

**PROGRAMME FOR RESEARCH AND ACTIONS ON  
THE DEVELOPMENT OF THE LABOUR MARKET**

**UNDERGROUND ECONOMY AND IRREGULAR  
FORMS OF EMPLOYMENT (TRAVAIL AU NOIR)**



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**PROGRAM FOR RESEARCH AND ACTIONS ON THE DEVELOPMENT  
OF THE LABOUR MARKET**

**FINAL SYNTHESIS REPORT**

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Underground economy and irregular forms of employment  
(travail au noir)

By : Philippe BARTHELEMY  
Fausto MIGUELEZ  
Enzo MINGIONE  
Raymond PAHL  
Alois WENIG

For:  
The Commission for  
European Communities  
DG V/A/1

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## FINAL SYNTHESIS REPORT

### INTRODUCTION

This report constitutes a first attempt to develop comparative themes emerging from the ten country monographs and from the various meetings and discussions which took place during the year and a half of the study project. The experts prepared preliminary drafts of the following chapters which were extensively discussed during a meeting held in Cambridge on the 2nd and 3rd of August 1988. As it became evident that a certain degree of disagreement between the experts was unavoidable and that the redrafting of the final comparative document by a single author would be too time-consuming and, in any case, reflect predominantly the opinion of the author, it was finally decided that the authors of the single chapters would redraft them taking into consideration the discussion which took place in Cambridge. The table of contents of this final synthesis report is:

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- Section 4: The Role of the Market and Exchange by F. Miguelez, University of Barcelona.
- Section 5: The Role of the State and Economic and Social Cohesion by F. Miguelez, University of Barcelona, and A. Wenig, University of Hagen.
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**SECTION I**

**THE HISTORY AND RECENT SOURCES OF  
IRREGULAR FORMS OF EMPLOYMENT**

By : **Enzo Mingione**, University of Messina

SECTION 1: THE HISTORY AND RECENT SOURCES OF IRREGULAR FORMS  
OF EMPLOYMENT

by Enzo MINGIONE, University of Messina.

1. The history of the social regulative system as a framework in which to understand irregular forms of employment.

Irregular forms of employment are defined by the regulatory system. 'Travail noir' does not exist in a totally non-regulated and permissive context. However, the same kind of working arrangement may be perfectly regular according to the regulatory system of one country, but irregular according to the system in another. In this sense the historical origins of what we now call "irregular forms of employment" should be considered in connection with historical developments in regulative systems at a national and local level (differences in effectiveness of regulations due to the specific socio-economic traditions of different localities). Child labour is an interesting example. It cannot be called 'travail noir' in Western European countries before the second half of the nineteenth century when at different times and in different ways it was banned by law. But not all forms of working activities undertaken by children are prohibited. In many countries domestic work or washing neighbours' cars or mowing the lawn for petty cash is permitted. In some cases certain activities within family economic ventures (family help in the retail trade and agriculture) are also tolerated. In these cases children's activities are not shown in official statistics but they are not strictly 'travail au noir'.

Thus the historical matrix of irregular forms of activities is connected with regulative systems. We are able to make approximate comparisons regarding the presence, diffusion or decline of irregular forms of employment because the regulative systems have developed historically along similar lines, although maintaining national and local differences which largely explain the present range in the extent of certain phenomena. If we follow the parallel history of regulatory systems, we can establish a set of socio-historical parameters for understanding the roots and various incidence of irregular forms of employment in different European contexts.

1. Western industrialized societies have matured their regulative characters through a very long phase from approximately the 1880s to the late 1960s. During this time a growing regulative pattern has arisen around the operational systems of the large fordist factory (and increasingly offices and chain-stores) and the welfare state (see Lash and Urry 1987 for an account of these developments in France, the UK and Germany).

2. This roughly "linear" process has been interrupted at times by critical emergency situations when due to dramatic events, like wars or persistent serious economic crisis, it has not been possible to enforce the regulative system, a situation reflected in a temporary sharp increase in irregular/illegal activities (black market, travail noir, etc.). In many cases these dramatic events have also been occasions to reshape and renew the regulative patterns.

3. The combination of the development of a fordist-welfarist system and the parallel slow decline in traditional forms of activities, like peasant farming or petty trade or persistently labour-intensive building or traditional local manufacturing, have compelled these areas to become increasingly "irregular", in the sense that they could not survive if they complied fully with the developing regulative system (by paying taxes, respecting wage rates, obeying safety regulation and being totally accounted for in national statistics, and so on). Conversely in some situations the pre-industrial craft corporative regulations (mainly in terms of strict barriers and controls to entry) have been incorporated in the industrial regulative systems in order to facilitate social integration of large groups of artisans and protect them from unregulated competition. This also favours a tendential expansion of irregular forms of activities as soon as the number of potential workers with the capacities of doing the job but without the legal requirements (for instance moonlighters) increases.

4. Beginning in the late sixties, the fordist-welfarist regulative system has begun to show signs of crisis for different reasons that we shall try to discuss briefly later on. This has produced a new wave of irregular forms of employment different from the one determined by the combination between the development of the regulative system and the persistence of traditional forms of activities.

We shall not devote much attention to the temporary waves of 'travail noir' originated by exceptional historical events (point 2) but discuss the two historical processes outlined in points 3 and 4 as these are the most important sources of the presence and recent diffusion of irregular forms of employment. In the final part of the section we shall see how different national and local historical combinations of 3 and 4 have become important in determining the differences between countries and localities.

It is worth mentioning the fact that this picture does not take into account criminal organizations as an additional historical source of "travail noir". In this regard, organizations which already existed in Southern Italy or in the Marseille region expanded dramatically when they became the focal points of the international drug business. This is an area which is particularly difficult to estimate and to investigate; nevertheless it is important to mention the fact that criminal activities do not only generate directly illegal forms of employment but that they are likely to multiply through side activities, like investment in building or the effects of "protection" rackets in petty trade.

## 2. Historical developments in the regulative system and the transformation of traditional forms of work into irregular ones

This is not the place in which to analyse the origins of the regulative system and the ways in which it functions. These have in fact developed along different lines although, as a rule, a fairly similar system has arisen in all cases. It is based on the figure of the mass employee working in large industrial and tertiary-sector enterprises, on formal job registration and the complete control over self-employed activities, and on the growth in comprehensive welfare services to complement increased consumer spending by the mass employee. What must be underlined, on the other hand, are the specific ways in which the development of the regulative system together with the parallel survival of traditional working activities, highly labour-intensive and with a relatively low and stagnant labour productivity, led to these activities being transformed into huge areas of irregular work. Furthermore, the general decline of these

traditional economic activities has often involved a decrease in these particular forms of irregular work and in some cases a growing irregularity in methods of employment. There are two obvious general aspects to this combination of factors. First, traditional kinds of work are not subject to the full control of the various regulative systems. The reason is that they are not very concentrated and involve a large degree of unpaid family labour and various combinations of non-standard activities such as fixed-period or casual jobs, the exchange of work skills and the exchange of personal services between employer and employees. Second, traditional activities are unable to comply with the norms fixed by the regulative system like paying the minimum guaranteed wage, respecting trade-union practices and government safety regulations and paying taxes, because they start off at low and inadequate levels of income. In fact, the more the regulative system develops in line with increases in labour productivity in the highly concentrated industrial sectors and with the growing need for tax revenue to finance the welfare state, the more traditional activities - if they survive - are compelled to become even more irregular and/or seek complementary sources of income. The above-mentioned combination of factors is to be found especially in the agricultural activities of less developed regions, that is, those regions unable to develop modern forms of family farming which use advanced technology and exploit the family's work skills to the full. However, in these regions the same can be said of the building industry, traditional local manufacturing, the retail trade and private services to individuals and families as, for example, in public commercial concerns and tourism. This type of combination is characteristic of Southern Italy, Spain, Greece, Ireland and some areas of Southern France.

Speaking more generally, a combination of this kind characterizes several services to families and paid house-work in particular. Full compliance with the growing regulation of work is not only difficult to enforce in a sector which is still greatly fragmented (the employers are families) but it also causes the cost of labour to rise above what many potential employers can afford to pay. As a consequence, even in the countries of central-northern Europe irregular employment persists in this sector, at least as long as there is a supply of workers willing to do the work under such conditions. In every country, these workers are increasingly foreigners from poor Third-World

countries or 'second-job' workers who look on such work as a way of supplementing their main income or obtaining a temporary income while awaiting other opportunities.

The converse historical picture is one in which 'black work' does not arise in those locations and branches of industry where up until the end of the sixties labour productivity increased more than the average, parallel financial and industrial concentration is relatively high and where we are dealing with industries financed or directly run by the state.

### 3. Irregular work beyond the crisis in the fordist-welfare system

The immediate historical sources of almost all the new forms of irregular work which have drawn the attention of academics and political commentators in recent years can be traced to several important socio-economic transformations starting at the end of the sixties and extending throughout the seventies. The most notable symptoms of this transformation are two: what has been called flexible accumulation and, in particular, the search by manufacturing industry for more flexible and less expensive forms of labour than full-time guaranteed jobs for blue and white-collar workers, difficult to lay off for large industrial concerns; a phase of tertiarization which is no longer based on expanding the big public and private welfare bureaucracies but rather on the proliferation of a highly diversified myriad of forms of employment, sometimes linked to one another and sometimes of a local, atomized and disparate kind.

In terms of a source for irregular forms of employment, the second phenomenon is the most widespread and important even though more attention has often been devoted to the first and, in particular, to subcontracting, to the re-emergence of industrial work in the home and to the renewed importance of small enterprises or microfirms based on non-standardized flexible working arrangements.

The two phenomena are however connected: in the 'vertical disintegration' of large industrial concerns we find the hiving off of office work and services supplied to firms, that is, the detaching and subcontracting of service activities ranging from consultancy to cleaning and maintenance. In addition, both phenomena may be linked to

the crisis in the regulative system of fordist-welfare type societies. In this sense, an interpretation of the present phase as the 'end of organized capitalism' (Lash and Urry, 1987) or as that of 'disorganized capitalism' (Offe, 1987) appears obvious. As is also obvious the fact that in this phase working practices are spreading which are not traditional but equally irregular or which evade the means for regulation developed in the preceding decades. As an attempt at simplification, we could say that whereas the regulative system is devised for a series of more or less standard jobs, both flexible industrialization and the new forms of tertiary activity open up an area of opportunities and demand for employment that may be described as 'fragments of work', more or less casual, part-time, for a fixed period and of varying intensity and recompense. In this perspective, no system for regulating working activities is able to totally contain the growing pressures; consequently figures everywhere show that forms of irregular work which are however new compared to jobs in the traditional sectors are on the increase again. The on paper more tolerant regulative systems like that in England as regards part-time jobs and work in the home or those which are more effective and better financed, as in Germany, show a greater ability to contain the pressure for the spread and sharp increase of these forms of irregular employment; but this is true only in part. In some branches of services the pressure is difficult to hold back like, for example, in domestic and mechanical repairs or in personal services. Multiple job-holding and casual work are on the increase in every industrialized country. As a rule, they are not easy to 'regularize' or only at the risk of soffocating the new paths towards economic growth taken in industrialized countries or of increasing state bureaucracy beyond convenient levels or what is economic.

The interconnection between the development of regulative systems and their subsequent crises, on one side, and important social transformations in their specific local/national patterns, on the other, should also be stressed. Urbanization and the emergence of a mode of consumption which is largely standardized and based on the spending of monetary income have been central factors in the development of existing patterns of regulation. The more or less radical decline in traditional forms of self-provisioning in rural contexts has been the other side to this complex process of transformation. In contrast, an

articulated and locally diversified mix of de-urbanization, the diffusion of a variety of suburban and small-city settlements and the increasing importance of new kinds of self-provisioning (using modern means, like computers, do-it-yourself tools, light tractors for vegetable gardening, etc.) and new diversified forms of consumption patterns (for instance, the dual trend established by the parallel increase in standardized supermarkets and chain-stores and in small specialized shops which only ten years ago were apparently becoming extinct) has contributed to the crisis of regulative systems and to the diffusion of irregular forms of employment.

From still another point of view, it should be noted that the specific historical patterns of institutional regulation have been largely promoted by or on behalf of strong social groups as a way of safeguarding their sectional interests. This is evident in the specific norms for regulating the labour market and job entry promoted in order to favour different segments of the workforce and categories of economic operators. We have already mentioned the strict protection of craft workers in Central Europe, mainly based on corporative barriers and control of entry into an occupation, as one of the present sources of irregular employment. The same occurs in a different way in the Italian case where artisans have not been protected by barriers to entry but rather through privileges and more flexible rules, mainly an advantageous fiscal and social security system which differs radically from that applying in industry. This has also contributed to the diffusion of irregular forms of employment in that an increasing number of economic operators, in no way definable as artisans, have opted for this particular system in order to benefit from its flexible conditions.

A different but equally important set of examples emerges from the patterns of institutional regulations governing labour markets and working conditions with regard to workers who are not strictly Fordist in at least two different ways. The combination of relatively low wages and a loose control over working times and potential second jobs has contributed to widespread irregular moonlighting in Southern Europe among school-teachers, civil servants, local government employees, bank clerks and others. In many cases the complementarity has been so pronounced as to be interpreted as an hidden agreement between employers and employees: the former turn a blind eye on the practice of

moonlighting; the latter renounce claiming salaries comparable to those of equal occupational categories in other industrialized countries. In the seventies, high rates of inflation, the crisis and fragmentation in employment, and the increasing burden of direct taxation on wage-earners help to make moonlighting increasingly advantageous and widespread.

In a different area, at least in the case of Italian agricultural day-labourers and of Greek building workers, the historical strength of the workers in an unusual labour market characterized by permanent alternation of employment and unemployment, has been reflected in relatively higher but still largely insufficient unemployment benefits. In general, these have to be complemented during the year by a period of regular employment, necessary in order to qualify for benefit, and a period of continuative and/or occasional black-market work (sometimes even agreed on between worker and employer at the moment of hire). In contrast, the Fordist workers that managed through their 'core' role within the trade-union movement to gain reasonable cover against unemployment (not a recurrent but rather an 'exceptional' condition at least during the Fordist age proper) through wage-comparable benefits (or in the Italian case the "Scassa integrazione" 'S' system) were automatically excluded from access to informal activities. As an unexpected effect of the regulative system, exclusion has hit the unemployed who, presumably, are more in need of a complementary income and of new work experience, but not those already in employment. When discovered or denounced, the latter risk only having to give up their second job whereas the former lose their unemployment benefit, which represents a substantial part of the household's income.

With regard to the specific historical processes through which this increase in a new type of irregular work arises, we will mention four cases which contribute jointly, but in varying degrees, to the expansion of this area:

1. the semi-privatization of welfare services and the need to decentralize welfare programs and make them more differentiated;
2. the emergence of a highly disparate and atomized demand for 'personalized services' to families and individuals;

3. the growing interest of industry and firms in reorganizing into long lines of vertical disintegration and chains of subcontracting, in order to make production generally more flexible and to heighten the capacity for innovation and adaption to specific situations and market fluctuations. Moreover, this trend is interrupting the traditional connection between financial concentration and the concentration of production. Whereas the concentration of financial operations is continuing to increase to the gigantic levels of the multinational 'conglomerates', production is being deconcentrated along various different lines, the example of Benetton being one of the most interesting due to its radical nature;

4. the impact from the spread of light technology which provides new opportunities for carrying out jobs and opens up new areas to service activities - examples are DIY tools, personal computers, video recorders, small programmable electronic machine-tools for making personalized products and so on.

The technological factor is often overestimated. Nevertheless it plays a very important complementary role in permitting labour processes to be reorganized. The move is away from the clear prevalence of a rigid system of fixed jobs and towards the spread of flexible 'working fragments' both in manufacturing industry (consider the inexpensive electronic machines for producing knitwear in the home) and to an increasing extent in office work and tertiary activities (for instance, the opportunities for working at home using personal computers).

#### 4. National and local differences within a historical perspective

National and local differences in the types and presence of irregular work may be explained by starting from the specific interaction of the two processes underlying the present situation. These are traditional 'black work' and the new pressures towards irregular forms of labour arising from the crisis, in the broad sense, in the fordist-welfare regulative system and from the new phase of tertiarization and flexible industrialization.

The case of Italy is particularly interesting because

it presents, from all points of view, very high persistent levels of irregular work even when compared with less industrialized countries like Portugal, Ireland and Greece. The explanation for the Italian syndrome can be summed up as follows. The growth of the Italian economy has given birth to very high levels of polarization between the slowly declining but still surviving traditional sectors in both the South and the North-East and Centre, on the one hand, and the highly concentrated industrial complex in the North-West on the other. The strains caused by the conflict between the fordist-welfare regulative system and a vast area of surviving traditional activities have been considerable, particularly in the period from 1955 to 1965. Also, such pressures have been favoured by the presence of a large extent of traditional irregular work and the practical ineffectiveness of the regulative system (widespread tax evasion, persistence of small firms, irregular activities and so on). It is also important to point to the hyper-concentration and growing rigidity of the highly concentrated industrial complex. The Fiat Mirafiori factory in Turin was a true monument to this trend with about 70,000 workers and white-collar staff concentrated on a single site. The consequence was that the Italian regulative system was thrown into crisis almost a decade in advance of the other industrialized countries in the second half of the sixties instead of during the seventies. The industrialization in the NEC with its strong tendencies to vertical disintegration, subcontracting and informal coordination of firms constitutes one aspect of the phenomenon. The other is the precociously new and the old vocation for working fragments and irregular work on the part of the network of social, personal and family services, complemented by a welfare system undergoing increased modernization but subject to drastic reductions in efficiency at local and sector levels.

If we look at England, however, we can identify in the early elimination of historically traditional tensions the origin of a regulative system that is more tolerant towards non-standard forms of labour such as work in the home or different kinds of part-time employment. The high concentration in industrial production enforced de-industrialization and decentralization of industry to take place mainly through transfers to foreign countries rather than through internal restructuring, at least up to the second half of the seventies. The comprehensive and

centralized welfare system is, on the other hand, the principal factor behind the new tensions connected with irregular work in the sense that the immediate historical sources lie in the partial dismantelling of the system, in the new services required and in the most disparate and fragmented ways of providing them.

In the countries of central-northern Europe (Germany, Holland and Denmark) what must be emphasized is the efficiency and also the particular severity of their regulative systems. It has enabled them to contain the spread of irregular activities to a certain extent and subsequently to limit them to some areas of the economy and society such as personal and family services.

In Spain, Portugal, Greece and Ireland (and also in Southern Italy and several agricultural regions in Southern France and in mountain districts) irregular work has assumed its particular features above all through the mixing (but late compared to the general model in the case of Italy) of traditional with newly emerging forms. We still find today in these areas mixes comprising agriculture, tourism, black work in building and manufacturing in the home. In these cases the shift of irregular work and fragments of work towards the tertiary sector is slower and less pronounced than in others, though it is also present as the main 'historical trend'.

France and Belgium, on the other hand, display historical features that are generally intermediary between those described above. In many respects they resemble the English model but are less radical both in terms of the early elimination of traditional forms and of the growth of a comprehensive welfare state. What this means is that the regulative system has developed in a way which is formally more tolerant than, for example, the Italian system but less effective than, say, the one in Germany. Furthermore, although irregular work is much less widespread than in Italy and mixed with traditional elements to a lesser degree than in Spain, it is neither as small in scale nor as confined to a few service activities as in the countries of central-northern Europe.

## **SECTION II**

### **OLD AND NEW AREAS OF "TRAVAIL AU NOIR"**

**BY : Enzo Mingione, University of Messina, with a contribution  
by Raymond Pahl, University of Kent**



SECTION 2: OLD AND NEW AREAS OF 'TRAVAIL AU NOIR'  
by Enzo MINGIONE, University of Messina, with a  
contribution by Raymond FAHL, University of Kent.

1. Introduction

Irregular forms of employment vary greatly in Europe depending on different socio-historical trends, local characteristics and legal, regulative and political systems. Their presence or diffusion are not exclusively typical of only certain socio-economic sectors nor do they reflect a single and unilateral historical transformation. On the demand side, three broad and complex socio-economic processes are generally associated with the presence or diffusion of irregular forms of employment (the supply side will be taken into consideration in the next section):

- i) modes of decline of traditional labour processes;
- ii) trends towards flexible arrangements in manufacturing;
- iii) trends towards tertiarization and expansion of personal, household and economic services (to firms) in the age of the late or post-welfare state.

Only the third of these three processes accounts for any substantial part of irregular employment in most European countries, despite variations in local and national opportunities and arrangements. The innovative character of irregular employment, both in its strictly technological content (the use of new technologies in the labour process or its inclusion in the production process of new technologies) and in organizational terms, is inevitably controversial. In general, it seems that irregular employment is more likely to be associated with labour-intensive work processes. But this is not very revealing, since technology and organizational innovation and light low-cost technologies are widely diffused and have an impact on all sectors of society.

## 2. Irregular work in declining and traditional sectors.

### Agriculture

Forms of irregular employment in agriculture are found in some European countries (Southern Europe and Ireland) for two contrasting reasons: the relatively high and increasing level of underemployment of agricultural workers (both self-employed and wage-workers) in regions which have not developed adequate forms of family capitalist farming; and the very high peaks of temporary demand for cheap unskilled labour during the short summer season. The latter occur in the same regions due to their economic weakness, which has prevented the diffusion of technological solutions to the problem, as well as to some agronomic features (Mediterranean crops like citrus, olives or fruit and vegetables are more seasonal and labour-intensive than continental products like grain, cow's milk and so on).

The relative decline of agricultural income in these less developed regions, only partially offset by an increasing intervention of the state and of the community through subsidies and transfers, has traditionally forced both small farmers and underemployed agricultural workers to look for other complementary part-time work which in many cases has been of an irregular kind. Building, the retail trade and street trading, tourism and in some cases industrial homework and traditional manufacturing have been and are the economic basis of this kind of complementary mix in Southern Italy, a large part of Spain, Portugal, Ireland, Greece, parts of the South and mountain regions in France. These forms of irregular work are declining in parallel with the decline in the rate of agricultural underemployment and in some areas with the feminization and ageing of agricultural workers (women and the elderly are less likely to complement low agricultural income with irregular working activities). In these regions, the presence of irregular employment and of part-time self-employment complemented by work outside agriculture remains essential for the survival of agricultural production, which otherwise would completely disappear under present market conditions.

In addition, the other aspect of agriculturally induced irregular employment - temporary work during the peak season - is slowly declining; but it is worth mentioning that the relative working conditions are also deteriorating. For this

reason, in general, a local labour supply is no longer available even in regions of high unemployment (Southern Italy, Spain and Greece) and foreign migrants (illegal or with a tourist or student visa) may be irregularly employed in this kind of seasonal work.

### Building

Building, broadly speaking, i.e. including home repairs and restructuring, provides an important context for irregular forms of work. It is worth distinguishing the complete construction of residential houses from repair and restructuring activities. Irregular forms of work are common and are everywhere on the increase in the second area, while they are in general decreasing in the first, concentrated mainly in the same regions where we find relatively high rates of agricultural employment. Here building has remained highly labour-intensive (in Italy and Spain the use of concrete or other technologies was prohibited by law for a long time in the pre-war period) and is traditionally characterized by a very high rate of irregular employment encouraged by a persistent local surplus in the supply of unskilled and semiskilled labour. In some situations, the decline in 'travail noir' on large building sites following the slowdown both in urban development and in the rate of economic growth during the seventies, has been compensated for by a substantial wave of self-building, restructuring and the building of second holiday homes. Thus we have a transformation from organized 'travail noir' as wage-work to more complex, temporary and irregular forms of 'travail noir'.

In Spain, the recent transformation of a part of irregular building employment into self-employment is largely connected with the consolidation of the co-operative movement within the sector.

In Italy and even more so in the Greece, building workers make a living by alternating periods of seasonal official employment, sufficient to obtain social insurance and unemployment benefit, and periods of unemployment in which they cumulate benefits and irregular working activities, sometimes occasional and sometimes continuative even on those sites where they were previously hired on an official basis.

### Other traditional areas

Irregular employment is present in other traditional activities which may be declining or undergoing revitalization through recent transformations (these forms are also more diffused in the less developed regions). Among the declining areas there are local traditional manufacturing activities which are either disappearing or being integrated into new subcontracting systems, depending on the specific branches involved. For instance, local food or agricultural transformation industries tend to disappear or decline, while textiles, clothing and tailoring may become part of the flexible production process in a reorganized manufacturing system.

Petty trade, traditional services - particularly tourism - also provide opportunities for irregular employment in these same regions. Such services may be declining (petty trade particularly) or expanding (traditional tourist services) and the degree of regulation and irregularity may vary widely according to the local or national situation. The rapid expansion in Greek tourism offers an example of this increasing complexity, on the one hand through the parallel increase in official formalized circuits (hotels, restaurants, etc.) and in recognized household and village hospitality and small family ventures and, on the other, with the growing irregular seasonal employment of young foreigners who now come from other more industrialized countries.

### 3. Flexible employment in European manufacturing: new and old forms of irregular employment.

Contrary to the expectations created by the great attention paid to restructuring and flexible employment in manufacturing, nowhere in Europe do irregular forms of work appear particularly concentrated in this sector. Neither is irregular manufacturing employment increasing particularly rapidly in any European context. On the contrary, in some regions like North-East and Central Italy (the so called Third Italy or NEC model) where irregular employment in manufacturing was important in the late sixties and early seventies, these forms now appear to be declining markedly.

In general, 'travail au noir' in manufacturing is not

very diffused in countries where competitive restructuring trends have led to subcontracting outside the country, as in the case of Germany, Holland, Denmark, to a different and more controversial extent England, and, in some branches of industry, also France. It is worth mentioning that whilst flexible irregular Spanish workers in the manufacturing sector are to be found in their own country, their German counterparts work in Hungary or Taiwan.

Although irregular work is not particularly concentrated in manufacturing, there are local cases of a large and persistent presence of industrial 'travail au noir': examples include the shoe industry in the Valencia region, the glove industry in downtown Naples (a 'ghost' industrial system which produces 2-3 million pairs of gloves a year) and illegal garment and clothing ateliers using exclusively migrant labour (Pakistani, Yugoslav and Turk) in the Paris region.

The fact that 'travail au noir' exists and that it is 'illegal' depends on not only local historical factors in particular industries and on recent patterns in restructuring, but also on the regulative and enforcement processes and on the degree of capital concentration. Great Britain appears to have less irregular forms of manufacturing employment partly because capital is more highly concentrated than in, say, Italy or Spain and also because the legislation regulating industrial homework and part-time employment is more flexible and 'tolerant' than in other countries. However, capital concentration has now become much less connected with the concentration of productive and labour processes through various new organizational patterns, the most famous of which is the Benetton model. This has developed to become a multinational industrial empire, although still based on a very dispersed and diffuse productive organization (small and middle-sized subcontractors, homeworkers, etc.) with a parallel dispersed distribution system (boutiques and shops oriented to local tastes throughout the world). This is not inevitably reflected in a particularly high rate of 'travail au noir', since these new forms of financial concentration with dispersal of production/distribution are better able to incorporate, exploit and create opportunities for irregular employment than the traditional model of concentration in Fordist-style factories.

The same warning against mechanical interpretation applies in the case of subcontracting systems: they do not

automatically lead to a high rate of irregular employment and they are likely to differ widely from place to place and branch to branch, even within the same country. Manufacturing is particularly subject to formalization versus informalization trends within relatively short periods of time. The take-off of 'made in Italy' which led to diffused industrialization in the NEC area in the late sixties was presumably characterized by high levels of irregular employment. However, after a while many forms of 'travail au noir' disappeared in the wake of the model's international success and the increasing severity of the Italian fiscal system. In recent years parts of the subcontracting system, like the shoe industry in the region of the Marches, damaged by increasing international competition may have reverted back - at least in part - to a greater use of irregular employment.

Contrary to experience in the USA and the Pacific Basin, the development of electronic industries in Europe does not seem to have directly produced a high rate of informal 'travail au noir'.

#### 4. Tertiarization and irregular employment

As anticipated, services are the economic area where irregular forms of employment are more widespread and in some cases expanding in every European country, but with inevitable variations. There are three different processes which affect the diffusion of irregular forms of employment in services:

a) industrial restructuring, especially reorganization involving vertical disintegration in which consultancy, accounting and marketing, legal and technical assistance, cleaning and other services are progressively hived off from the firm/factory;

b) the expansion of a highly stratified and dispersed demand for personal and household services to which it is increasingly difficult to respond through both state and market-oriented standardized-concentrated units.

c) the increasing fiscal problems faced by different welfare state systems, which are becoming increasingly privatised and which end up by unintentionally favouring further

expansion in irregular forms of employment (baby-sitters instead of public child-care; hospital cleaning contracted out to a private firm employing 'travail noir'; etc.).

Irregular forms of employment in the services are generally polarized between highly qualified jobs (like, for example, in high technology, accounting, law, professional consultancy undertaken as irregular second job-holding) and very low-skilled and badly paid jobs (for example, cleaning and other personal services to households).

'Travail noir' in industrial and economic services is more diffused in Italy where the process of vertical disintegration is highly developed as a result of the specific legal and fiscal context. This is apparently extremely complicated and not very permissive but in practice is highly tolerant. Irregular forms of employment are less widespread in both contexts of efficient regulation and enforcement as in Germany or in those like Britain which display more tolerance towards flexible forms of employment.

Personal and household services are also an important source of various kinds of irregular employment. The strategic response to this kind of problem is usually a combination of more self-provisioning and an increase in 'travail noir'. In certain cases the two responses may be connected: the development of self-provisioning skills in, say, household or car repairs also gives rise to the opportunity for irregular second-job activities for cash. Multiple job-holding appears to be the kind of potential irregular work which emerges in this context and perhaps this explains some of its recent increase in many EEC countries. Unfortunately, data on irregular multiple job-holding, disaggregated for each branch of the economy, do not exist in Europe - with the exception of Italy (official ISTAT estimates) where the available data confirm this hypothesis.

This is also an area where traditional forms of 'travail au noir' are likely to persist or die out very slowly: the best example are hourly paid maids. The number of irregular jobs in this area is bound to increase inasmuch as the general cost of labour is increasing and opportunities for employment of this kind are linked to the reciprocal advantage which both employer and employee derive from irregular conditions. This happens when the employer saves on social security payments and, in some cases, also on wages while the employee saves on social security contributions and income tax, yet may still be covered by

the social insurance of his/her spouse or first job. In contrast, co-resident full-time domestic workers have nearly disappeared in some countries, while in those where entry is relatively easy, for example Italy, Spain and Greece this kind of irregular, if not illegal work, is increasingly done by migrants from the Third World. In Greece, unlike Italy and Spain, foreign migrant workers without a work permit (that is, the large majority) are paid less than half the minimum salary paid to Greek workers doing an equivalent job.

The third area is necessarily connected with the different history of welfare programs in each country and with their real local impact on the actual provision of welfare. Irregular forms of employment become more diffused in social contexts where the welfare state has developed later and in a less efficient and comprehensive form.

##### 5. 'Travail au noir' and socio-economic innovation.

In part, irregular, if not illegal, forms of employment are connected with experiments in socio-economic innovation and new professions and with the spread of new kinds of work tools and technologies (from DIY equipment to the introduction of personal computers and office automation).

It should be remembered that a period of innovation is usually short-lived: after a while the degree of irregularity tends to decrease as the experimental take-off phase leads to one of successful application (often there is a combination of success and formalization for some activities and failure and disappearance for others). With its pattern of diffused industrialization, the Third Italy provides an example of this process of comprehensive economic innovation mainly in the reorganization of manufacturing, where a high level of irregular employment during the take-off stage later gives way to a much lower level. Further examples may be found in various European urban contexts in the field of software consultancy and videoclip or film production and distribution.

In contrast, it is much more difficult for the transformations produced by the diffusion of new light tools and technologies in household repairs and homework activities to achieve regularization.

## **SECTION III**

### **RAPPORT A L'ACTIVITE ET TRAVAIL AU NOIR**

**By : Philippe Barthélémy, Université d'Aix-Marseille III**



Les travailleurs au noir ont dans l'opinion publique une image qui change du tout au tout en fonction des contextes. Ils sont parfois admirés pour leur débrouillardise, ils sont parfois condamnés pour leur propension à voler des emplois aux chômeurs et à concurrencer déloyalement les entreprises régulières.

Qu'ils soient immigrés clandestins et la population s'insurge contre leur présence irrégulière pour les uns, contre l'attitude de leurs employeurs pour les autres ; qu'ils soient chômeurs et la réprobation est unanime ; qu'ils soient titulaires d'emplois multiples et on accuse les cumulards ; qu'ils soient fonctionnaires dans leur emploi principal, et c'est toute la fonction publique qui est immédiatement vouée aux gémonies ; qu'ils soient entrepreneurs individuels ou salariés, chômeurs ou retraités, actifs ou inactifs, nationaux ou étrangers, on trouve avec autant de facilité une longue liste de griefs à leur encontre ou une série impressionnante de qualificatifs moins hostiles ou d'épithètes franchement sympathiques.

Pour éviter l'écueil des opinions toutes faites, ce chapitre se propose d'analyser la contribution réelle des travailleurs au noir à l'activité économique. Pour mener à bien cette problématique, la démarche adoptée repose sur l'examen de l'adéquation entre travailleurs au noir et activités réalisées au noir. Qui sont-ils réellement et que font-ils ?

Il va de soi qu'entre les auteurs d'une part et les activités d'autre part, un faisceau de relations et d'interconnexions plus ou moins complexes imprime à l'analyse une dimension davantage systémique que cloisonnée. Aussi, est-ce à dessein que ce caractère composite sera mis en valeur dans chacun de nos développements.

En prenant comme critère de partition, l'activité principale des travailleurs au noir, trois groupes de personnes peuvent être isolés selon que les individus concernés sont actifs occupés, chômeurs ou inactifs. Dans le premier cas, la problématique est celle de la pluri-activité, qu'elle soit réalisée dans les secteurs secondaires et tertiaires (§1) ou dans l'Agriculture (§2) ; dans le deuxième, celle de la place des chômeurs sur le marché du travail

informel (§3) ; dans le troisième cas, celle du rôle des étudiants, des retraités et plus généralement de tous les inactifs qu'ils aient travaillé auparavant, qu'ils soient trop jeunes pour avoir un emploi officiel ou qu'ils n'aient jamais eu l'intention de se porter demandeur d'emploi (§4). Pour que cette analyse synthétique de l'offre de travail au noir soit complète, une mention particulière doit être réservée aux travailleurs immigrés clandestins. Tel sera donc l'objet de nos derniers développements (§5).

### §1 : LA PLURI-ACTIVITE DANS LES SECTEURS SECONDAIRE ET TERTIAIRE

La question des emplois multiples est au centre de l'analyse du travail au noir car statistiquement, les exemples d'actifs occupés qui ont parallèlement à leur emploi principal une activité secondaire ne manquent pas. Cette question est pourtant très complexe à analyser car il y a des cas où activité secondaire rime avec activité déclarée officiellement et des cas où activité secondaire est synonyme d'emploi occulte ou clandestin. Faire la part des choses est d'autant moins aisé que les situations d'emploi tertiaire, ou même quaternaire, ne sont pas des aberrations ou des hypothèses d'école.

Pour insister davantage, il convient de ne pas confondre pluri-activité et travail au noir, même si des présomptions d'absence de déclarations des emplois secondaires tombent sous le sens.

A titre d'argumentation, deux prises de position méritent d'être signalées : pour ALDEN et SAHA : "il n'y a aucune donnée disponible sur la détention de seconds emplois clandestins, en revanche avec des taux marginaux d'imposition élevés comme en Grande-Bretagne, la fraude fiscale comme la détention d'un second emploi (sous-entendu illégal), deviennent évidemment des solutions attrayantes" (\*).

Pour A. SMITH, qui fait allusion à une étude irlandaise (non citée), 60% des irlandais détenteurs de deux emplois paient des impôts sur les revenus correspondant, 40% de ces personnes bénéficient d'une assurance sociale et 50% des emplois secondaires sont connus des employeurs principaux (\*\*).

Une deuxième remarque liminaire concerne la définition de l'activité secondaire. Aucun consensus se semble se dégager sur ce point comme en témoignent

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(\*) J.D. ALDEN and S.K. SAHA : "An Analysis of Second Jobholding in the EEC", *Regional Studies*, Vol 12, 1978, page 640.

(\*\*) Aárian SMITH : "The Informal Economy", *Lloyds Bank Review*, July 1981, p. 56.

les exemples concrets suivant :

Dans le cas de la Grande-Bretagne, l'enquête auprès des ménages (General Household Survey) propose la question suivante aux personnes interrogées "exerciez-vous une deuxième activité la semaine dernière ?". Cette question est beaucoup plus précise et nettement plus restrictive que celle qui est posée dans l'enquête sur les budgets familiaux (Family Expenditure Survey) : "Exercez-vous une deuxième activité ?". La traduction de ces différences en terme d'effectifs est, comme on pouvait s'y attendre, que le nombre de personnes ayant une activité secondaire est plus élevé dans la deuxième enquête que dans la première comme le montre le tableau ci-dessous (\*).

	FES	GHS
1971	6,9 %	3,1 %
1972	7,5 %	3,1 %
1973	7,5 %	3,5 %
1974	8,3 %	4,0 %
1975	7,6 %	3,0 %
1976	7,3 %	3,0 %

Dans le cas de l'Irlande, une étude de RYAN a retenu comme critère du cumul de deux emplois la notion de rémunération. Si la deuxième activité permet de réaliser un gain brut supérieur ou égal au quart du gain brut tiré de l'emploi principal, elle relève du champ de l'emploi multiple. Dans le cas contraire, l'activité n'est pas comptabilisée. La conception de RYAN est l'une des plus restrictives de toutes celles que l'on peut recenser.

En revanche, dans le cas des Pays-Bas, la question posée par les enquêteurs suscite des réponses qui traduisent une conception extensive du phénomène de pluri activité : "exercez-vous une deuxième activité rémunérée, ou travaillez-vous pour vous-même ou dans l'entreprise de votre mari ou de vos parents ?".

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(\*) *Source* : Jeremy ALDEN : "Holding two Jobs : an Examination of Moonlighting", in Stuart HENRY ed : *Informal Institutions*, St Martin's Press, New-York, 1981, page 44.

Pour avoir des données homogènes, et donc des sources d'analyse et d'interprétation comparables, il faut se référer aux normes proposées par l'enquête sur les forces de travail dans la Communauté. La difficulté qui apparait est ici plus originale. Lorsque les pays-membres sont tenus de poser des questions sur la deuxième activité, certains d'entre eux comme la France ou le Danemark, n'ont pas satisfaits à leurs obligations ; lorsqu'il est devenu facultatif de poser ces questions, des pays comme l'Irlande, les Pays-Bas et le Luxembourg ont pris la décision de ne plus les inscrire dans leur enquête nationale. En fin de compte, les données sont hétérogènes, les séries sont discontinues et un immense flou caractérise les informations disponibles.

Observer de telles carences ne doit pas nous conduire à nous abstenir de présenter quelques estimations, fussent-elles peu comparables et disparates. En effet, quels que soient les pourcentages d'actifs titulaires de plusieurs emplois des caractéristiques structurelles assez fixes sont susceptibles d'être mises en évidence.

POURCENTAGE D'EMPLOIS CONSIDERES COMME  
UNE DEUXIEME ACTIVITE ENTRE 1975 ET 1979 (\*)

	1975	1977	1979
RFA	1,9%	1,9%	1,7%
ITALIE	2,7%	2,9%	2,0%
PAYS-BAS	2,1%	2,2%	-
BELGIQUE	2,7%	2,5%	2,1%
LUXEMBOURG	3,7%	3,6%	-
ROYAUME-UNI	1,6%	1,6%	1,5%
IRLANDE	3,6%	3,2%	-

(\*) *Source : Jeremy ALDEN et Richard SPOONER : Personnes ayant plus d'un emploi, O.S.C.E., Eurostat, Luxembourg, 1982, page 26.*

ITALIE : NOMBRE DE PERSONNES AYANT PLUSIEURS  
EMPLOIS (\*)

1977	1 377 000
1978	1 158 000
1979	1 067 000
1980	1 167 000
1981	1 127 000
1982	988 400
1983	1 003 000

ESPAGNE : IMPORTANCE DES EMPLOIS MULTIPLES (\*\*)

	Nombre de personnes	Pourcentage de la population active (1979) et de la population active employée (1985)
1979	317 700	2,5%
1985	871 000	8,8%

(\*) *Source* : Vincenzo PATRIZI : "Measures of Concealed Employment : Pitfalls and Insights", Economia e Lavoro, Vol 20, n°2, 1986, page 103. Nous avons procédé à quelques calculs sur les données du tableau original afin de présenter des estimations en termes d'effectifs.

(\*\*) *Source* : estimation de 1979  
Antonio GARCIA de BLAS y Santos M. RUEGA BENITO : "Mercado de Trabajo y economía oculta en Andalucía", Cuadernos del Instituto de Desarrollo Regional, Sevilla, 1985, page 154.  
estimation de 1985  
Secretaría General de Economía y Planificación, Centro de Investigaciones Sociológicas : Condiciones de vidas y trabajo en España, Madrid, Septiembre 1986, page 79.

## ROYAUME-UNI : IMPORTANCE DE LA PLURIACTIVITE (\*)

	Effectifs	pourcentage de la population employée
1975		1,6%
1977		1,6%
1979		1,5%
1981		2,1%
1983		2,4%
1984	703 000	3,0%
1985	779 000	3,3%
1986	814 000	3,5%
1987	836 000	3,5%

Nous avons pris la précaution d'informer le lecteur de la nature très approximative des statistiques présentées. Il convient en particulier d'insister sur le fait que ces données recouvrent pour la plupart des emplois multiples estimés à partir des enquêtes périodiques sur la population active et l'emploi.

Lorsque les questionnaires sont construits pour déceler la pluri-activité réelle, c'est à dire celle qui incorpore les activités secondaires non déclarées, les estimations sont majorées, parfois de façon importante. On a ainsi une explication des écarts que l'on ne manque pas d'observer régulièrement entre les résultats des études locales où les enquêteurs connaissent parfaitement le profil de la population interrogée et ceux des enquêtes à échantillon national réalisées par les organismes statistiques officiels.

(\*) *Source R.E. PAHL : "Notes towards a more precise understanding of the dimensions and dynamics of the Black Economy in Britain and Ireland", document de travail, DGV, Brussels, avril 1988.*

Dans le cas de l'Italie, l'ISTAT a procédé à une investigation très poussée de la pluriactivité et les nouveaux chiffres sont approximativement le double de ceux des premières séries publiées.

Ainsi, il n'est pas inintéressant de comparer les estimations effectuées avant et après approfondissement des techniques de sondage (cf : tableau Italie, page 5 et tableau Italie, ci-dessous).

ITALIE : Nombre de personnes ayant plusieurs  
emplois (séries révisées)  
(\* (\*\*).

1980	2 332 000
1981	2 433 000
1982	2 611 000
1983	2 796 000
1984	2 873 000
1985	3 036 000
1986	3 102 000

Ces estimations globales étant présentées, quelques caractéristiques plus détaillées de la pluri-activité peuvent à présent être mises en évidence. Une brève analyse des principales tendances nationales précédera une synthèse adaptée à la Communauté dans son ensemble.

- En ESPAGNE, les emplois secondaires semblent davantage des emplois temporaires et occasionnels que des emplois réguliers et permanents. Les travailleurs qualifiés qui effectuent à titre principal une activité intellectuelle ou de bureau, seraient plus incités à avoir en parallèle une seconde activité que les personnes moins qualifiées ou qui ont une profession plus manuelle. Les différentes catégories socio-professionnelles n'exercent pas de façon homogène des activités multiples rémunérées. Rapportés à la population

(\*) *Source* : G. MAMBERTI PEDULLA, C. PASCARELLA and C. ABBATE : "New Estimates of the Employed Population in the National Accounts - Methodological Concepts and Results", ISTAT, February 1987.

(\*\*) En comparant ce tableau avec celui de la page 5, on peut apprécier, pour les années communes, les écarts entre les deux séries d'estimation. Ainsi, de 1980 à 1983 les écarts sont-ils respectivement de 1.165.000 ; 1.306.000 ; 1.622.000 et 1.793.000 personnes. Il faut noter que ces écarts ne croissent pas qu'en valeur absolues, ils s'élèvent aussi en valeurs relatives.

active employée à plein temps de chaque catégorie, les taux de participation, pour l'année 1985 étaient les suivants : employeurs et directeurs de société : 8,8%, professions libérales : 14,5%, employés : 8,6%, ouvriers : 7,8%, et autres professions : 9,7%. Contrairement à une idée reçue, les ouvriers espagnols auraient proportionnellement une propension plus faible que les autres catégories socio-professionnelles à exercer une deuxième activité.

Les activités réalisées au titre du second emploi sont par ordre décroissant d'importance : l'aide à l'entreprise ou au commerce familial : 33,3%, une activité à plein temps en tant que salarié : 25,5%, une activité occasionnelle pour compte d'autrui : 12,7%, une activité occasionnelle pour compte propre : 11,5% et une activité à domicile : 4,6%. Le solde, soit 12,6%, correspond à des activités secondaires de nature diverse. En précisant davantage, les personnes titulaires de faibles revenus oeuvrent à titre secondaire en tant que travailleurs indépendants, les tâches qu'ils accomplissent relevant de l'entretien des logements, de la vente à domicile et plus généralement des services rendus aux particuliers. Les personnes dont le revenu principal est plus important et qui oeuvrent à titre secondaire, exercent plutôt leur deuxième activité en tant que salariés, leurs emplois sont donc permanents plus qu'occasionnels. Tel est le cas du personnel administratif tant du secteur public que du secteur privé et des professionnels libéraux. Les revenus que ces derniers obtiennent sont jugés très rentables, même si le nombre d'heures effectuées reste limité.

Si le critère de partition de la population est le revenu au lieu d'être la catégorie socio-professionnelle, on observe entre pluri-activité et revenu mensuel de l'emploi principal une relation en forme de U. C'est une façon différente d'exprimer la même chose à savoir que les plus pauvres et les plus riches oeuvrent davantage à titre secondaire que les personnes qui disposent de revenus médians. Etant qualifiées, les personnes à revenu élevé sont vraisemblablement en position de force sur le marché des seconds emplois : c'est la demande qui paraît motrice. Recherchant une activité complémentaire, fût-elle mal rémunérée, les personnes dont le revenu principal est inférieur à la moyenne, sont en position relative de faiblesse sur le marché des seconds emplois : c'est une offre quasi-illimitée de travail au sens de LEWIS ou de FEI et RANIS qui rencontre une demande limitée. Les taux de participation en fonction des revenus traduisent ces propositions d'explications. (\*)

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(\*) Source du tableau : *Secretaria General...*, op. cit. page 81.

REVENU MENSUEL DE L'ACTIVITE PRINCIPALE	TAUX DE PARTICIPATION AUX EMPLOIS MULTIPLES
- de 25 000 pesetas	12,7%
25 000 à 50 000 p.	9,9%
50 000 à 75 000 p.	7,1%
75 000 à 100 000 p.	5,7%
100 000 à 150 000 p.	11,3%
150 000 à 200 000 p.	14,3%
+ de 200 000 p.	12,7%

Notons enfin qu'une partie des heures supplémentaires effectuées par les salariés dans leur propre entreprise n'est pas déclarée. Ce phénomène, particulièrement sensible dans les entreprises de petite taille, repose sur une communauté d'intérêt entre firmes et salariés. Ceux-ci profitent de la situation en ne déclarant pas une partie de leurs revenus, celles-là échappent partiellement aux charges fiscales et sociales inhérentes aux heures de travail marginales.

Au ROYAUME-UNI, la répartition par sexe des titulaires d'emplois multiples montre que le taux de participation des femmes est plus important que celui des hommes.

	Femmes	Hommes
1984	3,4%	2,8%
1985	3,9%	2,9%
1986	4,1%	3,0%
1987	4,4%	2,9%

La répartition par statut professionnel fait apparaître clairement que le pourcentage de travailleurs indépendants ayant un deuxième emploi est beaucoup plus élevé que celui qui concerne les salariés.

POURCENTAGE DE SECOND EMPLOI EN FONCTION  
DE L'ACTIVITE PRINCIPALE

	Travailleurs indépendants	salariés
1981	3,0%	2,0%
1983	3,4%	2,2%
1985	4,7%	3,1%
1987	4,8%	4,2%

Le travail indépendant caractérise en outre de plus en plus la deuxième activité, qu'elle soit réalisée par des personnes dont l'activité principale relève du travail indépendant ou du salariat. Ainsi, entre 1981 et 1987, le pourcentage des seconds emplois qui relèvent du travail indépendant est passé de 26,6% à 32,5%. Plus du quart des salariés travaillent à titre individuel dans leur seconde activité, le pourcentage correspondant étant de 62,2% pour les travailleurs indépendants en 1987.

La répartition en fonction du nombre d'heures de travail effectuées dans l'emploi principal, montre des caractéristiques différentes selon le sexe : pour les femmes, il y a une relation inverse entre nombre d'heures et deuxième activité ; pour les hommes, il n'y a pas de relation très typée même si une tendance opposée apparaît dans les estimations (\*).

(\*) Cf : Stephen SMITH : *Britain's Shadow Economy*, Clarendon Press, Oxford, 1986, page 47.

Nombre d'heures de travail dans l'emploi officiel	Taux de participation aux emplois multiples	
	Hommes	Femmes
- 30 heures	4,8%	5,5%
30-35 heures	4,3%	3,4%
35-40 heures	5,1%	3,4%
40-45 heures	4,5%	2,8%
45-50 heures	5,9%	ε
+ 50 heures	3,8%	ε

Une proportion importante des détenteurs d'emplois multiples sont des cadres et des professionnels libéraux. On retrouve ici un comportement déjà observé dans le cas de l'Espagne, à savoir une liaison entre fort degré de qualification et demande élevée de travail sur le marché des deuxièmes emplois.

À titre d'exemple, si l'on classe les emplois multiples détenus par les hommes en fonction de l'activité principale occupée, on est conduit à observer que 10% des personnes qui travaillent à titre principal dans l'éducation, le bien-être et la santé ont une activité secondaire, le pourcentage s'élève même à 11% pour ceux qui exercent une activité dans les domaines littéraires, artistiques et sportifs. Pour toutes les autres professions, les pourcentages d'emplois multiples varient entre 2% et 4% (\*).

Ces quelques considérations nous invitent à penser qu'il y aurait deux types de pluri-activité. Dans le premier cas, les travailleurs utilisent dans leur seconde activité les compétences qu'ils ont acquises dans leur emploi principal. Les qualifications sont élevées ou spécifiques et les revenus obtenus dans les activités secondaires sont à la mesure de l'intensité de la

(\*) Source : Stephen SMITH, *op. cit.* page 49 (tableau 6-4, colonne 3).

demande qui s'adresse à ceux qui exercent ces professions fortement appréciées sur le marché des emplois secondaires. Dans le second cas, les activités secondaires sont différentes des activités principales car la demande de travail est insignifiante ou nulle sur le marché des emplois multiples. Les seconds emplois sont alors exercés dans des activités nécessitant peu de qualification ou pour certains dans une activité dont les compétences nécessaires ont été acquises sur le tas. On peut très bien imaginer un "learning by doing" des titulaires d'emplois multiples.

Pour terminer sur le Royaume-Uni, on peut mentionner une étude de BROWN, LEVIN, ROSA et ULPH où les conséquences fiscales de la pluri-activité ont été estimées (\*).

Sous les hypothèses que la somme de tous les revenus des seconds emplois représente 0,8% de la somme de tous les revenus des emplois principaux, et que les 2/3 des revenus obtenus grâce aux activités multiples ne sont pas déclarés, la perte d'impôt pour le Trésor est évaluée à 1% des recettes globales de l'impôt sur le revenu. Il convient toutefois de remarquer que les double-activités ne seraient probablement pas ce qu'elles sont si tous les revenus étaient déclarés. Tous les travaux relatifs à la liaison entre offre de travail et fiscalité insistent en effet sur la rationalité des contribuables qui les pousse à trouver la quantité maximale de travail qu'ils sont prêts à fournir, compte tenu des taux marginaux d'imposition en vigueur.

- En ITALIE, l'importance du phénomène est considérable car, selon les régions, de 15% à 20% des personnes employées occupent une deuxième activité à plein temps. La place de la sous-traitance est essentielle et les entreprises sont les principales bénéficiaires de ces embauches car elles contournent les textes qui protègent les travailleurs employés à titre principal. Les titulaires d'un second emploi sont pour leur part déjà assurés socialement et les revenus qu'ils gagnent en travaillant, souvent à domicile, leur permettent de compenser la faiblesse relative de leur salaire principal.

Entre leur première activité et leur second emploi, il y a généralement une relation très étroite qu'il s'agisse d'une activité manuelle (fabrication de jouets, d'articles de quincaillerie, de produits textiles, d'articles

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(\*) C.V. BROWN, E.J. LEVIN, P.J. ROSA and D.T. ULPH : "Tax Evasion and Avoidance on Earned Income : some Survey Evidence", *Fiscal Studies*, Vol 5, n°3, 1984, pages 1 à 22.

de confection) ou d'une activité intellectuelle (comptabilité, conseils juridiques et fiscaux !!..., leçons particulières).

La deuxième activité se déroule généralement après les heures officielles de travail, pendant les week-ends et les jours de "congé-maladie" (\*).

Une mention particulière est toujours faite, dans la littérature, pour les fonctionnaires. Ceux-ci auraient passé avec l'Etat une sorte de "contrat implicite" au sens de la théorie contemporaine de l'emploi au terme duquel les salaires sont relativement modestes mais l'horaire de travail est bloqué de 8 heures du matin à 2 heures de l'après-midi ("orario unico"). Les fonctionnaires ont ainsi la possibilité d'exercer toutes les après-midis une deuxième activité.

Il faut insister sur le fait que les travailleurs qui occupent deux emplois en Italie le font de façon plus structurelle que conjoncturelle. 87,6% de ceux qui ont un second emploi permanent ont également une activité principale permanente. Par contre, la durée hebdomadaire du travail principal est inversement reliée au taux de participation à une activité secondaire.

DISTRIBUTION DE LA POPULATION QUI A UNE  
ACTIVITE SECONDAIRE EN FONCTION DE  
LA DUREE HEBDOMADAIRE DU TRAVAIL  
DANS L'ACTIVITE PRINCIPALE (\*\*)

	Activité principale	population ayant une activité secondaire
Moins de 10 h	1,4%	22,1%
10h à 19h	4,7%	30,4%
20h à 29h	8,7%	18,4%
30h à 39h	11,7%	11,4%
40h à 49h	52,1%	10,6%
50h à 59h	12,4%	4,2%
60h et +	9,7%	2,9%

(\*) *Quand une absence est inférieure à trois jours, le travailleur ne subit pas d'amputation de son salaire et est en outre dispensé de produire un certificat médical. Cf : Gabriele GAETANI d'ARAGONA : "The Hidden Economy : Concealed Labor Market in Italy", Rivista Internazionale di Scienze Economiche et Commerciali, Anno 28, n°3, marzo 1981, page 273.*

(\*\*) *C.E.N.S.I.S. : L'occupazione occulta. Caratteristiche delle partecipazione al lavoro in Italia, C.E.N.S.I.S., Roma, 1976, page 45.*

Le modèle "italien" de pluri-activité, celui qui a fait dire à NANNEI qu'il y avait coexistence "d'un secteur productif avancé, de niveau européen, et un secteur paléo-capitaliste" (\*), est aujourd'hui en train de se modifier à une allure très rapide.

Dans les années 70, l'agriculture offrait la majorité des emplois secondaires et la majorité des travailleurs qui exerçaient un second emploi ; dans les années 80, la plupart des emplois secondaires se trouvent dans les services et le "moonlighter" type est un salarié qui exerce sa deuxième activité en tant que travailleur indépendant.

Dans les années 70, les titulaires d'emplois multiples étaient principalement des personnes pauvres, qui exerçaient à titre secondaire, et souvent à domicile, une activité manuelle ; dans les années 80, le moonlighting des cadres se développe, une demande de personnes qualifiées dans le domaine des services apparaît sur le marché des emplois multiples.

Dans les années 70, les travailleurs qui oeuvraient à titre secondaire étaient employés avec des salaires de misère par des petites entreprises, elles-mêmes sous-traitantes de grandes firmes ; dans les années 80, les gens acquièrent des besoins nouveaux, les goûts se modifient, les femmes abandonnent leur place traditionnelle dans les travaux ménagers et dans l'activité à façon à domicile, leurs activités multiples sont au confluent de leur désir d'accroître leur consommation et de leur contrainte de revenu principal.

Dans les années 70, le travailleur multiple était salarié dans son deuxième emploi ; dans les années 80, il devient entrepreneur individuel.

Ces mutations sociales ne se traduisent pas forcément par une décroissance des activités multiples, elles se manifestent par une modification de leur nature et par un rapprochement de ses formes avec celles qu'elles revêtent dans la plupart des autres pays européens.

- Dans les autres pays de la Communauté, les activités multiples ont peut-être fait l'objet de moins de développements.

En France, l'enquête-emploi, source d'information statistique majeure sur le marché du travail, privilégie l'activité principale. Seule une annexe

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(\*) Alessandra NANNEI : "L'économie souterraine en Italie et ses effets pervers sur la statistique", Problèmes économiques, n°1690, septembre 1980, page 32.

étudie les activités secondaires, mais uniquement pour les inactifs et les multiactifs agricoles.

En Allemagne Fédérale et en Belgique, la majorité des personnes qui travaillent au noir sont des salariés. Ils relèvent donc par définition d'une approche en terme d'emplois multiples. Ce qui différencie ces deux pays, c'est la motivation qui pousse le marché des emplois multiples à se développer.

Dans le cas de l'Allemagne Fédérale, l'argument le plus répandu est celui de la réglementation à laquelle les firmes sont soumises, dans le cas de la Belgique, c'est celui de la fiscalité sur les personnes. A la lumière de ces propositions d'explication, il semble que l'offre soit motrice en Allemagne Fédérale et que ce soit la demande en Belgique.

Aux Pays-Bas, où le travail au noir concernerait 1 200 000 personnes soit environ 12% de la population active, pour une activité au noir correspondant à 100 000 emplois à plein temps, les personnes employées et qualifiées auraient un taux de participation plus élevé aux activités secondaires que les personnes employées et moins qualifiées (\*). Ce résultat irait dans le sens de ce qui est constaté dans les autres pays-membres de la Communauté.

En conclusion, le modèle communautaire de pluri-activité dans les secteurs secondaire et tertiaire peut être résumé par un tableau à double entrée, où apparaissent les degrés de qualification des travailleurs et les motivations de la pluri-activité. Lorsque la fiscalité est déterminante, l'initiative revient généralement aux travailleurs qui développent une stratégie de participation axée sur le travail indépendant. Ils proposent leurs services à des donneurs d'ouvrage qui les embauchent à un prix fixé pour une prestation déterminée. Lorsque la réglementation est la motivation principale, c'est souvent l'entreprise qui prend l'initiative de l'embauche, et la modalité adoptée varie selon les contextes : soit celle du salariat (heures supplémentaires, sous-traitance), soit celle du partenariat entre firme et travailleur indépendant (contrats de recherche, services informatiques ou de traduction, travail à domicile).

Les travailleurs qualifiés sont de plus en plus nombreux à avoir des activités multiples, en particulier les cadres et les professions libérales.

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(\*) Robert VAN ECK and Brugt KAZEMIER : "Features of the Hidden Economy in the Netherlands", Paper presented at the IARIW Meeting, Roma, august 1987, page 37 en particulier.

Ils sont désormais recherchés pour leurs compétences propres alors que c'était le quasi-monopole des travailleurs manuels qualifiés il y a une décennie. Les travailleurs qui ne disposent pas des qualifications requises pour être demandés par des firmes ou appelés par des ménages doivent, pour leur part, se spécialiser dans une profession différente de la leur, s'ils veulent obtenir un deuxième emploi.

Le modèle européen est donc caractérisé par des modalités à géométrie variable ; c'est moins un clivage fondé sur les pays qu'une partition en fonction de critères objectifs qui permet de le décrire.

Notons, pour terminer, que globalement les personnes qui exercent plusieurs activités ont un deuxième emploi très lié à leur première activité.

La profession est généralement la même, fût-ce pour être appliquée à une activité relevant d'une branche différente.

Nous avons pris la liberté d'isoler la pluri-activité dans l'agriculture des emplois multiples dans l'industrie et les services. Même si des paysans réparent à titre secondaire des machines agricoles ou aident leurs voisins à construire leur résidence secondaire, les activités agricoles sont, à nos yeux, spécifiques car les pointes saisonnières y ont une place essentielle.

Dans ces conditions, les emplois multiples des agriculteurs comme l'embauche de travailleurs saisonniers dans l'agriculture, apparaissent davantage rythmés par la nature des activités agricoles que par des considérations purement économiques.

## §2 : LA PLURI-ACTIVITE DANS L'AGRICULTURE

L'enquête sur la structure des exploitations agricoles dans la Communauté donne une série d'informations sur la pluri-activité dans l'agriculture pour 10 pays (\*). Les données disponibles concernent aussi bien les exploitants que leur conjoint et les autres membres de leur famille.

	Exploitants agricoles (**)	conjointes (**)	autres (**)
ALLEMAGNE Féd.	43,1%	7,1%	26,5%
FRANCE	32,5%	25,4%	33,1%
ITALIE	29,4%	16,6%	38,0%
PAYS-BAS	19,3%	1,1%	5,0%
BELGIQUE	32,5%	8,9%	12,2%
LUXEMBOURG	18,9%	3,8%	2,2%
ROYAUME-UNI	24,6%	18,0%	22,1%
IRLANDE	24,9%	29,6%	45,6%
DANEMARK	34,0%	30,7%	0,0%
GRECE	39,5%	9,0%	28,7%

Si l'analyse de ce tableau montre des disparités importantes d'un pays à l'autre tant pour les exploitants agricoles que pour leur conjoint et les autres membres de leur famille, c'est en raison du caractère très global des estimations proposées. Avec une approche plus détaillée, ces données sont amendées et une attitude "européenne" des exploitants agricoles peut être dégagée.

(\*) Eurostat : Structure des exploitations : enquête de 1983 : principaux résultats, Eurostat, Luxembourg, pages 52 et 53. Des résultats sont proposés pour 10 pays, l'Espagne et le Portugal étant exclus de l'analyse.

(\*\*) Proportion d'exploitants agricoles ayant une autre activité lucrative.

(\*\*\*) Proportion de conjoints d'exploitants agricoles ayant une autre activité lucrative.

(\*\*\*) Proportion d'autres membres de la famille de l'exploitant agricole ayant une autre activité lucrative.

En premier lieu, la proportion d'exploitants qui ont une autre activité lucrative décroît lorsque la taille des exploitations mesurée en hectares s'accroît. Une relation de même nature est par ailleurs observée lorsque la variable dévient la dimension économique de l'exploitation. Ce dernier calcul a pour objet de tenir compte des disparités de taille d'exploitation en fonction de la nature des activités agricoles qui y sont réalisées (élevage, céréales, maraichage, viticulture, etc.).

Sans que les sens de variation ne soient altérés, deux pays semblent avoir un comportement atypique de par l'importance des autres activités lucratives des exploitants : la France et le Danemark. Dans le cas de la France, 20% des exploitants agricoles dont l'exploitation dépasse 50 ha déclarent avoir une autre activité lucrative et 29,3% de ceux qui ont une exploitation dont la taille exède 40 unités de dimension économique ont le même comportement. Dans le cas du Danemark, les pourcentages correspondant sont respectivement de 27% et de 23,4%.

Si, en second lieu, on tient compte du temps de travail passé sur l'exploitation, on observe une relation fonctionnelle compatible avec les précédentes. Pour tous les pays, les autres activités lucratives baissent lorsque le temps passé sur l'exploitation agricole s'élève. Là encore, la France et le Danemark sont dans une situation atypique, non pas en raison d'une tendance inversée, mais en raison de l'importance considérable des exploitants qui passent 100% du temps nécessaire sur leur exploitation et qui ont en parallèle une autre activité lucrative (22,3% des exploitants en France et 19,2% au Danemark).

Pour tenter d'expliquer les particularités des exploitants agricoles français et danois, quatre propositions peuvent être avancées : il se peut tout d'abord que les questionnaires qui ont été proposés en France et au Danemark ne soient pas exactement compatibles avec ceux qui ont été proposés dans les autres pays. On sait, en effet, que les exploitants-agricoles peuvent avoir des autres activités lucratives de deux nature : des activités complémentaires et des activités annexes (principales ou accessoires). Le cas des activités complémentaires est intéressant car il se réfère à tout ce qui est lié à la valorisation de la production agricole (être membre d'une coopérative, d'un groupement d'achat, etc.). C'est en France quelque chose de fréquent, en particulier pour les gros exploitants.

La deuxième explication concerne plus particulièrement les effets pervers de la politique agricole, qui sont susceptibles de fausser les statistiques. Dans le cas de la France, par exemple, deux régions ont un taux de pluri-activité très supérieur à la moyenne nationale : le Languedoc-Roussillon et l'Alsace. Les viticulteurs languedociens et alsaciens qui bénéficient d'aides importantes conservent leur statut d'exploitant-agricole, même si leur activité principale n'est plus dans l'agriculture.

La troisième explication concerne plus spécifiquement le Danemark où, quelles que soient les dimensions économiques des exploitations, le taux d'exploitants pluri-actifs est très supérieur aux moyennes européennes. En présence d'une agriculture très mécanisée et d'une productivité globale des facteurs élevée, le temps dégagé par les exploitants-agricoles pour s'adonner à des activités annexes peut être important.

Enfin, il ne faut pas sous-estimer un autre effet pervers dû aux statistiques : le nombre de salariés agricoles qui possèdent en compte propre une exploitation. Ces derniers sont comptabilisés comme exploitants alors qu'ils ont simultanément (et souvent pour un revenu supérieur) le statut de salariés. En faisant le rapport salariés agricoles sur population salariée, on trouve pour les pays de notre échantillon, les proportions suivantes : Italie 7,7%, Danemark 2,3%, Irlande 2,1% et France 2,0% ; les autres pays ayant une part de salariés agricoles négligeable, moins de 1,2% (\*). Sous l'hypothèse que les salariés agricoles italiens et irlandais sont proportionnellement moins nombreux que les salariés agricoles danois et français à être simultanément exploitants, on a une tentative d'explication supplémentaire de l'anomalie constatée.

Si l'on envisage la pluriactivité des conjoints des exploitants, on observe également de grosses disparités entre les pays, disparités expliquées par la nature principale ou secondaire des autres activités lucratives. La France est ici le seul cas atypique car 26,5% des conjoints seulement exercent à titre principal leur seconde activité, la moyenne européenne étant supérieure à 63%. L'explication de cette anomalie réside dans le modèle de l'exploitation familiale qui est largement dominant en France, le conjoint a une activité d'appoint en tant qu'aide familiale ou en tant que personne classée inactive (\*\*).

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(\*) Nos calculs ont été fait à partir des Statistiques de la population active OCDE, Paris, 1983. Pour l'Espagne et le Portugal, les pourcentages sont respectivement 9% et 7,7%

(\*\*) Elisabeth REGNIER : "La pluriactivité en agriculture en 1981", Archives et Documents, n°159, avril 1986, page 15.

En terminant par les activités lucratives des autres membres de la famille, on est amené à constater d'une part qu'elles concernent principalement des jeunes de moins de 25 ans qui n'ont pas encore quitté le foyer familial et d'autre part qu'elles sont effectuées à titre principal par plus de 87% des jeunes européens. Là encore, le pourcentage plus faible qui caractérise la France (56,2%) est expliqué par le mode de production très familial dont ce pays a la particularité.

S'agissant, pour finir des activités lucratives effectuées par les pluri-actifs agricoles, les mêmes professions significatives sont toujours recensées, qu'il s'agisse des agriculteurs exploitants, de leur conjoint ou des autres membres de leur famille : ouvriers, salariés agricoles, exploitants-agricoles sur une autre exploitation et inactifs.

Dans le cas de l'Espagne, les tendances relevées par MIGUELEZ LOBO ne contredisent pas les principales conclusions qui viennent d'être dégagées (\*).

Notons toutefois d'une part que parmi les activités lucratives des paysans espagnols, la place du tourisme semble particulièrement importante et d'autre part que le travail à temps partiel dans l'agriculture est une forme d'emploi qui a tendance à connaître un développement rapide.

Ces deux dernières remarques nous invitent à critiquer la dichotomie de présentation entre pluriactivité agricole et pluriactivité non-agricole. Il n'y a pas deux modèles séparés mais plutôt une zone frontrière à l'intérieur de laquelle des actifs agricoles travaillent à titre secondaire dans les secteurs non agricoles et des actifs non-agricoles oeuvrent à titre accessoire dans l'agriculture.

Il arrive parfois que la zone frontrière forme à elle seule un modèle spécifique d'activité où les productions agricoles et non agricoles s'imbriquent de telle façon qu'il n'est pas possible d'isoler clairement ce qui relève de l'une ou l'autre activité productive.

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(\*) Fausto MIGUELEZ LOBO : "The Informal Economy in Spain", document de travail D.G. V, 1988.

La situation observée dans les îles grecques illustre parfaitement ce modèle car on note une véritable symbiose entre agriculture et tourisme. Les insulaires délaissent les cultures traditionnelles au profit d'une production agricole dont la finalité est entièrement dévolue à la satisfaction des besoins des touristes (kiwis, avocats, ...)

Pour que les mêmes personnes puissent produire des biens agricoles et accueillir les touristes en leur vendant, au noir, leur production, des cultures nécessitant une main d'oeuvre importante en période estivale ont été abandonnées au profit de cultures - éventuellement moins productives - mais permettant aux habitants d'exercer leur double activité.

Sans forcément que cela conduise à un effet d'éviction entre productions les cas de paysans qui vendent directement leurs produits sans transiter par les circuits officiels de distribution ou de personnes qui offrent des logements chez l'habitant, sont de plus en plus nombreux. Il suffit d'arpenter les routes européennes pendant les mois d'été pour mesurer l'étendue de cette pluriactivité saisonnière.

En conclusion, la pluri-activité dans l'agriculture est un phénomène général, lié étroitement à la taille économique des exploitations, aux traditions locales et à la nature saisonnière des activités. Il va de soi que les actifs agricoles qui ont une activité secondaire l'exercent en priorité pendant les périodes calmes : l'agriculture est excédentaire en main d'oeuvre durant ces périodes et la pluri-activité des agriculteurs s'exerce avec une intensité maximale. A l'inverse, l'agriculture est globalement déficitaire en main d'oeuvre pendant les périodes de récolte, de vendanges ou de cueillette. La pluri-activité concerne alors les actifs non agricoles qui sont embauchés dans l'agriculture à titre de travailleurs saisonniers, le plus souvent en n'étant pas déclarés (\*)

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(\*) A titre de pure illustration, on peut faire allusion à une production agricole qui n'existerait pas s'il n'y avait pas de travail au noir. On a calculé que dans le département du Vaucluse (sud de la France), le prix de vente sur les marchés de gros d'un kilo de cerises ne couvrirait pas le coût du ramassage d'un kilo de fruits si, compte tenu de la productivité moyenne d'une personne qui cueille, cette dernière était rémunérée selon les normes fiscales et sociales en vigueur

Parvenu au terme de cet examen de la double-activité des personnes employées, les situations respectives des chômeurs et des inactifs doivent être tour à tour analysées, c'est à cette tâche que nos prochains développements sont consacrés,

### §3 : LE TRAVAIL AU NOIR DES CHOMEURS

S'il est difficile de prendre une position manichéenne sur ce sujet très controversé, la thèse selon laquelle les chômeurs sont placés dans une situation moins favorable que les personnes employées pour travailler au noir paraît la plus facile à défendre.

A l'appui de la thèse opposée, on trouve des arguments théoriques et des myriades d'articles de journaux, mais si dans leur contexte, les théories économiques ont une signification, les articles de presse sont destinés à frapper les imaginations et à simplifier la réalité d'une façon souvent outrancière.

Comment accepter des arguments aussi stupides que ceux que l'on rencontre parfois ? Il y a  $x$  millions de travailleurs au noir, il y a  $y$  millions de chômeurs, donc en l'absence de travailleurs au noir, le nombre de chômeurs serait égal à  $(y-x)$  milliers de personnes ! Ce genre de syllogisme relève de la manipulation de l'opinion et il ne faut accorder aucun crédit aux journalistes qui écrivent ou qui laissent publier des raisonnements aussi primaires et fallacieux.

Toutes les enquêtes sur le travail au noir des chômeurs montrent que les emplois qu'ils occupent relèvent davantage des petits boulots occasionnels que des emplois à plein temps. Il n'y a pas de concurrence entre demandeurs d'emplois stables et chômeurs travaillant au noir, par contre, sur le marché des petites activités occasionnelles pour compte d'autrui, les chômeurs indemnisés qui ne souhaitent pas perdre leurs allocations pour obtenir en échange un emploi précaire peuvent entrer en concurrence avec des jeunes qui recherchent une première expérience professionnelle, fût-elle temporaire, mal rémunérée et à horaires réduits.

Les cas de chômeurs indemnisés qui ont une activité rémunérée accessoire sont assez fréquents dans tous les pays membres. En France, une marge de liberté est accordée aux chômeurs, en Allemagne Fédérale, les chômeurs ont la possibilité de travailler, mais les revenus qu'ils obtiennent sont imposables à des taux marginaux très dissuasifs.

Evoquer de telles possibilités légales n'est pas suffisant pour induire que les chômeurs qui le désirent peuvent avoir une petite activité.

Les études qui ont été faites expriment l'idée inverse, à savoir que les chômeurs forment le groupe le moins favorisé pour accéder à des petits boulots de cette nature. La majeure partie des activités informelles est le fait de personnes employées qui bénéficient de l'infrastructure matérielle et des relations nécessaires à la "signature" d'un contrat de travail au noir.

Une personne sans emploi ne bénéficie pas de l'environnement adapté pour travailler au noir. Elle ne rencontre pas de collègues de travail, de fournisseurs, de clients ; elle ne peut pas emprunter à son employeur, avec ou sans son assentiment, le matériel requis pour ses activités occultes. Un chômeur qui n'a jamais travaillé au noir pendant sa période antérieure d'activité aura d'immenses difficultés pour s'insérer dans un réseau de petits boulots. Un chômeur qui avait l'habitude de bricoler pour le compte d'autrui avant son passage au chômage pourra, toutes choses égales par ailleurs, mieux "résister" ; sa clientèle au noir préexistant à son chômage.

L'idée maitresse du travail au noir des chômeurs consiste à poser que le chômage peut réactiver des réseaux en sommeil mais pas créer des réseaux ex nihilo.

Si l'on recense les statistiques disponibles force est de constater que ce phénomène caractérise tous les pays membres.

- En France, une enquête sur les chômeurs de longue durée dans la région lilloise montre que 61% des personnes qui travaillaient au noir avant de devenir chômeuses continuent à pratiquer ce type d'activité avec une intensité supérieure ou égale. Sur celles qui n'avaient pas d'activités multiples avant leur chômage, 29% seulement ont commencé à travailler au noir une fois qu'elles ont eu perdu leur emploi (\*).

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(\*) R. FOU DI, F. STANKIEWICZ et N. VANEECLOO : "Les chômeurs et l'économie informelle", in *Travail noir, productions domestiques et entraide*, Cahiers de l'Observation du Changement Social, Vol 17, CNRS, Paris, 1982.

- Au Royaume-Uni, l'étude menée par PAHL et WALLACE sur l'île de Sheppey aboutit à une conclusion de même nature : "Ceux qui ont un emploi dans le secteur formel sont mieux placés pour trouver des activités supplémentaires, aussi bien dans le secteur formel que dans le secteur informel. Ceux qui sont chômeurs ont moins d'opportunité qu'il s'agisse de trouver un emploi dans le secteur légal ou illégal ; en outre, la crainte de perdre leurs allocations-chômage ne les incite pas à accepter du travail" (\*).

- Au Pays-Bas, l'enquête sur le travail au noir réalisée par VAN ECK et KAZEMIER débouche sur des assertions voisines (\*\*). Les opportunités d'obtention de revenus dans le secteur informel sont d'autant plus importantes que les revenus perçus dans le secteur formel sont élevés. A contrario, les chômeurs qui n'ont d'autres revenus officiels que leurs allocations ne peuvent gagner au noir des sommes conséquentes.

- En Belgique, GINSBURGH et PESTIEAU mettent en évidence une argumentation qui va dans le même sens dans la conclusion de leur recueil de textes sur l'économie informelle : "En utilisant une approche macroéconomique, GEEROMS et MONT montrent que l'augmentation du chômage ne semble pas influencer l'évolution du travail au noir ; dans leur enquête GINSBURGH, PERELMAN et PESTIEAU ne décèlent pas de participation plus importante au travail au noir de la part des chômeurs et des inactifs que du reste de la population. Il y a là des conclusions similaires, fournies par deux approches complètement indépendantes et basées sur des prémisses différentes" (\*\*).

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(\*) Raymond E. PAHL : "Does Jobless mean Workless ? Unemployment and Informal Work", Annals of the American Academy of Social Science, September 1987, page 46.

(\*\*) Robert VAN ECK and Brugt KAZEMIER : "Features of the Hidden Economy in the Netherlands", Paper presented at the IARIW Meeting, Roma, august 1987.

(\*\*\*) Victor GINSBURGH et Pierre PESTIEAU : "Conclusions", in L'Economie informelle, éditions Labor, Bruxelles, 1987, pages 184.

- En Italie, MINGIONE précise que le travail régulier des chômeurs en tant que salariés ou en tant que travailleurs indépendants est pratiquement inexistant ; s'agissant des activités informelles exercées de façon occasionnelle certains chômeurs seraient concernés mais les revenus obtenus ne formeraient qu'une infime partie des revenus informels, les titulaires d'emplois multiples en étant les principaux bénéficiaires (\*).

- Pour quatre pays (Allemagne Fédérale, Royaume-Uni, Canada et Etats-Unis), O'HIGGINS a estimé l'économie souterraine en fonction de variables indépendantes : le PNB, le chômage et les prix (\*\*). Alors que les tailles respectives des secteurs formels et informels sont parfaitement corrélés, il n'y a pas de corrélation claire entre chômage et économie souterraine. On peut en déduire, avec les réserves dues à la méthode, que les titulaires d'emplois multiples ne déclarent pas tous les revenus de leur deuxième activité et que les chômeurs ne participent pas de façon significative à la croissance du secteur informel.

Pour terminer sur ce point, nous pouvons relever deux phrases de la conclusion d'une étude consacrée à l'emploi caché dans les pays de l'OCDE : "Les chômeurs, en particulier ceux qui sont sans emploi depuis longtemps, ont un niveau de qualification ou de formation relativement faible et n'ont guère de relations sociales. Ils semblent donc particulièrement mal placés pour trouver un emploi dissimulé" (\*\*).

Parallèlement à ces situations nationales, il importe de considérer le statut du chômage dans les différents pays-membres pour mieux appréhender le travail au noir des chômeurs. Dans les pays nord-européens où le niveau des allocations-chômage est globalement important, le risque d'être dénoncé ou

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(\*) Enzo MINGIONE : "Preliminary literature exploration on Informal work divided into significant typologies : the case of Italy", document de travail, D.G. V, March 1987.

(\*\*) Michaël O'HIGGINS : "The Relationship between the Formal and Hidden Economies : an Exploratory Analysis for four Countries", in Wulf GAERTNER and Alois WENIG eds, The Economics of the Shadow Economy, Springer Verlag, Berlin, 1985, pages 127 à 143.

(\*\*\*) O.E.C.D. : Employment Outlook, (chapter III, Concealed Employment), O.E.C.D., Paris, September 1986, page 77.

surpris par les services de contrôle ad hoc est particulièrement lourd de conséquences. Perdre le bénéfice d'une allocation, c'est dans ce cas perdre l'équivalent d'un revenu principal et peu de chômeurs s'engagent dans le travail au noir, indépendamment du degré de facilité plus ou moins grand de trouver un emploi clandestin.

Dans les pays sud-européens où, toujours globalement, le niveau des indemnités est plus modeste, les chômeurs ont, toutes choses égales par ailleurs, moins à perdre en cas de dénonciation ou de contrôle ; ils sont donc davantage incités à se porter offreurs de travail au noir (\*).

Notons enfin que le chômage dans un pays quelconque n'est pas un concept qui recouvre une réalité uniforme. En fonction de paramètres comme le sexe, l'âge, la durée du chômage, la fréquence des passages au chômage, l'efficacité de la recherche d'emploi, etc. les motivations face au phénomène du travail au noir peuvent revêtir toute la palette des intensités. Dans un environnement aussi complexe, il ne faut pas oublier qu'en dépit des clivages, fussent-ils indispensables à l'analyse, la décision de se porter offreur de travail au noir est purement personnelle.

Si les chômeurs sont globalement moins "favorisés" que les actifs employés pour avoir une activité parallèle, on peut isoler deux groupes au sein de la population qui travaille au noir en fonction du degré d'intensité de leur participation. Il y a ceux, majoritaires, qui ont une activité souterraine

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(\*) Cette partition Nord/Sud ne signifie pas que tous les chômeurs aient des comportements homogènes. A titre d'exemple, les "travailleurs" italiens qui bénéficient des prestations de la "Cassa Integrazione Guadagni" et qui perçoivent au moins 80% de leur salaire antérieur prennent un gros risque en travaillant au noir. Ce risque est évidemment fonction de l'importance des contrôles.

accessoire qui leur rapporte des revenus faibles ou insignifiants et qui travaillent au noir de façon intermittente.

Il y a ceux minoritaires, qui font de leurs activités clandestines une véritable profession. Des traces de telles situations sont visibles dans certaines études où l'on observe une variance très élevée dans le nombre d'heures de travail effectuées au noir par les chômeurs. Ceci est en particulier le cas dans certaines régions d'Italie ou d'Espagne (\*).

Parmi les facteurs explicatifs des handicaps qu'ont les chômeurs pour travailler au noir et en retirer des revenus substantiels, nous avons jusqu'ici privilégié des variables propres aux chômeurs eux-mêmes : ils sont exclus de la société, ils craignent de perdre leurs allocations, ils ne bénéficient plus de l'infrastructure que leur apporte bon gré, mal gré leur entreprise. A ces facteurs purement "internes", il convient d'ajouter des explications "externes" qui tiennent à l'environnement économique et social des chômeurs.

On peut à cet égard développer trois cas de figure en fonction du degré d'adéquation entre offre et demande de travail au noir. Sous l'hypothèse provisoire que les coûts de recherche d'information sont faibles tant pour les chômeurs que pour les donneurs d'ouvrage, la première situation est celle d'un équilibre sur le marché du travail au noir des chômeurs. Les chômeurs qui le désirent trouvent au taux de salaire au noir d'équilibre des travaux à effectuer. A l'image de ce que l'on observe dans le modèle néo-classique, les chômeurs qui n'acceptent pas de travailler au noir au taux de salaire au noir courant, sont des chômeurs qui volontairement refusent de travailler au noir. Dans ce premier modèle, le chômage au noir des chômeurs est un chômage volontaire, ce chômage caractérise le plein emploi sur le marché du travail au noir des chômeurs.

La deuxième situation exprime un rationnement des chômeurs qui veulent travailler au noir. En cas de chômage massif, la réduction des revenus de tous les agents - chômeurs ou pas - conduit les donneurs d'ouvrage à réduire leur demande de travail. Par la combinaison traditionnelle d'un effet de substitution (le bricolage pour compte propre remplace la demande de prestations au noir) et d'un effet revenu (contrainte pour les donneurs d'ouvrage) les demandeurs

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(\*) Cf Raffaele DE GRAZIA : Le travail clandestin, BIT, Genève, 1983, page 17.

de travail réduisent l'embauche au noir des chômeurs. Ces derniers, qui ne trouvent pas de débouchés, sont contraints de rester inactifs. Dans ce deuxième modèle, le chômage au noir des chômeurs est un chômage involontaire qui traduit un rationnement de l'offre sur le marché du travail au noir des chômeurs.

La troisième situation serait celle d'un rationnement des donneurs d'ouvrage, les chômeurs qui seraient prêts à travailler au noir auraient en face d'eux une demande quasi-illimitée de travaux à réaliser et le taux de salaire au noir des chômeurs serait élevé. On peut imaginer un seuil ou une limite à cette flexibilité à la hausse du taux de salaire au noir, celui qui résulterait des démissions volontaires des personnes employées qui préféreraient le statut de chômeurs travailleurs au noir à celui de personnes employées, fût-ce avec une activité multiple. Marché du travail officiel et marché du travail au noir sont, dans toutes les hypothèses évoquées, interdépendants (\*).

Il va de soi que l'hypothèse d'absence de coûts d'information doit maintenant être levée. Quelle que soit la situation sur le marché du travail au noir des chômeurs, les coûts de recherche sont extrêmement élevés, en particulier pour les chômeurs qui ne disposent plus des occasions de contact avec des donneurs d'ouvrage. Les coûts de recherche d'information sont tellement plus élevés pour les chômeurs que pour les personnes employées, que toutes les enquêtes se rejoignent pour montrer que la participation aux activités au noir est plus importante pour les actifs employés que pour les chômeurs.

Que l'on soit sur un marché du travail au noir en équilibre ou en déséquilibre, les pluriactifs sont toujours "favorisés" par rapport aux chômeurs. Telle est la conclusion principale de ces développements sur le travail au noir des chômeurs.

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(\*) Trois modèles théoriques développent, chacun dans leur contexte propre, une argumentation comparable :

Jean-Pierre GIRAN : "Analyse théorique de l'ajustement déguisé", in Jean-Pierre GIRAN et Roland GRANIER : *Politique de l'Emploi*, Economica, Paris, 1983, pages 199 à 213.

Dieter CASSEL et Ulrich CICHY : "The Shadow Economy and Economic Policy in East and West : a Comparative System Approach", in Sergio ALESSANDRINI and Bruno DALLAGO eds : *The Unofficial Economy*, Gower, Aldershot, 1987, pp 127 à 146.

B. CONTINI, M. GALEOTTI and F. CUGNO : "Inflation and the Irregular Economy : a Dynamic Analysis", *Metroeconomica*, vol 38, n°1, 1986, pp 67 à 84.

#### §4 : LE TRAVAIL AU NOIR DES INACTIFS

Il peut paraître curieux a priori d'insérer les inactifs dans un chapitre dévolu à l'activité, mais la curiosité s'estompe rapidement lorsque l'on se rappelle que c'est à l'activité cachée que ces développements sont consacrés.

L'un des premiers catalyseurs des études sur le travail au noir a d'ailleurs été l'examen des taux d'activité, en particulier, en Italie. "Le cas de l'Italie est particulièrement déconcertant, non pas parce que le déclin de la population active agricole est bien marqué, mais plutôt parce qu'il est plus marqué que l'absorption de la population active dans les secteurs non agricoles... il y a donc des raisons pour suspecter que les cas d'inactivité enregistrés par les statistiques ne correspondent pas à de l'inactivité réelle, mais plutôt à une activité occulte" (\*).

De fait, sous l'impulsion d'organismes non gouvernementaux qui les premiers ont cherché à mesurer l'activité réelle, l'ISTAT a modifié à plusieurs reprises son enquête trimestrielle sur la population active avec l'intention d'identifier certains actifs qui jusque là échappaient aux enquêteurs. A titre d'exemple, en 1977, l'ISTAT a modifié le questionnaire de son enquête pour mieux appréhender les cas d'activité cachée. Le résultat de la restructuration de l'enquête a été de faire passer le taux d'activité italien de 35,9% (moyenne de l'année 1976, ancienne série) à 38,9% (moyenne de l'année 1977, nouvelle série). La population active de 1977 a ainsi été rehaussée de 1.552.000 personnes, passant de 20.055.000 (1977, ancienne série) à 21.607.000. (1977, nouvelle série).

