground economy come to be assimilated and institutionalized, including the reduction of nominal wages as a direct means of cutting the cost of labor.

This process combines with a series of practices that, while not legal, are widely tolerated, based on the direct reduction of a part of the wages by employers, who refuse to pay vacation time, sick leave and severance pay. There is, moreover, a sharp rise in “gray work” (full-time hours on part-time contracts, overtime paid outside the pay packet): as in the case of “black” (undocumented) work, at the individual level it permits employers to evade social security contributions, which, in turn, leads to reductions in retirement pensions and erodes the social wage itself.

Speaking of the underground economy in Italy the situation like that of Bulgaria is that the Irregular work is the rule. Nearly all the interviewees have had at least one direct experience of work in the sphere of the underground economy. Most had this experience during the first years of their stay in Italy, when they were still undocumented; though by no means ends when the residence permit is obtained. The experience tends, in fact, to return as “black” or “gray” work. Many interviewees have a permit for work purposes that has to be renewed every two years of “legal” residence in Italy. Employment in underground economy, steady or sporadic, remains as the main or as a supplementary source of income, both for those who have obtained regularization and for those who enjoyed regular status when they entered the country. Irregular is the relations of complementarity between the underground and the regular economy and the neoliberal trends acting on a world scale that fuel the growth of irregular immigration, making it a structural and irreplaceable component of today’s labor market.

Looking at the sectors of first “black” employment are those of domestic work and care giving, agriculture, hotels and tourism, construction, and services. Considering the experiences of work in the underground economy on the whole, we must also include the small firms of the manufacturing and metalworking industries. For most of the interviewees the search for their first
jobs came about thanks to the support of relatives or fellow countrymen, often paying mediators for the chance to meet the employer. A typical working day in the underground economy is often 50% longer than the typical working day in the regular economy. The money wages of the workers in this sphere are, by contrast, inversely proportional to the length of the working day and, in spite of inflation, when they are not stabilized, seem to diminish, cutting even deeper into real wages. If we examine the figures for the last two or three years, we find that an hour of “underground” work in the hotel and tourism sector is worth between 5 and 7 Euros; in construction, based on the worker’s experience, between 8 and 12 Euros; in cleaning, 5 to 6 Euros; while the 24-hour days of the immigrant women who work as caregivers for the elderly are worth between 400 and 600 Euros a month. And even when, working 220 hours a month as a construction worker, wages become substantial, the “net” pay always comes “after” - to the detriment of - the social wage and all the worker’s rights.

The data indicates that only rarely does an immigrant find a documented job in a short space of time: it took one third of the interviewees between two and three years to emerge from the underground; this was due, above all, to the impossibility of obtaining administrative regularization. Apart from the cases of extreme exploitation, the - more or less long - subjective experience in the underground economy is seen (as, effectively, it is) as an unavoidable passage, as an ordinary phenomenon: “Working ‘in black’ is like working in regola [regularly] ... The interviewees, also on the basis of an anticipatory socialization that prepares them for what awaits them in Italy, normalize this inevitable stage.

It is the economic necessities, and the competition between immigrant workers that drives wages down, which contribute to the normalization of this experience and, at the same time, leave the immigrants no choice but to accept any work in the underground economy they can find. In this way, from the beginning of the migration experience, labor inclusion takes place under the sign of a double subordination, which manifests itself on the one hand in
occupational segregation in the lowest layers of the labor market and, on the other, in subjective subordination to the employer, since the migration policies make the possibility of obtaining and maintaining regularization - and, thus, the success of the very process of stabilization - depend on the employer’s will.

It is precisely in the intersection between these objective and subjective relationships and in the complementarity existing between the underground and the regular economy that the precariousness proper to bonded labor as a specific form of exploitation reserved for immigrant workers comes to be institutionalized.

The Italian study shows that, beyond their immediate motivations, many immigrant women see the decision to emigrate first of all as a response to the worsening of living conditions in their countries of origin, or, as is the case with women from the Yugoslavia area, to the destruction caused by war. Most of the women interviewed entered Italy with valid documents - tourist visas, or visas for visits or for religious reasons. In many cases the decision to emigrate to Italy was determined by the presence of family members, relatives or acquaintances from the home countries, whose support was essential in making the search for a job and for housing less difficult; while, it is obvious that the family support goes together with rising demand for labour in specific sectors plays an important role. *The hotel and catering sector*, along with the sector of domestic work and care giving, is where most of the women interviewed are employed. These are jobs that, while based on a great variety of duties - waitress, ice-cream vendor, barmaid, chambermaid, chief or assistant cook, dishwasher - require a low level of qualification, or none at all. The Italian study shows that the failure to recognize previous work experiences is accompanied by low wages. A number of interviewees say that over the years wages have remained the same or even decreased, especially in the sphere of the underground economy or in the case of overtime paid outside the pay packet. The working hours are usually long and atypical and, especially in the case of jobs that are seasonal or depend on tourist flows,
highly flexible. This makes it extremely difficult to reconcile work with family life, free time, and studies. These working conditions and the short-term needs of the labor market lead to a very high turnover. Only a very tiny minority of interviewees in the Italian study have managed to attain certain employment stability.

Nearly all the women interviewed obtained secondary-school diplomas or university degrees in their home countries - which are practically never recognized in Italy. This is the case not only for the women who are obliged to accept work in sectors that require low skills, but also for those who, over the years and with great difficulty, have managed to overcome - to a certain extent - the vertical and horizontal segregation that characterizes the labor market. The case of the Ukrainian women is exemplary: even though they have left the sector of domestic and work and care giving for activities connected with a greater social recognition (such as linguistic mediator or instructor), they still do not obtain any recognition of their educational qualifications and of their previous working experience. Many of the women who emigrated when they were already of a certain age in fact hold university degrees, correlated with experiences of highly qualified work in their countries of origin.