La même année - 1977 - le CERES a effectué pour le compte du CISL (l'un des principaux syndicats italiens) une enquête visant à déterminer l'ampleur du travail au noir. Le taux d'activité estimé par le CERES s'élève à 44,7% ! Par rapport aux statistiques officielles, il y a adjonction de 1.410.000 personnes âgées de 14 à 29 ans, de 600.000 personnes âgées de 30 à 49 ans et de 1.260.000 personnes âgées de plus de 50 ans !

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(\*) Giorgio FUA : "Employment and Productive Capacity in Italy", Banca Nazionale del Lavoro, Quarterly Review, September 1977, pages 222 et 223.

Ainsi, des chômeurs, des personnes à la recherche d'un premier emploi, des retraités, des personnes au foyer, des étudiants et des titulaires d'une pension d'invalidité auraient une activité économique. Il faut, par ailleurs, se rappeler que les nouvelles séries du PIB calculées par l'ISTAT, ont fait passer le PIB, pour l'année 1986, de 766.920 milliard de lires à 894.362 milliard de lires !

Le travail au noir des inactifs semble assez important en Espagne, pays pour lequel on dispose d'estimations détaillées pour l'année 1979 (\*).

CATEGORIES	EFFECTIFS	% POPULATION ACTIVE
PLURI ACTIVITES	317.700	2,5%
ACTIFS MARGINAUX	183.300	1,4%
CHOMEURS	min 201.400 max 600.000	min 1,6% max 4,8%
INACTIFS	776.100	6,0%
- personnes au foyer	255.300	
- étudiants	277.800	
- handicapés	43.100	
- retraités	145.200	
- autres	54.700	
POPULATION COMPTEE A PART	23.600	0,2%
TOTAL	1.502.100	min 11,7% max 14,9%

En Belgique, 15% des retraités seraient des travailleurs au noir, ils effectueraient en moyenne 34 heures de petits travaux rémunérés par mois (\*\*).

(\*) Source : Antonio GARCIA de BLAS y Santos M. RUESGA BENITO : "Mercado de trabajo y economia oculta en Andalucia", Cuadernos del IDR, Sevilla, 1985, page 154.

(\*\*) Source : Victor GINSBURGH, Sergio PERELMAN et Pierre PESTIEAU : "Le travail au noir", in Victor GINSBURGH et Pierre PESTIEAU eds, : L'économie informelle, éditions Labor, Bruxelles, 1987, page 42.

Une autre estimation citée par DE GRAZIA fait référence aux affirmations d'un inspecteur des lois sociales : "l'occupation illégale des pensionnés peut sans exagération être évaluée à 100 000 emplois par jour" (\*).

Au Royaume-Uni, une enquête sur le travail des enfants a montré que 41% des garçons et 38% des filles âgés de 11 à 16 ans avaient un emploi, principalement dans l'agriculture et dans des petites activités de service (livraison de journaux, petits boulots dans les hôtels). Eu égard à leur âge, 4 enfants sur 5 sont employés illégalement (\*\*).

En France, 9% des retraités, soit 579.400 personnes exerçaient une activité rémunérée en 1977. Grâce à des données de l'enquête emploi, on a pu calculer par tranches d'âge le taux d'activité des retraités (\*\*\*) .

30-49 ans .....	59,0%
50-54 ans .....	40,0%
55-59 ans .....	26,0%
60-64 ans .....	12,0%
65-69 ans .....	10,0%
70 ans et plus ....	4,7%
total .....	9,0%

Il convient de tenir compte de plusieurs facteurs explicatifs dont le niveau très faible de certaines retraites et la présence d'environ 50% d'exploitants agricoles dans le total des retraités qui exercent une activité rémunérée (5 ans d'activité suffisent pour obtenir la pension de retraite du régime agricole).

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(\*) Raffaele DI GRAZIA : Le travail clandestin, BIT, Genève, 1983, page 17.

(\*\*) Cf : Raymond E. PAHL : "Notes towards a more precise understanding of the dimensions and dynamics of the Black Economy in Britain and Ireland", Document de travail, D.G. V, avril 1988, page 5.

(\*\*\*) Source : Philippe SEGUIN : Rapport fait au nom de la Commission d'enquête sur la situation de l'emploi et le chômage, documents de l'Assemblée Nationale n° 1180, Journal Officiel, Paris, 22 juin 1979, page 297.

A ce tour d'Europe des divers pays membres, il conviendrait d'ajouter des données plus détaillées relatives à des régions ou à des villes particulières.

Dans des pays comme l'Italie, l'Espagne ou la France par exemple, le travail à domicile de personnes comptabilisées officiellement comme des inactifs a pu être analysé par type d'activité, par sexe, par région, etc... Cette forme d'activité qui concerne principalement les femmes revient pour les entreprises donneuses d'ouvrage à domicile à se décharger d'une partie de leurs coûts de production en les transférant sur les travailleurs. Le travail à domicile est un mode de production en expansion aussi bien dans les activités traditionnelles (textile, confection, articles en cuir, horlogerie, jouets) que dans le secteur des services ou dans celui des fabrications qui utilisent de la technologie de pointe (informatique, fabrication de puces, matériel électrique, optique de haute précision) (\*).

Qu'il soit l'oeuvre de jeunes ou de retraités, de femmes au foyer ou de personnes handicapées, le travail au noir des inactifs est une forme d'activité occulte très répandue, en particulier dans les pays du Sud de l'Europe où les estimations de son importance relative dépassent largement celles des personnes actives employées qui ont des emplois multiples. En Andalousie, par exemple, 9,2% des inactifs auraient une activité parallèle alors que le pourcentage de pluri-activité ne serait que de 2,5%. Dans les pays du Nord de l'Europe, à l'inverse, la pluri-activité est la forme dominante, le travail au noir des inactifs relevant proportionnellement d'une modalité moins répandue.

Les estimations des revenus obtenus par les inactifs dans le cadre de leurs activités rémunérées montrent qu'il s'agit avant tout de revenus d'appoint, servant à compléter les retraites qui sont parfois très faibles, les bourses qui ne sont pas suffisantes et plus généralement les revenus des ménages.

Destinée principalement à compléter un autre revenu, la participation des inactifs prend plus la forme de petits travaux occasionnels que celle d'activités salariées à temps complet. Même si la fréquence du travail au noir est élevée, le nombre annuel d'heures de travail réalisées est limité à l'exception de certaines régions qui ont une tradition de travail à domicile (textile en Catalogne, bonneterie en Italie centrale, maroquinerie dans le Tarn...

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(\*) Cf : Carla LIPSIG-MUMME : "La renaissance du travail à domicile dans les économies développées", Sociologie du travail, Vol 25, n°3, 1983, pages 313 à 333.

Aux facteurs explicatifs qui viennent d'être présentés, il convient d'ajouter une variable institutionnelle dont l'origine est à rechercher dans les traditions culturelles : il s'agit des taux d'activités des femmes.

En compulsant les statistiques relatives aux pays-membres, on est surpris d'observer que les taux d'activités des femmes s'évaluent entre 27,4% pour l'Espagne et 58,7% pour le Danemark (\*). Même si les critères retenus pour appartenir à la population active varient d'un pays à l'autre, on ne peut pas justifier de tels écarts par des considérations purement statistiques.

La tentation est alors grande de faire l'hypothèse que les femmes, en particulier dans les pays méditerranéens, ont une activité parallèle rémunérée au noir. A titre d'illustration, le travail à temps partiel, forme d'activité souvent prisée par les femmes, est un vecteur d'emploi très fréquent dans l'Europe du Nord et peu répandu dans les pays comme la Grèce ou l'Espagne. Les femmes grecques ou espagnoles qui souhaitent travailler à temps partiel sont alors contraintes d'exercer leur activité de façon souterraine par incapacité quasi-juridique de l'effectuer officiellement.

(\*) Taux d'activité des femmes dans les pays de la Communauté en 1985 : Classement par ordre décroissant.

Danemark	58,7%	Luxembourg	34,4%
Royaume Uni	47,9%	Grèce	34,2%
France	45,7%	Pays-Bas	34,1%
Portugal	42,8%	Irlande	32,6%
All. Fédérale	40,6%	Italie	32,4%
Belgique	35,9%	Espagne	27,4%

Source : Europe Sociale, Commission des Communautés Européennes, Direction Générale de l'Emploi, des Affaires Sociales et de l'Education, Luxembourg, 1988, page 101.

En résumé, le travail au noir des inactifs est loin d'être une forme bénigne d'activité au noir, en Europe, même si les revenus obtenus sont faibles par rapport aux revenus principaux des inactifs. Les activités réalisées par les inactifs relèvent de la palette des activités susceptibles d'être effectuées au noir, mais les pays du Nord et les pays du Sud ne sont pas concernés par le phénomène avec la même intensité. En Espagne, en Italie, en France et vraisemblablement en Grèce et au Portugal il est de tradition que les inactifs aient des activités annexes rémunérées ; dans les autres pays européens et sans pour autant être marginales ces activités n'y ont ni la même place, ni les mêmes enjeux.

#### §5 : L'IMMIGRATION CLANDESTINE

Si, de manière implicite, tous nos développements s'appliquaient à une population nationale, il convient maintenant de lever cette hypothèse en examinant une dernière catégorie d'offreurs de travail au noir : les immigrants clandestins.

Par définition, le dénombrement de ces travailleurs est difficile à opérer car les opérations de régularisation sont rares, espacées et rien ne permet de supposer que tous les travailleurs immigrants clandestins acceptent de se présenter aux autorités compétentes ou savent qu'une procédure de régularisation est en cours.

En adoptant d'emblée une perspective communautaire, trois groupes de pays peuvent être isolés : ceux qui ont une tradition d'accueil des populations étrangères, la France en particulier, ceux qui ont un passé d'émigration comme l'Italie ou l'Irlande et ceux qui demeurent sur la longue période à l'écart des mouvements migratoires importants comme les pays du Bénélux.

Par rapport à leur population totale, les pays européens ont des proportions de résidents étrangers régulièrement implantés qui varient fortement d'un pays à l'autre. Le Luxembourg possède le ruban bleu de l'implantation étrangère (24%) et les pays méditerranéens ont la lanterne rouge (moins de 1% pour l'Espagne, le Portugal, la Grèce et l'Italie). Entre ces deux extrêmes, on trouve deux groupes de pays : un ensemble de trois pays d'une part (Belgique, Allemagne Fédérale et France) dont le pourcentage s'échelonne entre 6 et 9% et un groupe de quatre pays d'autre part (Pays-Bas, Danemark, Royaume-Uni et Irlande) dont la présence étrangère représente de 2 à 4% de l'ensemble des résidents.

En retenant une autre grille de lecture la part de la population résidente étrangère en provenance des pays-membres de la Communauté peut être isolée. Pour quatre pays, les étrangers "européens" sont majoritaires : le Luxembourg (92,7%), l'Irlande (76,1%), la Belgique (65,0%) et l'Espagne (59,0%).

Pour les autres pays, les étrangers non membres de la Communauté représentent plus de 50% des populations totales (\*).

Ce bref détour dans les statistiques officielles sur les immigrants réguliers a eu pour objet de fixer un cadre de référence à l'intérieur duquel le problème du travail au noir des immigrants clandestins se pose avec plus ou moins d'acuité.

Les écarts de revenus et de niveaux de vie entre pays de la Communauté d'une part et entre pays membres et reste du monde d'autre part incitent des travailleurs à entrer clandestinement dans le pays qui offre à leurs yeux les atouts les meilleurs. Il s'agira de la proximité géographique (les yougoslaves en Italie), de la proximité culturelle (immigration en provenance des anciennes colonies) ou de l'existence de réseaux simultanément clandestins et organisés (les turcs en Allemagne Fédérale).

Sur un plan quantitatif, le dénombrement des travailleurs immigrants clandestins pose des problèmes évidents. A titre d'exemple et compte tenu des précautions inhérentes à des estimations de cette nature, on a pu évaluer cette population dans plusieurs pays-membres. En Italie, on évoque une fourchette comprise entre 300 000 et 1 000 000 de personnes, l'ISTAT pour sa part avance le chiffre de 515 000. En Grèce, les informations disponibles font état de 100 000 personnes. En France, l'opération de régularisation menée en 1981-1982 a permis de recenser 123 500 personnes, le nombre d'étrangers qui ne se sont pas présentés aux organismes chargés de la régularisation restant évidemment inconnu. En Espagne, l'institution caritative "Caritas Espagnole" a publié une estimation comprise entre 300 000 et 460 000 personnes.

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(\*) Ces données sont extraites de : *Europe Sociale*, Commission des Communautés Européennes, Luxembourg, 1988, page 19.

Il est intéressant de noter que les pays méditerranéens, traditionnellement pourvoyeurs de main-d'oeuvre immigrée, deviennent depuis une ou deux décennies des pays d'accueil. Ainsi, l'Espagne est devenue un pays d'immigration pour les ressortissants de ses anciennes colonies (Amérique du Sud et Guinée Equatoriale en particulier) ; ce mouvement est également perceptible en Italie où l'on rencontre des tunisiens en Sicile, des yougoslaves dans les régions de Trieste et Gorizia, des ressortissants de Somalie, d'Ethiopie et de Libye dans le Latium. En Grèce, on a une population de travailleurs qui viennent des pays de l'Est (polonais, yougoslaves, roumains) et des pays du moyen-orient (palestiniens, libanais, etc.).

Les emplois occupés par les immigrés clandestins sont généralement mal rémunérés et physiquement pénibles. En France, les travailleurs employés dans la confection à Paris ont une durée quotidienne de travail supérieure à 12 heures pour un salaire horaire inférieur de moitié au salaire minimum légal. En Allemagne Fédérale, l'enquête menée par Günter WALLRAFF sur les travailleurs clandestins turcs décrit avec de nombreux détails le manque d'hygiène, la pénibilité, l'insalubrité et le danger des tâches accomplies. Les salaires versés sont d'une part très faibles et d'autre part inférieurs à ce qui est annoncé par les trafiquants de main-d'oeuvre lors de l'embauche des travailleurs immigrés (\*).

En Italie, les séries publiées par l'ISTAT fournissent une ventilation par secteurs des emplois occupés par les travailleurs immigrés clandestins : 10% travaillent dans l'agriculture ; 2% dans l'industrie ; 8% dans le bâtiment et les travaux publics ; 30% dans les services marchands et 50% dans les services non marchands.

En France, la ventilation par secteur d'activité n'est pas tout à fait la même car 30% travaillent dans le bâtiment, 20% dans les commerces et la restauration et respectivement 10% dans l'agriculture, les services domestiques, le textile, l'industrie et l'artisanat.

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(\*) Günter WALLRAFF : *Tête de turc*, la Découverte, Paris, 1986, (titre original : *Ganz unten*, Kiepenheuer und Witsch Verlag, Köln, 1985).

En Grèce, les immigrés clandestins saisonniers occupent généralement un emploi dans l'agriculture ou le tourisme alors que les immigrés clandestins permanents occupent des emplois plus diversifiés dans toutes les branches de l'économie.

Dans tous les pays-membres, on observe une spécialisation par branches des immigrés clandestins. En Italie, les tunisiens sont embauchés dans l'agriculture, les philippins et les égyptiens dans l'industrie, les yougoslaves dans les petits ateliers de fabrication de produits textile, les jeunes filles du Cap Vert sont employées comme domestiques (\*).

En France, les yougoslaves et les pakistanais travaillent dans le textile, les marocains dans l'agriculture, les ressortissants du Sud-Est asiatique dans la restauration et le textile, les tunisiens dans le commerce et la restauration.

Si, comme on l'a vu, il y a des filières d'introduction dans les divers pays-membres, de véritables réseaux d'emplois contribuent à tisser ces spécialisations par nationalité. En France, on observe des réseaux bien organisés dans la confection, en Belgique, il y a des groupes structurés dans le bâtiment, en Allemagne Fédérale, on a décrit des filières pour les travaux de nettoyage, etc.

Dans la plupart des pays-membres, des textes répriment l'emploi des immigrés clandestins, mais les rapporteurs des commissions chargées d'examiner l'application de ces textes soulignent tous l'extrême difficulté qu'il y a à détecter les infractions.

Pour au moins trois pays, la France (circulaire du 11 août 1981), l'Espagne (loi organique du 24 juillet 1985) et l'Italie (loi du 26 juillet 1987), des procédures de régularisation ont été entreprises visant à assainir la situation d'une part et à assurer aux travailleurs étrangers réguliers une parité de droits sociaux avec les travailleurs nationaux. Si un certain nombre d'étrangers en ont été bénéficiaires, les régularisations réellement effectuées sont loin d'atteindre ce qui était espéré par les législateurs.

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(\*) Cf : Claudio CALVARUSO : "l'immigration illégale en Italie", Problèmes Economiques, n°2041, 23 septembre 1987.

Si l'on veut résumer en quelques lignes la situation des travailleurs immigrés clandestins, force est de constater d'une part que tous les pays-membres ne sont pas placés à la même enseigne et d'autre part que les écarts de niveau de vie expliquent les phénomènes migratoires.

Si le cas des travailleurs clandestins originaires de pays-membres (grecs dans les Pouilles, portugais en Galice et en France, espagnols en France) devait disparaître de lui-même avec la libre circulation des personnes, celui des immigrés originaires de pays non membres de la Communauté pose un problème social d'envergure que les textes prévoient généralement mais que leurs modalités d'application laissent souvent irrésolu.

## CONCLUSION

Dresser en conclusion un bilan des activités au noir exercées par les européens, n'est pas une chose aisée car l'Europe est faite d'une mosaïque de cas particulier au lieu d'être caractérisée par un ensemble de comportements homogènes. A titre de pure tentative, quelques lignes directrices peuvent cependant être dégagées en conservant à l'esprit qu'il s'agit d'un résumé.

En premier lieu, il ne semble pas y avoir de concurrence entre chômeurs et travailleurs au noir en matière d'emplois. Les emplois occupés au noir sont à temps partiel, occasionnels et précaires ; les emplois recherchés par les chômeurs sont à temps complets et permanents.

En second lieu, les chômeurs sont moins bien placés que les personnes employées pour travailler au noir en retirant des ressources substantielles. Etre exclu du marché du travail officiel ne signifie pas être présent et accepté sur le marché du travail au noir.

En troisième lieu, la théorie duale du marché du travail s'adapte parfaitement bien à l'analyse de la pluri-activité non agricole. D'un côté, il y a des personnes qualifiées et bien rémunérées qui ont une double activité car les compétences qu'elles possèdent sont demandées pour elles-mêmes sur le marché "primaire" de la double activité. D'un autre côté, il y a les personnes moins bien rémunérées qui profitent des relations qu'elles peuvent avoir dans leurs activités professionnelles pour se porter offreuseuses de travail sur le marché "secondaire" de la double activité. La conjonction de règlements administratifs contraignants et d'une fiscalité marginale dissuasive fait que ces

actifs occupés trouvent généralement des activités annexes.

En quatrième lieu, les qualifications acquises dans les activités professionnelles principales servent généralement de passeports pour participer aux activités au noir. Ceux qui ont la "malchance" de ne pas être dotés des compétences demandées dans les petits boulots, sont contraints de se reconvertir avant de pouvoir exercer une activité complémentaire.

Enfin, les immigrés clandestins sont contraints de travailler au noir pour survivre. Alors que les pays méditerranéens et l'Irlande étaient traditionnellement des pays d'émigration, ils sont aujourd'hui et à des degrés divers, des pays d'immigration. Dans ce contexte, le problème de régularisation des travailleurs déjà installés et de contrôle de l'immigration pour les clandestins potentiels est devenu un problème européen.

A quelques variantes près, pour ces cinq points, tous les pays européens sont logés à la même enseigne. Le seul élément notable de différenciation est à rechercher dans les activités au noir des inactifs. La partition adéquate est alors Nord-Sud, les pays méditerranéens ayant une tradition plus tournée vers ces activités que les pays anglo-saxons. Les rémunérations obtenues étant, quelles que soient les latitudes, des revenus d'appoint et non des ressources principales.

Avec des listes d'activités voisines et des modalités de participation assez peu différenciées, on peut conclure ce chapitre en formulant la proposition qu'il y a bien un modèle européen d'adéquation entre travailleurs au noir et activités souterraines. Ce modèle s'adapte à chacun des 12 pays de la Communauté, fût-ce avec des intensités variables pour tenir compte des spécificités régionales, des traditions locales et des opportunités individuelles. En matière de travail au noir, les décisions de participation relèvent toujours des individus, même si en fonction des contraintes il y a des participants effectifs, des participants potentiels et des personnes qui préfèrent ne pas participer.

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## **SECTION IV**

### **THE ROLE OF THE MARKET IN IRREGULAR WORK**

**By : Faustino Miguélez Lobo, Universitat Autònoma de Barcelona**



## THE ROLE OF THE MARKET IN IRREGULAR WORK

The problem to be dealt with in this section is to determine whether or not market features can have a significant influence on the existence of irregular work, and if so, the extent to which they may influence its internal diversification. Our definition of the market will immediately show that, if there is such influence, its forms may vary widely between different EEC countries and between the various regions within each country. This definition will moreover allow us to advance hypotheses about possibly substantial market changes resulting from a more politically unified Europe, with respect to not only the legal changes to come into effect in 1992 but also the real process of unification, if indeed such a process exists.

### 1. The Market and its Territorial Diversification. Hypotheses on Irregular Work

#### Goods and Services Market

As an economic factor, the market should be considered in two ways or in terms of two related entities. We shall thus firstly consider the *goods and services market*—the exchange of goods and services between enterprises—and its possible influence on irregular work. The existence of the market implies competition, and this competition is essentially conditioned by two factors. The first of these factors is the size of the particular market concerned, since international, national or local levels of exchange determine the possibilities or "needs" enterprises may have to turn to wholly or partly irregular labour supplies in order to maintain their competitiveness. In this context, the market is not simply defined by supply and demand exchange between enterprises (or individuals), but also by government norms and behaviour with respect to the creation or maintenance of various degrees of protectionism, state support sheltering certain export producers or sectors from foreign competition, etc. National differences thus play an important role, since protectionist laws and state aids may have undergone changes over the years. There are also important differences between regions, since in certain zones traditional production in sectors like textiles, footwear and toy-making may have provoked the government to accord preferential treatment to some regions and not others, or the banking system may be more disposed to investing in certain zones and in certain products than in others.

In addition to these different dimensions, there are also different intensities of exchange, ranging from situations of oligarchy to open competition. In theory, the greater the competition, the greater the irregular work provoked, given that companies would attempt to improve their competitiveness margins by making savings on their most easily

controlled costs, namely the socially weakest labour supply. In practice however, things are usually more complicated, since oligarchic control of substantial parts or all of the market by some companies moves open competition to the periphery, towards a limited market context, as is the case with decentralisation.

This process should also be related to the international division of labour, since there are many differences within the EEC resulting from the fact that each of the 12 member countries not only trades with the others, but has its own trading partners in other parts of the world. West Germany's automobile and chemicals industries, for example, allow that country to compete on world levels without having to reduce labour costs through irregular work. Portugal, on the other hand, has a textiles industry that can only compete on European or world levels by reducing its labour costs, both legal —since its salaries are much lower than in Germany— and of course irregular.

### Labour Market

The second aspect we are concerned with here concerns the *labour market*, understood as the supply and demand of the labour needed by enterprises to produce goods and services. From the point of view of both supply and demand, this kind of relation obviously has far more influence on modes of employment than does the goods and services market. The labour supply may vary in accordance with qualifications, sex and age, and these factors may moreover be conditioned by important cultural or traditional aspects (the incorporation of women in to the labour market, for example). But variations also depend on "market power", understood as the labour force's ability to negotiate. Consideration must thus be given to industrial relations and their various actors (unions, employer associations, etc.) and institutions (collective negotiation, state intervention, etc.). Account should also be taken of supply factors like forms of employment contracts, the size of enterprises and the corresponding modes of labour organisation.

The theoretical model we shall use to analyse the various influences of the labour market dynamic on irregular work is that of *labour market segmentation*, according to which the labour market has historically tended towards increasing segmentation into groups of jobs which have different features (with respect to salaries, promotion, security, etc.) and are occupied by workers with different characteristics (with respect to qualifications, age, sex, etc.). This segmentation (or simple duality according to some researchers) produces some stronger or more central segments, others which are weaker, and some marginal segments.

Our present hypothesis has two parts: firstly, that segmentation has tended to become more accentuated over the most recent historical period as a result of decline in anti-segmentary processes (for example the role of the welfare state in education and social subsidies) and increase in segmentary dynamics, which once again may vary from one country to another; secondly, that as inferior segments undergo increased marginalisation, their labour force becomes extremely weak and flexible and thus either easily "organised" by enterprises in terms of irregular employment or subject to the creation of types of employment (multiple jobholders, etc.) which are more flexible than those of the labour market itself.

We should nevertheless adopt the general working hypothesis that the labour market's influence on the opportunities for irregular work varies according to the country concerned, since each case accords different roles to the labour force itself and to the

market's actors and institutions. The extent of irregular work is very much subject to elements like the fact that unemployment is subsidised in northern European countries and hardly at all in the southern countries, and by factors including the degree to which women are incorporated into the workforce, union membership rates and the unions' ability to bring pressure to bear upon the labour market.

## Relations between the Two Markets

A final hypothesis should state that the goods and services market and the labour market exert a combined influence on irregular work. This may sometimes involve situations where state protection of certain industries against international competition is carried out through social actors reaching agreement on the utilisation of labour in certain types of activity or in certain regions. It may also involve tacit or explicit compromises — or indeed simply imposed strategies— which at once affect the labour market and benefit the market competitiveness of certain products or services.

In the following analysis it will not always be easy to distinguish between the influences of these two markets on irregular work. The two sections below will nevertheless attempt to deal with each market separately, despite our awareness that the other market can never fully be excluded.

## II. The Role of the Goods and Services Market in Irregular Work

### Traditional Aspects

Market size would appear to have had two different effects on the use of irregular labour, although note should be made of certain recent changes in this respect.

Sectors and enterprises with national and often multinational market projection have tended to employ very little irregular labour, mainly because their extended markets allow them to base their productivity on a Taylorist organisation of labour and their profit margins on large production runs with direct and effective market control (as is the case with technologically advanced sectors like automobiles, chemicals, electronics and other industries in the north and centre of Europe and in the north of Italy). These sectors and enterprises are also able to exert influence on the political context affecting the market through protectionist laws, export subsidies, etc. (as has more commonly been the case in some countries in Southern Europe). These factors not only bring to light the differences between countries, but also those between regions within countries. Moreover, the size of the enterprises concerned —the extent of their economic influence on the market and their political influence on the government— plays an essential role here.

The other side of the story concerns sectors and enterprises whose markets are local, regional or, in certain limit cases, national. These sectors and enterprises tend to turn to irregular labour more frequently —in the form of irregular workers, undeclared overtime or multiple jobholders— because their inability to dominate the market economically or politically means that their profit margins tend to be guaranteed through reductions in direct or indirect labour costs. This mainly concerns the less technologically developed regions of Europe and sectors like personal services and traditional agriculture. The dominant enterprise form here is the small business, since it is more easily able to

avoid certain constraints resulting from official regulations, the application of which is usually not subject to any social control.

A synthesis of these two situations is to be found in regions where small enterprises are dominant, where there is only one industrial activity and where the basic orientation is towards the international market. This would be the case of the third Italy, of the North Portuguese textile industry and of the footwear and toy-making industry of the Valencia-Alicante region. In these examples, entry into the international market partly came about or has been maintained through irregular work, but this directly economic fact tends to hide a certain underlying social compromise in which enterprises, government and unions (or workers, in the absence of unions) allow irregular work to continue in return for various benefits such as competitiveness margins for the enterprises, additional income for the families and the country's participation in international markets for the government.

### Recent Changes

The economic recession and restructuring processes of recent decades have brought about some important changes affecting the market's influence on irregular work.

The first of these was a considerable *decentralisation* process based on large enterprises contracting out to small and medium plants or enterprises. The activities thus decentralised were often formerly carried out in the large enterprises and include many production activities (elaboration of components of the production chain) and service activities (cleaning, marketing, accounting, etc.). (We shall later analyse this aspect from the point of view of the labour market.) It should not be forgotten that this process has enabled the creation of many new enterprises offering easily decentralised services. These small firms (in number of employees) often have highly advanced technology or high degrees of work organisation. They tend to make use of irregular labour in their initial stages and then, once established, adopt legal forms of employment and develop high levels of exchange with larger enterprises. In other cases these firms have low degrees of technology or organisation and can only survive if part of their labour is employed irregularly, through either family work or irregular contracting of outside workers.

The second recent change concerns situations in which decentralisation—which promotes labour flexibility outside although under the control of the enterprise—is not possible and where flexibility must thus be sought within the enterprise itself, mainly through variations in working hours. This is where irregular work presently takes the forms of undeclared overtime or second jobs, and in some countries where the labour market is highly regulated these may indeed be the most common modes of irregular employment. This use of irregular labour may be better accepted socially—by unions, public opinion and even the government—than is direct employment of clandestine workers. It allows enterprises to adjust to market fluctuations corresponding either to situations external to the country concerned—variations in the price of raw materials or movements in the currencies of buying or selling countries—or to internal variants such as fluctuations in the price of money or changes in fashion, etc.

A third new factor is the enormous expansion which has taken place in the services market over recent years, with respect to both individuals and enterprises. This has come about through various factors. Firstly, with respect to enterprises, new needs have been created by processes including the above-mentioned decentralisation, the adoption of new technology (concerning individuals as well) and large urban

agglomerations like transport, cleaning, personal services of all kinds and tourist services based on new conceptions of free time and holidays. This wide field, sometimes highly innovative with respect to organisation if not always technology, is also completely open to small businesses, which may often be more agile in adapting to changing demands than are large enterprises. The formation of extensive new markets which are difficult to monopolise —be they regional, national or international— and of production units able to compete in them, present more opportunities than ever before for the development of irregular forms of employment.

Irregular work in the service sector has grown considerably over the past few years and in all EEC countries. Large urban centres with important services markets present enormous opportunities for irregular work, since the exchange of services is less regulated than the exchange of products. The enterprises concerned —generally small if they are new— may have either high or low levels of technology and qualification.

Irregular work is very frequent in both these cases, although with very different features. There is normally no hiding of the enterprise —as may be the case with industrial activities— since it is essential to have public presence in order to sell. In cases of high levels of technology and qualification —involving marketing, consulting, data processing, etc.— regular employment may coexist with irregular work and there is generally an enormous amount of overtime. But the more these firms become consolidated, the more they tend to declare their employees —with the possible exception of young people working in temporary second jobs— since the social or academic backgrounds of the workers concerned make it difficult for them to accept clandestine status. In other words, these workers have considerable, though individual, market power.

The situation may be different in enterprises offering services to families or individuals, particularly when these services require only low qualifications (cleaning, catering, repair work, etc.). The lack of social and legal control over these market exchanges means that the tendencies towards irregular work can be considerable.

### III. Labour Market and Irregular Work

#### Features of the Work Force

Various national reports indicate that variations between countries have quite a lot to do with the type of labour available on the market. First reference must be made here to the housewives who make up considerable irregular labour sectors in countries like Portugal, Greece, Spain, Italy and to some extent France, mainly in the more industrialised or urbanised regions of these countries. The situation of these women differs considerably from that of women in countries where part-time work is protected and there is greater social support for their full-time incorporation into the labour market. The differences will only disappear when there is equality in these factors which, although external to the labour market, have strong effects on its workings. Although the cases that have most been studied from this perspective reveal the irregular employment of women in industries such as textiles, toy-making, leather goods and packaging, etc., it is clear that the greatest numbers of women working on an irregular basis are to be found in the service sector, essentially in personal services (domestic services, cleaning, retailing, catering, etc.).

It is important to gain a clear understanding of two factors conditioning the irregular employment of women. The first and most important is the role of women in society and in the family. This role is profoundly marked by reproductive tasks —men would be accorded productive tasks— and has not been broken by any positive action for example on the part of the welfare state (the very weak actions of which tend to "subsidise" the man for his non-working wife). This is why there has been a tendency to consider women's external work as something done in their "free time" away from domestic work, with the exclusive purpose of complementing the husband's earnings. It was thus thought of little importance whether or not the working women benefited from all her rights, or indeed from minimal rights such as a contract attesting to her employment. In other words, her presence in the working world tended to be negated, whether she worked or not. The second factor has sometimes been called the "tradition" of irregular work in some areas. The phenomenon at the base of this tradition is usually of a kind determined by industrialisation processes in which important roles have been played by factors like small enterprises, multiple jobholding involving industry-agriculture or industry-services, or essentially paternalistic industrial relations. These factors traditionally involve use of a flexible source of labour —female labour— in order to adjust to the needs of changing situations.

The unemployment rate, especially the existence of high numbers of unemployed workers who do not receive benefits, has given rise to a very flexible labour segment which is easily used for irregular although generally casual tasks. This phenomenon has only taken place in some EEC countries, since in other countries most unemployed people receive benefits which they are unwilling to risk for the sake of casual work. On the other hand, the threat of unemployment has provoked readiness to accept any job whatsoever, no matter how unstable it may be. This has mainly had repercussions on young people with low educational levels who in many countries have found it difficult to find steady employment with the features characteristic of jobs once available to previous generations.

In some countries, emphasis has been placed on the low qualifications of labour as a factor conditioning the transformation of legal employees into irregular workers, especially where sectors or enterprises have been restructured and labour needs thus reduced. But the differences between countries have not only been with respect to labour force qualification levels —influenced by both the technological level of production and the level and quality of education—, but also by the retraining and continuous training opportunities existing before workers leaving one sector have had to attempt to adapt to the requirements of another. The low qualification levels of many irregular workers in countries with high rates of irregularity indicates that this type of worker is more inclined to be organised as informal labour than is the highly qualified worker.

High levels of employment of minors — irregular work by definition— have been detected in Spain, Greece, Portugal and Great Britain. There appear to be two basic reasons for this. In the southern European countries there is often a gap of one or two years between the end of compulsory education and the minimum legal working age. Either because of family economic necessities or simply to stop their children from misusing their time, parents often consent to the casual employment of their children, usually in the service sector. In northern European countries, the reasons for juvenile employment could have more to do with the adolescents' at least relative desire for independence, with the educational institutions or other factors possibly conditioning the existence of this labour sector which is highly given to irregular employment.

The final factor that must be taken into account is the level of old-age pensions. Part of irregular family work, agricultural work and at-home work for industrial

enterprises is carried out by people whose retirement or old-age pensions do not allow them to maintain the quality of life they had when they were working legally.

The above comments generally refer to labour sectors easily used for irregular work in the interests of demand factors. This is what we have occasionally termed "organised" irregular work. Not only does such labour have certain social features that make it highly flexible, but its use is often to be found in production units where social flexibility is also high, namely in small enterprises where there are no unions and usually no control over the application of collectively negotiated agreements. There is however another kind of work which we might qualify as "autonomous". This is usually carried out either in autonomous production units involving the owner or the owner's family, or as second jobs or overtime involving professionals or qualified workers. In the latter case, workers usually have a fairly secure first job and are qualified to the extent that they occupy strong positions within the labour market. Both "organised" and "autonomous" modes of irregular work vary from country to country and from region to region in accordance with factors like the general level of the enterprises' economic development, the qualification level of the work force, and the degree of social and state control over the use of hidden labour.

### Regulation of the Labour Market

The relative level of effective —not merely theoretical— regulation of the labour market is perhaps one of the most important factors affecting the degree and nature of irregular work. Here we shall refer to three main aspects of such regulation, leaving aside the exclusively legal aspects dealt with in another part of this study.

We should firstly point out that collective negotiation of work conditions, especially when the institutions concerned are efficient, is directly related to lower levels of irregular work. In other words, irregular work tends to occur in areas where there is little or no control over the application of negotiated agreements, as is the case in small enterprises or in situations where a certain informal social consensus may accept non-application so as to avoid a major crisis. Collective negotiation may be replaced by government regulations, but this requires very strong state institutions —work inspections— able to ensure that the regulations are adhered to and that some forms of irregular employment do not occur. Such institutions rarely exist. Collective negotiation is clearly able to control the existence of organised irregular work within enterprises, but not when such work takes place outside of enterprises —at-home work— or is to some extent autonomous.

The degree and nature of unionisation also influence irregular work. The highest rates of irregularity tend to be found where there are neither unions nor any other form of worker representation, or in production structures —the small enterprise system, the less developed regions— where unionisation is usually difficult. Irregular work also exists in situations where there are high union membership rates and considerable union strength, but in such cases it tends to be in forms like overtime, etc., which are more easily controlled by the unions.

Final mention should be made of modes of employment contract. Enterprises have tended to look for an irregular relation with their employees in situations where they cannot turn to more flexible forms of employment such as *assemblees* and part-time work. Countries where these forms have existed for some time thus have lesser levels of irregular work. The proof by negation is to be found in those countries where such forms

have been introduced more recently and there has been evidence of a transformation of irregular work into unstable employment which, despite continuation of other "irregular" social conditions, is in fact legal. But the effects of this change have not always been so clear-cut. The jobs created for *temporal* or part-time employment are sometimes those which, because of segmentation, cannot be carried out by just any worker whatsoever, but only by people with specific qualifications or abilities. In other cases, especially where there are high unemployment rates as is the case in Spain, the creation of *temporal* jobs does not absorb irregular workers but instead employs those who have not yet entered the labour market for the first time.

### Segmentation of the Labour Market

I believe that the theories explaining the workings of the labour market as a non-homogeneous, segmented entity also have some explanatory force with respect to not only irregular work as such, but also its close ties with socially precarious forms of employment and the differences existing between countries or between regions within one country.

In southern EEC countries, anti-segmentary tendencies have traditionally been weaker than in the central and northern countries. The education systems have been less extensive or of poorer quality, there has been less equality of education opportunities and less access to retraining programmes. There has moreover been less social support for the weaker family members —wife and children— which might enable them to enter the labour market as freely as can be hoped. Social welfare benefits have been lower and sometimes inexistent, thus prohibiting unemployed workers, for example, from finding working conditions similar to those of their previous jobs. The reasons for this are at least partly to be found in the social compromises that have accompanied the development of the welfare state. But the southern countries have in any case had increasing numbers of workers who, in the absence of social protection, have had to accept any job whatsoever, no matter what the social conditions involved may be.

Traditional production structures —dominance of agriculture, personal services and small enterprises in the south; industry, large enterprises and specialised services in the north— have led to the existence of much more extensive secondary or marginal segments in the south. At the same time, the difficulties experienced by unions in these segments has left the workers concerned with less collective protection against the employers' various tendencies towards flexibility, which often infringe legal or negotiated regulations.

The economic recession of the 1970s also developed segmentary tendencies within the strategies of the unions themselves. These have led unions to be far more concerned about workers in the strong segments of the labour market —about their salaries, security and jobs— and less worried about weaker segments like workers in small enterprises, young people, women and the unemployed. At the same time, these weaker segments have had progressively less instruments for applying pressure as they became more distanced from the centre of the labour market. A division between southern and northern countries would be simplistic in this context, but a more valid distinction may perhaps be made between countries with strong unionisation well implanted in enterprises and those with weaker unions more distanced from the centre of the labour market. Basically

because of political reasons, this second category would include countries like Spain, Greece and Portugal.

Finally, some importance must be attached to differences in the organisation of work. Segmentation has had less influence in situations where Taylorist organisation has been predominant, whereas situations of direct control are associated with more powerful segmentary tendencies. Here we once again find differences between countries and within each country in accordance with factors like the size of enterprises, employer strategies and worker organisation.

Faustino Miguélez Lobo  
Universitat Autònoma de Barcelona  
Spain



**SECTION V**

**THE IMPACT OF THE SHADOW ECONOMY ON  
THE ECONOMIC AND SOCIAL COHESION AND THE ROLE  
OF THE STATE**

**By : Alois Wenig, University of Hagen**



Alois Wenig, Hagen

The Impact of the Shadow Economy on the Economic and Social Cohesion  
and the Role of the State"\*

By its very definition the supply of black labour implies the violation of laws and regulations. Since every state must attempt to enforce its own legislation one would expect monitoring and controlling strategies to be the most natural reaction of public authorities to illicit labour. However, we observe that some states are quite reluctant to really fight against shadow activities. Obviously black labour is not always seen as really hazardous to public welfare.

In fact, the shadow economy has two faces. On the one hand, black labour produces goods and services which would, in principle, have to be added to the National Product. This aspect of additional wealth creation must, on the other hand, be balanced against the welfare losses brought about by the contempt of law and public order. In weighing the positive against the negative effects of illicit work the reactions of government to black labour therefore range from ignoring or more or less legalising it to the attempt of strictly controlling all shadow activities.

It is obvious that economic and social cohesion must be jeopardised if the overall disadvantages of black labour in a society outweigh its benefits. On the other hand, as long as large strata of the population find it advantageous to participate in irregular activities either as suppliers of black labour or as buyers of illicit services then the shadow economy will to a certain degree also have an integrating rather than a disintegrating effect. One must bear in mind in this connection that voluntary market

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\*Research sponsored by the Commission of the European Community under contract no. 87925 (project: Le travail au noir en Europe)

interaction is always an act of social communication which makes either side better off. Market transactions thus promote economic cohesion unless the conditions of exchange are not unfairly imposed from outside by a third party and unless there are no adverse effects on the public well-being in general ("externalities").

In order to study the impact of the shadow economy on the economic and social cohesion we must, therefore, analyse the benefits and losses of illicit work in more detail. The outcome of this "cost-benefit-analysis" depends, of course, on the definition of "black labour" or "irregular activity" we use. Since we are also to investigate into the role of the state vis-à-vis black labour we suggest to use a fairly narrow definition. In what follows we interpret irregular activities as transactions which do not comply with current state regulations and approved administrative procedures. A more broader concept of shadow activities would also include other violations of institutional arrangements such as, for example, the evasion of agreements between labour unions and firms. However, this very general notion of irregular activity is not easy to deal with. Taken literally every breach of an institutional arrangement between any two parties would then have to be considered as part of the shadow economy. This would clearly imply that the object we are analysing would be too bloated to be of interest for research as well as for policy recommendations.

### 1. The Benefits From Black Labour

It has been argued that the services supplied in the shadow economy are not really a welfare gain because if labour markets were sufficiently monitored by the state then shadow demand would automatically shift to the regular suppliers. However, this would and could only partly occur. Demand depends on the

price so that the volume of transactions must necessarily shrink if the buyers of shadow services were to pay the higher expenses in the regular market. The existence of black labour allows for the production of goods and services in addition to the official GNP. But the increase of net wealth is not the only benefit from black labour. The shadow economy is a device to soften the burden of unemployment, to improve the flexibility of our social security system, to increase the economic welfare of the relatively poor, and to help create new small businesses with new jobs both illicit and official ones.

The construction of our social security system discriminates against the unemployed in a double sense. Firstly, the regulations of the labour markets including the wage structure do not allow all workers to be absorbed by the jobs offered to them officially. The arrangements in the markets for labour imposed by both the governments and the labour unions do not bring about wages that equilibrate demand and supply. Secondly, in many countries the unemployed are, in addition, also supposed to remain economically inactive as long as they receive unemployment compensation. By participating in the shadow economy they can prove themselves that they are still able to make valuable contributions to other members of the society. This way they are also encouraged not to give up their struggle for re-entering the official labour market. Thus, black labour supplied by the unemployed does not only increase their income. In our societies work is of importance to the individual beyond the financial aspect. The mere fact to be employed symbolises success in life as such. The unemployed who are kept away from regular work life experience a social disaster regardless of whether the unemployment benefits allow for a reasonable high standard of living or not. In this respect the shadow sector can be seen to function as an additional safety valve.

One should, however, not over-emphasize this aspect of black labour. As the country reports show the unemployed of most economies in the EEC have less access to markets for black labour than the officially employed. They lack the net of social communication and interaction which provides the information where shadow services can be allocated. Furthermore, the consequences of being caught are much more severe for the unemployed than for the officially employed. In many countries the unemployed lose their total income if they supply services irregularly while the officially employed only put an incremental income at risk. It is, for this reason, not surprising that the total amount of income earned by the unemployed in the shadow economy is only a fraction of what others are able to earn in this sector. In countries in which unemployment compensation is only a negligible amount the shadow economy, however, is often the major source of income of those who have not been able to manage to allocate their labour in the official job market.

The improvement of the distribution of income is another consequence of the existence of black labour. That data available for most of the member states of the EEC show that the suppliers of irregular services usually belong to the lower income classes. Obviously, the shadow economy opens the opportunity of narrowing the income gap between the less privileged and the middle and upper classes. Shifting the economic position of those in the lower tail of the income distribution upwards can be expected to reduce economic and social tension which is a contribution to a socially peaceful and cohesive society.

Finally, it has often and rightly been stated that the shadow economy provides a good test site for the start of new businesses.

Many small firms begin with first cautious steps in the shadow sector where the new entrepreneur tries out his business idea and starts to acquire a reliable clientele. Since the cost of entering the official market can be considerable the risk of failure is high. The shadow economy opens the chance to reduce this risk and lowers the barrier to market entry. The dynamics of growth in an economy gains if one allows the shadow economy to be the nucleus of the creation of new firms and new jobs.

## 2. The Welfare Losses From Black Labour

Given these obvious welfare gains from the shadow economy there is no straightforward answer to the question how harmful to the society the existence of black labour really is and how much social friction it produces. To get a clearer picture one must look more closely at the various kinds of black labour.

First, there are shadow activities which are intrinsically permissible but actually illicit just because they violate some market regulation. The arguments for such regulations are manifold. Some laws are meant to guarantee fair competition, others are introduced to avoid environmental pollution, and so on. Basically it is either the existence of externalities or the lack of market information which makes regulations necessary. Externalities are adverse effects of market transactions on persons not directly involved in the exchange. An example is the production and sale of a handgun which could easily be used to kill a third person. The lack of information about the skills of, for example, a surgeon makes it necessary to check his professional abilities before he is allowed to practice.

Since there exists no market transaction without at least some externality or in which contracting parties lack important information almost every regulation can somehow be justified. The problem, however, is that regulations also function as barriers to market entry. As such they violate a fairness principle: equal access to the markets for everybody. It is, therefore, necessary to balance the negative externality effect against this requirement of equity.

There are obvious cases in which the violation of regulations can cause serious damage to the society due to severe externalities or as a consequence of the lack of important information for one of the parties involved in a market transaction. Here, the restriction of market access is justified and law enforcement is imperative. But in many examples this is not so clear. Should a plumber need a license and is it necessary to register his business at the Chamber of Crafts, as he has to, for example, in West Germany? Would it not be sufficient that he thinks to be able to do a decent job and that his client trusts him? In such instances the regulation may appear as just a protection of those who have managed to be in the market rather than as a safeguard of the general welfare in the society. It is not surprising that people who are not eligible for getting appropriate licenses but who do have the skills necessary to carry out a particular service do not feel moral restraints to offer their services in the form of black labour. Intuitively they consider the regulation as intrinsically unfair because they see them mainly as a shelter of market insiders against competition from outsiders who are willing to work for less.

But what is more, in most cases the supplier of black labour is often officially employed in a job in which his work is

closely related to his activity in the shadow market. Thus he does not see why he should not continue on evenings and weekends on his own what he is doing during official labour hours under the guidance of his boss. The moral scruples to evade market regulations under such circumstances must be limited.

Similar views are taken by the buyers of black services. To them the lower price they pay is justified because the job is carried out under less legal protection, and, in particular, without enforceable warranty. Tricking the administration by evading regulations that do not offer protection against obvious public nuisance is, therefore, often seen as a minor offense. In most cases the general public shares this view because, in reality, the areas in which black labour evades market regulations seem to be not extremely sensitive with respect to public order. It is mainly the crafts industries and the construction business in which moonlighters offer their services without officially qualifying for their jobs and without adhering to the long list of rules introduced to keep bunglers out of the market.

Circumventing market regulations does not necessarily go along with tax evasion. Since tax authorities are in some countries of the Community quite efficient at monitoring the tax-payers a moonlighter may well decide to declare his income to the inland-revenue department. This applies at least in those cases in which tax authorities are strictly obliged not to use their information for purposes other than assessing taxes. Furthermore, tax-evasion is not alien to the official businesses, too. A moonlighter who evades taxes may feel that he is behaving like his employer whom he supposes to evade at least part of his taxes. In fact, much of what

people perceive as black labour or a shadow activity in many countries is just tax-evasion by the self-employed. Not asking for a bill in an official deal often allows the buyer to get a rebate while the supplier avoids the tax. However, we must assume that the rate of tax-evasion is much higher in the shadow economy than in the regular business sector. In this respect the general welfare loss from black labour is obvious.

The nature of benefit fraud is quite similar to tax-evasion. There is no intrinsic difference in not paying taxes or in unlawfully receiving a transfer from the state. Nevertheless, benefit fraud associated with black labour is often seen as less acceptable than tax evasion. For the majority of the employed the job is usually not a risk because even if the rate of unemployment is high the large majority is still having a job. To the members of this majority benefit fraud is a misuse of their own willingness to help the needy. Benefit fraud on a large scale may thus reduce the general acceptability of the public transfer system which is then regarded with suspicion by a large fraction of the population. The payers into the system may then feel exploited by the recipients of social aid, unemployment compensation, and similar benefits. In order to reduce the friction between these two groups the authorities can either impose more controls or lower the public benefits. A third way is to legalise black labour by allowing the recipients of public benefits to supply their services on the market without any restrictions. This strategy if accompanied by lower public benefits amounts to make the poor and the unemployed to take care of themselves. Another perhaps more acceptable way is to make the social security system incentive compatible so that an increase in informal earnings does not imply losing the public benefit.

3. The balance between welfare gains and welfare losses and the role of the state

Balancing the welfare gains and welfare losses from black labour is a matter of the weights one is willing to attach to the positive and negative aspects of this phenomenon. Certainly, the existence of even a large shadow sector does not put the economic and social cohesion of a society at stake. On the other hand, it is also not acceptable for a state that its citizens can make their own decisions which laws and regulations they are willing to abide. A policy of relaxing the controls, and reducing the regulations and lowering high public benefits seems to be an acceptable middle course. This strategy would allow to reduce the investment of resources in public monitoring activities. At the same time the violations of laws and regulations would remain within tolerable limits. But whether such a policy is seen as acceptable or not is a matter of one's basic political position.

With respect to their policy vis-à-vis black labour there are three types of economies in the EEC. First, we have countries which strictly attempt to control black labour markets. This applies, for example, to West Germany which follows a policy of closely monitoring labour markets and punishing the evaders of regulations and taxes. Second, there are countries, such as e.g. Italy or other southern member states of the EEC, in which the number of regulations and state interventions is at least as large as anywhere else. However, the authorities of these states ignore shadow activities unless they exceed broad-gauged limits. A third type of country is Great Britain which has consistently deregulated its economy so that black activities have been whitened as the regulations disappear. France takes a position in between; it follows a strategy of deregulating in some areas and of strict controls in others.

Each of the three options of controlling, ignoring or legalising the shadow economy has its own justification. Monitoring and controlling is inevitable if one stresses compliance with current law. Ignoring the underground economy takes into account that its size and growth is not sufficiently large as to deserve too much government attention. Legalising the informal sector amounts to reducing obstacles to economic activity in general.

Among the three strategies controlling and monitoring the markets, however, is presumably the least efficient policy. It requires resources for which there may be better alternative uses. Furthermore, not being controlled is a value in itself for the citizens. The existence of large shadow sectors and of strong incentives to carry out transactions in black rather than in regular markets shows that the economy is suffering from fundamental imperfections in its institutions. People who are driven into kinds of activities which require evasive techniques are obstructed by the institutional framework. Both, evasive techniques as well as techniques to control evasion produce waste.

The presence of an informal sector is an indication of vitality of those citizens who are actually engaging in shadow transactions. There are people who want to do something, whatever they can, even if it means getting around the rules, in order to make a living. This is part of the dynamics of an economy whose control may have a high price not only in terms of resources spent on monitoring but also in terms of forgone goods and services.

Of course, every state must attempt to control activities which are fundamentally illicit such as e.g. organised crime, drug dealing, and similar offences. A strategy of not "too much" controlling shadow activities can only refer

to transactions which are at their core fundamentally permissible but carried out in a way that is not in compliance with current government law. Thus the policy of ignoring black labour has its limits where non-compliance with the law starts spilling over from petty offences in the shadow sector to other areas of social life.

Also, large scale black work organised by firms in a systematic way is not tolerable. The policy of ignoring black work seems to be appropriate if the transaction is carried out on an individual level even if done on a more or less regular basis. In order not to over-control an economy and to strangle the economic incentives of a vital part of the population a certain level of shadow activities should be accepted as inevitable. The amount of fiscal fraud in the form of tax-evasion in connection with black labour or of social security fraud by the unemployed or the poor is sufficiently small to be ignored without putting law compliance in general or social cohesion at risk.

The third way of legalising black labour seems to be apt wherever regulations are predominantly devices to impede market entry. There are numerous disincentives for economic activities in our economies: the practice of licensing businesses and crafts, the tendency of our bureaucracies to permanently invent new rules for running businesses, the increasing complexity of the legal system, the obligation of the firms to provide more and more statistical and other information, the enormous amount of paperwork involved in just starting a business, and many more. One may find a good reason for every particular regulation. But as a whole they amount to discourage wealth generating activities and they are thus displaying fundamental imperfections of our institutional framework. Deregulation is an optimal policy if it means to abandon those laws and government interventions whose sole or main purpose is to regulate intrinsically permissible forms of businesses.

Another important advantage of this legalising strategy confined to basically permissible transactions is its social acceptability. If only those activities are forbidden whose harmfulness is obvious to everybody then law enforcement is a matter not only of the state. In these cases social control is then a good substitute for policing.

Finally, in any case is it difficult to predict how individuals react to a system of regulations. So many examples are known in which legislation intended to protect a certain group of people in the society turns out to undermine the welfare of this very group. Minimum wages, for example, are a barrier for the workers to enter the labour markets, laws to protect against lay-offs make employers overly cautious before they hire, technical provisions against accidents with consumer goods increases the prices of these products, etc. The list of such cases is almost infinitely long. Control as an instrument of economic and social policy should for this reason always be used with caution.

**section VI**

**BLACK LABOUR IN THE EEC AFTER THE  
ACCOMPLISHMENT OF THE INTERNAL MARKET IN  
1992**

By : **Alois Wenig** , University of Hagen



Alois Wenig, Hagen

BLACK LABOUR IN THE EEC AFTER THE ACCOMPLISHMENT  
OF THE INTERNAL MARKET IN 1992\*

The immediate effect of the accomplishment of the internal market in 1992 on the shadow economy of the European Community is likely to be small. The country reports of the expert group show that the bulk of black labour in the member states of the Community is concentrated in the service industries, including the building sector and the crafts. The southern member states of the EEC, in particular Italy, are an exception. There, black labour is to some extent also used in manufacturing. Only the products of the manufacturing industries and to some degree also the services in the construction sector, however, are supplied nation-wide or EEC-wide whereas most other black services are traded locally by local people for the following three reasons:

- (i) Due to the illegal status of the transaction it is risky to advertise moonlighting or other shadow services in public. Therefore, suppliers prefer to rely on "mouth-to-mouth" propaganda which works best if both the buyer and the supplier live in the same social environment and, in particular, if they speak the same language.
- (ii) The person who buys a shadow service from someone of whom he does not have sufficient information runs the risk of getting cheated. The best guarantee for a decent quality of the shadow service is knowledge about the "good-will" of the supplier based on information by friends, relatives, colleagues, or neighbours.

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\*Research sponsored by the Commission of the European Community under contract no. 87925 (project: Le travail au noir en Europe)

- (iii) Most shadow services must be rendered in person. Since large distances imply high transaction costs for the supplier there is a natural geographical limit to shadow activities. Furthermore, many moonlighters have a full-time or a part-time job which makes it necessary to return to the same place every day.

From this we can conclude that black labour in the EEC does not travel large distances so that the disappearance of national borders in 1992 is likely not to affect the shadow economies of the member states directly. The two exceptions have already been mentioned. First, in some countries of the EEC we can observe illicit teams of construction workers organised by agents who hire black labour from within EEC countries and to a limited degree also from outside. Recruiting takes place mostly among illegal immigrants as well as among unemployed residents of EEC countries. The existence of national borders restricts the operation of these illicit construction teams geographically. The disappearance of border controls in 1992 may make this hidden labour force more mobile. The teams could then be easily shifted from construction site to construction site across the Community.

The second exception is black labour in the manufacturing industries. The free flow of goods and services within the EEC will make it possible for manufactured products of the shadow economy in the south to spill over to the northern member states. Underground factories in the south produce labour-intensive goods such as e.g. shoes, textiles, agricultural products, etc. These industries will then be able to increase their competitive pressure on their northern counterparts so that these sectors will shrink in the north. It is not likely, however, that the labour-intensive manufacturers in low wage countries will more and more grow out of their underground operations as their firm size increases.

As for the impact of the internal market on black labour in Europe in the medium as well as in the long run much will depend on the development of both the markets for goods and services and the labour markets after the national border controls will disappear in 1992. Since there is already now no substantial restriction to the movement of labour within the European Community the key issues, however, seem to be the economic consequences of an unrestricted trade of goods and services. Although many trade barriers have been lifted in the EEC in the recent two decades the national markets are still to some extent sheltered against competition from other countries in the Community by national administrative regulations, national tax laws, and tedious and time-consuming customs procedures. As these remaining obstacles to market entry cease to exist competition across national borders must intensify considerably. The crucial question is how this will indirectly affect the national markets for labour both hidden and official.

If no further EEC-wide action is taken by the administrative bodies of the European Community in 1992 the economics of those countries will after a while gain a competitive edge whose wages and environmental standards are relatively low and whose markets are not overly regulated by the governments or by other powerful institutions (such as, for example, labour unions). As a consequence employment and with it the bargaining position of workers will improve in countries in which costs are low due to both cheap labour and the absence of regulations. In the economies with high wages and a costly regulative system evasive techniques may develop. In order not to lose market shares firms in these countries have to reduce the wage burden and to escape the onerous and expensive pressure of regulations.

The likely increase in shadow activities in high-cost-countries may be accompanied by a reduction of the underground economy in the other member states as their official rate of unemployment declines. However, two kinds of equilibrating reactions must be expected to occur. Firstly, wage differentials will disappear gradually between the economies in the EEC due to the competitive pressure on labour in high-wage-countries and the improved market position of the workers in countries in which pay has been low traditionally. Secondly, the firms which operate under the strong grip of administrative controls will urge their governments to deregulate in order to remain competitive. Since no government will allow its nationals to lose substantial market shares it is not unlikely to relax its administrative and regulative controls. The firms that come under competitive pressure will argue that what is considered as a safeguard to protect the working conditions and the environmental standards allows, in effect, unfair competitive practices by firms that can produce under more "favourable" conditions. Governments will have to follow these arguments and reduce the degree of administrative intervention in the market place so that the standards of regulation will gradually adjust EEC-wide. Thus without intervention of a central agency both wage-levels and the system of regulations will converge albeit this process is likely to be slow.

It has often been argued that the competition from low-wage-countries implies "social dumping". However, one must bear in mind that the comparative cost advantage low-wage-countries possess vis-à-vis the richer member states of the European Community leads to an EEC-wide adjustment of living-standards in the medium term. Thus not allowing the poorer countries to use low wages as an asset to improve their competitive position amounts to exclude them from the opportunities a common market can offer to them.

Although we must expect environmental standards and labour protection legislation to adjust Community-wide it is not so clear yet at what level this equilibrium will be established. It may then well be desirable that new and better protection standards should be introduced for the European Community as a whole. The administrative bodies of the EEC will then be urged to fill the "regulation gap". The system of regulations and controls will however be shaped in a complicated political process whose outcome is not easy to predict at this stage. It is a matter of the policies chosen by the members of the EEC whether Europe will eventually have a system of highly deregulated markets or an economy which is strictly controlled and monitored by administrative agencies. Historical experience tells us that the European Community will compromise somewhere in between.



**SECTION VI**

**BLACK LABOUR IN THE EEC AFTER THE  
ACCOMPLISHMENT OF THE INTERNAL MARKET IN  
1992**

**By : Alois Wenig, University of Hagen**



Conclusion: Whose Problem?

R.E. Pahl (University of Kent at Canterbury, England)

The previous chapters have demonstrated that informal and irregular work appear in a variety of forms in different contexts and severally and collectively these forms of work pose distinctive problems and different opportunities. Considering the full range of reports and documents that have been prepared for this research initiative, it is clear that any attempt to construct a map of the shadow economy in Europe is a singularly fruitless exercise. In a previous attempt to draw together what is known about the relationships between the formal and informal (or hidden, shadow, black etc.) economies in four European countries, O'Higgins concluded

'the results emphasize the diversity of national experiences and, therefore, the weakness of generalized assumptions based on the experience of any country.'\*

Rather than chasing after a will-o-the-wisp separate economy, most of the experts involved in this present exercise recognised that too great a concern with quantitative measures gave a spurious exactitude which the detailed case studies showed to be extremely misleading. Economists have, perhaps, been most at fault in using unreliable indicators which, perhaps unsurprisingly, produced wildly discrepant orders of magnitude of the so-called hidden economy in the various EC countries. However, in fairness to our colleagues many of these misleading quantitative studies were done some years ago and the most devastating critique of some of the

\* M. O'Higgins, The Relationship Between the Formal and Hidden Economies: An Exploratory Analysis for Four Countries, pp.127-143 in W. Gaertner and A. Wenig (eds.) The Economics of the Shadow Economy. Springer Verlag, Heidelberg 1985, p.140.

most widely quoted studies was written by a fellow economist. J.J. Thomas has pointed out that, typically, economists do not gather their own data and, on the rare occasions when they do, inadequate research methodologies can produce spurious results.\*

The detailed case studies carried out by sociologists, anthropologists and psychologists, that are referred to in the Reports relating to France, Italy, Spain and the UK in particular, provide more accurate data but they, too, have their problems. Those doing these locality or occupation based studies rarely concern themselves with the wider national or Community-wide implications of their work so that it is difficult to use such studies for comparative or cumulative understanding.

The various documents produced under this research programme do try to assess the quantitative evidence and to come to some order of magnitude of the different forms of work in different contexts and qualitative studies are also used where possible to illustrate and to illuminate wider trends. A broad general picture of the range of informal work in the member states of the Community has certainly emerged. However, this is not the most important element of the team's work: of much greater significance is the focus on process rather than patterns. Individual experts struggled to draw out the dynamic elements in their respective contexts, relating the forms of informal work they described to wider socio-political and economic processes in member states and the Community as a whole. Unlike most previous attempts at surveying and synthesizing work in this field, the present team used their meetings, conferences and synthesizing chapters to make conceptual links with contemporary analytical approaches to labour markets and to distinctive

\* J.J. Thomas, The Politics of the Black Economy, Work, Employment and Society, 1988, Vol.2 (2) pp.169-190.

forms and styles of the provision of welfare.

This approach pointed up more sharply the role of the State and of employers than perhaps had hitherto been customary. Styles and modes of regulation and deregulation were seen to be central, as were the socio-political assumptions about the role of state in the provision of welfare. The socio-political variations that emerged accounted for many of the dramatic differences in what was counted as *le travail au noir* between, say, West Germany and the UK. Likewise, a common approach to deregulation in Spain and the UK produced similarities that may not have been initially expected. Some member states are more committed to deregulation of various forms of employment protection legislation - on the assumption that this will allow employers more freedom in the market to maintain a competitive edge over employers in other member states with legislation that is more 'restrictive' or more 'supportive' (depending on whether one is leaning more towards the interests of capital or towards the interests of labour).

Some politicians may have imagined that those member states with apparently high levels of *le travail au noir* were thereby gaining some unfair advantage in the Community as a whole. Such an advantage might be the production of goods at a lower cost through the use of sweated informal labour or by having national accounts which underestimated the level of economic activity to a significant extent and hence supported a lower contribution to EC funds than should have been the case if all irregularly produced income were recorded. However, our studies undermine such assumptions, since a programme of deregulation can very soon re-label the black economy as the essential yeast of the enterprise culture. Once this point is grasped it is easy to see how those member states with the lowest levels of irregular work in the official statistics might nevertheless gain all the putative advantages associated with what is popularly understood to be 'the irregular economy'.

Clearly a concern with precise definitions is not a matter of academic pedantry but a crucial part of the research task. Nevertheless in this concluding section it may be more helpful to focus on the politics of irregular work, interpreting 'politics' in the broadest possible way. By concentrating on the question 'Whose Problem?' readers may be able to use the accumulated documentation of the Research Programme on the Black Economy in Europe more effectively.

### I. The Concerns of Governments

Governments are concerned with the incidence and dimensions of informal work for a variety of reasons, some of which may conflict with each other. In general, governments wish to gather a range of specific and general taxes efficiently. If specific forms of taxation are being systematically evaded, then governments are obliged to take steps to reduce fraud and illegal tax avoiding activity. However, this seemingly straightforward objective may conflict with other objectives such as encouraging enterprise, rewarding those who contribute to party political funds and creating an atmosphere of 'freedom', where bureaucratic control is not perceived to be overly intrusive. Some balance has to be struck between responding too heavily to those law-abiding citizens who resent the advantages some categories may have for gaining extra income or paying less tax and inhibiting those who may be too enthusiastically enjoying the enterprise culture. A good example of this tension is provided by the Irish Government who provided an ex gratia payment to disgruntled PAYE citizens who claimed that self-employed workers were able to under declare their tax liability.

Some tension between maintaining social cohesion and encouraging individuals and enterprises to engage in activity that will stimulate economic growth and enhance the nation's competitive advantage is inevitable. Different member states solve the problem in different ways

and it is important to recognise that the situation can change very rapidly. Thus, for example, part-time workers have rather limited rights in the UK. However, demographic trends indicate a dramatic decline in the labour force by the mid-1990s so that the Government and employers are obliged to think of ways in which more married women can be retained in the workforce. This may involve a return to greater regulation of temporary and part-time work and the encouragement of multiple job holding by providing tax incentives. The level of irregular work can thus rise or fall dramatically depending on the way government policy changes in response to exogenous processes.

## II. Employers

Employers are anxious to reduce economic uncertainty by having a workforce with sufficient flexibility to cope with fluctuations in supply and demand. Casual workers in agriculture or the building trade provide an essential support for many concerns which could not continue trading if they were obliged to provide regular employment for all their workers. They may use 'unemployed' workers, children, women working from home, prisoners, young workers on a State subsidized 'training' scheme and a variety of other categories who are marginal in some way. Some countries rely on immigrants or migrant workers and one country's problem is another's solution. Northern countries face seasonal fluctuations in demand for a variety of jobs in agriculture and services and southern countries have seasonal demands for workers in tourism hotels and catering, often caused by the summer migration southwards of more affluent northern holiday makers. The building and construction industry has a need for casual and temporary workers through the member states.

Like governments, employers are caught in something of a double bind. On the one hand they resist 'unfair' competition elsewhere and on the other hand they piously defend the freedom of the marketplace to justify

their own sharp practices. There is no getting round the fact that competitive edge in many industrial sectors, particularly in the services is largely achieved through reducing labour costs. The growth of sub-contracting is simply one among many devices whereby employers seek to control the cost of the labour inputs. In the increasingly competitive post 1992 world, ways of reducing labour costs will be an even more essential part of employers' strategies. Evidently this could lead to a growth of irregular work and the use of migrant labour (especially in those countries experiencing a labour shortage for demographic reasons).

One possible scenario would be for the Commission itself to insist on common regulations to control the use of marginal categories or immigrants. However, any attempt at such regulation would be perceived to be an attempt to freeze the status quo and to inhibit the growth of entrepreneurial challenges to established markets and producers. Governments wishing to protect their own employers and to provide them with a competitive edge may collude with them by choosing to ignore 'irregular' employment practices either by defining them as 'regular' or by providing inadequate surveillance of say, the illegal employment of children.

Finally, employers may collude with employees in condoning various forms of occupational theft. Modest amounts of pilferage of the firm's product or equipment may serve as a cheap fringe benefit which helps to keep the workforce satisfied and better controlled. A certain amount of 'wastage' by damage or theft can be built into the accounts in such a way that profits are barely affected. This has the effect of stabilizing the workforce and maintaining loyalties, since workers may feel that a fairly substantial increase in wages or salary would be necessary to compensate for the perks or pilferage they can obtain where they are. It has been

claimed that 'between 75 and 92 per cent of us regularly add to our incomes in ways that are technically against the law.'\* This is largely through perks and pilferage at work or occupational theft as it may be called. This is inevitably a large component of a putative 'hidden economy' and very few firms would ever call in the police to help them solve it. Internal policing provides some control and the occasional ritual sacking probably does something to maintain 'reasonable' limits.

### III. Employees

To some extent the interests of employees are the converse of those of the employers in that they may in general, prefer better and more stable conditions of work. Workers will tend to resist the undermining of the power of collective labour by various employers' practices - both legal and illegal. However, workers may also have interests which encourage them to collude with employers against the State. They are likely to resist paying 'unnecessary' taxes and may be ready to create conditions of artificial overtime in order to supplement their wages. Women may be ready to accept less secure or illegal conditions of employment, if this allows them to combine paid employment with other forms of work. They may prefer to collude with employers rather than have no employment at all.

Workers may have traditional expectations of the 'perks of the job', involving various occupational fiddles and a tacit understanding may be reached between employees and employers so that each, as it were, condones practices in the other side in return for a peaceful coexistence pact.

\* Gerald Mars, Cheats at Work, George Allen & Unwin, London, 1982, p.1.

#### IV. Self-Employed Workers and Owners of Small Businesses

These are likely to be the heart of the irregular economy in most EC countries. There is considerable resistance amongst the self-employed throughout Europe 'to do the Government's work for it' by taxing themselves effectively. Many self-employed workers are adept in finding ways of avoiding all or a proportion of value added tax, of under-declaring levels of profit and income, of inflating expenses, of employing people irregularly and paying them in cash, of using family members in a creatively tax evading way, of increasing benefits in kind and of avoiding full responsibilities in the sphere of health and safety regulations. These are therefore widespread practices amongst self-employed workers and owners of small businesses.

Most of such tax evasion or tax avoidance is not readily welcomed by Governments, although there is an understanding that a too fierce attack on entrepreneurs would be counter-productive. New businesses inevitably have cash-flow problems in the early years and recourse to the informal economy may be a necessary survival strategy in Italy, Spain and elsewhere. However, many self-employed workers employ no one else and are not incipient entrepreneurs. They have simply re-classified themselves for tax avoidance purposes. Many workers in the building industry and certain types of small-scale agricultural workers come into this category.

The growth of self-employed workers in Europe has substantially expanded the scope for irregular work and tax evasion.\* Many EC governments are keen to encourage an enterprise culture and part of the price of the success that has been achieved is that the entrepreneurial

\* See Tables 1-5 for detailed documentation of the patterns of growth of self-employment in the European Community.

spirit is extended to developing ways of defrauding the State. A not unreasonable corollary to the notion that Government should keep out of business is that business (and business profits) should be kept out of government.

#### V. Those out of Employment

Those who are unable or unwilling to take on formal employment either because jobs are scarce or because those that are available are badly paid or in unsatisfactory working environments will have an incentive to work informally if such opportunities are available. In some member countries paid work outside employment is tacitly encouraged as a necessary survival strategy in default of adequate welfare provision. In other, northern, countries the penalties for earning money whilst drawing benefits are so severe and the system is policed so effectively that scope for any substantial benefit fraud is considerably reduced. This is one area where there was complete unanimity amongst all the experts - irregular work amongst unemployed people is a negligible part of overall totals of le travail au noir.

Despite the quantitatively unimportant nature of this work it nevertheless receives a disproportionate degree of public attention. This says more about political values and the role of the mass media than it does about the unemployed people themselves. It should be noted that real or hidden unemployment is particularly high amongst young people who may indeed have a strong incentive to work illegally but who have relatively few opportunities, especially in the northern countries to do so. It is arguably of greater over-all value to society for young people to have the opportunity to explore for themselves certain shady areas of the labour market, since the work ethic may be as effectively instilled doing irregular work as doing formal, legal employment or engaging in government 'make-work' schemes.

## VI Intra and Inter Household Work Strategies

Work done by members of families for themselves and for other family members, whether in the same or different households, is growing in Europe. This may be some form of do-it-yourself or self-building of domestic dwellings or it may be based on the cultivation of a small plot of land. Many small business such as restaurants or small shops are based entirely on family labour and this is particularly common amongst immigrants. Wages are likely to be low or paid in kind, hours may be long and conditions of work bad, yet the incentive to work together to build a home or run a business may be very strong. Typically, men control the labour of women and children and attempts to police this activity may be resisted as unwarranted intrusions in traditional practices. Formal rules and regulations may be infringed but ideologies of appropriate family or gender behaviour may be strongly entrenched amongst minority groups. Hence any insensitive attempts to apply universalistic principles could lead to confrontation. Different principles of economic organization are in conflict and it is important that appropriate sociological and anthropological insight is available when dealing with these problems.

A number of EC countries have groups of travellers (or gypsies as they are sometimes derogatively labelled) who are perceived to have cultural values at odds with the host society. Over time a principle of peaceful coexistence has emerged in many contexts on the assumption that societies are rich enough to accommodate some diversity. Of course the question 'how much diversity?' remains. The whole question of inter cultural penetration and diversity is broader than the particular terms of reference that were provided for this programme of research. All we can do is to draw attention to the social construction of norms of economic behaviour amongst minority groups and to point out that one form of

economic behaviour - even when backed by the State - does not necessarily drive out another. Such issues raise complex questions about different forms of work and the social relations and cultural contexts in which they are embedded. Economists rarely devote much attention to these matters in Europe, although they may in parts of the third world. We believe it is necessary to point out that very little understanding of these matters is common amongst those developing economic policies and programmes in the Community. The unit of economic behaviour is seen to be the individual or the firm, not the household or the family.

Work that does not fit the economists' categories is designated as 'informal', 'self-provisioning' or whatever. Because it is not easily described it is overlooked or ignored. There are many indications that work in and for household members by household members will continue to increase towards 2000.

### In Conclusion

Posing the question 'Whose Problem?' makes it clear that research on the black economy in Europe cannot produce final value-free conclusions. There are interests that are in conflict and will remain in conflict. There is no way that 'better' legislation or policing could control all forms of irregular or informal work. Economic life is too complex and differentially culturally conditioned for simple economic models and assumptions to encompass it all.

Post-Fordist strategies of flexible manning and the growth of sub-contracting is likely to produce increasingly 'untidy' patterns of work in the next decade. Government statistics are likely to be less reliable indicators as the conventional categories become outdated. The re-classification of forms of work will pose problems for researchers and confusion for administrators and politicians. There is no single trajectory of convergence so that southern EC countries will become more

like the northern or vice versa. The 'Black Economy' is not, of course, a separate economy but is inextricably linked up with 'the economy' tout court. The formal economy is becoming more diversified so that variations between labour markets within countries are greater than variations between them. One of the most interesting conclusions to emerge from the current programme of work was the convergence of interests between sociologists and economists working on labour markets and those working on informal work and the black economy.

Thus there is no possibility that a final account of 'the' black economy in Europe can be produced. Rather than taking snapshots or reviewing 'the state of the art' at irregular intervals, it would be much more effective to maintain a modest monitoring exercise that would consider the changing pattern of all forms of work on a longitudinal basis. Analysis of process could be refined and patterns that are predicted could be checked for their adequacy and accuracy. Even if the impact of the 1992 single market is less than some people expect, it is certain that questions will be raised about its putative consequences that will require answers, even if only to confirm that the situation has not substantially changed. Social and economic processes that are evolving and changing over time cannot always be observed through the official statistics collected by member states. Some more regular sociologically informed monitoring, on however modest a scale, could have substantial long-term benefits. This programme of research has pointed up areas where our knowledge is good and revealed those areas and contexts where information is sparse. Some countries like France, Spain and Italy have good resources of quantitative and qualitative research studies. Other countries such as Greece, Portugal and Ireland have relatively little research. Some attempt to remedy these imbalances could be made by encouraging indigenous research and coordinating and monitoring the results.

TABLE 1

Proportion of multiple jobholders whose secondary jobs  
are in self-employment<sup>a</sup>

## Percentages

		Proportion of all multiple jobholders to total employment (1)	Proportion of those with second jobs in self- employments to all multiple jobholders (2)	Proportion of multiple jobholders with second jobs in self- employment to total employment (1) x (2)/100
Belgium	1979	2.1	43.6	0.9
Germany	1979	1.7	70.5	1.2
Ireland	1977	3.2	53.9	1.7
Italy	1979	2.0	43.4	0.9
Luxembourg	1977	3.6	26.5	1.0
Netherlands	1977	2.2	22.7	0.5
United Kingdom <sup>b</sup>	1985	3.3	33.4	1.1

a) Multiple jobholders are defined as those workers who have more than one job at the same time. Secondary jobs are distinguished from primary jobs by the length of hours worked, the amount of earnings or other factors.

b) Great Britain.

TABLE 2

## Distribution of non-agricultural self-employment by industry

## Percentages

		All non- agricultural industries	Mining and quarrying	Manufac- turing	Construc- tion	Wholesale and retail trade and restaurants and hotels	Transport, storage and communica- tion	Financing insurance, real estate and busi- ness services	Community- social and personal services
Belgium	1984	100.0	0.1	11.2	10.1	50.2	2.8	9.2	16.4
Denmark	1983	100.0	0.1	14.9	14.8	32.7	9.2	9.2	19.1
France <sup>a</sup>	1984	100.0	--	12.4	16.0	41.5	3.3	9.1	17.8
Germany	1984	100.0	--	21.5	7.3	29.3	4.2	2.2	35.5
Greece	1984	100.0	0.2	25.5	9.4	40.0	9.2	7.0	8.6
Ireland	1984	100.0	0.2	9.3	20.7	40.4	6.1	8.8	14.2
Italy	1980	100.0	--	17.9	12.6	48.9	4.7	1.3	14.0
Luxembourg	1983	100.0	1.0	6.9	9.9	57.4	3.0	5.9	12.9
Netherlands	1983	100.0	--	7.7	8.7	42.0	3.1	11.9	26.6
Portugal	1981	100.0	--	22.9	11.7	42.5	3.5	2.9	12.6
Spain	1984	100.0	0.2	16.2	12.8	50.4	9.7	3.1	7.6
United Kingdom <sup>b</sup>	1984	100.0	--	2.2	21.1	36.4	5.4	10.3	18.3
Unweighted average		100.0	--	14.2	13.4	37.4	6.7	7.9	19.3

a) Data include unpaid family workers.

b) Data may include some unpaid family workers

TABLE 3  
GROWTH OF SELF-EMPLOYMENT BY INDUSTRY  
Annual average growth rate in percentages

		All non- agricultural industries	Mining and quarrying	Manufac- turing	Construc- tion	Wholesale and retail trade and restaurants and hotels	sport, ge and unica- ion	Financing, insurance, real estate and bus- ness services	Community, social and personal services
Belgium	1973-82	-1.2	-6.1	-7.6	-0.6	-0.4	7.8	18.3	-0.8
Denmark	1973-83	1.2	5.2	-1.6	-1.2	0.1	0.1	4.6	4.5
France <sup>a</sup>	1973-84	-0.4	-	-1.8	0.5	-1.2	0.4	1.5	1.3
Germany	1973-84	0.3	-	-0.7	-1.4	-0.1	0.5	2.6	1.5
Greece	1981-84	-0.3	7.7	-0.3	-4.6	-0.1	3.7	3.3	5.0
Ireland	1979-84	1.0	-	-1.1	4.7	0.8	3.0	25.9	-0.4
Italy	1972-80	2.9	-	-3.7	8.2	4.7	0.8	-	-
Netherlands	1975-83	0.5	-	-3.0	-3.8	-0.9	3.6	5.9	5.2
Portugal	1979-81	2.4	-	-5.8	29.1	-1.0	4.4	29.0	10.8
Spain	1976-84	0.5	-7.9	-2.2	2.6	0.9	0.1	3.0	1.3
United Kingdom <sup>b</sup>	1973-83	1.3	0.4	4.5	-0.6	0.6	3.0	4.3	3.7

a) Data include unpaid family workers.

b) Data may include some unpaid family workers.

TABLE 4

## PROPORTION OF SELF-EMPLOYMENT TO CIVILIAN EMPLOYMENT WITHIN INDUSTRY

## Percentages

		All non- agricultural industries	Mining and quarrying	Manufac- turing	Construc- tion	Wholesale and retail trade and restaurants and hotels	Transport, storage and communica- tion	Financing, insurance, real estate and bus- ness services	Community, social and personal services
Belgium	1982	11.7	0.9	5.2	17.2	27.0	4.2	14.5	6.0
Denmark	1983	8.4	6.8	4.9	14.3	17.6	9.0	11.0	3.9
France <sup>a</sup>	1983	9.9	3.2	5.0	18.6	23.7	4.2	9.3	9.0
Germany	1984	8.2	0.2	4.8	8.8	17.7	5.5	5.4	9.1
Greece	1984	27.3	5.3	25.7	25.4	50.0	24.1	37.2	10.1
Ireland	1984	11.4	1.8	4.1	19.7	20.8	8.9	11.5	5.5
Italy	1983	20.6	-	11.0	20.7	43.1	13.8	8.4	11.3
Luxembourg	1983	7.3	0.6	4.5	7.7	19.2	3.2	5.0	3.4
Netherlands	1983	4.9	-	2.6	7.6	17.2	3.2	9.3	5.1
Portugal	1982	11.1	-	7.2	9.8	27.8	7.7	10.8	5.6
Spain	1980	16.3	6.7	10.9	18.5	33.9	19.1	12.6	6.7
United Kingdom <sup>b</sup>	1984	9.6	-	3.3	32.3	16.4	8.4	10.8	5.9
Unweighted average		10.7	-	6.5	16.2	21.7	9.6	12.2	6.7

a) Data include unpaid family workers.

b) Data may include some unpaid family workers.

TABLE 5

## DISTRIBUTION OF NON-AGRICULTURAL SELF-EMPLOYMENT BY OCCUPATION

Percentages

		All non- agricultural occupations	Professional, technical, and related workers	Administrative and managerial workers	Clerical and related workers	Sales workers	Service workers	Production and related workers, transport equipment operators and labourers
Belgium	1977	100.00	14.1	8.8	-	45.3	6.8	25.0
France	1975	100.00	19.6	8.0	0.4	30.1	11.2	30.7
Germany	1982	100.00	19.7	12.0	2.4	28.4	13.3	24.2
Ireland	1984	100.00	14.1	1.1	0.3	33.3	15.6	35.6
Luxembourg	1981	100.00	16.4	-	-	41.4	23.0	19.3
Netherlands	1983	100.00	24.5	7.5	1.2	34.9	13.4	18.5
Portugal	1982	100.00	5.9	8.2	0.6	40.3	6.5	38.6
Spain	1984	100.00	6.6	5.8	-	32.7	13.9	41.0
United Kingdom	1984	100.00	18.2	33.6	3.1	5.6	4.5	35.0



PROGRAM FOR RESEARCH AND ACTIONS ON THE DEVELOPMENT OF THE  
LABOUR MARKET

FINAL REPORT

\* \* \*

UNDERGROUND ECONOMY AND IRREGULAR FORMS OF EMPLOYMENT  
(TRAVAIL AU NOIR):

THE CASE OF ITALY

by:  
Enzo MINGIONE  
(University of Messina, Sicily)

For:  
The Commission for  
European Communities  
DG V/A/1

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## O. Introduction

The following qualitative monographs have been elaborated in order to give at least a preliminary approximate impression of the variety of irregular forms of employment in Italy. Those not signed by a different author have been written by myself in collaboration with Daniela Dalle Fusine and Stefano Cofini.

The three monographs on moonlighting refer mainly to the results of a vast research program on multiple employment undertaken in the early eighties under the general direction of Luciano Gallino of the University of Turin and under the auspices of the Italian Council for the Social Sciences. This research program has produced the following seven books published by Il Mulino of Bologna (only short titles are given here):

Gallino L., ed., Occupati e bioccupati, (Turin)

Barsotti O. & Podestà L., eds., Segmentazione del mercato del lavoro e doppia occupazione, (Pisa)

Ragone G., ed., Economia in trasformazione e doppio lavoro, (Caserta)

Reyneri E., ed., Doppio lavoro e città meridionale, (Catania)

Paci M., ed., Stato, mercato, occupazione, (Ancona)

Chiarello F., Sistema economico, bisogni sociali e occupazione, (Bari)

Gallino L., ed., Il lavoro e il suo doppio, (Final synthesis report).

The others are predominantly based on personal research and study or on short ad hoc short qualitative investigations.

## 1. The Moonlighter in the Centre-North

In the Centre-North the pattern of production is highly differentiated with areas of diffuse and intensive industrialization and urban economies based mainly on services. In both cases the figure of the moonlighter cuts across all sectors and activities, whereas the types and intensity of moonlighting vary. Moonlighters hold down their main job in both large and small-scale industry, in the state sector and in commerce and services. It has been estimated that 20% of all employees engage in moonlighting.

On average, the second job increases the annual number of working hours by at least one third, and is a stable and lasting occupation. With it a worker can boost his income by 50% of his regular wage. A factor common to all moonlighter is that they benefit from a system of economic, welfare and trade-union guarantees; this may even be considered a structural feature of moonlighting. By this we mean that only those workers are in demand who are already covered by the protective system of the welfare state; consequently moonlighters do not compete with the unemployed.

In general, the demand for and supply of moonlighting labour is of the skilled kind. On the demand side, firms turn to moonlighters because they satisfy the need for flexibility, low cost and reliability, which is especially the case with skilled workers.

The branches of industry which make use of moonlighters are predominantly engineering, textiles, building and all those activities affected by the decentralization of production. Indeed, in manufacturing opportunities for moonlighting are mostly created by decentralization. The implication is that moonlighting in manufacturing is a relatively recent phenomenon and is chiefly concentrated in the North in the old industrialized zones. Here, moonlighting plays an essential role in making it possible for small enterprises linked to the process of decentralization to acquire a high degree of flexibility and professionalism at a low cost. In this perspective, the workers most sought after are those with skills.

In the tertiary sector, firms mostly use moonlighters to cover their requirement for low-skilled labour, given that they generally turn to the regular market to fill skilled jobs. This situation results from the growth in services and is particularly intense in the cities, while being less apparent in more highly industrialized zones.

The demand coming from families, on the other hand, is based principally on the need for services at a low cost and to meet needs that cannot be satisfied in any other way. In peripheral areas this type of demand sometimes arises because the required services are not adequately supplied by the state. So, on the one hand, there is a demand for highly qualified non-manual labour (doctors, teachers, legal and tax advisors, etc.) and on the other for skilled manual workers (electricians, plumbers, etc.). On the whole, the market for moonlighting is shared equally by families and firms.

With regard to the supply side, the principal motive for moonlighting is economic and these workers exploit the professional capacity of their main job or skills acquired in previous occupations. The moonlighter is predominantly male, at the peak of his working life and has a family with children. Despite its being an irregular and non-protected activity, moonlighting provides stable opportunities since it offers services required by the market at a suitable quality-price ratio.

Moonlighting in the Centre-North can be divided schematically into four standard types.

- non manual skilled labour by the head of a family (often his wife works as well) usually involving a professional service;

- the skilled manual labour of technicians and workers who exploit the skill of their first in their second job. In this case, too, the moonlighter is the head of a family and often has a working wife. They are not engaged in any entrepreneurial activity;

- manual work with some degree of skill supplied to families. This kind of moonlighter is male and his wife is generally a housewife (workers undertaking small-scale repair jobs in the home not on an entrepreneurial basis);

-unskilled labour supplied equally to small firms, families and shops by the heads of traditionally extended families, in which more than one member is working.

Research undertaken shows that these four types of moonlighters have the same incidence in the large industrial cities of the North, while the peripheral economies make more use of the self-employed and manual services to families.

## 2. The Moonlighter in the South

Investigations carried out in different parts of Italy have highlighted the strong correlation between the economic structure and the type of moonlighting engaged in. Therefore, it is necessary to state at the outset that in the South there are areas of recent but vigorous industrialization, areas with little industrialization and a well developed public sector and, lastly, areas in which the difficult development of the industry exists side by side with a large share of employment in agriculture and the public sector. The situations in the industrialized areas are like those in the North.