**The Italian perspective**

The Italian study shows that, beyond their immediate motivations, many immigrants see the decision to emigrate first of all as a response to the worsening of living conditions in their countries of origin. But contrary to the Danish case, perspective above, the Italian case is also a tale of immigrants’ self-activation in trade unions and immigrant associations; they are progressing towards emancipation not only as immigrants but as workers, where mobility is not completely impossible. It can, through times take place geographically, between sectors and also between generations: This shifting of sectors, for instance, often entails a migration form the South to the North of Italy, due to the inequalities inherent to Italian society. Regarding the generational aspect, the factories prefer to take younger persons. For the
older ones it's difficult to find work with a permanent job contract. Recognition of educational qualifications and professional experiences in the immigrant's country of origin is systematically refused.

A very specific feature of the Italian situation is the emerging of jobs with wages well below average, close to the levels of the underground economy. This trend highlights the complementarity between the underground and the regular economy. Another very specific feature here is that employment in underground economy remains as the main or as a supplementary source of income, both for those who have obtained regularization and for those who enjoyed regular status when they entered the country.

Also very specific is the subjective experience, where the underground economy is seen (as, effectively, it is) as an unavoidable passage, as an ordinary phenomenon: “Working ‘in black’ is like working in regola [regularly].” It is highlighted, based on the Italian empirical data, that the economic necessities, and the competition between immigrant workers drives wages down, that contribute to the normalization of this experience. The underground economy is a pull factor, without it, it would be rather impossible for semi- and noncompliant, and even for fully compliant immigrant workers to make a living.
Filling out the gaps the welfare state leaves

In Austria, the underground economy makes up approximately 10% of GDP (21 billion Euro) according to the economist F. Schneider (see Expert Interview Schneider)\(^1\). Furthermore, the national accounts attempt to produce models for estimations and to account for the statistical difference for lack of statistical information on the underground economy (Kaßberger and Schwarzl, 2000)\(^2\). The sum of all accounts for the statistical difference and conceptual adaptations to the GDP 2003 is 17.35 billion Euros or 8.3% of the GDP (including statistical supplements and adaptations). Based on the abovementioned figure of the underground economy's macroeconomic revenue, the economist Gudrun Biffl concludes that approx. 50,000 to 70,000 migrants engage in informal employment in Austria (Biffl, 2002: 363)\(^3\). According to estimations of Schneider, the underground economy labor force has reached in 2007 709,000 ‘full-time Austrian informal workers resp. legally resident workers’ and 97,000 ‘full-time illegal foreign informal workers’ (2003: 769,000; 112,000). Structure, organization of and working conditions within the underground economy differ according to the affected branches.

The interviews in Austria covered informal economic activities in the following trades: construction, domestic work (cleaning), domestic work (care for the elderly), hospitality, agriculture, small businesses (retail), printing plants, entertainment, and casual work. An important feature of Austria’s underground economy is the entanglement of formal and informal employment in most branches. There exist certain possibilities – according to the Alien employment law - for employers to use migrant workforce legally, e.g. in agriculture with harvest helpers, in construction with trade license holders, in domestic care on ground of the so called ‘Hausbetreuungsgesetz’ or with Au-Pair, in hospitality with seasonal workers. On the one hand employers and companies realize those possibilities to hire migrant workers formally; on the other hand they rely parallel on the informal migrant workforce. Though, here is to say that legal employment possibilities just function for certain migrant workers groups depending on their country of
origin (migrants from third countries have far more difficulties to attain a working permit than EU-citizen), on their sex (care-workers are de-facto solely women), on their age (Au-Pair is possible up to the age of 28).

Looking at the breaches about 1/3 of interviewees had working experiences in hospitality, as waiters/waitresses, kitchen personnel/cook and in entertainment. Interviews were conducted with men and women from Turkey, CIS, Poland, and West Africa. The residence status of the interviewees ranged from student, undocumented, EU-citizen to family reunification. On the one hand, there is a high demand for flexible low paid irregular workforce to stand in for short-term failure of permanent staff. In peaking periods additional personal for kitchen work and serving is hired. Labour cost factor is decisive due to labour intensive service sector. On the other hand the function of irregular employment in the restaurant sector is to maintain a stable low paid workforce ready to work longer hours than admitted if required and to accept miserable working conditions due to the vulnerable position of irregular migrant workers.

Former employers and colleagues usually play a crucial role for job placement. Contacts via friends or certain communities (ethnic, political, etc.) can be very useful for finding jobs in this branch. The interviews with irregular workers from Turkey showed that the fact ‘being Turkish’ can be an entrance ticket to the irregular labour market in Turkish Businesses. Another possibility for finding jobs is announcements of potential employers

Irregular employments on construction sites of companies and private households are not only common they are ‘normal’ and the rule. ‘Irregular’ means a variety of non-compliant forms of employment. Professional construction firms often operate with subcontractors who themselves employ migrants without reporting or underreporting them to the social insurance or/and tax authorities. Due to this praxis of construction companies and developers to cooperate with subcontracting firms – like that of the Belgian or Danish case specifically with regard to countries subjected to the EU enlargement, case based outside Austria or just in letterboxes - which employ
the workers, the general contractors do not take over responsibilities for working conditions non-compliant with the Austrian labour law. Another possibility of ‘out-sourcing’ responsibilities for construction workers is to hire self-employed workers, like that of the Belgian case, one-man-companies who themselves have to care about social insurance and tax payment. In the employer’s balance-sheet of the construction firm these workers are entered as ‘expenditures/Sachaufwand’. To be on the secure site, companies more and more demand from their workers to register a trade. Working permits seem to become more important in construction than some years ago. Due to the fact that controls on construction sites have increased it is not common and popular anymore to hire irregularly working migrants but to employ migrants with working permissions and underreport them to the social insurance agency or (polish) migrants with trade license who are also working beyond their competences accordant with their trade licenses.

Private households, too, function as employers of irregular migrants when e.g. renovating flats or building private homes. In the vast majority of the cases the irregularity of the employment is total: Workers are registered at all neither with the social insurance nor with the tax authorities. As the interviews show, also working conditions differ significantly according to nature of the employer (firm or private). The reasons for hiring undocumented migrant workers are various. First and foremost is the labour cost factor that is like in many other countries. Employers save social insurance and taxes if they engage their workers without documents or as trade license holders. Discriminatory practices result also in a lower wage for migrant compared to the net wages of Austrian colleagues. Undocumented migrant labour is seen as cheap cost factor – even cheaper than deploying machines, when battering down walls, ceilings, stairs e.g. in old unsound buildings. Another important argument is the flexibility in working time of (irregular) migrant workers: ‘Migrants often want to work longer [than Austrians] because they can earn more money to send home.’ They often do not have families with them and do not mind working more than 40 hours a week. In peaking times, when flexible labour force is required immediately, undocumented migrant workers are welcome,
even if the company ‘normally’ does not employ undocumented migrant workers. In other word the non-compliant immigrant workers are competitive.

The lack of rights of undocumented migrant workers is therefore a decisive reason to hire them and exploit their labour: ‘He takes me because he knows I am without rights. If I held a working permit I could go to the chamber of labour to claim my wages. Then he has to pay. That’s the problem. He knows exactly how things are going.’

The duration of jobs differs a lot. It is between some days and some years and depends on the demands of the specific employer. On very big construction sites with a sincere employer, the employment can last from the beginning to the end of the construction period which can be up to two or three years. If workers can stay with the very same employer depends on his order situation. Especially Polish workers returned in calm phases (winter) to their countries of origin. When reliant on insincere employers or recruitment agencies (see below) jobs may just last for some weeks or months. Casual work (in peaking times) naturally is of a very short duration. The entrance into the informal labour market of construction often works over a special meeting point in Vienna ‘Herbststrasse’ where day laborers are picked up by employers (for details see below).

Informal networks can contain the ethnic or religious community, (former) employers, former colleagues, friends, relatives, and flat mates. The Polish and Ukrainian church in Vienna are a well-known meeting point for people from those countries. The place also functions as an information centre for jobs, accommodation etc. where on a ‘black board’ announcements in Polish or in Ukrainian are posted. Ukrainians also use the Polish church for looking for work or accommodation. A very common strategy for finding employment and workers is attending the so called ‘Arbeiterstrich’. These are two streets in Vienna where (mostly) men searching for work are standing and waiting for some employer to pick him up. ‘Arbeiter-Strich’ is a word following an expression from the prostitution milieu: to hustle, to do street-prostitution. In this sense it means men are prostituting themselves for work.
Another strategy is asking directly at construction sites. Some of the interviewees were mentioning this method but all of them denied the ‘effectiveness’ of it. Colleagues - between networking, competing and exploitation of recently arrived migrants are more important as expressions of “Learning by doing”: Experienced colleagues are an important source of knowledge. Especially newly arrived migrants who are not familiar with the applied methods on Austrian construction sites (e.g. working with pre-fabricated walls) and who have comprehension difficulties due to lacking language skills are very much reliant on their more experienced colleagues. Solidarity is a very effective tool among undocumented workers. Interviewees emphasized the importance of social networks to warn friends/compatriots of incorrect employers. The phenomenon is very much like the one that occurs in the Danish case.

The organization of housework is a broadly experienced social problem, which receives very little public attention. The regulation of housework and care in the current socio-demographic context has been left to the workings of the existent structures of the welfare state, the migration regime and the gendered division of labour. Solutions are sought on an individual, household-internal basis. A common strategy is to employ a paid migrant domestic worker, with the result that housework is being commodified but not on legal grounds. Employing domestic workers can only work as a viable option as long as the workers’ earnings remain considerably lower than those of their employers. The purchasing power of (dual-earner) families in the higher income bracket meets the supply of low-cost labour in the service sector. Such a supply exists thanks to the emergence of a specific class of women with no access to alternative sources of income. In Austria, restrictive immigration laws (Law on Aliens) and the Austrian Alien Employment Law impose important limits on migrant women’s options. These laws, which regulate access to the labour market according to nationality, resonate with a parallel development towards the segmentation of the labour market along the lines of ethnicity, thus helping to reshape the hierarchy on the labour market. Domestic work is mostly performed alone. Only one interviewee said that if there was a lot to do she
asked for help a friend of her. (A-I12) Colleagues (working with other employers) mostly are female migrants. The diffusion of irregular employment in private households is widespread in the Ukrainian community in Austria. Colleagues are very important also for job searching and advising which employer to trust: ‘my people can guarantee if an employer is ok and if he will pay you.’ (A-I3) Furthermore, they also function as stand-ins. Employers are Austrians and (settled) migrants. Domestic workers without German language skills predominantly are working in private households of (other) migrants who are able to communicate with them.

Empirical data indicates that trust relations are pivotal in order to enter and stay in underground economy, not least in the domestic work, since the workers enter the core private sphere of their employers. Therefore, private networks for job placement are crucial. Notes (salaries are left with) and brief telephone calls are, in many cases, the only source of contact. The employee turns into an invisible person and the work is considered as self-evident, which is found done when the employer arrives home. Another feature of the invisibility of undocumented domestic workers is that the private household is place of ‘protected work’: far from police, governmental control or prosecution, from labour inspection, in privacy, calm, and mostly regularly performed. On the other hand there is – precisely because of its invisibility- a greater vulnerability of being exploited, discriminated: because nobody knows and nobody looks at industrial relations in private households.