In the others, however, particular features may be noted, which we will use to roughly sketch the figure of the moonlighter in the South. He lives in an area with little industry where regular guaranteed jobs are mostly in the public sector. In the South also, the moonlighter has a regular job with all the guarantees and possesses occupational skills in great demand. For this reason, he is high up in the hierarchy of blue and white-collar employment.

In those areas with no industrialization 70% of main jobs are in the public sector and are equally distributed between manual and non-manual activities. The clearly predominant occupational figure is that of the teacher. Teachers account for more than one quarter of all moonlighters. Other categories are engine-drivers and drivers, public employees, caretakers and janitors, doctors and nurses.

Moonlighting jobs continue without interruption and are in the overwhelming majority of cases of a self-employed kind and supplied for many years. Moonlighters exploit the flexibility in working hours and possibility of managing independently the workload in their main jobs. In other words, moonlighting leads to a 'controlled absenteeism' which arouses no reaction on the part of superiors or colleagues.

A condition which is just as important in making moonlighting possible is the supply of entrepreneurial experience and skills in demand by the market. The second job often generates micro-entrepreneurial initiatives (professional practices, craft workshops, private clinics, commercial undertakings, etc.).

The abilities exploited in the second job have either been acquired in previous occupations or belong to the main

job. This is true predominantly for the self-employed, while there are cases of wage workers who moonlight in activities unconnected with their main job. The closest fit between first and second occupations occurs with doctors, engineering workers, bricklayers and carpenters. Other occupations, including teaching, reveal considerable differences between the first and second job. It frequently happens that a teacher of technical subjects engages in secondary activities of a professional kind.

Second jobs are undertaken above all in the tertiary sector, in commerce and in teaching and health services; nevertheless they are also present in building, traditional manufacturing and agriculture.

The demand for moonlighters comes from families and firms. Working for more than one firm is less frequent than a privileged relationship with a single client. The self-employed are often 'entrepreneurs' with their own organization who supply their professional skills to firms (public accountants, tax consultants, etc.) or to families (doctors). Skilled manual workers generally do have their own organization and moonlight mainly for families (plumbers, electricians, aerial fitters, etc.). Furthermore, in almost all cases moonlighters are middle-aged and married with a family of 3-4 dependents.

An important motive for engaging in moonlighting is the economic one, especially where the demand for the weaker groups of workers (young people and women) is particularly low, that is, where rates of growth are lowest. In such cases the economic pressure on the head of the family is very great. A not insignificant factor, however, for certain professional groups is the motive of personal satisfaction, which is much more the case here than in the North.

The characteristics of the moonlighter summarized above highlight the fact that the income from the second job does not so much serve to alleviate grave economic distress. Instead it serves to integrate middle-high social and economic positions and produces a relative privilege over other employed groups.

Given that the rate of youth unemployment is high, even among those with diplomas or degrees, we cannot but emphasize that the need to supplement family incomes reduces in practice opportunities for the younger generation to join the labour market. However, the fact that moonlighters and the unemployed are not in competition with one another also applies in the South.

A particular figure found in some areas of the South is that of the worker-peasant; tied to certain contexts still agricultural in nature he is characterized by the following:

- a complete lack of connection between the abilities required in the first and second jobs;
- an economic motive for moonlighting alongside self-consumption in a subsistence economy;
- a high level of integration in the locality, community and family structure.

In some cases the relation between agriculture and industry gives rise to forms of underemployment and moonlighting dealt with in another report.

### 3. The casual moonlighter

From a structural point of view, there is no substantial difference between a casual and a permanent moonlighter. The economic basis and social motives are the same, and their activities take place in the same sectors and areas of the country. This observation, however, must be evaluated in terms of three conditions:

- is the casual nature of the work determined by the type of demand?
- is it a conscious choice on the part of the moonlighter?
- does it arise from factors such as the seasonal nature of the work or drawing on the state redundancy fund?

In cases where the lack of continuity is a choice of the firm, the moonlighter is constantly on offer and his use depends on the economic cycle, that is, on the requirements of production and services. Thus firms use moonlighters only when they really need them, as a flexible element in production and a temporary stopgap in periods of overproduction. Thus it can be asserted that moonlighting by these workers indicates an upturn in the economy and the imminent creation of new jobs. This kind of moonlighter is clearly a less skilled worker and they work on a casual basis because they are unable to find a permanent second job. Moonlighters who undertake services for families are as a rule excluded from this category, which comprises above all

housewives and pensioners.

A more specific and interesting type of casual moonlighting is that depending on the moonlighter's conscious choice, that is, when he decides to offer his services on an occasional basis. Here there are four main significant cases: - a highly skilled worker offers his services at a very high price and only accepts very remunerative work; he is able to do so because of his strong, in some respect dominant, position on the labour market; - the worker who wishes to change jobs and goes through a kind of trial period in his new activity, whether as a wage-worker or self-employed; - the worker who does not normally moonlight, but needs money for specific contingencies; - lastly, there is the case of the worker who engages in moonlighting in order to help his family or a relation.

The first case is typical of the more highly skilled workers, who offer their services to both families and firms.

A 'trial' period prior to changing jobs is especially frequent among the self-employed. They engage in a specialized activity outside normal working hours to see how the market responds; for example, a public accountant starts to keep the books for a small enterprise to see whether there is a possibility of opening his own office, etc. This kind of transition also involves some wage workers. However, these forms of temporary activity are not socially stable and here moonlighting loses its specific social and economic characteristics. What we are basically dealing with are situations of adjustment; there are always a number of workers in this condition, but they are always different persons.

Temporary needs lead to moonlighting. In this case, those involved are not necessarily skilled; in fact, most of the work is of a marginal kind, 'anything that can be picked up'. Moreover, there is no matching of acquired skills with types of moonlighting jobs. Here too, there are a considerable number of housewives and blue-collar workers. Their clients are mainly families and the work is chiefly in services (maintenance, transport, housework, etc.). Help from family members is another important source of casual moonlighting and takes place in craft trades, building (also in conjunction with self-help building) and commerce. The type of work is in the overwhelming majority of cases unskilled and is undertaken occasionally or, more frequently, seasonally: at Christmas in commerce, during the dry season

in building, and in July and August in tourism, etc.

The last sources of casual moonlighting are the state redundancy fund and seasonal activities. The latter correspond to the above-mentioned help by family members, with the difference that the work is supplied to third-parties; the times, methods and sectors involved are the same. The number of these kinds of moonlighters is very high, above all in tourism and seasonal activities. A characteristic common to all sectors and areas is the low skill content and precarious nature of the work.

Lastly, a phenomenon of great quantitative and social importance is represented by those workers benefiting from the state redundancy fund who undertake casual jobs. In reality, where firms are involved in a long-running crisis, moonlighting becomes a normal phenomenon based on the guarantees offered by the first job, while the whole of a workers's time is dedicated to his second job. The most numerous group are workers at all the various skill levels. The phenomenon affects across the board all sectors and every area of the country. In some zones with many firms in crisis, there exists in practice a second parallel labour market, which means a real reduction in the number of job opportunities. The use of this kind of labour is particularly intense in sectors subject to less control by society, that is, craft production and building and, of course, services to families.

#### 4. Irregular industrial labour linked to chains of subcontracting in the Centre-North.

The locality for this segment of the labour market is the advanced industrial zone. By this are meant those highly industrialized areas characterized by a strong concentration of activities providing a reduced amount of added value and tending to become less competitive.

A typical case is that of zones centered on textiles and clothing. Owing their growth to the low cost of labour, now that this competitive factor no longer exists, they manage to maintain a modest income by the use of irregular labour to keep costs down. Besides textiles and clothing the use of subcontracting has developed in traditional engineering and, above all, in small-scale carpentry.

None the less, even if in less typical forms, irregular labour is present in all sectors in which it is possible to separate production processes or hire out certain tasks. Consequently, building maintenance and transport show a high incidence of irregular labour. In these cases, however, there is no concentration within given areas.

Geographically speaking, irregular work is widespread in all the northern part of Italy, but concentrated in the older industrialized areas where economic and social integration is at a high level. From an economic perspective, it is simple to use and is part of the process by which leading firms progressively decentralise less profitable productive activities to outsiders. The end links to this chain of production are usually microfirms which have recourse to irregular labour in order to make ends meet. Normally, therefore, it is not the direct employer who benefits from the lower cost of irregular labour, but the large enterprise at the top end of the chain.

Given that the activities providing greater added value are usually those which are closer to the end market, and often those of a commercial nature, the irregular work done in outside firms usually concerns the initial processes of production. In textiles and clothing the leader firm keeps for itself the activities of quality enhancement, styling and marketing; in engineering those involving assembly and incorporation of technologically advanced components.

This allows us a better understanding of the concept of 'mature industry'. This does not necessarily apply to a whole sector as much as to particular processes making up the productive cycle. The fashion industry is in itself neither at a 'mature' stage nor of a low added value kind and the same can be said for large parts of engineering. The result is that this type of irregular labour is in most cases of the low-skilled kind and concentrated in craft firms.

The irregular nature of this work is not comprised essentially of clandestine labour (though this does exist) but arises, rather, through a partial non-application of several regulations concerning employment. For adult workers this means first of all the non-payment of overtime, extra unrecorded payments, and a number of working hours not stated in the contract. Besides all of this, there are also in the case of young workers fictitious contractual wages. As a consequence, the worker surrenders a portion of his wage to the employer who thus enjoys a further undeclared income, which often makes up a considerable part of his total

earnings. Workers accept this situation just so that they can work. In fact in the older industrial zones there has been a high rate of job loss in general and in the larger concerns in particular. As a result, there is widespread fear of losing one's job, which due to the low average level of qualification means leaving the job market for good. If this economic motive is added to the situation in geographical terms (the concerns in question are often concentrated in the valleys of the North and, at any rate, in zones with a high level of social integration) it is easy to understand why the system of subcontracting is protected by a conspiracy of silence. In this way the system preserves itself and its reproduction is guaranteed by parents who introduce their children into the mechanism so that they are guaranteed work. They show little desire for their children to study which would prevent them taking up a job at the earliest moment possible. It is a fact that an adult worker with family dependents finds it objectively difficult to enter the sphere of irregular work.

Therefore, more than the earnings the main motive is obtaining employment. This is also true because in these industrial zones average family income is, as a rule, satisfactory; all the members of the family manage to work either on a regular or irregular basis.

The aspiration of the more highly skilled among these partially irregular workers is to get a foothold in the system of subcontracting, that is, to become independent. They are often successful in this in as much as the strategy of each entrepreneur within this system is to have as many firms as possible upstream onto which he can offload his costs, thereby reproducing the mechanism by which production is decentralised. Moreover, the employers themselves often offer their employees the opportunity to set up their own firm, giving them financial assistance, or more frequently, selling them old machinery at a cheap price.

In effect, the outcome to which this situation tends is the subcontracting of labour and in many 'mature' industrial zones this is already a common practice. Neither is it a coincidence that several old industrial zones equal, and in some cases surpass, the innovative areas for the number of new firms set up. However, this is inevitably a sign of further decline rather than of growth.

It is clearly difficult to extend the control over this segment of the labour market due to its characteristic conspiracy of silence. The effects of a stricter regulation

would be very negative for employment, since they would spread along the entire chain of decentralization as far as the leader firm.

##### 5. Irregular work linked to chains of subcontracting in the South.

(by Rosaria Faucello, Progetto Meridione, Messina)

Two mechanisms characterise subcontracting in the South of Italy; the first involves both products for export and products for internal consumption, whilst the second mechanism treats the manufacture of machine tools. However, both mechanisms can be seen as expressions of the same logic that is, as divisions of the productive process itself.

As far as the sub-contracting of finished products is concerned, the various contracts are "farmed out" to several different workshops, each of which individually and autonomously acquires the necessary machinery for production, as well as finding and funding the labour. A part of the labour-force in these workshops will receive a work contract which is strictly in accord with Italian law, and each of these workers will enjoy at least the minimum guarantees of the contract, together with the benefits of social security payments made on their behalf by the employer; this enables the employers to justify (for tax reasons) certain outgoing payments. A second group of workers are what is called locally "black market workers": that is, they have no contract, and in consequence no statutory rights; their employer does not inform the authorities that the worker is in fact working, and in consequence the employer does not pay any social security contributions, taxes etc in respect of these workers.

The percentage of these "black-market workers" has gone down in South Italy in recent years, partly because new laws have reduced the tax burden on employers, and partly because of the introduction of "training contracts" which permit wages below the national category minimums to be paid for up to 2 years, if there is a significant component of training of the worker. Nevertheless, there remains a number of workers who receive an economic treatment which is in line with the legal constraints, but who prefer not to be contracted according to

the law, so as not to lose seniority in the waiting-lists at the Labour Exchange, as they hope sooner or later to receive a work contract as a State employee. A further group prefers not to be contracted legally; this activity is for them secondary, as they have other work.

The central issue is to establish whether or not these processes can be considered to constitute an expansion of on the part of the sub-contracting companies in the districts they are situated in.

The problem associated with this type of subcontract are manifold and are related to the process of production.

For example, in some cases, raw materials are supplied in a semifinished state by the sub-contracting company itself (which, for convenience, we shall call the "mother company" from hereon); this occurs so as to guarantee uniformity of production, the mother company receiving back the finished product. In yet other cases, the mother company furnishes the unworked raw material together with a production specification, and all the phases of production are carried out entirely outside the mother company.

Furthermore, as far as the relationship between the contracting and the contracted companies are concerned, the manufacturing company is rarely concerned in the distribution of the finished product, in so far as the mother company usually has its own well-developed and defined commercial structure, and so looks after all aspects of the commercialisation of the end product.

At this point, it is necessary to underline that quality control is the principal problem in any production system which relies on sub-contracting. Since, clearly, the actual manufacturing is divided among different production units, it follows that accurate and reliable quality control is necessary so as to obviate the possibility of different qualities of the same article simply because made in differing workshops. Unfortunately, however, the same article (for example mechanical tools, or packages of textiles) may sometimes be affected by this division of production. This does not happen when the production cycle is carried out wholly in one single productive unit. At the same time even increasing levels of specialization in the productive process permit continually higher qualitative standards to be reached and the complete control of the cycle means that it is possible to intervene with convections in sufficiently good time.

The production of single parts however has different

implications. This type of production usually occurs in establishments which specialize in single phases of the production and which succeed in obtaining high qualitative standards; though these remains a basic problem, that is the synchronization of the time taken to produce the single pieces and of the final assembly of the parts into the finished product.

As regards the individual productive units, the people most likely to take out these forms of subcontract very often consist of family nuclei, which are extended to include other entities extraneous to the family, often consisting of emigrants who have returned from working abroad in the same sector of production; sometimes they are approaching the world of production for the first time and for this reason do not succeed very easily in coming up to production standards. These productive units, or more exactly workshops, are often situated in the most important towns of a province, whether on account of the number of inhabitants or on account of the infrastructure (motorway exits, etc.) rather than in the provincial capital or even cities in the interior or in the mountains. Another of the characteristic of this form of production contract is that the individuals concerned are able to scrape together a sufficient or nearly sufficient income, in contrast to what happened in the past when "black market" work was in every way penalized in economic terms.

For example signora Franca (who has worked for 20 years abroad in the same sector of production) has organized a specialized workshops in one of the final phases of production, receives the help of her older children and at weekends that of her husband who usually work as a mason, but who uses some of his free time off work helping with the maintenance or construction of the tools necessary for his wife's work. About six women are engaged in the work, four of them young and unmarried and two of them middle-aged. They may be required to work even on public holidays, their wages amounting to around 500/600 thousand lira per month; for work done outside working hours or on public holidays they are paid according to how much they produce.

Signora Pina, who worked for 14 years abroad in a chemicals factory, on returning to Italy, helped her husband (a former mason who had emigrated abroad) to organize the running of a workshop in the ground floor of their house. For about two years she helped her husband to instruct the girls in the various phases of production, finally taking over direct management of the workshop, leaving her husband to deal with

the commercial contacts with the exterior and the acquisition and maintenance of the machines. About ten women work in the workshop, almost all of them young and unmarried, their wages coming to around 550 thousand lira per month. They work eight hours a day for five days a week and sometimes work on Saturday mornings, but rarely do overtime.

One point that signora Pina's business has in common with that of signora Franca is their income, which comes to around two million lira per month, excluding the expenses incurred by the business itself and excluding the contribution paid to cover insurance for the people regularly employed.

Another point in common is that they both returned to Italy to enable their children to study and to permit them to find a less strenuous form of work than the work they were given as emigrants (being of the persuasion, perhaps not incorrectly, that the son of an emigrant tile-maker abroad can be nothing other than a tile maker himself), even though they may have been aware that it would have been easier at that time for their children to find work abroad than in Italy.

There are other emigrants who have returned, this time from the cities of Northern Italy, moving back to their village of origin or to another one nearby because they were tired of working in factories, or wished to spend their retirement in places more familiar to them, or because they were worried about their children's future in a large city which might well have offered work but also offered many temptations and dangers. This is the case of signor Giuseppe who after having lived for 20 years in Turin, working first in a factory and then working for himself as a carpenter, started up a new and completely different business, employing his wife, his two oldest daughters and a group of six girls including nieces and daughters of acquaintances. He bought part of the machinery indispensable for production and received some of it on loan or hired it from his contracting company.

Almost all the girls working in the workshop are legally employed, receiving the minimum wage agreed by the trade unions, and work eight hours per day except on Saturdays. Their salary amounts to around 500/600 thousand lira per month. If they do overtime, they are paid according to their output.

Even though these workshops are located in different places, and are distant from each other, there have been exchange of information between them about possible local contractors,

about the various phases of the manufacturing process, even to the point of arranging exchanges or loans of machinery and spare parts (unable to be found quickly in a particular locality). Thus they are able to alter their production in rapid response to the changing demands of the contract company or of the market.

#### 6. Hidden family labour within diffused industrialization

The object of our attention is not the help provided by family members in craft or commercial activities which, although irregular in terms of 'regulations concerning relations of work, aim to increase the family firm's income. What we are interested in is the work carried out in the family for outside clients, which often takes on the features of any normal job.

This kind of work is the 'most irregular and speculative' end result of the decentralization of production, dealt with in the observations on industrial work linked to chains of subcontracting. It differs from the latter, however, both in the main sectors concerned and, partly, with regard to the geographical areas and social figures involved.

In geographical terms, we do not necessarily have concentration within sectors and economic-social integration. Hidden family labour is also present in metropolitan and urban contexts; it can easily come into being in any place where there is a sufficient level of industrialization and, consequently, there is a need for complementary or marginal services or processes of production. In addition to the typical form which appears in industrialized zones, there are analogous forms in areas that may be backward, but are characterized by a high concentration of commercial activities.

It is possible that this form of labour may appear in all sectors where highly intense labour is required for irregular fixed periods. Typical are the sector of small-scale assembly (electronics, engineering, toys, cheap jewellery) and that of artistic craftwork and 'processes that can be carried out in basements or workshops', for which a

single-function machine is sufficient.

Normally this kind of work does take place within a proper enterprise and from the welfare and tax viewpoint it is essentially clandestine. To be more exact, it is semi-regular in only some sectors where industrial work is done in the home (in textiles and clothing) or in the case of craft family firms engaged in heavier manufacturing processes (engineering and plastics); these latter activities are more easy for the tax authorities to identify.

It is usually the case that one member of the family carries out a standard average amount of work; this is always the wife for textiles and clothing, small-scale assembly, cheap jewellery and copying and secretarial jobs, and the husband for engineering, plastics and small-scale maintenance. When there is a peak of work, the whole family helps and it is in such moments that the irregularity of the work is at its greatest. These situations are very frequent in as much as the client employer has no economies of scale and tends to set the remuneration as low as possible. Therefore the workers continually ask for more work in order to boost their income.

The average earnings for the hours worked tend to decrease marginally. Thus we are dealing with pure subcontract work or the direct selling of piece-work. As in all cases of piece-work, it is in the employers's interest to be able to meet peaks of demand without making further investment and to reduce unit costs by lowering piece-rates in real terms. This is achieved by constantly increasing productivity or the number of hours worked.

As this work is predominantly clandestine, there is also a need further upstream for incomes beyond the control of the tax authorities. The implications is that the sectors involved are also marginal or very close to the consumer markets, where it is easier to sell without an invoice and build up the required reserve of undeclared earnings.

A further factor differentiating this kind of work from the chains of subcontracting is motivation. Here it is purely economic and the work is concentrated among the poorest and least skilled pockets of the population. The greatest concentration is among recent immigrants, at present those coming from Africa or the Far East.

For the other low-income segments of society, this irregular form of work is often integrated by legal employment of at least one member of the family. Among other things, this guarantees that there is access to all parts of

the welfare system. In this sense irregular family labour intersects with moonlighting.

Career prospects are non-existent; there is almost no possibility of setting up a company; and the levels of social integration are minimal. Often this family activity, whether principal or secondary, is even kept a secret. There is an obvious social reason for this: people do not like to admit that they have such a marginal role. There is also, however, an economic reason: the fact that no skill is required means that workers are easily replaced, with the constant risk of being excluded from the system. In any case, this kind of work is completely precarious; the fact that clients/employers blackmail their workers is inherent in this type of working relationship. This is so despite the sustained demand for these workers given the low cost of their labour.

Those involved in this kind of activity live in constant hope of escaping such an existence and are continually searching for a regular and socially more acceptable job. However, where they do manage to find one, there is a tendency to maintain the hidden family work in order to supplement their income or pass the work onto other family members or friends. In this way the mechanism is automatically kept going and reproduces itself.

The entire phenomenon of moonlighting is closely tied to the family structure, but in this specific case the role of the family is essential. Hidden family work forms a basis and tends to preserve the traditional type of family. The demand for this kind of work is, therefore, concentrated in those families in which patriarchal relations are present or predominant.

## 7. Casual informal work by young people in metropolitan areas

Demand for this group of young workers is determined by the growth in commercial services and by the preservation and even increase of a large number of low-skilled jobs. This is unlike the situation in industry, also on a craft basis, where there is a constantly rising need for a more highly qualified workforce.

With regard to the supply side, the young casual worker has in common with other young people the fact that he is

dependent on his original family. The result is that work loses the significance as a path to independence and participation in adult life which it had for his parents. Neither has he any particular expectations of, plans for or money to invest in a specific activity. It serves merely as a means to earn money while awaiting something better.

Moreover, remuneration is evaluated subjectively according to the needs that it satisfies (to run a car or moped; for clothing; going out with friends). It is almost never related to the social usefulness of the work undertaken, the effort put into it, or the risk involved.

The main types of casual young workers in cities are:

- students, often at university, who do a job for a modest income for a few hours a day or days per month;
- eighteen-year-olds who, having finished school and waiting to find a 'proper' job or to do military service, take on any kind of work so as to have a bit of money;
- very young persons who possess only a middle school certificate, often unsuccessful at school, and are often told to find a job by their families, but who have great difficulty introducing themselves onto the regular job market.

The incidence of these young workers is practically impossible to establish. Consider the fact that, in as far as educational qualifications are indicative, throughout the 1980s the workforce between the ages of 14 and 29 has been just above 7 million. More than half of these have only a middle school certificate. The growing number of enrolments in high school, which confirms a spontaneous raising of the school-leaving age (continually postponed at official levels) is met by high rates of failure, mostly concentrated in the first two-year period.

The types of work undertaken are of many various kinds. But they have in common the low level of skill, the precarious nature, and the impossibility of learning a trade or starting a career. In commerce, for example, there is the door-to-door selling of products for the home (plastic bags, plasters, deodorants) interviewing leading to a sale (the latter is often entrusted to a different person with more experience who arrives by date; this is especially the case for electrical household goods, linen, books) the simple handing out of advertising or promotional material. Often economic success depends on the nature of the young person, who invariably starts off by saying: "I'm a student,..."

Still within commerce, a traditional opening in informal

work for very young persons in the figure of the 'shop-boy' has narrowed for a series of reasons;

- greater controls over the workforce have gradually almost entirely eliminated house delivery;
- in some areas (bars, restaurants, hotels) which in certain localities still have a seasonal demand, the importance attached to the service to the customer, increasingly attentive and demanding, makes it more convenient to use partially trained personnel (for example, from the Centres and Schools for Occupational Training) or, at any rate, experienced workers;

Furthermore, in the metropolitan areas several jobs involving hard work (dishwasher, kitchen helps, cleaners) are increasingly the preserve of coloured immigrants.

In other contexts, too, in which a young person traditionally learnt a trade on the spot (hairdressers, beauticians, general shop-assistants) a overall improvement in the services offered has led to a greater stability in the workforce and the use of those from the Professional Training Schools. Lastly, the entire branch of commerce has felt the effects of a notable expansion. The number of clients served by a single enterprise is often limited, to the extent that the labour of the owners is sufficient (often these are family enterprises).

The sector which at present uses the casual labour of young workers most is that of services to persons and, occasionally, to firms. Within this very wide sector there are the pony express delivery boys, baby sitters, escorts, the young persons who queue up for certificates and tickets, those who make bookings, etc. They work for agencies, are paid by the hour or for each delivery, and decide when and how much they work. To use the words of one employer, they are 'self-employed' workers; the pony express delivery boys even own their means of transport.

Last of all, there are several casual jobs which are undertaken by young people that differ from those described so far. Such jobs have a quite definite professional content and often pave the way to permanent employment in a profession engaged in at first only on a casual basis. These are services of an intellectual or artistic nature, which are not second jobs merely because the young person is still studying. What we have here are:

- university students who give private lessons;
- students or graduates in graphic-artistic subjects who carry out portraits, photographs, designs for professional

studios;

- musicians working on a casual basis in pubs, night-clubs, etc.

It is undoubtedly difficult to bring the great variety of informal activities described under one category. Nevertheless, if we wish to look for characteristics common to all the activities listed, the first observation to make is that a considerable number of needs are met by this segment of labour, and the mass of money involved is mostly undeclared. Not only is it difficult for the tax authorities to check on this type of work, but other kinds of control are difficult, above all everything concerning the protection and health of young workers. On the other hand, the young workers themselves show almost no interest at all for anything which does not touch on remuneration alone, since they consider this kind of work as entirely temporary.

The possibility of these work experiences leading to more stable jobs in terms of a contract and professional content depends in reality more on the movements of the labour market than the attitude of the worker. For the more alienated stratum of young people the casual provision of services is not a transitory stage on the way to more satisfying jobs, but the only possibility of being able to work.

## 8. Young workers in innovative fields

This section of young workers, which is not yet very large, reveals several important new features, resulting from a different conception of work on the part of new generations. In practice this form of work takes on one of two legal forms: the co-operative or the micro-firm.

The sector in which these activities predominate is that of services, to persons and to firms:

- there are young people working in the field of informatics in small companies, which find it more convenient to use casual workers rather than hire new personnel;

- another particularly suitable area is that of free-time activities; groups of animators, mime artists, musicians entertain children and old people on special occasions (festivals, fairs, summer events in towns);

- groups which organize games at birthday parties;
- groups which devise audio-visual material for educational or promotional purposes;
- groups which organize trips and cultural exchanges;
- helpers in various areas of the social services (old people, the unemployed, persons in a phase of recovery).

Services are not, however, the only sector in which these new forms of youth work find expression. Co-operatives of young people, in some cases recovering from problems of drugs or social maladjustment, work in agricultural running farms or as craft co-ops making artistic products.

Another sector of activity is that involving the environment, ecology and alternative agriculture. Here we find young people engaged in maintaining or recuperating areas of the environment which are at risk or already damaged. A further sector is that connected with restructuring and renovating buildings. In many cases the client is a public body (town-hall, provincial assembly, schools, associations). These activities which are discontinuous and often carried out by young people who are still studying are, from a qualitative perspective, clearly distinct from, and in some cases the reverse of, casual work.

There is a strong motivation underlying the undertaking of such work, which also fits in well with their personal projects for the future. Young people generally attribute to these kinds of jobs two important functions: they are jobs that they 'like' to do and in which they can give expression to their own abilities in an independent manner. The elements of repetitiveness and compulsion, which are to be found in such work, appear irrelevant compared to the advantages from self-management and collaborating with a peer group.

The young people involved in these types of activities are almost exclusively graduates or holders of diplomas. In a few rare cases, they have gained considerable experience in a particular job, an experience which they have completed by themselves on a theoretical level. However, for this kind of work a notable level of knowledge is acquired outside of the official educational channels, which are seriously behind the time in certain fields (for instance, audiovisual aids). Therefore, this kind of work still maintains an element of amateur commitment which is so important for young people and very rare in other sectors and contractual relations.

Remuneration is important not only relative to young people's needs but also often, and above all, to the value and rarity of the service given. These young people are

constantly learning and updating themselves, which is often indispensable in order to stay in the market.

The frequent dependence on their original families is related to convenience, to fairly high spending habits on personal consumption which often absorbs a large part of their earnings, and to the general absence of conflict between generations, given that they live highly individualistic lives.

The interest shown in these services and the success they meet with is undoubtedly connected with a structural aspect of the labour market, and that concerning demand in particular: certain jobs are still rare. Nevertheless, it is improbable that a greater spread of these services will lead to changes in the relations of this kind of work and its organization.

Not only are the aspects of freedom in these jobs congenial to young people, they also fit in particularly with the need for flexibility and competitiveness expressed on the demand side. Consequently, rather than as an introduction to traditional forms of entrepreneurial activity, almost a sort of unusual apprenticeship in uncommon professions, these forms of activity may be seen as having a fair degree of stability.

In fact, as regards adults in some of these sectors, those wishing to return onto the market (women, long-term unemployed, etc.) choose the path of the co-operative or micro-firm.

## 9. Irregular homework in Naples (by Maria Liguori)

Irregular work, that is, with no guarantees in terms of contract and pay, unrecorded in official statistics and commonly known as 'black work', is very widespread in the Neapolitan area. Studies and research into the economy and labour market underline the growth and diversification of the phenomenon throughout the entire province in recent years. There exists a very varied range of atypical working situations that are highly irregular and precarious in nature, ranging from black work in small firms in traditional sectors, to casual work by university students, child labour and the second jobs of 'official' workers. At the centre lies

that work which is undertaken in the home for outside operators. The workers involved are almost exclusively females.

The phenomenon of homework is closely linked to the decentralization of entire stages of the production process in large firms which need to cut costs and reorganize production. This was especially the case in Italy during the 1970s. But it had already been quite widespread in the past in Naples as well. In March 1975, the Commission set up to inquire into homework estimated the number of homeworkers in the province of Naples at around 50,000, concentrated above all in the traditional sectors of footwear, clothing and leather goods. In footwear, for example, one of the traditional sectors which makes the greatest use of homework, it has been estimated that there is one homeworker for every four workers in a factory.

In the city of Naples and the region of Campania, the use of homework is a typical of organizing work by small and very small firms, which, as is well-known, are very backward in this area. Where the productive apparatus is weak and the small firm has a precarious and by no means dynamic structure, the use of labour tends to be very flexible, work relations are not governed by institutional arrangements and the level of exploitation is high, and the workers have very little or no bargaining power.

It is in this context that forms of labour with very little protection grow up and multiply. Such a situation is characterized by an abundant supply of low-cost labour and as a result of restructuring and economic crises, decentralization of production takes place from large concerns down to small and from small concerns down to small workshops and/or individual workers. This occurs in the footwear industry, where production is decentralized from a very limited number of slightly larger enterprises to small craft workshops and in turn from the latter to individual workers, in clothing (off-the-peg and leather garments) where in many cases the stitching is done in private homes, in leather goods, in particular gloves (now in crisis) and in handbags.

Homework is concentrated in some quarters of the city centre and in the periphery to the North. With urban development and the relocation of several firms from the centre to the outskirts, especially as regards footwear and leather goods, it has spread to the entire metropolitan area even as far as the boroughs around Vesuvius and the towns of Nola and Pomigliano, where the Alfa Sud factory is situated.

The old city centre has been in the past and is still today the prime site for homework due both to the presence of enterprises and middle-men, mainly concentrated in the sectors of footwear and clothing, and an abundant supply of on-the-spot labour resulting from the presence of low-income groups, high housing density and high unemployment. The closeness of an enterprise to the worker's dwelling and, furthermore, the existence of a network of social, friendship and family bonds between employer, middle-man and worker permit the working relation to be established, to persist and be reproduced, though in conditions clearly disadvantageous to the labour force. The latter, not officially included in the figures for the active population, is made up almost entirely of housewives engaged in producing shirts, shoes, flowers and bonbonnières, and in hemming and stitching. There are exceptions in some sectors like, for example, the working of coral for which some men are employed.

The age groups involved in homework vary greatly according to industry and district. In clothing and footwear, older traditional activities located in the city centre, there appear to be mostly middle-aged women, while in the most recently developed zones (for example, the urban belt and the Nolano district) the phenomenon involves above all young unmarried women who give this type of work up when they get married and have children. This picture is in line with the situation found in regular stable employment of female labour. Socialization at work takes place through the mother passing her work experience onto her daughter or between members of the same family group. The case in which work experience gained in the factory is brought into the home is not very frequent.

Wages are based on piece-work and tend to be low except in some activities requiring greater skill, like the production of top-quality shoes. They are very low in the making of artificial flowers or necklaces where many hours of labour and unpaid help (from sisters, children, etc) are required to obtain a decent daily wage (in the best cases still less than 20,000 lire). Moreover, the worker has to obtain a machine where necessary - usually not very advanced technologically - and pay for the electricity used, while the employer supplies the raw materials. This method of organizing work incurs no cost to the employer in terms of national insurance payments, which represents his biggest saving.

Unlike other situations where homework is better paid

and protected and decentralization has led to more dynamic growth, in the poorly developed areas or those with pronounced social and economic imbalances, as in the case of Naples, homework, like other forms of irregular labour, maintains strong features of backwardness. It takes place in conditions of maximum exploitation, even compared to other irregular jobs which are better paid and protected, and is not a first step towards self-employment and small-scale independent activities as occurs, for example, in the Centre-North. It does not appear to express any rigidity on the part of the labour supply with respect to factory work rhythms, given the fact that it is not "chosen" by the worker and is in many respects highly disadvantageous. But, above all, it reproduces and extends the very detrimental conditions, both in the work and social and cultural spheres, of what today, together with minors, represents the weakest category in the labour market: female workers.

#### 10. Precariously employed building workers in the South of Italy

In the South of Italy, precariously employed clandestine workers in the building industry still make up today the largest group of irregular workers outside the agricultural sector and account for a sizeable share of total employment. In the 1981 census the estimated number of precariously employed building workers was just under half a million. This figure represented more than half of all employees in building, much more than the number of workers in medium-size/large manufacturing industry and more than the number of white-collar workers in the public sector.

Today, however, the estimate for precarious employment in the building sector is more conservative. The reason for this is that during the 1970s the structure of the industry changed. The predominance of large-scale speculative building using clandestine labour on a permanent basis has given way to that of self-help building and small-scale commissioned jobs, especially renovation, villas and the illicit construction of second holiday homes. This more recent form of activity has given rise to a number of small firms which

were previously inexistent or hidden from view. At the same time, it has in many cases led to an increase in the casual, uncertain and irregular nature of the work. The workers in question are many tens of thousands of young males, Third-World immigrants and pensioners who undertake casual work on small sites or in self-help building. They account for a growing share of the jobs done by low-skilled precariously employed adults.

Between the second half of the 1950s and the start of the 1970s speculative building played a doubly significant role. First it acted as an intermediary stage in the emigration process; second, it represented the main urban sector which enable a great mass of male bread winners to survive with difficulty and without any hope of constructing a working career. This second aspect of building work has been gaining in importance as the opportunities for blue-collar jobs in Italy and Northern Europe have declined.

The precariously employed workers in building who have not emigrated make up at present the largest group in the lowest social stratum in urban Southern Italy. Where these workers are heads of large families and the main bread-winners, they exist in conditions of poverty. They are males aged between 30 and 50, mostly originating from peasant or agricultural labourers' families which emigrated to the towns in the 1950s and 1960s. Their wives are full-time housewives and their children often leave school without a school-leaving certificate in order to do juvenile jobs, the males in building and the females housework above all else.

Precariously employed building workers are officially registered as working on a site for one-three months a year. This allows them to receive the special unemployment benefit for building workers during the remaining months of the year. The amount they receive is insufficient to live on but higher than normal unemployment benefit. For another two or three months they work on the same sites on a clandestine basis. For the rest of the year they rely on casual labouring or fixed-period jobs in renovation work, repairs and self-help building, or in the illicit building of villas; or else they rely on casual work in peddling and services.

The constant supply of large numbers of precarious workers has an effect on the quality of work methods, production and organization in the building sector. In general, it promotes the persistence of highly intensive work processes using low-skilled labour and the polarization between large finance/real estate companies and small

building firms or individual semi-independent workers. A specific and complex system of subcontracting has spread which is based on the limited use of permanent regular labour and diverse forms of irregular, casual and fixed-period labour, the latter with no regular contract or relationship to the person who originally commissioned the work.

The more casual and intermittent precarious work in self-help building or on small sites which only remain open for a few weeks also involves a number of young males with little education in search of regular employment and coming from below average-income families. In many cases they are the sons of building labourers who introduce them to this kind of work. They start at 10-12 years of age helping their fathers on small casual jobs and occasionally, also on officially registered sites (frequent accidents at work reveal a large number of minors engaged in residential building in the South). When they reach 14, they register at the employment exchange; they are generally unable to find proper jobs given the abundance of adult labour in a sector with a steep decline in demand for 'formal' labour. They continue to learn the trade through casual work and some of them (few in number) manage to become semi-skilled and achieve more reliable and regular employment.

In this way the life cycle of these young men is accompanied by an unusual working career. From working juveniles or casual young workers they move on to employment that is at first irregular but lasting and then, in part, to a regular job for a small firm. For a limited number of fortunate ones there even exists the possibility of setting up as independent agents in specialized activities or finishing work (roofs, hydraulic and electrical systems, structural carpentry and so on).

#### 11. Where immigrants work and the kinds of jobs they do (by Enrico Pugliese, University of Naples)

In Italy, there are many hundreds of thousands of foreign immigrants from Third-World countries. In all probability they number close to a million, but existing estimates are by the nature of things very approximate.

Until last year (1987) the vast majority of Third-World immigrant workers were illegal. The law passed last year to

regulate the position of foreigners in Italy allows foreign workers and non-workers to apply for a residence permit. The percentage of workers having the right to apply for a permit who actually did so has possibly been relatively low. There are two reasons for this:

1. First of all, the working conditions of 'submerged' labour in several sectors (agriculture, processing of agricultural products, building, catering) are so poor and characterised by such a violation of contractual wage levels that employers are not willing to make known and official the existence of their wage workers.

2. Secondly, a large part of Third-World immigrant workers are street pedlars and the law does not provide for their regularisation in this capacity. In other words they cannot notify the authorities of their activity. So many end by registering as unemployed.

When entering into the specific details of the analysis, it is worthwhile to take account of the immigrants' nationality and above all the groups they belong to. Among male workers from the Third World the largest group is probably made up of self-employed workers, to all practical purposes pedlars. In fact, these pedlars are almost all males. They originate from countries of the Islamic religion, in particular Arab countries (in the first place Morocco) and Senegal. This particular group is important for various reasons:

a) it is quite impossible to survey their presence and contribution to the creation of income. Their work is clandestine by definition;

b) they may be the group which is most evenly spread around the country (without taking into account whether the areas in which they have settled are rural or urban) and are fairly evenly divided between North and South);

c) they are perhaps the most numerous single occupational group with the sole exception of maids.

The next group in terms of size and importance is that of female domestics. For the sake of precision, it must be pointed out that a certain percentage of these workers are males. But they are very small in number and limited to only a few ethnic groups. Maids are the category of immigrant workers who are by far most regularised. Not only were a high percentage of them already officially registered before the new law came into effect, but large numbers have benefited from the new regulations. It is peculiar to the Italian situation that these workers are not employed as day helps

paid by the hour but live in with their employers, who establish a very traditional type of relation with them. A factor indicating that this is the most regularized group is the large presence of women among registered workers and the above average presence of certain nationalities which typically provide maids.

The third group in terms of size is that of agricultural workers, once again predominantly male. Though also found in the North, they are mostly located in the regions of the South and in Latium. They are rarely workers on fixed wages. They are frequently used in harvesting. The labour market of which they are a part is under the total control of 'labour contractors' or 'charge hands'. It is highly unlikely that immigrants working as agricultural labourers are officially registered. It cannot be excluded that some of them also work as pedlars at certain times of the year. The majority of these workers are African, for the most part North-African.

In order to provide an estimate of the three different occupational groups of immigrants, we will hazard a guess at the following indicative figures: 200,000 for the first group; 150,000 for the second; 100,000 (or under) for the third. These groups are followed by others of less numerical importance. For instance, many immigrants work in building (but in the South they partially overlap with those working in agriculture). They tend also not to be officially registered. In the North, the presence of immigrants in building is growing in importance, but they are still less than the number of agricultural workers.

A more noticeable, but not necessarily more numerous, group consists of those who work in restaurants. They come from many different countries, even though the Africans predominate. They have a higher rate of regularization than agricultural workers, but a clearly lower rate than the maids.

Next we have a complex composite group made up of various races and nationalities employed in different activities and parts of the country. They are mostly employed in industry and repair shops. It is known that some of them work in the metallurgical and engineering industries (there is mention of Egyptians in Emilia-Romagna). Others (Ghanaians in Campania) work in small industrial or commercial enterprises, or in repair shops. Immigrant workers are often found in different parts of the country working as cleaners or porters. These are evidently wage workers, mostly male, who are generally unable to achieve a sufficient wage or

continuity of employment for their employers to think it worth regularizing them. Naturally, many of the workers in this group (above all those in the most precarious jobs) move from one activity to another.

With regard to their contribution to national income, it may be said that this is almost entirely submerged, given the low percentage of those who have been able to register as wage workers, with the exception of maids. The contribution to production from the self-employed is totally 'clandestine'.

## 12. Irregular work of young unemployed in Southern Italian cities.

(by Daniela Catanoso, Progetto Meridione, Messina)

The economic structure of the South and the traditional precariousness of the employment market has varied the level of the informal economy in the South.

In particular as regards unemployment among the young, it can be observed that, dividing them up according to their level of education, the problem for those who manage to complete their university studies consists above all in finding a stable, professional post; those who obtain their high school diploma are generally faced with the prospect of low level, underpaid employment (due to the sort of informal activity towards which they may/have to turn); for those who have abandoned compulsory education nothing remains but to seek temporary, underpaid work, especially in the building sector, or to turn to the ever growing illegal areas of employment. Young people engaged in university studies often take temporary part-time jobs to supplement the financial support they receive from their family.

In this way their period at university is generally prolonged and they enter the employment market, even if not continuously. Employers, given the temporary nature of such work (which must permit students to intensify their studies during exam periods) often tend to underpay them.

Sometimes the sector in which they seek/find work is the one they hope to go into in the future, when they have completed their degree.

Thus a young person reading Economics and Business Studies may seek to work in an accountant's office as a book-keeper

or, failing that, as a secretary; or someone working part-time for an insurance agency may hope subsequently to be offered regular employment. Otherwise young people may take jobs of brief duration which do not require any intellectual effort, but which are quite lucrative. I am referring, for example, to work as a hostess or as a model.

In general, the representatives themselves and/or managers of various clothes shops, including furriers', organize small fashion parades at the beginning of a new season in order to present samples of their stock to their customers. Fashion models may earn about 70,000 lira per day.

It is not difficult for this category of young person to find temporary employment which permits them to combine the roles of worker and of student, but the real difficulties arise after they graduate, i.e. when they seek to enter the employment market on a permanent basis and to find work in keeping with their qualifications and with their own wishes. Young people with secondary education have greater difficulty in finding work, even short term informal employment, both due to the excessive supply on the market and due to the remuneration which they are consequently offered.

Normally the pay for a specialized assistant in a pre-school kindergarden comes to around 100,000 lire per month for a six-hour working day; innumerable young "builder surveyors" and book-keepers work in private practices for long hours, even performing tasks for which they are over-qualified without being taken on regularly and without sufficient remuneration.

Even those who seek to find some "new" form of employment such as working as a publicity graphics designer, making use of their creative capacities, over and beyond their scholastic experience, find that they are faced with the same attitudes of "exploitation" on the part of their employers.

They generally manage to get in contact with the publicity agents through an advertisement in a newspaper. The agency has a direct relationship with the firms, shops and private customers who want a trade mark on advertising slot designed; the young graphics designers are contacted every so often and present the agency with a series of sketches which will be examined by the commissioning client. Once this choice has been made, the designer receives a reward which amounts to approximately a quarter of the sum paid by the client to the agency.

The section of young people who leave school early is the one which is penalized most heavily during their initial contact

with the official labour market. The majority of these young people undergo an experience of precarious, temporary employment, in different forms, for longer or shorter periods of time. Indeed it may be said that their contact with work comes mostly through these temporary and informal experiences. Sometimes, as they progress along their paths of employment, they manage to obtain regular work in the same sector, and at other times they are obliged to accept a non-guaranteed job as their definitive employment.

The broadest area of informal employment among males is provided by the building sector. At as early as the age of 10 or 11, children leave school and start to carry out temporary jobs in this sector as hodmen or carpenters, even if their conditions of work are unsafe and very poorly paid.

Often the workforce actually available on the marketplace for construction work tends to prefer to accept "unofficial" employment, both in the sense of illegal work (minors who leave school early) and in the sense of unregulated work, in such a way as to permit them to remain enrolled at the state employment agency. Indeed it can happen that a young person considers his situation during his first period of employment to be transitory, hoping thereafter to find a "guaranteed and stable job" (known as a "post"), and preferring meanwhile to remain an irregular worker. With the passing of time, however, the progression of these young people's careers tends to fall into a pattern of temporary employment, and alternance of various activities (from errand-boy to street-peddler) becomes extremely common.

The most "fortunate" ones commence their early work experience with their own father, who often works in building.

Thus, at first, they alternately go to school, and go to work during periods of greatest demand for manpower, later abandoning their studies and starting to work continuously in their father's business. It must be borne in mind however that this business is a family concern: it consists of the father plus the male children. Their situation is legalized on reaching the age of 14, but their pay packet is held back by their father who lets them have only a small sum for daily expenses.

The situation of theoretically regular contracts, which in practice are reduced to irregular employment, is often the case in informal activities. Small concerns resort fairly frequently to evasion of wage minimums and social security contributions, taking advantage of young people's need to

work. Having worked for eleven years in a mechanical workshop, a young southerner resigned after realising the exploitation he had been subject to. Not only was he receiving reduced wages, but in cases of illness he was not paid at all. After a prolonged absence (of about three months) on health grounds, he discovered by going to the firm's accountant that during all his years at work he should have been receiving higher wages because, unknown to himself, his position had been regularized: the "boss" had been holding back part of his pay every month.

For young women too, conditions of work and employment are far from satisfactory, generally consisting of work as maids by the hour, or in laundries, or as shop assistants, etc.

The small business which provide irregular work tend to take maximum advantage of the girls' willingness to work away from their homes, underpaying them even if the number of working hours is no different from that of regular workers. For example, a company which manufactures women's clothing pays a 15 year old girl who signs on at the state employment agency only 200,000 lire per month for eight hours' work per day, after about two years.

The employment situation of these young women is regularized only after 2-3 years of irregular and poorly paid work in the same sector.

## PART TWO: GENERAL AND QUANTITATIVE REPORT

### 1. The volume and nature of 'travail noir' in Italy.

Italy is thought to be the industrialized country with the most extensive underground economy. For this reason it has been widely studied and is justifiably considered to be a particularly interesting case (1).

As in other cases, the Italian underground economy, broadly intended, includes various phenomena. If we exclude in principle self-provision and other phenomena which are extremely difficult to quantify in monetary terms (like barter and exchanges of work skills), we are left with three main areas which assume a different significance in our work: criminal activity; tax evasion by regular workers; and irregular work (travail noir) in the strict sense (i.e. various forms of employment which are undeclared, evade taxation and social security regulations and produce a quantifiable income on a not entirely occasional basis).

The three areas partially overlap, are by definition difficult to estimate and delimit and have in common the fact that they defraud the tax system (at the very least), whilst they are not entirely visible on the surface - they do not appear in statistics or in national accounts.

Criminal activity, besides contravening laws governing work, taxes and contributions, also violates the penal code. CENSIS put out a report in 1985, relating to the beginning of the 1980s, in which the number of workers and the total business involved in eleven criminal spheres was estimated (see Table 1). According to this estimate, the yearly volume of business amounts roughly to 100-150 thousand billion lire. Some critics object that this estimate is too high (14-20% of 1984 GDP, according to a recent ISTAT re-evaluation. However the two figures are not comparable). As far as we are concerned, given that it is difficult to appraise the estimate, we will adopt a cautious approach and take into

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(1) In the appended bibliography more than two hundred recent publications relevant to the Italian case have been quoted. Among them there are at least six or seven important attempts to estimate the extent of the Italian underground economy. AS they do not focus particularly on irregular forms of employment and, in general, can be considered outdated by the semi-official ISTAT calculations of the real GNP, they are not discussed or quoted in the text of this report.

consideration only the minimum CENSIS value. According to CENSIS, there could be between a half a million and a million people involved in criminal activity in Italy, that is, from 2.5 to 5% of the working population.

Pure tax evasion is that which occurs where work is regular. It involves above all the evasion of direct taxes by self-employed workers - particularly traders and shopkeepers, artisans, professional people and others employed in the service sector - but also the evasion of company taxes and VAT. In the commercial sector alone, a recent Confcommercio (Confederazione Generale Italiana del Commercio = General Federation of Italian Traders and Shopkeepers) estimate indicates that the total turnover of clandestine commercial firms lies above 40 thousand billion lire. The total (conservative) figure for income which has avoided taxation is estimated as being greater than 150 thousand billion lire per year in the mid-eighties. The 1982 re-evaluation of Gross National Product at market prices elaborated by ISTAT attempted to give a conservative estimate of at least a part of the income produced in hidden forms. The resultant figure of more than 70 thousand billion was more than 15% above the previous estimates. The difference between the old estimates and the new ones elaborated by ISTAT for the following years continues to increase up to 17.7% in 1985. In 1984, the year to which the CENSIS estimates of criminal activity refer, the difference is 17.2% and the re-evaluation amounts to around 120 thousand billion lire at current prices. The ISTAT re-evaluation may be considered to be the part of hidden income which avoids tax, or better, still, an approximate indicator of some minimum thresholds, given that the ISTAT calculation of Gross National Product also takes into account non-taxable incomes (for example self-provisioning for own consumption in agriculture), a percentage of taxable income which has avoided taxation and other variable items which cannot be classified under taxes and contributions.

The evasion of taxes and contributions may well involve up to three million regular workers, a large number of enterprises, and the income produced by various categories of 'travail noir' and irregular work. Taking the ISTAT estimates for 1984, which we re-elaborated using the criteria displayed in Table 2, nearly seven million irregular workers producing a substantial hidden income are involved (almost one and a half million non-agricultural irregular workers, almost two million casual workers, more than half a million non-resident foreigners and almost three million workers with a second

non-agricultural job).

Approximate figures can be given for all the types of 'travail noir' cited as a percentage of the total amount of business involved in tax evasion. This total comes to approximately 40 thousand billion lire, despite being based on generous criteria (see Table 2).

We may therefore conclude that although 'irregular' work involves a large number of workers, it represents less than 20% of the total income produced by criminal and hidden activities, estimated at around 250 thousand billion lire in 1984. This figure cannot be compared with the GNP because it does not just refer to produced income but also to transfers from clearing transactions and so on and because it is difficult to say how much of this figure should be added to GNP, how much is already included and how much cannot be taken into consideration.

## 2. Quantitative estimates of different types of irregular employment.

As we saw from our opening remarks about the sphere of 'irregular' work in Italy, it is clear that this type of work is particularly differentiated and heterogeneous.

In order to estimate the different kinds of irregular employment we will mainly refer to the recent ISTAT estimates elaborated in order to re-evaluate the Italian Gross National Product, also taking into account a part of the Italian underground economy, for at least three good reasons. The ISTAT estimates are semi-official, very accurate (taking into consideration every possible institutional source) and relate to the whole country and may be broken down by economic sector and a certain number of branches. On the other hand, they cannot be broken down by regions, sex and age groups. In addition, it should be underlined at the outset that the new ISTAT series have been constructed for the purpose of re-evaluating the national accounts system, using only institutional data. Consequently, they inevitably leave out some categories that may be of interest in a complete survey on irregular employment or present problems which shall be corrected or reformulated for our different purposes.

ISTAT data identify five types of irregular employment which are of immediate interest to us plus a sixth which we shall not take into consideration here. It relates to second or multiple job-holding in agriculture by non-agricultural

workers. While ISTAT officials are right to emphasize that these agricultural activities produce a shadow income, mainly in the context of self-provisioning, that has to be added to Gross National Product, for our purposes we have decided to exclude them from travail noir in the strict sense as they are bound to be predominantly oriented to self-provisioning. But with regard to this phenomenon, it is worthwhile to mention that since the number of such workers persists at about four million while agricultural workers are declining fast, this fact may be taken as an indication that self-provisioning of food is not declining and possibly increasing (considering the possibility that in this area also the introduction of light technology is bound to increase labour and land productivity).

The five types of irregular employment which are of immediate interest to us are the following:

A - Multiple job-holding outside agriculture. This refers only to undeclared and irregular working activities. For this reason, the data are very different from the official estimate of multiple job-holding (only regular cases are included; that is, where there is an accumulation of part-time jobs or an extremely limited amount of officially declared work on top of full-time employment) elaborated by ISTAT for the EUROSTAT series (just to give an idea of the difference, for 1986 the ISTAT estimate is over three million units while the ISTAT/EUROSTAT figure is under 130,000).

B - Underemployed workers in agriculture. Here we have both wage-workers and the self-employed working for less than 180 days per year. This is not per se a form of travail au noir but an indicator of a fully registered official form of employment which produces highly insufficient income and consequently could signify that there exists the need to supplement it with other incomes derived from irregular employment.

C - Irregular employment outside agriculture. This is the crucial category of non-occasional travail au noir undertaken by officially resident workers. It is usually identified through a comparison of the population census data with the trade and industry census data or with other data.

D - Occasional undeclared workers. Here we have a set of data deriving from the official survey of the labour force in which, starting in 1977, those declaring themselves as non-employed (adult students, housewives, pensioners) are regularly asked whether they have worked occasionally during the last week.

E - Non-resident foreign workers. A category which is self-explanatory and which ISTAT estimates mainly reports on the local presence in every Italian district compiled by the Police and the Ministry for Home Affairs.

In addition to these types for which, thanks to the recent work of ISTAT, we are able to produce reasonable estimates, we will just mention the possible presence of other kinds of irregular employment which have not been taken into consideration by ISTAT for various reasons (mainly because either they are irrelevant in terms of re-evaluating Gross National Product or they cannot be estimated on the basis of the official sources from which ISTAT derived the new estimate). Consequently, we cannot produce viable quantitative estimates of these types either. They may be roughly divided into the following five types:

F - Occasional multiple job-holding.

G - Occasional work by the unemployed. The sample labour force survey does not question the unemployed about occasional work.

H - Undeclared occasional work by housewives, pensioners and students.

I - Irregular/illegal work by people under the minimum legal age (less than 14 years old). Both local surveys and legal cases show that this form of irregular employment is widespread. In the South, it is still connected with a relatively high rate of school-leaving before attaining the minimum diploma (still about 15% of the young generation) while, in the North, it is more diffused as a form of family help in after school hours.

K - Irregular work in criminal sectors (see CENSIS estimates in Table I).

With the new ISTAT series (for 1980-1986 Table 3 and followings) in mind, we present the following considerations.

#### A. MULTIPLE JOB-HOLDING

Without doubt the largest percentage is that of workers who for various reasons are available for additional jobs. As we have anticipated, second jobs in agriculture - generally speaking workers in non-agricultural sectors who also cultivate small plots of land, either their own or rented for self-provisioning or for modest additional incomes - should be distinguished from non-agricultural multiple job-holding.

For the most part second jobs are self-employed, continuous and strictly related to the first job as a complementary activity. The ISTAT estimates for second non-agricultural jobs are in part based on the number of employees registered as paying VAT. This means that they inevitably underestimate the number of multiple irregular jobs done by self-employed workers and above all by multiple job-holders who also evade VAT. The figures involved here could be quite large.

But, at the same time, the ISTAT figures are bound to include a number of people - estimates of this number are not possible - who are registered as paying VAT on extremely occasional work. However, these people are not strictly speaking multiple job-holders. It is possible that on a national scale the two 'errors' tend to compensate one another. But the figures for second jobs in the Centre-North of Italy which are derived in this way could prove to be inflated, due to the amount of casual work, whilst in the South of Italy the extent of multiple job-holding which evades VAT is such that it could well be underestimated.

Six recent local surveys on irregular multiple job-holding conducted in different terms but directed and coordinated at a national level by Luciano Gallino tend to confirm that the ISTAT estimates are approximately correct.

According to the ISTAT estimates, non-agricultural multiple job-holding in Italy has tended to increase regularly in the 1980s by approximately 100,000 additional jobs per year. Second jobs are particularly concentrated in marketable services. More than 80% of second jobs are in this sector of which approximately one half in trade and repairs, more than a quarter in transport (where they account for only slightly less than the same number of all other working activities) and the remaining less than a quarter in teaching, research and economic services to firms.

The traditional profile of the multiple job-holder is that of a male employee in a relatively large and standardized firm who is the breadwinner for a family with above-average needs due to size or special problems (dependent adults or handicapped members). This picture is being progressively altered by the fact that the fragmentation of work and the disappearance of some home repair services increase opportunities for multiple jobs. As these jobs are without tenure, provide an insufficient income and last for widely varying periods, they are much more suitable for the multiple job-holder than other kind of workers. The advantages to both the multiple job-holder and

his clients or employers reach a peak when there is a high degree of overlap between the occupational skill involved in the first job and that in the second or further activities: for instance, a skilled car worker in industry who repairs his neighbours' cars or who works a few hours per week in a small car-repair shop, or a bank clerk offering after-work advice on bank operations, and so on. Such possibilities may arise over a large range of both intellectual and manual occupational skills. It is worth mentioning that the overlap between the first job and other activities may even involve in certain extreme cases (not so rare in Italy) the position of power held in the first job. Examples are a school-teacher who helps his weak pupils at home for a cash payment; the bank functionary responsible for the loan department who prepares the applications for some customers privately; an income tax officer who fills out the tax declarations for some tax payers in his district. In these cases the borderline between informal multiple job-holding and corruption is not clear.

In addition, the diffusion of do-it-yourself and its related equipment has enormously increased these kinds of opportunities: even without any specific occupational skill or qualification, anybody who becomes experienced in undertaking certain repair or manufacturing activities for his family can also do so for paying customers.

While occasional multiple activities are in any case likely to be informal, whether long-term continuous ones become informal depends greatly on the fiscal system. The Italian fiscal system promotes a very high degree of informality for three reasons: (a) tax is levied at a highly progressive rate on official personal income of employees (fully above board); consequently the level of taxation for additional income is high; (b) it is not particularly efficient in tracing income from self-employment or 'irregular' employment; (c) tax deductions for family needs are low so that a single worker and the breadwinner of a large family earning the same gross income end up with a similar net income. As a result, in Italy all three categories of multiple job-holders (traditional, new long-term continuous, occasional) are likely to keep their further activities underground to more or less the same extent. This also explains why the official data for Italian multiple job-holders usually greatly underestimate the phenomenon.

## B. IRREGULAR WORKERS

A second substantial type of 'travail noir' is constituted by continuous 'irregular' workers (approximately 1,500,000 according to ISTAT estimates for the eighties). It is predominantly comprised of a category of vulnerable workers in that they have little education or few qualifications, are young or old or women and resident in areas with high rates of surplus population. They are obliged to accept 'irregular' conditions of work either during certain periods of their lives or permanently.

Nearly one third of non-agriculture irregular workers (a number - approximately half a million - which is very slowly declining but which remains substantial) are concentrated in the building industry. From other sources we also know that 90% of them are concentrated in the southern regions. These are male workers who throughout the year are regularly employed on official building sites for relatively short periods, an average of 10-14 weeks, at times unemployed (and doing other small restructuring or repair jobs) and during other periods employed off-the-books on the very same building sites (see the qualitative monograph n.10).

Another kind of irregular worker is persistently employed in trade, cafés, restaurants and repair activities. In this case, unlike in building where irregular workers are predominantly wage-workers, the large majority are irregular self-employed workers and family helpers. In addition, it is possible that also this kind of worker is more concentrated in southern regions; and it is also likely that in this case there is a much wider spectrum of types with regard to age groups, sex, levels of income and professional qualifications. They range from the totally unskilled young male who works as a delivery boy for bars and shops to the adult male working as an irregular self-employed street vendor or as an irregular plumber and to the married female who irregularly runs a greengrocer's in place of her husband.

But the economic areas where irregular workers appear to be increasing very fast in the 1980s are those relating to marketable services to firms and health, education and entertainment services. Here irregular workers rose from less than 150,000 in 1980 to nearly 300,000 in 1987.

On the other hand, irregular workers are sharply decreasing in manufacturing industry and, in particular, in traditional manufacturing where they have been traditionally concentrated (from nearly 230,000 in the early 1980s to

approximately 170,000 in 1987). It is worth mentioning that irregular self-employed workers (including family helpers and industrial homeworkers in decentralized and subcontracting industries) in traditional manufacturing appear to be declining at a much slower rate than irregular wage workers (see table 3 and following tables).

Agricultural workers who are officially underemployed (those working less than 180 days per year) can be added to this category. At the beginning of the 1980s more than a million workers were underemployed in this sense. Also, underemployed agricultural workers appear to have been consistently declining in the 1980s (from over 1,100,000 in 1980 to approximately 900,000 in 1987). But they are declining less than other employment categories and, as a consequence, account for an increasing percentage of agricultural employment (from exactly one third to slightly less than 40%), particularly underemployed self-employed workers who declined by only a few thousand in the said period.

It is worth mentioning that within this category - but mainly in relation to underemployed wage-workers - the percentage of females, and particularly of very young ones, is increasing while the number of unskilled and underemployed adult male agricultural labourers is decreasing very fast (also due to the ageing and disappearing of a generation). This trend raises a question which we are unable to answer from the quantitative point of view. Adult underemployed breadwinners are the ones more under pressure due to the need for additional income to support their families and, consequently, more likely to supplement agricultural underemployment with other irregular activities (apart from also receiving state subsidies and cash support from outmigrated relatives). Given this fact, it is likely that the existence of a persistent number of underemployed workers in agriculture is becoming increasingly less significant as an indicator of the propensity to take up irregular working activities. Also, underemployed workers in agriculture are almost entirely concentrated in the South and this reinforces what we have stated previously. Increasingly, widespread competition between various components of the labour supply to obtain even low-income irregular work means that weak elements of the labour supply (like young women) become easily discouraged and give up.

### C. OCCASIONAL WORKERS

The third category of 'irregular' workers is constituted by young people, pensioners, students and housewives who are engaged more or less occasionally in 'travail noir'. The ISTAT estimate for this element may be considered to be conservative since it is seasonally adjusted (each three-monthly period is calculated as a quarter of the annual figure).

In reality, the seasonal adjustment made for this category on an annual basis is debatable for our purpose, (but ISTAT officials had to apply it in order to evaluate correctly the real figures for GNP). Since we are here dealing with casual work, it is very probable that a large majority of the workers who are included in the statistics in one season are no longer working in the following season. They will have been substituted by other workers. It seems to me that to obtain a realistic figure for the number of people involved in 'irregular' work throughout the year, the ISTAT figure should be multiplied by 2.5. The multiplier would be four if the replacement were assumed to be total. Using this new estimate we obtain a figure of two million, declining at a discontinuous rate in the 1980s. This trend is mainly due to casual agricultural workers who were more than 40% of the total at the beginning of the 1980s and fell to less than 1/3 in 1987 (from nearly 900,000 to approximately half a million).

On the other hand, occasional workers are becoming increasingly concentrated in the marketable services sector, and particularly in marketable services to firms, in private education, health and entertainment services (where they increased from 330,000 in 1980 to approximately 400,000 in 1987). High figures for occasional workers are registered by ISTAT estimates also in trade and repairs (more than 300,000 but still a slight decline), in traditional manufacturing (135,000 declining to less than 100,000 in the last few years), in the building industry (more than 180,000 in the early eighties, with only a slight decline and composed exclusively of young or old males) and finally in non-marketable services (mainly services to households like domestic work paid by the hour: here the decline is very substantial, from nearly 80,000 to less than 50,000).

As we have anticipated, these data reflect the source from which they are constructed, which is the sample quarterly survey on the national work force and more

precisely the question on occasional work put to housewives, students and pensioners. Since most of the respondents to this question are women, this is the only type of 'travail noir' where females are predominant. However, this set of data does not take into consideration occasional work done by those under 14 years old and by the unemployed. Neither is it possible to consider the occasional activities undertaken by the respondents to this question but not reported for at least two different reasons: either because the fragment of work is too occasional or/and too small to be reported or because the respondents want to keep quiet about it.

#### D. WORK DONE BY NON-RESIDENT FOREIGNERS

Finally, there is the category of non-resident foreigners. The figures which interest us here regard people from Third World countries who do 'irregular' work. Estimates of the numbers involved are very variable and range from 300,000 to a million.

Generally speaking, we are dealing with young people of both sexes with relatively high levels of education who emigrate without their families for periods of between two and five years (for a more accurate picture see qualitative monography n.10). Included here are seasonal/migrant workers from North-African countries.

The new ISTAT series estimates that this category of irregular employment has increased dramatically in the 1980s from less than 300,000 to more than 600,000 workers. According to ISTAT, in recent years non-resident foreigners have been particularly concentrated in the following sectors: non-marketable services (nearly 50%, predominantly maids, not only females); trade, repairs and transport (more than one-third, particularly concentrated in irregular street trade, as we know from other information); building and agriculture (slightly less than 10% each). Very few non-resident foreigners are employed in manufacturing and they are all concentrated in heavy industries; in particular we know that they are employed in steel and iron works in the Emilia Romagna region.

### 3. The structure of the demand/opportunities for irregular employment.

Given that for the most part we are dealing with self-employed or semi-independent activities (subcontracting), demand for 'irregular' work, or in other words opportunities for 'irregular' work, is of a diversified and heterogeneous nature.

In general the following areas of demand/opportunity can be identified:

a) modern services and areas particularly subject to transformation and innovation where 'irregular' work is used experimentally or reflects a phase in which the consolidation of work mobility is not complete (software, subcontracting in the reorganisation of office work, marketing and advertising surveys, and so on).

b) agriculture, local traditional industry, building, services in the home and services to the public where the seasonal nature of the work and/or high labour costs in relatively labour-intensive processes under normal working conditions encourage 'irregular' solutions;

c) to a much lesser extent, manufacturing industry oriented towards the export market where strong competition and the relatively high cost of regular work in Italy (due more to taxes, contributions and trade union regulations than to wage levels as such) encourage the considerable use of informal labour.

A common cliché regarding travail noir in Italy is the idea that its widespread use in export-oriented manufacturing concerns may explain their international competitiveness. According to recent Istat estimates, irregular jobs are not highly concentrated in manufacturing industry. Strictly irregular workers in manufacturing were 13.7% of the total in 1980 decreasing to 11.4 in 1986. They accounted for 5.7% of manufacturing employment in 1980 and for only 5.2% in 1986. Casual workers in manufacturing were 9.2% of the total in 1980 and declined to 9% in 1986. They declined as a percentage of manufacturing employment from 3 to 2.8. Foreign workers were 3.2% of the total in 1980 and declined to 2% in 1986. They form an irrelevant percentage in manufacturing employment (0.2 in 1986). Total irregular employment as a percentage of manufacturing employment declined from 8.8 in 1980 to 8.2 in 1986. The percentage of non-agricultural second job-holding in manufacturing is not particularly relevant either and is on the decline (10.8 in 1980 and 8.3

in 1986).

Irregular jobs are concentrated, on the other hand, in agriculture and building (but declining) and in marketable services and personal services (increasing fast). However, it is likely that high rates of tax evasion by the self-employed and by small firms (occupying a much larger portion of the Italian manufacturing sector than in other industrialized countries) and even by corporate activities help to explain the competitiveness of Italian manufacturing and support the argument of unfair international competition.

The connection between self-employment and small-scale employment on one side and the informal economy on the other shall be clarified preliminarily from two points of view. First, there is no automatic correlation between self-employment or employment in small scale firms and the informal economy. Second, the problem of irregular/informal employment should be dealt with separately starting from the problem of tax evasion by the self-employed. As we have anticipated, in the Italian case tax evasion accounts for a very large share of unrecorded income; but at the same time it includes tax evasion by officially registered workers and corporations in various sectors. As far as concerns the first point to be clarified, it should be stressed that in the industrialized countries there is evidence: a) that only a part of irregular employment is related to small-scale activities and self-employment (the magnitude of this part varies according to country, sector and period); b) that the reverse is also true: only a part of self-employment and small-scale employment may show various degrees of irregularity; c) that, consequently, there are important trends in which, on the one hand, the spread of self-employment and small-scale activities is not accompanied by a parallel increase in informal employment (the building industry in Italy in the last 15 years; the consolidation of manufacturing in north-eastern and central Italy between 1975 and the early 1980s) and, on the other, the spread of irregular forms of employment may not be accompanied by a parallel increase in self-employment and small scale activities (the de facto development of a vigorous outwork subcontracting system where the real employers are large firms and the informal workers are totally underground, but also the diffusion of areas of precarious employment such as casual employees in large private standardized service enterprises, like fast-food establishments).

The main areas for which it may be important to discuss

the relation between self-employment or small-scale employment and informal work are the following: 1. family and flexible employment in small-scale systems of firms; 2. socio-economic innovation and informal self-employment; 3. casual self-employment activities of the unemployed and inactive population; and 4. second informal self-employed job-holding by regular workers.

1. Family and irregular flexible employment has been variously linked to the development of a system of small firms in the case of north-eastern and central (NEC) Italy. In some sectors, the development has been accompanied by an increase in subcontracting but in others it has only reflected the high competitiveness resulting from a different organization of the labour process compared to large, rigid economic units. Here we see an interesting historical process at work: a first stage where flexibility is both connected with small-scale employment and with the use of undeclared family and irregular labour; a second stage of consolidation where small-scale employment and the incidence of self-employment resist the pressures of economic concentration mainly through local/regional networks (both state-supported or completely private consortia) while the use of undeclared and informal employment decreases substantially; a third stage (the present) where new tendencies towards submersion are registered as a response to increased international competition and the further necessity to cut costs.

2. Socio-economic innovation is variously connected with both self-employment and informal working conditions, mainly in the service industries. This connection applies when there is either a new area of activity (depending - like software consultants or small-scale video producers - or not - as in the case of new food or leisure fashions - on technological innovation) or a new organization of the labour process in an already existing area of activity (the possibility of subcontracting, for example, jobs previously done in large integrated firms). These innovations are in a first phase inevitably small-scale, use very little capital, show great organizational imagination, rely on social networks and, at the same time, are rather inadequately regulated or controlled (if subjected to tight control, they are forced to evade it in order to achieve take-off). Then, in a following phase, there is a tendency for the scale of activities to increase and for the degree of informality to decrease; but

these two trends are not always parallel and symmetrical. Some areas may tend to concentrate activities and remain tied to high levels of informal/irregular employment (some 'pony express' enterprises for fast mail delivery in Italian cities). Others may remain relatively small-size but eventually regularize their working activities (some of the software consultant cooperatives, for example).

3. An age of mass unemployment with a decreasing number of regular tenured jobs has opened up a vast area of casual self-employment, which does not fill the employment gap adequately and meets only partially the unsatisfied need for work of large social groups that are particularly weak on the labour market due to age (young or old), sex (women) or social origin (recent migrants or ethnic minorities).

Baby-sitters, home-typists, irregular occasional street vendors and many other old and new, sometimes strange, occupations are typical examples of this kind of situation.

4. The previous area eventually comes up against irresistible competition from the very large area of multiple job-holders who are in a much stronger position to engage in irregular part-time self-employment, as they are protected by the income and the social security contributions of their first job.

The Italian ISTAT estimates are impressive in this respect: self-employed second jobs (almost always irregular) were estimated at less than a million and a half in 1980 (with large concentrations in commerce, hotels and coffee shops, repair services and subcontracted services to firms and the building trade) and they increased to over two million in 1987 (nearly doubling in repair services and in subcontracting services to firms, and doubling in marketable health services and in marketable research, education and cultural services where, in the meantime, they accounted for a sizeable proportion of total employment in this sector).

To summarize, we may say that in the Italian case it is particularly evident that the present stage of industrial development (the crisis in systems based on the large firm, de-industrialization, the decline in manufacturing jobs in the primary segment, new trends in tertiarization beyond the welfare state) is promoting a parallel increase in self-employment and small-scale activities on the one hand and of informal activities on the other. The two trends are not

mechanically related.

Two main areas with an important connection between self-employment/small-scale economies and informal activities displaying different developments are:

a - the take-off of innovative processes and the diffusion and fast growth of new organizational combinations (local systems of small, but export-oriented, firms) where the initial stage is characterized by different combinations of small-scale and informal activities, which then decrease at different rates in successive stages;

b - the fragmentation of labour processes with a rapid increase in fragmented activities (either occasional or seasonal or temporary) which do not constitute proper jobs and are filled either by the 'non-employed' (weak on the labour market) or by second job-holders.

Innovations can be considered from two different points of view: new ways of organizing the labour process; new activities or economic areas related or not to high technology. An example of the first kind is the diffusion of particular forms of subcontracting or of new contracts to perform tasks which were previously integrated within the productive system of a single firm (vertical disintegration). Examples of the second kind are software consultancy enterprises based on different expertise (for example accountants, legal experts, planning operations, engineering), or independent audiovisual production (related in a different way to high technology in respect to the previous example); the macrobiotic food trade and restaurants or other activities connected with new needs and fashions.

Innovative activities may involve informal work to a high degree for two different reasons: first because they are labour-intensive, experimental, and poorly capitalized; and/or second because they have not yet come within the purview of the regulatory system so that they prove economically convenient for evading and/or saving on tax or other payments. It is important to consider both these conditions because they imply a different pattern of take-off. In both cases, innovative activities may remain informal for a limited period and then become formalized. But if they are informal only for the first reason, it is mainly their consolidation that pushes them into the formal area. On the other hand, innovative activities which are informal chiefly

for the second reason tend to remain such for as long as the regulatory system remains unable to subject them to effective regulation.

Software consultancy firms in Italy constitute an example of the first path. At first they involved mainly groups of friends, young and with educational training in computers and/or some experience in different professional areas (accountancy, law, architecture, commerce, etc.). The groups that survived the take-off period were forced to formalize their activities in order to be able to continue to operate and expand their market.

A more controversial Italian example is that of the so-called 'pony express' city delivery systems. They were set up as a reaction to the inefficient state postal system. In a way they have been, and some remain, highly exploitative in that they employ teenage students and the unemployed on their own mopeds or motorcycles on a temporary or occasional basis. The consolidation of these enterprises has meant that the administrative, organizational (they are now fully registered firms and use the same technical equipment as mini-cabs firms: powerful walkie-talkie systems) and managerial structures have become fully formalized; but it remains likely that temporary and part-time employment agreements with young delivery boys are still 'irregular' to the advantage of both parties (the delivery boys do not pay taxes on their income and are fully legitimized to look for a more permanent job).

The main problem is that the regulatory system is shaped to respond in a general way to a set of standardized industrial pressures (prevention of various forms of unfair competition from the point of view of economic units and professional organizations; job tenure, minimum wage, social insurance and protection against harmful working conditions from the point of view of employees; prevention of large-scale tax evasion and social and ecological disasters from the point of view of the state). The more the organization of work becomes heterogeneous and fragmented, the more the regulatory system finds it difficult to cope. It is impossible to apply general rules to the temporary employment of delivery boys and, at the same time, it is very difficult to adapt the regulatory system to an increasing number of specific cases and exceptions.

#### 4. Factors determining the extent of 'irregular' work.

In general three main often inter-related reasons for the presence and extent of 'irregular' work at a national level in Italy can be detected.

The first derives from the specific forms of transformation which take place within traditional labour-intensive industries. In agriculture this tendency is further accentuated by the persistence of work with a seasonal character, in particular related to some types of Mediterranean crops grown on small plots of land. In this sphere working activity tends to yield a very low and relatively decreasing income with respect to the cost of survival of a standard formal working unit. Building, agriculture and some traditional services in particular fall into a logic which encourages both the frequency of fragmented working activity (part-time 'irregular' work, seasonal work, etc.) which is often 'irregular' for a below subsistence level income, making it necessary to find other forms of income, and the related deterioration in working conditions (income, hours of work, job stability etc.) compared to standard official work which is subject to tax and legal regulations.

The second circumstance which encourages 'irregular' work is the relatively high cost of labour due in particular to taxes and contributions and above all to the immense rigidity of standard/institutional conditions of employment. This factor makes 'irregular' work convenient and competitive, especially in the most competitive sectors of the economy. In this light, the convenience of a second job both from the point of view of supply and demand is evident. We are here referring to working conditions which may be subject to high risk, lacking in welfare provisions, offering continuity and so on. This situation is acceptable because of the protection and guarantees provided by the first job.

The third factor is given by general economic transformations which increase the types of jobs which are fragmentary and/or provisional, above all in the sector of private marketable services. We have in mind the reorganisation of some services to firms, like advertising and market surveys, and the restructuring of some office jobs using home subcontracting, and also the technologically most advanced sectors with high rates of obsolescence, ranging from software consultants to image creators.

All these factors share a formidable common denominator

which combines the advantages of 'irregular' work and travail noir: taxes and contributions. This last-mentioned is extremely oppressive for formal activities, especially for standard wage and salary work, and it is particularly ineffective and lax with respect to self-employment and hidden work.

It is worthwhile to mention the fact that, as a general economic and political trend, the Italian model based on a rigid, complicated fiscal structure which has never been properly enforced has worked not only in favour of a de facto protection of self-employment and small-scale activities, but also opposed 'normal' capitalistic concentration at least to some extent. Small ventures both in manufacturing and in services have always found it more convenient to grow horizontally rather than to increase in size. In other words, a small successful entrepreneur in Italy finds it more convenient to start another small venture rather than enlarge the first and expand to a size where it becomes more difficult to evade taxes or ignore trade-union or safety regulations. This is reflected even more in the different criteria for taxing artisan concerns and standard economic enterprises. The considerable advantages of being an 'artisan' in Italy have meant that a large number of artisan concerns have persisted and that many such units do not have the minimum requirements needed to qualify as such in other countries, at least de facto if not on paper. For the same reason, trade has remained much less concentrated than in other countries and small shopkeepers have survived to a much greater extent in comparison to other industrialized countries.

To use a fashionable expression, we could say that the Italian institutional system has favoured ante litteram the trend towards extensive 'vertical disintegration' and that the Italian economy has developed in a very polarized fashion with an extremely concentrated formal manufacturing system, at least until the 1970s, in financial and operational terms, along-side other highly dispersed and fragmented economic undertakings.

The specific local features of the various possible kinds of informal working activities in general depend on the following patterns: the degree of survival or adaption of traditional ways of organizing work; the territorial articulation - inner cities, peripheries, medium-small cities, the countryside; and the degree of social and geographical stability versus mobility.

In addition to these general characteristics, the problem can be considered from the point of view of the different socio-economic histories of large regions. This approach works quite well in the Italian case (the three Italies) but tends to explore the issue in directions which make international comparison difficult. For example, the experience of the Third Italy (the North-east and Centre: NEC) has often been misused in international comparative analysis.

The local impact in the case of the three Italies appears as follows. In the North-west (big industry and advanced sectors) the types of informal activities which are particularly widespread are innovative ones, both high tech and organizational (these are bound to be immediately linked to the vertical disintegration of large industrial manufacturing systems) and informal services, both to firms and economic units (with a high concentration of new services for large manufacturing and informational activities) and personal to customers (mainly in the medium-sized and small cities and in the stable residential areas of large metropolitan areas - less so in the highly unstable inner cities).

In the Centre and North-east, the spread of informal activities has been connected with the trend towards diffused industrialization based on small and medium-size manufacturing industry. In short, this involved a substantial increase in irregular working activities (non-registered family work, various irregular part-time, overtime and homework activities) mainly in manufacturing but complementary to a certain degree with agriculture and with services during the initial stage in the boom of diffused industrialization (1965-1975); an accentuated trend towards formalization during the following period due to the consolidation of the system, its redirecting away from the local market and towards exports and the consequent necessity for economic enterprises to be fully above board in order to be protected and serviced by central state bodies and local authorities (1975-1983); and a third more controversial phase in which the crisis in some traditional world markets (shoes, garments, etc.) has stimulated a new wave of submersion to save on production costs (mainly but not only the cost of labour).

In the South, two general types of situation can be distinguished. In areas where agriculture prevails the irregularity of work is largely conditioned by labour

processes in agriculture which leave a large proportion of the workers (about 3/4) idle for long periods of time. As a result, these workers are available for other irregular work in non-agricultural sectors, above all in building but also in commerce, basic services and traditional sectors. Moreover, this produces a large increase in the demand for work in the brief harvest season.

By contrast, in the large and medium-size cities in the South 'irregular' work has always been concentrated in building and is tending to spread in the services sector but with a less innovative and experimental character compared to the forms found in cities in the Centre-North. It largely consists of street pedlars, boys who work in bars and shops, waiters and waitresses, seasonal workers in the tourist industry, multiple job-holding in services in the home and to people, etc.

In general, I would stress that the most interesting cases for comparison at a European level are first the highly unstable and heterogeneous inner cities, which show a negative vocation for certain kinds of informal activities due to instability and social heterogeneity, but also a wide range of opportunities from other points of view: proximity to services, trade and research centres, seats of multinational companies and high-income residential areas with an increasing need for personalized services in the home (delivery of goods, baby-sitting, cleaning and cooking, occasional secretarial help, etc.); and second various types of stable 'peripheries' (small and medium-size towns, metropolitan peripheries, urbanized countryside) where the degree of local complementarity between formal and irregular activities is high and on the increase. From this perspective, it is important to stress that in northern and central Italy peasant-workers or worker-peasants have been a crucial element in every sector of manufacturing employment in the relatively recent past and in many cases are still important today. They appear as the immediate historical precursor to - and are not so different from - the highly 'self-provisioning' households in contemporary Britain described by Pahl (Division of Labour, Oxford: 1984). A stable local community, home (and land) ownership and sufficient employment opportunities in modern full-time jobs, at least for adult males, are in both cases the essential elements which reinforce both traditional and modern forms of self-provisioning and informal activities (often also multiple job-holding, manufacturing work in the home, various

forms of subcontracting).

In addition to what has already been said in terms of factors which facilitate the presence of 'travail noir', it is useful to mention the processes which are present in the Italian services cycle. The persistence of inefficient public services and the relative poverty of many consumer areas aggravate the general tendencies which in Italy encourage forms of 'irregular' work in services. Here we are referring to innovations in the work process which are expressed more in 'irregular' re-organisation than in an increase in the productivity of regular labour. Also, many services carried out in the home, repairs for example, tend to become too dear and sporadic if they are organised formally, and so they are everywhere transformed into areas of self-provisioning and/or 'irregular' work: second jobs or jobs for non-declared cash payments. It is also worth underlining the fact that the number of working units engaged in paid household work, both full-time corresident maids and workers by the hour, is persistently higher than in other northern European countries. In this case too, the degree of 'irregularity' is high and difficult to control both when the work is done by Italian maids and more so when they are wives of regular employees and consequently uninterested in social and health insurance and in favour of avoiding relatively high rates of marginal taxation and when it is done by non-resident foreigners.

As regards public services, there is a lack of public nurseries and the high cost of private nurseries has led to the development of several alternative solutions based on 'irregular' work. This involves a range of activities from daytime baby-sitters to full-time maids, increasing numbers of which are from Third World countries. Private nurseries have emerged making use of 'irregular' workers.

Another example is the express postal service for letters and small packages in the metropolitan areas using young men with their own mopeds (pony express); it fills in for the public postal service which is inefficient and unreliable.

A different kind of example is related to the relative absence of canteens in the workplace both in the private and public sectors. This has encouraged the proliferation of private substitutes (self-service establishments, small restaurants, snack-bars and so on) which have reasonably low prices in agreement with firms through the luncheon voucher system. They presumably use a significant number of

'irregular' workers.

This situation is so widespread in Italy that it is to be found even in the area of scientific research where frequently lack of investment and tight bureaucratic controls have combined to bring about imaginative informal solutions.

##### 5. Socio-cultural impact of 'travail noir'.

This is a vast and complex problem and I will concentrate only on a few aspects: the family, gender and age focusing mainly on the last. Specific attention will be paid to the socio-cultural impact on the present young generation of their relatively high and long-lasting involvement in irregular working activities.

From the point of view of the family, Pahl is right when he stresses that it makes a great social difference whether irregular low-income activities are undertaken for a supplementary income (multiple job-holding; activities done by previously non-employed members of an household with one or more full-time regular workers) or for breadwinning. In the first case, the spread of irregular activities can upgrade in economic terms some middle or even middle-low income families and multiply their opportunities. In the second case, they may be the first step towards social marginalization and poverty. An important example of the latter case in Italy concerns the irregularly employed unskilled building workers in the South. Their families have become trapped in a state of poverty and marginalization. Children are forced to leave school even before obtaining the lowest diploma required by law in order to work as minors (males in building, females as maids paid by the hour). Consequently, the same conditions are reproduced in the following generation (semi-illiterate totally unskilled workers obliged to accept poor, irregular and black-market working conditions).

The gender question is very controversial. There is no evidence that a majority or a large increasing proportion of irregular poorly paid activities are done by adult females. In the industrialized countries, gender discrimination is in many cases simple to operate and 'legal' within the official employment structure (part-time workers are largely females and low-paid jobs are reserved for women while high-income jobs remain the prerogative of men). It is likely that the

two most important aspects of irregular employment in terms of gender concern young females (but here it is important to consider jointly the questions of age and sex) and maids.

An incorrect assumption about Italian travail noir concerns the idea that it is mainly female work. ISTAT estimates are not broken down by sex, age and regions, but this assumption is easily disproved by other data and research results. Females make up a sizeable majority of occasional workers according to the data resulting from the quarterly labour force survey based on a set of questions to the non-employed, the largest sub-group of which are by far housewives. A large portion of underemployed workers in agriculture in the South are females; but they are less likely to supplement their insufficient income through complementary casual work outside agriculture than adult males, who traditionally combine official underemployment in agriculture with unofficial temporary work in building and street trade. Females are a minority of irregular workers outside agriculture and a tiny minority of informal multiple job-holders (this category is correctly computed in Italy on top of full-time jobs to avoid the inclusion of official multiple job-holders, like maids employed by the hour in a number of different families). But even official data for multiple job holders produced by ISTAT for EUROSTAT give a male to female ratio of 85/15 for 1986.

The unemployed also appear to be largely excluded from irregular jobs with the exception of a limited number of occasional temporary activities.

The second area (mainly relating to paid domestic services to households) in the Italian case is giving rise to an important socio-cultural transformation: the supply of indigenous workers ready to accept the very poor conditions of employment and the low status attached to working as a maid in private households is decreasing everywhere. These jobs are filled to an increasing extent by Third World immigrants; however, a relatively high proportion (50-60%) are legal and consequently the work they do is not travail noir. This has important social consequences: the increasing multiethnic nature of Italian society and at the same time the taking-root and spread of racial discrimination, also through certain migrant ethnic minorities being concentrated in irregular poorly paid 'dirty' jobs.

There is evidence, at least for Italy, of a relatively high concentration of irregular work (with the exclusion of multiple job-holding) among young people. Instability and

irregular working conditions for young workers are nothing new. The new aspect, which may have an important negative social impact, is that the evidence suggests that these conditions may persist over a long period (and for some continue throughout their working lives) and become increasingly incompatible with life projects. The latter point is important and not given sufficient consideration. To be a poorly paid temporary part-time worker employed in a restaurant or in a coffee bar is a different matter for a university student (compatible with his life project and a free choice to earn some money during a limited period) and for a young unskilled unemployed person who is ideally looking for a decent job for life and will never find it (incompatible with his life project). In the Italian case, this emerges very clearly from interviews with young irregular workers (for instance, 'pony express' delivery boys) in the North (compatible) and with young workers in a similar condition (coffee bar delivery boys) in the South (incompatible). The former only pass through travail noir; the latter remain either for a very long period (over ten years!) or for life. Moreover, in the second case they will reproduce and possibly enlarge (with youth unemployment in the South of over 40% and with peaks of over 70% for females in certain districts) an already vast area of poverty and social marginalization. In the case of young people, the additional impact of the gender question should be considered. Young Italian males and females show a converse relation between average length of involvement in irregular or occasional activities and levels of education. Most males involved have a low level of education and occupational training. Young women with high school diplomas, on the other hand, form the majority of those involved in irregular activities and for longer periods. This does not mean that poorly educated females easily find a regular job but that, on the contrary, a large proportion of them 'officially' become full-time housewives, even before marriage, and end up doing even more occasional irregular and low-paid kinds of work, which are difficult to identify.

## 6. Conclusions and political implications.

The attitude of the Italian government regarding the problem of 'irregular' work has in general been ambiguous and superficial. It has been ambiguous in the sense that it cannot fail to condemn the forms of exploitation and evasion of legal obligations which are integral to the persistence and spread of 'irregular' work, while at the same time it accepts the idea that the spread of 'irregular' work, above all in small and medium-sized export manufacturing industry in the Third Italy and in the modern tertiary sector in the Centre-North, is one of the main reasons for the solidity and vitality of the Italian economy. In addition, the large extent of 'irregular' work in the South is an expression of the ability to 'get by' and provides a good alibi for avoiding the serious problems of mass unemployment, chronic underdevelopment and the deep-rooted difference between North and South.

One of the principal indicators of government embarrassment and its failure to deal with the problem is the fact that the problem is given very little consideration in projects for reforming the tax and the social welfare systems. Undoubtedly the iniquity and the rigidity of the two systems form an important breeding-ground for the diffusion of 'irregular' work in Italy. Another indicator is that the few measures taken concern only insignificant questions not organically related to the question and are temporary palliatives. We particularly have in mind the recent law regulating work and residence permits for a number of illegal immigrants.

The starting-point in the Italian situation is the chronic chaos which reigns in the job market and the iniquity of the tax system. The effects of the delayed decline in traditional processes (out-of-date methods in agriculture, labour-intensive practices in the building industry, local traditional industry, basic personal services and home services) the effects of commercial and technological innovation and the development of the tertiary sector are accompanied by job instability and the spread of fragmented work activities which are insufficient to live on.

The situation has become especially dramatic in recent years with the emergence of the problem of mass unemployment which particularly affects young people in the South. In Italy the overlap between unemployment and 'irregular' work is very limited. It occurs in the main where unemployed

youths take on casual work, a proportion of the travail noir carried on in the building sector during periods of unemployment, and casual work in agriculture or building done by unemployed farm labourers.

One of the most evident fundamental questions in the Italian situation is difficult to define by means of traditional analysis and to tackle politically. It concerns the existence of more than two million standard jobs occupied by multiple job-holders, apart from their main occupation, or by foreign immigrants. This is not absolutely incompatible with the parallel existence of a high or increasing number of unemployed. Second and third jobs are almost always fragmented work activities which are not convertible. Since they are segments of work, they cannot be done by the unemployed. They can only be taken up if they are complementary to protected jobs. This does not apply only in the evident case of someone cultivating a garden, rented or owned, for their own consumption, or to provide a supplementary income, but also with regard to most second or third non-agricultural jobs.

Jobs are not taken away from young people by the mechanic who repairs cars for his neighbours and people he knows for two or three hours a day, by the typist who works privately at home ten hours a week, by the nurse who gives injections in the home after hospital hours, by the bank clerk who does electrical repairs or by the railway worker who installs curtain tracks. The same argument applies more or less to most of the jobs carried out by immigrants from the Third World. Aside from questions of taste and aspirations, the local unemployed cannot be full-time waiters, street hawkers, garage night-watchmen, farm labourers or fishermen under the conditions offered to and accepted by immigrants.

There are old and new fragments of the job market which cannot be converted or integrated into the standardized structure of formal regular work. This is the crucial point to be faced, particularly with regard to emergent fragmentation as exhibited in new 'irregular' jobs, in fragmented work activities and in the consequences of increasing instability in working careers. This side of the question must be compared with the character, profile and prevailing expectations of those forming the labour supply. In particular, jobs for young people with intermediate education would seem to be the most penalised by current transformations in general. In the South the labour market

gap also affects an increasingly group of highly educated young women and a persistent number of unskilled and poorly educated young men.

As a first approximation, it seems to me that the following political proposal can be put forward. Its goal is to progressively absorb the negative effects produced by the diffusion of 'irregular' work without suppressing the potential for work flexibility and experimentation which 'irregular' work embodies and without compromising the guarantees which have arisen historically in order to protect employment and regular economic activity.

A. More radical tax reforms than in the past, with the aim of diminishing the oppressive burden borne by formal activity and at the same time increasing the tax yield from hidden and/or self-employed activities.

B. Comprehensive and efficient reorganisation of state agencies concerned with the labour market, if possible taking into account the existence and extent of fragmented work activity which cannot be converted into stable careers but which could be organised, better protected and guaranteed through special bodies.

C. The guarantee of a degree of institutional flexibility and certain forms of exemption from legal obligations which are too suffocating for some activities based on experimentation and innovation, especially where associations, consortia and co-operatives are involved. Here it is less likely that there will be a degeneration towards the forms of excessive exploitation prevalent where there is travail noir.

In our opinion the most interesting and least understood - area for further investigation, so as to acquire in part instruments for understanding the main lines of change in the job market in the near future, is that concerning the job strategies adopted by youths who are currently unemployed. This would also be useful in connection with the job strategies used in innovative sectors, especially those in the heterogeneous complex of marketable services destined to be sold and in certain modern sectors of manufacturing industry.

TABLE 1. Estimate of the dimensions of illegal activity in Italy.

Items	Value of illegal activity in billions	Number of workers
1 Production and sale of drugs	25,000-35,000	20,000-30,000
2 Production and clandestine sale of arms	4,000-5,000	50,000
3 Production and clandestine traffic of works of art	1,000-2,000	5,000-10,000
4 Earnings from prostitution	5,000	50,000
5 Clandestine gambling	3,000-7,000	10,000
6 Blackmail and distortion	15,000-20,000	75,000-150,000
7 Theft, robbery and receiving stolen goods	20,000	400,000
small-time theft	1,000-2,000	250,000-300,000
8 Contraband	(2,000-3,000	25,000-50,000)
9 Illegal trade in currency	5,000-10,000	--
10 Illegal payment for services	8,000-12,500	50,000-100,000
11 Various other illegal activities (forgery, fraud, exploitation of incapacitated persons, etc.)	12,500-17,500	100,000-150,000

Source: CENSIS, Illegal Activities Dossier, 1985, Year XXI, No 4, p.29.

TABLE 2. ISTAT estimates for 1984 of irregular workers and our estimates of gross hidden income produced by each category.

	In thousands	HIDDEN INCOME ESTIMATED AS CATEGORY PRODUCT IN BILLIONS
Under-employed agricultural workers	1006	
Non-agricultural 'irregular' workers	1484	15,000 (1)
Undeclared hourly workers (ISTAT annual adjustment)	774	
Our estimate of casual work including turnover of majority (multiplied by 2.5 out of a max. 4)	1935	6,000 (2)
Non-resident foreigners	515	5,000 (3)
Non-agric. al second job	2873	14,350 (4)
Agricultural second job	3992	
	TOTAL:	40,350

SOURCE: G. Mamberti Pedullà, C. Pascarella, C. Abbate, 'New estimates of the employed population in the national accounts. Methodological concepts and results'. Run off by ISTAT, February 1987.

NOTES : (1) For all categories we have taken our estimates in millions of income produced in 1984 to make it roughly comparable to other data. In this case the multiplier is 10 million.  
 (2) The multiplier is just above 2 million.  
 (3) The multiplier is just short of 10 million.  
 (4) The multiplier is 5 million.

Table 3: Regular and irregular forms of employment in different economic sectors and branches. 1980/1986 numbers in thousands.

	1980	1981	1982	1983	1984	1985	1986
<b>AGRICULTURE</b>							
Total workers (non including multiple)	3.430	3.186	2.958	3.022	2.798	2.654	2.601
<b>Employees:</b>							
Regular wage workers	229	209	195	188	171	172	164
Underemployed workers	775	724	703	676	633	615	598
Casual workers	149	116	111	112	123	139	125
Non res.foreigners	39	41	45	46	51	55	58
<b>Self employed:</b>							
Regular selfemployed	1.109	1.041	950	957	924	869	832
Underemployed	389	374	356	356	373	371	370
Casual workers	741	680	597	688	521	433	454
Multiple job holders	4.008	4.002	4.000	3.995	3.992	3.989	3.986
<b>MANUFACTURING AND ENERGY INDUSTRIES</b>							
Total workers (non including multiple)	6.376	6.149	5.987	5.748	5.495	5.487	5.438
<b>Employees:</b>							
Regular wage workers	5.222	5.018	4.849	4.638	4.451	4.452	4.410
Irregular workers	245	236	253	242	183	183	171
Casual workers	108	104	93	88	92	92	80
Non res.foreigners	9	10	10	10	11	12	12
<b>Self employed:</b>							
Regular selfemployed	591	599	602	585	567	565	581
Irregular selfemploye	118d	115	116	111	108	105	109
Casual workers	83	68	63	72	82	78	73
Multiple job holders	252	255	256	259	259	258	257
<b>HEAVY INDUSTRIES</b>							
Total workers (non including multiple)	1.764	1.715	1.683	1.618	1.558	1.535	1.529
<b>Employees:</b>							
Regular wage workers	1.545	1.492	1.452	1.393	1.323	1.316	1.313
Irregular workers	61	59	69	70	57	47	44
Casual workers	23	23	17	16	39	30	25
Non res.foreigners	7	8	9	9	10	11	11
<b>Self employed:</b>							
Regular selfemployed	104	109	114	107	105	110	112
Irregular selfemploye	17d	17	17	15	15	16	17
Casual workers	7	6	6	8	9	6	7
Multiple job holders	50	51	52	53	41	54	54
<b>LIGHT MODERN INDUSTRIES</b>							
Total workers (non including multiple)	1.793	1.690	1.639	1.557	1.490	1.482	1.450
<b>Employees</b>							
Regular wage workers	1.635	1.538	1.480	1.400	1.332	1.337	1.312
Irregular workers	45	41	48	50	45	38	32
Casual workers	13	13	10	10	21	15	12
Non res.foreigners	0.3	0.2	0.3	0.3	0.3	0.2	0.3
<b>Self employed:</b>							
Regular selfemployed	82	85	88	84	81	80	82
Irregular selfemploye	6d	11	11	11	11	11	11
Casual workers	12	0.9	0.8	1	1	1	1
Multiple job holders	66	66	66	66	65	65	65

(continuation of table 3, second page)

	1980	1981	1982	1983	1984	1985	1986
<b>TRADITIONAL INDUSTRIES</b>							
Total workers (non including multiple)	2.624	2.624	2.467	2.371	2.296	2.269	2.258
<b>Employees:</b>							
Regular wage workers	1.855	1.854	1.729	1.658	1.609	1.609	1.595
Irregular workers	138	138	135	121	109	97	95
Casual workers	71	72	66	59	56	48	44
Non res. foreigners	0.8	0.8	0.8	0.8	0.8	0.8	0.8
<b>Self employed:</b>							
Regular selfemployed	405	405	340	394	380	375	387
Irregular selfemploye	90d	90	87	85	82	79	82
Casual workers	63	63	48	51	58	60	55
Multiple job holders	135	137	138	139	139	138	138
<b>BUILDING INDUSTRY</b>							
Total workers (non including multiple)	1.851	1.875	1.854	1.862	1.801	1.750	1.757
<b>Employees:</b>							
Regular wage workers	816	819	806	791	730	719	719
Irregular workers	365	372	370	356	357	348	344
Casual workers	160	153	125	138	164	141	142
Non res. foreigners	26	29	32	33	38	41	42
<b>Self employed:</b>							
Regular selfemployed	343	357	379	394	369	370	376
Irregular selfemploye	114d	118	117	120	112	104	105
Casual workers	26	27	24	29	31	28	29
Multiple job holders	98	98	97	97	95	98	100
<b>MARKETABLE SERVICES</b>							
Total workers (non including multiple)	7.317	7.479	7.712	7.930	8.450	8.738	8.927
<b>Employees:</b>							
Regular wage workers	3.547	3.616	3.756	3.787	3.936	4.165	4.269
Irregular workers	244	242	233	212	226	256	267
Casual workers	362	348	331	353	459	416	398
Non res. foreigners	88	94	113	126	157	182	205
<b>Self employed:</b>							
Regular selfemployed	2.309	2.449	2.583	2.683	2.822	2.875	2.937
Irregular selfemploye	403d	411	423	439	468	490	495
Casual workers	363	319	274	329	382	353	356
Multiple job holders	1.781	1.880	2.071	2.240	2.317	2.479	2.548
<b>TRADE AND REPAIRS</b>							
Total workers (non including multiple)	3.970	4.038	4.148	4.295	4.512	4.591	4.615
<b>Employees:</b>							
Regular wage workers	1.393	1.427	1.494	1.495	1.535	1.606	1.640
Irregular workers	143	140	141	136	143	155	154
Casual workers	109	95	88	102	132	105	99
Non res. foreigners	60	66	75	87	116	140	163
<b>Self employed:</b>							
Regular selfemployed	1.727	1.815	1.880	1.970	2.017	2.034	2.028
Irregular selfemployed	283	280	280	286	300	303	294
Casual workers	254	216	189	219	270	248	237
Multiple job holders	1.138	1.151	1.196	1.182	1.200	729	1.284

(continuation of table 3, third page)

	1980	1981	1982	1983	1984	1985	1986
<b>TRANSPORTS</b>							
Total workers (non including multiple)	908	917	885	748	855	829	856
Employees:							
Regular wage workers	638	639	617	497	586	568	585
Irregular workers	54	54	41	23	22	16	22
Casual workers	18	22	13	12	25	23	26
Non res. foreigners	26	26	35	37	39	40	40
Self employed:							
Regular selfemployed	143	148	150	152	155	154	153
Irregular selfemploye	21d	21	21	20	20	20	19
Casual workers	9	7	9	6	8	8	11
Multiple job holders	291	350	455	584	623	689	685
<b>SERVICES TO INDUSTRIES PRIVATE HEALTH, EDUCATION AND ENTERTAINMENT</b>							
Total workers (non including multiple)	1.837	1.906	2.046	2.130	2.421	2.642	2.766
Employees:							
Regular wage workers	919	939	1.016	1.043	1.158	1.320	1.359
Irregular workers	44	44	48	51	59	82	89
Casual workers	234	229	229	238	300	286	271
Non res. foreigners	2	2	2	2	2	2	2
Self employed:							
Regular selfemployed	438	485	553	559	649	686	754
Irregular selfemploye	99d	110	122	134	149	168	182
Casual workers	100	96	76	103	104	97	109
Multiple job holders	346	374	414	469	488	536	573
<b>NON MARKETABLE SERVICES</b>							
Total workers (non including multiple)	3.620	3.708	3.787	3.840	3.921	4.001	4.037
Employees:							
Regular wage workers	3.429	3.481	3.525	3.542	3.607	3.669	3.701
Irregular workers	1	1	1	1	1	2	2
Casual workers	77	79	73	68	55	49	47
Non res. foreigners	111	148	188	228	257	281	286
Self employed:							
Regular selfemployed	-	-	-	-	-	-	-
Irregular selfemployed	-	-	-	-	-	-	-
Casual workers	-	-	-	-	-	-	-
Multiple job holders	201	200	187	200	202	201	197

Source: Our elaborations of ISTAT data, see table 2.

TABLE 4: Regular and irregular forms of employment in different economic sectors and branches. 1980/1986 percentages on employment in the sector or branch.

	1980	1981	1982	1983	1984	1985	1986
<b>AGRICULTURE</b>							
<b>Employees:</b>							
Regular wage workers	6.7	6.6	6.6	6.2	6.1	6.5	6.3
Underemployed workers	22.6	22.7	23.8	22.4	22.6	23.2	23
Casual workers	4.3	3.6	3.8	3.7	4.4	5.2	4.8
Non res.foreigners	1.1	1.3	1.5	1.5	1.8	2.1	2.2
<b>Self employed:</b>							
Regular selfemployed	32.3	32.7	32.1	31.7	33	32.7	32
Underemployed	11.3	11.7	12	11.8	13.3	14	14.2
Casual workers	21.6	21.4	20.2	22.8	18.6	16.3	17.5
Multiple job holders	111.8	125.6	135.3	132.2	142.6	150.3	153.3
<b>MANUFACTURING AND ENERGY INDUSTRIES</b>							
<b>Employees:</b>							
Regular wage workers	81.9	81.6	81	80.7	81	81.1	81.1
Irregular workers	3.9	3.8	4.2	4.2	3.3	3.3	3.2
Casual workers	1.7	1.7	1.6	1.5	1.7	1.7	1.5
Non res.foreigners	0.1	0.2	0.2	0.2	0.2	0.2	0.2
<b>Self employed:</b>							
Regular selfemployed	9.3	9.7	10.1	10.2	10.3	10.3	10.7
Irregular selfemployed	1.9	1.9	1.9	1.9	2	1.9	2
Casual workers	1.3	1.1	1.1	1.3	1.5	1.4	1.4
Multiple job holders	4	4.1	4.3	4.5	4.7	4.7	4.7
<b>HEAVY INDUSTRIES</b>							
<b>Employees:</b>							
Regular wage workers	87.6	87	86.3	86.1	84.9	85.8	85.9
Irregular workers	3.5	3.5	4.1	4.3	3.6	3.1	2.9
Casual workers	1.3	1.3	1	1	2.5	1.9	1.6
Non res.foreigners	0.4	0.5	0.5	0.6	0.6	0.7	0.7
<b>Self employed:</b>							
Regular selfemployed	5.9	6.4	6.8	6.6	6.8	7.1	7.3
Irregular selfemployed	1	1	1	0.9	0.9	1	1.1
Casual workers	0.4	0.3	0.4	0.5	0.6	0.4	0.5
Multiple job holders	2.8	3	3.1	3.3	2.6	3.5	3.6
<b>LIGHT MODERN INDUSTRIES</b>							
<b>Employees:</b>							
Regular wage workers	91.2	91	90.3	89.9	89.4	90.2	90.5
Irregular workers	2.5	2.4	2.9	3.2	3	2.6	2.2
Casual workers	0.7	0.8	0.6	0.6	1.4	1	0.8
Non res.foreigners	0.02	0.02	0.02	0.02	0.02	0.02	0.02
<b>Self employed:</b>							
Regular selfemployed	4.6	5	5.4	5.4	5.4	5.4	5.6
Irregular selfemployed	0.3	0.7	0.7	0.7	0.7	0.7	0.7
Casual workers	0.7	0.1	0.1	0.1	0.1	0.1	0.1
Multiple job holders	3.7	3.9	4	4.2	4.4	4.4	4.5

(continues table 4: second page)

	1980	1981	1982	1983	1984	1985	1986
<b>TRADITIONAL INDUSTRIES</b>							
<b>Employees:</b>							
Regular wage workers	70.7	70.7	70.1	69.9	70.1	70.9	70.6
Irregular workers	5.3	5.3	5.5	5.1	4.7	4.3	4.2
Casual workers	2.7	2.7	2.7	2.5	2.5	2.1	1.9
Non res.foreigners	0.03	0.03	0.03	0.03	0.03	0.04	0.04
<b>Self employed:</b>							
Regular selfemployed	15.4	15.4	16.2	16.6	16.6	16.5	17.2
Irregular selfemployed	3.5	3.5	3.5	3.6	3.6	3.5	3.6
Casual workers	2.4	2.4	2	2.2	2.5	2.6	2.4
Multiple job holders	5.2	5.2	5.6	5.9	6.1	6.1	6.1
<b>BUILDING INDUSTRY</b>							
Regular wage workers	44.1	43.7	43.5	42.5	40.5	41.1	40.9
Irregular workers	19.8	19.9	19.9	19.1	19.8	19.9	19.6
Casual workers	8.6	8.2	6.8	7.4	9.1	8.1	8.1
Non res.foreigners	1.4	1.5	1.7	1.8	2.1	2.4	2.4
<b>Self employed:</b>							
Regular selfemployed	18.6	19	20.5	21.2	20.5	21.1	21.4
Irregular selfemployed	6.1	6.3	6.3	6.4	6.2	6	6
Casual workers	1.4	1.4	1.3	1.6	1.7	1.6	1.6
Multiple job holders	5.3	5.2	5.3	5.2	5.3	5.6	5.7
<b>MARKETABLE SERVICES</b>							
<b>Employees:</b>							
Regular wage workers	48.5	48.4	48.7	47.8	46.6	47.7	47.8
Irregular workers	3.3	3.2	3	2.7	2.7	2.9	3
Casual workers	5	4.7	4.3	4.5	5.4	4.8	4.5
Non res.foreigners	1.2	1.3	1.5	1.6	1.9	2.1	2.3
<b>Self employed:</b>							
Regular selfemployed	31.6	32.7	33.5	33.8	33.4	32.9	32.9
Irregular selfemployed	5.5	5.5	5.5	5.5	5.5	5.6	5.6
Casual workers	5	4.3	3.6	4.1	4.5	4	4
Multiple job holders	24.3	25.1	26.9	28.3	27.4	28.4	28.6
<b>TRADE AND REPAIRS</b>							
<b>Employees:</b>							
Regular wage workers	35.1	35.3	36	34.8	34	35	35.5
Irregular workers	3.6	3.5	3.4	3.2	3.2	3.4	3.3
Casual workers	2.7	2.4	2.1	2.4	2.9	2.3	2.1
Non res.foreigners	1.5	1.6	1.8	2	2.6	3.1	3.5
<b>Self employed:</b>							
Regular selfemployed	43.5	44.9	45.3	45.9	44.7	44.3	44
Irregular selfemployed	7.1	6.9	6.8	6.7	6.6	6.6	6.4
Casual workers	6.4	5.4	4.6	5.1	6	5.4	5.1
Multiple job holders	28.7	28.5	28.8	27.5	26.6	15.9	27.8

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	1980	1981	1982	1983	1984	1985	1986
<b>TRANSPORTS</b>							
<b>Employees:</b>							
Regular wage workers	70.2	69.7	69.7	66.5	68.6	68.5	68.4
Irregular workers	6	5.9	4.6	3.1	2.5	2	2.6
Casual workers	2	2.4	1.5	1.7	2.9	2.8	3
Non res.foreigners	2.8	2.9	4	5	4.6	4.8	4.6
<b>Self employed:</b>							
Regular selfemployed	15.8	16.1	16.9	20.3	18.1	18.6	17.9
Irregular selfemployed	2.3	2.3	2.3	2.6	2.3	2.4	2.3
Casual workers	0.9	0.7	1	0.8	1	1	1.2
Multiple job holders	32.1	38.1	51.5	78	72.9	83	80
<b>SERVICES TO INDUSTRIES, PRIVATE HEALTH, EDUCATION AND ENTERTAINMENT</b>							
<b>Employees:</b>							
Regular wage workers	50	49.3	49.7	48.9	47.8	50	49.1
Irregular workers	2.4	2.3	2.4	2.4	2.4	3.1	3.2
Casual workers	12.7	12	11.2	11.2	12.4	10.8	9.8
Non res.foreigners	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>Self employed:</b>							
Regular selfemployed	23.9	25.5	27	26.3	26.8	26	27.3
Irregular selfemployed	5.4	5.8	6	6.3	6.1	6.4	6.6
Casual workers	5.5	5.1	3.7	4.9	4.3	3.7	3.9
Multiple job holders	18.8	19.6	20.2	22	20.2	20.3	20.7
<b>NON MARKETABLE SERVICES</b>							
<b>Employees:</b>							
Regular wage workers	94.7	93.9	93.1	92.3	92	91.7	91.7
Irregular workers	0.03	0.03	0.03	0.03	0.03	0.1	0.1
Casual workers	2.1	2.1	1.9	1.8	1.41	1.2	1.2
Non res.foreigners	3.1	4	5	6	6.6	7	7.1
<b>Self employed:</b>							
Regular selfemployed		-	-	-	-	-	-
Irregular selfemployed		-	-	-	-	-	-
Casual workers		-	-	-	-	-	-
Multiple job holders	5.6	5.4	4.9	5.2	5.2	5	4.9

Source: Our elaborations of ISTAT data, see table 2

TABLE 5: Regular and irregular forms of employment in different economic sectors and branches. 1980/1986 percentages on the total category of employment.

	1980	1981	1982	1983	1984	1985	1986
<b>AGRICULTURE</b>							
Regular wage workers	1.3	1.2	1.1	1.1	1	1	0.9
Underemployed workers	29.2	27.9	27.3	26.9	25.4	24.9	24.3
Casual workers	7.2	6.1	6.6	6	6.4	8	7.3
Non res.foreigners	14.3	12.8	11.6	10.3	10	9.6	9.6
Self employed:							
Regular selfemployed	6.4	6	5.4	5.5	5.3	4.9	4.7
Underemployed	14.7	14.4	13.9	14.2	15	15	15.0
Casual workers	35.8	35.9	35.3	36.6	26.9	25	26.6
Multiple job holders	100	100	100	100	100	100	100
<b>MANUFACTURING AND ENERGY INDUSTRIES</b>							
Employees:							
Regular wage workers	30	28.8	27.8	26.7	25.6	25.2	24.7
Irregular workers	9.3	9.1	9.9	9.6	7.4	7.4	6.9
Casual workers	5.2	5.5	5.5	4.7	4.8	5.3	4.7
Non res.foreigners	3.2	3	2.6	2.3	2.2	2	2.0
Self employed:							
Regular selfemployed	3.4	3.4	3.5	3.4	3.3	3.2	3.3
Irregular selfemployed	4.4	4.4	4.5	4.4	4.4	4.2	4.4
Casual workers	4	3.6	3.7	3.9	4.2	4.5	4.3
Multiple job holders	10.8	10.5	9.8	9.3	9	8.5	8.3
<b>HEAVY INDUSTRIES</b>							
Employees:							
Regular wage workers	8.9	8.6	8.3	8	7.6	7.5	7.4
Irregular workers	2.3	2.3	2.7	2.8	2.3	1.9	1.8
Casual workers	1.1	1.2	1	0.8	2	1.7	1.5
Non res.foreigners	2.8	2.6	2.3	2	2	1.8	1.8
Self employed:							
Regular selfemployed	0.6	0.6	0.7	0.6	0.6	0.6	0.6
Irregular selfemployed	0.6	0.7	0.7	0.6	0.6	0.6	0.7
Casual workers	0.4	0.3	0.4	0.5	0.5	0.4	0.4
Multiple job holders	2.1	2.1	2	1.9	1.4	1.8	1.7
<b>LIGHT MODERN INDUSTRIES</b>							
Employees:							
Regular wage workers	9.4	8.8	8.5	8.1	7.7	7.6	7.4
Irregular workers	1.7	1.6	1.9	2	1.8	1.5	1.3
Casual workers	0.6	0.7	0.6	0.5	1.1	0.9	0.7
Non res.foreigners	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Self employed:							
Regular selfemployed	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Irregular selfemployed	0.2	0.4	0.4	0.4	0.4	0.4	0.4
Casual workers	0.5	0.1	0.1	0.1	0.1	0.1	0.1
Multiple job holders	2.8	2.7	2.5	2.4	2.3	2.2	2.1

(continues table 5: second page)

	1980	1981	1982	1983	1984	1985	1986
<b>TRADITIONAL INDUSTRIES</b>							
<b>Employees:</b>							
Regular wage workers	10.7	10.7	9.9	9.5	9.3	9.1	9.0
Irregular workers	5.2	5.3	5.3	4.8	4.4	3.9	3.9
Casual workers	3.5	3.8	3.9	3.2	2.9	2.8	2.6
Non res. foreigners	0.3	0.3	0.2	0.2	0.2	0.1	0.1
<b>Self employed:</b>							
Regular selfemployed	2.3	2.3	2.3	2.3	2.2	2.1	2.2
Irregular selfemployed	3.4	3.5	3.4	3.4	3.3	3.2	3.3
Casual workers	3.1	3.3	2.9	2.8	3	3.5	3.2
Multiple job holders	5.8	5.7	5.3	5	4.9	4.6	4.5
<b>BUILDING INDUSTRY</b>							
<b>Employees:</b>							
Regular wage workers	4.7	4.7	4.6	4.6	4.2	4.1	4.1
Irregular workers	13.8	14.4	14.4	14.2	14.4	14.1	14.0
Casual workers	7.7	8.1	7.4	7.4	8.5	8.2	8.3
Non res. foreigners	9.6	9	8.3	7.5	7.4	7.2	7.0
<b>Self employed:</b>							
Regular selfemployed	2	2.1	2.2	2.3	2.1	2.1	2.1
Irregular selfemployed	4.3	4.6	4.6	4.8	4.5	4.2	4.3
Casual workers	1.3	1.4	1.4	1.6	1.6	1.6	1.7
Multiple job holders	4.2	4	3.7	3.5	3.3	3.2	3.3
<b>MARKETABLE SERVICES</b>							
<b>Employees:</b>							
Regular wage workers	20.4	20.8	21.5	21.8	22.6	23.6	24.0
Irregular workers	9.2	9.3	9.1	8.5	9.1	10.3	10.9
Casual workers	17.5	18.4	19.5	18.8	23.7	24.1	23.3
Non res. foreigners	32.1	29.3	29	28.4	30.5	31.9	33.9
<b>Self employed:</b>							
Regular selfemployed	13.3	14.1	14.8	15.4	16.2	16.3	16.5
Irregular selfemployed	15.2	15.9	16.5	17.5	18.8	19.8	20.1
Casual workers	17.6	16.9	16.2	17.5	19.8	20.4	20.9
Multiple job holders	76.4	77.3	79.3	80.1	80.7	81.7	82.1
<b>TRADE AND REPAIRS</b>							
<b>Employees:</b>							
Regular wage workers	8	8.2	8.6	8.6	8.8	9.1	9.2
Irregular workers	5.4	5.4	5.5	5.4	5.7	6.3	6.3
Casual workers	5.3	5	5.2	5.4	6.8	6.1	5.8
Non res. foreigners	22	20.4	19.4	19.6	22.5	24.6	27.0
<b>Self employed:</b>							
Regular selfemployed	9.9	10.4	10.8	11.3	11.6	11.5	11.4
Irregular selfemployed	10.7	10.8	10.9	11.4	12	12.2	12.0
Casual workers	12.3	11.4	11.2	11.7	14	14.4	13.9
Multiple job holders	48.8	47.3	45.8	42.3	41.8	24	41.4

(continues table 5: third page)

	1980	1981	1982	1983	1984	1985	1986
<b>TRANSPORTS</b>							
<b>Employees:</b>							
Regular wage workers	3.7	3.7	3.5	2.9	3.4	3.2	3.3
Irregular workers	2	2.1	1.6	0.9	0.9	0.7	0.9
Casual workers	0.9	1.2	0.8	0.7	1.3	1.3	1.5
Non res.foreigners	9.4	8.2	9.1	8.4	7.6	7	6.6
<b>Self employed:</b>							
Regular selfemployed	0.8	0.9	0.9	0.9	0.9	0.9	0.9
Irregular selfemployed	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Casual workers	0.4	0.4	0.5	0.3	0.4	0.5	0.6
Multiple job holders	12.5	14.4	17.4	20.9	21.7	22.7	22.1
<b>SERVICES TO INDUSTRIES, PRIVATE HEALTH, EDUCATION AND ENTERTAINMENT</b>							
<b>Employees:</b>							
Regular wage workers	5.3	5.4	5.8	6	6.7	7.5	7.6
Irregular workers	1.7	1.7	1.9	2	2.4	3.3	3.6
Casual workers	11.3	12.1	13.5	12.7	15.5	16.5	15.9
Non res.foreigners	0.8	0.6	0.5	0.5	0.4	0.4	0.3
<b>Self employed:</b>							
Regular selfemployed	2.5	2.8	3.2	3.2	3.7	3.9	4.2
Irregular selfemployed	3.8	4.2	4.6	5.3	6	6.8	7.4
Casual workers	4.9	5.1	4.5	5.5	5.4	5.6	6.3
Multiple job holders	14.8	15.4	15.8	16.8	17	17.6	18.5
<b>NON MARKETABLE SERVICES</b>							
<b>Employees:</b>							
Regular wage workers	19.7	20	20.2	20.4	20.7	20.8	20.8
Irregular workers	0.1	0.04	0.1	0.1	0.1	0.1	0.1
Casual workers	3.8	4.2	4.3	3.6	2.9	2.9	2.8
Non res.foreigners	40.9	46	48.5	51.5	49.9	49.3	47.5
<b>Self employed:</b>							
Regular selfemployed	-	-	-	-	-	-	-
Irregular selfemployed	-	-	-	-	-	-	-
Casual workers	-	-	-	-	-	-	-
Multiple job holders	8.6	8.2	7.2	7.2	7	6.6	6.4

Source: Our elaboration of ISTAT data, see table 2.

PROGRAM FOR RESEARCH AND ACTIONS ON THE DEVELOPMENT OF THE  
LABOUR MARKET

FINAL REPORT

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UNDERGROUND ECONOMY AND IRREGULAR FORMS OF EMPLOYMENT  
(TRAVAIL AU NOIR):

THE CASE OF GREECE

by:  
Enzo MINGIONE  
(University of Messina, Sicily)

For:  
The Commission for  
European Communities  
DG V/A/1

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THE UNDERGROUND ECONOMY AND IRREGULAR FORMS OF EMPLOYMENT IN EUROPE

THE CASE OF GREECE: FINAL REPORT.

by Enzo Mingione, University of Messina, Italy.

Linguistic revision by Paul Goodrick, "lettore" in English, University of Milan, Italy.

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## PART ONE: QUALITATIVE MONOGRAPHS

### 1. The qualitative conditions of employment of foreign workers, by E. Mingione

As we shall see in the second part of this report, irregular employment of foreign workers in Greece is quite substantial and can be divided into two main types: seasonal and all year-round. Our qualitative investigation will concern three cases: two seasonal ones (young North-European workers employed in tourist services during the summer and Polish families working in agriculture also during the summer) and an example of year-round irregular employment (Filipino domestic helpers, mainly quoting from the transcription of some interventions at a symposium on the conditions of employment of migrant workers. This symposium was held in Athens in April 1988 and organized by KASAPI ELLAS, a recently set-up organization of Filipino migrant workers, together with Greek solidarity organizations, chiefly the Women's Committee of the Hellenic League).

#### North-European seasonal workers in tourist services.

A sizeable number of young foreigners, mainly women, are irregularly employed in tourist services (bars and cafés, restaurants, shops, small hotels and pensions, travel agencies, night clubs) during the summer season. They come predominantly from Holland, Denmark, West Germany, Scandinavia and Great Britain. They are mostly recruited in two ways, both related to the existence of Greek communities of migrant workers in these countries. Some, perhaps the majority, are contacted by Greek boyfriends and persuaded to spend the summer in Greece on a part-holiday part-work basis. Others are recruited by specialized or semi-specialized agencies (Greek-owned small travel agencies specializing also in cheap tourism for young people and in discounted train and air travel).

They work mainly on the islands and to a lesser extent on the mainland coast and in Athens. They are mostly employed in jobs involving contact with foreigners where their language and cultural skills are prized. Usually their

conditions of employment are much worse than expected for at least two reasons. As they are extremely vulnerable - stranded in a foreign country with no money, usually unwilling to return home immediately and without a work permit - preliminary agreements are not respected by employers. They end up working much longer hours, having very little free time for holidays, doing tasks they were not supposed to (for example, a girl bartender would be asked to clean the place after closure). The second reason for disappointment concerns only female foreign workers, who are the large majority. They are subjected to and resent the strong male chauvinist attitude of both their Greek male colleagues and their male employers.

#### Polish tourist workers in agriculture.

During the peak season in agriculture and mainly in Northern Greece, a quite substantial number of Poles are irregularly employed in harvesting, collecting fruit and olives and many other agricultural tasks. Poles obtain the tourist expatriation visa more easily than other Eastern Europeans. They drive down to Greece in crowded cars packed full of camping equipment. They receive permission to camp from farmers in exchange for a few days work and then work throughout the entire agricultural season for food and relatively low cash payments.

They move around the countryside following the intensive demand for labour in successive areas determined by the harvesting of different crops (apricots, peaches, plums, potatoes, apples, figs, grapes, and so on). Before returning home, they usually sell their camping equipment and other goods, which are relatively cheaper in Poland, in order to raise money so that they can save hard currency (they usually change drachmas into US dollars). Some of them do not go back to Poland and become political refugees. They remain in Greece as refugees until they obtain a visa to North America or Australia.

#### Filipino migrant workers in Greece.

As mentioned above, the following are passages from interventions at a symposium recently held in Athens. I am grateful to Georgia Petraki for having sent me copies of the

transcriptions.

For reasons of comparison, it should be kept in mind that the minimum salary of a full-time Greek domestic helper is over 60,000 drachmas per month. The near totality of Filipino maids in Greece do not have a work permit; as a consequence they are highly vulnerable. They are recruited by specialized agencies to which they pay a substantial amount of money (\$US 1-3,000) in order to obtain what is described as a very decent high-income job. They are usually well educated and can speak fairly good English.

FIRST SPEAKER:

Now one may ask: how many Filipino migrants are working in Greece? It is difficult to state the exact figure, as quite a number of our people are illegal, that is, without any documents or permits. A reasonable estimate would put the number to 10,000. 95% are women. Age ranges from as young as 15 years old to 55 years old. The oldest among us at 64 years old just returned to the Philippines. After working in Greece for 14 years, the only money that was given her was her salary for the last month she was working. Nothing else. No benefits.

My colleagues will share with you testimonies about the conditions we live and the daily struggles our lives involve. The accounts which are not in the least 'sensational', tell mainly of the ordinary things of everyday life, the uncertainties about the future.

SECOND SPEAKER:

The case of Pedro and Susan.

Pedro and Susan are a young couple, who were directly hired from the Philippines. The family included a sick man, who was paralyzed and bedridden, his wife and their grown-up daughter. They were nurses during the night and houseworkers in the day time. Some characteristics of the employer family include such things like: for every mistake in doing the housework, there is a corresponding deduction of the salary. When they are late in coming back from their day-off, the minutes late are lead to an equivalent salary deduction. After some months, they could no longer stand the situation. One day, they decided to leave. The employers had confiscated the passports, believing that without any documents they would be under their complete control.

Moreover, the employers did not work their stay permit nor their work permit, even though the two Filipinos were directly hired from the Philippines.

Thus their life of illegality and clandestinity started. A life full of insecurity and uncertainty. Anytime, they could be picked up by the immigration police. Meanwhile, what the employers did was to report them to the immigration police, accusing the couple of stealing money, jewelry and other valuables. For this reason, it became near impossible for them to get themselves legal, even if they could have a new employer.

At this point, I would like to stress the role of recruitment agencies, who have amassed so much wealth from this dirty business of recruiting Filipinos. These agencies would give beautiful promises to prospective applicants. The money each prospective applicant would give to an agency is between 2,000 and 3,000 \$US. Many migrants arriving every week are women, most of them with tourist visas.

How can a migrant worker save money? With the salary of 20-25,000 drachmas a month, and she has to pay back the amount given to the recruitment agency, and every month she has to send some amount to her family in the Philippines.

#### THIRD SPEAKER:

One of the experiences upon arrival in Greece is to be confronted by the Airport immigration police. At the passport control, the Filipino women are immediately asked to step aside from the line of arriving passengers. The interrogation could last for a day, unless the employer would come and guarantee for her. The situation is compounded by the lack of language facilities. The intimidating behaviour of the police really terrifies the Filipinos.

Upon arrival at the house from the airport, the Filipino domestic worker is immediately given the things to be done, no consideration at all whether the person is suffering from jet-lag after a long journey.

And so the Filipino woman starts her life as a domestic servant. Sometimes the family does not speak English. The language problem makes it often impossible for the worker to understand the way things should be done according to the wishes of the employer.

Domestic worker becomes completely under control of the employer, who often consists of the whole family of husband

and wife with their children.

This process of thought and value-assimilation is done in a subtle manner. As a domestic worker, she must stay in the house, 24 hours a day, work and sleep in the same house. In effect, without realizing it, she has become a domestic property of the employer.

Employers have the habit of making assurances to us that in case of illness, they would be the ones to take care of all the expenses. In reality, it does not always happen. Like the case of Maria Borje, who underwent surgery. Her hospital bills were not paid by the employer. Two weeks ago, she died. She was only 23 years old. Through voluntary contributions, the body was brought back to the Philippines.

#### FOURTH SPEAKER

We must say that there are employers who show concern for their domestic helpers. Unfortunately these employers are a minority, more of an exception. My testimony will be about the working conditions under employers who exploit to the full, our being foreign workers, and who treat us as one of their domestic properties, incapable of thinking.

Let me start with the case of MIA.

She is 38 years old, separated from her husband, and has three children to support. She came to Greece 4 years ago. She had no idea what the work would be, but was willing to try any work. Although she had finished a college degree at one of the Philippine universities, she could not get any work fitted to her profession. The only job available was that of a domestic helper. Her first employer was an Arab businessman, who promised to work out her documents so she would be legal here in Greece. He was always boasting about his connections with people in high places. Getting her the permit to work and permit to stay would have been very easy. However, he did not. He realized that by not making her legal before Greek law, she would be completely dependent on him. From being arrogant, the employer became abusive. He would shout at her for anything she did that was not according to his likes. One time, she tried to reason with him, as a result she was slapped in the face. Aside from the insults and verbal assaults, she was subjected to many indignities. For example, she was allowed to eat only leftovers from the master's table. She could never eat on time. She was intimidated from going out and socialize with her fellow Filipinos. One time, she had the courage to leave for

a short period. When the employer found out, she was no longer allowed to leave the house. She was kept locked inside the house. One day she managed to escape by passing through the window.

#### MARIA'S CASE.

She is only 21 years old. Her employer got her from an agency involved in the business of recruitment for Greek families. She was told that her employer occupies a very high position in a government ministry, that he is a man of honour. However, she was only given a salary of Dr 25,000 a month. Although the contract says that the domestic worker is entitled to one rest day, this was not followed. On Sundays, she must bring the children to the church, which according to the contract, must be an orthodox church. Practically, she could only go out for a few hours. The situation became so unbearable that she asked her friends for advice. They consulted a lawyer. When the employer knew about it, he was very mad. One day, the employer brought her to the airport and sent her home to the Philippines on the first available plane.

Maria's case is very common. The agent from the recruitment company promised her a very good salary. Even if she had to give \$US 2,000, the money could be recovered. So, what Maria and her family did was to borrow money. However, when the employer decided to send her home to the Philippines, Maria and her family had nothing and nobody to give them protection.

#### MARTHA'S CASE

She is 35 years old, directly hired from the Philippines. Her contract says that her work would be to baby-sit two children. When she started her work, she was told that when the children are asleep, she would have to do all the things in the house, like cleaning, washing and preparing food. She would start her day at 6.00 in the morning to prepare coffee for the master, clean the room and prepare the bed; when the children are in bed by 9.00 p.m., she would still continue the work of ironing clothes; at 11.30 p.m. she has to put on the washing-machine. Finally she could retire past midnight.

There is one peculiarity in Martha's case. Her employer was sexually attracted to her. As she did not have her own room, she would have to sleep in the living-room. Sometimes, the employer would come into the living-room half naked. One evening, he attempted to molest her sexually touching her. Naturally she resisted. The next day, she escaped from the house. Her employers had confiscated her passport, believing

that as long as her passport was in their possession, she would not have the courage to leave. Moreover, they purposely did not work out her permit to work and stay permit. After her escape was discovered, the employers brought the passport to the immigration police accusing her of stealing money and valuables. She could not get another employer because she has been blacklisted.

#### JENNY'S CASE

She is 20 years old. When she arrived, she was only 18 years old. Her contract was good for two years only. Because she did everything in the house - she was a hard worker - according to the employer, her employer did not want to lose her. For all the household work, she was given a salary of Dr 28,000. The problem is that with the present salary of 28,000, she would never be able to pay back the amount given to the agent. She had found an employer willing to give her 50% more than what she was actually receiving. The employer liked her very much. Sometimes her employer would even ask her to clean the house of their parents. In spite of the extra work and long hours of work, she never got any extra compensation. Nevertheless, she was told that if she really wanted to change employment, she would have to go home first. The only way for her to stay legally in Greece is to renew her contract of employment. The other option would be to go home.

## 2. The case of Crete, by P.M. Delladecima

The growth areas of Northern Crete constitute a major illustrative case of a type of development which is currently taking place in Greece and in turn of a type of employment structure which such development relates to.

The island of Crete consists of 4 administrative regions - Chania, Rethimno, Heraklio, and Lassithi - each one including the respective main regional centres of Chania, Rethimno, Heraklio and Ag. Nikolaos. It could be argued that in terms of economic and administrative influence the cities of Heraklion and Chania are the dominant ones. Overall, despite the particularities of each region the economy of the island is strongly based on agriculture and tourism.

Development tends to concentrate around the main regional centres and it is expanding linearly along the

Northern coastal road-route which connects each centre with the others. This form of development is characterized by a mixed pattern of uses and activities concerning tourism (small-scale accomodation in the form of room-renting and big-scale hotel accomodation combined with entertainment uses such as shops, restaurants, etc.), agriculture (in certain cases highly productive), housing and services in general. It should be pointed out that the produced pattern relies heavily on the fragmented small-scale ownership strucutre (preserved also by the existing legal framework). Small-scale land ownership facilitates adjustments to changes of uses (i.e. agricultural to tourist uses), changes determined by new rent relations primarily promoted by the road network (the main coastal road completed in the 1970 increased accessibility and "opened up" favourable areas to tourist uses).

Thus, the entire northern coastal area is gradually incorporated to this pattern of development, leading also to a unified and extensive commodity, housing and labour market embodying considerable aspects of internationalization. The whole situation proves to be particularly favourable to income and employment opportunities for wide population strata.

Within the limits of this presentation it is difficult to produce any form of quantitative information concerning the employment structure and the labour market in general. We can, however, briefly describe some of the phenomena which are identifiable in the area.

a) Underemployment involving various sectors of the economy.

b) Population and labour mobility, primarily due to seasonal demand for labour in agriculture and the tourist sector of the coastal areas: For example, labour demand in agriculture during crop collection relies heavily on imported labour from northern Greece and on cheap labour by young tourists and migrants from foreign countries (Poland, N. Africa, etc.). Similarly, the tourist sector during the peak period absorbs labour from other areas in Greece.

c) Multiactivity, the most important and widely spread phenomenon in Crete. It is very common, for instance, for a public employee, to maintain agricultural land and benefit from the sale of products such as olive oil, oranges, etc., or even to engage in tourist activities as forms of complementary income. Multiactivity is also met in the agricultural sector. Members of an agricultural family may

work in the building sector or be involved in tourist activities such as room-renting or even in handicraft petty commodity production for the local tourist market.

Finally, it is necessary to point out the disjointed and fragmented character of state policy in the area (i.e. economic incentives for tourist and industrial development which operate independently from land use policy) which proves to be unable to exert any form of control, based on simplicistic assumptions of clear distinctions between economic and physical development and ignoring the totality of the problems involved.

### 3. Youth labour, by P.M. Delladecima

It is estimated that in Greece approximately 170,000 children from 12 to 18 years old (and even younger) are engaged in various activities. Only 53,000 out of them work under licence conceded by the Ministry of Labour.

There is virtually no legal framework to protect children or youth labour. Existing law only determines working conditions for "officially employed" youth and no consideration is given at all to those engaged in handicraft family activities or those who work in various petty forms of self-employment. A recent law proposal, intending to introduce considerable innovations into the matter, has not yet been approved.

Thus, thousands of children - not having even completed primary education - work under conditions of over-exploitation by their families or even within organized networks (which distribute them around the urban centres) as "street pedlars", selling flowers at restaurants or entertainment clubs, cleaning cars, windows; etc.

### 4. Fur Processing in Kastoria - (Northern Greece) by Costis Hadjimichalis and Dina Vaiou

Kastoria is a mountainous nomos (province) in North West Macedonia, by the Greek-Albanian border, with poor connection to the rest of the country (pop. 1981: 53169, density: 30.9 people per sq.km). The principal town, Kastoria, with about 25000 people in 1981, is a traditional

international fur-processing center. Until 1975 its exclusiveness for this activity was secured by law. Thus the town of Kastoria has attracted population from smaller towns and nearby provinces.

Of the 21510 people in formal employment in 1981, 14000 work in the 3500 fur-processing workshops. This does not mean that all 14000 are classified as fur-workers. Many are listed as peasants - a phenomenon identified by the Agriculture Bank whose estimate is that 63% of the peasants' income is generated from this activity. Fur-processing forms about 10% of Greek exports and generates \$120m in foreign currency. Kastoria and neighbouring Siatista now account for 97% of fur-processing in Greece and control about 10% of the international fur trade. A feature characteristic to Kastoria is the high level of per capita savings, which exceeds the national average by 41% (130,000 drs compared to the national average of 92,000 drs in 1981).

Fur-processing in Kastoria is based on a long local tradition (dating back to the 18th century) of putting together very small pieces of fur (2-3 cm by 1-2 cm) to make a long coat. Since the 1960s pieces of fur are imported while almost 80% of local production is exported again. After 1975, the exclusiveness of fur-processing has been extended to the entire prefecture and to the neighbouring city of Siatista. Both the state and local authorities are pressured by local corporatist interests not to further extend the privilege to other competing regions.

After the geographical extension of processing privileges, a new pattern of employment started to develop. Kastoria town continued to be the center of the activity, comprising all formal workshops and firms' offices. An equally important part of the work (estimated between 40 and 50% of total production) is now diffused to a number of villages and towns in the prefecture, to non-registered home-based workers, usually women. The fur-workers union, with only 700 members, has been able to negotiate the terms of employment in the workshops but has not been able to prevent extra piece-work used by firms to produce first-rate goods.

It is not uncommon for male fur-workers to resort to piece-work at home. But in the majority of cases they act as middlemen who negotiate such commissions for their wives and daughters, usually at much lower rates than in the workshops. Working for the fur industry at home does not lighten 'women's duties' as mothers and housewives. They do not have

the freedom of going out to work and they work in conditions that are detrimental to their health. Stress, overwork and health hazards from constant exposure to fur dust are the underside of the burgeoning fur industry in Kastoria. The patriarchal values of the household structure make of women a captive and flexible labour force to which the fur industry can always resort (via men) for the labour-intensive part of the production process. At the same time, women are trapped in the regional specialization of Kastoria, where the fur industry is an exclusive source of employment outside agriculture.

As in other cases of homework in Greece, the home-based part of fur-processing is not recorded or detected, thus avoiding taxation. It involves no social security benefits or costs on the part of the firm that does not have to abide with labour legislation either. Fur-processing is thus included in the household economy as a source of income to be combined with agricultural activities (mainly apple and bean production) that often continue to be listed as the 'head of household's' occupation.

The whole situation is highly profitable for fur traders, since the labour-intensive skilled processing is carried out with minimum labour costs. In addition, fur traders make extra profits from extensive transfer-pricing and illegal transactions with foreign companies. The issue has been taken to court three times with 85 fur traders accused by the Ministry of Trade. But their corporate power has been strong enough to influence political parties and MPs to stop prosecution.

##### 5. Women's Informal Work in Services by M. Stratigaki

Gender-based discrimination in Greece is much more evident in the informal than in the formal labour market. The usually unfavourable working conditions in the informal sector, such as lack of social security, irregular working times, inappropriate environment, inadequate payment, etc., are the result of the absence of any state or trade-union intervention in the labour process. These conditions form the basis of the so-called 'free' bargaining between workers and employers and favour personal relations in the labour contract. Participating less than men in the formal workforce and burdened by the patriarchal relations

prevailing in Greek society, women constitute a 'willing reserve-army' ready to accept minimum standards of working conditions and payment.

Women's working patterns in services differ enormously from those of men. MEN's informal work in the service sector is usually secondary to their formal employment, especially in the public sector or in organizations of public interest (banks included). Low salaries, inadequate for the proper support of children and households, push men with families to look for a 'second' afternoon job. Relatively favourable working times (usually from 7.30 to 15.00) as well as abstention from domestic work (exclusively undertaken by their wives), allow them to extend their working-day until late evening. 'Second' jobs are usually related to their formal occupation and the skills acquired in it, i.e. bookkeeping, teaching, engineering, selling. WOMEN's informal work is usually their primary and only employment which very often supports the whole family. Flexibility in working time provided by informal employment suits women's responsibilities at home. Women with children 'prefer' to work at home, if this is permitted by the nature of the service rendered in order to combine both domestic and waged labour in the same place.

Women's informal employment in services appears mostly in sectors connected with 'female' tasks, i.e. caring for, educating, assisting men. Three groups of women's informal labour in services can be distinguished.

a. Personal services offered by individual women workers to persons or families, such as nursing, baby sitting, cleaning, teaching, housekeeping, hairdressing, beauty care, typing data entry, prostitution. Such services are provided on a piecemeal or hourly basis usually at the employer's home. Recently, foreign women, coming mainly from the Philippines, have been employed in nursing and housekeeping. Informal labour relations may extend in this case to the employer's control over the legitimacy of the worker's residence in the country.

b. Services provided to family businesses. The functioning of medium-sized and small units, which characterize the Greek economic structure, are largely based on the unpaid labour provided by women and children as members of the family. Especially in retailing and tourism, the majority of shops, restaurants and rooms-to-rent are mostly run without any waged labour. Women's labour relations confused with family relations remain informal in

most cases. Husband-employers control women's labour and determine working conditions. A small amount of this unwaged labour is statistically visible, appearing under the classification 'Assisting and non-paid family members'.

c. Services provided to small and medium-sized firms.  
The employers of these units, especially in tourism, when not using the services of their family members, or in addition to them, usually employ informally Greek and foreign women. Women foreign workers coming mainly from Europe provide services to tourists, i.e. guidance and information, entertainment in hotels, bars and discos, room-cleaning. Although informal work is officially forbidden, surveillance and control by the State Social Security Authorities is almost non-existent in the tourist sector.

Generally, one could say that in Greece, conditions related to both its economic and social structure have created a female workforce 'willing to be employed informally in the service sector. These conditions not only favour flexible accumulation of capital but also aggravate existing gender-based discrimination, both in working and family life.

## PART TWO: GENERAL AND QUANTITATIVE REPORT

The preparation of this report has been made possible thanks to the collaboration of Professor Costis Hadjimichalis and Professor Dina Vaiou who gathered the relevant material, organized meetings and discussions with officials and experts and assisted me during the visit to Greece in July 1988. An extremely valuable contribution was also made by Doctor Pavlos Delladecima who translated the most relevant documents from Greek into English.

### 1. Introduction

In order to understand the case of Greece, it is important to start by mentioning some elements in the economic and industrial history of the country which have had a very important impact on its present social structure and socio-regulative patterns. What is peculiar to Greek industrial and financial history and to its present economic structure is not so much the high degree of polarization between big international capital on one side and a persistent large number of small and very small concerns on the other side. This is also found, for instance, in some Italian regions and in Spain. The specificity of Greece is due to the fact that the concentrated and internationalized pole of the economic structure has developed in historical terms almost exclusively around shipping (the commercial fleet), ship-building and a few other industries (in the main chemicals, steel, electricity, cement and food processing). These activities have been characterized by unusual patterns of Taylorist and Fordist systems compared to those put into practice by producers of durables where large numbers of fully urbanized and propertyless workers are increasingly concentrated in large factories. The dominant sectors in Greece have not only been more capital-intensive or operated outside of a proper factory organization (like shipping) but, in addition, they have employed a working class with some landed property either in rural areas or in cities, the

result of semi-squatting or 'afthereta' as it is called in Greek (Hastaoglou, Hadjimichalis, Kalogilou and Papamichos, 1987). This factor has also decreased reproduction tensions to the benefit of a more complete development of a proper Welfare State.

This peculiar industrial structure became increasingly accentuated in the post-war period up to the crisis of 1973. In this phase the so-called Greek industrial miracle was lead by multinational capital and internationalized domestic capital, but mainly in the branches mentioned above. During the crisis of the seventies, the climate became decreasingly favourable to these kinds of multinational and internationalized sectors, but neither was it any more favourable to the durable goods industry which had been pushing in other countries for the establishment of a Fordist-welfarist regulative system; it would perhaps have been too late to set one up in a period when the trend towards flexible solutions was already under way in other industrialized countries. During this period, medium-small traditional manufacturing oriented to the local market and to exports, mainly to the Middle East, was in a phase of expansion. Consequently, when in the eighties Greece joined the EEC, it did not possess an appropriate regulative structure, which in other countries had more or less been promoted by Fordist Welfarist coalitions; nor did the social base and industrial structure exist which had been responsible elsewhere for the building of such regulative systems.

At the same time small-scale ownership of land, not only in the countryside, has maintained a very high level of importance. Furthermore, compared to other countries in southern European, there is an even more noticeable aspect: the absence of agricultural latifundia, eliminated by a radical and relatively early land reform (Hadjimichalis, 1986).

The combination of these elements means that Greece never fully underwent a Fordist-Welfarist regulative stage. The same is true of Portugal but for a different reason, the overwhelming importance of its colonies. It would be interesting to compare the differences and similarities of these two cases in this respect. The absence of a Fordist-Welfarist regulative stage of some importance is relevant to our study for a number of reasons. Irregular forms of employment are not only particularly widespread and difficult to spot and quantify, but they are also completely

embedded in the normal everyday life of every Greek citizen, as we shall see later on. The fiscal system remains mainly based on indirect taxation, which accounts for nearly three quarters of the State's tax revenues. On the other hand, direct taxation of incomes is particularly ineffective and the rate of tax evasion is very high and concerns the great majority of incomes, with the sole exclusion of earnings from official wages and salaries.

The state welfare system is weak, poorly developed and incomplete. This contributes in turn to the spread of irregular forms of employment in many branches of services and to the persistence of traditional family or household working arrangements. Here are some examples: unpaid family work in all three sectors of the economy, but mainly in agriculture, still involved in 1985 more than one third of the women officially in employment; and as we shall see, this may conceal substantial travail au noir in tourist services and in industrial homework. Not being specifically regulated by law, part-time employment is considered illegal in many economic areas and consequently becomes part of the underground economy. Lastly, the same happens to almost all industrial homeworkers, with the exception of a few who manage to register as self-employed workers.

## 2. Existing estimates of the Greek underground economy.

Although irregular employment and informal activities are an important and widespread phenomenon in Greece, or perhaps for this very reason, the problem has not attracted great attention until recently. The casus belli has been the failure of the Papandreu government's austerity program in the mid eighties. In order to control the foreign trade deficit and the expansion of internal demand and to attract investment, the government imposed a severe freeze on wages and salaries agreed upon with EEC and international economic authorities. Despite a reduction of 12.5% in the disposable income of wage earners during the two years of the austerity program, consumption increased by 1.8%, imports by 12.2%, and furthermore investment fell by 5% (Bank of Greece, 1987; reported in Hadjimichalis and Vaiou, 1988).

The failure became predominantly interpreted as a sign that a large part of the Greek economy was not under control

and lay outside the formal system for salaries and wages. This fact brought the question of the underground economy, called 'paraeconomia' in Greek, to the general attention of the public, officials, academics and political parties. Since 1985-86 many articles have been published in the daily and weekly press but until now there has been only one scientific attempt to estimate in detail the 'paraeconomia' (Pavlopoulos, 1987).

The summarized results of Pavlopoulos's work are shown in table 1. Income from the underground economy in 1984 is estimated at 28.6% of GNP. This result is not far from a subsequent evaluation by another author, Dermenakis (1988), former Deputy-Head of the Bank of Greece, using a different method in which the figures are not disaggregated for the different sectors (see table 2). However the Dermenakis estimate includes a figure of 10% which he argues appears in the GNP but cannot be attributed to any formal activity. This value cannot be accounted for with Pavlopoulos's method, since for him the entire underground economy is a separate item added on top of the official GNP. Against the Pavlopoulos approach it could be argued on the basis of other experiences that a part of the underground economy, including some of the taxes evaded, is accounted for in the GNP; this is usually the income which emerges in terms of VAT, and also other values, but not in terms of direct income tax. The method used by Pavlopoulos has been criticized for various reasons. Above all it is argued that it leads one to greatly underestimate irregular incomes deriving from tourism, building and agriculture, and possibly to overestimate the underground production of personal and professional services.

However the main problem for us is that neither of these two methods of calculation leads to any estimate of the types of irregular forms of employment and the extent of their presence. In order to provide a very rough tentative picture of the quantities involved, I have tried in table 3 to summarise available unofficial data and estimates. It must be pointed out that this exercise has not been carried out on a properly scientific and documented basis; consequently it should be considered exclusively as a very rough starting hypothesis that has still to be tested by scientific research in the field. In addition, I would suggest that in order to calculate the percentage of the roughly estimated product of various kinds of irregular employment within the Greek underground economy (that is,

including tax evasion by regular workers and by corporations and the product of the criminal economy) we should take as a yardstick Pavloupolos's estimate of the latter and add to it the 10% of the underground economy which Dermenakis assumes is included in the official GNP. This final figure came close to 1,300 billion drachmas in 1984, but is no longer reliable as a percentage of GNP and needs to be adjusted for Pavlopoulos's underestimates for the various sectors, particularly tourism and agriculture. If the figures from this calculations are roughly correct, the income produced by irregular forms of employment would range from a low of 23.5% to a high of 35.4% of the entire underground economy.

TABLE 1: Pavlopoulos's estimates of the Greek underground economy for the year 1984 per economic branch, in billion drachmas at current value.

sector and branch	(A) product formal	(B) product real	B/A x 100
Primary	593.4	593.6	100.0
Secondary	960.0	1200.5	125.1
mining	70.1	70.1	100.0
manufacturing	601.8	691.8	115.0
electricity and water	76.3	76.3	100.0
building	211.8	362.3	171.1
Tertiary	1764.5	2485.5	140.3
transport	261.2	338.9	129.7
trade	427.0	550.0	128.8
banking and insurance	85.7	88.7	103.5
housing	177.6	339.0	190.9
public administration	361.3	361.3	100.0
health and education	197.8	257.3	130.1
various services	253.7	418.3	164.9
Criminal activities		130	
TOTAL	3317.9	4277.6	128.6

EVALUATION OF THE PRODUCT OF THE UNDERGROUND ECONOMY: 959.7  
(Pavlopoulos, 1987, p.158)

TABLE 2: Dermenakis's estimates for the year 1984.  
 (source: National Accounts: Introduction to the Budget,  
 Statistical Bulletin of the Bank of Greece)

1. Undeclared income from ownership and entrepreneurship	933
2. Profits not distributed by personal firms	-32
3. = 1 - 2	901
4. Undeclared agricultural income	42
5. = 3 + 4	943
6. Income declared to local authorities not including income from waged services	-346
7. = 5 + 6 undeclared income	597
8. 10% of GNP not appearing anywhere	336
9. Under and over-estimation of external trade	80
Total underground economy 7+8+9	1013
above as a % of the GNP	30.2

(Dermenakis, 1988, p.27)

TABLE 3:

Typology of irregular forms of employment with estimates of the number of workers, the average yearly per capita (p.c.) income and the total income produced in billion drachmas for the year 1984.

1. Irregular industrial homeworkers: number: 2/300,000; p.c. income: 400,000	80	120
2. Year-round illegal foreign workers: number: 100,000; p.c. income: 400,000	40	40
3. Multiple irregular activities by wage and salary workers in their free time: number: 3/500,000; p.c. income: 300,000	90	150
4. Irregular multiple activity based on a combination of tourism, agriculture, trade and petty craft production for tourists. Number of families: 2/300,000 Income calculated from irregular payments in drachmas 1/2,000 per day by 30 million tourists (approximately half the estimated tourist presence in the mid eighties)	30	60
5. Seasonal irregular wage employment in tourism and agriculture. Illegal migrants 50,000 to 100,000. Income: 100,000	5	10
Greeks: 100,000. Income: 100,000	10	10
6. Irregular employment in building of building workers on unemployment benefit. number: 50,000 Income: 200,000	10	10
7. Undeclared multiple activity in agriculture, manufacturing (excluding industrial homework) and services, but not in tourism. number: 100,000 Income: 200,000	20	20
8. Youth and ethnic minorities (mainly gypsies) engaged in non-authorized or undeclared street trade. Number: 100,000 Income: 200,000	20	20
9. Unpaid family work and other irregular female employment leading to undeclared income not accounted for in 1, 4, 5 and 7. Number: 100,000 Income: 200,000	20	20
Total	305	460
% of the total underground economy estimated at billion drachmas 1.300:	23.5	35.4
Total number of workers involved (in case 4 only one worker is counted per family) in thousands	1,300	1,750

### 3. The demand side of irregular employment.

A further comment on table three will serve as an introduction to this section. Many Greek colleagues would immediately argue that some of the types of irregular employment are underestimated both as regards the number of workers and the amount of per capita undeclared income. Taking each case individually, this may be true but, in general, a certain degree of underestimation is necessary in order to counterbalance the relatively high rate of overlap between different types.

As we shall see more clearly in this section and in the following ones, the Greek situation is structurally very complicated. This is because it is based on a very high rate of self-employment, on traditional small-scale activities and on complex mixes of very intensive seasonal work with long periods of underemployment, non-employment or unemployment during the winter. For this same reason, it is difficult to disentangle demand from supply, organized travail noir from family or worker strategies and opportunities from exploitation. As we have anticipated, '...in 1984, Greece had only 45% of its active population under wage-relations, while 28.2% were classified as self-employed.' (Hadjimichalis and Vaiou, 1988, p.99). To the high number of self-employed we should add an equally persistent high number of 'assisting and non-paid family members', a condition which involves more than 400,000 females or exactly one third of the female population in employment, and finally a great number of small and very small employers. As a consequence, it even becomes difficult to analyse the situation at the level of economic sectors and branches, as we shall try to show below. In fact different kinds of irregular employment are made up of complicated mixes of various activities, as shown by some of the types indicated in table 3.

Before dealing with the demand side in some economic branches, it is worthwhile to quote a passage from a recent paper by Lila Leontidou describing the origins of the informal sector in Greece.

'It has been usually taken for granted that the informal sector is neglected by the State, especially with respect to financing, or even that it escapes State control and develops to a large extent within illegality or even corruption. By contrast, the beginnings of the Greek

informal sector can be traced in the years of the refugee arrival in 1922 under the recognition and, moreover, the active support by the State, the Refugee Settlement Commission and the National Bank.

The first recognition of the informal sector was the erection of small shacks for petty traders by the municipal authorities in Athens in 1923. These substituted the flimsy commerce stands and wooden shops erected in central streets of Athens by the refugees as soon as they arrived. Law 3142/2.8.1924 was then drafted on "granting of economic support, on guarantee of the Greek State, to refugee small entrepreneurs, organized into groups, as well as to urban cooperatives of small industrialists and artisans" by the National Bank of Greece. Small cooperative production units and groups of artisans as well as independent entrepreneurs were financed. The Bank "made vocational loans to small traders and artisans, whether or not grouped in associations". Such measures favoured the development of a cooperative movement, small productive units, and independent artisans. By 1930, 30% of the people employed in industry, 67% of those in commerce and 69% of those in services were absorbed in a petty informal economy of enterprises employing less than 5 workers. (Leontitou, 1988, p.48) (internal references suppressed)

#### TOURISM.

At least from the fall of the military regime in 1973, tourist activities have expanded enormously on the Greek islands and on the coasts of the mainland and developed an increasingly complicated irregular character. First of all there is the non-authorized renting out of rooms to tourists by local people. In the Greek tourist industry the largest number of beds are provided by private persons in local houses located on the coasts of both the islands and the mainland. This activity is not totally underground since in order to be put on the list of the local tourist office, families usually declare the renting-out of one/two rooms. But in actual fact they rent out many more and function as small unauthorized pensions. Often, the family itself sleeps in the open air or in a tent or in other provisional arrangements on agricultural land. The local agriculture of the islands and coastal regions has also been greatly transformed by the effects of mass tourism. Traditional crops picked by intensive labour during the summer season,

like tomatoes for industrial processing, have been progressively abandoned in favour of either crops requiring less labour-intensive methods and maturing later, like olive oil, or, even better, the growing of fruit and vegetables (possibly expensive and unusual kinds for Greece, like kiwis, advocados and bananas) and the rearing of animals to feed the tourists, without passing through either the market or the fiscal system. In this sense, we could say that the advent of such a style of mass tourism is promoting an increasing submerged expansion of agriculture, paralleled only by the increase in self and commissioned building activities in order to host a growing number of tourists in private houses.

During the summer months, most members of families living on the coastal regions and the islands, including children whose presence is massive and visible, work very hard in the service of the tourists. The large majority of these working activities are unaccounted for and irregular. The landlady who cleans the room, prepares breakfast and possibly also some meals is in official statistics either a full-time housewife or an unpaid family helper in agriculture. The head of the household who takes the tourists out in his boat and unofficially offers it for hire, who has extended his house with the help of relatives and male children, is a farmer whose agriculture production is 'officially' falling, as he sells most of the fruit and vegetables he grows directly to the tourists. Such examples can be multiplied by as many tourist needs as can be directly satisfied by local irregular arrangements to the reciprocal satisfaction of both the customer and the provider.

If we go beyond the microfamily ventures in the small-scale official or semi-official area of shops, restaurants, nightclubs, bars, pensions and small local hotels we find other forms of irregular employment. As part-time work is not specifically regulated and, as a consequence, highly inconvenient because officially it should be paid the minimum wage and the full social insurance rate, and as the local labour supply is largely insufficient for the peak tourist season demand, the solution lies in the extensive use of migrant labour, both Greek and foreign. In this case foreign means most of the time young people from northern Europe. The latter are hired directly through migrated friends and relatives or indirectly through specialized agencies in the main northern European cities. Their board

and lodging and travel costs are paid for and they receive a little cash (well beyond any salary level); in addition they get enough free time to enjoy the summer in a nice place (but often other aspects are disappointing: the overwhelming majority of young females get very little free time and their working conditions can be particularly hard). This kind of arrangement is likely to be even more exploitative and less satisfactory for the worker in the case of non-seasonal migrants coming from Third World countries or of political refugees from Eastern European countries, Turkey or the Middle East. It is interesting to note that in medium-small local tourist units you find the exact reverse ratio of Greek to foreign workers that are found in the large hotels owned by foreign multinational companies. In the small-medium ventures the owners and the top-level permanent officially employed workers, like chefs and head waiters in restaurants, are Greek while a large proportion of the lower levels are foreigners. This is also explained by the fact that semi-skilled Greek labour (able to cope with foreign customers and with at least some rudimentary knowledge of foreign languages) would cost the owners and managers much more than, for instance, a Dutch or Swedish or Danish college student.

In this area, it is also likely that a substantial part of the seasonally employed Greek labour force, with the exclusion of specialized jobs in high demand, is irregular: students and the young unemployed mostly with high-school degrees from the large urban conurbations of Athens and Thessaloniki. In contrast, there is little evidence that the large tourist ventures employ irregular labour directly. They may subcontract services to medium-small firms in order to enjoy the advantages of low-labour costs while avoiding the risk of serious harm that could result from reports or inspections by the authorities.

#### AGRICULTURE.

The official statistics on employment in agriculture give only one really important piece of information, that is, the fact that a sizeable class of permanent agricultural wage-workers has not existed in Greece for a very long time. Since the agricultural reform, the large estates have disappeared and there has been no trend towards large-scale concentration of ownership in land. This does not mean that Greek agriculture does not need a large number of

agricultural day-labourers during the peak season; but this has been solved both in the past and recently in ways which do not produce a permanent stratum of landless agricultural workers. We shall see below the irregular nature of present forms of employment.

In the 1981 census slightly more than 30% of the Greek population in employment was registered as working in agriculture and fishing, and now the figure is approximately a quarter. In 1985, more than a quarter of employed women were non-paid family helpers in agriculture. As we have anticipated in the previous section and will repeat later on when speaking of manufacturing and services, the large majority of the Greek agricultural population, small farmers and their families, is involved in networks of unofficial multiple activities, which complement an increasingly insufficient income from agriculture. The more fortunate are in the tourist business, while the poorest families in the regions of the interior provide a flow of seasonally migrating agricultural workers who help to solve the problem of the high demand in the summer months, together with gypsies, other ethnic minorities and, increasingly, illegal temporary workers from Poland and Yugoslavia. In the middle there are various combinations of industrial homeworkers, industrial/peasant commuters, temporary workers in building and various degrees of involvement in the local service industry and in relatively long-distance seasonal migration to the tourist areas or to Athens and Thessaloniki. As we shall see when speaking of the supply side, an interesting case is the involvement of a large number of Polish, but also Yugoslavian, migrant workers. It is also worth mentioning the fact that a persistent number of farms are owned by urban workers either directly or through a member of the family, and they may be worked using a considerable number of undeclared irregular labourers.

#### MANUFACTURING.

It is worth beginning this section by quoting part of a recent paper by Papamichos and Tsoulouvis entitled 'Industrial estates and employment structure in Greece', which discusses the origins and persistence of some forms of irregular employment in Greek manufacturing.

'In 1958, in Greece as a whole, there were registered 109,793 manufacturing establishments in the 'core' part of

manufacturing sector, and 46,295 home manufacturing units (with 450,375 and 67,824 persons employed in them respectively). In other words, household production units were almost half the establishments of the core sector while the persons employed in the former were 1/7 of the latter. A significant percentage of these units were producing goods not for self-consumption but for the market. Therefore, they did not constitute part of a domestic mode of production but were integrated into the capitalist mode of production. However, they did not constitute small and dispersed production units of large firms, but rather were themselves small firms. Nor were they producing on a sub-contract basis for larger firms ....

In Athens region and, to a smaller extent, in the prefecture of Thessaloniki, ratios of production units and employment in household manufacturing as to the units and employment in the core manufacturing sector were much smaller (1/18 and 1/80 for Athens, and 1/5 and 1/15 for Thessaloniki, respectively). But in other geographical departments like Thessaly, Epirus, Ionian islands and Thrace, household production units were well over 1/2 of the core sector establishments. As to the PIE, surprisingly enough, prefectures in southern Greece displayed the highest rate of household manufacturing units. Yet this part of the country was integrated to international capitalism earlier than northern Greece.

Unfortunately the ESYE did not continue using this distinction between household manufacturing units and the core manufacturing sector in more recent censuses: it has just put household units producing for the market together with those of the core sector and left unregistered units producing for self-consumption. Any attempt to estimate the number of household units of both these categories is risky. What is more, one cannot be sure if those units considered by the ESYE operating for self-consumption are in reality operating this way or constitute part of an 'informal sector': family members may bring the product of their overtime work to consumption not by following the rules of the market but in an indirect way ....

However, it is important to note that the statistics given earlier suggest that as recently as almost at the beginning of the sixties, there existed a considerable number of household manufacturing units. Subsequent State policies, like those of the SOMMEX (National Organization for Small and Medium Size Manufacturing Companies and

Handcraft), of NELE (Prefectural Committees for People's Further Education), and those supporting the cooperative movement in the country, have forwarded the idea of this mode of production. They have been encouraging people to exploit all their opportunities as self-employed producers. One can trace back the existence of such an ideology and State policy as early as in the twenties, in relationship not only to manufacturing but also to agriculture and other sectors of the economy. Therefore, household manufacturing, whatever its extent may be today, does not constitute an original development directly related to present-day trends appearing at the international level, as for instance the shift from the just-in-case to the just-in-time model of production, sub-contracting and flexible work. Even its expansion, to the extent that one proves that this took place in recent years, is not new, given its large size in the recent past ..... Greek manufacturing has hardly passed through a fully developed 'fordist' model of just-in-case production in big firms. Also, the large percentage of small firms today has not resulted from a dissolution of larger firms into small units, preferring (or compelled) to operate on a subcontracting basis, since small industry has been the mode of existence of Greek manufacturing for a long time.

Further, a decisive question in the case of home manufacturing is whether women working at home are organized to produce carpets, fashion dresses, or whatever else, by industrialists or merchants. If the latter is the case, as was happening in the past, it seems more plausible to think of this situation not as an outcome of the recent crisis, the restructuring of capital and changing labour processes, since after all capital involved in such a process is too small, but rather as directly deriving from what already existed as a significant mode of integration of household production into the capitalist market.

Of course, home manufacturing of today does not originate in a linear evolution of Greek society. Neither is it a remnant of the past, of a traditional society organized on the basis of petty commodity production. Processes of capitalist integration, the pre-existing social and economic structures, Statism, the weakness of the civil society, the impossibility of emergence of a hegemonic industrial class, and the repeated abortive attempts of the State to create such a class, all these factors, that cannot be examined here in detail, have played their role in this process.

Nonetheless, if we had to choose between continuity and structural change as factors accounting for home manufacturing activities of today, we would argue that what happens now is by and large accounted for by the former." (Papamichos & Tsoulouvis, 1988, pp. 40-42).

Industrial homeworking and subcontracting systems based on some kind of irregular employment at the bottom of the chain are very diffused in Greek manufacturing. They practically involve every industrial branch, with the exception perhaps of the most capital-intensive and internationalized ones, including the commercial fleet, which is a special case to which we shall refer at the end of this section. Irregular industrial homeworking and forms of subcontracting are highly concentrated in the clothing, leather and footwear industries, but also in furs, toys and tourist handicraft, as well as in a wide range of other industries. Even the State takes advantage of illegal piece-work in manufacturing. In State training schools, women learning how to make carpets produce them for export directly under the control of the State. They are paid a very low rate per thousand knots so that when well-trained their maximum daily earnings reach 1,000 drachmas, well below the minimum legal wage. There are other examples of the State taking direct advantage of the exceedingly poorly paid and flexible labour supplied by chains of subcontracting and industrial homeworkers. For instance, the Ministry of Defence directly subcontracts to homeworkers the manufacturing of tents and other light military equipment. Furthermore, it is well-known that the Ministries of Defence of Belgium and Holland indirectly subcontract the manufacture of most of their military uniforms to irregular homeworkers in Greece.

In the toy industry even the leading firm, El Greco, has grown and developed through the extensive use of subcontracting work to industrial homeworkers. An early network of very well co-ordinated and specialized homeworkers on the island of Zakynthos was abandoned as soon as the workers became organized and asked for higher rates of pay. El Greco moved its subcontracting practices to the western Peloponnese, and the specialized network on Zakynthos soon became involved in other industrial circuits, producing yet again toys but also tourist crafts.

The case of the fur industry in northern Greece has also been under investigation (see the qualitative monograph

on fur-processing in Kastoria and Hadjimichalis and Vaiou, 1987 and 1988). Here, industrial homework is highly specialized (mostly the putting together of small and very small pieces of furs) and provides huge savings on costs through the use of permanently hired skilled workers. This combination is also in part to the advantage of the workers, who can combine work with agricultural and domestic tasks and save on taxes and social contributions (as we shall see, in the Greek situation women find it difficult for various reasons to accept a permanent factory job even when it involves skilled and relatively well paid work).

Apart from the cases quoted above and a few others, subcontracting and industrial homeworking is highly concentrated in Greater Athens, particularly in the outskirts where there are large areas totally specialized in a branch of homeworking (for instance, the district of Peristeri in West Athens), and to a minor extent in the metropolitan area of Thessaloniki. It is worth mentioning the case of tourist craft manufacturing, which is almost totally concentrated in the industrial homeworking networks of Greater Athens. Its products are also sent for sale on the Islands, while local craft manufacturing is becoming increasingly rare for a combination of at least two reasons. The islanders find it more advantageous to specialize in direct services to tourists and the powerful hold of the large trading network and market in Athens makes peripheral production less and less viable.

In addition, some big foreign firms or contractors make extensive use of the Greek homeworking system. Two examples: the raincoats for street-cleaners in France are now all produced by Greek homeworkers through chains of subcontracting in the area of Ioannina since the ban introduced by French law on the use of the plastic they are made from; the multinational Newmann subcontracts to small firms in Larissa which in turn subcontract to more than 2,500 homeworkers.

As mentioned above, the commercial fleet is a special case worth noting mainly for its important role in the Greek economy and for the indirect effect of promoting irregular employment on the part of its fully regular employment structure. During the last twenty years, the fleet has increasingly hired foreign workers for menial jobs, mainly Filipinos and Pakistanis, with the legal consent of the authorities who have made an exception in this important case. These foreign workers are paid much less than the

union rates based on the legal wage paid to Greek workers doing the same jobs; this fact has allowed the Greek fleet to remain highly competitive internationally. The Greek fleet is probably the only large concentrated industry in the West which employs perfectly legal foreign workers at salaries well below the minimum consented for national workers. The Tribunal of Piraeus has recently passed a sentence against this practice: ship-owners are authorized to hire foreign workers but not to pay them wages below the levels consented by Greek regulations and agreements. This was probably not so much a move in favour of foreign workers but rather a result of the increasing pressure due to unemployment to force Greek employers to hire Greek workers; there is also an awareness that this absurd employment practice by the most important and internationalized section of Greek capital cannot arrive at the deadline of 1992 without being modified. But the immediate result has been that an increasing number of foreign workers, formerly employed by the fleet and laid off in Greek ports, remain in Greece to work illegally in other branches of the economy for at least several months, if not longer.

#### BUILDING

Employment in building activities as recorded by the censuses increased dramatically in the post-war decades, from a low of 75,000 in 1951 to nearly 300,000 in 1981. This increase in the number of workers was paralleled by a vast chaotic process of urbanization which concentrated 40% of the Greek population in the Greater Athens metropolitan area and another 10% in the metropolitan region of the second largest city, Thessaloniki. This process has been defined as 'anarchic' and characterized by building which is illegal (most of the edifices are relatively small, built privately on tiny plots owned by one or a small number of families and often the result of much self-help, also in urban areas) but incorporated into town-planning later on. Even the more recent 'Master Plans' are frequently violated and far from insensitive to special interests of various kinds in opposition to any logic of planning.

Also, building firms are particularly small and fragmented and, consequently, are able to operate very flexibly with respect to regulations and the law (the estimate in table 1 shows the building sector as one of the most active in the underground economy). But, unlike in

manufacturing, building workers have been traditionally highly unionized and have built up a very powerful union. As a consequence of this strength, building workers enjoy a level of unemployment benefit well above the normal low rate. As summarized in table three, one of the forms of irregular employment is that of building workers who continue to work whilst receiving unemployment benefit, to the advantage of both employers and employees but to the detriment of the State and the social security system. No precise estimate or study is available on the matter, and only a very rough guess is possible.

The other type of irregular employment in building is even less documented and more difficult to estimate. It relates to building labour contracted on the black market for short-term jobs within the still rather extensive area of self-building, now mainly located on the islands, in summer and winter vacation resorts and in the agricultural regions of the interior, but also in the outer peripheries of the two large metropolitan areas. Here it is not even possible to guess at the quantities and local kinds of irregular employment, apart from mentioning that it is likely to exist and flourish in the form of relatively small jobs and in areas where the control of the powerful building workers union is weak.

## SERVICES

In the case of Greece, it is not the dismantling or reshaping of the Welfare State or its increasing inability to meet new needs which has led to the appearance of irregular employment but rather the historical weakness and incomplete formation of the existing welfare system. Traditional and new private alternative solutions to modern welfare are furthering the vast diffusion of forms of irregular employment in health, education, childcare, transport, household services and many other areas.

For example, it is suggested that the great majority of private educational institutes, a substantial number of which are language schools, irregularly employ moonlighting state school-teachers or young unemployed university graduates seeking a first job or retired teachers. Private clinics increasingly hire irregular Filipino nurses and pay them a much lower wage than the minimum laid down for their Greek colleagues. There is a growing demand in private households for Filipino maids, since they are usually paid

less than 30,000 drachmas a month against a minimum wage of 60,000 for their regularly employed Greek counterparts. The lack of state provision in the field of childcare and homes for the elderly and the handicapped has promoted the spread of private establishments, which very often hire irregular workers in order to keep costs low enough to attract customers. This is also facilitated by the already-mentioned fact that the lack of specific legislation for part-time work drives practically every form of part-time employment underground. Obviously, the diffused system of babysitting is in the large majority of cases travail au noir.

Due to the fact that we could not trace any specific research or inquiry into this very heterogeneous area, it is impossible to estimate numbers of workers, types of work and incomes beyond the documented cases already mentioned. Street trade and small shops are also a sizeable source of irregular employment. One journalist has estimated that of the more than 100,000 young street-traders in the metropolitan area of Athens less than a quarter are licensed and authorized.

Finally we could mention, although again completely in the dark due to the lack of any documentation, that Greek experts suggest that the forms of irregular employment in services connected with technological or organizational innovation in office work are increasing fast. For example, the subcontracting of typing at home, irregular consulting services in accounting, computer system and so on. Another new kind of irregular employment mentioned is the diffusion of door-to-door selling, mainly practised and not declared by middle-class housewives.

#### 4. The supply side of irregular employment.

So as not to repeat what was already said in the previous section, we will deal here only with four important questions: women; young people and the unemployed; the labour supply for multiple activities and moonlighting; illegal work by non-resident foreigners.

#### WOMEN IN IRREGULAR EMPLOYMENT

A substantial part of irregularly employed workers in Greece are made up of women. Correspondingly, the rate for official

employment of Greek women is particularly low. According to official 1985 statistics, active females are calculated at 34.2% of the adult population (over 14 years of age) and the rate of female employment at 30.2%; but the figure is reduced to only 19.9% if we include only the women in paid employment and exclude non-paid family helpers. That is to say, only one woman in five over the age of 14 is officially in paid employment. The low rate of participation in paid employment and the high rate of irregular employment have parallel histories.

Among other factors, three appear to be the most important in explaining the parallel low presence of women in official paid employment and their high level of participation in irregular forms of work: the extraordinary diffusion of small-scale ownership and family businesses; the recurrent outcry from both trade unions and government officials against female employment every time male unemployment rises above a certain level; and the undeveloped state and poor level of public welfare programs. To these factors can be added a fourth, which completes the picture: the widespread inadequacy of the breadwinner's income in a country which has never known the family wage system, at least to the extent characteristic of northern Europe (including France and North Italy) and North America in the sixties and early seventies. In other words, the high level of female involvement in irregular employment is, from the supply angle, both the result of persisting social and ideological traditions and a sort of substitute for the increasing official part-time employment of women in other countries.

Industrial piece-work in the home is the form which attracts most attention, but is probably not the numerically most important given the rapidly rising rate of irregular employment in tourist-related activities and in services. According to the Federation of Greek Women, there are between two and three hundred thousand industrial homeworkers, of whom at least 150,000 are in the Greater Athens area alone. They are mostly married women with children who appear in official data as unpaid agricultural helpers or as housewives. A large group is composed of the wives of building workers who supplement their insufficient incomes with both unemployment benefit and industrial homework by every member of the family. Children are usually involved in the work and this is demonstrated by the high number of children hurt by toxic vapours, raw materials

or machinery. Husbands may also take part in such homework, particularly when they are working in seasonal sectors like tourism, agriculture or building. The average income is estimated at between thirty and forty thousand drachmas a month per experienced family unit, but it can vary greatly, also depending on seasonal peaks in demand.

Due to the high and growing level of young female unemployment, this group is also increasingly involved in industrial homework at least for a period of time and if they live in an area where networks of industrial homework already exist. Another category of homeworkers on the increase consists of preretired industrial workers on a limited pension. As their income is insufficient, they continue to do at home what they used to do in the factory. Female homework is also increasing in services in connection with the reorganization of office work and the advent of new technologies, but there is absolutely no documentation on this aspect.

#### YOUNG PEOPLE AND THE UNEMPLOYED

According to official statistics, in 1985 there were slightly more than 300,000 unemployed, which is less than 8% of the labour force. It is generally understood that the real number and rate is higher because those out of work who do not receive benefit (the long-term unemployed and first-job seekers) are underestimated. Among the officially unemployed slightly more are women than men and the young and very young age groups are on the increase.