Trustfulness can also become a burden for the domestic worker. Owning the keys of the households cared for means having a big responsibility and bonds for/to the particular household migrant domestic workers often do not want to bear. Especially when childcare is part of the domestic work emotional binding becomes an important aspect among the triangle migrant domestic worker – child – parents/employer: Enter one’s privacy also means to adapt to a private household’s particularities: which polish to use, where to clean first, which method of cleaning to use. Sometimes these requests are easily to fulfill and employer and employee go together without problems. Sometimes
insisting on these particularities from employer’s side also means degradation of domestic worker’s skills and the simple will to exercise power over a servant. That is also the case with regard to work with elderly: Provision of long-term care in Austria is guaranteed by state, family, social and community networks or via the market. In Austria Cash for Care benefits are not sufficient to cover the labour cost of a caregiver, mostly long-term care is provided for free by female relatives. It is estimated that about 30,000 remunerated informal careers are working in 24-hour-care for elderly people. The role of irregular migrant work is providing cheap labour for a service which cannot be regulated by the market. When working informally caregivers do not hold any (health) insurances or are insured in their countries of origin. Normally, employments are quite stable ones. Especially from the employer’s view it is important to stay with one or two careers to sustain a trustful relationship between caregiver and care receiver. Jobs are provided on the one hand via private networks like colleagues (from the same hometown) or former employers. Because it’s such an intimate sphere, people want somebody recommended they believe they can trust. On the other hand, job placement agencies are very common in this branch: often they are disguised as non-profit organization placing ‘voluntaries’ to households in need for care. Agencies are charging fees. ‘Das Beste’ charges 1,500 Euro from the informal careers and from the families – every year as long as the employment relation lasts. (A-I7) Often, there is an unclear definition concerning the areas of responsibility/work. Informal caregivers have to do household tasks, medical tasks, social tasks (going for a walk, playing, cooking together with patient), and there is an unclear limitation of working hours.

Actually, there main task is to work with the patients’ bodies and souls but often they are also asked to do other jobs, e.g. the household of and meal preparation for the relatives, too. In 24-hours-care, caregivers do not have any time for you; do not have any private sphere, no room of their own. Permanent Availability is required although it is not absolutely necessary. Employers/Patients think you shall be disposable whenever they want you to
come – especially if you seemingly don’t have other important things to do. Especially 24-hours care is described as a mental and physical burden.

In agriculture in Austria, like in many other countries different circumstances dominate; the employment is mainly covered by seasonal labour. On the country side it is very common to approach asylum seekers in boarding houses and ask them to do some casual work in agriculture or forestry and use asylum seekers as cheap and flexible irregular labour. Asylum seekers are not allowed to work legally in Austria with this kind of residence status. Though, there is the possibility to apply for limited working permit for harvest, farmers do not want to pay social insurance and taxes and minimum wage (5 Euro plus incidental expenses) so they are falling back on asylum seekers who are willing to work beyond minimum wage. Working time is very casual and flexible. Asylum seekers are called for some days or some weeks as long as harvest lasts. Asylum seekers on countryside are predominantly from Chechnya, Iraq, Iran, Armenia, and Afghanistan. Also workers from Romania and Hungary are coming. Farmers state that they even demand less money than the asylum seekers; probably that is just a strategy to out pressure on wages. Asylum seekers are paid less than Austrians. Employers are anxious of keeping the distance between Refugees and Austrians so that they do not compare their wages.

Turning back to ethnic businesses empirical data indicates that earnings in ethnic business are very low: between 300 and 750 Euro a month for up to 60 hours working time a week, 12 hours a day. Especially when familial ties are involved, employers feel responsible not only for the work performed but also for the whole life of employees, meddling in their employees’ daily routine. ‘Gratefulness’ is expected by the relatives/friends/former neighbors ‘who help’ out of a difficult situation when undocumented migrants are searching for any kind of work. Employers however often abuse the dependant situation of their ‘protegés’ who are in a very vulnerable position as (irregular) migrant newcomers. The role of the irregular work in this case was a stable, extensively used (12 hours a day), low paid workforce with the option of
flexible lay off in periods of low business volumes. Not only ethnic ties but also professional skills can help finding work in ethnic business, as the case of A-I17, an undocumented migrant from CIS shows: In the beginning, he did little jobs for his new (Turkish) employer who’s PC-business was not running very well before working in his office. The first week he worked without being paid. His employer knows about his vulnerable position as an undocumented migrant and is paying very little (400 Euro a month for 48 and 55 hours a week) although he is earning – also with the incisive help of his employee and his competence – approx. 1.500 Euro a week. Prices for the services are determined by his employer who compares prices for the same services in internet and goes beyond these prices to attract customers and to stay competitive. Another important branch of ethnic business is cleaning companies.

Also specific branches in industry are affected. According to the Austrian data printing plants and book binderies seem to have relied heavily on undocumented migrant labour. Work is placed via intermediaries who are actually the ‘employers’: Intermediaries get a lump-sum for a specific job and search for workers, organize and pay them. For the printing plants it’s easier to find and more secure to employ workers via intermediaries. The printing plan officially does not know if the people hold a working permit or not. The intermediary allotted the work, also organized the transports to printing plants in lower Austria, brought the workers there and picked them up again.