We have already mentioned the case of unemployed building workers who continue to work in the underground economy. In the largely unregulated, fragmented and dispersed Greek system of employment it is likely that other categories of the unemployed, both those who are on the very low unemployment benefit and even more so those who are not, work in temporary irregular jobs when they can find them. There is no documentation, but we can easily assume that during the summer anyone who is prepared to accept a low wage and irregular conditions can find a job. The situation is much worse during the other seasons when temporary irregular employment drops drastically. The only document found relating to this specific question is the newspaper article already mentioned above.

## MOONLIGHTING AND MULTIPLE ACTIVITY

Apart from some information on particular cases and conjectures that they might constitute the largest share of irregular employment in Greece, there is practically no scientific documentation on these forms of irregular employment. It is argued that irregular moonlighting involves approximately one half of all salaried employees, particularly civil servants, teachers and bank clerks. The typical profile of this moonlighter portrays him as a middle-aged married male whose wife does not work. In such cases, the inadequate income to support a family will push the husband to look for a second activity; as this is not permitted by law, because it is part-time and cumulated with a full-time job, it is likely to be some form of travail au noir. Further factors contributing to this kind of "solution" are the relatively low salaries and the fact that most public or bank employees finish work in the early afternoon.

Pavlos Dermenakis suggests that: 'In the area of salaried employees, according to one moderate estimate 50% have a supplementary income from the underground economy, principally deriving from either moonlighting or from undeclared agricultural income. Some examples are: teachers giving private lessons for cash payments; bank employees working as accounting consultants for small and medium-sized enterprises. Furthermore, illegal income obtained by civil servants through corrupt practices must also be taken into account.' (Dermenakis, 1988, pp.22-23; freely translated from the Greek).

The fact that the Greek authorities have been thinking for some time of passing a law to try and bring illegal moonlighting under control (it would probably meet with little success to go by the examples of other pieces of legislation mentioned in the next section) is an indication of the huge dimensions assumed by the phenomenon. In July 1988, the Minister of Labour declared at a press conference that he had redrafted a bill prepared by his predecessor providing sanctions against irregular moonlighters (both employees and pensioners) and legalizing early partial retirement based on a combination of part-time work, full social insurance coverage and a reduced pension. All this in order to favour the creation of new jobs and fight against unemployment. But latest rumours suggest that the Government is now oriented towards a more liberal and

flexible position as regards multiple employment, which is to be made legal at least to some extent. The aim is to make it possible to enforce restrictions and prohibition in areas which are considered to have a strong bearing on unemployment levels.

We have now said nearly everything possible at this stage relative to the various typologies of multiactivity mixes, either mainly based on tourism or agriculture or other industries. It is worth mentioning that some of these mixes, mainly the ones based on tourism, are becoming increasingly remunerative for the local population (see the qualitative monograph on Crete) while others permit no more than bare survival. It is also worth mentioning the fact that presumably the worst-off are not local people involved in one or another set of multiple activities but the even more marginalized and irregular workers who have to travel outside their residential area in search of temporary irregular work involving one of these mixes. They are usually gypsies, Muslim minorities, Turk refugees or agricultural workers from the poor internal regions.

#### ILLEGAL WORK BY NON-RESIDENT FOREIGNERS

A typology of foreign irregular workers in Greece is included in the qualitative part of this report. Here we shall look only at some general problems and explanations and the available data and estimates. We shall begin by distinguishing two categories of irregular foreign workers: seasonal and non-seasonal.

The first category is very difficult to estimate numerically because it includes several groups of workers coming mainly from northern and eastern Europe who enter Greece as tourists. In the qualitative mini-monograph, we have dealt in detail with the case of Poles who work in agriculture during the summer mainly in the regions of northern Greece. It is suggested that there are also considerable numbers of Yugoslavs who do the same. The case of the irregular seasonal workers from northern Europe has already been treated when discussing the situation in tourism from the demand side. The estimate which puts the number of these foreigners at approximately 100,000 is a totally undocumented guess. However, it is likely that the actual figure for those foreigners who do more than just occasional work during the summer lies between 50,000 and 150,000.

Non-seasonal irregular foreign workers are largely migrants in transit, including most of the political refugees from eastern Europe and the Middle East. They come to Greece and scrap a living by doing irregular work until they manage to get a visa for Canada or the United States, or a work permit for West Germany in the case of Turks. The fact that final destination countries have recently introduced increasingly restrictive policies is likely to increase the length of stay in Greece and the possibility that it will become permanent. There are however some exceptions to temporary immigration. These are mainly migrants from Arab countries, especially Palestinians to whom the Greek regime is more open than others, Egyptians, Eritrean and Somalian refugees, Filipino and Pakistani sailors laid off in Greek ports after years of authorized work in the Greek commercial fleet, and a growing number of Filipino maids directly recruited in the Philippines by specialized Greek agencies.

Foreigners with work permits, not including those officially employed by the commercial fleet, numbered 28,572 in 1983. Since then the figure has dropped slightly due to the increasingly restrictive policy of the Ministry of Labour. Of these more than 40% (estimated to be over 13,000) are Greeks from other countries (mainly from Cyprus and Turkey) who are automatically entitled to a work permit. Furthermore, included within the group of officially authorized foreign workers are a large number of citizens from the developed world working for multinational or international companies in Greece. This leaves room for a few hundred authorized Afro-Asian workers out of the many thousands (the current estimate is over 100,000 and includes only irregular workers) permanently present in Greece today. Irregular foreign workers find a job easily in some sectors, mainly services, agriculture and households, because they are paid much less than what Greeks earn for the same kind of work. This is less true in manufacturing and, consequently, here foreigners either work on an official basis, like a relatively large group of skilled Egyptian workers employed in medium-large specialized engineering firms, or they do temporary or dirty jobs unacceptable to Greek workers. A recent circular from the Ministry of Labour restricts the jobs which foreigners without a work permit are allowed to perform to just a few agricultural tasks: animal rearing, with the exclusion of sheep, and plant nurseries.

## 5. Factors determining irregular employment and its national versus local structure.

As we have mentioned, Greece faces the problem of a labour market with an uncontrollable structure. This situation depends in part on historical factors, that is, mainly the persistent importance of small family businesses, and in part on new developments. The latter are prevalently shaped by the way in which the latest increase in mass tourism has affected the economy of the islands but also by the pace of tertiarization and the diffusion of flexible set-ups in manufacturing (including the specific managerial strategies of individual firms or petty traders favouring the further expansion of industrial homework in order to keep down the cost of labour, already particularly low due to the special conditions existing in Greece).

Family businesses and industrial homework are very difficult to control and regulate both as regards the use of labour and real levels of pay. There is probably a connection between the persistent working activity of unpaid family helpers and the fact that until recently there has been no need to regulate officially part-time work. The same may be true in the case of industrial homeworkers. The latter provide a good example of an areas where existing legislation is not enforced. In 1957 a bill was approved for the clothing industry compelling employers to pay social insurance contributions for homeworkers, and explicitly including those who owned their own machines. Trade-union officials reckon that the law has never been implemented. According to a new bill, approved in 1986 under pressure from the trade unions and women's organizations, all homeworkers must be considered wage-workers. This law too has not yet been enforced due to the opposition of employers and of the Social Insurance Organization for the Self-employed (estimated to be loosing 35-40 billion drachmas per year in payments) and to the difficulty in contacting and organizing the workers.

Another example of a law which is tough on paper but cannot be enforced is the legislation against irregular employment of foreigners. Law 1346 of 1983, which provides severe sanctions against the employers of unauthorized foreign workers, has not in the slightest discouraged the

spread of this practice. The same applies to the above-said provision of the Ministry of Labour limiting the employment of foreigners without official work permits to some sectors of agriculture, which indirectly admits the failure to enforce the law.

Apparently, the Greek authorities are increasingly aware of and worried about the fact that their patterns of non-regulated work relations and the existing labour market represent a problem within the Community and will even more so after 1992. However, they have not yet found a viable and enforceable solution within an employment structure mainly dictated by highly dispersed and fragmented economic operators. Moreover, the other obvious headache for the Greek Government faced with such a diffused pattern of irregular employment is the increase in unemployment. As we have anticipated, the decision of the Piraeus Court to forbid the payment of lower salaries to foreign sailors has to be interpreted mainly as a provision in favour of creating jobs for Greek workers. The problem is that enforcement cannot be extended much further beyond the few concentrated official sectors of some size to the labyrinth of medium-size, small and family businesses and to those families which employ Filipino maids because they can pay them one third of the rate due to an equivalent Greek worker.

Among the recent factors which have promoted an increase in irregular employment it is safe to include also the impact of the two-year austerity program launched by the government. The freeze on wages and salaries has not been inviting enough to attract investment in a situation which is already flexible, but in which this flexibility applies mainly to the underground economy. However, it has probably sufficed to increase the pressure to look for complementary irregular incomes and employment. It has convinced some official workers to opt for moonlighting, others to work harder in the underground system to make good what they have lost in the formal economy, others, where possible, to join their wives in homework to boost income from this source, and so on.

We have already mentioned at various times the main geographical differences characterizing the map of irregular employment in Greece: the two big metropolitan areas of Athens and Thessaloniki; the islands, or at least their coastal strips, and the other areas affected by increasing

tourism; the regions of the interior where the predominant activities are in agriculture and those where there is a manufacturing tradition. It is important to underline the fact that local traditions have probably only remained relevant in the last two types of region. Both urbanization and the recent impact of mass tourism have almost entirely eradicated local forms of work in favour of the new forms of irregular employment, always along the above-described lines of homework and family businesses but following the requirements of a radical restructuring. The example of the virtually complete end to local craft manufacturing on the islands and its concentration in the outskirts of the Greater Athens area is very instructive.

Within the metropolitan areas, it is possible to suggest the existence of at least a marked difference between the central part of the city and the outer peripheries specifically in terms of irregular forms of employment. In the central areas there is a high concentration of moonlighting, irregular employment in commerce and street trade and in other services, including the new irregular forms of work produced by technological and organizational innovation. In the peripheral areas there is more industrial homework and irregular employment in building.

The tourist areas have been extensively dealt with above and a qualitative monograph is dedicated to the case of Crete. As far as concerns the regions with a predominant manufacturing mix and those with a mainly agricultural one, we can refer only to recent studies on the northern regions, among which the above-mentioned investigations by Hadjimichalis and Vaiou (1987 and 1988). Everywhere, the mixes appear to be very complex and fundamentally based on a range of combinations of local opportunities.

For example, Kastoria has in 1981 a national record in employment in the secondary sector with 53% of its total active population, while at the same time more than half of its highly-specialized workforce in fur-processing work also in agriculture. The same is true in Xanthi, a nomos with a great increase in industrial employment: 40-60% of those classified as industrial workers (depending on branch) work also at least 120 days per year in agriculture, so that they can earn additional agricultural subsidies from the Greek state and the EEC (dir. 159/72). This combination has some advantages for both capital and labour. The former uses

low-paid seasonal labour with no pay obligations for the rest of the time, while the latter makes a living on more than one job during the year and on subsidies.'

... Out-working for clothing in villages around Serres town is strongly related with a local tradition for "flocati" carpet production, which was organized in small family workshops. This tradition "trained" local women, who are now sewing in their homes uniforms for the army of Holland and Belgium. In Chrissoupolis, near Kavala and in Xanthi, ex-tobacco women workers with "trained hands" are assembling at home christmas and carnival decorations for the national market and for export to EEC. The supplier of material and collector of their piece-work is using a Japanese patent. And finally, in Kozani accumulated capital from land compensations payed by the power company permitted at least 50 company engineers to buy small, modern mills and grind flour in their backyard. They work on rather stable sub-contracts from a large local mill which is now operating only as a warehouse. ...'

... In northern Greece the share of wage-employment in total employment is around 29% (national: 48% in 1981) and multiple employment very widespread ... This share becomes even lower when we include not only the so-called "active population" but all persons whose work is or could be incorporated in the productive process. This is common with the rest of the country but acquires increased importance in northern Greece where significant structural chnges have taken places over the last two decades. Research conducted by the Agricultural Bank (1981-84) shows that 63% of farmers in East Macedonia and Thraki earn income from additional sources (wage employment on limited time contracts, pensions, rents, subsidies, etc.). 40-60% of those who work in industry also work in agriculture and around 10% work part-time in tourism. ...'

... The variety of productive traditions in different parts of northern Greece has contributed to the formation of highly differentiated labour markets, in terms of geographical boundaries available skills, training of the workforce and ways of organizing. Some skills are still useful in present production processes, for example in fur-processing in Kastoria or in plough manufacturing in Nea Moudania, near Thessaloniki. In other cases still the

inexistence of industrial tradition has attracted new firms employing unskilled labour.

(Hadjimichalis and Vaiou, 1988, p.105, 106, 108, 109)

Apart from the variety of local combinations, it may be interesting to inquire in the future into what happens in regions with very poor mixes of local opportunities. The main question is whether in recent times, instead of permanent or long-term outmigration, there has been an increase in regular commuting to various agricultural and tourist regions where the demand for irregular labour is high, with the workers returning to their native regions during the dead season. It is very common among Greek gypsies, but may increasingly involve other inhabitants of the poorer regions as a consequence of the heightened seasonalization of the Greek economy in combination with the persistent absence of enforceable regulations governing the labour market.

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PROGRAMME D'ACTION DE RECHERCHE SUR LE MARCHE DE L'EMPLOI

RAPPORT FINAL

\* \* \*

LE TRAVAIL AU NOIR EN FRANCE

Par :

Philippe BARTHELEMY  
Université d'Aix-Marseille III

Pour :

La Commission des Communautés  
Européennes  
D.G. V/A/1

Etude n° 87926  
- Août 1988 -



## R E S U M E

Cette étude, qui se propose d'analyser le travail au noir en France, est divisée en deux parties. Dans la première (aspects qualitatifs), sept cas concrets ont été sélectionnés en fonction du critère de la représentativité des situations exposées. Sont tour à tour mis en évidence le travail au noir des ouvriers, des étudiants, des chômeurs, des travailleurs à domicile, des personnes pluri-actives et des immigrés. En considérant globalement ces divers cas-types, apparaît en filigrane une véritable carte de France du travail au noir, car les exemples retenus ont été choisis de façon telle que toutes les régions sont représentées.

Dans la deuxième partie (aspects quantitatifs), on cherche à mesurer l'ampleur du travail au noir et à en examiner la nature et les déterminants. Dans cette perspective, une sorte de radioscopie du travail au noir est proposée, car l'accent est mis sur ses aspects structurels. Quels sont les participants ? Pourquoi décident-ils de se porter offreurs ou demandeurs de travail clandestin ? Quels sont les impacts respectifs des facteurs réglementaires, des aspects sociaux, des déterminants culturels ?...

L'étude se termine par une appréciation générale sur le phénomène, appréciation établie à partir des textes destinés à le réprimer et des politiques macroéconomiques adaptées aux nouvelles formes de flexibilité sur le marché du travail.

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La littérature actuellement disponible sur le travail au noir en France se compose d'analyses macroéconomiques, d'études ponctuelles, de rapports officiels, d'articles de journaux, de textes de lois, et de documents qui émanent d'organisations les plus diverses. A problématiques différentes, résultats différents et souvent contradictoires : aussi le besoin de clarifier, d'ordonner, de dresser des typologies si ce n'est de systématiser se fait particulièrement ressentir. C'est à cet objectif que le présent rapport est consacré.

Etant destiné à être inséré dans une étude plus vaste dont la perspective est purement communautaire, les traits spécifiques du travail au noir français seront privilégiés, quitte à occulter volontairement certains aspects plus connus, plus classiques et peut être même plus conformes à l'intuition et aux connaissances a priori.

En adoptant ces principes, la démarche suivie consistera à développer tour à tour deux étapes complémentaires. Au cours de la première, des illustrations concrètes et représentatives du vécu du travail au noir seront privilégiées. Il s'agira de repérer sur le terrain des acteurs de l'économie souterraine et de broser leur portrait à travers l'analyse de leurs motivations, l'étude des activités auxquelles ils s'adonnent et l'examen de leur environnement professionnel, social et culturel. L'enjeu de la deuxième étape sera plus analytique dans la mesure où il s'agira d'évaluer l'ampleur du travail au noir et de dégager les facteurs qui contribuent à l'expliquer.

Pour respecter cette ligne directrice qui a l'avantage de mettre la connaissance avant l'action et les propositions, deux parties seront successivement traitées. Au cours de la première, l'accent sera mis sur les aspects qualitatifs du phénomène ; les aspects quantitatifs faisant, pour leur part, l'objet de la deuxième.



PARTIE I

ASPECTS QUALITATIFS



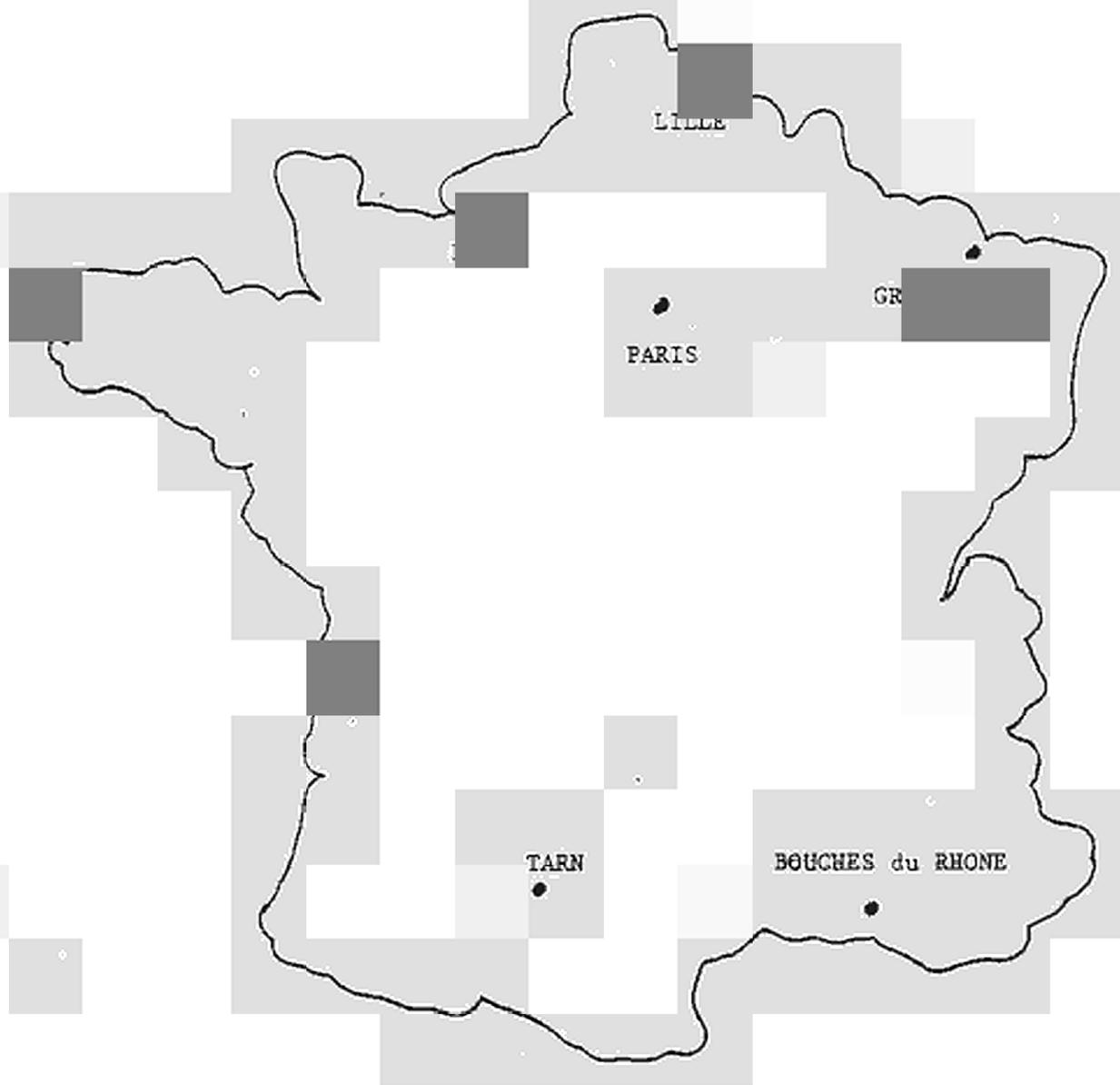
S'il y a plusieurs façons d'aborder le phénomène du travail au noir, il en est une qui revêt un intérêt particulier, celle qui consiste modestement à regarder vivre les travailleurs au noir pour se demander qu'elles sont leurs motivations, leurs préoccupations, leurs attentes et plus généralement les raisons qui les ont poussé à se porter demandeurs d'emplois occultes.

Une approche de cette nature ne peut pas, par définition, déboucher sur des considérations générales, mais elle est susceptible de broser le portrait de travailleurs spécifiques qui, tous réunis, permettent d'approcher la physionomie du travail au noir d'un pays. Si l'on parvient à décrire les comportements de personnes jeunes et de personnes plus âgées, de personnes employées et de chômeurs, de personnes qui résident en zone urbaine et de personnes qui résident en zone rurale, d'actifs et de retraités, de travailleurs qualifiés et d'individus sans qualification, de travailleurs nationaux et de travailleurs immigrés, on obtiendra une mosaïque de situations locales dont le caractère composite constituera une première approche d'une réalité par essence multiforme.

C'est cette optique que nous retenons ici en examinant tour à tour les principales conclusions d'enquêtes ou d'études qui ont été effectuées sur le terrain.

Il convient de préciser en préambule que tous les cas-types passés en revue ont été choisis pour leur représentativité, laquelle est fonction de deux critères : l'activité réalisée d'une part, la localisation de cette activité d'autre part.

Pour visualiser davantage ce dernier aspect, figurent sur la carte de France ci-après les lieux des études que nous avons sélectionnées.



Exemple n°1 : Le bâtiment dans la région parisienne (\*)

On avance souvent l'idée selon laquelle le secteur du bâtiment et des travaux publics fait partie des activités où la place du travail clandestin est importante. Aussi est-ce tout naturellement que le premier cas-type évoqué concerne ce secteur. Les auteurs de l'étude dont il est fait mention se sont préoccupés du travail au noir réalisé pour le compte de particuliers. 4 corps de métier du bâtiment sont concernés : la peinture, la plomberie, l'électricité et la menuiserie. L'échantillon des travailleurs au noir interrogés ne se compose que d'hommes, ce qui ne constitue pas forcément un biais dans l'analyse car la part des femmes dans ce secteur est insignifiante d'après les enquêtes sur les structures des emplois. Ces hommes sont jeunes (de 24 à 43 ans) et leur âge moyen est de 32 ans. Il convient de noter que les travailleurs interrogés à deux exceptions près, résident depuis plus de 4 ans dans leur quartier. Cette observation est importante car pour travailler au domicile d'un particulier il est en général indispensable de pouvoir présenter des "références" d'où la nécessité d'être "connu" et "bien intégré". Les travailleurs au noir sont titulaires à 70% d'un diplôme de qualification professionnelle (CAP, BT ou BTS). Les 30% qui ne disposent pas de qualification font au noir des travaux de peinture (activités dont les connaissances techniques requises sont plus faibles).

Sur le plan de leur statut professionnel, 50% des personnes interrogées sont employés, 20% ouvriers, 10% cadres moyens et 20% chômeurs. Notons que 40% des employés (soit 20% de l'ensemble) occupent un emploi vacataire. La moyenne des salaires officiels mensuels déclarés (chômeurs exclus) correspond environ à deux fois le salaire minimum. Il convient d'observer que les emplois occupés dans leur activité principale laissent aux travailleurs un temps libre important (20% travaillent à horaire variable et 20% ont un emploi laissant du temps libre dans la journée). Cette constatation revêt une grande importance car il faut du temps disponible pour

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(\*) Source : J.J. LE BARS, G. CAMUS, A. COSSET et Y. NOTTOLA : Essai d'analyse des causes socio-économiques du développement du travail au noir dans les métiers du bâtiment, SEDES, étude pour le CORDES, Paris, juillet 1980.

travailler au noir de façon non occasionnelle.

Sur le plan des motivations, elles sont essentiellement financières (80% des cas), mais dans la population étudiée elles ne sont "vitales" que dans 20% des cas. Acquérir à terme une résidence secondaire ou un bien de consommation finale durable constitue la finalité de la majorité des personnes interrogées. Pour eux, la "fin justifie les moyens", alors que pour les autres travailleurs au noir c'est la "faim" qui les justifie.

Les revenus tirés du travail au noir sont très variables selon les individus puisqu'ils s'échelonnent entre 2500 francs et 36000 francs par an ; le revenu moyen de l'échantillon étant de 17400 francs, soit 1450 francs par mois ou à peu près un demi salaire minimum de l'année d'étude.

Le temps consacré au travail au noir soit 12 heures par semaine, n'a pas beaucoup de signification. Un premier groupe travaille au noir entre 1 et 3 heures par semaine, un second groupe entre 6 heures et 15 heures par semaine.

L'étude dont nous commentons les principales conclusions a également pour intérêt de mentionner des résultats qui concernent les donneurs d'ouvrage. Les situations personnelles apparaissent ici beaucoup moins typées car les âges s'étalent entre 27 et 82 ans, les revenus entre 3000 et 11000 francs par mois et les catégories socio-professionnelles de cadres supérieurs et retraités à techniciens et ouvriers. Leur seul point commun réside dans le fait que 90% d'entre eux ont eu pour la première fois recours à des travailleurs au noir par nécessité financière. Cette motivation principale est souvent doublée d'une motivation secondaire : urgence des travaux 40%, pas assez de temps ou de courage pour les faire soi-même 20%, bricolage non terminé par incompétence du donneur d'ouvrage 10% ou volonté d'aider une personne en difficulté 10%.

Notons enfin que la relation entre offreur et demandeur de travail au noir se noue pour moitié par connaissance directe (famille, amis, collègues de travail), et pour moitié par le biais d'intermédiaires dont on a confiance a priori, (amis de la famille, amis d'amis, relations de voisinage, etc.). Cela montre à l'évidence que des relations conviviales sont

présentes dans l'établissement du contrat de travail au noir (relation de confiance mutuelle appuyée par la connaissance en commun d'un tiers).

Dans l'étude dont il est fait ici allusion, l'adéquation entre offre et demande de travail au noir ne pose pas de problème. Très peu de fournisseurs d'ouvrage (30%) disent avoir eu des difficultés à trouver un travailleur au noir, et sur ce nombre encore faut-il exclure tous ceux qui répondent avoir eu des difficultés non pas pour trouver un travailleur au noir, mais pour trouver un travailleur au noir acceptant de faire un travail soit dangereux, soit trop voyant (peinture d'une façade extérieure par exemple).

En résumé, ce premier cas-type est celui d'un travailleur au noir qui parallèlement à son activité principale exerce clandestinement et de façon plus ou moins régulière une autre activité. Cette activité au noir est motivée par le souci de compléter le revenu familial, revenu suffisant pour vivre mais perçu comme insuffisant eu égard à des désirs d'achats de biens spécifiques. Ce travailleur au noir type dispose chaque semaine d'une plage horaire libre pour exercer en marge de toute règle d'ordre social ou fiscal sa seconde activité. Dans le cadre de son activité au noir, ce travailleur se comporte comme son propre patron ; le matériel qu'il utilise étant par ailleurs souvent "emprunté" à son employeur principal. Cette forme de travailleur est extrêmement répandue en France, notamment dans les catégories socio-professionnelles, ouvriers, employés et cadres moyens.

#### Exemple n°2 : La maroquinerie dans le Tarn (\*)

L'intérêt de ce deuxième cas-type est de montrer le fonctionnement d'une véritable "filière économique" du travail au noir. Le département du Tarn est spécialisé dans la maroquinerie (confection d'articles en cuir) et dans la mégisserie (tannage des peaux avant leur utilisation par les maroquiniers). Dans le Tarn, on dénombre plus de 450 maroquineries et mégisseries qui emploient généralement moins de 10 salariés, à l'exception d'une entreprise qui a un effectif salarié supérieur à 200 personnes. Dans la seule ville de Graulhet, 65% des actifs ont une activité appartenant au secteur

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(\*) Source : Gabriel TAHAR : *Le marché du travail marginal et clandestin en France, au Royaume-Uni et en Italie, Etude n°79/42, Commission des Communautés Européennes, Bruxelles, février 1980, p. 73 à 82.*

cuir et peaux. Il s'agit donc d'un processus de production très décentralisé, composé d'une pléiade de petites entreprises de nature davantage artisanale qu'industrielle qui ont en outre fréquemment recours au travail à domicile.

On estime à Graulhet à plus de 300 personnes, le nombre de travailleurs à domicile, ce qui correspond dans certaines entreprises à plus de 30% de l'effectif salarié. Cette pratique est également très répandue dans les petites communes rurales où des agriculteurs qui font de l'élevage à temps partiel trouvent ainsi une activité complémentaire pour occuper les périodes creuses de leur activité principale. Ces travailleurs à domicile sont rémunérés à la tâche et ils sont le plus souvent propriétaires de leur matériel.

La mégisserie tarnaise (qui réalise environ 70% du chiffre d'affaire français) écoule 10% de sa production aux maroquiniers tarnais. Il est facile pour ces derniers de justifier aux services fiscaux une production d'articles en cuir relativement faible malgré un approvisionnement conséquent auprès des mégissiers. En effet, TAHAR nous précise (\*) que "le service des impôts a édicté en 1950 des normes visant à éliminer les fraudes. Dans chaque activité, à une unité de matière première doit correspondre un minimum de production. Cette norme encourage le détournement du surplus de production, pour éviter sa révision à la hausse". Le pourcentage de matière première perdue varie selon la fabrication envisagée (sacs, portefeuilles, ceintures, articles de voyage, etc.), et peut atteindre 30%. Cette production non déclarée est l'oeuvre de travailleurs au noir à domicile, mais aussi des ateliers légaux le jour qui se transforment la nuit en ateliers clandestins.

La production illégale est ensuite vendue sans facture à des petites boutiques, à des marchands forains, à des courtiers et à des camelots. Ainsi, de l'amont (abattage clandestin) à l'aval (distribution d'articles en cuir), en passant par les étapes intermédiaires du processus de production (tannage et confection) une véritable filière noire est mise en place, échappant en totalité aux statistiques officielles.

Une preuve indirecte de ce trafic est trouvée lorsqu'une maroquinerie est mise en règlement judiciaire ou en liquidation de biens. L'évaluation

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(\*) G. TAHAR : *op. cit.*; p.80, footnote 1.

des stocks ressort à une valeur nettement supérieure à celle qui est prévisible à la lecture attentive des comptes de l'entreprise.

Ce deuxième cas-type montre non pas le comportement d'un travailleur au noir, mais celui d'un réseau très bien organisé d'activités soustraites aux règles fiscales et sociales. Il va de soi qu'une activité productive comme celle des cuirs et peaux où globalement les grandes firmes sont rares et les petits ateliers nombreux et assez concentrés, favorise ce type de filière (\*).

En analysant la structure par taille d'établissement et par région d'autres branches industrielles, on peut déduire - sous l'hypothèse que ces paramètres servent d'indicateurs - les activités où des filières de cette nature sont susceptibles d'exister. Il n'est pas surprenant de relever sur cette liste les principales activités textiles et d'habillement, la fabrication de meubles et quelques activités de transformation agro-alimentaires.

#### Exemple n°3 : Les chômeurs dans la région lilloise (\*\*)

On accuse souvent les chômeurs de participer avec beaucoup d'intensité aux activités souterraines, l'argumentation reposant sur le temps libre laissé par l'inactivité. Les chômeurs dans cette logique seraient doublement voleurs : d'une part, ils concurrenceraient de façon illégale les personnes actives en leur prenant des chantiers et d'autre part, ils bénéficieraient de la solidarité collective en percevant des allocations de chômage. L'économie informelle jouerait ainsi un rôle amortisseur de la crise car les ressources des personnes sans emplois seraient artificiellement gonflées.

L'enquête menée dans la région lilloise auprès d'un échantillon de 94 personnes du sexe masculin, inscrites à l'Agence Nationale pour l'Emploi depuis plus de 3 mois et âgées de 25 à 50 ans démystifie cette idée reçue.

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(\*) Il y avait en France en 1985 dans le secteur du cuir, 35 firmes employant de 100 à 199 personnes, 12 firmes employant de 200 à 499 personnes et 4 firmes employant plus de 500 personnes. Le nombre total d'entreprises de ce secteur étant de plusieurs milliers, on mesure le poids des petits ateliers et donc la place des filières de ce type.

Source : Annuaire de Statistique Industrielle 1986, Ministère de l'Industrie, des P et T et du Tourisme, Direction générale de l'Industrie, Paris p. 339.

(\*\*) Source : R. FOUDI, F. STANKIEWICZ et N. VANECCLOO : "Les chômeurs et l'économie informelle", in : Travail noir, productions domestiques et entraide, Cahiers de l'Observation du Changement Social, Volume 17, CNRS, Paris, 1982.

On peut commencer par classer les chômeurs en fonction du critère : ils se livraient ou non au travail au noir avant d'entrer à l'Agence Nationale pour l'Emploi.

- Sur les 33% de chômeurs appartenant à la catégorie 1, 35% s'y livrent davantage qu'auparavant, 26% s'y adonnent de façon équivalente et 39% y participent avec moins d'intensité.

- Sur les 67% de chômeurs appartenant à la catégorie 2, 71% continuent à ne pas travailler au noir et 29% ont commencé à y participer.

Les ressources obtenues grâce aux activités au noir sont généralement modestes. Pour l'ensemble des chômeurs qui ont une activité au noir, les ressources sont essentielles (plus de la moitié du salaire minimum), dans 7,5% des cas, elles sont significatives (entre le quart et la moitié du salaire minimum) dans 30% des cas, elles sont faibles ou insignifiantes dans 62,5% des cas.

L'étude que nous présentons ne se limite pas aux aspects quantitatifs du travail au noir des chômeurs, elle permet aussi de mieux connaître les caractéristiques économiques et sociales des personnes interrogées.

S'agissant des personnes pour qui les revenus du travail au noir sont conséquents, trois cas de figure ont pu être isolés.

- "Les travailleurs au noir de la misère" pour qui la pauvreté commande impérativement le recours aux activités clandestines ;

- "Les entrepreneurs du travail au noir" qui illustrent réellement l'image d'Epinal du "professionnel du noir", qui disposent d'un réseau de fournisseurs d'ouvrage bien organisé et qui travaillent dans le bâtiment ; ces entrepreneurs ne représentent que 3% des chômeurs interrogés ;

- "Les chômeurs en reconversion" qui sont associés de façon occulte à une petite entreprise et dont l'activité, au terme d'une période probatoire effectuée dans la clandestinité, devrait prochainement devenir officielle.

S'agissant des personnes dont les revenus du travail au noir sont dérisoires, plusieurs facteurs socio-économiques explicatifs ont pu être isolés. Parmi ceux-ci, on relève d'une part la contraction des demandes de travail liée à la baisse du pouvoir d'achat des donneurs d'ouvrage et à la concurrence du bricolage domestique et d'autre part une série d'éléments

propres aux travailleurs au noir - chômeurs eux-mêmes (dégradation de la santé, impossibilité d'emprunter les équipements nécessaires aux employeurs, risque de dénonciation, etc.).

Les auteurs de l'étude présentée se sont ensuite interrogés sur un autre aspect de l'activité des chômeurs, celui de la production domestique. Au lieu de travailler pour autrui (travail au noir), travaillent-ils pour eux-mêmes (activité domestique) ? La réponse est ici encore dépourvue d'ambiguïté.

En ce qui concerne l'entretien, la réparation et l'aménagement des logements, la population peut être divisée en trois groupes d'effectifs à peu près identiques. Un tiers des personnes limite ses activités principalement en raison de la chute des ressources. Un deuxième tiers maintient ou accroît ses activités. Ce groupe est très hétérogène car il comprend des personnes qui bricolent car elles ont plus de temps disponible, des personnes qui bricolent car leurs revenus ont chuté (elles faisaient auparavant appel à des professionnels), des personnes enfin qui font des travaux d'aménagement en contrepartie de la gratuité de leur logement. Le dernier tiers est peu concerné par les travaux domestiques dans le cadre du logement, il se compose de personnes qui habitent au foyer de parents ou d'amis et de personnes dont la faiblesse des revenus a occasionné un déménagement.

Pour les autres activités domestiques, celles qui sont traditionnelles comme les jardins familiaux, les conserves, la couture ou le tricot, les comportements des personnes interrogées sont peu modifiés par rapport à ceux qui prévalaient dans la situation antérieure au chômage. Les seuls cas de réduction d'activité sont liés à la perte de jardins familiaux lorsque la pauvreté nécessite la vente d'une maison et donc la perte du jardin (\*).

En conclusion, l'examen de l'échantillon de chômeurs lillois montre que le recours au secteur informel (ici, travail au noir et production domestique) est loin de fournir des ressources susceptibles de compenser la perte de

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(\*) Il convient d'observer que dans la région Nord-Pas de Calais, les jardins ouvriers sont choses communes. C'est le résultat d'une politique mise en oeuvre à la fin du XIX<sup>e</sup> pour permettre aux familles défavorisées d'assurer une partie de leur subsistance.

revenu salarial. Le fait d'être exclu du marché du travail officiel n'implique pas que l'on est forcément acteur du marché du travail au noir. Les cas de chômeurs contraints d'épuiser leur stock d'épargne, de liquider une partie de leur patrimoine et d'accroître leur endettement sont des preuves évidentes qu'ils ne retrouvent pas dans les activités souterraines un revenu voisin de celui qu'ils avaient avant la perte de leur emploi.

Exemple n°4 : Les étudiants des Bouches du Rhône (\*)

Nous avons eu l'occasion de préciser que les activités effectuées au noir étaient très liées aux activités réalisées dans le cadre de l'activité principale. Ce constat va être réitéré et illustré dans cet exemple consacré au travail au noir des étudiants. L'échantillon se compose d'un ensemble de 242 étudiants qui ont été sélectionnés selon deux critères : ils sont de nationalité française et ils résident dans le département des Bouches du Rhône. 88 habitent à Marseille, 78 à Aix-en-Provence et 76 dans les autres communes du département.

79,2% des étudiants interrogés ont déclaré avoir déjà travaillé au noir, davantage pour les filles (89,8%) que pour les garçons (72,2%). Les questions ont été posées sur la nature des activités réalisées au noir, sur le contexte dans lequel les expériences se sont déroulées et sur les motivations qui ont poussé des étudiants à s'engager dans l'économie souterraine.

La lecture des résultats relatifs aux activités réalisées fait clairement apparaître le biais introduit dans l'échantillon, biais lié à la jeunesse et à la qualification des étudiants interrogés.

Babysitting et leçons particulières sont en effet les pratiques les plus répandues, notamment chez les filles. On observe que les secteurs comme le commerce, le tourisme et l'agriculture sont très souvent mentionnés (respectivement 29,9%, 9,5% et 15%). Cette constatation reflète principalement les travaux saisonniers non déclarés des jeunes au moment des vacances (cafés, restaurants, vendanges ...).

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(\*) *Source* : Ph. BARTHELEMY, JP GIRAN et JY LESUEUR : "L'Economie souterraine dans la région Provence-Alpes-Côte d'Azur", in G.R.I.F.E., Emploi et Marché régional du Travail, Etude pour le Conseil Régional PACA, Aix-en-Provence, avril 1987, pages 53 à 72.

On aurait pu s'attendre à ce que le BTP comme la mécanique auto, sanctuaires traditionnels de l'économie souterraine soient davantage fréquentés, (respectivement 7,3% et 6% et uniquement chez les garçons), mais il convient de ne pas oublier que les étudiants ne sont pas particulièrement enclins à pratiquer des travaux manuels ou requérant une expérience professionnelle.

Les activités au noir des étudiants apparaissent comme des activités à durée limitée et à fréquence intermittante. Il ne s'agit en effet d'emploi régulier que dans 32% des cas. Les rémunérations obtenues sont jugées très rentables par 15% de l'échantillon et rentables par 70%. Les conditions de travail sont quant à elles très bonnes pour 27,2% des étudiants et bonnes pour 46,3%. De façon générale, les jeunes ne semblent pas déçus de leurs expériences. On peut en induire deux types de conclusion. En premier lieu, le fait que les activités dominantes concernent le babysitting et les leçons particulières invite à penser que le cadre dans lequel se déroule le travail au noir n'est pas a priori hostile. En second lieu, les petits boulots exécutés par les étudiants ne sont pas comparables avec ceux qui sont réalisés par des chômeurs de longue durée ou par des personnes à la recherche d'un premier emploi qui ne disposent d'aucune qualification particulière. C'est moins pour eux un problème d'insertion sociale qu'une nécessité d'augmenter leurs ressources en complément des bourses qu'ils perçoivent ou de l'argent de poche qui leur est alloué par leur famille.

Les questions relatives aux motivations montrent que 83,7% des étudiants travaillent au noir pour gagner de l'argent. Dans les motivations résiduelles, rendre service est la seule motivation qui obtient un pourcentage de réponses non négligeable. La vocation financière est donc largement dominante, même si le souci d'altruisme mérite d'être mentionné comme raison secondaire.

Le questionnaire qui a été proposé aux étudiants comporte une série de questions destinées à analyser le travail au noir de leurs parents. Près de la moitié des parents des étudiants aurait déjà travaillé au noir (42,7%),

dans des proportions comparables qu'il s'agisse du père (27,3%) ou de la mère (30,1%). Ce résultat est très inférieur à celui observé pour les étudiants, et on peut l'interpréter de deux façons différentes : soit la propension au travail au noir diminue avec l'âge, soit elle s'est accrue de la génération des parents à celle des enfants. Si la première interprétation est correcte, on retrouve sur notre échantillon un résultat qui a pu être observé dans d'autres approches ; si c'est la deuxième qui est correcte, un développement de l'économie souterraine pourrait en résulter à terme sous l'hypothèse du maintien de la tendance.

Le travail au noir des parents a pu être analysé selon la CSP du chef de famille. Confirmant une fois encore les conclusions de nombreuses études, il en ressort que deux CSP alimentent en priorité l'offre de travail au noir : les artisans et commerçants d'une part (66,7%) et les employés et ouvriers d'autre part (73,7%). Pour les premiers, la propension élevée provient sans doute de la nature intrinsèque de leurs activités, pour les seconds, elle naît plus vraisemblablement du niveau insuffisant de leur revenu principal.

L'aspect demande de travail au noir des familles n'a pas été négligé.

Si l'entretien du logement constitue pour la quasi totalité de l'échantillon l'objet privilégié de la demande (52,3% en moyenne), deux activités semblent spécifiques à des CSP bien délimitées.

- La réparation automobile qui représente près de 25% des réponses est totalement exclue de la demande de travail au noir des artisans et commerçants. Cela signifie sans doute que l'adage "on n'est jamais mieux servi que par soi-même" s'applique en cette occasion. Pour le dire en d'autres termes, il s'agit d'une auto-consommation de la production souterraine de cette catégorie.

- La demande de personnel domestique est quant à elle l'apanage des cadres supérieurs, professions libérales et chefs d'entreprises de plus de 10 salariés. Si elle relève également de la demande des artisans et commerçants ainsi que de celle des inactifs, il convient de noter qu'elle disparaît presque totalement pour la catégorie des employés et ouvriers. On ne peut à la fois être offreur et demandeur du même service.

Ces structures spécifiques conduisent à penser que des problèmes d'inadéquations structurelles similaires à ceux qui caractérisent le marché

du travail légal peuvent apparaître dans le cadre du marché du travail au noir.

Enfin, quand la demande de travail au noir s'exprime au titre de l'unité de production plutôt qu'à celui de l'unité de consommation, les artisans et commerçants semblent plus facilement s'affranchir des contraintes fiscales et sociales (30% et 10%) que les chefs d'entreprises de plus de 10 salariés (3%).

Remarquons, pour terminer, que les CSP justifient leur demande de travail au noir par la recherche d'une économie de coût. Cette variable est fortement pondérée pour les employés et les ouvriers dont les ressources financières sont par nature limitées, tandis qu'elle est minorée par les cadres supérieurs, les professions libérales et les chefs d'entreprises de plus de 10 salariés qui lui adjoignent dans ce qui pourrait apparaître comme un souci de justification (charité oblige), la volonté d'aider des personnes en difficulté.

Exemple n°5 : Les relations d'entraide Lorraine (\*)

La crise économique pousse des couches entières de la population à compléter ou à remplacer leur revenu par des ressources tirées de travaux informels. Si dans les zones urbaines, le support de ces revenus complémentaires prend souvent la forme d'un travail noir "marchand", dans les zones rurales, l'absence d'anonymat et la nature très conviviale des relations sociales est favorable à un travail au noir davantage "non marchand".

La France comportant environ 36.400 communes dont 33.600 comptent moins de 2000 habitants, on mesure l'importance quantitative des personnes concernées par les relations non marchandes, même s'il convient de pondérer cet argument en observant que 30% de la population française seulement réside dans une commune de moins de 2000 habitants.

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(\*) Source : Claire LEGRAIN : "L'économie informelle à Grand-Failly", Cahiers de l'Observation du changement social, Volume VII, CNRS, Paris, 1982.

L'étude dont nous extrayons ces quelques commentaires concerne le village de Grand-Failly, situé à proximité du bassin de Longwy. Avant la crise de la sidérurgie lorraine, 32 des 42 ouvriers du village travaillaient dans l'une des trois usines du bassin sidérurgique de Longwy Villerupt. Après la fermeture de l'usine de la Chiers, et la vente à Usinor de l'usine de Rehon, il ne reste que 24 ouvriers à Grand-Failly dont 14 seulement continuent à travailler à Longwy.

L'enquête menée dans le village montre que le recours à l'économie informelle a permis à la population de rester au village et de préserver autant que faire se peut les conditions de vie.

Certains ouvriers ont accru leur production domestique au point que plusieurs vont jusqu'à la commercialiser. Pour ce faire, ils se sont associés de façon informelle avec les petits exploitants agricoles du village. Ces alliances entre agriculteurs à part entière et ouvriers-paysans sont fondées sur des liens de parenté importants dans le village mais aussi sur des critères purement économiques. Les prêts de matériel agricole des exploitants aux ouvriers leur permettent d'exploiter en propre quelques hectares de terres sur lesquels ils pratiquent l'auto-consommation. En contre-partie, ils fournissent aux exploitants des "coups de main" lors des gros travaux agricoles. Cette entraide permet aux agriculteurs de maintenir leur compétitivité face aux grandes exploitations très mécanisées et aux ouvriers de remplacer leurs anciennes heures supplémentaires par des heures d'économie informelle.

Parallèlement à ces premiers réseaux, l'habitat s'est considérablement amélioré dans le village étudié depuis la crise sidérurgique. Toutes les modalités d'arrangements possibles ont été employées (emploi d'artisans pour le gros oeuvre puis échange de services, prêt de matériel en contre-partie de coups de main, bricolage organisé contre rémunération en nature, etc.).

Sans développer ici les autres formes de relations informelles ou les activités domestiques, l'idée qui se dégage de l'étude qualitative des activités de ce village est celle d'une parfaite harmonie sous réserve que chacun participe aux efforts de la communauté et accepte les valeurs morales sur lesquelles le système est établi.

Il est patent que tout est réalisé au noir. L'Etat ne perçoit pas d'impôt sur le revenu, sur la dépense ou sur les mutations car toutes les

transactions sont réalisées en nature. La sécurité sociale ne perçoit pas de cotisations car les emplois ne sont pas déclarés.

L'économie souterraine est ici purement structurelle, profondément enracinée dans la vie sociale. Mis à part quelques individus qui volontairement ne participent pas à "l'entreprise" collective et quelques personnes exclues car taxées de "paresseuses", tous les villageois se retrouvent dans ce modèle.

En terminant son étude, Claire LEGRAIN écrit une phrase qui me paraît adaptée à toutes les communautés villageoises qui ont vécu des contextes comparables. "La crise économique, loin d'avoir détruit la cohérence du village l'a renforcée, grâce à l'économie informelle".

Nous ne pensons pas qu'il existe une contradiction entre la pauvreté des chômeurs lillois et la richesse relative des ouvriers licenciés du bassin lorrain, même si le contraste est considérable entre les deux situations. Si l'environnement est favorable, l'économie informelle peut se développer mais s'il ne l'est pas, les systèmes organisés d'entraide ne se créent pas spontanément. La crise économique et la montée du chômage permettent d'activer des réseaux en sommeil, surtout en zone rurale ; elles ne permettent pas d'en susciter ex-nihilo, surtout en zone urbaine.

Le modèle qui vient d'être sommairement décrit ne caractérise pas les grandes villes alors qu'il pourrait être transposé sans modification majeure aux vallées alpines, au plateau ardéchois ou à la campagne bretonne.

#### Exemple n°6 : La confection à Paris (\*)

Le quartier du Sentier à Paris est connu comme étant l'un des hauts lieux de l'activité clandestine dans le domaine de la confection. Les travailleurs concernés sont le plus souvent des immigrants clandestins dont certains ont été régularisés lors de la procédure entreprise en 1981. Les travailleurs sont embauchés dans la rue, ils sont rémunérés en espèces à la

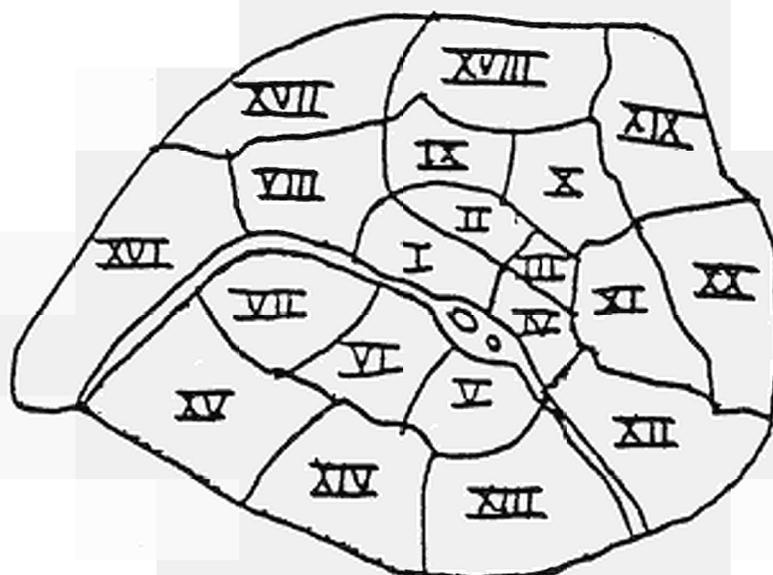
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(\*) Source : Mirjana MOROKVASIC : "Le recours aux immigrants dans la confection à Paris", in La lutte contre les trafics de main d'oeuvre en 1985-1986 : objectif prioritaire, le travail clandestin, Rapport au Ministre des Affaires Sociales et de l'Emploi, La Documentation Française Paris, 1987, pages 199 à 241.

journée, à la demi-journée et parfois même à l'heure. Le taux de salaire horaire varie entre 10 francs et 20 francs... Un pakistanais rencontré place du Caire raconte : "chez nous, sur le "tchoke", c'est-à-dire sur la place du marché, tous les corps de métier sont représentés : vitriers, maçons, serruriers. Quand quelqu'un a besoin d'un ouvrier, il va au "tchoke". On marchandé un peu et on conclut l'affaire" (\*). Ce mode d'élaboration de contrats de travail que l'on ne peut appeler autrement qu'un marché aux esclaves se reproduit chaque jour à Paris, notamment dans les 2° et 10° arrondissements.

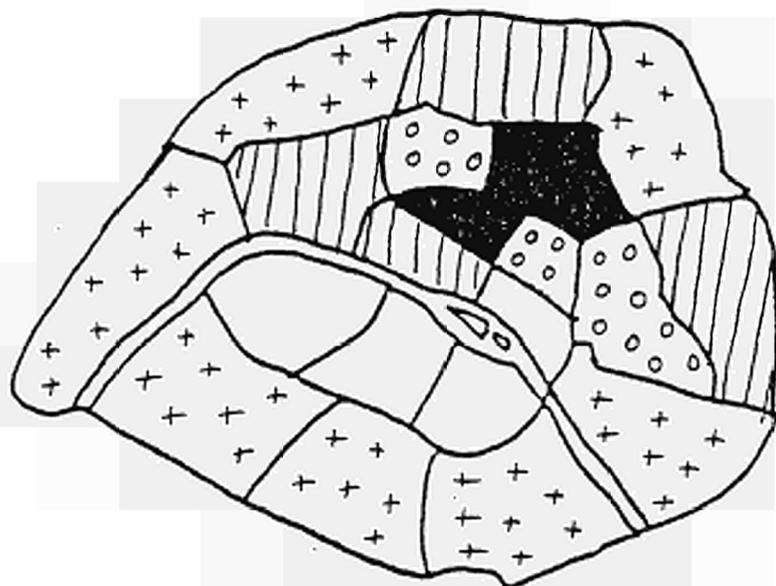
Le secteur de l'habillement se caractérise par deux traits : un grand nombre d'entreprises et d'établissements de très petite taille et un recours de plus en plus marqué à la sous-traitance. L'INSEE en 1984 a répertorié dans la ville de Paris 12.404 établissements dont 44,5% ne déclarent aucun salarié. Par ailleurs, selon une enquête auprès de 350 confectionneurs en France, les 3/4 des entreprises ont recours systématiquement à la sous-traitance. L'enquête distingue la sous-traitance industrielle plus répandue en province et la sous-traitance artisanale phénomène typiquement parisien.

Des cartes de Paris ont pu être dressées, montrant par arrondissement le nombre d'établissements du secteur de la confection d'une part et le nombre d'établissements du secteur de la confection cotisant aux ASSEDIC d'autre part.

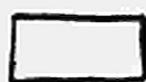


CARTE DES ARRONDISSEMENTS DE LA  
VILLE DE PARIS

(\*) Jean BENOIT : "Place du Caire : le "Tchoke" des Pakistanais", *Le Monde*, 22 février 1983.



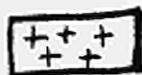
NOMBRE D'ETABLISSEMENTS DU SECTEUR  
DE LA CONFECTION A PARIS



< 200



900 à 1900



200 à 400

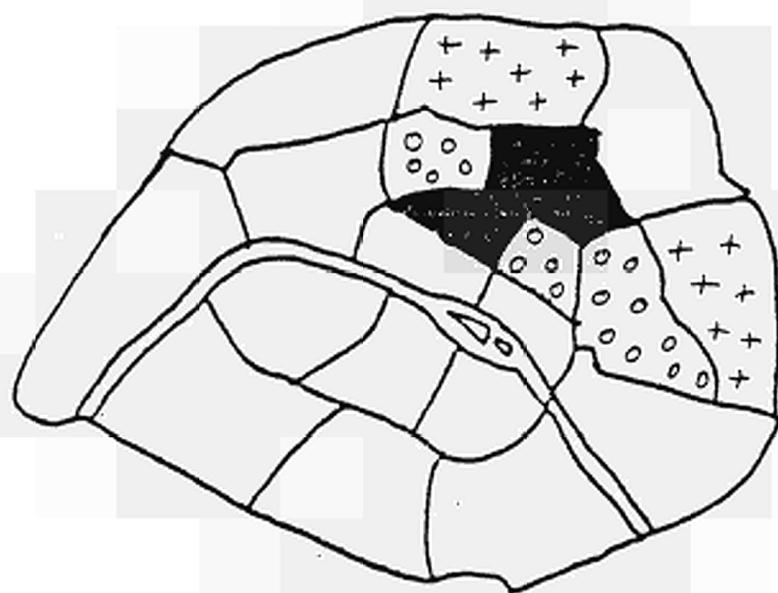


> 1900



400 à 900

Source : M. MOROKVASIC, *op. cit.*, page 222



NOMBRE D'ETABLISSEMENTS DU SECTEUR DE LA CONFECTION  
A PARIS, COTISANTS AUX ASSEDIC

 < 100

 100-300

 300-600

 > 600

Comme le dissèque le rapport RAGOT, le système de la "French Confection" est à peu près le suivant (\*). Un grossiste décide d'un modèle à confectionner, il le fait couper puis le distribue dans différents ateliers de travail à façon. Dans ces ateliers (caves, greniers, garages, logements vétustes, arrière-boutiques, etc.) des entrepreneurs souvent étrangers et eux-mêmes parfois clandestins, travaillent à la commande en embauchant au noir. Les pièces une fois montées sont ensuite livrées à des facturiers qui sont régulièrement installés mais qui ne possèdent pas d'ateliers. Le facturier blanchit le travail en le facturant au grossiste qui doit pouvoir justifier l'origine du travail élaboré à façon.

Sur le plan quantitatif, le nombre de personnes qui travaillent dans la confection à Paris sans être déclarées n'est pas connu. Selon certaines informations, après la procédure de régularisation des immigrés clandestins, il resterait entre 30 000 et 40 000 salariés non déclarés (\*\*).

Grâce aux dossiers collectés par la Direction Départementale du Travail et de l'Emploi de Paris, il est possible de dresser le portrait-robot du travailleur clandestin dans la confection parisienne régularisé en 1981.

Ce travailleur est à 82,5% du sexe masculin ce qui est une "anomalie" par rapport aux résultats du recensement de 1982 où les femmes sont largement majoritaires dans le secteur de la confection. (80% au niveau national et 58% à Paris). Ce déséquilibre dans la distribution par sexe, peut être expliqué par la sur-représentation des hommes dans la population étrangère immigrée régularisée (83,4%).

Sur les 34 nationalités recensées, les personnes les plus nombreuses sont les turcs (32%), et les yougoslaves (22%). Compte tenu du fait que ces nationalités représentent respectivement 9,8% et 2,5% de la population étrangère régularisée, on peut conclure à la présence d'une spécialisation par nationalité des activités clandestines.

En matière de durée de la clandestinité, et si l'on suppose exactes

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(\*) Maurice RAGOT : *Le travail clandestin*, Conseil Economique et Social, avis adopté le 12 janvier 1983, page 38.

(\*\*) Les sources de ces estimations... dont les méthodes de calcul ne sont pas précisées... sont données dans l'article de M. MOROKVASIC. Il s'agit de *Confection 2000*, n°53, 1985, pour l'estimation basse et de *Sciences et Vie économique*, n°11, 1985, pour l'estimation haute.

les dates d'entrée en France déclarées par les personnes régularisées, la moyenne se situe autour de deux ans. Cette moyenne cache une disparité importante pour les yougoslaves (plus de 5 ans) montrant pour ces travailleurs un "stage" de clandestinité bien plus long. Ce cas particulier est susceptible d'être expliqué par deux considérations : d'une part les yougoslaves bénéficient d'une relative "invisibilité" et d'autre part, les filières d'entrée sur le territoire sont anciennes, car les immigrants yougoslaves se sont établis dans la confection dès la fin des années 60.

Les données relatives à l'arrondissement de résidence des personnes régularisées sont intéressantes car elles montrent une concentration dans le nord-est de Paris.

Les turcs résident plutôt dans les 2°, 10° et 11° arrondissements, les pakistanais dans le 10° et le 11°, les yougoslaves sont répartis dans les 5 arrondissements du nord-est, les mauriciens vivent dans le 18° et le 20°.

Quant au lieu de travail, la concentration est plus forte encore, car plus de la moitié des régularisés de la confection travaillent dans les 10° et 11° arrondissements. Il faut noter que la part des établissements ne déclarant aucun salarié est plus importante dans les 10° et 11° arrondissements (50% environ) que dans les 2° et 3° (30% environ). Le recours à la sous-traitance et au travail au noir semble donc plus important dans les 10° et 11° arrondissements de Paris.

Ces éléments, ainsi que d'autres résultats sur les emplois exercés, permettent de dire en conclusion que le travailleur régularisé type dans la confection est un homme, le plus souvent turc ou yougoslave, d'une trentaine d'années, habitant dans le nord-est de Paris, et travaillant non loin de son domicile.

Cette personne-type travaille chez un compatriote et sa clandestinité est récente. Il est mécanicien sur machine à coudre (l'emploi le plus couramment exercé) et son "employeur" est une société commerciale sans salarié dont l'activité principale est la confection en tout genre.

#### Exemple n°7 : Les ouvriers en Seine Maritime (\*)

Les cas-types présentés dans cette nouvelle illustration ont été déterminés grâce à une enquête sur le terrain qui a duré plusieurs mois.

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(\*) *Source* : Jean-François LAE : *Travailler au noir, Rapport au Commissariat Général au Plan, janvier 1987.*

Une cinquantaine de personnes ont pu être suivies quotidiennement et l'étude se propose d'apprécier de "l'intérieur" leur vie matérielle. Si le statut des personnes qui ont fait l'objet de l'analyse est assez diversifié (des artisans, des salariés et des chômeurs), leur point commun est d'exercer leurs activités au noir dans une fonction d'ouvrier principalement dans le bâtiment, la réparation automobile, le montage de stands et la fabrication de maquettes. Ces travailleurs au noir sont tous des personnes qualifiées, leurs qualifications ayant été acquises par plusieurs années de travail officiel et de travail clandestin.

En croisant deux critères - l'activité officielle et le degré d'intensité de participation aux activités souterraines - , quatre situations types ont été isolées, situations qui ont l'avantage de structurer l'ensemble très hétérogènes des acteurs de l'économie non officielle.

Le premier cas de figure est celui de l'artisan qui est au bord de la faillite. Très endetté et quasiment contraint de déposer patente, les activités non officielles sont pour lui une condition nécessaire au maintien de son activité officielle. Le travail au noir apparaît comme une assurance contre la faillite de sa petite entreprise artisanale. Il est généralement synchrone de la baisse de l'activité, de la réduction des bénéfiques et de la perte de débouchés. L'artisan qui travaille au noir en retire un revenu moyen égal à 38% du SMIC (salaire minimum). Compte tenu de son salaire (5970 F.) et de celui de son conjoint (2030 F.), les revenus au noir correspondent à 18% des ressources salariales du ménage. Il s'agit donc d'un revenu d'appoint mais dont l'enjeu est important car sans lui, l'artisan serait contraint de liquider son affaire.

Le deuxième cas de figure est celui d'un salarié rémunéré dans son activité officielle au voisinage du SMIC. S'il travaille au noir, c'est pour obtenir un complément de salaire destiné à l'acquisition de biens durables. Le travail au noir est une activité secondaire exécutée de façon indépendante, sans la tutelle d'un patron.

Les tâches réalisées au noir sont librement choisies et le travail est perçu comme un plaisir et non comme une contrainte. Sur la base d'un salaire mensuel moyen du ménage égal à 5216 Francs, le salaire au noir corres-

pond à 1920 francs par mois ou 42% du SMIC. Ce salaire supplémentaire dont le montant est très significatif n'assure pas la survie du salarié, il lui permet d'approcher un mode de vie supérieur à celui qu'il aurait eu en l'absence d'activités au noir.

La troisième situation est celle d'une personne qui a perdu son emploi et pour qui le travail au noir est une condition essentielle de la survie. Compte tenu des caractéristiques très segmentées du marché du travail, ses opportunités d'embauches se réduisent à un choix limité entre un emploi intérimaire et un petit boulôt. La solution du travail au noir permet d'assurer au ménage des ressources voisines du salaire minimum, les activités réalisées permettant en outre d'acquérir des compétences susceptibles d'être ultérieurement valorisées lors d'une embauche plus stable.

Cette forme de travail au noir rapporte en moyenne à ceux qui s'y adonnent la moitié du SMIC. Ces activités clandestines jouent le rôle de stages de formation effectués sur le tas au lieu de l'être de façon organisée.

La quatrième situation est celle des travailleurs au noir "professionnels" que LAE dénomme avec humour les all-blacks. Ces individus ne vivent que du travail au noir et leur expérience de clandestinité est de très longue durée (plusieurs années). Il s'agit souvent d'anciens artisans qui ont été contraints de liquider leur entreprise et qui travaillent au noir avec une intensité très élevée pour rembourser leurs dettes passées tout en continuant à s'assurer un revenu décent. Le revenu gagné au noir est à la mesure du salaire d'un emploi principal : 5640 francs, soit 126% du SMIC. Deux remarques paraissent utiles pour mieux cerner le comportement d'un all-black. D'une part, ses ressources officielles hors prestations sociales sont quasiment nulles et d'autre part sa volonté de retrouver son ancien statut d'artisan est manifeste mais la décision est sans cesse repoussée par crainte d'une deuxième expérience malheureuse ou par accoutumance à la marginalité.

En résumé, et sans développer les caractéristiques de tous les réseaux qui permettent aux travailleurs au noir de s'insérer dans la vie sociale et de rencontrer des contreparties aux prestations qu'ils offrent, on peut dire qu'il y a un véritable spectre dans le degré de participation aux activités souterraines. Du côté des infra-rouges se trouvent des salariés qui viennent régulièrement compléter leurs revenus et du côté des

ultra-violet des personnes qui vivent dans l'illégalité la plus complète.

Parvenu au terme de cet examen de cas concrets, l'impression générale qui se dégage et bien celle de la multiplicité des formes du travail au noir.

Au plan géographique, on a recensé du travail au noir dans des départements aussi différents que le Nord, la Moselle, la Seine-Maritime, Paris, le Tarn ou les Bouches du Rhône.

Au plan des statuts professionnels, on a étudié des salariés, des non salariés, des chômeurs et des étudiants.

Au plan des formes, on a mis en évidence des cas où le travail au noir est réalisé de façon individuelle, des cas où il est organisé par des employeurs, des cas où il naît de la spontanéité des personnes concernées, des cas où il relève de réseaux d'immigration clandestine.

Face à de telles disparités permises par une démarche descriptive, le besoin de classer, d'expliquer et d'analyser se fait naturellement ressentir.

Aussi, nos prochains développements sont-ils consacrés à une approche plus quantitative où seront plus spécifiquement abordés la nature et les déterminants du travail au noir.



PARTIE II

ASPECTS QUANTITATIFS



## I - LE VOLUME ET LA NATURE DU TRAVAIL AU NOIR

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Passer de la dimension qualitative à une dimension quantitative s'avère particulièrement utile car les décideurs doivent impérativement connaître le nombre de personnes concernées, l'importance des sommes engagées, le niveau de production réalisé et les secteurs les plus touchés pour définir la politique économique adaptée à la gestion macroéconomique du travail au noir. Il ne suffit pas de se fonder sur des préjugés ou sur des connaissances a priori pour mettre en place une batterie de mesures, il faut au contraire percevoir la complexité de l'ensemble avant de subventionner, de taxer ou de légiférer. Pour ce faire, nous traiterons dans un premier temps les estimations du travail au noir (1a), nous préciserons ensuite qui sont les participants, quelles sont les activités concernées et comment les travailleurs au noir potentiels trouvent ou ne trouvent pas des tâches à effectuer (1b).

### 1a/ Estimations du volume du travail au noir

Il importe de préciser à titre préliminaire que les estimations macroéconomiques du travail au noir sont très rares en raison de l'extrême difficulté qu'il y a à isoler une partie (le travail au noir) d'un tout (l'économie souterraine).

Pour estimer l'économie souterraine, une dizaine de méthodes ont été mises au point, certaines ayant des soubassements monétaires, d'autres des fondements comptabilité nationale, d'autres encore s'appuient sur le marché du travail, sur la fiscalité ou sur des indicateurs composites.

Même s'il est possible de critiquer ces approches, elles ont le mérite de proposer des évaluations montrant que la part de l'économie souterraine dans le PIB est loin d'être marginale (\*).

En France, nous disposons de deux estimations. La première concerne l'année 1978 et a été réalisée avec la méthode composite. La seconde con-

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(\*) Philippe BARTHELEMY : "The Macroeconomic Estimates of the Hidden Economy : a critical Analysis", Review of Income and Wealth, June 1988.

cerne l'année 1979 et a été effectuée avec la méthode mi-monnaire, mi-fiscale de TANZI.

Les résultats de la première approche montrent une économie souterraine égale à 8,7% du PNB. Les variables retenues, compte tenu du fait que l'approche requiert un examen simultané de plusieurs pays sont les suivantes : le poids de l'Etat dans l'économie, la moralité fiscale, le taux de chômage et un indicateur du niveau développement (\*).

La seconde approche estime l'économie souterraine dans une fourchette comprise entre 6,3% et 6,7% du PIB. La relation testée était du type :

$$\text{Log } \frac{C}{D} = a_0 + a_1 \text{ Log } W + a_2 \text{ Log } T + a_3 \text{ Log } Y$$

où  $\frac{C}{D}$  est le rapport des billets aux dépôts à vue, W et Y des variables représentant la part des salaires dans le revenu disponible des ménages et un indice du PIB réel par tête, T la variable fiscale de l'estimation (part de l'impôt sur le revenu et de la TVA dans le revenu des ménages avant impôts) (\*\*).

En ce qui concerne plus spécifiquement l'objet de ce rapport, deux estimations globales du travail au noir ont été proposées en France. La première étude repose sur une adaptation de l'approche composite mise au point par FREY et WECK. Au lieu de sélectionner comme indicateurs, des variables susceptibles d'expliquer l'économie souterraine, des variables spécialement reliées au travail au noir ont été choisies. Il s'agit plus spécifiquement de variables dotées de deux qualités jugées essentielles : elles reflètent les structures économiques des pays analysés et elles sont directement en relation avec les facteurs généralement retenus pour expliquer l'entrée dans les activités clandestines.

Cinq variables ont paru correspondre à cette double exigence : la durée du travail, le taux de participation, le taux d'absentéisme, le taux de salariat et le taux de chômage.

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(\*) Bruno S. FREY and Hannelore WECK : "The Hidden Economy as an "Unobserved" variable", Institut für Empirische Wirtschaftsforschung, Zürich, January 1984

(\*\*) Philippe BARTHELEMY : "L'ajustement déguisé sur les marchés du travail : l'économie souterraine", in Jean-Pierre GIRAN et Roland GRANIER : Politique de l'emploi, Economica, Paris, 1983, pages 173 à 199.

Après traitement et compte tenu d'un ensemble d'hypothèses, notamment sur les bornes de l'estimation, le travail au noir en France pour l'année 1980 concernerait 8% de la population active ou 1.851.000 personnes. Ce résultat ne signifie pas que le nombre de travailleurs au noir correspond au chiffre indiqué, il doit être perçu comme un équivalent emplois à plein temps (\*).

La deuxième estimation globale du travail au noir a été mise au point par les comptables nationaux avec le souci d'opérer dans leurs comptes un redressement pour ce type d'activité.

Aucune source statistique ne fournissant d'informations précises sur le travail au noir, deux hypothèses ont été formulées, l'une concerne sa localisation sectorielle, l'autre son importance relative par rapport à l'emploi légal.

Le travail au noir est supposé concentré dans 10 activités sélectionnées par référence au poids élevé des petites entreprises dans la structure par taille des firmes qui les exercent.

- T 02 Industries de la viande et du lait
- T 03 Autres industries agricoles et alimentaires
- T 18 Industries textiles et de l'habillement
- T 19 Industries du cuir et de la chaussure
- T 20 Industries du bois et de l'ameublement, industries diverses
- T 24 Bâtiment, génie civil et agricole
- T 29 Réparation et commerce de l'automobile
- T 31 Transports
- T 33 Services marchands rendus principalement aux entreprises
- T 34 Services marchands rendus principalement aux particuliers

Les effectifs employés au noir sont calculés par référence aux effectifs employés par les établissements de moins de 5 salariés. L'INSEE suppose que les effectifs au noir représentent 80% des effectifs salariés

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(\*) *Philippe BARTHELEMY : L'emploi légal caché dans les pays de l'OCDE : analyse méthodologique et essais de quantification, contrat de recherche pour l'OCDE, G.R.I.F.E., Aix-en-Provence, décembre 1984, pages 38 à 53.*

officiellement déclarés. (soit environ 220.000 personnes en 1982). La durée du travail appliquée à ces travailleurs au noir est la durée annuelle maximale dans chacune des branches concernées.

Au total, le volume d'heures travaillées au noir pour l'année 1981 est estimé à 476.000.000. Précisons que cette évaluation n'a pas pour objet de décrire le travail au noir, l'ambition des comptes nationaux étant limitée à rapprocher les évaluations de la production et celles du volume d'heures travaillées (\*).

Parallèlement à ces estimations du travail au noir, d'autres pans de l'économie souterraine ont été analysés et quantifiés. La fraude fiscale globale, tous impôts confondus, a été estimée pour les années 1979 à 1982. Elle correspond avec des petits écarts selon les années à environ 2,4% du PIB (\*\*). Des données plus précises existent sur l'impôt sur le revenu et sur la TVA. En cas de vérification exhaustive de toutes les déclarations d'impôts sur le revenu, 22% des contribuables seraient redressés et le taux moyen de rehaussement des bases d'imposition des contribuables redressés s'élèverait à 17,4%. Il y a par ailleurs d'énormes disparités en fonction du type de revenu dominant d'une part et du montant des bases d'imposition d'autre part (\*\*\*)).

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(\*) Bernard ERNST : "Le facteur de production travail dans la base 1980 des comptes nationaux : emploi, durée, activité", Archives et Documents, n°220, octobre 1987, pages 59 et 60.

(\*\*) Cf Thierry GODEFROY et Bernard LAFFARGUE : Les coûts du crime en France : données 1980, 1981 et 1982, CESDIP, Paris, 1984.

Thierry GODEFROY et Bernard LAFFARGUE : "Eléments sur l'impact économique du phénomène criminel", Gazette du Palais, 23-24 mars 1984.

(\*\*\*) 18,2% des personnes dont le revenu principal déclaré est constitué de traitement, de salaire, de pension ou de rente viagère seraient redressées en cas de vérification exhaustive. Ce pourcentage passe à 32,5% pour les revenus de capitaux mobiliers, à 50,6% pour les revenus fonciers et s'élève jusqu'à 85,2% pour les bénéficiaires des professions non commerciales soumis au régime de la déclaration contrôlée.

Plus les revenus déclarés sont élevés, plus le pourcentage de contribuable qui seraient redressés en cas de vérification exhaustive s'élève, mais il n'y a pas de liaison entre le taux de rehaussement qui serait opéré et le niveau des matières imposables déclarées.

Source : Conseil des Impôts : 4° Rapport au Président de la République relatif à l'impôt sur le revenu, Journaux Officiels, Paris, 1979.

La fraude à la TVA est plus difficile à calculer car elle est collectée en partie par la direction générale des impôts et en partie par la direction générale des douanes. L'idée qui se dégage est celle d'une relation très nette entre fraude à la TVA et chiffre d'affaire des entreprises.

Plus les firmes sont petites, plus la part de fraude est grande. L'explication de cette liaison inverse réside dans le fait qu'il est plus facile de frauder la TVA lorsqu'on s'adresse directement aux consommateurs finals que lorsqu'on vend à titre intermédiaire à des entreprises qui ont le droit de déduire la TVA de leurs achats. Il s'avère que souvent les entreprises les plus petites sont celles qui se trouvent en aval du processus de production (\*). La fraude à la TVA est également estimée par l'INSEE au moyen d'une méthode dite de l'écart de TVA. On calcule les recettes de TVA effectivement reçues par l'Etat et on les compare aux recettes qui auraient dû théoriquement être perçues compte tenu de l'activité économique mesurée par les comptes nationaux. La différence entre TVA théorique et TVA effective forme l'écart de TVA qu'il suffit de corriger pour obtenir une estimation de la fraude (\*\*). Les estimations obtenues varient légèrement d'une année à l'autre mais elles gravitent autour de 0,8% du PIB.

Certaines autres composantes de l'économie souterraine (proxénétisme, corruption, jeux clandestins, faux-monnayage, trafic de stupéfiants, vols, contrefaçon, etc.) sont régulièrement quantifiées mais aucune de ces pratiques n'est estimée à une importance supérieure à 0,2% du PIB, même si leur sommation peut ne pas être négligeable et dépasser 1% du PIB (\*\*\*) .

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(\*) Conseil des Impôts : 6<sup>e</sup> Rapport au Président de la République relatif à la TVA, Journaux Officiels, Paris, 1983.

(\*\*) La correction repose sur les franchises et décotes légales et sur les décalages qui proviennent naturellement des règles de versement et de déduction de TVA.

(\*\*\*) Les données sur le trafic de stupéfiants ne concernent que les saisies opérées par les services officiels. Pour l'année 1987, 13 tonnes, tous produits confondus ont été saisies, ce qui correspond, compte tenu des prix en vigueur sur le marché pour les différents produits à 786 millions de Francs. Ces données officielles ne reflètent pas certaines estimations avancées dans la presse...

cf : XXX : "La douane et la lutte contre la drogue : bilan 1987", Les Notes Bleues, n°373, 29 février-6 mars 1988.

En résumé, le travail au noir et la fraude fiscale sont et de très loin les éléments quantitativement les plus importants de l'économie souterraine. Il convient de rappeler ici que, par nature, le travail au noir génère de la fraude fiscale, mais la réciproque n'est pas vraie. Chaque fois qu'une activité au noir est réalisée, ipso facto des cotisations sociales ne sont pas payées, une taxe sur les salaires n'est pas perçue par l'Etat, des revenus de personnes physiques ne sont pas déclarés et une valeur ajoutée est créée sans que la taxe correspondante soit versée. En revanche, il est parfaitement possible de ne pas déclarer une partie de ses revenus officiels sans pour autant être fournisseur d'ouvrage à un travailleur au noir.

Ces dernières propositions nous semblent pourtant devoir être amendées car deux études, l'une réalisée en Belgique et l'autre en France montrent clairement que les catégories socio-professionnelles à haut revenu participent davantage à l'économie souterraine par la voie de la fraude fiscale et que les catégories socio-professionnelles à revenu plus faible y participent essentiellement en tant que travailleurs au noir (\*). Si les premiers sont donneurs d'ouvrage et les seconds exécutants, les sommes dégagées par la fraude servent à rémunérer les travailleurs au noir. Dans cette logique, un véritable circuit parallèle se met en place, mais un circuit qui n'a de sens qu'en symbiose avec le circuit officiel. Les sommes sont prélevées au départ sur des revenus officiels et peuvent très bien y retourner par le biais de dépenses officielles des travailleurs au noir.

Cette remarque sur les acteurs de l'économie non officielle est déjà une invitation à poursuivre cette analyse dans la direction de la nature du travail au noir.

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(\*) Pierre PESTIEAU : "Belgium's Irregular Economy", in Wulf GAERTNER and Alois WENIG eds : The Economics of the Shadow Economy, Springer Verlag, Berlin, 1985.

Philippe BARTHELEMY : "La participation des français à l'économie souterraine", in Daniel VITRY et Bernadette MARECHAL eds : Emploi-Chômage-Modélisation et analyses quantitatives, Collection de l'I.M.E, Dijon, 1984.

## 1b/ Estimations de la nature du travail au noir

Au-delà des estimations globales qui ont pour principal intérêt de donner des informations sur les masses soustraites aux administrations, sur les effectifs participant aux activités au noir et sur les chiffres d'affaire de l'économie souterraine, il convient de présenter quelques traits caractéristiques du travail au noir. Est-il réalisé à titre individuel ou sous une forme organisée ? Est-il l'oeuvre de travailleurs nationaux ou d'immigrés entrés clandestinement ? Est-il localisé au domicile de particuliers ou dans le cadre d'une entreprise agricole, artisanale ou industrielle ? Concerne-t-il tous les secteurs d'activité ou est-il principalement concentré dans des secteurs spécifiques ?

Répondre à ces questions revient à analyser la nature du travail au noir, et à dégager les aspects structurels de l'emploi souterrain.

Structure par âge

S'il n'y a pas de relation bien marquée entre âge et demandeurs de travail au noir, il semble que les personnes jeunes (moins de 40 ans) sont les plus représentées dans la population des offreurs de travail au noir. En liaison avec la théorie du cycle vital qui montre que les jeunes sont plutôt emprunteurs et les personnes plus âgées plutôt prêteuses, la recherche de revenu supplémentaire est le déterminant majeur de la participation des jeunes à l'économie souterraine.

Une enquête a été consacrée au travail au noir des jeunes qui accomplissent leur service national (\*). L'échantillon se compose de 2465 personnes, le champ de l'enquête est national et les jeunes interrogés ont été sélectionnés par le ministère de la défense. Ils appartiennent à six régiments choisis en fonction de la représentativité nationale de leur recrutement. Dans l'ensemble, la pratique du travail au noir est largement répandue chez les jeunes car 57% d'entre eux y ont eu recours. L'intensité de

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(\*) Hubert MADINIER et Michel MOUILLART : "La perception du travail au noir par les jeunes", Consommation, n°4, 1984

participation est cependant variable car l'expérience est occasionnelle pour 11,3% des jeunes alors que la pratique est quasi-professionnelle pour 15,6%.

Si les secteurs d'activité concernés (bâtiment, mécanique auto, commerce, restauration, industrie et agriculture) apparaissent avec des fréquences voisines, le cadre de l'expérience est essentiellement le domicile privé de connaissances (56,2%) alors que l'entreprise ne recueille que 19,7% des réponses.

Le questionnaire ayant été bâti pour permettre une exploitation croisée des critères de partition de l'ensemble, plusieurs conclusions qualitatives peuvent être dégagées. Les occasions de recourir au travail au noir sont d'autant plus nombreuses que le jeune travaille dans son domaine de compétence et/ou dans son milieu familial. On rejoint ici l'association qui paraît confirmée entre profession régulière et activité au noir.

La relation entre chômage des jeunes et travail au noir n'est pas tout à fait univoque, mais on peut l'éclairer par deux considérations. D'une part, la précarisation et l'exclusion du marché du travail sont des facteurs favorables à l'exercice des activités au noir et d'autre part le cadre de l'entreprise est meilleur que celui du domicile d'un particulier lorsque la motivation principale du travail au noir est de gagner de l'argent.

Le travail au noir exercé de façon régulière est souvent le fait de jeunes restés peu de temps au chômage (présomption de substitution entre chômage et travail au noir) mais il ne semble pas caractériser les jeunes n'ayant jamais été employés (pas de présomption de substitution entre demandes de premier emploi et travail au noir). Compte tenu de l'âge des personnes interrogées, la relation entre chômage de longue durée et travail au noir ne peut pas être étudiée.

Notons enfin que les rémunérations sont jugées bonnes dans l'agriculture et la mécanique auto, moyennes dans l'industrie et insuffisantes dans les services.

En conclusion, l'âge des offreurs de travail au noir est compris pour l'essentiel entre 18 et 40 ans, avec des fréquences de participation pondérées par la situation de famille des personnes concernées. Il est rare qu'un célibataire de 35 ans travaille au noir alors qu'une personne mariée

avec enfants, de 35 ans, travaillera au noir avec une fréquence plus élevée.

La tranche d'âge comprise entre 40 et 60 ans est peu représentée dans la population des travailleurs au noir et un regain d'intérêt pour les revenus complémentaires non déclarés apparaît pour les personnes âgées de plus de 60 ans. Dans ce cas, l'activité réalisée flirte souvent avec le bénévolat car la motivation principale n'est plus de gagner de l'argent mais devient rendre service ou s'occuper.

### Structure par CSP

En étudiant la participation des catégories socio-professionnelles à l'économie souterraine, un clivage important apparaît entre celles qui ne déclarent pas une partie de leurs revenus officiels et celles qui ne déclarent pas leurs revenus au noir. Les premières pratiquent la fraude fiscale, les secondes le travail au noir et par voie de conséquence obligée la fraude fiscale.

En adaptant la méthode composite de FREY et WECK, l'intensité de participation de 8 CSP a pu être estimée ainsi que le degré d'homogénéité de participation propre à chaque catégorie socio-professionnelle (\*). Les variables choisies pour opérer le classement sont au nombre de 6 : trois indicateurs appréhendent l'aspect fraude fiscale (la part des revenus salariaux et assimilés dans le revenu des ménages, le pourcentage de contribuables redressés par CSP et l'évolution du revenu moyen imposé par CSP) et trois indicateurs concernent plus spécifiquement le travail au noir (la proportion des ménages accédant à la propriété de leur logement selon la CSP du chef de famille, le taux de chômage par CSP et une variable proxy du temps disponible pour exercer un deuxième emploi ; la proportion de salariés travaillant plus de 50 nuits par an). Il va de soi que selon les indicateurs la relation est positive ou négative avec l'exercice d'une activité souterraine.

Pour apprécier le degré d'homogénéité intra-catégories, trois mesures de l'inégalité des revenus ont été confrontées (le coefficient de GINI, l'indicateur de THEIL et la déviation logarithmique moyenne)

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(\*) Philippe BARTHELEMY : "La participation des français à l'économie souterraine", in Daniel VITRY et Bernadette MARECHAL eds : Emploi-Chômage-Modélisation et analyses quantitatives, I.M.E., Dijon, 1984, pages 261 à 282.

Le tableau ci-dessous résume les principaux résultats de l'analyse.

PARTICIPATION A L'ECONOMIE SOUTERRAINE

	Très forte	Forte	Moyenne	Modérée
Très hétérogènes	Professions indépendantes et Agriculteurs exploitants		Inactifs	
Peu homogènes		Cadres supérieurs		Salariés agricoles
Assez semblables		Employés	Cadres moyens	Ouvriers

Pour notre propos qui ne concerne ici que le travail au noir, et en utilisant comme éléments d'appréciation les commentaires de l'article original, il convient d'isoler trois groupes de CSP à comportements bien typés.

Les professions indépendantes, les agriculteurs-exploitants et les cadres supérieurs interviennent surtout comme demandeurs de travail au noir. Ils embauchent au noir des membres d'autres CSP dans le cadre de leurs entreprises artisanales ou de services (les professions libérales), pour des travaux agricoles (agriculteurs-exploitants) ou pour des travaux à l'intérieur de leur logement (cadres supérieurs). Comme ces catégories sont par ailleurs les plus enclines à dissimuler une partie de leurs revenus, on peut imaginer que les sommes soustraites au fisc sont partiellement et peut être inconsciemment employées à la rémunération de travailleurs au noir.

Les catégories employés, cadres moyens, ouvriers et salariés agricoles font du travail au noir en tant qu'offreurs. Disposant de compétences techniques spécifiques (ouvriers), étant favorisés par l'environnement de leur emploi officiel (salariés agricoles) et disposant de revenus inférieurs à la moyenne nationale, ces catégories trouvent dans le travail au noir un complément de ressources. Les cadres moyens et les employés paraissent avoir une motivation davantage liée à leur désir d'obtenir un statut social comparable à celui des cadres supérieurs. Pour ce faire, leur travail au noir est plus régulier d'une part (participation supérieure dans le tableau synoptique) et plus lié à des travaux pour leur propre compte (construction de maisons individuelles) que pour le compte de donneurs d'ouvrage extérieurs. En d'autres termes, les sommes acquises au noir sont épargnées pendant plusieurs années puis dépensées pour l'acquisition d'un logement au lieu d'être dépensées au fur et à mesure de leur perception.

Le groupe des inactifs est très hétérogène vu qu'il comprend aussi bien des retraités que des étudiants non rattachés au foyer fiscal de leurs parents. Dans l'étude examinée, les tests de sensibilité des résultats ne sont pas bons pour ce groupe, aussi aucune conclusion même provisoire ou informelle ne peut être proposée pour les inactifs.

#### Structure par activité

S'il existe un clivage assez net entre travail au noir "organisé" et travail au noir "individuel", c'est sans doute en raison de la structure du système productif propre à telle ou telle activité. Lorsque le tissu industriel est composé d'une pléiade de petites firmes employant un nombre réduit de salariés, le travail au noir revêt souvent une forme organisée.

Les employeurs embauchent dans ce cas de trois façons différentes : du personnel déclaré, du personnel déclaré partiellement et du personnel entièrement au noir. Les salariés employés au noir sont soit des immigrés clandestins (cas du textile), soit des travailleurs à domicile oeuvrant souvent en sous-traitance (cas du textile, de l'horlogerie ou de la maroquinerie). Les salariés déclarés pour un travail à mi-temps qui travaillent réellement à plein-temps sont fréquemment des personnes qui passent de véritables contrats avec leurs employeurs ; ceux-ci réduisent leurs charges et peuvent prouver en cas de contrôle qu'il y a bien une embauche authentique,

ceux-là bénéficient de la protection sociale minimale permise par leur statut de salarié et n'étant pas ou peu imposables obtiennent les prestations sociales maximales auxquelles leurs faibles revenus officiels donnent droit.

Les petites entreprises qui recourent à ces pratiques sont parfois elles-mêmes en situation irrégulière. Dans ce cas, il arrive qu'elles fassent de fausses déclarations d'embauche, les salariés se croient couverts socialement alors qu'ils ne le sont pas.

Les activités concernées par cette forme de travail au noir organisée par les employeurs sont assez diversifiées mais on a pu isoler des secteurs sensibles (l'agriculture, la confection, l'hôtellerie, la restauration et le bâtiment).

Il convient d'observer que ces activités ont en commun d'être affectées par des pointes saisonnières importantes. A titre d'illustration, nous avons pu disposer des résultats de deux opérations effectuées par l'URSSAF (Union Régionale de la Sécurité Sociale et des Allocations Familiales) du département du Var. Ces opérations sont destinées à contrôler et éventuellement à redresser les firmes irrégulières ou les firmes régulières employant irrégulièrement des salariés (\*).

La première opération menée en 1986 concerne les hôtels, cafés, restaurants, bars et les boutiques saisonnières dans les secteurs de Hyères, Bandol-Saint-Cyr sur Mer, Six-Fours-Sanary et Saint-Tropez-Ramatuelle. Une affaire sur cinq est irrégulière sur le plan administratif. Sur cet ensemble, dans 13% des cas, il s'agit de travailleurs indépendants immatriculés qui occupent du personnel non déclaré ; dans 65% des cas, les affaires ne sont pas immatriculées et elles emploient du personnel ; dans 22% des cas, il s'agit d'affaires non immatriculées qui n'emploient pas de personnel.

La seconde opération menée en 1987 concerne le bâtiment dans les secteurs de Toulon, Hyères, Sanary et le Lavandou. Les visites ont été effectuées sur des chantiers de maisons individuelles. 7% des entreprises

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(\*) U.R.S.S.A.F. du Var : documents à usage interne. Pour cette raison, seules des grandes tendances seront ici évoquées.

ne sont pas immatriculées et 11% des affaires sont des travailleurs indépendants immatriculés en tant que tel mais qui emploient du personnel non déclaré. Sur ce dernier ensemble, 85% des affaires ont une activité de sous-traitance.

Parallèlement à ces cas de travail au noir organisé, il faut recenser les secteurs où la forme de travail au noir dominante est le travail individuel. Une liste exhaustive d'activités s'avère impossible à dresser car l'imagination des travailleurs au noir est considérable et les activités concernées en perpétuelle "restructuration". On peut citer à titre de pure illustration le personnel domestique, la réparation automobile et d'appareils électro-ménagers, la tenue de comptabilité, les cours particuliers, le babysitting, les travaux de secrétariat, de traduction, les conseils juridiques et fiscaux, le montage de programmes informatiques, etc.

Il faut observer que les compétences professionnelles acquises dans les activités principales sont très souvent employées dans les activités au noir. ce sont les comptables qui font des comptabilités au noir, les enseignants qui donnent des leçons particulières, les ouvriers du bâtiment qui oeuvrent au noir dans le bâtiment, etc.

Lorsqu'une personne n'a pas de compétence particulière dans un secteur d'activité où la demande est forte, elle est contrainte de travailler au noir soit dans un domaine où aucune qualification n'est requise (certains travaux agricoles par exemple), soit dans une spécialité acquise sur le tas.

Globalement deux conclusions peuvent être déduites de cette adéquation entre qualification et travail au noir. Il est très rare de relever un donneur d'ouvrage non satisfait de la prestation du travailleur au noir qu'il a embauché, même si l'impossibilité matérielle de faire un recours pour malfaçon est évidente). Par ailleurs, certains corps de métiers sont placés dans une position plus "favorable" que d'autres pour travailler au noir. Tel est en particulier le cas de ceux qui disposent d'une qualification adaptée à la demande de travail clandestin.

Après avoir évoqué les secteurs sensibles, il convient de relever quelques activités où a priori le travail au noir est absent. Tous les

travaux nécessitant un label ou un agrément officiel ainsi que tous les travaux dangereux entrent dans cette catégorie. Pour souder des conduites de gaz, laver des vitres dans une tour de plusieurs étages ou émonder des arbres dont les branches menacent une voie ferrée, on peut affirmer sans risque de se tromper que tout le travail est officiel et déclaré.

### Structure par statut professionnel

Il convient ici de démystifier l'idée selon laquelle les chômeurs travailleraient massivement au noir. On dispose, en effet, d'études assez contradictoires. A Lille, les chômeurs de longue durée ne trouveraient pas dans le travail au noir, un complément de revenu significatif, alors qu'en Lorraine, les sidérurgistes licenciés parviendraient à organiser des réseaux informels de solidarité (\*). Dans le département des Bouches du Rhône, des syndicats professionnels (non cités), considèrent que 80% des travailleurs au noir sont des chômeurs (\*\*), alors que dans la ville de Marseille, les premiers résultats d'une étude sur les jeunes chômeurs montrent que ces derniers ont davantage un problème d'insertion fut-ce après des stages ou des petits boulots que des activités au noir leur rapportant des revenus réguliers (\*\*\*) .

La relation entre chômage et travail au noir n'est pas simple car des effets favorables et des effets pervers se conjugent, ce qui conduit à écarter toute ébauche de position générale et définitive.

Sur un plan conjoncturel, un chômage massif entraîne une baisse des revenus officiels qui peut conduire à deux attitudes différentes des donneurs d'ouvrage en fonction de l'intensité de leur demande : soit ils accentuent leur demande pour continuer à bénéficier de prestations mais à

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(\*) cf : exemple n°3 et n°5 (première partie)

(\*\*) Yves CHAVAGNE : "Les clandestins du travail noir", La Croix, 18 juin 1976.

(\*\*\*) César CENTI : "Cheminement des jeunes chômeurs et ruptures du marché du travail à Marseille", C.E.R.S., Université d'AIX-MARSEILLE II, 1987

un moindre coût (effet positif), soit ils substituent le bricolage pour leur propre compte à l'embauche de travailleurs au noir (effet négatif). Sous l'hypothèse que les chômeurs qui bénéficient d'une disponibilité plus grande que les personnes employées sont offreuses de travail au noir, il s'en suit une activité clandestine des chômeurs florissante dans le premier cas de figure et insignifiante dans le second. Les chômeurs étant par ailleurs moins bien placés que les personnes employées pour emprunter des outils à leur entreprise et pour accéder aux lieux où se négocient les contrats de travail au noir, la version la plus probable est celle d'un rationnement de l'activité au noir des chômeurs par rapport à une norme d'activité potentielle.

Sur un plan structurel, la thèse de la réactivation de réseaux de travail au noir endormis paraît plus soutenable que celle de la constitution de réseaux nouveaux. Dans une zone rurale, où tout le monde se connaît et où les relations de voisinage sont très développées, le chômage de plusieurs résidents est en quelque sorte pris en charge par la collectivité. Le travail au noir peut s'y propager car les liens entre prestataires de services et fournisseurs d'ouvrage préexistent à l'apparition du chômage. Dans une zone urbaine, au contraire, où les relations sont impersonnelles et où l'on ignore souvent tout de ses voisins de palier, le chômage est synonyme d'exclusion et de perte de relations. Même si la volonté de travailler au noir est présente, les chances de trouver les moyens d'exercer de façon significative une activité souterraine apparaissent réduites.

A la lueur de ces arguments, il n'est pas étonnant d'observer dans la littérature des conclusions contradictoires. C'est l'environnement du chômeur et pas le fait d'être sans emploi qui explique la plus ou moins grande participation des chômeurs aux activités au noir.

### Structure par nationalité

Des problèmes de recensement se posent avec acuité si l'on veut mesurer le rôle de l'immigration clandestine dans les activités au noir, car par obligation on a affaire à une population contrainte d'exercer une activité souterraine. En France, la politique menée durant l'été 1981 est pleine

d'enseignements car elle a consisté à régulariser la situation des étrangers entrés clandestinement sur le territoire avant le 1er janvier 1981. On dispose ainsi d'une maquette de la réalité dont le degré de fiabilité est total pour les personnes qui ont engagé une procédure de régularisation même si l'on ignore, d'une part, le stock d'immigrés clandestins qui ne se sont pas présentés et d'autre part le flux net d'immigration clandestine postérieure à janvier 1981.

Selon les statistiques de l'Office National d'Immigration, 109.012 cartes de travail ont été délivrées au 1er août 1983, chiffre auquel s'ajoute 14.567 cartes de travail délivrées à des algériens (c'est le ministère de l'Intérieur et de la Décentralisation qui s'occupe des algériens et pas l'Office National d'Immigration). Par nationalité, ont été régularisés 106.638 non membres de la communauté, 21.405 tunisiens, 20.677 marocains, 18.399 ressortissants d'Etats d'Afrique Noire, 14.567 algériens, 10721 turcs, 2.811 mauriciens, 2.736 yougoslaves, 2.654 pakistanais et 12.668 ressortissants d'autres nationalités. A cet effectif, il convient d'ajouter 16.941 ressortissants d'un pays de la communauté, 15.711 portugais et 1.230 espagnols (\*).

Pour notre propos, il paraît utile de relever qu'au moment de leur régularisation, 95% des travailleurs immigrés clandestins avaient un emploi et cet emploi était localisé dans une petite ou même une très petite entreprise (41,8% oeuvraient dans une firme employant moins de cinq salariés et 24,5% dans une entreprise dont l'effectif salarié était compris entre 5 et 9 personnes).

Les travailleurs clandestins étaient ouvriers à hauteur de 70,4% principalement ouvriers de type artisanal ou agricole. Ceux qui avaient un autre métier étaient employés comme personnel de service (17,3%) surtout les femmes ou comme employés de commerce (7,9%).

En matière de secteurs d'activité, les travailleurs immigrés clandestins oeuvraient dans des secteurs bien déterminés : le bâtiment et travaux

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(\*) *Source* : "Immigration clandestine (la régularisation des travailleurs sans papiers 1981-1982)", *Bulletin Mensuel des Statistiques du Travail*, Numéro Spécial, Supplément du n°106, 1983, page 17.

publics (30%), les hôtels, cafés et restaurants (11,5%), l'agriculture et le forestage (10,7%), les services domestiques (10,3%), les commerces (9,5%), le textile et l'habillement (7,8%) et les entreprises de nettoyage (4,6%) (\*).

Ces secteurs, caractérisés par une structure par taille des établissements où prédominent les petites entreprises, sont également ceux où travaillent le plus les travailleurs au noir nationaux comme le montrent les analyses sectorielles exposées précédemment. Il y a donc des secteurs sensibles et des secteurs moins vulnérables, les premiers employant indistinctement des immigrés ou des nationaux mais pas forcément pour des tâches identiques. Le travail au noir organisé semble prédominant pour les immigrés, le travail au noir des nationaux étant pour sa part beaucoup moins typé comme en témoignent les divers cas-types présentés dans la première partie.

Un indicateur indirect de la forme très organisée du travail clandestin des immigrés nous semble résider dans la spécialisation par nationalité des activités au noir. Mis à part le bâtiment et les travaux publics où toutes les nationalités sont représentées à l'exception des asiatiques, les espagnols et les portugais travaillent davantage dans les services domestiques, les yougoslaves dans le textile, les marocains dans l'agriculture, les tunisiens dans le commerce et la restauration, les turcs dans l'agriculture et le textile, etc. De véritables filières se mettent en place, allant de l'entrée illégale sur le territoire à la fourniture d'un emploi, en passant par l'hébergement. Une preuve de l'existence de telles filières semble manifeste lorsque l'on examine les moyens dont on eu recours les travailleurs immigrés clandestins pour franchir la frontière. Si le prétexte du séjour touristique est largement dominant (68,4% des personnes régularisées), les marocains et les tunisiens adoptent la technique du permis de travail saisonnier, les ressortissants des pays d'Afrique Noire privilégient l'usage de faux papiers, les turcs l'entrée clandestine.

S'agissant enfin de la répartition géographique des travailleurs immigrés clandestins, avant la régularisation de leur situation, elle était concentrée dans quatre régions : la région parisienne (60%), la région

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(\*) *Claude Valentin MARIE : "L'immigration clandestine en France", Travail et emploi, n°17, juillet-septembre 1983, page 33.*

Provence-Alpes-Côte d'Azur (13,2%), la Corse (6,1%) et la région Rhône-Alpes (4,7%).

S'il est difficile d'établir un bilan de l'immigration clandestine tant les cas sont différents les uns des autres, il faut dire que leur contribution à l'économie française répondait parfaitement au besoin de flexibilité exprimé par certains employeurs peu scrupuleux, qui souhaitaient contourner les rigidités de gestion de la main d'oeuvre étrangère installée légalement en France. La précarité du statut social des immigrants clandestins génère une stratification de la main d'oeuvre étrangère entre ceux qui jouissent des acquis sociaux auxquels tous les travailleurs ont droit et ceux qui sont exploités sous couvert de flexibilité.

L'un des objectifs de la procédure de régularisation de 1981 était de gommer cette stratification. La politique adoptée depuis cette opération de grande envergure (\*), repose quant à elle sur quatre piliers : le contrôle des frontières, le contrôle de la situation des étrangers sur le territoire français, la lutte contre l'emploi clandestin des étrangers et la coopération internationale (\*\*).

Au terme de cet examen du volume et de la nature du travail au noir en France, l'impression qui se dégage est celle de la complexité des situations : les méthodes d'estimations ne sont pas exemptes de biais, les formes d'activités clandestines sont très diversifiées et les comportements des agents dépendent étroitement des contextes locaux dans lesquels ils s'insèrent. Eu égard à cette hétérogénéité générale, il n'est pas étonnant de retrouver au niveau des déterminants du travail au noir une palette de causes également très étendue. Tel est l'objet de nos prochains développements.

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(\*) Le document, (cf annexe) distribué dans les boîtes aux lettres en 1982 est rédigé en arabe, portugais, bambara, ouolof, turc et serbo-croate.

(\*\*) Cf : Jean-Michel DINAND : "La politique française en matière d'immigration clandestine : 1981-1986", Revue Française des Affaires Sociales, janvier-mars 1986.

## II - LES DETERMINANTS DU TRAVAIL AU NOIR

Sans forcément pouvoir dresser une hiérarchie entre les déterminants nationaux, régionaux, locaux ou individuels du travail au noir, il nous semble essentiel de relever un faisceau de causes susceptibles d'expliquer le phénomène. C'est l'interaction de causes multiples qui importe même si dans telle ou telle région, à telle ou telle période et pour tel ou tel groupe d'individus une intention peut se transformer en réalisation sous l'effet d'une motivation spécifique. N'est-ce pas cette interrelation entre inclinaison personnelle et opportunité qui a justifié notre approche qualitative où plusieurs cas-types ont été tour à tour développés ? N'est-ce pas le sentiment d'être traité de façon injuste par la puissance publique qui pousse une personne à travailler au noir ou à embaucher au noir ? N'est-ce pas la misère qui conduit un travailleur à accepter d'être rémunéré à la pièce dans un atelier clandestin ?

Pour tenter de clarifier les choses sans pour autant proposer une taxinomie, nous allons successivement mesurer l'influence de facteurs nationaux, régionaux et individuels.

### 2a/ Au niveau national

Bien que les aspects réglementaires, sociaux et culturels soient étroitement imbriqués, une partition fondée sur ce clivage permet de ventiler les déterminants nationaux d'une manière adaptée à l'analyse.

#### Les aspects réglementaires

L'histoire nous montre très clairement que chaque règle engendre des modalités plus ou moins sophistiquées pour les contourner. Sans remonter à l'Egypte pharaonique où des hiéroglyphes nous indiquent que des réglementations sur le prix de l'huile ou sur l'utilisation des pressoirs ont engendré les premières fraudes connues sur l'huile ou sur le vin, sans évoquer les textes de Dioclétien sur le travail au noir, sans rappeler l'origine de la monnaie frappée, on peut affirmer que les règles ont toujours été transgressées chaque fois qu'intérêt général et intérêt particulier conduisent à des stratégies opposées (\*)

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(\*) René SEDILLOT : Histoire des marchés noirs, Tallandier, Paris, 1985.

L'existence d'une durée maximale hebdomadaire du travail, de textes sur les cumuls, de permis de travail pour les étrangers, de règles de rémunération nourrit le travail au noir. Mais, il convient d'insister parallèlement sur les motivations, la plupart du temps fondées, qui suscitent ces textes : protéger la santé (horaires), assurer la sécurité et la dignité (salaire minimum), etc.

En période de crise, le souci légitime de mieux répartir les emplois et de lutter contre l'exclusion de certains du marché du travail a sans doute conduit à exacerber les contraintes et à alimenter le travail au noir.

Les textes sur les retraites et les pré-retraites concernent souvent des personnes qui ont d'autant plus les capacités physiques et intellectuelles de travailler que la durée de vie s'allonge.

Des études récentes montrent que le sous-emploi - défini comme la situation de toute personne travaillant moins que la norme ou que d'habitude et cherchant un autre emploi à temps complet - a doublé entre 1982 et 1986.

Il concernait, en mars 1986 483.000 personnes (\*). Les stagiaires rémunérés quant à eux étaient 407.000 en mars 1986 dont 59% percevaient moins de 2000 francs par mois (\*\*). ; les stagiaires jeunes pour leur part ont tous une rémunération inférieure au salaire minimum. Même si les formes juridiques des activités de ces personnes sont tout à fait légales, comment peut-on considérer qu'il soit possible de vivre décemment avec des situations aussi précaires ? Ces 890.000 personnes ne forment-elles pas un vivier de travailleurs au noir potentiels ?

Les interrogations actuelles sur les "petits boulots" reposent sur une ambiguïté. D'une part, ils ont pour objet de favoriser l'insertion des chômeurs, la formation professionnelle des jeunes et la création d'emplois mais d'autre part, ils figent la précarité par des activités à horaires réduits, par des contrats de travail temporaire, et par des rémunérations insuffisantes. A titre d'exemple, les Associations Intermédiaires créées par la loi du 27 janvier 1987 "ont pour objet exclusif d'embaucher des

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(\*) Claude THELOT : "Le sous-emploi a doublé en quatre ans", Economie et Statistiques, n°193-194, novembre-décembre 1986.

(\*\*) Jean-Luc HELLER : "Emplois précaires, stages : des emplois faite de mieux", Economie et Statistiques, n°193-194, novembre-décembre 1986

personnes dépourvues d'emploi pour les mettre à disposition d'utilisateurs" (\*). Il s'agit concrètement d'un texte qui vise à prêter de la main d'oeuvre à titre onéreux pour accomplir des travaux occasionnels. En d'autres termes, c'est une légalisation de la flexibilité la plus totale. Il va également de soi que les petits boulots peuvent porter en germe certains des éléments requis pour que le cercle vicieux de la précarité et de l'exclusion se transforme en cercle vertueux de l'innovation technologique. Des projets de création d'entreprises, d'adaptation de nouvelles technologies à des domaines où elles sont peu répandues sont susceptibles d'apparaître, à condition que les obstacles fiscaux ne viennent pas perturber les initiatives individuelles ou collectives.

On fait souvent allusion aux effets pervers des règles d'embauche, de promotion ou de licenciements qui régissent les relations sur le marché du travail officiel. L'argument consiste à dire que trop de règles tue la règle, comme on dit par ailleurs que trop d'impôt tue l'impôt ! S'il est peu contesté que la flexibilité du marché du travail est souhaitable, ne serait-ce que pour amortir les fluctuations conjoncturelles de la production, il n'est pas pour autant acceptable d'assimiler le facteur travail aux autres facteurs de production.

Sur un plan plus concret, les rigidités législatives et réglementaires constituent des freins à l'emploi, en particulier dans les PME et les PMI où les retournements de conjoncture sont parfois très sensibles. C'est une sorte de leitmotiv chaque fois que l'on interroge des artisans, des commerçants ou des petits entrepreneurs sur leur politique d'embauche.

L'enjeu de la dérèglementation est d'autant plus complexe à caractériser que la légalité a un fondement économique, ne serait-ce que par référence à la gestion rationnelle des coûts de transaction. Le travail au noir, dans cette logique, apparaît comme le résultat de la supériorité des coûts de la légalité sur ceux de l'illégalité. Les petits boulots tels qu'ils sont définis dans les mesures adoptées par les gouvernements successifs pour essayer d'enrayer la croissance du chômage exprimeraient dans

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(\*) Bernard EME et Jean-Louis LAVILLE : Les petits boulots en question, Syros/Alternatives, Paris, 1988, page 156.

cette perspective et pour les fournisseurs d'ouvrage, un excès des coûts de l'illégalité sur ceux de la légalité. Travail au noir et petits boulots seraient ainsi alternativement des formes rationnelles de gestion de la flexibilité du travail, en particulier pour les entreprises de très petites taille.

### Les aspects sociaux

Le progrès technique et l'élévation de la productivité permettent dans tous les pays l'abaissement de la durée du travail et l'allongement des périodes de congé. Dans la lignée des travaux de BECKER sur l'allocation du temps et de LANCASTER sur la consommation de caractéristiques, l'arbitrage travail-loisirs sur lequel reposaient les fonctions traditionnelles d'offre de travail est aujourd'hui remis en cause. Les plages de temps dégagées soit volontairement, soit involontairement (lien avec les nouvelles formes d'emploi) transforment les fondements théoriques des fonctions d'offre de travail car elles sont désormais expliquées par des comportements issus d'une approche trichotomique (travail officiel-travail non officiel (au noir ou pas)-et loisirs) . Derrière cette nouvelle conception du marché du travail se cachent deux problématiques complémentaires : celle du travail au noir et celle des relations sociales à travers le prisme du tiers-secteur (\*). Selon que les individus agissent spontanément ou sous contrainte de revenu ou de prix, telle ou telle forme d'activité informelle prend l'ascendant sur les autres.

La thèse proposée à maintes reprises par GERSHUNY illustre également les aspects sociaux qui déterminent le développement des activités informelles dont le travail au noir est l'une des composantes (\*\*). Elle repose sur l'idée selon laquelle le secteur des services n'absorberait pas dans les sociétés post-industrielles toute la main d'oeuvre espérée. Il en résulte

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(\*) Sur ce dernier point, non développé ici, on pourra consulter deux articles de base : Xavier GREFFE et Jocelyne GAUDIN : "Partage du travail et mode de développement", Droit Social, janvier 1980 et Jacques DELORS et Jocelyne GAUDIN : "Pour la création d'un troisième secteur", Echange et Projets, janvier-mars 1979.

(\*\*) Jay I. GERSHUNY : "Travail domestique, innovations sociales et dynamique du système capitaliste", in Edith ARCHAMBAULT et Xavier GREFFE eds, Les Economies non officielles, La Découverte, Paris, 1984, pp 52 à 76.

Jay I. GERSHUNY : "Technology, Social Innovation and the Informal Economy", Annals of the American Academy of Political and Social Science, Vol.493, september 1987, pp 47 à 63.

d'une part une tendance à l'auto-production de services et d'autre part une accélération de la demande de biens de consommation finale durable et de petits biens d'équipements nécessaires à l'activité domestique. Dans cette logique, les politiques de l'emploi apparaissent inefficaces car mal orientées qu'elles soient dirigées vers le secteur industriel ou vers celui des services.

Dans le premier cas, on met en doute l'efficacité d'une politique conjoncturelle alors que la nature du problème à surmonter est avant tout structurelle. Dans le second cas, on se heurte à un point de satiété de la demande ; la contrepartie fiscale des subventions à l'emploi rencontre les limites traditionnelles à l'accroissement des prélèvements obligatoires.

Pour cette thèse, les problèmes d'emploi se matérialisent par un double effet : la saturation des marchés officiels induit le développement des activités non protégées et l'auto-production une amplification des activités domestiques.

En d'autres termes, GERSHUNY propose et décrit une dynamique des échanges entre l'économie formelle et les composantes de l'économie informelle qu'il s'agisse de l'économie marginale, de l'économie domestique ou de l'économie communautaire.

Parallèlement à ces deux explications synthétiques fondées respectivement sur l'allocation du temps et sur l'innovation sociale, il convient plus modestement d'évoquer quelques cas concrets à l'image du coût horaire d'un artisan, du faible niveau de certaines retraites, de la facilité plus ou moins grande qu'a un entrepreneur potentiel pour créer une entreprise, de l'accès de plus en plus facile à des outils de professionnels par la prolifération de magasins de bricolage. Sur tout le territoire, les arguments de cette nature sont avancés lorsque l'on interroge les gens sur ce qui les pousse à travailler au noir.

### Les aspects culturels

En analysant les facteurs explicatifs de l'émergence de l'économie souterraine, GREFFE propose une démarche orientée dans cinq directions (\*).

Si les trois premières remises en cause de l'intervention publique

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(\*) Xavier GREFFE : "L'économie non officielle", Consommation, n°3, 1981, page 99.

(analyse de l'emploi à la GERSHUNY et nouvelles aspirations face au travail et au temps) recourent ce que nous avons appelé les aspects réglementaires et sociaux, les deux autres propositions, davantage structurelles d'inspiration, correspondent à ce que nous appelons par commodité les aspects culturels.

Par le biais de l'éclatement des cellules familiales élargies, les structures démographiques contribuent à expliquer certaines formes d'activités cachées. Cette idée, classique en analyse de la répartition des revenus, consiste à enregistrer le comportement de dislocation des familles traditionnelles en un nombre plus important de ménages. Les indicateurs d'inégalité des revenus du type coefficient de GINI, montrent en effet dans les pays développés une hausse des disparités lorsque l'unité de calcul est le ménage et une réduction des disparités lorsque une autre unité est retenue.

Si les jeunes quittent plus tôt le domicile de leurs parents et si les vieux vivent séparés de leurs enfants, la consommation globale s'accroît (\*) et les tâches de convivialité assumées par les parents vis-à-vis de leurs ascendants et de leurs descendants ne sont plus à assurer. Par compensation, se met en place une stratégie de recherche d'activités sociales qui échappent aux normes du travail salarié. On justifie de cette manière l'expansion du travail communautaire, des emplois dans les associations et des activités bénévoles.

les structures d'urbanisation qui jouent elles aussi un rôle moteur dans la croissance de la consommation autonome des ménages (cf par exemple la critique de SMITHIES à la fonction de consommation de FRIEDMAN) contribuent également à expliquer le développement du travail au noir.

Dans un premier sens, les besoins propres aux habitants des villes les conduisant à rechercher des revenus supplémentaires qui peuvent être obtenus grâce à des activités au noir. Ce mouvement est accentué par la prolifération des acquisitions de maisons individuelles tant à titre principal qu'à titre de résidence secondaire. Ce type de logement requiert en

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(\*) On sait que la consommation globale d'un ménage est une fonction inverse du nombre de personnes qui le composent.

amont un capital de départ, en cours de construction la présence de professionnels et en aval un flux de revenu destiné à l'entretien. Les exemples sont nombreux de personnes qui travaillent au noir pour accumuler le capital de départ, qui embauchent des travailleurs au noir pour la phase de construction et qui allient production pour compte propre, entraide et travail au noir pour la phase d'entretien.

Ce mouvement dont l'ampleur concerne toutes les régions et toutes les catégories socio-professionnelles prend dans certains départements des proportions considérables. Ainsi, en 1982, dans les Hautes-Alpes, le nombre de résidences secondaires correspond à 41,5% du nombre total de logements, la moyenne de la région Provence-Alpes-Côte d'Azur étant de 15,6% et la moyenne nationale de 9,6% (\*).

Les personnes vivant en zone rurale ont quant à elles une participation différente mais pas pour autant négligeable aux activités souterraines.

Les cas d'entraide sont les plus souvent évoqués car les transactions au noir prennent la forme d'échange de services plutôt que celle de rapports marchands. Le troc domine la transaction monétaire lorsque un paysan laboure le champ d'un autre ou répare la machine agricole de son voisin. La contrepartie de ces services sera par exemple l'aide à la construction d'un hangar ou la participation aux travaux des champs.

Si les déterminants réglementaires, sociaux et culturels suffisent pour expliquer globalement l'ampleur du travail au noir, des particularités régionales ou locales doivent leur être associées pour mieux dessiner l'image du travail au noir que connaît la France aujourd'hui.

## 2b/ Facteurs régionaux et locaux

Eu égard à nos précédents développements, toutes les régions connaissent du travail au noir et chacune des formes qu'il peut revêtir. Aussi, l'intérêt de cette approche, complémentaire de la précédente, est de s'interroger sur le degré d'homogénéité des régions françaises en matière

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(\*) Source : INSEE : Données économiques et sociales Provence-Alpes-Côte d'Azur, édition 1988, page 165.

de travail au noir. Sont-elles toutes affectées de la même façon ou bien des facteurs spécifiques comme la structure industrielle régionale ou les traditions locales contribuent-ils à spécialiser une région dans un travail au noir particulier ?

Pour tenter de répondre à cette interrogation, nous disposons d'une étude consacrée au travail au noir dans les régions françaises, étude qui repose sur une adaptation au travail au noir de la méthode composite de classement des économies souterraines de FREY et WECK (\*).

Pour déboucher sur un classement des 22 régions françaises, 8 indicateurs ont été retenus en fonction de deux critères : ils doivent refléter les structures économiques des régions et être en relation avec les motivations qui expliquent la participation aux activités au noir en tant qu'offreurs ou demandeurs. La liste des indicateurs comprend quatre variables pour appréhender l'offre de travail (le taux d'activité, le taux de salariat, le taux d'absentéisme et le taux de chômage) et quatre variables pour représenter la demande de travail (indicateur : réparation automobile, bâtiment, hôtels-café-restaurants et artisanat). Chacun de ces indicateurs a été construit de manière à être indépendant de la taille des régions étudiées.

Après traitement statistique et tests de sensibilité des résultats, 14 régions ont un travail au noir homogène, c'est-à-dire que la forme qu'il revêt n'y est pas spécifique et 8 régions ont un travail au noir particulier en ce sens que les contextes locaux conduisent les résidents à adopter telle ou telle attitude.

En opérant des regroupements au sein des régions à travail au noir spécifique, une typologie en cinq groupes peut être dégagée :

Type 1 : Auvergne, Limousin et Poitou-Charentes. Ces trois régions dont le point commun est d'être des zones essentiellement rurales se caractérisent par un travail au noir plus développé dans l'agriculture, l'artisanat et les hôtels, cafés et restaurants. Les travailleurs au noir sont des personnes non salariées plus que des salariés ayant un deuxième emploi non déclaré.

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(\*) Philippe BARTHELEMY : "Economie souterraine et emploi : le travail au noir dans les régions françaises", communication présentée au Congrès International des Economistes de Langue Française, Nantes, mai 1986.

Il s'agit d'une forme très structurelle de travail au noir, profondément enracinée dans les mentalités. A la limite, le travail au noir flirte avec les relations d'entraide et de convivialité. La motivation des participants n'est pas la recherche d'un revenu supplémentaire, c'est plutôt la traduction d'un art de vivre qui sans intention quelconque de frauder anime l'échange réciproque de services.

Type 2 : Provence-Alpes-Côte d'Azur. Contrairement au cas précédent, le travail au noir de cette région est surtout le fait de salariés et de chômeurs.

Les travailleurs au noir exercent leur activité dans le bâtiment et dans la réparation en tous genres beaucoup plus que dans les autres domaines, y compris les hôtels, cafés, restaurants où l'intensité est proche de la moyenne nationale. Il y a dans cette région une forte tendance de travail au noir chez les particuliers. On peut en déduire que la recherche d'un revenu supplémentaire est le déterminant majeur de ceux qui s'adonnent à des activités au noir.

Type 3 : Midi-Pyrénées et Corse. Dans ces deux régions, le travail au noir de "professionnels" semble dominant. Les personnes qui pratiquent ces activités non déclarées le font à titre principal dans des petites entreprises pour la région Midi-Pyrénées et tous azimuts pour la Corse.

S'agissant de Midi-Pyrénées, on retrouve ici avec une démarche différente les conclusions de TAHAR sur la maroquinerie tarnaise. Cet auteur remarquait en effet la présence d'une forme "italienne" de travail au noir, où les travailleurs étaient embauchés par des petits ateliers moyennant une rémunération à la pièce. Il paraît opportun d'insister sur l'influence de la structure productive en tant que déterminant local du travail au noir.

Lorsque le tissu industriel est formé de petites entreprises disséminées dans un espace bien délimité, les enquêtes convergent pour montrer que les employeurs au noir sont souvent des firmes. Notons que cette proposition n'est pas propre aux régions concernées de la Communauté Européenne car, pour reprendre une terminologie explicite "le foisonnement industriel asiatique" n'a rien à envier à "l'économie souterraine à l'italienne" (\*).

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(\*) Pierre JUDET : "Comment naît un tissu industriel ?", Problèmes Economiques, n°1874, 1984, page 19.

Le cas de la Corse apparaît peu différent du précédent si ce n'est que les travailleurs au noir exercent leurs talents dans tous les domaines - bâtiment, réparation, tourisme - et aussi bien en entreprises que chez des particuliers.

Type 4 : Languedoc-Roussillon. Cette autre région de la façade méditerranéenne de la France a la particularité d'arriver en première position dans l'intensité relative de son travail au noir. Cette région est dotée d'un dynamisme particulier sur lequel se sont penchés les spécialistes d'économie régionale. "Cas exceptionnel, la croissance forte de la production associée à une croissance médiocre de la productivité ont même permis (en Languedoc-Roussillon) une croissance positive de l'emploi industriel au cours de la période 1974-1980" (\*). Même s'il serait caricatural d'affirmer qu'une région peut traverser la crise économique sans en ressentir les effets, on peut penser que le Languedoc-Roussillon a pu, mieux qu'une autre, en supporter les chocs. Une contribution, même partielle, de l'économie souterraine à l'explication de cette particularité régionale ne semble pas dénuée de tout fondement.

Type 5 : Nord-Pas de Calais. Par rapport aux 21 autres régions, la région Nord-Pas de Calais est totalement atypique. Pour ce qui est des facteurs représentatifs de l'offre de travail au noir, c'est une région qui possède toutes les caractéristiques requises pour avoir un travail au noir important. Pour ce qui est des facteurs représentatifs de la demande de travail au noir, au contraire, cette région est parmi celles où le travail au noir est le plus faible. Au total, nous nous trouvons en présence d'un marché du travail au noir en situation de déséquilibre au sens de la théorie économique contemporaine. Le côté court du marché (short side of the market) étant celui des offres d'emploi, il y a par conséquent rationnement c'est-à-dire une demande d'emplois au noir insatisfaite. Cette conclusion est dans la lignée des résultats de l'enquête menée par FOU DI, STANKIEWICZ et VANEECLOO sur les chômeurs de longue durée à Lille qui ne parviennent pas - même s'ils en ont

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(\*) Maurice CATIN et Jean-Yves LESUEUR : Mise au point d'un modèle de conjoncture des régions françaises : le modèle MDR", contrat de recherche CGP, INSEE et FEA, novembre 1985, page 185.

l'intention - à obtenir au noir des ressources complémentaires significatives (\*).

Au terme de cette revue des facteurs régionaux du travail au noir, deux précisions nous paraissent nécessaires pour compléter notre analyse.

En premier lieu, une carte de France de l'intensité relative du travail au noir observé dans les différentes régions peut être présentée. Elle a été dessinée en reprenant le classement qui est apparu, après traitement des huit indicateurs énumérés ci-dessus. On y observe deux partitions du territoire : le sud de la France dans le relatif travaillerait davantage au noir que le nord, et l'ouest, toujours dans le relatif, aurait une intensité de participation aux activités au noir plus marquée que le centre et l'est du pays.

En second lieu, il faut préciser que le classement d'une région ne stipule rien quant au degré d'homogénéité de son travail au noir. Un découpage plus précis au niveau départemental, voire même cantonal ou communal, permettrait de révéler des poches de travail au noir dont la présence est occultée par la dimension retenue. A titre de pure illustration, pour la région Provence-Alpes-Côte d'Azur, une carte régionale a été établie à l'aide de huit indicateurs calqués sur ceux qui ont été retenus dans l'approche nationale (\*\*). Sans développer les conclusions de cette étude, notons d'une part la présence de grandes disparités intrarégionales et d'autre part celle de microcosmes où les travailleurs au noir sont en position ultra-favorables. Dans les Alpes de Haute Provence, par exemple la demande de travail au noir est l'une des plus élevée de la région alors que l'offre de travail est très modeste : les salaires au noir n'y peuvent être qu'élevés !.

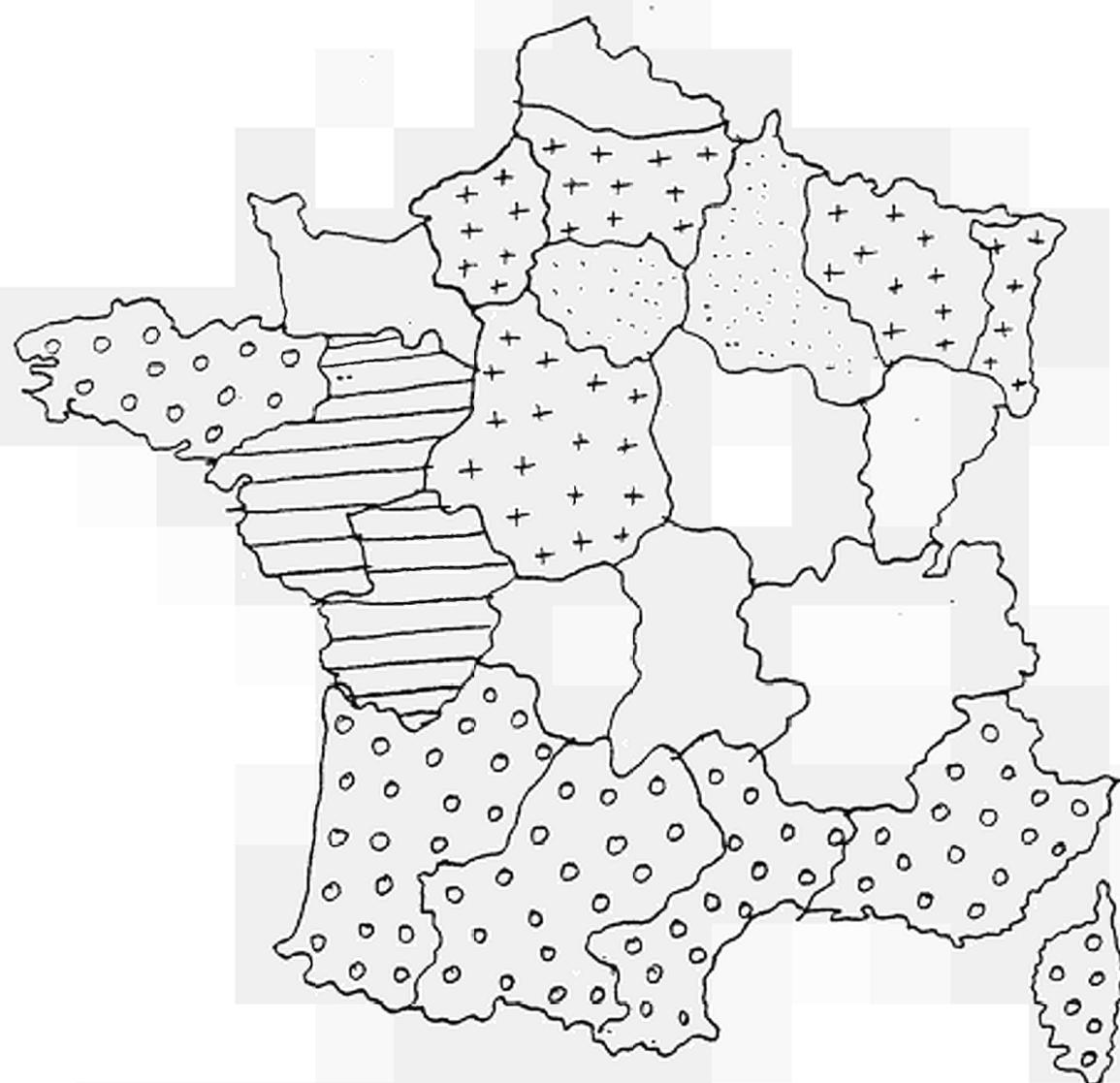
Si les déterminants nationaux fixent un cadre de référence et les déterminants régionaux un environnement plus ou moins favorable, il ne faut

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(\*) Cf exemple n°3, première partie.

(\*\*) Philippe BARTHELEMY, Jean-Pierre GIRAN et Jean-Yves LESUEUR : "L'économie souterraine dans la région Provence-Alpes-Côte d'Azur", in G.R.I.F.E. Emploi et marché régional du travail, étude pour le Conseil Régional, avril 1987, page 39

CARTE DE FRANCE  
DU TRAVAIL AU NOIR



- |   |                                |
|---|--------------------------------|
|  | Intensité relative très forte  |
|  | Intensité relative forte       |
|  | ≅ Moyenne nationale            |
|  | Intensité relative faible      |
|  | Intensité relative très faible |

pas oublier que la décision ultime de travailler au noir ou d'embaucher au noir est avant tout individuelle. Aussi, est-ce logiquement que nous abordons maintenant les déterminants individuels du travail au noir.

### 2c/ Facteurs individuels

Dans la mesure où le travail au noir n'est que la résultante d'un contrat passé entre un employeur (firme ou personne privée) et un employé (firme ou personne privée), les deux partenaires doivent y trouver un avantage. Sur un plan plus concret, les exemples de communauté d'intérêt ne manquent pas. L'artisan qui fournit sa prestation sans facture en tire un avantage fiscal, celui qui lui commande une prestation a un coût moindre pour un service rendu identique. L'employeur de personnel domestique au noir échappe aux cotisations patronales, la personne employée est généralement couverte socialement par son conjoint ou par elle-même et préfère ne pas être déclarée. Le salarié qui occupe au noir un second emploi ne déclare pas les revenus qu'il reçoit et celui qui lui fournit un travail à accomplir n'a pas de TVA à verser.

On le voit, les dimensions fiscales (impôt sur le revenu, taxe sur les salaires et TVA) et sociales (cotisations patronales et salariales) apparaissent essentielles dans les motivations individuelles d'offre ou de demande de travail au noir. Il suffit de considérer subjectivement que la règle de l'égalité des sacrifices marginaux d'EDGEWORTH n'est pas vérifiée pour son propre cas particulier pour qu'aussitôt la fraude se développe.

Ce raisonnement, tout scientifique qu'il puisse paraître, n'est pas suffisant pour expliquer à lui seul l'émergence du travail au noir. En interrogeant les travailleurs au noir, qu'ils soient par ailleurs salariés, non salariés, chômeurs ou inactifs, une autre motivation est toujours citée : "gagner de l'argent". S'il y a un lien entre revenu et impôt, on devrait, toutes choses égales par ailleurs, recenser davantage de célibataires que de personnes mariées avec enfants dans la population des travailleurs au noir : à revenu déclaré identique, le jeu des barèmes fiscaux fait que la personne seule a un taux marginal d'imposition supérieur à celui de la personne mariée avec enfants.

Les statistiques disponibles montrant que les personnes seules travaillent beaucoup moins au noir que les autres, on doit pondérer notre conclusion provisoire. Pour un travailleur oeuvrant au noir à titre de seconde

activité, la recherche de revenu est la motivation première, l'effet fiscal apparaît comme une conséquence "agréable" d'autant mieux considérée que le taux marginal d'impôt sur le revenu est élevé.

Ce comportement est très différent de celui qui cherche avant tout à frauder, il développe quant à lui une stratégie de dissimulation qui ne passe pas par le travail au noir : sa démarche est purement fiscale. Le problème du contribuable consiste en effet à maximiser l'utilité espérée du revenu obtenu s'il décide de frauder.

soit  $W$  : le revenu réellement perçu (connu du contribuable mais pas du fisc)

$\theta$  : le taux d'imposition,  $\theta > 0$

$X$  : le revenu déclaré (la variable de décision du contribuable),  $X \geq 0$

$p$  : la probabilité que le revenu réel du contribuable soit découvert par le fisc et dans cette hypothèse que le fisc soit convaincu qu'il y a eu fraude

$\Pi$  : le taux de redressement sur les revenus dissimulés,  $\Pi > \theta$

Si la fraude fiscale n'est pas détectée par les services fiscaux, le revenu disponible du fraudeur est :

$$y = W - \theta X$$

Si la fraude est décelée, le contribuable aura le revenu disponible suivant :

$$Z = W - \theta X - \Pi(W - X)$$

Le problème du contribuable potentiellement fraudeur consiste donc à maximiser l'expression :

$$\text{Max } E(U) = (1 - p) U(y) + p \cdot U(Z).$$

Le revenu déclaré s'accroît lorsque  $\Pi$  et  $p$  s'élèvent, en revanche une élévation de  $\theta$  peut induire une amplification, une stabilisation ou une réduction de la fraude fiscale, selon les contextes (\*).

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(\*) La plupart des modèles de fraude fiscale reposent sur ce canevas ; le modèle de base étant celui de Michaël G. ALLINGHAM et Agnar SANDMO : "Income Tax Evasion : a Theoretical Analysis", Journal of Public Economics November 1972

La stratégie des particuliers qui emploient des travailleurs au noir est conditionnée indirectement par des aspects fiscaux. C'est l'économie de coût qui arrive en tête des motivations (et donc corrélativement l'élévation du revenu disponible pour d'autres affectations), mais cette réduction de coût n'est pas corrélée dans l'esprit des donneurs d'ouvrage avec des aspects fiscaux. Parce qu'il n'y a pas de TVA à payer, le particulier acceptera une prestation sans facture mais si, pour un coût identique, c'était la rémunération du travailleur qui était amputée au lieu que ce soit celle de l'Etat, la motivation financière du particulier resterait probablement inchangée. Cette hypothèse n'est pas seulement un cas d'école, n'est-ce pas en effet la norme pour l'emploi de travailleurs immigrés clandestins ?

En résumé, et uniquement pour les relations au noir entre travailleurs réguliers et donneurs d'ouvrage personnes privées, la fiscalité est la motivation principale ni des uns, ni des autres. En revanche, elle est la condition permissive du travail au noir. Sans elle, le travailleur ne pourrait pas offrir ses services à un prix inférieur à celui d'un professionnel oeuvrant régulièrement et toujours sans elle, le particulier ne pourrait pas obtenir une prestation à un prix inférieur. A ce stade de l'analyse, la fiscalité est une condition suffisante mais elle n'est pas pour autant nécessaire.

Si l'offreur de travail au noir est une entreprise au lieu d'être un particulier, la motivation de l'entrepreneur est toujours liée à la vie de son affaire. Le niveau des charges fiscales et sociales apparaît alors comme la cause des difficultés de l'entreprise et par le biais du travail au noir, l'entrepreneur espère en assurer la survie. Les artisans et petits patrons que nous avons interrogés dans le département du Var sont unanimes pour se plaindre de l'inquisition dont ils font l'objet de la part des administrations fiscales, des organismes sociaux et parfois même des enquêteurs de l'INSEE !

Pour éviter de déposer patente, certains petits patrons recourent parallèlement à l'embauche au noir de personnel pour réduire leurs coûts de fonctionnement. Les personnes embauchées de cette manière sont soit des travailleurs secondaires, soit des personnes qui ont intérêt pour des raisons diverses à dissimuler à l'administration le fait qu'elles travaillent.

Nous trouvons ici une population composée d'immigrés clandestins, de chômeurs indemnisés qui dépassent les quotas d'activités annexes autorisés, de retraités désireux d'accroître leurs ressources, de salariés officiels faisant des heures supplémentaires au noir, etc. La motivation du patron c'est la survie de son entreprise, celle des travailleurs au noir, c'est la nécessité de se cacher. La fiscalité, là encore, n'est que la condition sine qua non d'acceptation par les uns et par les autres d'un "contrat" de travail au noir.

Une partie de l'activité clandestine provient également des rigidités et des obstacles associés à la création d'entreprises. L'offreur de travail au noir dans ce cas n'est pas une firme installée qui a des problèmes de gestion, mais une firme potentielle qui est aux prises avec des problèmes d'implantation. On sait, en effet, que des entreprises travaillent "à l'essai" de façon informelle pour se régulariser spontanément au terme d'une période probatoire si les opportunités de croissance s'avèrent favorables, si les débouchés semblent assurés et si le besoin d'être officiellement immatriculé apparaît indispensable à la poursuite et à l'extension de l'activité.

Dans cette analyse des motivations individuelles du travail au noir, une mention particulière doit être faite aux trafiquants de main d'œuvre dont la finalité n'est que l'accumulation d'argent sale. Au moyen des montages ingénieux de sociétés écrans (institution des taxis) (\*) entre des sociétés donneuses d'ouvrage et des ateliers clandestins, une division du travail de fraude s'opère au sein de réseaux dont les victimes sont multiples : l'administration fiscale, les organismes de collecte de cotisations sociales et pour notre problématique les travailleurs clandestins. Ces derniers contraints de travailler au noir sous peine d'expulsion, sont

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(\*) *"Le taxi est un prête-nom dont la seule fonction est d'être inscrit au registre du commerce pour pouvoir établir, sur du papier commercial à en-tête, des factures de ventes fictives. Autrement dit, il dirige une entreprise de pure façade, chargée d'émettre des documents commerciaux correspondant à des opérations fictives passées avec des entreprises réelles et d'apparence irréprochable.*

*Son nom lui vient des origines de la fraude de la TVA dans les années 50. Emetteur de fausses factures, comportant la taxe à récupérer, il "fabrique" en quelque sorte de la taxe. Il est un "taxeur", terme devenu par déformation "taxi".*

*cf : Jean-Claude MARTINEZ : La fraude fiscale, PUF, Paris, 1984, page 75.*

d'autant plus exploités par les chefs d'ateliers clandestins qu'il n'y a comme limite à la baisse de leur rémunération que le salaire qui correspond à la reproduction de leur force du travail. Il faut préciser que les travailleurs immigrés clandestins n'ont pas d'autres solutions que d'accepter des salaires voisins du minimum vital et que les trafiquants de main d'œuvre se livrent entre eux une concurrence implacable qui a des effets évidents sur les coûts de production. A titre d'exemple concret, un façonnier du XIII<sup>e</sup> arrondissement de Paris propose les prix suivants à ses clients, confectionneurs du Sentier : 22 à 26 francs pour l'assemblage et le repassage d'un chemisier (35 minutes de travail), 30 à 32 francs pour une jupe (45 minutes de travail) et 50 à 55 francs pour un manteau (1h30 de travail) (\*). Eu égard à la marge que le façonnier ne doit pas manquer de se garder, au coût des matières premières nécessaires et à l'amortissement du capital utilisé, fut-il sommaire, on imagine le salaire des travailleurs clandestins : entre 2500 et 3500 francs par mois !

Nous venons d'examiner plusieurs pratiques différentes de travail au noir et donc des stratégies et des motivations adaptées à ces situations concrètes.

Avant de mettre un terme à ces développements consacrés aux déterminants du travail au noir, il nous paraît indispensable d'examiner l'opinion du public vis à vis d'un phénomène qu'il connaît par la force des choses assez bien car rares doivent être les individus qui n'ont pas une connaissance personnelle poussée en la matière. Une enquête réalisée en 1979 par la SOFRES montre que globalement seul 1/5<sup>e</sup> de la population réproouve le travail au noir. Il y a cependant des degrés dans l'approbation en fonction de la nature du travail au noir effectué et de la catégorie socio-professionnelle des personnes interrogées (\*\*).

	travail au noir en général	petits travaux occasionnels
attitude de réprobation	22%	20%
attitude de tolérance	46%	30%
attitude d'approbation	17%	31%
sans opinion	15%	19%

(\*) Source : Guy DELORME : Profession : travailleur au noir, édition Ouest-France, 1986, page 107.

(\*\*) Les tableaux présentés ici sont tous extraits du sondage de la SOFRES, ils sont repris dans l'ouvrage de Rosine KLATZMANN : Le travail noir, PUF, Paris, 1982, pages 98 à 104.

En ventilant davantage les réponses, le travail au noir en général fait l'objet d'une réprobation beaucoup plus vive de la part des personnes dont l'activité officielle est directement concurrencée par son existence : tel est le cas des petits commerçants et des artisans.

Catégorie socio-professionnelle	taux de réprobation vis à vis du travail au noir en général
Petits commerçants et artisans .....	41%
Agriculteurs .....	25%
Cadres supérieurs .....	21%
Cadres moyens .....	21%
Ouvriers .....	20%
Employés .....	18%
Inactifs .....	23%

Lorsque le questionnaire se fait plus précis et que les formes de travail au noir sont détaillées, les réponses du public deviennent plus sélectives (\*).

(\*) Dans le tableau suivant, le critère de partition entre petits travaux occasionnels, petits travaux réguliers et gros travaux est celui de la rémunération mensuelle obtenue : de 800 francs à 1000 francs de 1979 pour les premiers, autour de 2500 francs pour les seconds, et de plus de 3000 francs pour les troisièmes.

	Attitude de réprobation	Attitude de tolérance	Attitude d'approbation	Sans opinion
Emploi de femmes de ménage	17%	38%	27%	18%
<u>Petits travaux occasionnels effectués par :</u>				
- des retraités	17%	26%	39%	18%
- des salariés du secteur privé	22%	33%	26%	19%
- des fonctionnaires	21%	29%	32%	18%
- des chômeurs indemnisés	20%	31%	29%	20%
<u>Petits travaux réguliers effectués par :</u>				
- des retraités	28%	31%	25%	16%
- des salariés du secteur privé	36%	29%	17%	18%
- des fonctionnaires	39%	32%	11%	18%
- des chômeurs indemnisés	53%	23%	8%	16%
<u>Gros travaux effectués par :</u>				
- des retraités	62%	21%	5%	12%
- des salariés du secteur privé	53%	24%	9%	14%
- des fonctionnaires	57%	20%	6%	17%
- des chômeurs indemnisés	63%	19%	5%	13%
<u>Emploi de salariés clandestins par des entreprises</u>	75%	13%	1%	11%

Sans commenter les tableaux précédents qui sont par eux-mêmes explicites, il est utile de remarquer que l'opinion sur le travail au noir en général est assez proche des opinions émises pour les petits travaux (réguliers ou occasionnels). Cela peut signifier que le réflexe du public lorsqu'on évoque le terme "travail au noir" est de l'assimiler spontanément

à ses formes les plus bénignes. Ce n'est qu'en lui montrant les divers aspects du phénomène que son opinion se précise et que la variance de ses attitudes s'élargit.

Le travail au noir ayant été mesuré, ses formes spécifiées et ses causes appréhendées, il convient de prolonger notre investigation dans une autre direction, qui est la suite logique des précédentes, celle des politiques macroéconomiques prises ou à prendre pour le maîtriser, le favoriser ou le réprimer. On montrera qu'à cette question importante, il n'y a pas de réponses manichéennes.

### III - CONCLUSIONS, IMPLICATIONS ET EVALUATION

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L'attitude des pouvoirs publics vis à vis du travail au noir nous semble animée par une double perspective : une adaptation continuelle de la législation et une recherche permanente d'informations. Une pléiade de textes tissent une toile de plus en plus serrée autour du travail clandestin (\*), et un nombre conséquent de rapports ont été présentés aux Présidents de la République successifs ainsi qu'à divers ministres ayant en charge les problèmes d'emploi.

Immédiatement après les accords Matignon signés le 7 juin 1936 et qui instaurent les congés payés, au premier texte de loi du 20 juin 1936 complété par les décrets du 1er août 1936 et du 26 septembre 1936 interdit l'exécution de travaux rétribués pendant la période des congés payés.

Au début de la guerre, la loi du 11 octobre 1940 sur le cumul d'emplois précise dans son article premier que "nul ne peut exercer pour son propre compte une profession industrielle, commerciale ou artisanale s'il n'est inscrit soit au registre du commerce, soit au registre des métiers et s'il se soustrait aux charges sociales et fiscales imposées à cette profession".

Après la guerre, Antoine ANTONI présente un rapport au nom du Conseil Economique en 1950 sur "la lutte contre le travail clandestin" où l'auteur souligne "l'extension inquiétante prise par le marché clandestin de la main d'oeuvre".

Finalement, sous la pression des organisations professionnelles qui avancent périodiquement l'argument de la concurrence déloyale (\*\*), paraît le 11 juillet 1972 la loi relative au travail clandestin. Cette loi, aujourd'hui modifiée, est le premier grand texte de référence aussi bien pour la France que pour de nombreux pays (Belgique, Luxembourg, Sénégal, etc.) qui s'en sont inspirés pour leur propre législation.

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(\*) *Le vocabulaire juridique* français connaît l'expression "travail clandestin" et ignore l'expression "travail au noir". Il y a une activité non occasionnelle dans le premier cas, rien n'est stipulé quant à la fréquence de l'activité dans le second. En toute logique, le travail clandestin est un sous-ensemble du travail au noir.

(\*\*) Par exemple, les rapports VRINAT (avril 1950), et LAMY (avril 1972) de la Chambre de Commerce et d'Industrie de Paris, qui dénoncent les insuffisances de la loi du 11 octobre 1940.

Pour la loi du 11 juillet 1972, "est réputé clandestin, sauf s'il est occasionnel, l'exercice à titre lucratif d'une activité de production, de transformation, de réparation ou de prestation de services assujettissant à l'immatriculation, au répertoire des métiers et/ou au registre du commerce, ou consistant en actes de commerce, accomplis par une personne non immatriculée au répertoire des métiers et/ou au registre du commerce et n'ayant pas satisfait aux obligations fiscales et sociales inhérentes à ladite activité".

Ce texte, dès sa parution, n'a pas entièrement satisfait les organisations professionnelles qui ont poursuivi leur politique de harcèlement des pouvoirs publics pour que soit accentuée la politique de répression. A titre d'exemple, la Confédération de l'Artisanat et des petites entreprises du Bâtiment (CAPEB) (\*), la Fédération Nationale du Bâtiment (\*\*), la Chambre de Commerce et d'Industrie de Paris (\*\*), ont publié de nombreuses études pour dénoncer l'insuffisance des sanctions ou pour réclamer l'extension du texte de 1972.

L'opiniâtreté de ces groupes qui figurent par la force des choses en première ligne du combat contre le travail clandestin a conduit à la publication de plusieurs textes :

- en 1979, obligation est faite aux entreprises en bâtiment d'afficher leur nom sur la voie publique ;

- en 1985, la loi du 3 janvier stipule une présomption de rémunération pour les activités réalisées avec recours à la publicité, dont l'importance ou la fréquence est établie ou qui sont effectuées avec un matériel ou un outillage pouvant être qualifié de professionnel ;

- la loi du 25 juillet 1985 rend passible du tribunal correctionnel les infractions ;

- le décret du 14 mars 1986 et la circulaire du 19 septembre 1986 créent des commissions départementales de lutte contre le travail clandestin, l'emploi non déclaré et les trafics de main d'oeuvre ;

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(\*) CAPEB : Poursuite de la lutte contre le travail au noir après l'entrée en vigueur de la loi du 11 juillet 1972, doc ED -73-04-A, Paris, 1973.

(\*\*) METTON : Rapport sur les moyens à mettre en oeuvre pour lutter contre le travail clandestin, Fédération Nationale du Bâtiment, Paris, février 1979.

(\*\*\*) "Le problème du travail clandestin" (10 février 1977) et "le travail au noir" (14 février 1980) : rapports présentés par Michel BOUNIOL à la Chambre de Commerce et d'Industrie de Paris.

- enfin, la loi du 27 janvier 1987 portant diverses mesures d'ordre social a redéfini le travail clandestin et élargi son champs d'application.

Désormais, "est réputé clandestin l'exercice à but lucratif d'une activité de production, de transformation, de réparation ou de prestation de service ou l'accomplissement d'actes de commerce par toute personne physique ou morale qui s'est soustraite intentionnellement à l'une quelconque des obligations suivantes :

1°/ Requérir son immatriculation au répertoire des métiers ou au registre du commerce et des sociétés, lorsque celle-ci est obligatoire ;

2°/ Procéder aux déclarations exigées par les organisations de protection sociale et par l'administration fiscale ;

- 3°/ En cas d'emploi de salariés, effectuer au moins l'une des formalités prévues aux articles L.143-3, L.143-5, L.620-1 et L.620-3 du présent code (\*).

Il en est de même de la poursuite d'une des activités mentionnées au premier article après refus d'immatriculation au répertoire des métiers ou au registre du commerce et des sociétés, ou postérieurement à une radiation".

Notons, pour terminer sur ce point, que la circulaire interministérielle du 8 octobre 1987 dont l'objet est de préciser les modalités d'application de la loi du 27 janvier 1987 est co-signée, chose peu habituelle, et indice de solennité et de détermination, par huit ministres. Dans un communiqué du ministère des Affaires Sociales et de l'Emploi, on peut lire que la circulaire "illustre la ferme résolution du gouvernement à lutter contre le travail clandestin et marque en même temps l'aboutissement d'un processus visant à rendre la lutte plus efficace"... en attendant la prochaine étape !!

En résumé, l'histoire de la législation sur le travail clandestin est celle d'un élargissement de son champ d'application et d'un renforcement

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(\*) Il s'agit du Code du Travail. L'article L.143-3 concerne la remise du bulletin de paie par un employeur à chacun de ses salariés. L'article L.143-5, concerne la tenue de livre de paie. L'article L.620-1 est relatif à la déclaration préalable d'emploi de salariés et l'article L.620-3 a trait à la tenue par les employeurs d'un registre du personnel.

des sanctions. Concrètement, le dispositif juridique est bien en place, mais la difficulté relevée par tous les professionnels concernés est celle de la découverte des situations de travail clandestin. Même si le nombre de poursuites et celui des condamnations est en perpétuelle augmentation, les cas d'infractions suivies de sanctions restent très modestes.

Parallèlement à cet ensemble de textes dont l'objet est le travail clandestin, une autre série de dispositions réglemeute l'emploi irrégulier de travailleurs étrangers. Le texte de base en la matière est la loi du 17 octobre 1981, loi promulguée deux mois après la circulaire du 11 août 1981, mettant en place la procédure de régularisation des étrangers employés irrégulièrement en France. Pour l'année 1985, 3608 infractions ont été relevées, dont 1536 concernent directement l'emploi de travailleurs immigrés clandestins et 2072 le favorisent indirectement. (\*). En ventilant les infractions par secteurs d'activité, par nationalité et par zones géographiques, on retrouve à quelques détails près les résultats exposés ci-dessus à propos de la régularisation de 1981.

Si l'on ajoute à ces deux principales catégories de textes (travail clandestin et emploi d'étrangers en situation irrégulière) un vaste ensemble de dispositions visant aussi bien les cumuls entre pensions de retraite et revenus d'activité (loi du 30 mars 1982) que les obligations fiscales des

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(\*) Concernant directement l'emploi d'immigrés clandestins, les infractions aux articles suivants du Code du Travail : L.341-6 sur l'emploi d'étrangers démunis de titre de travail ; L.341-9 sur le monopole de l'Office National d'Immigration en matière de recrutement de travailleurs étrangers hors du territoire ; L.341-7 sur l'interdiction faite aux employeurs de faire rembourser par leurs salariés étrangers la redevance de l'Office National d'Immigration et L.324-9 et suivants sur l'interdiction du travail clandestin (quand il s'agit de travailleur étrangers).

Concernant indirectement l'emploi d'immigrés clandestins, les infractions, 1/ aux articles suivants du Code du Travail : L.364-2 sur la fraude ou la fausse déclaration en vue d'obtenir ou de faire obtenir à un étranger un titre de travail ; R-341-8 sur l'obligation pour un employeur de porter sur un registre spécifique les noms de ses salariés étrangers. 2/ à l'article 21 de l'ordonnance du 2 novembre 1945 visant l'aide à l'entrée et au séjour irrégulier des étrangers. 3/ à la loi du 27 juin 1973 sur l'hébergement collectif. 4/ aux articles du Code Pénal réprimant les faux et usages de faux qui concernent les titres.

Source : Mission de liaison interministérielle pour la lutte contre les trafics de main d'oeuvre : La lutte contre les trafics de main d'oeuvre en 1985-1986 : objectif prioritaire, le travail clandestin, La Documentation Française, Paris, 1987, pages 53 à 73.

entreprises (nombreux articles du Code Général des Impôts), force est de constater que la France a pris très au sérieux dans les années récentes, la lutte contre le travail au noir.

Bien qu'il soit outrancier d'écrire que la législation et la gestion macro-économique du marché du travail, sont des domaines séparés, nous pensons que les progrès accomplis en matière juridique sont plus manifestes que ceux qui ont été effectués en matière de politique d'emploi. La fragmentation du marché du travail en emplois salariés à plein temps, emplois précaires, emplois temporaires, petits boulots, stages de formation, emplois intermédiaires, emplois à temps partiels, etc., favorise d'autant moins une politique globale d'ajustement que la frontière est floue entre travail au noir et chacune de ces formes d'emploi.

Si l'instauration de ces diverses formes d'emplois est inspirée par la nécessité de gérer les conséquences sociales d'une économie en mutation, le risque est grand de promouvoir à travers elles une sorte de transformation du travail au noir en travail légal.

Pour prendre un exemple extrême, considérons le cas des Associations Intermédiaires qui ont été instituée en janvier 1987 pour lutter simultanément contre les formes les plus aiguës de chômage et contre le travail au noir. Où dresser la ligne de partage entre une activité qui serait concurrentielle du marché (travail au noir officialisé) et une activité qui ne le serait pas (aide aux chômeurs en leur fournissant une activité) ? Comment garantir que certaines associations ne se transforment pas, plus ou moins consciemment en organismes de prêt de main d'oeuvre sous couvert d'action sociale ou caritative ?

Dans un article sur la flexibilité du travail et les limites de la flexibilisation, dont le titre à lui seul résume l'enjeu du sujet, BARTOLI note avec justesse que "le vrai problème est de trouver un point d'équilibre entre la protection nécessaire des droits des travailleurs salariés et la non moins nécessaire flexibilité de l'économie nationale et des entreprises, c'est une solution politique qu'il s'agit de lui donner dans le cadre d'un système polycentrique où les pouvoirs sont partagés et les oligopoles sociaux s'ajoutent aux oligopoles économiques. La recherche par notre société d'une plus grande rationalité exige l'adoption d'un projet qui soit l'expres-

sion d'un véritable choix collectif servi par une politique renouvelée dans ses techniques et dans ses fins. En son absence, les solutions qu'il convient d'apporter à la crise deviennent indéterminées, et la flexibilisation génératrice de plus de conflits ouverts ou larvés que d'expansion économique et de paix sociale" (\*)

Une politique macro-économique destinée à "traiter" le problème du travail au noir nous paraît devoir s'inspirer du "code de conduite" proposé par BARTOLI. Ce n'est pas par un saupoudrage de mesures ponctuelles, fussent-elles ingénieuses à court terme, que le travail au noir sera éliminé, légalisé ou même réduit.

Il convient de tempérer ce jugement peut-être trop hâtif en remarquant que les décideurs ont cherché à s'informer dans les années récentes. Un indicateur de cette recherche peut être trouvé dans le nombre de rapports commandés par les autorités à des universitaires, des professionnels ou à des hauts fonctionnaires (\*\*).

Le point commun à ces divers rapports est qu'ils mélangent économie souterraine et travail au noir d'une part et qu'ils proposent des mesures concrètes pour lutter contre le travail clandestin d'autre part. Ces mesures vont de la délation pure et simple à des formes plus sophistiquées de répression en passant par la création d'un statut de travailleur occasionnel. Nous ne pensons pas que ces propositions soient susceptibles d'éclairer utilement les décideurs, car elles relèvent trop du domaine de l'anecdote, car elles accordent aux déterminants fiscaux une place à notre sens démesurée et car elles ne sont pas adaptées à un phénomène par essence polymorphe.

Il y a un travail au noir à réprimer, un travail au noir à comprendre et un travail au noir à protéger.

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(\*) Henri BARTOLI : "La flexibilité du travail et les limites de la flexibilisation", Communication présentée au Congrès International des Economistes de Langue Française, Nantes, mai-juin 1986, page 22.

(\*\*) Robert DELOROZOY : Le travail clandestin, rapport au Président de la République, Paris, avril 1980.

Jean FAU : Le travail illégal, rapport remis à Lionel STOLERU, Secrétaire d'Etat auprès de Jean MATTEOLI, Ministre du Travail et de la Participation, Paris, novembre 1980.

Jean-Jacques DUPEYROUX : Notes sur les activités professionnelles occultes Paris, janvier 1983.

Maurice RAGOT : Le travail clandestin, avis adopté par le Conseil Economique et Social, Paris, janvier 1983.

Le travail au noir systématique, qui repose sur l'exploitation d'une partie de la population par une autre, doit être réprimé avec la plus grande sévérité. Tel est le cas des ateliers clandestins, des trafics de main-d'oeuvre, des emplois de mineurs, des personnes qui prétendent vivre dans la société et qui refusent d'en assumer les charges. C'est du travail au noir organisé à grande échelle et exercé avec préméditation par des employeurs souvent eux-mêmes anciens travailleurs clandestins.

Le travail au noir effectué en franc-tireur de manière plus ou moins occasionnelle chez des particuliers ou à la limite en entreprises est une forme inacceptable d'activité mais qui a le mérite d'apporter un message.

"Pour gagner de l'argent", "pour anticiper sur une faillite" côté offreurs, "pour payer moins cher", "pour rendre service à une personne en difficulté" côté demandeurs, les causes de ces activités au noir individuelles prennent leurs racines dans la vie quotidienne et la population n'y est pas franchement hostile lorsqu'elles sont pratiquées dans des limites raisonnables.

Certes, des professions en sont directement les victimes mais en sens inverse les revenus obtenus par les travailleurs au noir sont le plus souvent dépensés et par là même, ils réintègrent les circuits officiels.

Les débats actuels sur les effets respectifs de la réglementation et de la déréglementation sont au coeur de cette problématique. A titre d'exemple l'URSSAF (Union Régionale de Sécurité Sociale et d'Allocation Familiale) et les CPAM (Caisses Primaires d'Assurance Maladie) ont remarqué que depuis quelques années, un nombre croissant d'entreprises, notamment dans les secteurs du bâtiment et du travail à domicile, font le choix de remplacer le contrat de travail qui les liaient à leurs salariés par des relations de nature non salariée (\*). N'est-ce-pas la traduction profonde d'un malaise des petites entreprises face à des règles trop strictes ?

La difficulté qui explique à n'en pas douter les attermoissements des politiques d'emploi est d'isoler ce qui relève de la conjoncture de crise et ce qui appartient à des tendances plus structurelles de nos sociétés.

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(\*) Pierre MARIONI : "Les petits boulots", in *Colloque Européen sur le travail non salarié*, tome V, Commissariat Général du Plan et Commission des Communautés Européennes, Paris, novembre 1987, page 243.

Un relèvement des bas salaires est-il susceptible de réduire le travail au noir de ceux qui s'y adonnent pour gagner de l'argent ? Une adaptation de la fiscalité pour les entreprises en difficulté est-elle une bonne mesure pour modérer le travail au noir des petits entrepreneurs ?

La réponse à ces questions n'est pas simple car on est au confluent de deux phénomènes : la crise de l'emploi et l'apparition de nouvelles formes d'emploi. Il y a crise de l'emploi et donc chômage et petits boulots mais il y a simultanément création de nouveaux emplois dans les loisirs, dans les services, dans le tiers-secteur, dans les nouvelles technologies, dans la préservation de l'environnement, etc. Le travail au noir dans cette logique serait l'une des manifestations de l'apprentissage des mutations structurelles de la société en période de choc conjoncturel.

le troisième type de travail au noir n'a rien de répréhensible, c'est une manifestation traditionnelle de l'entraide, de la solidarité et de la convivialité qu'il importe d'autant moins de réglementer qu'il traduit un art de vivre dans des espaces économiques limités. Relevant davantage de la culture que de la volonté de dissimulation, il est par ailleurs complètement insensible à toute forme de politique économique.

Proposer des directions de recherche plus précises n'est pas chose aisée dans un contexte où les statistiques sont imparfaites, les motivations différentes d'un participant à l'autre, les implications sociales mal maîtrisées et les aspects du phénomène nombreux et contradictoires. D'un côté, le travail au noir met en scène des acteurs peu scrupuleux qui profitent de la faiblesse ou de la naïveté d'autrui, d'un autre côté il révèle des volontés de changement dans les rapports entre individus et entre les citoyens et l'Etat. Si des efforts continuent à être entrepris pour combattre ses effets négatifs autant que pour répondre aux aspirations légitimes qu'il révèle, le travail au noir pourra disparaître, un jour, son rôle historique accompli. Les interrogations contemporaines légitimes qu'il suscite font cependant penser que le sujet restera encore d'actualité pendant quelques années, car la nature humaine est complexe, les problèmes sociaux compliqués et l'imagination des fraudeurs florissante.

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ANNEXE

DOCUMENT DISTRIBUE A LA POPULATION  
EN 1982, INCITANT LES TRAVAILLEURS  
CLANDESTINS A DEMANDER LA  
REGULARISATION DE LEUR SITUATION

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وتحمل اوراقاً مزورة  
يمكنك الآن وحتى 31 ديسمبر 1981  
تقديم طلب استثنائي  
لكي تصلح وضعك  
ولكن بشرط اساسي  
وهو ان تعيد اوراقك المزورة  
وان تستطيع ان تثبت بانك  
دخلت الى فرنسا قبل اول جانفيه 1981  
من اجل ذلك، عليك الحضور  
الى المكتب الوحيد المخصص لهذا الغرض.

BAMBARA

**aou ye dounan ye**  
sèbèn lankolonw de bè aou bolo  
fo ka taa se 1981 kalo laban tilé 31 ma  
**aou bi se k'a nyini faransi sariya fè**  
a k'aou ka sigui sanuya faransi konò  
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o kà n'aou bi se ka a djira  
**k'aou donna faransi sani 1981 ka daminè**  
a ka kan dòu ka se buro la  
min tòkò ye **guiché unik**  
n'o dayèlèten bè aou tòkòla

TURC

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ame faniver fane ak bené 1981  
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vone si bir reou  
**France bala 1º sanvié di diote**  
légui li lene war moy n'gène deme  
**si bureau bi n'ga khame ne yene lafinekal**

SERBO-CROATE

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pruža se jedinstvena prilika  
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izričiti uslov za to, jeda  
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RAPPORT FINAL

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LE TRAVAIL AU NOIR EN BELGIQUE ET AU LUXEMBOURG

Par :

Philippe BARTHELEMY  
Université d'Aix-Marseille III

Pour :

La Commission des Communautés  
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D.G. V/A/1

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## R E S U M É

Ce travail a été divisé en trois parties consacrées respectivement au volume, à la nature et à l'évaluation du travail au noir tant en Belgique qu'au Luxembourg. Dans la première partie, sont exposées et analysées les principales estimations macroéconomiques de l'ampleur de l'économie souterraine et de ses composantes majeures la fraude fiscale d'une part, le travail au noir d'autre part. Pour dépasser ces approches purement quantitatives, la deuxième partie a pour objet d'apprécier de façon plus détaillée les caractéristiques structurelles du travail au noir. Sont ainsi brossés tour à tour les portraits-robots des travailleurs au noir et des donneurs d'ouvrage (leur sexe, leur âge, leur profession, leur niveau de revenu et leurs motivations). L'étude se termine par une évaluation synthétique du travail au noir dans les deux pays sous examen.

Les législations belge et luxembourgeoise relatives au travail clandestin sont ainsi passées en revue et une attention particulière est portée sur le système fiscal qui joue, notamment en Belgique, un rôle explicatif essentiel dans la décision de se porter offreur de travail au noir.

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La connaissance de l'économie souterraine d'un pays passe par un ensemble d'approches complémentaires. Les unes, plus macroéconomiques d'inspiration situent l'ampleur du phénomène, les autres, plus microéconomiques d'esprit ou plus directes dans leur façon d'aborder les problèmes mettent en évidence les comportements des participants aux activités cachées ou des personnes qui en sont encore au stade de participants potentiels.

Les approches macroéconomiques peuvent être classées en deux groupes. Il y a en effet des techniques adaptées à l'estimation de l'ampleur de l'économie souterraine et des méthodes davantage orientées vers l'évaluation de chacune de ses composantes. Dans le premier cas, les résultats sont généralement exprimés en pourcentage du PIB ou du PNB officiel ; dans le second, une liste d'activités souterraines peut être dressée : fraude fiscale, travail au noir, contrefaçon, corruption, etc. et pour chacune des rubriques une quantification est proposée, fût-ce avec une marge d'erreur compte tenu des difficultés inhérentes à la nature du sujet.

Les approches microéconomiques ont le plus souvent comme support des enquêtes auprès d'acteurs de telle ou telle branche de l'économie souterraine. L'avantage de ces études locales et ponctuelles est de mieux cerner le vécu des travailleurs au noir, des donneurs d'ouvrage au noir, des "spécialistes" de la fraude fiscale, etc. leur inconvénient est la rançon de leur précision : si des travailleurs au noir agissent de telle ou telle façon dans une commune ou un canton, rien ne permet de dire qu'il en est de même dans les communes voisines ou les cantons voisins.

Dans le cas de la Belgique, les mérites respectifs des approches macroéconomiques et microéconomiques ont pu être rassemblés dans une analyse directe à échantillon national. L'importance du travail au noir peut ainsi être appréhendée tant en termes quantitatifs que qualitatifs. Dans le cas du Luxembourg, les travaux disponibles sont encore peu nombreux, même si

en les compulsant, le travail au noir n'apparaît pas comme un problème accessoire.

Ces précisions relatives aux champs d'analyse des diverses études étant rappelées, des estimations du volume (§1) et de la nature du travail au noir (§2) peuvent être tour à tour proposées. Une évaluation d'ensemble servira ensuite de conclusion à ce travail (§3).

### §1 LE VOLUME DU TRAVAIL AU NOIR

Ce qui fait l'originalité de la Belgique dans la littérature sur l'économie souterraine, c'est l'importance des travaux relatifs à la fraude fiscale. Cet aspect de l'économie cachée n'étant pas l'objet principal de ce travail, nous prenons la liberté de n'en présenter que les conclusions les plus significatives : fraude fiscale et travail au noir étant en parfaite symbiose dans certains contextes, il va de soi qu'une analyse de la fiscalité sera développée dans le texte chaque fois que le besoin s'en fera sentir.

Le chiffre d'affaire de l'économie souterraine belge a fait l'objet de trois études successives. Les deux premières sont des adaptations de la méthode de TANZI qui, rappelons-le, repose sur l'estimation économétrique d'une expression du type :

$$\left(\frac{C}{M}\right)_t = f(Z_t, T_t)$$

où  $\frac{C}{M}$  est le rapport des billets sur un agrégat monétaire (les dépôts (D), les disponibilités monétaires ( $M_1$ ) ou la masse monétaire ( $M_2$ ) selon les variantes), T une variable fiscale et Z toutes les autres variables explicatives de  $\frac{C}{M}$ .

L'économie souterraine est mesurée de la façon suivante :

$$\text{soit } C_t^* = e (\alpha Z_t + \beta T_t)$$

où  $C_t^*$  est la valeur estimée des billets pour l'année t,  $\alpha$  un vecteur et  $\beta$  un coefficient.

$$\text{soit } C_t^{\circ} = e (\alpha Z_t + \beta T_0)$$

où  $C_t^{\circ}$  est la valeur calculée des billets pour l'année  $t$ , dans l'hypothèse où la variable fiscale  $T$  reste au niveau le plus faible enregistré sur la période d'estimation (c'est-à-dire  $T_0$ ), les autres variables explicatives conservant leurs valeurs observées  $Z_t$ .

Il suffit alors de multiplier ( $C_t^* - C_t^{\circ}$ ) par la vitesse de circulation de la monnaie pour obtenir une estimation de l'économie souterraine (\*).

Dans la première étude, celle de MONT (\*\*), deux séries de résultats sont proposées. Dans la première, la variable fiscale ne se compose que des impôts ; dans la seconde, les cotisations sociales viennent s'ajouter et la variable fiscale se transforme en taux de prélèvements obligatoires.

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(\*) Il est facile de critiquer la méthode de TANZI, (comme d'autres méthodes monétaires), car les résultats dépendent de la vitesse de circulation de la monnaie choisie. Dans la sphère occulte de l'économie, on peut soutenir avec autant d'arguments qu'elle est supérieure à la vitesse de l'économie officielle (on se dépêche de dépenser l'argent sale), qu'elle lui est inférieure (on dépense plus lentement l'argent sale, pour éviter de se faire repérer), ou qu'elle est identique (hypothèse la plus répandue). Selon les options choisies, les estimations de l'économie souterraine varient dans des proportions importantes.

Cf : Jan Tore KLOVLAND : "Tax Evasion and the Demand of Currency in Norway and Sweden : Is there a Hidden Relationship ?", Scandinavian Journal of Economics, Vol 66, n°4, 1984, page 436.

(\*\*) José MONT : "De zwarte activiteiten in België : oorzaken, Omvang en implicaties", Tijdschrift voor Economie en Management, Vol 27, n°3, 1982, pages 259 à 273

Pour les années 1966 à 1980, les estimations sont les suivantes :

ECONOMIE SOUTERRAINE EN % DU PNB

(variable taux d'imposition)

1966	8,5%
1967	8,7%
1968	8,7%
1969	8,9%
1970	8,8%
1971	8,9%
1972	8,9%

1973	8,9%
1974	9,0%
1975	9,5%
1976	10,0%
1977	10,2%
1978	11,3%
1979	11,8%
1980	11,6%

ECONOMIE SOUTERRAINE EN % DU PNB

(variable taux de prélèvements obligatoires)

1966	11,1%
1967	11,2%
1968	11,3%
1969	11,5%
1970	11,5%
1971	11,9%
1972	12,0%

1973	12,3%
1974	12,3%
1975	13,2%
1976	13,8%
1977	14,9%
1978	15,4%
1979	15,5%
1980	15,2%

MONT s'est ensuite livré à plusieurs exercices destinés à mesurer par exemple les conséquences de l'économie souterraine sur le taux d'inflation et sur le taux de chômage.

En ce qui concerne le taux de chômage, on observe que sa valeur officielle est systématiquement supérieure à sa valeur "réelle". Pour 1980, par exemple, le taux de chômage officiel est de 11,8%, alors que le taux de chômage calculé s'élève à 8,7% de la population active (\*).

Dans la deuxième étude, celle de GEEROMS (\*\*), deux séries d'estimation sont également proposées. Dans l'une, la variable fiscale retenue est une pression fiscale marginale, dans l'autre, c'est un taux moyen qui est choisi. Les résultats obtenus avec le taux moyen sont systématiquement inférieurs à ceux obtenus avec le taux marginal, mais l'écart entre les deux estimations de l'économie souterraine se réduit d'année en année.

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(\*) Le mode de calcul du taux de chômage "réel" est le résultat d'hypothèses de travail assez fortes. MONT multiplie le nombre officiel de chômeurs par  $(1 - \text{la part de l'économie souterraine dans le PNB})$  et la population active par  $(1 + \text{la part de l'économie souterraine dans le PNB})$ . Ce calcul suppose une stabilité de la productivité apparente du travail, quelle que soit la sphère de l'économie. Cette hypothèse est l'une des plus délicates à soutenir.

(\*\*) Hans GEEROMS : "De ondergrondse economie in België", Tijdschrift voor Economie en Management, Vol. 28, n°1, 1983, pages 77 à 91.

## ECONOMIE SOUTERRAINE EN % DU PNB

	Avec un taux marginal	Avec un taux moyen
1971	17,0%	13,5%
1972	18,4%	14,5%
1973	19,3%	15,8%
1974	19,4%	16,7%
1975	20,8%	17,4%
1976	20,7%	17,4%
1977	20,8%	19,2%
1978	21,1%	19,5%
1979	20,8%	19,9%
1980	20,4%	20,0%
1981	20,8%	19,4%

La troisième étude repose sur une version modifiée et élargie de la méthode de TANZI (\*). Au lieu de retenir comme seules variables explicatives du rapport  $\frac{C}{D}$  les variables traditionnelles dans l'analyse économétrique de la demande de monnaie d'une part, et la variable fiscale propre à la méthode d'autre part, les auteurs ont voulu ajouter des variables supplémentaires destinées à capter les autres déterminants de l'économie souterraine.

Pour ce faire, cinq variables nouvelles ont été intégrées : le taux de prélèvement obligatoire ( $X_1$ ), la durée du travail ( $X_2$ ), le taux de chômage ( $X_3$ ), le nombre de travailleurs indépendants ( $X_4$ ) et la part des actifs oeuvrant dans le secteur du bâtiment ( $X_5$ ). Si la relation entre

(\*) Hans GEEROMS et José MONT : "Evaluation de l'importance de l'économie souterraine en Belgique : application de la méthode monétaire", in Victor GINSBURGH et Pierre PESTIEAU eds, *L'économie informelle*, éditions Labor, Bruxelles, 1987, pages 131 à 150.

certaines de ces variables et la part de l'économie souterraine dans le PIB est connue, pour d'autres la durée du travail et le taux de chômage en particulier, on ignore a priori si la relation est positive, négative ou nulle.

Les variables traditionnelles étant le revenu permanent  $Y_p$  et le rapport billet sur dépôt de la période précédente  $(\frac{C}{D})_{t-1}$ , l'expression testée est la suivante (\*) :

$$\left(\frac{C}{D}\right)_t = a_0 + a_1 X_1 + a_2 X_2 + a_3 X_3 + a_4 X_4 + a_5 X_5 + a_6 Y_p + a_7 \left(\frac{C}{D}\right)_{t-1}$$

Pour l'année 1985, l'économie souterraine s'élève à 17,5% du PNB, une estimation dont l'ordre de grandeur est comparable à celui des études antérieures.

En examinant plus soigneusement les conclusions de l'étude économétrique, plusieurs relations fonctionnelles méritent un développement complémentaire.

- Pour la variable  $X_1$ , un accroissement de la pression fiscale et sociale favorise les activités souterraines ;

- Pour la variable  $X_2$ , la réduction de la durée du travail a un impact négatif sur le développement de l'économie cachée. L'élément déterminant n'est pas comme on aurait pu le penser que l'accroissement du temps libre génère une hausse des activités souterraines. Un effet d'éviation se met au contraire en place, les travaux effectués pour compte propre remplaçant les travaux donnés en ouvrage à des travailleurs au noir ;

- Pour la variable  $X_3$ , l'accroissement du taux de chômage ne contribue pas à l'expansion de l'économie souterraine. Même si l'on ne peut pas soutenir la position inverse car les coefficients ne sont pas vraiment significatifs, on retrouve ici l'idée selon laquelle les chômeurs ne sont pas les personnes les plus favorisées pour obtenir grâce à leur travail au noir des ressources significatives ;

- Pour la variable  $X_4$ , une hausse du nombre de travailleurs indépendants génère une hausse de l'économie souterraine. On retrouve ici le clivage

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(\*) Pour que l'estimation ait une signification économétrique, compte tenu du nombre de variables (l'estimation porte sur les années 1961 à 1984), des données trimestrielles ont été utilisées dans la régression.

habituel entre salariés et non salariés en matière d'estimation de la fraude fiscale ;

- Pour la variable  $X_5$ , une relation positive est trouvée entre accroissement de la part des actifs oeuvrant dans le secteur du bâtiment et économie souterraine. Cette relation nous paraît toutefois sujette à caution car cette variable n'est peut-être pas la meilleure pour estimer le travail au noir (et donc la fraude fiscale), dans le bâtiment. Un indicateur d'activité du type chiffre d'affaire du gros oeuvre, nombre de permis de construire délivré ou consommation de ciment par habitant, aurait l'avantage de mieux cadrer avec les pratiques illégales dans ce secteur.

Le nombre relatif d'actifs travaillant dans le bâtiment peut très bien se réduire sous l'effet d'un mouvement propre au dénominateur du rapport (embauches dans le tertiaire ou élévation de la présence féminine sur le marché du travail par exemple).

En résumé, que l'on emploie une méthode monétaire dans sa version classique (les deux premières études), ou dans sa version rénovée (la troisième), l'économie souterraine de la Belgique représente plus de 15% du produit national brut.