Also Casual jobs are a very important source for undocumented migrant workers to make ends meet. Examples of casual jobs are disseminating party flyers (earnings between 6, 50 and 10 euro an hour, A-I12); helping people to move form one place to the other (earnings between 30 and 50 Euro, A-I17, A-I1); rounds man of advertising material during the nightshift (at temperatures of minus 25 degrees Celsius, earning 500 Euro a month, A-I23)

Here, word-of-mouth recommendation but also finding jobs via Internet and newspapers (‘formal channels’ of job placement) are the main job searching strategies. The working hours are very variable, sometimes all night long like in the cases of disseminating flyers and advertisement material. Casual job
also can develop to more regular one when workers are ‘recommended’ to other employers in need e.g. for disseminators.

Also engagement in voluntary work or NGOs is used. The jobs are not badly paid, compared to other areas in the underground economy. The motivation for this engagement is various: firstly, it seems to be worthy work which is done voluntarily and with pleasure. Secondly, the work performed there requires skills these people want to practice, and gain some experience with broadcasting when working voluntarily for a NGO producing TV-programs. Thirdly, some NGOs’ recruitment policies, especially those working with migrants, are to predominantly hire migrants as workers (e.g. due to required language skills. Also voluntary work as ‘multicultural multiplier’ can be taken in to consideration.

Looking to the relation between qualifications and skills prior to migration and the job they are doing now we can see the following picture. Data indicates that a majority of interviewees experience a downgrading in the host country which means, that they are performing jobs below their skill level. Others who have entered the country without any vocational certificate and only secondary education graduation work as unskilled workers but in their case no downgrading is possible per definition. Also a minority of about 20 % experiences a matching of skill level and performed job which means that their actual workplace allows them to use their skills in an adequate way.

With regard to irregular jobs we can say that with some exemptions nearly all jobs available to undocumented or semi-document workers are unskilled, low paid work. So that as a kind of general rule un- or semi-document migrants are forced to accept a deskilling process in order to survive. Especially at the beginning they have to do casual jobs which are more or less by definition unskilled workplaces. Undocumented work is in Austria not so common for skilled or high skilled jobs and if this kind of irregular work is mostly done by Austrians themselves (beside their regular employment) or requires a fluent knowledge of the German language or special knowledge of Austrian law and is therefore not reachable for un- or semi-document
migrants. One case which comes very near to the common idea of a matching between skill level and job is a person with a nurse diploma and is at the moment working in a regular job in mobile elder care according to her skill level. But to appraise this fact in an adequate way one has to consider that this was the result of a 10 years hard battle as irregular migrant worker in Germany and Austria including different forms of work below her skill level and times of unemployment and casual jobs in Slovakia. To get a nostrification for her diploma in Austria she had to pass one year examinations and to pay 3,000 Euro (which she financed by irregular 24-hour care work in private households). So in this case you have to consider the relation between efforts and results. The complicated, bureaucratic and very expensive process of nostrification (authentification) of vocational certificates from their home countries is one of the most important barriers for migrants to get access to adequate jobs. We have three other persons in our sample who explicitly stated that they can’t afford a nostrification of their vocational certificates – both in terms of time (for the courses) and money.

So these examples show some of the different realities covered by the picture of a matching between skill level and current job for migrant workers. The majority of our interviewees (nearly two third) already had contacts to other migrants from their home country living in Austria. For them this often was the main reason why they choose Austria as destination country for their migration project. Often they were directly invited by relatives or came in order to marry in Austria. These contacts played a decisive role in the adaptation process in the first time of their arrival especially when they entered the country undocumented and afterwards also in getting access to (irregular jobs). So these cases can be concerned as kinds of chain migration.

Resuming we could say that ethnic communities in general as well as strong personal contacts and kinship work as a social capital for the adaptation and surviving of un- or semi-document ed migrants in Austria. Even though one has to consider that the impact of ethnic communities could have an
ambivalent character and some migrants refuse for different reasons contacts to communities of their home countries.

**The Austrian perspective**

There seems to be a relationship between the lack of rights and the competitiveness of undocumented immigrants, or those, regardless of residency status involved in the underground economy. The Austrian study indicates clearly that the lack of rights of undocumented migrant workers is a decisive reason to hire them and exploit their labour. On the other hand they fill out gaps left behind by the welfare state growingly burdened by demographic factors, specifically population aging. The regulation of housework and care in the current socio-demographic context has been left to the workings of the existent structures of the welfare state, the migration regime and the gendered division of labour. Solutions are sought on an individual, household-internal basis. It crated a specific phenomenon of mutual trust and insecurity for employers and employees for those involved in underground economic activities, not least for those in his care giving business. Empirical data indicates that trust relations are pivotal in order to enter and stay in underground economy, not least in the domestic work, since the workers enter the core private sphere of their employers... On the other hand there is – precisely because of its invisibility- a greater vulnerability of being exploited, discriminated: because nobody knows and nobody looks at industrial relations in private households. It brings peoples of different descent together. As the care giving undocumented workers main task is to work with the elderly and patients’ bodies and souls but often they are also asked to do other jobs, e.g. the household of and meal preparation for the relatives, too.