Ces résultats sont à comparer avec l'estimation de FREY et WECK calculée avec la méthode composite où, pour l'année 1978, l'économie souterraine belge est estimée à 11,5% du PNB (\*). Les écarts entre les diverses approches ne constituent pas la preuve qu'une méthode est meilleure qu'une autre, ils signifient simplement que les hypothèses sur lesquelles les diverses approches reposent ne sont pas totalement comparables. Trouver des différences, parfois sensibles, n'est en rien le signe d'anomalies. Pour un même pays, pour la même année, il est fréquent de trouver dans la littérature des estimations qui varient entre 2-3% et 30-35% du PNB (\*\*).

Les données globales ayant été présentées, il convient de raisonner maintenant dans un champ d'analyse plus restreint, celui du travail au noir d'abord, celui de la fraude fiscale ensuite.

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(\*) Les principaux traits de cette méthode peuvent être trouvés dans le rapport consacré à la France (2<sup>o</sup> partie, paragraphe 1a).

(\*\*) Pour une analyse approfondie des raisons de tels écarts, nous nous permettons de renvoyer le lecteur à notre article : Philippe BARTHELEMY : "The macroeconomic Estimates of the Hidden Economy : A critical Analysis", *Review of Income and Wealth*, June 1988.

En matière d'estimation de l'ampleur du travail au noir, deux types d'étude sont actuellement disponibles. La première approche repose sur une batterie d'indicateurs indirects, la seconde est une enquête directe auprès d'un échantillon représentatif de la population belge.

La méthode retenue dans l'approche indirecte est une adaptation au travail au noir de la méthode composite d'estimation de l'économie cachée de FREY et WECK. Les variables choisies l'ont été en fonction de plusieurs contraintes notamment être disponibles pour le nombre maximal possible de pays occidentaux car la Belgique et le Luxembourg ne sont dans cette étude que deux cas pris dans un ensemble de 18 pays (\*). Sans reprendre ici les grandes lignes de la démarche, remarquons que parmi les variables explicatives sélectionnées, figurent la durée du travail, le taux de chômage et le taux de salariat (et donc a contrario la part des travailleurs indépendants).

Ces trois variables correspondent respectivement aux déterminants  $X_2$ ,  $X_3$  et  $X_4$  de l'évaluation de l'économie souterraine de GEEROMS et MONT.

Dans la hiérarchie des 11 pays membres de la Communauté (la Grèce n'a pas pu faire l'objet d'une estimation), qui forment un sous-ensemble des 18 pays occidentaux de l'étude citée, la Belgique occupe la troisième place derrière l'Italie et l'Espagne pour l'ampleur de son travail au noir ; le Luxembourg figurant pour sa part en avant dernière position devant le Danemark.

Plus précisément, les résultats étant exprimés en équivalents emplois à plein temps, le travail au noir concernait en 1980 10,5% de la population active en Belgique soit environ 436.000 personnes et 6% de la population active au Luxembourg soit environ 9.700 personnes. Rappelons que ces estimations ne sont que des tentatives, à partir d'indicateurs indirects, les pourcentages avancés étant calés sur des estimations exogènes à l'analyse.

La deuxième estimation du travail au noir ne concerne que la Belgique et a l'avantage de reposer sur une enquête auprès de l'ensemble des ménages (\*\*). L'échantillon se compose de 1201 ménages choisis de façon aléatoire,

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(\*) Philippe BARTHELEMY : L'emploi légal caché dans les pays de l'OCDE : analyse méthodologique et essais de quantification, Contrat de Recherche pour l'OCDE, G.R.I.F.E., Aix-en-Provence, décembre 1984, pages 36 à 53. Pour une présentation plus détaillée de la méthode d'estimation (cf le rapport sur la France (2° partie, paragraphe 1a)

(\*\*) Victor GINSBURGH et Pierre PESTIEAU : "Le travail au noir en Belgique : Estimations, problèmes posés et enseignements", Wallonie, n°82, 1987, pages 225 à 239.

529 ont été interrogés en Wallonie, 482 en Flandre et 190 à Bruxelles. En ne développant ici que les résultats globaux, un ménage belge sur quatre (25,7%) appartient avec plus ou moins d'intensité au monde du travail au noir. 7,4% des ménages pratiquent cette activité de façon intensive et 20,6% des ménages avec une fréquence moins élevée. En convertissant ces résultats en nombre d'heures consacrées aux activités irrégulières, pour exprimer le travail au noir en terme d'équivalents emplois à plein temps, GINSBURGH et PESTIEAU avancent pour l'année 1985 le chiffre de 6% de la population active, soit environ 300.000 personnes.

Avant de détailler ces estimations dans le cadre d'une analyse de la nature du travail au noir, il convient de présenter brièvement les principales évaluations de la fraude fiscale en Belgique, dont l'ampleur est reconnue dans tous les travaux. Trois méthodes principales sont adaptées à la mesure de cette fraude. La première, macroéconomique, consiste à comparer la matière imposable déclarée avec celle qui devrait l'être compte tenu de la valeur des agrégats estimée par les comptes nationaux. Il suffit de corriger l'écart de matière imposable observé en tenant compte des modalités concrètes de déclaration d'impôts pour obtenir un écart de matière imposable exploitable. En lui appliquant les taux d'imposition adoptés, on déduit la fraude fiscale (\*). La deuxième méthode, microéconomique, consiste à "éplucher" les déclarations d'impôts d'un nombre représentatif de contribuables et à procéder par extrapolation. La troisième méthode est plus directe encore, puisqu'elle consiste à interroger les contribuables par voie d'enquête : les questions concernant l'attitude du public vis-à-vis de la fiscalité obtenant des taux de réponse très supérieurs à celles, plus personnelles, relatives aux sommes non déclarées.

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(\*) Les aspects méthodologiques de cette technique sont développés dans deux articles. Dans chacun d'eux, une application à la Belgique est proposée.

Max FRANK : "Fraude des revenus soumis à l'impôt des personnes physiques et perte d'impôt qui en résulte pour le Trésor - étude méthodologique", Public Finance/Finances Publiques, Vol.31, n°1, 1976, pages 1 à 30.

Max FRANK and Danièle DEKEYSER-MEULDERS : "A Tax Discrepancy Coefficient Resulting from Tax Evasion or Tax Expenditures", Journal of Public Economics, Vol.8, n°1, 1977, pages 67 à 78.

S'agissant tout d'abord de l'impôt des personnes physiques, les données les plus récentes, relatives à l'année 1984, font apparaître que la perte d'impôt résultant de la fraude et de la sous-estimation des revenus est estimée à 322,6 milliards de francs belges, soit 35,4% du produit de l'impôt perçu par le Trésor (\*). Ce résultat global masque des comportements spécifiques à chaque type de revenu. Pour les revenus cadastraux, le taux moyen de sous-estimation est de 50% ; pour les revenus mobiliers, le taux moyen de fraude s'élève à 90% et pour les revenus professionnels, le taux moyen de fraude est évalué à 15,4% (\*\*).

En fait, ces taux moyens cachent d'importantes disparités en fonction de la catégorie socio-professionnelle des contribuables. Une enquête par sondage dont les réponses sont purement qualitatives pour un motif d'efficacité évident montre les résultats suivants (\*\*\*) :

FRAUDE RECONNUE EN % PAR LES PERSONNES INTERROGÉES			
	faible	moyenne	élevée
Retraités	45%	55%	0%
Ouvriers	28%	61%	11%
Employés	40%	55%	5%
Commerçants	12%	67%	21%
Agriculteurs	7%	64%	29%
Professions libérales	6%	65%	29%
Sans profession	13%	37%	50%

(\*) Max FRANK : "La fraude et la sous-estimation fiscales et leur impact sur la distribution des revenus", in Victor GINSBURGH et Pierre PESTIEAU eds, L'économie informelle, éditions Labor, Bruxelles, 1987, page 30

(\*\*) Définition : "La sous-estimation fiscale résulte de la fixation par l'Administration de certaines composantes de la matière imposable à un niveau manifestement inférieur à la réalité et ce en non conformité avec les intentions du législateur". Cf Max FRANK : "Pour 1979, la fraude fiscale pourrait coûter plus de 200 milliards au Trésor Belge", Cahiers économiques, Bruxelles, n°81, 1979, page 20, foot note 1.

(\*\*\*) Source : H. GEEROMS en H. WILMOTS : "Belastingsonduiking en - ontwijking : theoretische aspekten en empirische verificatie", Economisch en Sociaal Tijdschrift, n°5, 1984, repris in FRANK (1987), op. cit.

Dans la mesure où il y a une liaison entre catégories socio-professionnelle et niveaux de revenu, une autre étude montre que la fraude fiscale atténuée de façon très significative le caractère redistributif de la progressivité de l'impôt (\*).

S'agissant des autres types d'impôts et en l'absence d'estimations plus récentes, nous nous limitons à reproduire des pourcentages de fraude fiscale relatifs à l'année 1979 : Impôt sur les sociétés (4,5%), TVA (8,0%), Droits de succession (41,4%) et Droits sur transactions immobilières (10,0%).

A titre de comparaison, le taux de fraude et de sous-estimation de l'impôt des personnes physiques de la même année était de 25,7% (\*\*).

Parvenu au terme de cet examen de l'importance quantitative du travail au noir, de la fraude fiscale et de l'économie souterraine, en Belgique, et dans la mesure du possible au Luxembourg, l'impression qui se dégage est celle d'une activité occulte particulièrement importante, notamment si l'on compare la situation belge à celle des autres pays du nord, membres de la Communauté et si l'on met davantage l'accent sur la fraude fiscale que sur le travail au noir.

Pour tenter d'expliquer ce cas d'espèce, sans s'éloigner de l'objet de ce travail, il convient de noter que la fiscalité marginale des personnes est relativement élevée en Belgique alors que celle des entreprises est comparativement beaucoup plus faible que dans les autres pays occidentaux en général et de la Communauté en particulier (\*\*\*). Cette remarque nous semble

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(\*) *Source* : Ch. VALENDUC : "Description et analyse de certains types d'inégalité", in Les niveaux de vie des Belges, 7<sup>o</sup> Congrès des Economistes Belges de langue française, Charleroi, 1987. Cette étude est citée in OCDE : Etudes économiques de l'OCDE : Belgique-Luxembourg, OCDE, Paris, 1988, page 44. A propos de la fraude fiscale en Belgique, l'étude de l'OCDE note : "Les possibilités légales d'éviter l'impôt ont été largement exploitées, avec l'apparition de toute une ingénierie fiscale !!" (op. cit. page 44).

(\*\*) Max FRANK : "Pour 1979, la fraude fiscale pourrait coûter plus de 200 milliards au Trésor Belge", Cahiers Economiques, Bruxelles, n°81, 1979, page 21. *Remarque* : tous les pourcentages du texte ont été calculés en divisant les impôts non déclarés par la somme d'impôts déclarés plus impôts non déclarés.

(\*\*\*) Cf M.J. Mc KEE, J.J.C. VISSER et P.G. SAUNDERS : "Taux marginaux d'imposition du travail et au capital dans les pays de l'OCDE", Revue Economique de l'OCDE, automne 1986.

susceptible d'expliquer trois particularités de l'économie souterraine belge :

- le niveau de la fraude fiscale est plus important que dans d'autres pays comparables ;
- la distribution de cette fraude fiscale est telle que les particuliers fraudent de façon beaucoup plus intensive que les entreprises ;
- les travailleurs au noir sont principalement embauchés par des particuliers et très rarement par des entreprises.

Cette dernière proposition nous invite naturellement à étudier les diverses formes que le travail au noir peut revêtir.

## §2 LA NATURE DU TRAVAIL AU NOIR

Nous disposons pour la Belgique de deux enquêtes dont les questionnaires respectifs permettent d'analyser la nature du travail au noir. La première, réalisée en 1983, concerne un échantillon de 330 personnes résidant dans l'arrondissement de Liège (\*), la deuxième, réalisée en 1985, couvre l'ensemble de la population belge car les personnes ont été interrogées aussi bien en Flandre et en Wallonie qu'à Bruxelles (\*\*).

Certaines caractéristiques de la population liégeoise n'étant pas reprises dans la population de l'échantillon national et réciproquement, nous ferons référence, selon les contextes, à l'une ou à l'autre des enquêtes.

Par ailleurs, il est essentiel de se rappeler que dans la première étude, l'échantillon se compose d'individus alors que dans la deuxième il s'agit de ménages. Il est donc logique que des questions relatives au sexe, à la situation matrimoniale ou à l'opinion politique des personnes interrogées aient un sens dans la première enquête et aucune signification dans la deuxième.

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(\*) Pierre PESTIEAU : "Belgium's Irregular Economy", in Wulf GAERTNER and Alois WENIG eds, The Economics of the Shadow Economy, Springer Verlag, Berlin and Heidelberg, 1985, pages 144 à 160

(\*\*) Victor GINSBURGH, Sergio PERELMAN et Pierre PESTIEAU : "Le travail au noir", in GINSBURGH et PESTIEAU eds, *op. cit.* pages 37 à 52.

En adoptant la même démarche que pour la France, nous allons développer tour à tour les principaux clivages qui permettent de structurer la participation aux activités au noir, que ce soit à titre d'offreur ou de demandeur. Il importe au préalable d'opérer une distinction entre le travail au noir organisé et le travail au noir individuel. Dans le premier cas, l'initiative revient à l'employeur et l'activité est par définition exécutée sur le lieu de travail avec l'infrastructure matérielle de l'entreprise. Dans le second cas, c'est une personne qui décide, parallèlement à son activité principale, d'oeuvrer au noir le plus souvent pour le compte d'un particulier.

Sur la population belge dans son ensemble, 7,4% des ménages participent au travail au noir organisé et 20,6% d'entre eux ont une activité relevant du travail au noir individuel. Au total, compte tenu des doubles participations, 25,7% des ménages belges travaillent au noir, estimation qui a déjà fait l'objet de commentaires.

### Structure par âge

Si l'on commence par raisonner globalement, il ne semble pas y avoir de relation significative entre âge et demande de travail au noir alors que l'offre de travail au noir est d'autant plus élevée que les personnes sont jeunes. Cette assertion mérite toutefois d'être amendée en fonction de plusieurs paramètres.

Les personnes dont l'âge est compris entre 40 et 60 ans sont moins nombreuses à travailler au noir que les personnes plus jeunes mais le nombre d'heures au noir qu'elles réalisent est très supérieur, qu'elles soient effectuées sous la forme de travail organisé ou sous celle de travail individuel. L'explication de ce qui pourrait apparaître comme une curiosité réside probablement dans le fait que d'autres paramètres que l'âge doivent être pris en considération, en particulier le niveau de revenu et la catégorie socio-professionnelle.

Le nombre d'heures consacrées au travail au noir est également important pour les personnes âgées de plus de 60 ans. Il faut y voir sans doute la traduction concrète de la faiblesse de certaines retraites et du désir de s'occuper pour des personnes dont les capacités physiques et intellectuelles ne sont pas fondamentalement différentes de celles des actifs.

### Structure par professions

Les personnes qui travaillent au noir de façon organisée oeuvrent dans leur domaine d'activité professionnelle. A ce titre, certaines personnes sont employées dans des branches plus sensibles que d'autres et sont donc "favorisées". Cette remarque est intéressante car la fonction occupée dans l'entreprise ne paraît pas caractériser la participation : cadres supérieurs et ouvriers seraient logés à la même enseigne !

Si le travail au noir individuel est présent dans les mêmes secteurs sensibles : les travaux ménagers et domestiques, le second-oeuvre du bâtiment, la réparation automobile, les travaux de bureau, etc. la recherche de revenu supplémentaire devient la motivation des participants et les personnes qui travaillent au noir sont surtout celles qui exercent dans leur entreprise des fonctions d'exécution. Pour toutes les professions, la participation au travail au noir individuel dépasse la participation au travail noir organisé... sauf pour les cadres supérieurs.

Une deuxième preuve de cette affirmation est fournie par les contributions au travail au noir en fonction du niveau de scolarité des chefs de ménage. Dans le domaine du travail organisé, il y a une relation positive entre travail au noir et niveau scolaire, dans le travail exercé à titre individuel la relation est négative.

Si la profession est un critère apte à structurer la participation au travail au noir, la durée du travail de l'activité principale se révèle être un mauvais critère de partition. A durée de travail fixée, la participation est plus ou moins élevée en fonction d'autres variables, en particulier le revenu. Il convient toutefois d'insister sur un cas limite, celui de la durée du travail nulle. On observe en effet que les personnes qui sont dans cette situation - les chômeurs et les inactifs - ont un indice de participation très inférieur aux activités cachées. Si c'est une évidence pour le travail au noir organisé, c'est plus intéressant pour le travail au noir individuel. En effet, les chômeurs et les inactifs qui ont, par la force des choses, un environnement moins favorable que les personnes actives pour entrer en contact avec des donneurs d'ouvrage, sont proportionnellement moins nombreux à travailler au noir. Par contre, les enquêtes montrent que le nombre d'heures qu'ils fournissent au noir, lorsqu'ils parviennent à négocier à titre individuel, un contrat est sensiblement supérieurs à la moyenne.

### Structure par niveau de revenu

La variable niveau de revenu - duménage dans l'enquête à échantillon national, et de l'individu dans l'enquête sur l'arrondissement de Liège - est celle qui structure peut-être le mieux les activités souterraines. On peut affirmer qu'entre le revenu et l'offre de travail au noir il y a une relation négative et qu'entre le revenu et la demande de travail au noir il y a une relation positive.

Les personnes à revenus faibles travaillent au noir pour obtenir des ressources complémentaires ; elles le font, toutes choses égales par ailleurs, d'autant plus que leurs revenus initiaux sont faibles. Le travail au noir se pratique davantage dans les catégories sociales les plus défavorisées où il sert de revenu d'appoint. Les travaux exécutés au noir avec les plus grandes fréquences (travaux d'entretien, bricolage, réparation), sont précisément ceux pour lesquels la qualification des titulaires de revenus principaux modestes est la mieux adaptée : un ouvrier du bâtiment fera au noir de la peinture, de la pose de carrelage ou de la maçonnerie, une secrétaire frappera des thèses au noir, etc.

Si les personnes à revenus plus élevés sont davantage donneuses d'ouvrage, c'est en raison de plusieurs facteurs. Tout d'abord, elles ne sont pas forcément compétentes pour réaliser les travaux qui font l'objet de la majorité des transactions au noir ; ensuite leurs revenus principaux leur permettent de ne pas faire l'investissement en capital humain requis pour bricoler ou travailler pour compte propre ; enfin, elles sont par ailleurs les mieux placées et les plus actives dans la fraude fiscale. Il semble à la lumière de ce qui précède que la quasi-totalité des belges participent à l'économie souterraine même si les uns sont plus actifs dans la fraude fiscale et les autres dans le travail au noir. Les revenus soustraits au fisc par les premiers servent à rémunérer les seconds ; ces derniers, par leurs dépenses, contribuent à réinjecter dans le circuit officiel une partie des sommes qui ont été momentanément écartées.

### Autres partitions

Au cours de nos précédents commentaires, plusieurs allusions ont été faites pour remarquer qu'une variable - l'âge, la durée du travail, la profession par exemple - était insuffisante pour expliquer le taux de participation aux activités au noir d'un groupe cible. Dans la réalité, les déterminants du travail au noir relèvent d'une pluralité de facteurs qui interviennent concomitamment. Le revenu d'un individu n'explique rien si l'on ne précise pas que cette personne est mariée ou célibataire, en activité ou retraitée, qualifiée ou non qualifiée, belge ou étrangère, jeune ou âgée, etc.

Pour surmonter les erreurs d'interprétation liées à des interactions de cette nature, des modèles statistiques correctement choisis permettent d'appréhender simultanément l'ensemble des variables explicatives lorsque pour chacune d'elle deux valeurs seulement peuvent être prises (modèles dichotomiques). Par rapport à une constante de référence qui représente dans notre contexte la probabilité de travailler au noir pour un individu ayant des caractéristiques données, on obtient la probabilité de travailler au noir de tout individu doté d'un ensemble quelconque de caractéristiques : les modèles probit, logit et tobit correspondent à ces exigences (\*).

Nous nous sommes permis de faire cette brève incursion dans l'économétrie, car dans son enquête sur l'arrondissement de Liège PESTIEAU commente ses résultats en utilisant les modèles logit et tobit et dans leur enquête à échantillon national, GINSBURGH, PERELMAN et PESTIEAU font de même avec le modèle logit.

Sans reprendre ici tous les cas possibles de chacune de ces enquêtes (plusieurs centaines), il nous a paru utile de présenter les cas les plus extrêmes, c'est-à-dire les divers profils d'individus ou de ménages qui ont une activité au noir exceptionnellement forte ou particulièrement faible par rapport à une norme.

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(\*) Pour une analyse des fondements de ces modèles, cf : Christian GOURIEROUX : *Econométrie des variables qualitatives*, Economica, Paris, 1984. Dans le modèle probit, la fonction de répartition suit une loi normale centrée réduite ; dans le modèle logit, elle suit une loi logistique. Le modèle tobit est plus complexe car un modèle quantitatif de régression est couplé avec un modèle qualitatif. La fonction de répartition suit dans ce modèle, une loi normale centrée réduite.

### Enquête sur l'arrondissement de Liège

La norme retenue par PESTIEAU correspond à un belge, du sexe masculin, marié, d'un âge compris entre 25 et 39 ans, de sensibilité politique de gauche, résidant dans une maison individuelle et étant travailleur indépendant.

Cette personne travaille entre 30 et 40 heures par semaine dans son emploi principal, gagne annuellement entre 200 000 et 500 000 francs belges et a fait des études longues.

Par rapport à cette fiche signalétique, et compte tenu du fait que les valeurs prises par certaines variables ne sont pas significatives eu égard à des seuils de confiance convenables, les traits suivants peuvent être avancés : le travail au noir décroît avec l'âge ; il est davantage pratiqué dans les professions salariées et chez les inactifs (chômeurs ou étudiants) ; il concerne des personnes ayant fait moins d'études, qui disposent de revenus inférieurs et qui ont une durée du travail hebdomadaire plus faible dans leur emploi principal. Il semble par ailleurs et de façon inattendue concerner davantage les gens de gauche que les gens de droite !

En matière d'embauche de travailleurs au noir, les liaisons apparaissent moins typées à trois exceptions près. Les catégories professionnelles qui donnent des ouvrages au noir sont celles qui travaillent peu au noir et réciproquement les personnes qui disposent de revenus élevés sont celles qui fournissent au noir le plus d'ouvrage et la demande de travail au noir est d'autant plus forte que le niveau scolaire est faible. Pour assurer une compatibilité entre ces deux dernières assertions qui vont à l'encontre des conclusions habituelles de la théorie du capital humain, il suffit de raisonner à revenu donné. Ainsi, comme le souligne avec justesse PESTIEAU (\*), un professeur d'université et un boucher qui le même revenu annuel n'ont pas les mêmes facilités pour embaucher du personnel au noir : le premier étant moins favorisé que le second dans son environnement professionnel pour rencontrer des travailleurs au noir auxquels faire appel en cas de besoin.

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(\*) *Pierre PESTIEAU, op. cit. page 154.*

### Enquête à échantillon national

La norme adoptée par GINSBURGH, PERELMAN et PESTIEAU correspond à un ménage d'une seule personne, âgée de moins de 30 ans, de niveau scolaire primaire, dont le revenu mensuel est inférieur à 25 000 francs belges et dont la durée hebdomadaire du travail de l'emploi principal est inférieur à 38 heures.

Par rapport à cet ensemble très précis de caractéristiques, la probabilité de travailler au noir à titre individuel décroît avec l'âge et avec le revenu mensuel. Celle d'embaucher des travailleurs au noir croît quant à elle avec le revenu et semble plus importante pour les personnes ayant un niveau d'étude secondaire ou technique que pour celles qui ont un niveau primaire ou supérieur. Notons enfin que les personnes seules font davantage appel à des travailleurs au noir que celles dont le ménage d'appartenance se compose d'au moins deux personnes.

Ces deux incursions dans des travaux économétriques assez complexes nous ont permis d'amender quelque peu les termes de nos premières ventilations structurelles sans pour autant infirmer telle ou telle conclusion provisoire. Les portraits-robots des travailleurs au noir et des donneurs d'ouvrage sont mieux affinés, mais les grands principes qui permettent d'apprécier la nature du travail au noir ne sont pas altérés.

Il convient de remarquer pour terminer que, sur les points importants et susceptibles d'être comparés, il y a une parfaite convergence entre les deux analyses logit. Cela signifie que le travail au noir exercé à Liège est représentatif du travail au noir belge dans son ensemble. Cela ne signifie pas en revanche que les formes que revêt le travail au noir en Flandres, à Bruxelles ou dans les autres provinces wallones soient représentatives.

Il faudrait vérifier la disparité des réponses en fonction du seul critère géographique pour porter un jugement précis sur cette question. La moyenne, comme le soulignait André LIESSE dans les années 30, est une "niveleuse implacable, forcément égalitaire !".

### §3 EVALUATION DU TRAVAIL AU NOIR

Nous avons eu l'occasion de souligner à maintes reprises, que le travail au noir n'était pas un phénomène homogène. Ses acteurs sont aussi bien des salariés que des non salariés, des actifs que des inactifs. Ses modalités vont du bricolage individuel au trafic de main d'oeuvre en passant par tous les degrés intermédiaires d'intensité. Sa répartition géographique obéit à la conjonction de facteurs locaux plus ou moins favorables à son émergence et à sa prolifération. Son importance quantitative est liée au degré de flexibilité du marché du travail et à la nature plus ou moins prégnante des règles fiscales ou sociales.

Observer une grande hétérogénéité n'est pas une raison suffisante pour renoncer à dégager quelques lignes directrices susceptibles de rendre compte de facteurs essentiels, de raisons déterminantes et de modalités principales. Dans le cas de la Belgique, il nous paraît important de mettre en évidence le système fiscal et le travail au noir effectué à l'instigation des particuliers.

En commençant par raisonner au plan macroéconomique, si la Belgique et la France ont des taux de prélèvements obligatoires assez voisins (46,9% du PIB en Belgique et 45,6% en France) (\*), il ne faut pas en déduire que les motivations fiscales et sociales du travail au noir sont identiques dans les deux pays. La structure de ces charges par type de prélèvement diffère fortement d'un pays à l'autre et sous l'hypothèse provisoire que la fiscalité catalyse le travail au noir, les déterminants belge et français ne s'appliquent pas dans les mêmes conditions.

L'intensité du besoin de se soustraire à l'impôt sur le revenu est certainement plus marquée en Belgique où le poids de cet impôt dans le PIB est de 16,2% qu'en France où il n'est que de 5,9%. Inversement, la tentation pour un employeur de ne pas payer de taxe sur les salariés est sans objet en Belgique, alors qu'elle est forte en France. De même, les cotisations

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(\*) *Toutes les statistiques relatives aux prélèvements obligatoires et à leur structures concernent l'année 1985. Cf : Statistiques des recettes publiques des pays membres de l'OCDE 1965-1986, OCDE, Paris, 1987.*

sociales sont proportionnellement plus lourdes en France (19,9% du PIB) qu'en Belgique (15,5%). Ajoutons que la ventilation entre cotisations sociales des salariés et cotisations sociales des employeurs fait que, dans le relatif toujours, les cotisations patronales sont moins élevées en Belgique qu'en France, l'inverse était vrai pour les cotisations salariales.

En ne considérant que le cas des fraudeurs rationnels - ne le sont-ils pas tous ? - la tentation pour un employeur de travailler au noir serait plus élevée en France et celle de travailler au noir à titre individuel plus marquée en Belgique.

Si l'on tient compte de paramètres supplémentaires, la même conclusion s'impose d'elle-même. Les coûts salariaux unitaires relatifs sont pour toutes les années postérieures à 1980, plus élevés en France qu'en Belgique et au Luxembourg (\*). Le coût salarial moyen pour l'employeur, exprimé en écus par mois, est quant à lui, pour l'année 1981, de 1719 écus en Belgique, de 1734 écus en France et de 1574 au Luxembourg. Le gain net pour un salarié marié avec deux enfants s'élève quant à lui à 1009 écus en Belgique, à 1096 écus en France et à 1217 écus au Luxembourg (\*\*).

En conséquence, tous ces aspects fiscaux et sociaux se conjuguent pour montrer que le salarié belge est davantage enclin à travailler au noir que le salarié français, lequel l'est davantage que le salarié luxembourgeois.

L'entrepreneur luxembourgeois pour sa part, n'est pas incité à travailler au noir ; l'entrepreneur français l'étant plus que son homologue belge.

Au plan microéconomique, les mêmes tendances peuvent être observées en analysant les taux marginaux d'imposition sur le travail et sur le capital. Là encore, la Belgique possède le record d'Europe du taux marginal maximal le plus élevé (86,7% en 1986), pour l'impôt sur le revenu. Pour un salarié moyen, le taux marginal de prélèvements obligatoires est quant à lui égal

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(\*) *Source* : Commission des Communautés Européennes : Europe Sociale, Luxembourg, 1988, page 67.

(\*\*) *Source* : ibidem, page 86.

à 62,7%. Les taux correspondant pour la France, et pour la même année, sont respectivement de 58,0% et de 51,2% ! (\*).

Si l'on présente des arguments dynamiques au lieu de se cantonner à des propositions statiques, la même conclusion s'applique à savoir que les ménages sont de plus en plus incités à travailler au noir en Belgique, même s'il serait abusif de dire que les entreprises sont de moins en moins incitées à le faire.

Nous avons calculé entre 1965 et 1985, l'accroissement des prélèvements obligatoires en points de pourcentage du PIB pour la Belgique et pour la France. Les charges supportées par les ménages se sont accrues de 14,3 points de pourcentage du PIB en Belgique et de 7,7 points de pourcentage en France, ces charges (impôts sur le revenu, sur le patrimoine et cotisations sociales employés) étant en 1965 plus élevées en Belgique (9,2% du PIB), qu'en France (6,3%).

Les charges supportées par les firmes se sont accrues de 3,7 points de pourcentage en Belgique et de 3,6 points de pourcentage en France. Notre rubrique qui comprend les impôts sur le bénéfice des sociétés, les cotisations sociales des employeurs et les impôts sur les salaires représentait, en 1965, en France (13,1% du PIB), alors qu'elle ne correspond en 1985, en Belgique qu'à 12% du PIB !

Les autres charges sont supportées par les consommateurs (TVA) : hausse de 0,3 points de pourcentage du PIB dans les deux pays pour des niveaux de départ voisins (11,1% du PIB en Belgique et 13,1% en France, en 1965) ; les autres charges sont des prélèvements divers (-2,6 points de pourcentage en Belgique et -1 point de pourcentage en France, sur la période).

Si l'on résume en quelques lignes ces développements, force est de constater que les ménages belges subissent une telle pression fiscale que le travail au noir qu'ils réalisent en est la conséquence "obligée". Les ménages français, en contrepartie, sont beaucoup moins sensibles à ce facteur et, s'ils travaillent au noir, comme on l'a dit dans le rapport sur la France, c'est pour "gagner de l'argent". S'il y a pour eux un effet

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(\*) Source : OCDE, : Etudes économiques de l'OCDE : Belgique-Luxembourg, OCDE, Paris, 1988, page 42.

fiscal, il apparaît comme une conséquence "heureuse", mais non recherchée pour elle-même.

Les entreprises belges sont placées dans un contexte beaucoup plus favorable que les firmes françaises en matière de charges fiscales et sociales. Leur intensité de participation aux activités cachées est donc logiquement moins forte.

Ces conclusions ne signifient pas que tout est "blanc" pour les entreprises et que tout est "noir" pour les ménages. Le travail au noir organisé par des firmes est une chose courante en Belgique, mais c'est une forme d'activité qui concerne moins de personnes que le travail au noir individuel (\*).

Pour exprimer par un exemple concret que les firmes peuvent être au centre de réseaux de travail clandestin, nous allons développer de façon détaillée la situation du bâtiment.

Les enquêtes sur le travail au noir dans ce secteur qu'elles soient menées dans un pays membre ou dans un pays non membre de la Communauté, débouchent toutes sur une conclusion similaire : les activités au noir sont davantage exercées dans le second oeuvre que dans le gros oeuvre (\*\*). Dans le cas de la Belgique, deux indices nous invitent à penser que la répartition des tâches entre travailleurs déclarés et travailleurs au noir s'effectue sur le même modèle : d'une part, les phases de reprises d'activité dans la construction de logements sont plus marquées dans le gros oeuvre que dans les finitions et d'autre part, les recettes de TVA pour les activités d'amont, à barèmes fixés, s'accroissent plus rapidement que celles qui concernent les activités d'aval.

Même si l'on peut expliquer ces curiosités (le bricolage individuel se développe dans le second oeuvre, par exemple), la suspicion d'une activité au noir d'ampleur non négligeable ne peut pas être écartée a priori.

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(\*) On rappelle que travail au noir organisé concerne 7,4% des ménages belges, contre 20,6% pour le travail au noir isolé : cf GINSBURGH, PERELMAN, et PESTIEAU, *op. cit.* page 42.

(\*\*) Pour la France : cf Partie I, exemple n°1, (région parisienne) et Partie II, §1b, (département du Var).

Pour l'Autriche : cf Herbert NEUBAUER : "Schwarzarbeit und Eigenleistung in der österreichischen Bauwirtschaft", in Jiri SKOLKA ed : Die Andere Wirtschaft, Signum Verlag, Wien, pages 131 à 160.

Il semble qu'existe en Belgique, une sorte de tradition de travail au noir organisé dans le bâtiment, tradition ayant débuté au début des années 70 dans la province du Limbourg (\*). Des recruteurs de main d'oeuvre illégale résidant aux Pays-Bas, les "koppelbazen" franchissaient quotidiennement la frontière et embauchaient du personnel, le plus souvent immigré et licencié en raison de la fermeture des charbonnages. Ces travailleurs non déclarés, ouvriers peu ou pas qualifiés étaient "mis à la disposition" des entreprises locales dont les carnets de commande étaient remplis. Concrètement, c'est la pénurie de main d'oeuvre et le boom de la construction qui avait permis à ce trafic de main d'oeuvre de proliférer.

Depuis la crise et la montée du chômage en Belgique, un trafic de nature similaire a repris d'abord dans le Hainaut, puis dans la province de Namur et à Bruxelles. La motivation des nouveaux trafiquants n'est plus la même : il s'agit aujourd'hui de gérer la réduction des programmes de travaux publics et la hausse des cotisations sociales patronales. Pour ce faire, les entreprises officielles qui obtiennent des chantiers sous-traitent à des firmes "provisoires" une partie des travaux à réaliser. Les contrats de sous-traitance se négocient sur la base de prix cassés, les sous-traitants étant les employeurs de la main d'oeuvre, par ailleurs régulièrement déclarée à l'Office National de la Sécurité Sociale. En cours d'exécution des travaux, l'entreprise de sous-traitance est déclarée en faillite pour non paiement des salaires et des charges fiscales et sociales, et le personnel embauché régulièrement est couvert par le fonds de garantie ad hoc. Un autre sous-traitant se substitue alors au premier en embauchant, toujours régulièrement, la même main d'oeuvre. Ce sous-traitant est déclaré à son tour en faillite et le système se perpétue...

L'originalité de ce trafic de main d'oeuvre provient du fait que ce ne sont pas les ouvriers du bâtiment qui travaillent au noir, mais les entreprises de sous-traitance. Ces dernières font, en effet, rémunérer leurs employés par la collectivité. S'il est difficile de chiffrer le coût global

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(\*) Guy DEPAS : "La saga des négriers", in Victor GINSBURGH et Pierre PESTIEAU eds, L'économie informelle, éditions Labor, Bruxelles, 1987, pages 87 à 94.

d'un tel trafic, deux estimations permettent d'avancer des hypothèses. Pour le seul tribunal de Charleroi, 7 faillites de pourvoyeurs de main d'oeuvre ont été enregistrées en 1983. En additionnant tous les cas, plus de 200 millions de francs auraient été soustraits au fisc. L'autre évaluation concerne le "bénéfice" moyen des entrepreneurs-pirates, il s'élèverait à 60 000 francs par ouvrier occupé et par mois d'activité.

En conclusion, ce cas d'espèce montre les mécanismes qui sous-tendent un travail au noir organisé. Outre son intérêt propre - le bâtiment dans certaines provinces -, c'est le rôle de la sous-traitance qui est mis en évidence lorsque tous les partenaires sont "gagnants" et la collectivité "perdante". L'entrepreneur officiel obtient des marchés dans une conjoncture difficile, l'organisateur du réseau de sous-traitance frauduleuse reçoit au noir des revenus en échange des "services" qu'il rend, les travailleurs sont couverts socialement et perçoivent leurs salaires, fût-ce avec retard.

Cette longue parenthèse consacrée à une forme organisée de travail au noir, ne doit pas nous faire oublier l'essentiel à savoir que la fiscalité sur les personnes est telle que le travail au noir réalisé par des particuliers est quantitativement le plus important. Comme le soulignent GINSBURGH, PERELMAN et PESTIEAU : "Pour une variété de raisons légales, institutionnelles et culturelles, le travail au noir n'a pas le même profil dans tous les pays. Ainsi, en Belgique, il est rare que le travailleur au noir soit lui-même engagé par un employeur clandestin. C'est là une pratique fréquente en France et en Italie, dans les ateliers clandestins de confection, par exemple" (\*).

Dans le cas du Luxembourg, les quelques informations disponibles convergent pour montrer que le travail au noir est également très présent dans le secteur du bâtiment. Dans le rapport de la commission spéciale chargée d'examiner le projet de loi sur le travail clandestin, on peut lire : "il convient de souligner qu'aujourd'hui, selon des estimations prudentes, près d'un tiers des maisons, notamment les résidences secondaires, sont

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(\*) Cf : GINSBURGH, PERELMAN, et PESTIEAU, *op. cit.* page 40

construites sans avoir jamais fait l'objet d'une facturation régulière, ni d'une déclaration afférente aux assurances sociales, à la caisse de maladie ou à l'administration de l'enregistrement responsable de l'encaissement de la TVA" (\*).

Que ce soit en Belgique ou au Luxembourg, une série de mesures législatives ont été prises pour lutter contre le travail clandestin. Dans ces deux pays, les textes ont un libellé très proche de la loi française du 11 juillet 1972, loi de référence dans le domaine.

En Belgique, la loi du 6 juillet 1976 concerne la répression du travail frauduleux à caractère commercial ou artisanal. "Le travail est réputé frauduleux, lorsqu'il est effectué à la suite d'un recours à la publicité visant à s'assurer une clientèle, ou en offrant des prix particulièrement avantageux par la non application de la TVA ou des arguments similaires". (\*\*). Ne sont pas concernées par le texte de loi, "les activités à usage personnel dans le cadre familial ainsi que les travaux accomplis par les organisations socio-culturelles".

Au Luxembourg, la loi du 3 août 1977 vise l'interdiction du travail clandestin. Son article premier précise : "est considéré comme travail clandestin :

1/ l'exercice à titre indépendant de l'une des activités professionnelles énumérées à l'article premier de la loi du 2 juin 1962, déterminant les conditions d'accès et d'exercice de certaines professions ainsi que celles de la constitution et de la gestion d'entreprises, telle qu'elle a été modifiée dans la suite, sans être en possession de l'autorisation y prévue,  
2/ la prestation d'un travail salarié lorsque celui qui s'y livre :

a) sait que l'employeur ne possède pas l'autorisation prévue par la loi précitée du 2 juin 1962,

b) ou sait que sa situation de salarié n'est pas régulière au regard de la législation concernant les retenues sur salaires et traitements ou de la législation relative à la sécurité sociale".

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(\*) Rapport de la Commission spéciale chargée d'examiner le projet de loi ayant pour objet d'interdire le travail clandestin, Chambre des Députés, session ordinaire 1976-1977, document n°2081-4, Luxembourg, 5 juin 1977 page 2.

(\*\*) Source : Moniteur belge (Journal Officiel), n°140, 20 juillet 1976, page 9273.

Son article deuxième complète le champ du travail clandestin : "il est également défendu :

a) d'avoir recours aux services d'une personne ou d'un groupe de personnes pour l'exécution d'un travail clandestin au sens de l'article premier, sub 1, compte tenu des exceptions formulées à l'article 3,

b) d'engager du personnel salarié pour l'exécution d'un travail étranger au ménage ou à l'objet de l'entreprise de l'employeur, lorsque ledit travail ressortit à l'une des professions énumérées à l'article premier de la loi précitée du 2 juin 1962".

Enfin, comme dans le cas de la loi belge, la loi luxembourgeoise précise dans son article troisième : "Ne constitue pas un travail clandestin au sens de la présente loi :

a) une activité exercée personnellement pour son propre compte et sans l'aide d'autrui ;

b) une activité occasionnelle et de moindre importance exercée pour compte d'autrui,

c) une activité isolée exercée pour compte d'autrui n'excédant pas le cadre de l'entraide usuelle entre proche parents, amis ou voisins" (\*).

Le texte luxembourgeois dresse implicitement une typologie du travail au noir en fonction d'un "degré de gravité" par rapport à deux normes : la concurrence déloyale et l'embauche "en mauvaise et indue forme". L'application de ce texte pose à l'évidence une série de difficultés concrètes. Où commence le travail clandestin ? Quels sont les critères de l'entraide ? Qu'est-ce qu'une activité de moindre importance ? (\*\*).

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(\*) Source : Mémorial (Journal Officiel), Recueil A, n°45, 8 août 1977.

(\*\*) A titre d'illustration, lorsque la loi du 11 juillet 1972 qui distinguait activité occasionnelle et activité non occasionnelle, était en vigueur en France, les tribunaux avaient des difficultés considérables pour apporter la preuve d'un travail clandestin. Ces réflexions prononcées par des employeurs ou leurs avocats en témoignent : "C'était mon neveu, je ne l'ai pas fait travailler. Il apprenait, c'est tout", "C'est la famille !", "Dans mon esprit, c'était un dépannage", "Il travaille par plaisir !", "C'était l'épouse de l'un des salariés, elle venait deux à trois jours par semaine, pour s'exercer sur une machine. Ce n'est pas une employée: travailler sur une machine, ne veut pas dire qu'on est salarié !".

Source : Edwy PLENEL : "Treize petits patrons condamnés pour l'exemple", Le Monde, 18 janvier 1984.

En Belgique, la loi du 6 juillet 1976 a été complétée par une série de textes visant à en étendre le champ d'application ou à rendre plus aisées les poursuites par la définition de critères objectifs. Un arrêté royal de 1978 rend les donneurs d'ouvrage solidairement responsables des dettes envers la sécurité sociale et l'administration fiscale. La loi du 15 décembre 1980 précise les conditions d'accès, de séjour, d'établissement et d'éloignement des étrangers. La loi du 25 janvier 1985 quant à elle instaure une carte de sécurité sociale obligatoire pour tous les salariés. Un travailleur surpris sans sa carte est qui ne la présente pas dans les délais requis est passible de peines correctionnelles.

Sans développer les implications macroéconomiques du travail au noir qui sont semblables à celles qui ont été détaillées à propos de la France, il convient de rappeler en conclusion la nature particulière des activités au noir exercées par des particuliers en Belgique. Le poids relatif de la fiscalité des personnes par rapport à celui qui pèse sur les entreprises place la fraude fiscale au premier rang des activités qui appartiennent à l'économie souterraine et explique pourquoi le travail au noir est principalement motivé par le désir d'échapper à une fiscalité peut être trop contraignante.

Dans un article purement théorique, ADAM et GINSBURGH ont essayé de tester l'impact des politiques macroéconomiques sur l'économie belge, laquelle est divisée en deux secteurs l'un officiel, l'autre souterrain (\*).

Les firmes du secteur officiel embauchent des travailleurs de façon régulière, payent les impôts auxquelles elles sont contraintes et versent un taux de salaire rigide à la baisse. Dans le secteur souterrain, aucun impôt n'est versé et le taux de salaire est parfaitement flexible. Les firmes du secteur officiel offrent la gamme complète des biens et services produits en Belgique, le secteur souterrain ne produisant pour sa part qu'un nombre restreint de biens et services, ceux qui relèvent traditionnellement du travail au noir.

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(\*) Marie-Christine ADAM et Victor GINSBURGH : "The effects of Irregular Markets on Macroeconomic Policy: some Estimates for Belgium", European Economic Review, Vol 29, 1985, pages 15 à 33.

Sous l'hypothèse que l'économie est fermée, les principales conclusions du modèle - pondérées selon que la nature du chômage relève du cas classique ou du cas keynesien - (\*) se conjuguent pour montrer d'une part que la fiscalité est l'un des déterminants majeurs d'entrée dans la sphère souterraine de l'économie et d'autre part que les politiques de relance de l'activité et de lutte contre le chômage se heurtent à des effets pervers dûs au travail au noir. A titre d'exemple, les multiplicateurs keynesiens jouent avec moins d'amplitude, car une partie de leurs effets stimulent l'économie cachée au lieu d'atteindre pleinement le secteur légal de l'économie.

En d'autres termes, sauf cas très particulier ADAM et GINSBURGH mettent en évidence des conflits d'objectifs chaque fois que les autorités agissent simultanément pour lutter contre le chômage et réduire l'importance de l'économie au noir.

Cet examen des situations fiscales, des conditions réglementaires et des politiques macroéconomiques nous invite à penser pour conclure que le travail au noir est une pratique profondément enracinée dans les mentalités des belges et dans une moindre mesure dans celles des luxembourgeois.

Si les autorités sont pleinement conscientes de son ampleur, elles semblent se heurter à un problème classique : comment concilier politique socio-économique, règles juridiques et phénomène structurel ?

Avec l'avènement du Grand Marché Intérieur, des mesures structurelles seront nécessairement prises par la Belgique, ne serait-ce que pour adapter sa fiscalité aux exigences communautaires. Si dans cette hypothèse, le travail au noir ne disparaît pas spontanément, on peut en revanche s'attendre à ce que les modalités spécifiques qui le caractérisent aujourd'hui se rapprochent des formes qu'il revêt dans les autres pays comparables.

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- (\*) a) Dans une économie qui se compose d'un marché de biens et services, et d'un marché du travail :
- il y a chômage keynesien si l'on observe un excès d'offre sur les deux marchés : les ménages sont rationnés (ils ne trouvent pas d'emplois) et les entreprises sont rationnées (elles ne trouvent pas de débouchés)
  - il y a chômage classique, si l'on observe un excès d'offre sur le marché du travail et un excès de demande sur le marché des biens et services. Les ménages sont doublement rationnés (ils ne trouvent pas d'emplois et ils n'obtiennent pas des entreprises tous les biens qu'ils demandent)
- Cf : Edmond MALINVAUD : Reexamen de la théorie du chômage, Calmann-Levy, Paris, 1980.
- b) L'économie belge étant très ouverte, les conclusions du modèle seraient vraisemblablement altérées si les équations étaient modifiées dans ce sens.

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Programme of Research on the Black Economy in Europe

F I N A L   R E P O R T

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THE BLACK ECONOMY IN THE  
UNITED KINGDOM

By:

R.E. PAHL  
University of Kent at Canterbury  
(with the assistance of N.H. Buck)

For:

La Commission des Communautés  
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## Introduction

Research on the black economy in the United Kingdom has been carried out at the macro and micro levels. In general the work done by economists has been the least satisfactory: it has been well reviewed by Smith (1986) and more recently Thomas (1988a) has added a devastating critique. Typically economists do not gather their own data and, when they do, inadequate research methodologies can produce spurious results (e.g. Mathews and Stoney, 1987).

Micro studies undertaken by social anthropologists, sociologists and social psychologists are closer to empirical reality but the greater the detail often the more difficult it is to generalise from the results. Studies carried out in Belfast, Brighton and Bradford will produce distinctively different results related to differences based on religion, socio-economic status and ethnicity or race. Nevertheless, some cumulative understanding has emerged over the last decade and this has influenced the work of Smith and Thomas mentioned above.

A peculiar difficulty that has made it more difficult to gain an objective understanding of the black economy is the popular obsession with what are often referred to as "welfare scroungers". It is true that a very small proportion of welfare claimants also engage in remunerated activity which they do not declare. Most of this activity takes up few hours and is very poorly rewarded. The number of regular "working claimants" is tiny and they account for an infinitesimally small part of the black economy. However, it seems that a few colourful anecdotes gain more credibility than more sober reporting of statistics. It has been known for some years that the self-employed provide the core of the black economy and it is those in work - such as the firemen described below -

who have the greatest opportunity to take on second, undeclared jobs. However, despite such knowledge, the force of the myth about "welfare scroungers" prevails.

A further difficulty that applies particularly, perhaps, to the UK is that most part-time, temporary and casual workers, together with an increasing proportion of double job holders are unable to engage in the black economy, even if they wanted to. The extension of the PAYE net to temporary workers - i.e. taxing people at source on every week's work as if such people were working regularly at that job throughout the year - ensures that there is much less scope for underdeclaring income by these categories. The legalized deregulation of the peripheral work force combined with putting such workers on PAYE means that the so-called flexible work force in the UK is actually fairly tightly constrained. Since those on low incomes are unlikely to reach the tax threshold, many workers who would be classed as illegal in other European countries are good, law-abiding - but poor - citizens of the UK.

The black economy in the UK is thus largely taxation-policy led and not employer led as seems to be the case in Southern Europe. Thus a concern with process rather than pattern would focus on the changing ratio between PAYE and Schedule D tax payers. Insofar as there is growth and encouragement of self-employed workers declaring their own income under Schedule D, so also is the black economy likely to grow.

Part I of the Report presents three vignettes drawn from case studies of which a larger number are listed in the references. Part II is an attempt to be more quantitative but it is hard to improve on Smith's conclusion that the UK black economy is unlikely to be less than 3 per cent or more than 5 per cent of GDP. (Smith 1986: 191) Indeed he considers that 5 per cent is probably too high: a figure of 4 per cent would fit better with many local studies.

## Part I CASE STUDIES

### (1) Doing the Double in Belfast

Dr. Leo Howe of the Department of Social Anthropology at the University of Cambridge conducted surveys in two areas of Belfast - Mallon Park, where the unemployment rate was 56 per cent and Eastlough where it was 26 per cent. Some interesting differences between the two areas were discovered, based on interviews with 20 unemployed and 20 employed working class married men aged between 20 and 50. Each respondent was interviewed on a number of occasions and this was supplemented by a more formal survey and informal research based on participant observations carried out over a two year period. (Howe nd-1985?)

In Eastlough the most overwhelmingly important factor is the continuing significance of manufacturing industry for structuring the lives of both the employed and the unemployed. The latter's job hunting activity is devoted almost entirely, even ritualistically, to the established manufacturing and engineering firms of east Belfast. "Doing the double" involves getting some remuneration for work whilst receiving the dole: 11 out of the 20 unemployed had done such work from time to time. However, very few of the men see doing the double as a long-term prospect: they all claim that opportunities are few, the rewards are small and it is not a practical long-term alternative to getting a legitimate job. There are a number of reasons for this. First, most jobs in East Belfast are concentrated in large firms and in public administration - in which doing the double is impossible - but that is where the unemployed hope to find employment. For such people a period on the dole is still seen as an interruption to employment.

Secondly, opportunities for doing the double in Eastlough are mainly in construction or repair and renovation and this constitutes a small proportion of the workforce. Thirdly, for those who do work on the side it is more a matter of doing jobs to help with pressing financial problems. It frequently arises out of contacts with friends and relatives. Fourthly, there is a widespread fear of DHSS inspectors and the likelihood that they will be informed on by "squealers". Finally, the DHSS fraud investigators are likely to be less inhibited in their activities in a Protestant area than they might be in a Catholic area. Thus, on the Eastlough housing estate realistic opportunities for doing the double were small.

'Doing the double is inferior in status, morally dubious (to some), dangerous, and thus, at best, a temporary expedient. Whilst unemployed, benefits enable people to subsist, and doing the double as a long-term prospect has not become a serious option practically or ideologically, even for those with readily saleable skills.' (p.6)

The situation in Mallon Park, and in Catholic West Belfast generally is, as Dr. Howe remarks, quite different. The area has a much higher unemployment rate and there is now no large manufacturing firm in Catholic West Belfast. Hence the residents of Mallon Park do not have the infrastructural supports to shape and to sustain attitudes and values based on legitimate employment. "The local economy is fragmented and uncoordinated. The area is replete with small clubs, back street garages, private taxi firms run from homes or temporary cabins, small building firms, office and school cleaning, security, street traders, scrap dealers and many more. Those working in these enterprises are often part-time, many are female and some are either registered unemployed or are women married to unemployed men." (p.7) Some men get work over the border and, in general, there is a much greater moral acceptance of doing the double, with the practical advantage that the DHSS fraud investigators have much greater difficulty in policing West Belfast.

Finally, there are more construction workers in the area and "the construction industry is riddled with malpractice. Employers (sub-contractors mainly) will often not take on workers legitimately but insist that they work the double" p.8. Dr. Howe acknowledges that the work that is obtained in West Belfast is often irregular and short term. "It has to be stated that it is a minority who are able to take advantage of opportunities; the young, unskilled and older men have great difficulty in finding openings" p.8.

In general Dr. Howe concludes that, despite such differences between the Protestant and the Catholic areas, doing extra jobs is not an alternative to the dole but rather a survival strategy forced upon them by poverty. Such activity is part of the black economy to be sure, but it is a small and relatively insignificant part. It may ensure that those involved keep warmer and eat meat more frequently and it also perhaps ensures that their children, the next generation of workers - or at least potential workers - grow up in better health.

## (2) Forms of Work on the Isle of Sheppey in Kent

In 1981 a random sample survey of 1 in 9 of all households on the Isle of Sheppey produced a total of 730 households with a 79 per cent response rate. One of the basic aims of the survey was to discover who did what work for whom, and for how much if it was paid. This was a study essentially focussing on the demand side of the irregular economy, although some questions were asked about the informal work done for others. A list of tasks was drawn up based on a previous period of fieldwork on the Island. The most astonishing result to emerge from the analysis of these tasks was just how much work outside employment was being done. For example, of the full sample of 730 households, 80 per cent had done indoor painting themselves but perhaps more remarkably 8 per cent had put in a Rolled Steel Joist (RSJ) themselves. Most of the

labour involved in the work was unpaid - the overwhelming amount was being done inside the household. Even quite a complex job, such as doing work on a car's brakes, was more likely to be done by members of the household than by paying someone informally. Typically it was those on the lowest income who were most likely to pay someone informally, presumably because the cost of formal labour in the garage is too much for them to afford.

Those supplying the labour were typically those already in employment who worked in their own time to earn a "little extra money on the side". Self-employed builders, mechanics or people with spare time during the day such as firemen or milkmen were most likely to do extra work for those households who could not do such tasks for themselves or who were too poor to pay for the task to be done through the formal economy. There were three reasonably well-defined categories that were most likely to use informal sources of labour

- (i) lone-parent households, with no other adult in the household;
- (ii) married couples with children under 15, particularly those where the mother is under 30;
- (iii) single persons aged 65 and over living on their own.

The category least likely to supply informal labour to these people were the unemployed. Typically they lacked the resources - tools, materials, transport, telephone - and thus were too much in fear of being informed on by neighbours. Someone in employment 'doing a favour' would not attract suspicion and no one would ask questions if he were paid. Also many of the tasks done for young mothers and elderly women were more likely to be done by other women. Child-minding, going shopping, cleaning, cooking and caring were done by women generally for no payment, although these tasks often took more time and effort than tasks done by men, such as repairing a broken window or fixing a fuse, for which payment is expected to be offered if not always accepted.

The Sheppey survey provided information on the supply side of informal labour. Four per cent of the complete sample answered in the affirmative to the question "Do you currently do any work on your own account to get extra money?" and a further 1 per cent of respondents acknowledged that they did other work for an employer or firm for which they got paid (in cash or some other informal way). Since respondents were alternately male and female the numbers of each sex in those categories were very small. Of the 11 male informal workers, 10 were in full-time employment and only one was unemployed. This was the single "honest scrounger" revealed by the survey! The tasks that were done for other varied by sex: men were more likely to do repairs, gardening, carpentry and the like, whereas women were more likely to do shopping and personal caring.

Other, more informal styles of research, focussing specifically on the unemployed, revealed that a high proportion could do a little job now and again. A man might help to strip the engine of a neighbour's car one Sunday and may be given £5 to "buy yourself a drink". Indeed some respondents complained that because they were unemployed they were more likely to be paid token amounts, well below market rates. The garage mechanic who promises to help a friend out for a couple of hours one evening expects a rate that reflects his skills, although less than the "formal" rate at the garage. There was often talk of irregular work in the pubs but when this was tracked down the scale of the activity was very small indeed.

The overwhelming conclusion of the Sheppey survey was that households were very busy doing extra work outside employment for their own household or those of their relatives. Friends who worked for builders might find their "cheap" materials from time to time and there was a modest degree of occupational theft, which had been part of the occupational culture of the Island since the eighteenth century when Sheerness had an important

Admiralty Dockyard. It is said that houses in the oldest part were built by dockyard workers with wood they had brought out of the dockyard. It is important to recognise that even in an area with a long tradition of informal work the amount that would qualify in any formal measure of le travail au noir would be miniscule.

There were, indeed, some people who systematically did irregular work for cash and there were men with time free from their main job to engage in lucrative moonlighting and women, unable to get more secure employment, who were obliged to do extra cleaning jobs or serving behind the bar in pubs and clubs simply to get a little extra cash "to pay the bills". Some women might do a couple of hours in the mornings cleaning up and then two or three evenings bar work as well. Such a pattern is not unusual and whilst it may give the impression that much informal work is going on, the actual size of a putative black economy is miniscule. Sheppey is unusual in having a small proportion of small businesses and self-employed people. Thus despite its initial reputation for being "an island on the fiddle" some ten years detailed research failed to find evidence for such a view. In the more prosperous areas of the UK where small businesses flourish the actual tax loss is likely to be much more substantial.

### 3. Moonlighting Firemen

The previous two case studies have been place-oriented in Belfast in Northern Ireland and the Isle of Sheppey in Kent in the South East of England. Whilst it is true that irregular work is very locality specific there are, nevertheless, certain national opportunity structures offered by the characteristics of particular occupations. A detailed study of firemen by Hart (1982) is the basis for a more general consideration of their role in the irregular economy (Edgell and Hart, 1988). The crucial point about the fire service is that the shift system allows considerable free time during "normal working hours". Thus, to take an example

provided by Edgell and Hart, if a fireman were to start his duty on Monday at 9 a.m. he would finish at 6 p.m. and work the same hours on Tuesday, but on Wednesday and Thursday he would start at 6 p.m. and finish at 9 a.m. the following morning, sleeping at the station. He would then be completely free from Friday morning and his next duty would begin on Tuesday. Assuming that there were no night-time call-outs the fireman would only work two days in the week. He would be "paid for sleeping" on a further two nights and be bright and fresh for up to five days' work in a second job each week.

Nearly all the firemen in Hart's sample of 80 had been employed in other work before joining the Fire Service and thus already had a range of skills - almost a quarter had worked previously in the building trade, either as a skilled worker (e.g. carpenter, plumber, bricklayer) or as unskilled general labourers. As part of their occupational regulations firemen are forbidden to hold a second job. However, it is well known that many firemen do undertake informal work on a regular and consistent basis. In a report on the Fire Service published by HMSO in 1969 it was reported that 26 per cent of junior ranks "spontaneously mentioned doing a part-time job in their off-duty time" (Thomas 1969:33). Hart's research indicates that the proportion may be much higher: 60 per cent of his sample did work in the black economy. The proportion of those on the shift system mentioned above who worked in the black economy rose to 75 per cent and, in answer to the question, "Have you ever done other kinds of work in your spare time?" the proportion increases to 91 per cent for all firemen and 95 per cent for those on the shift system.

At the time of the fieldwork both day-manning and shift workers had four full days and nights in every eight off duty and shift workers also had six free days in every eight (including the two days they work the night shift), and were not 'on call' on their nights off. Over two thirds of the sample worked weekly or more, which could range from once a

week to "every free day", as one fireman put it. "Fiddle jobs" are a normal part of a fireman's life: the following table indicates the type of job done by all who had ever had them.

Main Types of Informal Work Undertaken by Firemen

	Per cent
Driving	44
Agricultural/General Manual	37
Building	22
Window Cleaning	21
Painting and Decorating	14
Carpentry/Plumbing	14
Undertaking	10
Other	14

As Edgell and Hart remark "Undoubtedly the Heavy Goods Vehicle licences held by many men and the general association of firemen handling cumbersome appliances with speed and safety are considered to be appropriate qualifications by employers looking for part-time/occasional drivers" (p.29). Firemen are also well-suited to agricultural work, building work, window cleaning and the like, where the employment relationship is casual and the activities are hard to detect by the Inland Revenue.

"The suitability and availability of firemen for work as assistant undertakers is recognised by employers, at least in South East England. According to the firemen in this study, they are seen by employers as reliable, strong, upright and neat. Moreover they are often free during the day. Thus part-time undertaking by firemen seems to be to the mutual advantage of both employers and employees." (ibid:30)

Only 9 per cent of the firemen working in a second job said that they paid taxes on the payments they received. They simply did not declare their earnings. Some two-thirds of the men found their fiddle jobs either wholly or partly through their contacts in the service. Typically also firemen work on fiddle jobs with other firemen and firemen setting up in business typically 'employ' or sub-contract work to station colleagues.

"Thus it is the fact of being a fireman which both allows and indeed encourages the men to engage in non-Service work" (ibid:32). Inevitably fiddle jobs have to be flexible to fit in with the rota system and the unfortunate propensity for fires and other emergencies to occur. However, there must be a certain tension between the formal and the fiddle job so that on occasions there are sleepy undertakers who have unexpectedly spent the previous night fighting a fire.

This study illustrates very clearly that the incidence of *le travail au noir* can reach very high proportions in certain occupations and that focussing on specific localities or employment statuses can lead to the neglect of more appropriate frames for case studies. There have been a number of such studies of particular occupational milieux (see Mars 1982) and it is probably a summation of these activities that provides the solid core of "off the book" or "cash in hand" work in the U.K.

Part IIQuantitative Aspects: The Volume and Nature of the Black EconomyA. Estimations of Total Amount

Economists have used a variety of methods in attempting to provide some overall indication of the size of the black economy. Competing estimates range between 2 and 22 per cent of the Gross Domestic Product of the United Kingdom. Some economists have used some of the larger estimates of the black economy to argue that official economic statistics may give a misleading impression of the 'true' level of unemployment, since such economists assume that the black economy must involve those who do not have formal employment. As will be shown below, this is a false assumption and, indeed, in the opinion of one economist who has recently reviewed the work of his colleagues "All of the macroeconomic measures of the size of the black economy are based on assumptions that are either untestable or implausible" (Thomas 1988(a): 170). Some of these indirect macroeconomic measures may be mentioned since, however implausible, they are frequently referred to by those who do not understand them.

Monetary Measures

Economists in the United States developed a number of methods in the late 1970s: some of these were later applied to the UK. Gutman, for example, analysed the ratio of cash to deposit accounts. He argued that where there was more cash in circulation than would be predicted in the absence of the black economy, then such extra cash could be seen as a measure of black economic activity. Evidently this method is based on the assumption that at some previous point in time there was little or no black economic activity. Gutman took the base period for his studies in the United States as 1937-1941. Work along similar lines has been done

at the University of Liverpool by Dr. K. Matthews and fellow monetarist economists. For reasons that are not at all clear Matthews and Rastogi (1985) decided that 1960 was a year when the irregular economy in the UK was negligible. This same base year was adopted by Feige, whose approach aimed to estimate all monetary transactions that cannot be predicted in the absence of the black economy.

These various approaches are analysed by Thomas (1988a) who plotted the various estimates by Feige (1981) Matthews (1983) and Matthews and Rastogi (1985) (See Figure 1). Substantial discrepancies appear between the various estimates. In 1974 Feige's approach produces a peak of 22 per cent of GDP, whereas Matthews (1983) suggests that there was a trough in that year so that he estimates a black economy of a mere 2 per cent of GDP. How is this discrepancy of 20 percentage points to be explained? Dr. Thomas valiently attempted to discover the reasons for the discrepancies by corresponding with Dr. Matthews who unhappily could not help because he no longer had the data file. It is also very unclear why Matthews makes the assumption that the ratio of the unrecorded economy to the GDP was about  $1/2$  per cent prior to 1971.

Since Dr. Matthews has not been able to elucidate the discrepancies first between the two studies originating in his own department and secondly between his estimates and those of Dr. Feige, it is difficult to disagree with Dr. Thomas that these competing estimates could be disregarded as "harmless numerical games on the part of economists" were it not for the fact that such economists use their guesses and estimates to make further guesses and assumptions about who is working in the black economy. Quite evidently the nature of the method makes such guesses irrelevant, if not improper - but that does not discourage such monetarist economists from making them.

It is truly astonishing how far certain economists are prepared to make arbitrary assumptions about who is working in the black economy when there is nothing in their data to support them. In one case "Matthews seems to have assumed that the £16,480 millions of unrecorded income (at 1975 prices) he estimated for 1983 was produced entirely by people who were officially unemployed but were actually working full-time in the black economy. Using the Liverpool microeconomic model he estimated this to be 1.29 million or 41.6 per cent of those who were officially recorded as unemployed in 1983. These figures imply that on average each of these workers was earning £12,775 (i.e.  $16480/1.29$ ) in 1983". (Thomas 1988b)

Anyone that can believe that can believe anything! It is unclear why the link with unemployment is so consistently made when all discrepancies noted by economists can be much more plausibly accounted for by moonlighting and the under-reporting of work by the self-employed.

In another survey of studies, using the demand for cash as an indicator of the scale of the black economy, Smith (1986) notes that the pattern of payments in cash matches very closely that in the economy as a whole. Smith shows that after allowing for inflation the real value of cash in circulation stayed broadly constant in the 1960s and early 1970s but has declined since then so that in real terms the value of notes and coin in circulation with the public was about 20 per cent less in the mid 1980s than it was in the years both Feige and Matthews take as their base (Smith 1986, Fig.10.1). Hence Smith notes "Some of the indicators that have been used to show a growing black economy in the United States appear to point to a rapidly shrinking one in the U.K." (ibid: 93)

Given the inconsistencies, unexplained assumptions and the devastating critiques by fellow economists it is hard to place any reliability whatsoever in these macroeconomic methods. Smith tabulates the ratio of cash to consumers' expenditure in 1981 and whilst UK, USA and

Canada are at the bottom of the table, Switzerland tops the table with 21 per cent - three times that of the UK. It is unclear what the citizens of Switzerland do with all their spare cash!

As Thomas concludes, after his detailed comparisons of the estimates of Feige (1981) Matthews (1983) and Matthews and Rastogi (1985) "Since none of these models of measurement are based on any economic theory, 'you pays your money and you takes your choice'." (Thomas 1988b)

## 2. Indirect Studies of Microeconomic Behaviour

Economists have used the National Accounts and the Family Expenditure Survey in the hope that an exploration of discrepancies between income and expenditure will provide some overall measure of the black economy.

### (i) Assessing the demand for le travail au noir by asking the customers: demand side.

Pahl's Sheppey Study (1984) showed that nearly all paid house improvement and renovation work was done by firms rather than moonlighters. The importance of those in employment doing work for themselves was stressed. The unemployed are less likely to be involved in the black economy (no tools, car, telephone, funds for materials, social contacts etc.) (See case study 2, above).

### (ii) Evidence from Survey Discrepancies.

Comparing of households' income and expenditure may indicate whether a proportion of households appear to be living beyond their (declared) means. Dilnot and Morris calculated the gap between reported income and total reported expenditure for individual households. They concluded that under-reporting of income might, in 1977, be equivalent to 2.5 - 3 per cent of GNP.

The second approach, which has been based on the 1982 Family Expenditure Survey, analyses households' spending on particular groups of commodities, rather than households' total spending.

The aim is to see whether particular groups of the population, believed likely to have particular scope for concealing earnings, spend more on various products than other people with similar incomes. It appears, for example, that the self-employed spend more on household services and on food than employees who report a similar level of income. In other words, compared with employees, the self-employed appear to be enjoying a higher standard of living than their declared income warrants. In the absence of any obvious reason that the self-employed might wish to buy more household services or spend more on food than employees with similar incomes, we might conclude that the self-employed in fact have higher incomes than they report to the survey. The extent to which the self-employed under-report incomes appears on this evidence to be broadly in line with the adjustments made in the national accounts: somewhere between 10 and 20 per cent of self-employed income may, on average, be concealed. (Smith 1986: 139) If the self-employed to understate at that order of magnitude then that level is broadly in line with the level of understatement assumed in the UK accounts.

(iii) Analysis of The Family Expenditure Survey

Smith assumes a figure of 30 per cent for black economy provision of services (which I think is certainly on the high side) and estimates an average weekly expenditure of £3.47 per household in 1983, (see Table 1). This is no more than 2.5 per cent of the overall expenditure of an average household. Such an estimate can be no more than an informed guess and does not cover the whole range of travail noir. However, as Smith notes, "it does serve to put into perspective some of the larger estimates of the extent of the black economy". Economists, such as Kent Matthews, to whom we have already referred, have concluded from the analysis of monetary

trends that the black economy amounted to 14.5% of GDP in 1983. This would imply that the average household was spending between £2,000 and £2,500 pa on black economy goods and services. This is well beyond the figures suggested in Smith's table and extends well beyond the products normally associated with the black economy.

### 3. Measures of Tax Evasion

An alternative approach to the black economy is to assess the amount of tax that is lost through the evasion - by omission or under-reporting - of gainful economic activity.

It is clear from the Report of the Keith Committee that when the Inland Revenue does investigate Schedule D and company accounts it finds a considerable level of tax evasion. Only about 3 per cent of Schedule D returns are investigated each year: in 1981 87 per cent of cases investigated resulted in some adjustment being made to profits. Evidence provided by the Report of the Board of Inland Revenue for the year ending 31.12.85 indicates that from 1980 to 1985 there was a 400 per cent increase in the yield from special investigations. Smith concludes "Tax inspectors believe that at least one-fifth of self-employed income returns probably understate income; in the cases actually investigated in 1980/1 the average tax evaded was around £1000. If typical of self-employed taxpayers as a whole, these figures might point to a total loss of tax on Schedule D incomes of the order of 10 per cent of the actual tax yield from self-employed taxpayers." (pp.61-62) (For further discussion of this point see Committee of Public Accounts 22nd Report Session 1981-82, 13 July 1982, HMSO, London: paragraph 2249 et seq.)

As a result of information gathered from Parliamentary Answers between November 1987 and June 1988 some general indication of the level of tax fraud can be assessed (Figure 2). The Inland Revenue considered the size of the black economy as a whole represented a tax loss of some £4

billion a year and this seems to be the best estimate available. In the early 1980s a tax loss of some £140 million a year could be attributed to tax evasion by casual and agency workers which is evidently small in relation to the black economy as a whole.

The most common type of frauds connected with unemployment and social security benefits fall into three main categories:

- working while claiming i.e. misrepresentation of employment status
- other misrepresentation of personal circumstances e.g. claiming for non-existent children, undeclared habitation etc.
- frauds connected with the payment mechanism e.g. forgery or alteration of Giro cheques.

The last named is the most frequent type of case considered for prosecution accounting for more than a half of the total cases. Twenty four per cent of cases - 23,000 in 1983/84 - were of the first type of fraud, namely working while claiming.

In order to detect such crimes the DHSS employs some 2,200 staff on fraud work at the local and regional level. A further 650 staff are employed on fraud work by the Department of Employment. The number of people convicted for fraud against the DHSS declined from 21,797 in 1979-80 to 9,349 in 1985-86.

Studies by Coffield et al (1986), Miles (1983), Pahl (1984), Trew and Kilpatrick (1984) among others show why so few unemployed people are able to engage in the black economy. Smith summarises their conclusions thus:

"Most of the unemployed are poorly equipped for work in the black economy, having generally lower skill levels than those in employment or skills that are typically not in demand in the black economy. For example, there are likely to be few opportunities for the unemployed former coal miners in the north-east to use their skills in casual jobs; moreover, such

opportunities as do arise will be shared amongst a large number of former miners with the same skills". (1986: 72)

Clearly the scope for occasional work while claiming benefit will be least in areas of high unemployment. As unemployment increases, the black economy is likely to decline. (See O'Higgins 1985 and Pahl 1984).

Smith concludes "One pound spent on enforcement by the DHSS appears to recover no more than £3 of benefit, compared with an average of £6 from income tax investigation". This point has been made repeatedly by the Inland Revenue: in 1981 each member of the Inland Revenue staff produced an average £92,000 in extra tax. Customs and Excise staff engaged on control visits to VAT registered traders found in 1980-81 under-declarations amounting to about £150 million or £37,500 per official. About the same amount was attributed to the activities of extra staff deployed by the DHSS to combat social security fraud in the same period. It is understandable that Government should be reluctant to investigate the self-employed more thoroughly when it is anxious to reduce the numbers unemployed by encouraging many of them to become self-employed.

#### 4. Evidence from Time Budget Studies

Official statistics are not as helpful as other sources of data in assessing the nature and incidence of le travail au noir. One excellent source is time budget data which is now becoming available for a number of European countries. Professor Gershuny has kindly made available data from the 1983/84 ESRC Survey. There are similar data sets available for the Netherlands and elsewhere. Full details of the British survey are not yet published. Basically it was a national sample yielding 474 men and 691 women. For present purposes analysis was limited to the 537 cases who were classified before they completed their self-report diary as 'not in employment'. It will be seen from table 15 that 80 per cent of those not in employment do no further paid work. Two thirds of the

unemployed do no paid work but a quarter do up to 6 hours work a week (which may not be illegal) and a further 8 per cent do between 6 and 12 hours a week. Only 2.6 per cent of the unemployed are very likely to be in the black economy. This is an underestimate, as those employed people who work in the irregular economy may be less likely to complete the diaries for a time-budget survey. However, even doubling the proportion to allow for non response the proportion is still only between 5 and 6 per cent, which matches very well with the results of other studies.

#### B. The Irregular Economy Defined by Categories of Persons

Here numbers of people are emphasized, sometimes at the expense of the amount of income they severally or collectively acquire. Thus, if 200,000 people illegally gain, say £30 a head per week each, that would be a very small net tax loss, depending on the rate at which those individuals are assessed. By contrast, a handful of people responsible for corporate fraud of some millions may represent a very considerable tax loss.

The following would appear to be the main headings:

- (i) Individuals on PAYE (Schedule E) who do not reveal that they have a second job which should be assessed under schedule D. These are illegal 'moonlighters'. (Note moonlighting per se is not necessarily part of the irregular economy.)
- (ii) Individuals who do not register for Schedule D who are, in fact, self employed or employ others (e.g. family members) on a 'cash-in-hand' basis. These are known to the Inland Revenue as 'ghosts'.
- (iii) Individuals on Schedule D who substantially underdeclare the full amount of their earned income to the Inland Revenue.
- (iv) Individuals who claim benefits but who also earn extra undeclared income.

- (v) Individuals in the labour force who use their position as directors, managers or employees to use their skill, inside knowledge or range of patronage to secure for themselves illegal financial advantage at the expense of the tax authorities, shareholders or other employees. Such individuals may be in private companies or government departments. (Note A distinction is being made here between corporate involvement in the irregular economy and individual involvement).
- (vi) Individuals who are primarily involved with avoiding VAT, customs and excise duties and other specialized taxes.
- (vii) Individuals who illegally employ minors, prisoners and other categories who are protected or prevented from engaging in the labour force.

Two main categories of workers in the irregular economy are of overwhelming importance: the first are those who are employed but who take a second or further jobs and who either omit to declare or who under-declare their earnings from this extra economic activity; the second are the self-employed who under-declare part of their earnings. The latter may also employ those who are multiple job holders but neglect to report this activity. Thus the first may be connected with the second. Some part-time workers may accumulate two or more part time jobs and employers and employees may collude - the former gains by not having the responsibility to full time workers and the latter by having more flexible working and payment arrangements. It was once suggested that unemployed people who work in the black economy are a significant element. It is now commonly understood that this is not the case but some consideration will nevertheless be given to this third category.

## 1. Multiple Job Holders or Moonlighters

Table 2 based on the Labour Force Survey (LFS) shows women are now more likely than men to have second jobs, their number having increased by a third from 324,000 in 1984 to 445,000 in 1987. However, women with more than one job are still less than 5 per cent of the labour force and, overall, multiple job holders are less than 4 per cent of the labour force. These are, however some interesting variations. Detailed analysis of the 1985 LFS undertaken for this Report reveal some interesting differences. The fact that double job holding is more common outside the conurbations and in the South East and South West indicates that it is more a product of affluence than poverty. (See Table 3)

Evidently opportunities for second jobs vary between regions and between men and women. For men there are more opportunities in Northern Ireland and for women in the South West. The former may be attributed to the distinctive cultural and religious situation in Northern Ireland, whereas women's multiactivity in the South West may be attributed to the opportunities arising out of tourism, although the proportions of second jobs are much the same in the industrial order 'Health Education and Welfare' as 'Distribution, Hotels and Catering'. In Northern Ireland, by contrast, men's second occupation would be most likely to be in agriculture and their first job to be in the public sector or construction and distribution. The pattern for the UK as a whole is shown in table 4 where the dominance of the service sector is clear for both men and women. It should be noted that the third most important industrial order for second jobs for both men and women is in Financial and Business Services.

## 2. The Self Employed

There has been a substantial increase in self-employment in recent years. From 1979-1984 there was an increase of 32 per cent in the number of self-employed. The total of 2.66 million in June 1986 comprised the

highest proportion of the work force self-employed since 1921. A third of all those classified as managers were self-employed in 1983. Nearly 40 per cent of the self-employed had employees. The total of self-employed men is equivalent to 12.5 per cent of all men in employment. Evidently, correlation does not imply causation but it would be very surprising if the growth of tax avoidance and the growth of self-employment were not related by more than chance. It will be seen from Table 5A that there has been a steady increase during the 1980s of the proportion of the self-employed with second jobs. It will also be noted that an increasing proportion of all second jobs are self-employed. Thus the category "self employed" can include those whose only status is self employed, employees whose second job is self-employed and self-employed people who have a second self-employed job. It is sometimes claimed that the growth of self employment in the UK in recent years is an indication of the growth of small businesses. In fact four-fifths of the growth is due to the expansion of people working on their own. (Table 5B) It may well be that part of the growth of what may be termed own-account workers is due to the possible tax advantages of being assessed under Schedule D rather than PAYE. Table 6 shows clearly that over half of all self-employed women workers without employees are part-time which is a greater share (54 per cent) than for all women workers (40 per cent). The so-called entrepreneurial revolution looks very different when seen in this light. Table 7 shows which industries the self-employed without employees are engaged in. It will be seen that in 1975 14 per cent of all the self-employed without employees were in construction which rose to 23 per cent by 1985. Perhaps the most striking finding that is illustrated by Table 7 is the dramatic fall in the proportion of the self-employed with employees in manufacturing industry in relation to the total self-employed. The growth of own account workers in chemicals and metal manufacturing, engineering and other manufacturing industry has

implications that deserve to be explored by further research. The shift to self-employment reflects less a growth of small businesses and more a growth of categories such as self-employed construction workers and others anxious to control their own tax returns. Statistics are frequently presented showing increases in the number of self-employed by industrial sector and assumptions are then sometimes made about the growth of small businesses. In the light of the fact that such statistics also reflect the growth of own account workers an equally plausible interpretation of the data could be in terms of an increase in irregular economy work.

### 3. Unemployment and Supplementary Benefits Claimants

In 1982 the Economist Intelligence Unit produced a Report on Coping with Unemployment based on a quota sample. Respondents were selected at a total of 106 sampling points selected on a national basis with probability proportional to the number of registered unemployed and a total of 1,043 respondents were interviewed. These respondents were looking for either full or part time work and were registered as unemployed at a Jobcentre, Employment Office or Careers Office. The interviews were carried out by trained interviewers working for a market research organisation. Every attempt was made to ensure that the sample was soundly based and the interviews were subject to rigorous quality controls. Ten per cent of the completed questionnaires were subject to a telephone check back and 15 per cent were subject to a postal check back. One interview in ten was undertaken in the presence of a supervisor.

Respondents were assured that all their replies would be treated in strictest confidence and were told that the survey was not in any way connected with any governmental or official body. Thus reassured, 23 per cent of the sample said that they did do jobs for other people - painting and decorating and gardening being most frequently mentioned. Other jobs mentioned were wall papering, housework, shopping, babysitting, car

repairs and general odd jobs. Interviewees were asked how many days they spent doing casual work for other people since they were unemployed and 9 per cent said they had done 25 days or more. (61 per cent had done none). However, it is most important not to assume that all the unemployed people who did extra jobs for other people were paid. Most received no payment and overall only 4 per cent of the total sample had had cash payment (rising to 12 per cent of those with further education) 2 per cent had payment in kind and 2 per cent had a favour in return. The proportion receiving cash payments increased to 7 per cent in London and the South East and the North West. It must be remembered that such payments might be simply for only one day's work in the last month. The Economist Intelligence Unit concluded

'The survey thus indicates just how limited paid casual work among the unemployed actually is. Of the admittedly fairly substantial proportion of unemployed doing casual work for other people, few are receiving any payment whatsoever - contrary perhaps to popular belief'.

The proportion of 4 per cent fits with other studies such as the detailed study of the Isle of Sheppey carried out at about the same time. It is difficult to get time-series data, since the rules relating to claimants rights and obligations have been changed frequently. However, in 1985 the LFS indicates that 6 per cent of claimants of unemployment and supplementary benefit were also doing some paid work. Apparently women are much more likely to be working whilst receiving benefits (8.8 per cent as against 4.6 per cent for men) but it does not follow that they are doing anything illegal, since they are likely to be working very few hours for very little pay. Table 8 shows that the overall proportion in 1983 for UK was just over 5 per cent but this was due to higher proportions of women working in the midlands and the north of England.

Table 9 indicating the number of hours worked by claimants in the previous week, shows that two thirds of all female working claimants worked less than 20 hours and one third less than 10 hours. For those who want to put a firm figure on the proportion of claimants who are also working to any substantial degree, it can be seen that 0.9 per cent of men and women do appear to be so doing.

Quite clearly unemployed people play a negligible role in the black economy and do not merit any further discussion. The reasons for their low participation have been discussed by Miles (1983) and Pahl (1987) amongst others and these conclusions are now generally acceptable (See Thomas 1988).

#### 4. Temporary Workers

It will be seen from Table 10 that, in 1987, 5.6 per cent of the employed labour force were temporary workers of which the majority were women. Such workers are more likely to be employed in small firms (Table 11). Tables 12 and 13 show the distribution of temporary workers by industry and occupation. It does not follow that all these temporary workers are in the black economy. However, there are strong indications that in some areas - such as contract cleaning - employees have been obliged to move from permanent to temporary work, often with no written contract of employment and with little, if any, entitlement to holiday pay, sick pay and other benefits (see Table 14)

The British Government removed Schedule II of the Employment Protection Act in 1980 and in 1983 abolished the Fair Wages Resolution which had helped to ensure that contractors paid rates comparable to those paid in direct employment. In a survey published in Labour Research (July 1986) it was estimated that many contractors in the cleaning industry regularly infringe the Health and Safety at Work Act and are often unaware of their responsibilities and liabilities.

The Labour Force Survey (1984) identifies two kinds of temporary work. Firstly, work which is 'seasonal, temporary or casual' where it is understood by both employer and employee that the termination of the job is fixed. Secondly, the LFS includes in the same category respondents working under contract or for a fixed period of time including those with a specific training contract such as apprentices. In all cases the definition is supplied by the respondent. These two categories may be referred to as 'casual' and 'contract' respectively.

Another source is provided by the Workplace Industrial Relations Survey 1984 (WIRS) and a further survey of employers by Meager. He defines temporary workers as 'Those whose employment at the organisation in question is recognised by both sides to be on a temporary basis, irrespective of whether the individuals are employees of the organisation (they may be self-employed, or employees of an employment business, that is, a type of employment agency which employs and hires out temporary workers).'

There is substantial dispute about the changes over time of the numbers of temporary workers. WIRS 1984 reported little increase in temporary forms of work but this survey was confined to workplaces of at least 25 employees. Meager found that only 17 per cent of employers with fewer than 25 employees used temporary workers, compared with 91 per cent of employers with 100+ employees. The 1984 LFS shows that 50 per cent of temporary workers work in firms with fewer than 25 employees. The larger the firm the more likely it will employ temps but most temps are in small firms.

Table 15 shows that temporary workers are clustered in certain occupations. A quarter of contract temps are in professional; health, education and welfare occupations and a further quarter are skilled

craftsmen. By contrast a third of casual temps are in clerical, secretarial and sales jobs and a further quarter are in personal service work as school helpers, cleaners, waitresses and bar tenders.

Male and female casual and contract workers differ from permanent workers in distinctive ways. Male casual workers are much more likely to be under 20 - about a third of all male casual workers in 1986 being in that age range. They are also more likely to be over 60 than male permanent workers - presumably supplementing their pension with part time work or doing extra work to keep active. Women casual workers were also more likely to be under 20 but less likely to be aged over 50. Typically female casual workers fit the stereotype of being married with domestic work limiting their capacity to do a permanent job. About 40 per cent of women with a temporary job said that they did not want a permanent job but between a fifth and a quarter had a temporary job because they could not find a permanent job. (Table 16)

It should be remembered that self-employment is more common amongst temporary workers than among permanent workers. In 1986 only 11 per cent of permanent workers were self-employed compared to 13 per cent of casual workers and 23 per cent of contract workers. The predominance of self-employment in the construction industry is well known but it is not so well understood that the proportion of male managers in casual jobs is also very high (King 1988)

## 5. Child Labour

The Employment of Children Act of 1973 is on the statute books but is not yet law. Section 3(4) of this Act provides that the Act shall only come into force "on such a day as the Secretary of State may appoint by order made by statutory instrument." This has not yet happened. To

implement it effectively would involve extra administrative time and effort by local Authorities and the British government wishes to reduce the powers and expenditure of local government.

A survey by the Low Pay Unit of over 1700 school children in London and Luton, Bedfordshire in 1982-83 showed that 41 per cent of the boys and 38 per cent of the girls aged between 11 and 16 were in employment. Children were employed in a wide range of jobs, though predominantly in services such as retailing, catering, cleaning and, overwhelmingly, newspaper deliveries. Table 17 shows the overall distribution of children's employment, counting separately all jobs reported by individual children. About 1 in 10 children surveyed had more than one job and half of these more than two. Clearly, a large proportion of school children do work on a part-time, and even a full-time basis. The majority of children appear to be working illegally. The London survey found that over 4 out of 5 children working were illegally employed, either because they were under-aged, working illegal hours or working in jobs they should not have been doing. Health and safety regulations were typically ignored. Nearly one third of all boys and 29 per cent of girls reported some accident or injury. The main causes included heavy weights - specifically prohibited under the Children and Young Person's Act - broken glass, slipping or falling and injuries caused by materials or machinery.

### Discussion

In the above assessment of the informal economy a number of categories have been mentioned as being most likely to be actively involved. These are

- (i) The self-employed who underdeclare part or all of their economic activities. Those whose second job is self-employed are likely to be most prone to such tax evasion. Those with

a seasonal or a service job with a fluctuating demand such as farmers' wives who provide bed and breakfast are typical examples.

- (ii) Temporary or casual workers who get paid in cash out of takings. These are considered to be the classic 'off the books' workers in the black economy and are most likely to be students and women.

- (iii) Children who are employed illegally.

These are the putative main categories and they appear to be increasing. A tiny proportion of claimants work illegally but this is at the most 2 or 3 per cent of a declining number. Part of the difficulty in coming to firm estimates of the size of the irregular economy is that those who are most active in it - such as firemen - are being legal workers most of the time. The self-employed plumber does not evade all VAT or income tax; those with second jobs are not all hiding them. Discrepancies between declared income and expenditure will be least amongst those entirely dependent on PAYE and most amongst those who are full-time self-employed or who are self-employed in a second job.

It is important to register here a crucial caveat. There is a danger when discussing the black economy of assuming that those who are paid cash in hand or who do temporary casual and seasonal work must, almost by definition, constitute the core of le travail au noir. This is a complete misconception and the widespread uncritical acceptance of this notion has led to inflated estimates of the black economy in the U.K.