Also employment as seasonal labour occurs in large scale. And asylum seekers functions as cheap and flexible labour. Also Casual jobs are a very important source for undocumented migrant workers to make ends meet. Also engagement in voluntary work or NGOs is used as a possibility for utilizing the human capitals by undocumented workers. The jobs are not badly paid, compared to other areas in the underground economy. The motivation
for this engagement is various: firstly, it seems to be worthy work which is done voluntarily and with pleasure. Secondly, the work performed there requires skills. The Austrian case also indicates clearly that irregular jobs almost without exemptions are unskilled, low paid work.
Underground economy, mobility regardless of status

Empirical data from UK reveals that the experiences of the workers differs according to their countries of origin, their gender, their period in the UK, whether documented or not; whether refugees or ‘economic’ migrants; their access to networks and in particular to institutional networks. The main points we found were:  
- Around one in four of those interviewed had previously worked in other EU countries and there was considerable movement around the EU;  
- A few of those interviewed had returned to the UK on more than one occasion; Migration to the UK was often associated with financial costs to the migrant or their family, paid to agents or others assisting their passage to the UK. These were often incurred through taking out high interest bearing loans;  
- Employment agencies in countries of origin had often facilitated entry into first jobs in the UK and in most cases the jobs turned out to be not as good as advertised;  
- Most interviewees sourced work through contacts in their own communities or through communities that shared elements of culture, history or language.  
- Long working hours and poor working conditions were also frequently mentioned;  
- Pay generally very low and documented status was not necessarily associated with higher pay, although almost all the undocumented workers were earning below the National Minimum Wage;  
- Interviewees associated poor working conditions with lack of fluency in English and those who were more fluent believed that they were better able to assert their right, Workers moved jobs relatively frequently, although few had successfully made a transition from informal to formal work;  
- Many workers expressed a preference for working in private households as they felt that they were better protected against police or immigration raids; and few of those interviewed had been involved in trade unions, although many had made use of other collective community and migrant networks.

Most interviewees worked in the informal sector, regardless of whether or not they had a legal right to work. The main findings based on UK data are:  
- The sectors most likely to operate informally were associated with cleaning;
textiles; ethnic restaurants; and private construction; Night work and work in private homes was more likely to be associated with informal work; There was a category somewhere between the formal and informal sector, where some work was declared and was formal, while other was undeclared and informal; and some workers preferred to work in the informal sector and few interviewees had never worked in the informal sector. Most of our interviewees worked in what could be described as a semi-formal sector, regardless of whether or not they had the legal right to work. This sector could be categorized as operating as a business within the formal sector but nevertheless employing workers who either were undocumented without a right to work or who were documented but who were not declaring either all or part of their work. Thus whether or not someone worked in the informal sector was not dependent on the individual's immigration status.

Taking an example, a female, originally from Bulgaria, had worked as an undocumented worker in Germany even though her family's claim for asylum had been accepted and she could have sought out documented work. In the UK she had also worked in the informal economy for the first five years of her stay in the UK, while waiting for a decision on her asylum application. This work was in domestic labour in private households. Another female had mainly worked in the underground economy, getting access to work through co-ethnic friends and working only in co-ethnic businesses and has continued to do so even though he has a legal right to work.

The cleaning sector, both in private households and industrial cleaning were typically sectors where undocumented work was prevalent and where, due to a high incidence of sub-contracting, parts of businesses operated informally, for example, paying workers as if they were self-employed and therefore avoiding payment of National Insurance. That was the experience of one Interviewee who worked as a cleaner in a hotel. Night work also was more likely to be associated with undocumented or irregular work as night work, at least physiologically, provided anonymity and was seen as less 'out in the open', like in the Austrian and Danish cases. Among the Turkish-speaking women interviewees, work in the informal economy had primarily been in the textile sector and was categorized as hard work, under poor conditions, with
high levels of harassment and bullying. Two of these women talked of ongoing health problems as a result of hard and repetitive work. Employment in ethnic enclave restaurants was also a more common entry route for workers without documents. Workers without documents tended to work in unseen jobs in the kitchens, whereas workers with documents were employed as ‘front end’ staff, according to one Interviewee, who had worked in the restaurant sector. However the interviewees point to this sector being a more difficult one to enter.

Some workers expressed a preference for work in the underground economy, as it is considered to provide more freedom by the worker being able to leave without notice, with the only problematic aspects being sometimes a difficulty in getting paid when the worker wanted to move on. For the worker, despite having a legal right to work in the UK, in the underground economy; as he avoided paying tax on his relatively poor earnings. Such workers were more likely to see themselves as ‘mobile’ workers, who would move on, perhaps to a new country, if the situation required it. Other interviewees, who worked as cleaners in private homes, also expressed a preference for this kind of employment, even if in the informal sector. One compared it favorably against the one job that she had done in the formal sector, which was working as a cleaner in a supermarket, where she found that she did not like the impersonal treatment she received from her line managers.

More commonly work was described as somewhere between the formal and informal economies. One interviewee (2), for example, worked in a legal business but although now documented, most of his colleagues were undocumented and employment, even for him was part informal, since some earnings were not declared. Others worked part in the formal economy but also worked in the informal economy. For example, one interviewee (15- a 24-year-old Russian) worked as a receptionist in the formal economy while at the same time she worked ‘cash in hand’ for three hours a day, five days a week. In her view ‘That’s what the employers preferred’.
Few of those who were interviewed had never worked in the informal economy. One interviewee (5) said that he had only done so on one occasion. Another interviewee (19) had applied for asylum and had always been able to access documented work, since he had a right to work. For him it had been possible to progress in work and to improve his pay considerably. A third one (Interviewee 7), while never having worked in the underground economy, described her experience of working in the care sector as somewhere between the two tiers of the economy (formal and informal). Not all the colleagues she worked with were regularized and night shift workers in particular, were more likely to be undocumented. Interviewee 10 had also never worked in the underground economy. He was trying to have his dental qualifications recognized so that he could practice as a dentist, and working informally was viewed as jeopardizing this. Others like Interviewee 21 and Interviewee 29, seeking professional jobs, were also less willing to be drawn into the informal economy as this might jeopardize their chances of obtaining professional jobs.

Looking at the working conditions in the underground economy also in UK case we find bad conditions ranging from being bullied by employers and supervisors (and in some cases by co-workers) on the grounds of their undocumented status, being harassed by co-workers, and so on. An interviewee (13), a 40-year-old Filipino male worker who had worked in construction was so bullied by co-workers, because they knew that he was undocumented, that eventually he got so frightened that he left the job. Colleagues would shout ‘police’ whenever he was working on high scaffolding and he said he felt always ready to jump. Another Filipino male (interviewee 22) had experienced bullying in a care home from his manager, which he felt was because of his limited English when he was new to the UK. He also thought that other Filipino workers were treated badly at that workplace, and he chose to leave and find another job. Others spoke of long working hours and of discrimination in the allocation of tasks. One Nigerian interviewee was working 12 hours a day, six days a week. In his experience black people were rarely made supervisors. On applying for other jobs he had also experienced
A care worker from the Philippines was working 48 hours a week and sometimes longer. She too expressed the view that discrimination denied her access to more senior posts. A pizza worker from Algeria was working a 10-hour day, six days a week.

As in other countries mentioned before, also in UK wages in underground economy are generally low. Few of those interviewed were earning the average wage (currently, in London, where most of the interviewees worked, the average hourly rate of pay for male workers is more than £16 and the average for women is around £14 an hour.) and many were being paid at below the legal minimum (£5.52 an hour from October 2007). Most people were not paid any additional premia for working overtime or for working on holidays. Some workers were part-documented declaring some earnings but not all of them. While the majority of undocumented workers were paid below the National Minimum Wage, two (one doing casual construction work and a domestic worker in a private household) earned significantly above the minimum, at £15 and £8 per hour respectively. And documented workers were divided equally into those paid below and above the minimum. Among those classed as semi-documented, slightly more were paid below the minimum wage than above it.

Insufficiency in language is generally seen as an obstacle to move upward the socioeconomic and professional hierarchy. Some of the interviewees attributed their limited access to work, beyond ethnic enclaves, to their lack of English. Other cases (Interviewee 2, a Bulgarian of Turkish origin, who is currently working as a driver for Turkish shops) indicate independence of linguistic skills due to the nature of the work, as the communication is only with co-ethnics. Interviewee 4 would have liked to work as a childcare worker, but did not feel confident enough of her English language skills to seek out this kind of work. Others sometimes referred to the additional risks they faced because they did not understand instructions, particularly in relation to health and safety. (This was the case for Interviewee 20.) For those whose command of English was good, there was a view that this assisted them in
asserting their rights. For example, in Interviewee 9’s case, even though he lost his job, because his employer feared a police raid, he pointed out that he had been paid in full for the work that he had already done, whereas other colleagues, who could not speak English, were dismissed without being paid.

Interviewees had rarely remained in the work that they had first accessed on arrival in the UK. Generally most workers moved jobs frequently, and this was regardless of whether or not they were documented. Interviewee 2 had first worked in a Turkish club, earning just £100 a week, while documented colleagues were being paid four times that amount. From there he had moved to working in a clothes factory, which again was Turkish owned. He worked 18 hours a day on some occasions. The work was very hard and poorly paid and eventually he decided to return to Bulgaria.

For workers without documents or whose documents are not in order, it is important to be as anonymous as possible. This is one of the reasons why London was an attractive option for work for most interviewees, despite the higher costs associated with working in the Capital. Interviewee 14, a 21-year-old Algerian male spoke of having moved from working in Brighton to work in London, because it provided anonymity. Work in private homes provided a similar ‘protected’ environment, although it may also offer the poor pay and working conditions. Paid domestic work has been a route into work for women migrant workers, in particular, whether they had arrived claiming refugee status or as economic migrants. Domestic work in private homes was often conceptualized as work that was ‘safer’ for those without documents, as it was felt that the police were less likely to raid private houses. It also meant that work could be conducted unseen. But at the same time the consequences were that workers were very poorly paid and sometimes were badly treated.

For male undocumented workers too, work within private households was considered safer. Interviewee 13, a 40-year-old Filipino male, who had been bullied when working on large construction sites because he was undocumented had shifted to work only in private homes. For him it felt safer to work alone on small construction projects in private homes. He had been
advised to look for work outside London, where he had been told that police raids were less likely. Interviewee 20, although a qualified builder, was no longer able to access work on construction sites due to employers being wary of the increased sanctions and relied on recommendations from friends or past clients to do small projects in private homes.

Many of those interviewed had used organizational networks, to assist them on first arrival and to access important first jobs. This shows that they did not reject collective ways of organizing. However this did not translate into activity within social partner organizations like trade unions. In some cases this was because these organizations were not represented where they worked, in other cases it was because they had no prior knowledge of union organizing. Only two interviewees were currently a trade union members; another had been a member in Ghana; while a third had worked with the trade unions, while working in Italy prior to migrating to the UK.

High human capital if attained in another country rarely translated into good employment outcomes in the UK. High social capital, while often providing access to some employment and to supportive networks, often trapped individuals into low paid employment in the informal sector, regardless of the individual’s status.

In general the interviewees can be divided into those with high human capital on arrival (professional qualifications and tertiary education) and those with low human capital, with a number of interviewees, particularly women, who had not been engaged in paid work prior to migration and who had not acquired qualifications in their countries of origin.

In terms of social capital, high social capital did not also necessarily lead to better employment outcomes. Those like Interviewee 1, who did not have many contacts with the Bulgarian community in the UK and who described herself as ‘actually avoiding them’ was more likely to have attained secure, formal employment. Interviewee 10 had social contacts with individuals from his own community but also did not restrict his networks to these and had found his work through a friend who was not a co-national. Interviewee 5, although he had sourced work through the Bulgarian community and mainly
socialized with other Bulgarian, was wary and felt that he could not rely on his co-nationals. He already spoke English prior to arrival, now was almost fluent and having moved his family to the UK, conceived of his life as being primarily in the UK for the future. Some individuals had developed networks within other communities which shared, not a nationality, but a language or culture and this enabled them to move beyond their pre-existing social networks. Interviewee 4 had relatively high social capital; however, the networks she had sought out were not within her own community of Bulgarians, but within the Greek community, through faith networks. This had given her access to employment in a hotel, although living conditions were poor and pay was only at around the national minimum wage. Interviewee 15 similarly had built her networks around the possession of a common language of communication, rather than around a group of co-nationals. None of the Chinese interviewees, save one, had high human capital, but all had relatively high social capital, relying on co-nationals to source work and to support them when work was not available. The Turkish interviewees, and in particular, female interviewees, also had high social capital and greatly valued the networks which they had access to, which provided advice and support. However this had also served to confine them to work within certain narrow ranges of jobs, like textile factory work which was informal and poorly paid.

The UK perspective
Empirical data from UK indicates clearly that working in the underground economy is attractive the legal right to work. Beside the sectors mentioned in other countries, there was a category somewhere between the formal and informal sector, where some work was declared and was formal, while other was undeclared and informal. Most of interviewees in the UK study worked in what could be described as a semi-formal sector, operating as a business within the formal sector but nevertheless employing workers who either were undocumented without a right to work or who were documented but who were not declaring either all or part of their work. Sub-contracting, paying workers as if they were self-employed and therefore avoiding payment of National Insurance, play a pivotal role.
Some workers expressed a preference for work in the underground economy, as it is considered to provide more freedom by the worker being able to leave without notice, experiencing them selves as ‘mobile’ workers. It seems that workers who have future plans due to their education or other merits prefer to sacrifice short term advantages of involvement in the underground economy in order to gain long term advantages of upward mobility in formal employments. Like in other countries also in UK study there are strong evidences for network dependency, in order to be assisted on first arrival and to access important first jobs. This shows that they did not reject collective ways of organizing. However this did not, similar to the Danish case; translate into activity within social partner organizations like trade unions. In some cases this was because these organizations were not represented where they worked, in other cases it was because they had no prior knowledge of union organizing. In terms of social capital, high social capital did not also necessarily lead to better employment outcomes.
Conclusions

Looking at the perspectives and development in the underground economy in EU, this study departs from an understanding of the phenomenon as a sociological one, highlighting following features:

The underground economy is Contextual. Its form, content and dynamic is specific to the national and other contexts in which it is used and understood.

The form, the content and the dynamic of the phenomenon is Situational. It refers to the experiences of those people who are subject to those definitional and operational categories, in this case specifically undocumented migrants themselves.

The occurrence and development of the phenomenon is Gradual, influenced by many factors such as migrants’ length of residency, year of entry, gender, capitals, government policies, political and public discourse etc..

The phenomenon is Conditional, referring to the character of the residency as being understood and dealt with by migrants themselves, and by the actual practice of formal intuitions as a formal and/or informal response to the structural need of the national economy in the era of globalisation.

The aim of the study has been to bring about empirical insight on two questions:

What circumstances and factors characterises specific sectors or breaches to the ones in which undocumented immigrants participate in underground economic activities?

Is underground economy a pull factor for irregular/undocumented migration?

Answering these empirical questions, we have departed from theoretical insight where the opportunity structure, formal as well as informal, has been emphasized as a dominant factor, influencing the individual and collective actions.
The empirical data in the countries studied in this report indicates several differences:

In Bulgaria the underground economy is the very precondition, influencing the mainstream economy as well as the businesses where semi- or non-compliant immigrant worker find their occupations.

The Spanish data indicates clearly that the underground economy facilitate upward cross-border mobility, and is there as long as it fulfils certain socioeconomic needs of immigrants and their families, in Spain as well as back home.

The Belgian data indicates several governmental initiatives to combat underground economic activities, but also a situation where semi- and non-compliant immigrant workers do not understand them selves as immigrant, but utility maximizes, helping the Belgian market to fulfill existing needs.

The Danish data indicates that even a highly regulated and monitored and organized labour market cannot avoid the occurrence and development of underground economic activities. The consequence seems to be the growing importance of the immigrant networks as the forum of reliance, which obviously is the opposite of the declared policies towards greater degrees of integration of immigrants in to the mainstream society.

The Italian data indicates the development of a certain complementarity between the underground and regular economy, lower wages in both arenas. It is also a story of how change of status not necessarily leads to reduction of underground economic activities.

The Austrian data shows how semi- as fill out the gaps that the welfare state leaves due to the growing tasks and burdens.

The UK data indicates how the mobility and the freedom of movement has become the preferred feature of underground economic activities, but also
how the existence of long run perspectives with regard to upward socioeconomic mobility, due to the development of human capitals through education and skills makes engagement in underground economic activities unattractive.

These are major differences. But there are also many similarities:

In all countries the very existence of the underground economy makes it possible for semi- and non-compliant, and even fully compliant immigrants (that is with regard to status) to make a living. All other things equal they would have been much more stocked in fixed positions.

Data indicates that there is a rather well developed understanding of the needs of the labour market, and that that information are circulated within and cross ethnic and national boundaries, also involving natives.

Certain breaches are more suitable for underground economic activities. They are primarily characterised by not being easy to control and monitor by authorities. Considering that control costs, and that control also creates social externalities, it is always a choice to be made by politicians whether a harder line could be purposeful. Some countries have introduced control measure; others have chosen laize a fair style of treating the underground economy. None has succeeded completely to erode underground economic activities. It seems that the demand for labour play the pivotal role under both circumstances.