Casual or part-time workers enter the black economy only when their earnings reach the income tax threshold and not before. In 1987 the personal tax-free allowance for a single person and a married woman was £2,425 (or £46.50 a week) and National Insurance contributions only become payable on earnings of £39 a week or £2,028 for employees (with a slightly higher threshold for the self-employed). Thus some people will pay

National Insurance contributions but will not pay income tax if they do not reach the threshold. A very large proportion of workers will, quite legally, pay no tax at all. Thus someone could quite legitimately earn well over £200 a week for 8 weeks in the summer and, if there are no other earnings during the tax year, be quite free from any liability to pay tax. Those who earn substantial sums at infrequent intervals or who earn less than £46.50 a week in a part-time job will be seen to be earning by neighbours but it will not always be recognised that such employment carries with it no liability to pay tax. A recent unpublished study of the number of earning workers who are below the tax threshold calculated that there could be in the order of 3 million legal non-taxpayers in the workforce mainly part-time workers; that there could be 4 million people with small (even trivial) earnings below the National Insurance threshold and that there might be, in all, some 5 million people who are in danger of being misconstrued as working in the black economy.

This is a very serious point and casts doubt on Pahl's estimate that some 5 per cent of the population of the Isle of Sheppey may be working in the black economy. Certainly in the case of women workers Pahl had no evidence to suggest that they individually earned more than their individual tax-free allowance. The true estimate of the proportion of the population of Sheppey who were working and evading taxes is thus likely to be substantially less than 5 per cent. Much would depend on the number of men in the truly "fiddle prone" occupations who were engaged in undeclared second jobs.

Variable earnings are inherent in casual, seasonal and temporary work and, as these forms of work have been increasing in the UK in recent years so the proportion of the workforce who legitimately need pay no tax will also be increasing. Unless this point is more widely known and understood "people in 'traditional' permanent full-time jobs may (quite incorrectly) suspect their neighbours of working in the black economy

because the neighbour claims to pay no tax, despite quite obviously earning large amounts at times. What is only too readily left out of the picture are the many weeks when earnings are low or non-existent (hence not paraded exultantly). This is only one of the reasons for attaching little credence to the results of surveys of the black economy which in fact rely on stereotyping, hearsay and conjecture about how many neighbours (unemployed or working are active in the black economy - but it is a very important one." (Hakim 1988) Such criticisms are particularly applicable to the work by Matthews and Stoney (1987) whose wildly inaccurate guesstimates received wide press publicity in July 1987. (See Thomas 1988b).

As was shown above in the discussion of second jobs, there is a substantial regional variation and differentiation by sex. Local demand and cultural factors are important. The tradition of women's employment in the north and of supplementing the income of farming households in the west country are reflected in their higher activity rates. Men in the north east perceive a distinction between 'a proper job' (mining or building ships) and 'Mickey Mouse jobs' (many service sector occupations). This reduces their involvement in many second jobs.

The demand for casual or temporary work varies regionally and manifests itself at a micro-level below the level of the labour markets conventionally analysed by economists. Thus there are highly localised parts of London that are being rehabilitated by young unmarried professionals on relatively high incomes. ("Gentrification by Yuppies"). Such people typically work long hours and create a demand for decorating and minor building works. When such high earners marry and have children they will move to selected places in the south east and south west and spread the demand for nannies, gardeners and yet more building and decorating in certain small towns and villages. This is essentially short-term or casual work and labour recruitment strategies that served in

Islington or Fulham are transferred to rural Suffolk or Avon. This is, of course a small and specialised demand. A much more common and widespread demand is created by poor people who cannot afford to pay full market rates. Such people could include pensioners living in their own homes which need repair and decoration or lone parents on low incomes. Most poor people are women and some of the services they need are most effectively done by other women - shopping, informal home helps. Such informal work, if it is remunerated, is a hidden subsidy to state welfare services. Other work, such as decorating that is done by men is frequently done well below market rates ("I hadn't the heart to charge the old dear more - she still thinks a £1 is worth what it was twenty years ago" or "I wouldn't want someone to rip off my old mum so I keep the price down"). If this irregular work becomes part of the black economy it is because people resent the impersonality and rationality of the market and wish to assert their own altruistic or redistributive values. Such work represents values associated with communal sharing and responsibility and it is deeply ironic that it is precisely this work - that has to be cash in hand but may not be illegal - that is under attack by Governments who wish to control it.

A third source of demand for non-permanent employment is in the spheres of tourism and recreation where seasonal fluctuations almost inevitably makes much work temporary or casual and students, young men under 20 and married women constitute the main labour supply. In some places such as Bath, York or Canterbury shopping is a major tourist attraction and extra casual labour is required during an increasingly long tourist season. Large multiple stores now dominate most of the commercial centres of such places and their hiring practices are legal if not always generous. The self-employed owners of wine bars and boutiques are more likely to pay 'out of the till' and in kind.

These three sources of demand for non-permanent employment - the young and affluent, the old and poor and the areas and sectors of tourism and recreation do not constitute any serious problem. Looking for the black economy in the United Kingdom is rather like salmon fishing in a river in which there are only a few minnows. The situation may be much more exciting in other countries of the European Community not so firmly committed to legalised deregulation as the U.K. Hence, whilst it is true that there has been a growth of temporary, casual and part-time work giving it amongst the very highest ratios of part-time to full-time work in the community, the level of the tax threshold and the lack of any great restraints on employers ensures that very little of such 'flexible' work is in the irregular economy. The UK may be different from her partners in this respect. Similarly there is very little clandestine immigration which may create problems in other countries of the Community.

The main factors in the UK that reduce the irregular economy are

- (i) Legalized deregulation of temporary, part-time casual and contract work.
- (ii) Lower levels of income tax and increasing tax thresholds.
- (iii) Difficulty in engaging in paid employment by claimants (partly because of social and political sanctions but also because of lack of opportunities in areas of high employment).

The main factors in the UK that are increasing the black economy are

- (i) The growth of own account workers as both first and second jobs.
- (ii) The growth of an individualistic entrepreneuring culture in which tax evasion is not seen as an abnegation of collective and communal responsibility. If tax evasion is seen as 'smart' or 'street wise' and at the same time the Government also has an ideological commitment to reducing the 'tax burden' then the self-employed who evade taxation may see

themselves somewhat cynically as practising 'self help'. The Government is caught between wanting to encourage such a spirit of entrepreunering and self-help and recognizing the potential divisiveness of the access to tax evasion being inequal as between employees and the self-employed. Its solution appears to be to adopt diversionary tactics by focussing on a negligible part of the problem (working claimants) and to choose to believe blatantly unreliable 'guesstimates' of the size of the problem, rather than the more reliable sources used here.

- (iii) The Government's reluctance to implement legislation prohibiting the employment of children.

### Conclusions

The UK's irregular economy is almost entirely a problem of tax evasion by those, mainly the self-employed, who are in work. Given the Government's enthusiasm for self-help and enterprise is unlikely to provide the extra staff that the Inland Revenue requires if the size of the irregular economy is to be reduced. Nor is it likely to extol the virtues of collective and communal responsibility in an effort to make entrepreneurs more conscious of their social obligations.

Large scale corporate fraud has not been considered in detail here despite the fact it has been estimated that it costs Britain about £1 billion a year (The Independent 6.4.88).

It would be valuable to explore in more detail the attitudes towards the taxation of own account workers and to document in more detail in which areas of the economy they are expanding. If a future Government in the UK was seriously concerned to reduce the irregular economy, then more detailed research on the context and attitudes towards tax evasion and fiscal fraud would be necessary. If the values of the current folk

heroes need to be changed and the social costs of an enterprise culture explored, then qualitative research should have precedence over the remarkably unrevealing, if not positively misleading, macroeconomic approaches to the irregular economy.

The clear and unequivocal conclusion is that any increase in the black economy in the U.K. in recent years is overwhelmingly due to an increase in self-employment. Since such an increase is in line with Government policy, then the Government must share some of the responsibility if the growth of the black economy is seen as unwelcome. The assumption by some economists that unemployed people make any significant contribution to the black economy is unquestionably false and this conclusion is confirmed for France, Germany and most other EC countries. However, unlike the situation in the southern EC countries, the black economy is not demand-led in the UK. Nor, as a result of legalized deregulation, is the growth in the black economy employer-led. The black economy in the UK is largely a product of taxation policy. So long as a large proportion of the tax paid by self-employed workers is voluntary, so long will the incentive to become self-employed remain high. Until such time as the honest declaration of income for taxation purposes is perceived as an accepted part of a concept of citizenship that is strongly reinforced by Government, the tendency to prefer to be a lone pirate will continue.

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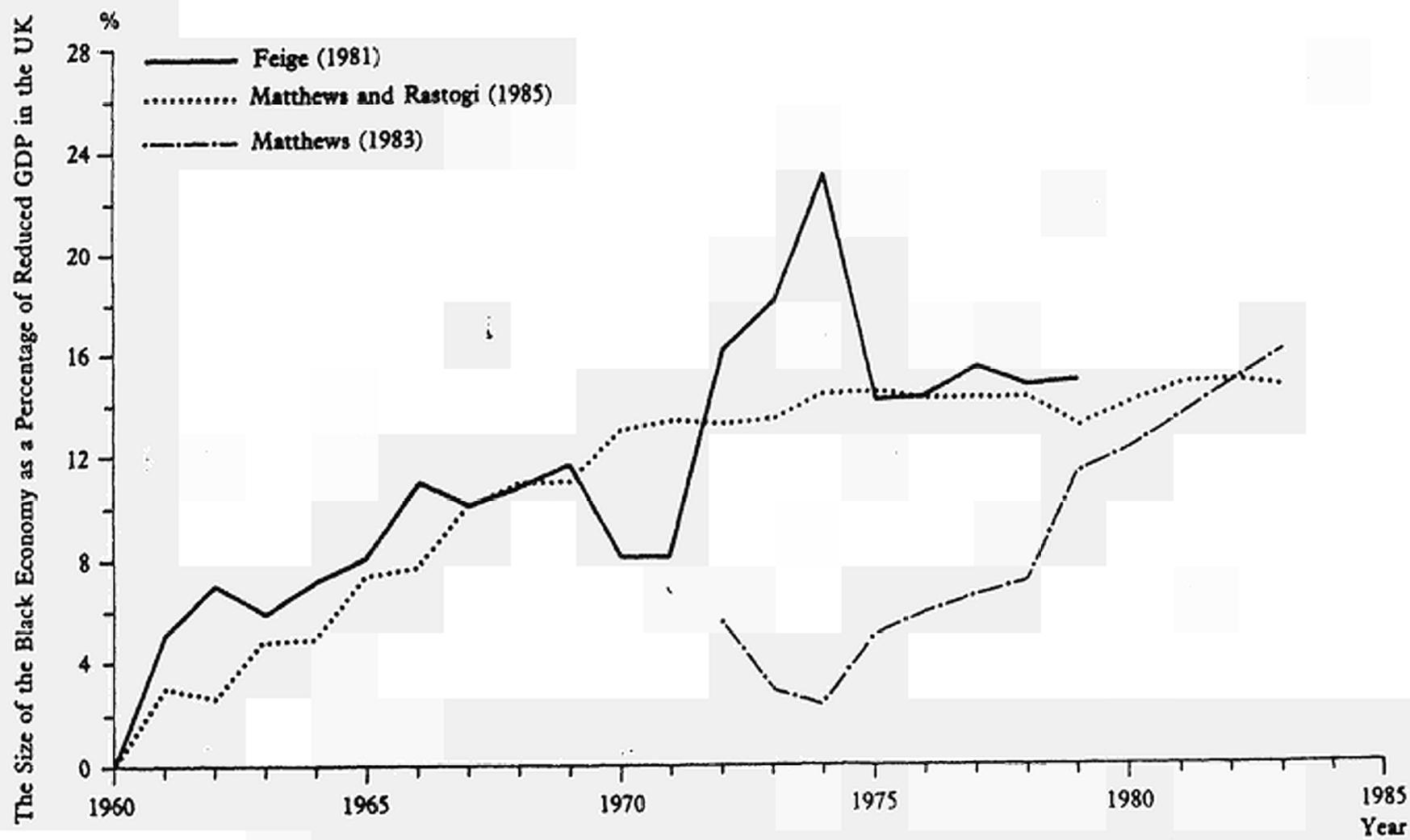


Figure 1

Source: Thomas, 1988a

Figure 2

TAX EVASION -THE FACTS1. NUMBER OF CASES OF TAX EVASION INVOLVING MORE THAN £100,000

	<u>1979</u>	<u>1987</u>
£100,000 - £499,999	53	229
£500,000 - £999,999	-	13
Over £1,000,000	-	6

2. THE AMOUNT OF MONEY RECOVERED FROM TAX AND BENEFIT FRAUD CASES

	<u>TAX FRAUD</u>	<u>DHSS BENEFIT FRAUD</u>
MONEY RECOVERED (1987)	£741m	£55m

3. NUMBER OF OFFICERS EMPLOYED TO INVESTIGATE TAX AND DHSS BENEFIT FRAUD

	<u>TAX FRAUD</u>	<u>DHSS BENEFIT FRAUD</u>
NO. OF OFFICERS EMPLOYED	2,600	2,724

4. NUMBER OF PROSECUTIONS FOR TAX AND DHSS BENEFIT FRAUD

	<u>TAX FRAUD</u>	<u>DHSS BENEFIT FRAUD</u>
NO. OF PROSECUTIONS (1986/7)	326	6,603

5. RATE OF PROSECUTION OF CASES OF TAX EVASION INVOLVING OVER £100,000

<u>MONEY RECOVERED</u>	<u>NO. OF CASES</u>	<u>NO. OF CASES PROSECUTED</u>
£100,000-£499,999	229	18
£500,000-£999,999	13	0
Over £1,000,000	6	4

TABLE 1

Household Spending on Typical Black Economy Items

	Total spending on item (£ per week)	Assumed spending in black economy (£ per week)
Structural alterations and additions to dwellings	2.39	0.72
Payments to contractors for repairs, maintenance, and decorations	0.94	0.28
Ice-cream and iced lollies	0.19	0.06
Meals out (tips element in black economy)	2.92	0.29
Repairs to TVs, radios, etc.	0.08	0.02
Repairs to gas and electric appliances	0.20	0.06
Vehicle repairs	1.63	0.49
Taxi fares	0.30	0.09
Contribution towards cost of travel in friend's car, etc. (100% in black economy)	0.08	0.08
Other travel and transport (removals, etc.)	0.12	0.04
Theatres, sporting events, and other entertainment	1.14	0.17
Domestic help, etc.	0.53	0.16
Hairdressing, manicure, etc.	0.98	0.29
Repairs to footwear, etc.	0.28	0.08
Laundry, cleaning and dyeing	0.23	0.07
Private tuition and other educational fees	0.51	0.15
Cash gifts and tips not allocated (tips element in black economy)	1.00	0.30
Miscellaneous expenditure on services (e.g. newspaper advertisements, public baths, etc.)	0.78	0.12
Total, these items	£14.30	£3.47
• as % of total household expenditure	10%	2.4%

Source: Family Expenditure Survey, 1983, Annex A

Table 2 Workers With More Than One Job 1984-1987

Numbers (thousands)	1984	1985	1986	1987
Men	379	397	408	391
Women	324	382	406	445
% of Employed Labour Force				
Men	2.8	2.9	3.0	2.9
Women	3.4	3.9	4.1	4.4

N.B. The total percentage figures for earlier years were as follows:

1975	1.6
1977	1.6
1979	1.5
1981	2.1
1983	2.4

Source: LFS, different years.

TABLE 3

Percentage of workers with more than one job by region

	<u>Males</u>	<u>Females</u>	<u>Total</u>
Greater London	2.6	3.4	3.0
Rest of South East	3.4	5.1	4.1
South West	3.8	5.0	4.3
East Anglia	3.4	4.2	3.7
East Midlands	2.7	4.6	3.6
West Midlands	2.8	3.7	3.2
Yorks & Humberside	3.2	4.1	3.6
North West	2.6	3.8	3.1
North	2.7	3.3	3.0
Wales	1.8	2.6	2.2
Scotland	2.1	2.6	2.3
Northern Ireland	4.1	3.1	3.7
Conurbations	2.4	3.3	2.8
Non-Conurbation Areas	3.2	4.2	3.6
United Kingdom	3.0	3.9	3.4

Source: LFS 1985

TABLE 4

Workers with Second Jobs by Industry of their First and Second Jobs

## MEN

	<u>Workers with Second Jobs</u>		<u>All Workers</u>
	Industry of Main Job	Industry of Second Job	Industry of Main Job
Agriculture	4.0	7.4	3.4
Mining and Energy	2.1	0.1	4.3
Metals, Mineral and Chemicals	3.1	0.4	4.3
Engineering	9.4	1.9	14.3
Other Manufacturing	9.9	4.5	10.8
Construction	8.0	2.6	11.7
Distribution, Hotels and Repairs	14.8	25.5	16.0
Transport	5.6	3.3	8.1
Finance and Business Services	9.4	8.8	8.2
Public and Other Services	33.7	44.4	18.5
	100.0	100.0	100.0

## WOMEN

Agriculture	2.3	2.7	1.3
Mining and Energy	0.7	0.0	0.9
Metals, Minerals and Chemicals	0.6	0.9	1.8
Engineering	2.8	0.7	4.9
Other Manufacturing	6.8	5.5	10.3
Construction	1.2	1.4	1.4
Distribution, Hotels and Repairs	22.1	36.3	25.3
Transport	1.2	1.9	2.9
Finance and Business Services	9.6	5.6	9.8
Public and Other Services	51.8	45.4	41.0
	100.0	100.0	100.0

Source: LFS 1985, Special Tabulation

Table 5A Double Job Holding by Employment Status

		Second Job Employee	Self Employed	% of Second Jobs Self Employed	% With Second Job
1981					
	Main Job Employee	320	96	23.1	2.0
	Self Employed	33	32	49.2	3.0
1983					
	Main Job Employee	350	111	24.0	2.2
	Self Employed	34	42	55.0	3.4
1985					
	Main Job Employee	455	180	28.0	3.1
	Self Employed	50	77	60.6	4.7
1987					
	Main Job Employee	498	177	26.0	4.2
	Self Employed	54	89	62.2	4.8

Source: Labour Force Surveys 1981-1987.

TABLE 5B

Patterns of Self Employment 1975-1985Percentage of all Workers

	<u>Self Employed With Employees</u>			<u>Self Employed Without Employees</u>			<u>All Self Employed</u>
	<u>Males</u>	<u>Females</u>	<u>Total</u>	<u>Males</u>	<u>Females</u>	<u>Total</u>	
1975	3.1	0.6	3.7	3.6	0.8	4.5	8.2
1977	3.0	0.7	3.7	3.9	1.0	4.9	8.6
1979	2.6	0.5	3.1	3.5	0.9	4.4	7.5
1981	3.0	0.7	3.7	4.6	1.3	5.8	9.5
1983	3.2	0.9	4.0	4.8	1.5	6.3	10.3
1984	3.3	0.9	4.2	5.4	1.8	7.2	11.4
1985	3.4	1.0	4.4	5.3	1.9	7.2	11.6
Change 1975-1985	+0.3	+0.4	+0.7	+1.7	+1.1	+2.8	+3.4

Source: LFS Various Years.

TABLE 6

Percentage of Workers who are Part Time (< 30 hours)  
By Employment Status 1985

	<u>Men</u>	<u>Women</u>
Self Employed With Employees	2.9%	26.0%
Self Employed Without Employees	8.4%	54.2%
All Workers (Employees and Self Employed)	4.0%	40.2%

Source: LFS 1985.

TABLE 7

Self Employed workers with and without employees by industry, 1975 and 1985Percentage of Industrial Employment

	1975				1985			
	With Employees	Without Employees	All	With Employees as % of Total Self Employed	With Employees	Without Employees	All	With Employees as % of Total Self Employed
Agriculture etc.	17.9	26.3	44.2	40	18.7	31.4	50.1	37
Mining and Energy	0.1	0.2	0.3	33	0.3	0.7	1.0	30
Chemicals, Metal Manufacturing etc.	0.6	0.3	0.9	65	0.8	2.6	3.4	24
Engineering	1.0	0.6	1.6	63	1.1	1.7	2.8	39
Other Manufacturing	1.7	1.5	3.2	52	2.1	3.9	6.0	35
Construction	6.6	14.0	20.6	32	7.4	23.4	30.8	24
Distribution, Hotels, etc.	8.5	7.5	16.0	53	8.9	8.5	17.4	51
Transport	1.8	4.0	5.8	31	2.0	5.8	7.8	26
Finance and Business Services	6.0	3.9	9.9	61	5.8	6.8	12.6	46
Public and Other Services	1.5	2.4	3.9	39	2.1	4.7	7.8	31
All	3.7	4.5	8.2	45	4.4	7.2	11.6	38

Source LFS 1975 and 1985

TABLE 8

Percentage of Claimants Working - 1983

	<u>Men</u>	<u>Women</u>	<u>Total</u>
Tyne and Wear	4.1	7.1	4.8
Rest of North	6.5	10.4	7.5
South Yorkshire	3.3	6.7	4.3
West Yorkshire	3.1	7.8	4.3
Rest of Yorkshire and Humberside	5.2	5.0	5.1
East Midlands	6.5	9.3	7.4
East Anglia	7.7	7.7	7.7
Greater London	5.1	5.2	5.1
Rest of South East	6.5	9.1	7.3
South West	4.1	8.4	5.5
West Midlands Conurbation	3.3	9.6	4.8
Rest of West Midlands	6.5	9.1	7.4
Greater Manchester	4.6	7.5	5.4
Merseyside	4.0	7.3	5.0
Rest of North West	3.5	8.2	4.9
Wales	2.9	7.5	4.1
Scotland	2.9	5.6	3.8
Northern Ireland	3.8	4.9	4.2
United Kingdom	4.6	7.5	5.4

Source: LFS 1983.

TABLE 9

Total Hours worked in the Previous Week by Unemployment  
and Supplementary Benefits Claimants by Sex, 1985

	All Claimants %	Men		Women	
		Working Claimants %	% of All Claimants	% of Working Claimants	
Not working	95.4	--	91.2	--	
1 - 9 hours	0.8	17.8	2.8	32.0	
10 - 19 hours	0.9	18.5	2.9	33.5	
20 - 29 hours	0.8	18.1	1.2	13.9	
1 - 29 hours	2.5	51.4	7.0	79.3	
30 - 39 hours	0.5	11.1	0.7	7.5	
40 + hours	0.4	9.8	0.2	1.9	
Hours not Stated	1.1	21.7	1.0	11.3	

Source: LFS 1985.

Table 10 Workers in Temporary Seasonal, Casual or Fixed Period Jobs

<u>Numbers (thousands)</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
Men	567	557	530	585
Women	744	771	802	807
<u>% of Employed Labour Force</u>				
Men	4.2	4.1	3.9	4.3
Women	7.8	7.9	8.1	8.0

Source: LFS Various Years.

TABLE 11

Temporary Workers by Establishment Size - 1985

## MEN

	<u>Establishment Size:</u>		
	<u>More than 25 Workers</u>	<u>25 or Less</u>	<u>Total</u>
Permanent	96.6	94.6	96.0
Seasonal, Casual	1.7	3.6	2.3
Contract for Fixed Period	1.7	1.8	1.7
All	100.0	100.0	100.0

## WOMEN

Permanent	93.7	91.0	92.6
Seasonal, Casual	4.6	7.7	5.9
Contract for Fixed Period	1.6	1.3	1.5
All	100.0	100.0	100.0

## TOTAL

Permanent	95.5	92.8	94.4
Seasonal, Casual	2.9	5.7	3.9
Contract for Fixed Period	1.6	1.5	1.6
All	100.0	100.0	100.0

Source: LFS 1985

Table 12 Percentage of workers in each industry who are casual and contract workers, by sex, 1986

Per cent

Industry (SIC 1980)	Casual workers			Fixed term contract workers		
	All	Males	Females	All	Males	Females
All industries	4.0	2.3	6.4	1.6	1.6	1.6
0 Agriculture, forestry and fishing	5.1	2.6	14.5	0.7	0.8	0.5
1 Energy and water supply	1.3	0.5	6.9	1.4	1.4	1.8
2 Extraction of minerals, etc/metal manufacturing	1.8	0.8	5.3	0.6	0.6	0.5
3 Metal goods, engineering, etc	1.8	1.1	4.4	1.3	1.4	0.9
4 Other manufacturing industries	3.3	1.7	5.9	0.5	0.5	0.5
5 Construction	2.3	2.1	4.2	3.4	3.6	1.0
6 Distribution, hotels and repairs	6.7	4.9	8.3	0.4	0.3	0.4
7 Transport and communications	1.7	1.5	2.7	0.7	0.7	0.5
8 Banking, finance, etc	3.2	1.7	4.9	1.2	1.6	0.9
9 Other services	4.9	2.8	6.1	3.0	2.9	3.1
Workplace outside UK	9.1	5.9	29.1	22.3	17.9	49.5

Source: EMPLOYMENT GAZETTE: April 1988

Per cent

Occupation	Permanent workers			Casual workers			Fixed term contract workers		
	All	Males	Females	All	Males	Females	All	Males	Females
I Professional and related— managerial and administration	7.2	9.5	4.0	1.5	2.4	1.0	6.4	7.6	4.8
II Professional and related— education, etc	8.8	5.3	13.9	11.0	4.8	14.1	27.5	13.2	46.4
III Literary, artistic and sports	1.1	1.2	0.9	2.2	3.3	1.7	6.8	6.4	7.2
IV Professional and related— science, etc	4.6	7.2	0.7	1.1	2.8	0.2	9.4	14.5	2.6
V Managerial	9.8	12.6	5.8	1.8	1.7	1.9	1.6	2.3	0.7
VI Clerical and related	16.3	6.0	31.0	16.8	8.5	20.9	7.8	2.5	14.7
VII Selling	6.8	4.7	9.8	14.7	14.8	14.6	2.1	1.2	3.3
VIII Security, etc	1.9	3.0	0.4	0.6	1.6	0.2	1.4	2.2	0.3
IX Catering, cleaning, etc	11.5	3.9	22.4	25.9	14.6	31.4	8.5	2.7	16.1
X Farming, fishing and related	1.5	2.2	0.5	3.6	6.4	2.2	2.1	3.4	0.4
XI Processing, etc (excluding metals and electrical)	6.7	8.0	4.9	4.4	5.3	4.0	3.4	4.9	1.4
XII Processing, etc (metals and electrical)	9.9	16.1	0.9	2.8	7.5	0.6	8.6	14.6	0.6
XIII Printing, assembling, etc	3.9	3.9	4.0	5.5	4.1	6.3	3.4	4.9	1.4
XIV Construction, mining, etc nes	3.1	5.3	0.0	2.0	5.9	0.0	7.7	13.5	0.0
XV Transport operating, etc	5.7	9.3	0.5	3.7	10.5	0.4	2.0	3.5	0.0
XVI Miscellaneous	1.2	1.8	0.2	2.4	6.0	0.7	1.5	2.4	0.2

55

Source: See table 1.

Source: EMPLOYMENT GAZETTE: April 1988

TABLE 13

Table 14 Rights at work linked to service

	Working hours per week			
	less than 8 hours	8 but less than 16 hours	16 or more hours	
Written statement	●	••		13 weeks
Redundancy payment	●	••		*
Unfair dismissal (except as below)	●	••		••
Dismissal/action short of dismissal for TU membership/activities	+	+		+
Sex/race discrimination	+	+		+
Guarantee pay	●	••		1 month
Medical suspension pay	●	••		1 month
Maternity pay	●	••		*
Right to return to work after maternity leave	●	••		*
Itemised pay statement	●	••		+
Time off for TU duties	●	••		+
Time off for TU activities	●	••		+
Time off for public duty	●	••		+
Time off for redundant workers to seek work	●	••		*
Time off for safety reps	*	*		••
Time off for antenatal appt.	+	+		+
Written statement of reasons for dismissal	●	••		6 months
Exclusion or expulsion from TU in closed shop	+	+		+

● no right   •• 5 years   + no qualifying period   \* 2 years

Source: *Labour Research Department*  
1986

**Table 15 Occupational Distribution of (1) Temporary and Permanent Workers a Full and Part-Time Working** **2) Temporary Workers by**

Column percentages KOS Groups	(1) Temporary and Permanent			(2) Temporary Workers			
	Temp. Casual	Temp. Contract	Permanent	Full-time Casual	Full-time Contract	Part-time Contract	
Prof. and supporting	1	5	5	2		5	
Health, ed. & welfare	10	21	9	11		41	
Literary, art	1	3	1	1		4	
Science, tech. & eng.	1	8	5	2		4	
Managerial	2	2	10	2		1	
Clerical and related	17	10	16	21		11	
Selling	15	4	6	5		3	
Security, protection	1	2	2	1		1	
Personal service	25	8	12	11		13	
Farm & fishing	5	5	2	4		4	
Materials processing	5	5	7	7		1	
Metal & electric	4	11	11	10		1	
Painting & assembling	4	3	4	5		1	
Construction	4	10	4	9		4	
Transport, storage	4	2	6	6		2	
Miscellaneous	3	3	2	5		4	
Total	100 (2838)	100 (1494)	100 (63228)	100 (867)	(1)	100 (1966)	100 (370)

Source: LFS 1984, Dale and Bamford, 1988, Table 3.

Table 16 Temporary jobs—time series\*  
Employees and self-employed

Great Britain, spring each year

Whether job permanent or temporary, and reason for taking temporary job	Men				Women			
	1984	1985	1986	1987†	1984	1985	1986	1987†
All employees and self-employed**	13,515	13,602	13,538	13,644	9,557	9,742	9,895	10,123
of which:								Thousands
Permanent job	12,949	13,045	13,008	13,059	8,814	8,971	9,093	9,316
Temporary, seasonal, casual or fixed period/contract job	567	557	530	585	744	771	802	807
= 100 per cent, of which:								Per cent††
<i>Reason for taking temporary, etc job</i>								
Had a contract which included a period of training	6.4	5.5	4.8	5.7	3.3	2.7	3.0	2.8
Could not find a permanent job	38.7	37.9	36.6	37.6	26.1	22.6	23.1	20.7
Did not want a permanent job	19.9	18.3	19.1	18.0	42.7	39.4	37.7	41.5
Other reasons	34.9	38.3	39.4	38.7	27.9	35.2	36.2	35.0

\* Time series estimates, adjusted for cases where permanent/temporary, etc. status was not known.

† Preliminary estimates (1987 only)

\*\* Includes those (other than on government employment and training schemes) who were working but did not state whether they were employees or self-employed.

†† Percentages are based on those who gave a reply.

Source: LFS time series estimates  
Employment Gazette  
March 1988 Table

Table 17 Children's Jobs, London, Luton and Bedfordshire

Job	Boys	Girls	Total	%
Delivering newspapers	172	52	224	33.0
Milk round or other deliveries	45	7	47	6.9
Shopwork;				
Newsagents or tobacconists	15	15	30	4.4
Grocery, bakery or other foods	27	14	41	6.0
Clothing or department store	7	3	10	1.5
Shoe shop	7	5	12	1.8
Other type of shop or store	11	10	21	3.1
Hairdressers	4	6	10	1.5
Launderette or drycleaners	1	4	5	7.4
Cleaning offices, hotels etc.	25	28	53	12.8
Furniture making or removals	10	1	11	1.6
Building construction, decoration or repair	40	5	45	6.6
Garage or petrol station	30	4	34	5.0
Sewing or making things to sell	4	14	18	2.6
Typing, filing or bookkeeping	1	11	12	1.8
Pub or off-licence	26	14	40	5.9
Hotel, restaurant, cafe, etc.	11	9	20	2.9
Street market or fair ground	31	11	42	6.2
Modelling, acting or dancing	7	6	13	1.9
Stable, kennel or riding school	7	36	43	6.3
Other work with animals	16	21	37	5.5
Farming	60	32	92	13.6
Miscellaneous	33	45	78	11.5
Total working	436	242	678	100.0

Source: MacLennan, E. et. al 1985.



Programme of Research on the Black Economy in Europe

F I N A L   R E P O R T

\* \* \*

THE BLACK ECONOMY IN IRELAND

By:

R.E. PAHL  
University of Kent at Canterbury  
(with the assistance of John Blackwell)  
University College Dublin.

For:

La Commission des Communautés  
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## Qualitative Studies

In general, whilst there have been a number of studies in rural Ireland there has been a considerable neglect of urban studies and many of the locality studies which could provide valuable insights are unfinished or unpublished. In a review of anthropological studies in Ireland it was noted "Only about a third of the thirty-odd dissertation research projects undertaken on Ireland have been completed and accepted; and only eight of the total number have appeared in any published form. Indeed fewer than half of the approximately fifty anthropologists who have done work in Ireland is available in print" (Kane et al in O'Dowd, 1988:98). There have been some interesting studies done in Northern Ireland (Jenkins and Harding, 1988) but there is a real lack of case study material in Ireland. This is not surprising given that "Only two anthropologists are employed as full-time academic anthropologists in the republic" (O'Dowd:104).

## Quantitative Studies

The single substantial attempt to provide some objective measurement of Ireland's black economy was put forward by Boyle in 1984. He argued that the "only feasible means" of gauging the extent of the black economy in Ireland is by using the monetary method. Whilst the average size of bank notes in circulation increased just over two-fold between 1960 and 1983, the price level increased almost nine-fold, so there would not seem to be much of a case on which to argue for an increasing black economy. Boyle is equally sceptical about using the currency/current account ratio to quantify the size and growth of the black economy. He rightly doubts the rationale for choosing a particular year as the base year when the black economy is purported to have barely existed. Secondly, it is questionable to follow a methodology which asserts, rather

than proves, that the black economy is the cause of the discrepancy between actual and forecasted currency holdings that appeared in Ireland in the late 1970s and early 1980s. Alternative explanations might include the fact that this period coincided with Ireland's entry to the EMS, which meant that sterling balances with the public had to be replaced by Irish pounds. As Boyle notes "This factor alone could explain the abrupt increase in currency holdings in 1979 and 1980". (ibid 38). Thus the average estimates of the black economy as 6 per cent of GDP between 1975-1983 might be nearly right or wildly wrong.

Boyle is more honest than many of his opposite numbers in the USA and the UK. He notes that "Unfortunately, the methodologies in use cannot provide conclusive answers, nor can they provide results with margins of error useful for decision making" (ibid 42). A similar conclusion has recently been reached by Thomas dealing with similar studies (Thomas 1988). Too often people extrapolate anecdotal evidence on black economy activity and then relate this to superficially rigorous quantitative measures.

### Introduction to the Irish Economy

One of the most striking aspects of the Irish labour force is the continuing secular decline in the numbers employed in agriculture. Through the 1960s the average annual decline in agriculture was over 10,000 slowing to about 6000 p.a. in the 1970s and in the first half of the 1980s. However, the average annual percentage decline was greater in 1981-86 than in 1971-81 (Table 1). It may be noted, though, that with the increasing incidence of part-time farming, the trend rate of decline in labour inputs in agriculture has been less than the trend rate of decline in the number of persons who are principally engaged in agriculture. O'Neill (1985) shows that between 1975 and 1980, a period

when the proportion of part-time farms increased from 26.4 per cent to 30.3 per cent, the number of annual work units (a measure of labour input) in agriculture fell by 1 per cent a year, on average. By contrast, in the same period the number of persons engaged in agriculture fell by 2.6 per cent a year.

In the 1970s in Ireland, a relatively fast increase in the labour force by EC standards (with an average annual increase of 1.2 per cent a year between 1971 and 1981) combined with a moderate rate of growth in employment, meant that the unemployment rate (unemployment as a proportion of the labour force) increased from 6.7 per cent (mid-April 1971) to 10.5 per cent (mid-April 1981). There has been quite a different trend in public sector employment in the 1980s than in the 1970s, associated with fiscal deflation. Between 1977 and 1982, total public sector employment had increased by 12.1 per cent. By contrast, in the period 1982-87, employment fell by 4.2 per cent (OECD, 1987, Table A1).

By 1987, the unemployment rate had reached 17.6 per cent. At the same time, the incidence of long-term unemployment increased markedly. In April 1980, 35 per cent of the registered unemployed had been on the register for a year or more. By October 1987, 46 per cent were on the register for a year or more. Tables 2A, 2B show the trends in unemployment over time. The state of the labour market in Ireland cannot be inferred from trends in unemployment alone. Between 1981 and 1986, net emigration amounted to 2.1 per cent of the population, and most of the emigration was concentrated in those of young working ages (15-24).

In the 1960s the rate of decline in numbers engaged in agriculture was more than offset by increases in manufacturing, building and services. In the 1970s there was a very large increase in services which went up by an annual average of nearly 14,000 over the decade. Within services, the

most rapid rise of employment in a major sub-sector was in the health services where the numbers at work increased by 18,200 or 64 per cent during the decade.

Ireland now has a rate of unemployment amongst the highest in the EC with a rate of 19.2 per cent in 1987 exceeded only by Spain. (Eurostat, 1988) While the participation rate of women in the labour force has increased (from 28.2 per cent in 1971 to 31.9 per cent in 1987), Ireland has a relatively low participation rate - 60 per cent - compared with 74.3 per cent for the UK and 69.4 for all OECD countries as a whole (OECD 1986, Table F). The rate of increase in the labour force in the 1981-87 period slowed down to 0.5 per cent a year.

### Rural Ireland

In common mythology Ireland has always been understood to be a society where, because informal economic activity has been common, particularly in the rural areas, therefore, it was assumed, the black economy must be flourishing. Furthermore, given the remoteness and caution of much of the Irish rural population, any attempt to measure the black economy would, it may be thought, be singularly fruitless, particularly in the light of the approximate standards of estimation used by economists. In default of hard evidence a large black economy may be assumed without question. Such a view would be based on a very serious fallacy. Whilst it is true that until recently those employed in agriculture have been a very high proportion of the employed labour force - 36 per cent in 1961 which had nevertheless dropped to 17 per cent by 1981 - the fact is that before the 1975 Finance Act, Irish farmers were exempt from tax. Surplus labour was either underemployed in agriculture or was forced off the land and, indeed, out of Ireland - typically to Britain - and much of the west of Ireland was primarily subsistence farming. As recently as 1963 the West Cork Resource Survey estimated

that over West Cork as a whole only £19 was earned for every £100 of gross output, indicating that the range of annual net earnings from these farms was from £5 to £45 a year. A study published in 1973 concluded

"Much of the farming in the west is still not based on market or even the earning of money. But the households depend more on money than ever in the past. It is of course remittances from abroad and supplementary income from relief and local employment which remove this apparent paradox." (Brody, 1973:139)

Successive Governments were more concerned that the rural population should survive rather than be taxed and understandably, the cultural expectation of most of those living in the west of Ireland is that if they can earn a little extra from fishing, tourism or whatever, this is simply some compensation for enduring a hard and not very rewarding life of toil. One reflection of this has been the existence of "farmer's dole": that is the provision whereby small farmers living in specified areas, mainly in the west, north west and north east of the country, and whose land valuations do not exceed a certain amount, can, for the purpose of the means test for Unemployment Assistance, have the income from their holdings assessed in a notional manner. On average in 1985 there were 17,500 smallholders applying for Unemployment Assistance. In effect this has meant that these farmers would work and draw Unemployment Assistance. While some (non-agricultural) workers frowned on this practice, this was in effect a minimum income scheme for people who had a very low standard of living, and was unexceptionable in that regard.

Even though Irish farmers are now liable for tax, in practice it hardly exists and this is now giving rise to increasing resentment (see below). Income tax is based on farmers making their own declarations and only the obsessively honest or obviously wealthy farmers would even consider submitting a return. The people of rural areas in Ireland are simply practising traditional survival strategies and they would not consider they were doing anything illegal. This applies as much to

various other kinds of small-scale self-employment and there would be considerable resentment by the practitioners if earnings from these extra jobs were taken into account when assessing social benefits. There are, however, now signs of an anti-scrounger mentality developing in rural areas, where there may be greater opportunities for getting more substantial extra earnings.

Even if there is some undeclaring of income by the agricultural and non-agricultural self-employed in rural areas, the total tax loss would still be miniscule: it would be ludicrous to attempt to put any firm measure on this tiny aspect of a putative black economy.

There are, however, structural changes that are leading to a greater potential for irregular work. Small family businesses or the self-employed worker with a small number of employees are much better placed to engage in more serious tax evasion. Until recently large cooperatives in the rural areas did much of the on-farm servicing. They owned the milking plant, provided various support services, collected the milk and so on. Now, increasingly these services are being privatised and the contractors are able to lay people off at slack time. Those doing temporary or casual jobs may be taking second jobs or they may be working whilst receiving benefits. While it is difficult to put numbers on the growth of contractual forms of employment, in Ireland as in other EC countries there does seem to have been a shift from "employee" forms of work to contract employment. The shift towards a more service economy is opening up more opportunities for tax evasion.

#### The Core of the Black Economy in Ireland

The distinction between those on PAYE and those who are self-employed is extremely significant for urban workers. The total Irish labour force is 1.3 million of which 1.1 million are employed and of these about two thirds are PAYE workers. If one includes the agricultural sector Ireland

has the third largest proportion of self-employed in Europe. From 1979 to 1986 the effects of higher direct taxes, that is income taxes and employee social insurance contributions, has led to a situation where real after-tax earnings (for a worker on average industrial earnings) have actually fallen by 10 per cent. Marginal tax rates in Ireland are particularly high - 65.75 per cent for a single worker earning the average wage. Even if a man is married with two children and his wife has typically a lower paid job, he would still pay tax at 55.75 per cent.

"A recent OECD study that compared the situations prevailing in different OECD countries found that no other OECD country had a tax system as biased against the use of labour as the Irish." (OECD 1987:48)

There is now considerable resentment in Ireland amongst those employees who are obliged to pay their full rate of tax through PAYE and those who are self-employed and are able to arrange their tax payments in a more favourable manner.

There are a number of bases for these perceptions:

- a) The self-employed pay their tax on a lagged basis, although the extent of this advantage was eroded in the Budget of 1980. Up to that point, Schedule D tax on the self-employed was payable in two instalments on 1 September and 1 January in the year of assessment. With the exception of full-time farmers, from 1980 all income tax other than PAYE would now be payable in one instalment in the year of assessment.
- b) There is a more generous treatment of expenses against taxable income in the case of self-employed people than in the case of those on PAYE.
- c) Self-employed people are seen as having an opportunity to conceal taxable income from the Revenue Commissioners, which is not available to those on PAYE.

It should be noted, though that much of the advantage which self-employed people have over PAYE taxpayers will disappear in 1988-89. With the shift towards self-assessment, the opportunities which the self-employed had to protract the period over which estimates of tax liability were made and possibly appeals made, have vanished. Now the main responsibility for ensuring that tax is paid has shifted to the self-employed, there is no appeal against preliminary tax, and payment must accompany the return of the notice of preliminary tax. There are also severe penalties for failure to file a tax return by end-December. Moreover, the decline in the rate of inflation has greatly reduced the advantage which the self-employed had of paying tax on a previous year basis.

Table 3 shows the industrial distribution of the self employed. Two-fifths (40.4 per cent in 1984) of all non-agricultural self-employed workers in Ireland are in wholesale and retail trades, restaurants and hotels. These are typically 'fiddle-prone' industries (Mars 1982). However, overall, just over 7 per cent of all employment is self-employment in non-agricultural industries. The most rapid area of growth between 1979 and 1987 was in the sphere of professional services. (Table 4)

Ireland is very heavily dominated by the Dublin sub-region, which has 29 per cent of the country's population. It is there and in the other large towns that most of the black economy takes place. It is extremely hard to judge what the effect on tax loss has been from the growth in self-employment in the non-agricultural sector in recent years. In the judicious words of one authority. -"One cannot conclude that this was due solely to the increasing burden of personal income tax making self-employment, which has greater scope for evading or avoiding tax more attractive, but it is likely that it was a contributory factor" (Conniffe and Kennedy 1984:246). In every budget speech in recent years mention

has been made of the tax advantages that the self-employed have over taxpayers in the PAYE sector. In 1980 a special allowance of £400 was granted to PAYE taxpayers "for the generally more favourable basis of assessment applied to other taxpayers" (Budget Speech 1980). The current value of the PAYE allowance (1988/89) is £800. In 1982 a special Pay-related Social Insurance tax allowance was introduced to improve the take-home pay of those who pay the higher rates of contribution. While the allowance was intended to apply for 1982/83 only, it has remained in force, at a slightly reduced amount in nominal terms: £286 in 1988/89. It should be noted that the relative position of the self-employed by comparison with those on PAYE will change from 1988/89 as from that time the self-employed will be liable for social insurance contributions.

It will be seen from Table 5 that the PAYE tax payers are providing an increasing proportion of all taxation and the farmers are providing a declining proportion. This is giving rise to considerable social resentment so that whether or not farmers are being honest they still seem to be doing unreasonably well.

In 1987 the PAYE taxpayers provided 80 per cent of the total income taxation paid in the previous year and farmers paid only 1.3 per cent. Even if all the farmers were underdeclaring by 50 per cent the extra tax gained would still be tiny. Similarly, if the other self-employed also underdeclared by an arbitrary 30 per cent the total tax lost would be in the order of 0.6 per cent of GNP. Unless there are hidden ways of avoiding taxation in Ireland that are unique in Europe it must be the case that the black economy in Ireland, contrary to popular impression, is insignificantly tiny.

### Unemployment and the Black Economy

Labour Force Survey data (Table 6) shows that the proportion of benefit claimants who also report that they are "at work" has dramatically declined during the last decade. Evidently these figures should not be seen as any indication of the magnitude of working claimants since they reflect the speed of flow into and out of unemployment as much as anything. However, the extent of the decline is probably some indication of a decline in benefit fraud.

There has been considerable discussion amongst economists in Ireland whether the relatively high levels of unemployment are related to the disincentive effects of high levels of taxation. The general conclusion is that this is not the case "The great majority of unemployed persons suffer a severe reduction in disposable income vis a vis earnings from their previous employment...the income-replacement ratios for persons on UA (who account for almost one-half of those on the Live Register) is of the order of 50 per cent. There can be little doubt, therefore, that the majority of the unemployed suffer a substantial reduction in their living standards." (Conniffe and Kennedy 1984:21)

A survey by Blackwell (1986) while showing that the replacement ratio (the proportion of after-tax income which is replaced by unemployment compensation) did rise in the 1970s for someone on average industrial earnings, it tended to fall from the early 1980s. Moreover, not all the unemployed were in receipt of benefit and not all those in receipt of benefit were on anything like the highest rates. Of all males who were unemployed in mid-1984, 23 per cent were receiving neither Unemployment Benefit nor Unemployment Assistance. (Admittedly, some of this was due to the lags which can occur between being unemployed and receiving a first payment). And the majority of benefit recipients were not on the highest replacement ratios. For instance, 60 per cent of the recipients of Unemployment Benefit at mid-1984 were single; and only 8.4 per cent of

recipients of Unemployment Benefit had 4 or more children, the family size category where replacement ratios tend to increase markedly. The conclusion was that much of the marked rise in unemployment since 1979 could not be due to increases in unemployment benefits relative to net earnings - especially when it is borne in mind that long-term unemployment increased as a proportion of the total. The "disincentive effects" are most unlikely to be present with the long-term unemployed.

However, the Government has inevitably been concerned at the possibility of social welfare fraud on the part of those claiming benefits but illegally working at the same time. The Department of Social Welfare appointed a firm of Management Consultants to assist them in finding the most cost-effective way of reducing fraud. Somewhat surprisingly, perhaps, the consultants did not discover a substantial amount of welfare fraud.

"A limited sample of payments was carried out, which estimated that 2 per cent of unemployment payments and 1 per cent of the disability payments in the Dublin area are based on claims which contain some clear element of fraud. The value of such over payments could be in the region of £3-6m in a full year.

Additionally the review showed that 7 per cent of the sample gave rise to suspicion on the ground that the facts of the case did not check out at the initial interview. Later investigation of these cases showed that two thirds were found to be actually bona fide, a minimal number were clearly fraudulent and no definite conclusions could be drawn about the remainder."

(Government Press Release 1.6.88)

These conclusions are quoted at length, since they do much to counter speculation and myths about the activities of the unemployed in Ireland. There is some fraud to be sure, but at such a low level that it cannot be said to make any substantial contribution to the black economy.

It should perhaps be noted that Ireland has one of the highest rates in the EC of inflow into self-employment from unemployment: in 1983 23 per cent of the Irish self-employed had previously been unemployed, with comparable proportions of 8.9 per cent for France, 9.3 per cent for Germany and 6.2 per cent for Greece in that year.

#### Flexible Work Patterns: Part-time, Seasonal and Casual Employment

Ireland has a relatively low proportion of regular jobs that are part time compared with most other EC countries having only 5.3 per cent in 1986 compared with well over a fifth of all jobs in the case of the UK. This low proportion may be partly related to the still very low level of labour force participation by married women, who account for only 12 per cent of the labour force. Nevertheless, female regular part-time workers are increasing faster than male workers of the same category. Table 7 shows that in 1986 the total number of married women in part-time jobs was almost double the total of all men in regular part-time jobs.

The proportion of the labour force described as "temporary employees" rose from 6 per cent in 1973 to 8.5 per cent in 1986 mainly in the service sector and most of such workers claimed that they were really seeking permanent jobs. Table 8 shows that three quarters of all female temporary jobs are in either distribution and catering or services in the public sector.

There has been considerable resistance in Ireland towards the greater flexibility in work patterns that has developed in some EC countries. During the 1970s extensive legislation was enacted to protect employees' rights and conditions of employment. This legislation established rights for most employees in many aspects of their employment: for instance, as regards equal pay, equality of opportunity and treatment in employment, protection against arbitrary dismissal, consultation procedures with trade unions and staff associations in cases where a company proposes to lay off

workers. In many respects, this legislation involved bringing Ireland up to par with other EC countries or (as in the case of the Protection of Employment Act) putting into effect an EC Directive or EC principles. The Unfair Dismissals Act has been criticised by some employers who claim that it makes labour expenses a virtually fixed cost. A survey of employers' perceptions of employment legislation and its effects on employment (Department of Labour, 1986) concludes: "the overall pattern of the survey responses seems to us to suggest that the extent to which employment levels are being dampened by the existing legislation is somewhat limited. Practically no firm sees the legislation as one of the main problems facing them and only a small minority cite it as having caused them a problem in the past year" (p.36). It is the case, though, that relative to other pieces of labour legislation, the Unfair Dismissals Act is seen by employers as easily the most onerous piece of employment legislation.

Furthermore, Ireland has had a form of corporatism since the the 1960s that has lingered longer than in other EC countries. In the 1970s, employer organisations, trade unions and the government all participated in a series of National Wage Agreements between 1970 and 1978 producing a fairly formal incomes policy based on full-time workers. While some earlier agreements embodied a flat-rate element in pay increases, designed to improve the relative position of those on low pay, it seems as if traditional relativities asserted themselves and that there was little or no shift in the wage structure towards the low paid. The high point of corporatism occurred at the turn of the decade. The first National Understanding for Economic and Social Development of April 1979 (between Government, employment and industry organisations and the Irish Congress of Trade Unions) embraced policies on employment, pay, taxation, education, health and social welfare. The second National Understanding,

using the same framework, dated from September 1980. Following the demise of centralised pay bargaining, there was a move to plant level bargaining in the 1980s.

In October 1987 the Government issued a Programme for National Recovery covering the period to end-1990. The Government, the Irish Congress of Trade Unions, the Federated Union of Employers, the Confederation of Irish Industry, the Construction Industry Federation and farmer organisations, all participated in the discussions which led to the Programme and agreed on the programme. In turn, the programme was heavily influenced by a report of the National Economic and Social Council (National Economic and Social Council, 1986). That Council, which provides a forum for discussion and advises the Government, includes persons nominated by agricultural organisations, the Confederation of Irish Industry and the Irish Congress of Trade Unions.

Turning now to second jobs it is again striking that men are much more likely to have second jobs than women and these are concentrated in agriculture and services (Table 9). Women's pattern of second job holding follows very closely their pattern of part-time employment, with the same dominance in public sector services. However, it should be noted that there are, in all, only 17,400 second job holders out of a workforce of 1,075,200.

Thus, although there is some growth of what may be seen to be more flexible working patterns (Blackwell 1986, OECD 1987) these tendencies are much less marked in Ireland than in other EC countries.

### Concluding Discussion

There seems little doubt that the main core of the Irish black economy must lie with the self-employed and those PAYE workers who have an undeclared second job. In the absence of detailed sociological and anthropological studies - such as do exist for north of the border - the

size of the black economy in Ireland must be a matter of pure speculation. The move towards more self-employment outside agriculture, particularly in the service sector is probably the main element in any putative increase. Marginal tax rates are disproportionately high in Ireland and, on the face of it, so are the incentives for tax evasion. It is possible that cash-in-hand work is fairly widespread and is largely condoned but that the total amount is not of sufficient magnitude to cause any real concern. However, given the sources of information available in other EC countries such as Denmark or the Netherlands, it does seem to be an urgent research priority to explore this issue in more detail in Ireland. Two or three detailed case studies are required at least one of which should be in Dublin and one should be of a particular occupation where the opportunities for moonlighting may be expected to be high - either because of a distinctive work pattern, allowing extra time for moonlighting, or because of the difficulty of maintaining surveillance, as in tourism and the catering industry.

The resentment regularly expressed by PAYE taxpayers at the perceived advantages of the self-employed and farmers clearly has some foundation as the previous discussion shows. However, it is very unlikely that many people in Ireland are getting very rich in the black economy. The most likely conclusion is that a fairly widespread but relatively minor level of fiddling ensures that the high marginal tax rates are more tolerable.

One impact of the high marginal tax rates has been to contribute to the pressures which have led to net emigration. Whilst no detailed analysis of Irish emigration was undertaken for this paper, there does seem to be widespread concern about the outflow of people with higher qualifications such as accountants. In the 1950s and 1960s, Irish emigrants tended to be young unskilled workers. Now they are older and more highly qualified than before. There are, of course, a number of elements at work behind emigration: "pull" factors in the form of job

availability in South East England, "push" factors in the rise in unemployment rates in Ireland, tax rates, among others. But it may be that higher marginal tax rates have encouraged migration at all levels of society which in other countries might have produced a much more substantial black economy. If emigration is Ireland's safety valve the local black economy may be Ireland's myth.

Curiously, the traditional acceptance in rural areas of getting a bit extra and keeping quiet about it - for long an essential survival strategy - has produced a cultural pattern that has now moved to the towns and cities, where the opportunities are not universally available. Much of the resentment about irregular work in Ireland is thus based on the frustration of not being able to do more, rather than there being in fact a substantial black economy. The Irish are probably suffering from relative deprivation. Informal work is culturally acceptable but practically elusive. It is perfectly plausible that the size of the black economy in Ireland is amongst the lowest in the E.C.

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Table 1: Changes in Sectoral Employment, 1961/1971, 1971/1981, 1981/1987.

Sector	<u>Change 1961/1971</u>		<u>Change 1971/1981</u>		<u>Change 1981/1987</u>	
	'000	%	'000	%	'000	%
Agriculture	-102.0	-28.3	-57.1	-22.1	-32.0	-16.3
Manufacturing	+41.1	+21.2	+27.6	+11.7	-29.0	-12.2
Building, etc.	+24.4	+42.1	+14.6	+17.7	-30.0	-29.7
Services	+49.1	+12.1	+135.7	+30.0	+29.0	+4.9
Public Sector	+32.7	+27.8	+84.7	+56.3	-13.0	-4.2
Other Services	+16.4	+5.7	+51.0	+16.8	+42.0	+15.3
<b>Total</b>	+12.5	+1.2	+120.8	+11.7	-66.0	-5.8

**Note:** The breakdown between public and private sector services for 1981/1987 comes from OECD (1987) and is on a different basis from that in Conniffe and Kennedy (1984). It is assumed that the employment in public services in 1981 equals that in 1982 in OECD (1987).

**Source:** Conniffe and Kennedy (1984), Table 1.6; Labour Force Surveys 1985, 1987; OECD (1987).

Table 2A: The Trends of Unemployment by Sector, 1971/79

Sector	Unemployment rate		Annual average % change 1971/79
	1971 <sup>1</sup>	1979	
Agriculture, etc.,	3.1	2.8	-1.3
Industry	4.5	7.3	+6.2
Food, Drinks, etc.,	5.7	7.4	+3.3
Textiles, Clothing, etc.,	4.0	10.6	+13.0
Metals, etc.,	4.3	7.5	+7.2
Other	4.1	5.4	+3.5
Building	12.1	15.5	+3.1
Services	4.0	4.4	+1.2
<i>Total</i>	4.6	6.1	+3.6

Source: Conniffe and Kennedy (1984), Table 1.7

**Table 2B: The Trends of Unemployment by Sector, 1978/87  
Outside Agriculture, Forestry and Fishing by Sector, 1979/87**

Sector	Unemployment Rate %		Average Annual % Change in Numbers Unemployed
	1979	1987	
Manufacturing industry (a)	6.6	13.0	7.6
Building and Construction	14.7	25.0	3.9
Services	4.7	7.1	7.0
Total	6.5	16.9	14.3

**Note:** Data exclude first job seekers. In 1987, unemployed persons who had not worked in the preceding three years were not asked about the industry in which they had not worked. They are included in the "total" calculations and are all assigned outside agriculture, forestry and fishing.

(a) Includes a small number in mining, quarrying and turf production.

**Sources:** Labour Force Surveys, 1979 and 1987.

TABLE 3

**IRELAND: Distribution of Non Agricultural Self-employment by Industry, 1987.**

Manufacturing, etc. (a)	13.4
Building and Construction	16.3
Communication and Storage	8.3
Commerce, Insurance, Finance and Business Services	39.7
Professional Services	11.9
Public Administration and Defence	0.1
Others	10.3
	<hr/>
All non-agricultural Industries	100.0
	<hr/>

**Note:** (a) This includes a small amount of mining, quarrying and turf production.

**Source:** Labour Force Survey 1987.

TABLE 4

Ireland: Non-Agricultural Self-Employment, 1979-1987

<u>Industry</u>	<u>Proportion of self-employment to employment within Industry 1987</u>	<u>Growth of self-employment by industry Average Annual Growth 1979-87</u>
	%	%
All non-agricultural Industries	7.3	0.7
Manufacturing, etc. (a)	3.9	2.3
Building and Construction	15.4	-1.3
Transport, Communication and Storage	8.5	2.2
Commerce, Insurance, Finance and Business Services	12.5	0.4
Professorial Services	4.2	3.2
Public Administration and Defence	0.1	(b)
Others	8.4	-0.5

**Note:** (a) As in note to Table 3.

(b) Numbers too small in 1979 to be shown.

**Source:** Labour Force Surveys 1979, 1987.

TABLE 5

Average tax paid per person per annum in the following categories:

	<u>1979</u> IR£	Relativities PAYE = 100	<u>1983</u> IR£	Relativities PAYE = 100	<u>1986</u> IR£	Relativities PAYE = 100
PAYE	915	100	1911	100	2768	100
Farmers	488	53	705	37	629	23
Other self-employed	636	70	1510	79	2005	72

Sources: PQ No.48, 15 October 1987; PQ No.45, 7 April 1987.

TABLE 6

<u>Year</u>	<u>Proportion of</u> <u>Applicants for UA or UB</u> "At work"
1975	39.3
1977	35.7
1979	30.0
1983	21.8
1984	14.3
1985	12.2
1986	10.6

Source: LFS and Walsh 1987

TABLE 7 : REGULAR PART TIME JOBS BY SEX, USUAL HOURS AND MARITAL STATUS, 1986.

	MALE					FEMALE					Total				
	Single	Married	Separated	Widowed	Total	Single	Married	Separated	Widowed	Total	Single	Married	Separated	Widowed	Total
	000														
Usual hours worked															
1-9	0.4	0.3	-	0.0	0.7	0.8	3.1	0.1	0.3	4.3	1.2	3.4	0.1	0.4	5.1
10-19	1.9	.9	0.0	.1	2.9	2.6	10.1	.4	.9	14.0	4.4	11.0	.4	1.0	16.8
20-29	3.4	2.3	.1	.1	6.0	3.0	11.8	.3	1.0	16.1	6.5	14.1	.4	1.1	22.2
30-34	.6	.5	.0	-	1.2	.5	1.9	.1	.2	2.7	1.2	2.4	.1	.2	3.9
35-39	.3	.3	-	.0	.7	.3	1.0	-	.1	1.4	.7	1.3	-	.1	2.0
40-44	.2	.1	-	-	.3	.0	-	-	-	.0	.2	.1	-	-	.3
45 or over	.1	.0	-	-	.1	-	-	-	-	-	.1	.0	-	-	.1
Not stated	1.8	1.9	.1	.1	3.9	.9	2.3	.0	.1	3.3	2.7	4.2	.1	.2	7.3
TOTAL	8.8	6.4	.2	.4	15.8	8.2	30.3	.9	2.6	42.0	17.0	36.6	1.1	3.0	57.7

SOURCE: Labour Force Survey 1986.

TABLE 8

Ireland: Distribution of temporary Jobs by Industry 1986

<u>Industry</u>	<u>Temporary Jobs</u> (8.5 per cent of all jobs)		
	<u>Males</u>	<u>Females</u>	<u>All</u>
0 Agriculture, Forestry, Fishing	4.8	0.9	2.7
1 Energy & water supplies	2.5	0.3	1.4
2 Mineral extraction	4.0	1.1	2.6
3 Metal Goods & Engineering	4.8	4.0	4.4
4 Other Manufacturing Industries	8.2	6.9	7.6
5 Construction	20.3	0.9	10.6
6 Distribution, Hotels & Catering	15.6	23.7	19.6
7 Transport & Communication	4.8	2.3	3.6
8 Banking & Business Services	12.2	8.4	10.3
9 Other Services: Public Sector	20.3	50.0	35.0
<u>All</u> = 100%	35.3	34.6	69.9

Source:  
Eurostat  
Special Tabulations

TABLE 9

Ireland: Distribution of Second Jobs by Industry 1986

<u>Industry</u>	<u>Second Jobs</u>		
	<u>Males</u>	<u>Females</u>	<u>All</u>
0 Agriculture, Forestry, Fishing	18.7	8.3	16.6
1 Energy & water supplies	2.1	-	1.7
2 Mineral extraction	3.6	-	2.8
3 Metal Goods & Engineering	5.7	5.5	5.7
4 Other Manufacturing Industries	9.3	5.5	8.6
5 Construction	12.2	2.7	3.7
6 Distribution, Hotels & Catering	18.7	22.2	19.5
7 Transport & communication	6.4	5.5	6.3
8 Banking & Business Services	6.4	5.5	6.3
9 Other Services, e.g. Public Sector	16.5	44.4	22.4
<u>All</u> 100% =	13.9	3.6	17.4

Source Eurostat  
Special Tabulations



THE SHADOW ECONOMY IN THE FEDERAL  
REPUBLIC OF GERMANY

by

Alois Wenig

FernUniversität Hagen



## I. Introduction

During the last decade the political interest in the phenomenon of the shadow economy has grown considerably in the FRG. In the 1960's the former chairman of the SPD and chancellor W. Brandt could still rather ironically explain that the achievement of shorter working hours is desirable also because the employees could provide more shadow activities then (1). Politicians today take a much more serious stand in this matter. This change in the public opinion obviously reflects the unfavourable development towards a persistantly high rate of unemployment which has taken place in West Germany since then.

Yet there probably does not exist another issue in the current political debates on which so little information is available. The purpose of this paper is to overcome this lacuna as much as this is possible given the extremely limited data on this subject. In an attempt to gather the available information on the West German shadow economy it will proceed as follows: First, the nature of the shadow activities in the FRG will be highlighted by a number of exemplifying case studies. The utilization of case studies is not unproblematic though. In general one may say that the more authentic the cases reported are the more specific and hence the less descriptive they may turn out to be.

Thus this study will explore the available statistical information in the sections to follow. The focus here is on the volume, the growth, and the structure of the West

German shadow economy. In addition, the determinants of the shadow activities are analysed. Due to the extremely complicated structure of the rules and regulations governing the official supply of labour in the FRG this paper will present a rather stylized outlook on the legal facts. The study concludes by examining the West German policy approach towards the supply of shadow services.

II. The qualitative aspects of the shadow economy in the FRG:  
A collection of case studies

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The first group of people on which one must focus in some detail is the group of the self-employed in small-scale firms (in particular, in craft-firms). Apart from the mere tax-evasion by claiming private consumption as operating costs<sup>2</sup> the self-employed also provide black labour services. This is illustrated by the following example:

Case 1 (3):

A self-employed joiner in a rural area of the FRG runs about one fifth of his total business "off the books". These transactions obviously do not interfere with the traditional society still existing in this area nor do the joiner's rather conservative political views restrain him from participating in the shadow economy. The provision of shadow services is quite natural in the rural society. The shadow arrangements are characterized by the fact that the joiner knows his customers personally. The payments are made in cash.

However, the provision of shadow services by the self-employed cannot be assumed to be restricted to rural areas only. In addition such transactions are often inter-linked with shadow services from one or more other businesses. This can be assumed to be true in particular when certain prerequisites for the provision of the service need to be purchased.

Case 2:

An undertaker in a city in the FRG buys a large number of coffins from his retailer off the books. These coffins are then used for funerals of relatives of friends. The under-

taker himself does not charge the official price for these funerals neither.

In addition to the direct provision of shadow activities by the self-employed this group also participates indirectly by allowing their employees to enter the shadow economy. The acceptance of their employees' participation amounts to a fringe benefit which secures the attachment of these workers to their firm even when the wage paid is lower than in large companies.

Case 3:

Most of the employees of a Munich auto-repair shop provide shadow services after official working hours. This fact is well-known to the owner and also to everyone else in this business. Still they all accept these activities (despite the fact that the employees' services could be viewed as an unfair competition). The owner of the shop is noted to only once in a while fire an employee who has overdone it.

In many cases the employers even provide the tools and the equipment needed.

Case 4:

A car dealer and repair-shop owner lets his employees use the varnishing equipment on Saturdays. He claims that if an employee repairs the cars of relatives and friends on weekends this should not be called "black labour".

In most cases the activities of the employees of the small-scale businesses are of the same type as their official job occupation.

Case 5:

The employee of a self-employed roofer in Hamburg states that he provides roofing as black labour as well. However, his shadow services are specialized in anthracite jobs and smaller repair jobs. He claims that his employer knows about these activities but has no interest in acquiring these jobs for his own business.

Shadow activities by officially employed persons are not only restricted to the employees of craft-firms. Government officials can be assumed to be engaged as well, for instance. Again the type of the activity is the same as in the official job. In addition the shadow service is often provided during the official office hours.

Case 6:

An architect complains that a considerable large fraction of the business is acquired by the employees of the local planning authority. If one wants to build a one- or multiple-family home there are enough experts here who are willing to do the whole job (e. g. including planning and site supervision) somewhat cheaper than the private businesses. In addition they are able to speed up the process of obtaining the different building permissions. There is always a colleague in the office responsible for the respective approvals.

Government officials (e. g. policemen, soldiers, etc.) are also noted to constitute the stock of the "auxiliary" bus drivers for West German tourist agencies.

Case 7:

The owner of a bus agency from Waiblingen, Bavaria, states that a driver who was officially employed by the federal train system was driving a bus on 48 days between May and July. A Stuttgart travel agency reports that the number of its "auxiliary" drivers exceeds the number of its officially employed drivers. None of these second-job drivers has handed in a tax sheet. A driver admits that not only the taxes and social security contributions are evaded but also the safety rules for professional drivers are violated in most cases. "Keep your mouth shut and drive" is stated to be the slogan among the second-job drivers.

While cases of officially employed workers providing shadow activities are well documented this is not so for the officially unemployed. An exceptional situation may exist in the construction industry however.

Case 8:

The officially employed brick-layer Friedrich W. organizes brigades of black labourers which consist of colleagues but also of officially unemployed persons. Two brothers from Dortmund who have been unemployed for three years already and together collect social benefits of DM 1900,-- per month are specialized in gutter and concrete jobs. Their revenue per month can amount up to DM 30.000,--.Of course, taxes and

social security contributions are evaded.

The employment of illegal immigrants plays a particular role in this context. This "modern slavery" more and more develops into organized crime.

Case 9:

In Stuttgart an organization specialized on the illegal personnel leasing of workers from Yugoslavia was detected by the police. It turned out that this organization had hired more than 1.000 workers in Yugoslavia including the total male worker population of a village near the Albanian border line. The wages paid to these workers were only between DM 8.-- and DM 12.-- per hour.

Focussing on the demand side the extreme price differentials between the official and the black supply of the services appear to be the predominant factor of influence. In addition low incomes (for instance of new entrants to the official labour market) often make it necessary to employ black labourers.

Case 10:

The teacher Ursula P. had to move from Cologne to Hamburg. A painter offered to renovate the new apartment for the official price of DM 623,--. She had it done by the employee of a local authority for only DM 300,-- then. The work was done on three consecutive weekends. The official price for getting her washing machine hooked up was DM 80,--. A neighbourhood electrician did the job for DM 20,-- in his spare-time. Afterwards Ursula P. wanted to get her car fixed. The repair of a minor damage was

supposed to cost DM 250,-- officially. An auto-mechanic who ran a small shop in his private garage only charged DM 150,-- to do the job.

The account of case studies which has been provided in this section may serve to illuminate the nature of the West German shadow sector. However it is also a rather limited insight which can be gained by such case studies. In order to assess the overall significance of the shadow economy in the FRG other sources of information must be taken into account. This task will be performed in the following sections.

III. The quantitative aspects of the shadow economy in  
the FRG

III.1 The volume and the growth of the West German  
shadow economy

By the very nature of the shadow activities it is rather hard to obtain reliable information on the shadow sector by statistical methods. Basically we find two different approaches in this field of research. The indirect investigation methods utilize data which can be officially collected and can serve as proxies for the underground economy. The problem with such approaches is that they lead to large variations in the estimates according to which of the various indirect methods is used. (4)

This deficiency of the indirect methods is clearly illustrated by the list of research in this field reported in table 1 on the next page.

Table 1: Estimates for the volume of the West German shadow economy using indirect estimation techniques (5)

Estimates based on	year of focus	volume in % of GNP	Name and year of publication
The discrepancy between National Expenditure and Income Statistics	1961	16.7	Peterson (1982)
	1968	12.6	
	1971	6.5	
	1974	4.8	
	1968	8.9	Albers (1974)
The demand for currency	1965	4.3	Kirchgässner (1982)
	1970	3.1	
	1975	6.0	
	1980	10.3	
	1976	12.1	Langfeldt (1982)
	1978	11.8	
	1980	12.6	
on the volume of monetary transactions	1970	16	Langfeldt (1982)
	1976	17.5	
	1978	24	
	1980	27.5	
on a formal model of the shadow economy	1978	8.3	Weck (1982)

On the first sight the results listed in table 1 seem to be more confusing than enlightening. However, this impression alone serves well to illuminate the extreme difficulties associated with estimating the shadow economy. The presentation of the results highlights the two major problems of these statistical approaches:

- They are very sensitive with regard to the data-base used: Peterson (1982) and Albers (1974) both utilizing the discrepancy approach estimate a volume of 12.6 % and 8.9 % of the GNP, respectively, for 1968.
- They are very sensitive with regard to the estimation method used: Langfeldt (1982) estimates the volume of the shadow economy in 1980 at 12.6 % of the GNP utilizing the currency demand approach and at 27.5 % utilizing the transactions approach.

Hence the use of the results of such studies for policy is highly restricted. One should always be aware of the problems associated with the indirect methods when using the results of such studies in political arguments. Not only their potential value in determining the size of the shadow economy is limited though. In addition these studies do not allow a clear-cut conclusion concerning the growth of the shadow economy in the FRG over the last decades. It can even be disputed that there has been a growth of the shadow economy at all.

There still exists a definite virtue in reporting these results in this study though: The figures provided in table 1 constitute a warning for all policy-makers who feel alarmed by reports on the existence of a large and rapidly growing shadow economy in the FRG. It may well be that the particular method employed in the research in this area yields such exaggerated and rather unreliable figures. The whole scope of studies on the volume and growth of the West German shadow economy does not support any clear-cut conclusions. (6)

An alternative to the indirect methods of estimation are direct investigations into the nature of the shadow economy. These are based on the results of interviews. Of course, such studies are problematic as well. They must account for possible false answers and select the people to be interviewed as representative as possible. For the Federal Republic three direct investigations have been conducted. Their results concerning the overall size of the shadow economy are reported as follows.

Niessen and Ollmann (1986) who report the results of a non-representative questionnaire among 800 households state that 30 % of the interviewed persons claimed to have been engaged in shadow activities. The Institut für Demoskopie - Allensbach (1975) reports that in 1974 31 % of the interviewed stated to hold second-jobs often or regularly. On a representative day in this year it was found that 7.5 % of the population provided second-job activities. The average number of hours spent in these jobs was 3 hours per day. Using the average hourly wage of an industrial worker (1974: DM 9.67) the Allensbach-study calculated the income derived from second-jobs at 35 billion DM per year. This figure constitutes 3.6 % of the GNP.

The most recent direct investigation into the shadow economy was taken from the household panel of the Sonderforschungsbereich III of the Universities Frankfurt and Mannheim conducted in 1983/1984. The results are reported in Hellberger - Schwarze (1986, 1984). The overall significance of the second-job activities is illustrated in table 2.

Table 2: The significance of the West German shadow economy (7)

	second job activities	among those are multiple job holdings
Number of persons	4.96 million	2.27 million
volume in hours	1530 million	579.3 million
in % of total working hours	3.51 %	1.33 %
Income per year	20.01 billion DM	9.42 billion DM
in % of the GNP	1.14 %	0.5 %

Despite the fact that the work provided in second-job activities constitutes 3 - 5 % of the total work provided in the West German economy these activities only generate an income of roughly 1 % of the GNP. This figure was calculated utilizing the information about the distribution of the income earned in such jobs. Schwarze (1986) calculates the work provided in second-jobs with an average hourly wage of DM 9.00. This makes the figures roughly comparable to the Allensbach-study for 1974. The volume of the second-job sector then amounts to 3.0 % of the GNP. Hence this sector appears not to have grown between 1974 and 1984. However, we must keep in mind that these calculations are based on the notion that the second-job earnings could be calculated utilizing the average hourly wage in first-job activities. It turns out though that the actual pay in second-jobs is much lower. Thus the volume of 1 % of the GNP reported in table 2 which is calculated utilizing the actual incomes in second-job activities appears to be more descriptive for the overall significance of the second-job holdings in the West German economy.

In addition both, the Allensbach-study (1975) and the results reported in Hellberger-Schwarze (1986, 1987), do not allow for conclusions concerning the amount of shadow services in the FRG. Only a fraction of the reported second-job holdings must be considered as shadow services. Utilizing additional information Hellberger-Schwarze (1987) estimate the provision of shadow services at about 40 % of the second-job activities. This figure is likely to increase though if the mere tax-evasion is accounted for as well. However, one should note in this context that the figures reported in these direct studies constitute upper bounds on the provision of the shadow activities in the FRG.

III.2. The structure of the shadow economy in the FRG

Information about the structure of the West German shadow economy can only be derived from the questionnaires on the second-job activities of the population. As pointed out above already the results reported in Hellberger-Schwarze (1987, 1988) analyze the most recent representative household survey for the FRG. Hence they will provide the basis for our investigation into the structure of the West German shadow economy.

The first point of interest is to achieve a classification of the activities by the employment status of the suppliers. This is given in table 3 below.

Table 3: Participation rates of people of age 14 and above holding multiple job in 1984, classification by employment status (8)

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employed	9.6	%
-full-time	7.7	%
-part-time	20.0	%
-apprentices	16.9	%
not employed	9.3	%
-temporarily unemployed	16.7	%
-school students	30.3	%
-university students	22.9	%
-housewives/men (including the permanently unemployed)	5.8	%
-pensioners	3.8	%
<hr/>		
average over all groups	9.4	%

The most striking feature of the results listed in table 1 is that the participation rate of the officially employed and the rate of the non-members of the official work force are almost equally high. In both groups approximately 9 % are engaged in second-job activities. The above average participation rate of the temporarily unemployed (defined as persons receiving public transfer payments such as unemployment benefits, social aid, etc.) seems to be most alarming. Also as will be shown later the legal situation in the FRG would imply that the fraction of actual black labour services should be higher for this group than for the officially employed persons. On the other hand since the number of the temporarily unemployed is much smaller than the number of the employed one can maintain that the contribution of the unemployed to the shadow economy in absolute terms significantly falls short of the contribution by the officially employed persons. Hence from this point of view the participation of the temporarily unemployed does not appear to be particularly alarming. In addition since the 16.7 % participation rate for this group again must again be considered as an upper bound on the participation in the shadow economy it is clearly not true that the vast majority of the temporarily unemployed are employed in the shadow sector as it is often stated. The participation rate of the permanently unemployed which is contained in the 5.8 % figure for housewives/men appears to be particularly low. This is probably due to the fact that this group has been driven out of the labour markets completely (thus also out of the in-official labour market).

As noted above already one has to weigh the participation rates with the respective number of people in these groups in order to calculate the contribution to the total second-job activities. Hellberger-Schwarze (1986) report the following figures: 30.7 % of the second-job activities in West

Germany are supplied by the officially full-time employed persons. The next largest contribution (18.5 %) is supplied by the university students followed by the housewives/men with 16.4 %. Officially part-time employed persons contribute 10.2 % to the second-job activities, school students 7.8 % and pensioners 6.0 %. The contribution of the temporarily unemployed is calculated with 5.5 % and only undercut by the contribution of the apprentices with 4.9 %. These figures provide a more illustrative insight into the second-job activities of the West German population. The bulk of such activities is clearly provided by the officially employed persons.

If the participation and the contribution of the officially employed persons is further disaggregated table 4 yields the following impression:

Table 4: The relationship between the employment type and second-job activities

occupation	participation rate	contribution to the total amount of second-job activities by the officially employed persons
farmers	7.0 %	1.5 %
self-employed	3.5 %	2.9 %
blue-collar employees	11.6 %	51.0 %
white collar employees	7.1 %	32.0 %
government officials	12.1 %	12.6 %
average:	9.1 %	100.0 %

The low participation rate and contribution of the self-employed seems to be somewhat astonishing. However, again we have to point out that the figures reported above only relate to the classification as second-jobs. It is rather likely that the contribution of the self-employed to the shadow economy is underestimated in this study since the shadow activities of this group take place on the first-job. Also the low figure for the farmers may not reflect the true participation due to the legal definition of full-time farming in the FRG. More than half of the farms in the FRG are run as part-time occupations nowadays.

The propensity to find employment in second-jobs can also be thought to be influenced by the per-capita income of the household in which the supplier of the service lives. Table 5 presents a rather interesting picture in this respect.

Table 5: The relationship between the per-capita household income and the supply of second-job activities

DM	Participation rate	Fraction of the total second-job employment	Fraction of the total population not employed in second-jobs
Below 500	38 %	23.9 %	3.9 %
500-750	11.4 %	22.4 %	17.3 %
750-1000	10.1 %	21.2 %	19.0 %
1000-1500	5.1 %	17.7 %	32.8 %
1500-2000	5.8 %	11.8 %	19.2 %
2000 and above	3.7 %	3.0 %	7.9 %
	average: 9.1 %	total: 100 %	total: 100 %

The interpretation of the figures in table 5 is as follows: Line 1 tells us that those who have a per-capita income of DM 500,-- and lower are characterized by a participation rate of 38 %. They hold 23.9 % of the second-jobs in the FRG. This group constitutes 3.9 % of the total population which is not engaged in second-job activities. These figures allow a conclusion concerning two rival hypotheses as far as second-job involvements are concerned. One hypothesis is that higher incomes are to be associated with more human capital which should also yield more opportunities to acquire second-jobs. The other is that low incomes should generate a stronger necessity to acquire such occupations. Hence by the first hypothesis the second-job activities should be an increasing function of income while by the second hypothesis the exact opposite relationship should be found. The figures provided in table 5 support the second hypothesis to a large extent. Lower income groups are more engaged in second-job activities. Hence the "necessity"-factor seems to be more important than the "opportunity"-factor in determining the propensity to engage in second-jobs in the FRG.

However, the "opportunity"-factor influences the ability of the second-job employees to receive particularly high incomes. Hellberger-Schwarze (1986) report that the average hourly wages in second-job activities are DM 8.90 for persons with elementary school education but without apprenticeship (Hauptschule ohne Berufsabschluß). For persons of the same school education but with completed apprenticeship the average hourly wage is DM 19.06. The completion of a secondary school alone leads to an hourly wage of DM 13.58. University graduates can make an average of DM 22.01. Also table 6 can be seen to support the notion that men are generally able to capture higher wages than women. Hence the relationships between the income opportunities and formal education and sex in second-jobs duplicate the relationships found for official first-job employments. If this is attributed to discrimination practices we must conclude that the discrimination is not restricted to

the official labour market but also works in the secondary labour market.

Table 6 (11): Average hourly wages in second-jobs

DM per hour	percentage of second- job in this income bracket	percentage for men	percentage for women
below 5	7.4 %	7.1 %	7.9 %
5 - 8	12.7 %	3.9 %	28.5 %
8 -10	10.2 %	9.2 %	11.9 %
10 -12	21.0 %	24.9 %	14.1 %
12 -15	10.7 %	12.9 %	6.6 %
above 15	38.1 %	42.0 %	31.0 %
	100 %	100 %	100 %

The distribution of monthly incomes in second-jobs is illustrated in table 7.

Table 7 (12): Monthly incomes derived from second-jobs

DM per month	percentage re- ceiving this income	percentage of full-time em- ployed persons	percentage of part-time em- ployed persons
below 100	31.2 %	32.8 %	27.1 %
100 - 200	24.8 %	22.7 %	30.4 %
200 - 300	13.1 %	14.0 %	10.7 %
300 - 500	15.6 %	14.5 %	18.6 %
above 500	15.3 %	16.1 %	13.2 %
	100 %	100 %	100 %

The average monthly income was DM 247.60 for full-time employed persons and DM 273.12 for part-time employed persons (13). The first impression that part-time employed persons benefit relatively

more from second-job activities vanishes when it is taken into account that they also provide more work hours than the full-time employed workers. Hellberger-Schwarze (1986) report that the full-time employed provide more hours per day if providing second-job services (4.9 hours per day compared to 3.8 hours per day for the part-time employed persons). But they work on less days per month (4.6 days compared to 7.9 days) and provide in total less hours per week and per month than the part-time employed persons. Hence the part-time employed persons can easily be observed to receive lower wages per hour.

Again this observation supports the assertion that the second-job labour market provides a mirror-image of the first-job labour market. In the FRG "real" work is still considered to require a full-time employment. Thus those who are only part-time employed probably consist to a large extent of people who are not able to allocate a full-time occupation for various reasons. In addition differentiating by sex yields an interesting result as well. The average monthly income of full-time employed men derived from second-jobs is DM 258.98 compared to DM 107.16 for part-time employed men. For women this relationship is exactly reversed (DM 195.68 for full-time employed women vs. DM 310.80 for part-time employed women). It seems to be somewhat paradoxical that the part-time employed men receive a lower average monthly income in second-jobs than the part-time employed women. However, full-time employment is traditionally the main type of work for men. Hence the men who are only part-time employed can be guessed to be particularly disadvantaged with regard to their skills and/or physical condition. On the other hand the part-time employment of women is traditionally well developed. It merely reflects the fact that women still do most of the housekeeping in the FRG. Hence the part-time employed women can be guessed to possess more or less average skills. The full-time employment of

women on the other hand is still restricted to a considerable extent to young women in low-skill occupations in the FRG. Thus the figures reported above may after all be very well in line with the general assertion that the incomes in the second-job occupations reflect the income possibilities in the first-job occupations.

The last personal characteristic which can be guessed to influence the propensity to engage in second-job activities is the age of the individual. However, the figures reported in table 8 actually only allow to conclude that the bulk of the second-job workers is at the height of their working lives. The very young and the very old are underrepresented. At the same time, however, the individual propensity to hold second-jobs can be observed to decrease with age.

Table 8 (14): Multiple job holdings by age

<u>Age</u>	<u>Participation rates</u>	<u>Percentage of the second-job activities</u>
below 19	19.2 %	6.1 %
20 - 29	16.0 %	28.6 %
30 - 39	8.0 %	20.9 %
40 - 49	9.0 %	27.2 %
50 - 59	8.4 %	15.9 %
above 60	4.4 %	1.3 %
average:	9.1 %	total:100 %

Turning to the type of activities which are provided in second-jobs we can find the following classification illustrated in table 9.

Table 9 (14): The type of second-job activities

Occupational type	Percentage of the total second-jobs		
	of all second- job holders	of the male second-job holders	of the female second-job holders
farming (total)	12.3 %	15.7 %	6.2 %
thereof:			
-part-time farm.	.6 %	.3 %	1.1 %
-gardening	1.3 %	.7 %	2.3 %
-farm.occupations	10.5 %	14.8 %	2.8 %
Production sector (total)	35.8 %	49.3 %	11.8 %
thereof:			
- crafts	19.3 %	30.1 %	-
- construction	13.7 %	18.4 %	5.3 %
- Prod. of goods	2.9 %	.8 %	6.5 %
Service sector (total)	51.9 %	35.0 %	82.0 %
thereof:			
- child/old people care	7.9 %	4.0 %	15.0 %
- cleaning	7.3 %	1.3 %	17.9 %
- restaurant/ bar services	5.4 %	2.4 %	10.9 %
- education	5.2 %	4.0 %	7.3 %
- office jobs	5.2 %	5.7 %	4.5 %
- salesmen	5.1 %	6.3 %	3.0 %
- drivers	4.8 %	2.5 %	8.7 %
- shop keeping	2.5 %	1.4 %	4.6 %
- janitors	2.1 %	2.2 %	1.8 %
- writers	1.8 %	2.4 %	.7 %
- household services	1.5 %	-	4.3 %
- consulting	.9 %	.6 %	1.3 %
- marriage consulting	.6 %	1.0 %	-
- chief magistrate	.5 %	.8 %	-
- help in barber shops	.5 %	-	1.3 %
- help in shops	.2 %	-	.5 %
- others	.4 %	.3 %	.4 %
	100 %	100 %	100 %

It is quite obvious that men predominantly chose second-jobs in the production sector while women preferably provide labour in the service sector. This mostly reflects the traditional division of labour in the West German society. One can also verify that the correlation between the type of the first-job occupation and the type of the second-job occupation is rather strong. Table 10 reports the relationship between the type of the first-job employment and the respective second-job occupations. Obviously blue-collar employer provide manual work in the second-job as well. On the other hand white collar employees and government officials prefer to provide labour in second-jobs which are to be characterized as services.

Table 10 (15): The relationship between first and second-job occupations

type of the second-job	Blue-collar workers	White-collar workers	Government officials
farming	17.1 %	4.7 %	4.0
Production sector	53.1 %	14.4 %	26.1 %
- crafts	30.4 %	5.4 %	14.5 %
- construction	18.6 %	6.2 %	11.5 %
- production of goods	4.2 %	2.3 %	-
Service sector	29.8 %	81.0 %	70.0 %
- trading/sales	2.5 %	3.5 %	-
- social services	4.1 %	12.4 %	49.1 %
- other	23.2 %	65.1 %	20.9 %
	100 %	100 %	100 %

From both, table 9 and table 10, it is easily observed that the shadow sector in West Germany is very underdeveloped as far as the production of goods is concerned. Thus black labour can be seen not to compete with the employment in the manufacturing sector of the economy. Focussing on the average work provided in second-jobs by the type of the jobs the figures do not allow clear-cut conclusions (see table 11).

Table 11 (16): The average work hours per month in second-jobs by type of occupation

<u>type of second-job activity</u>	<u>average hours per month</u>
farming	32.4
crafts	11.15
construction	19.12
trading/sales	12.7
social services	19.9
other	24.2

Helberger-Schwarze (1986) state that these averages possess only a very limited significance for the description of the secondary economy. The variations in the hours worked per month are too large. The only significant difference exists between the categories crafts/construction and the service sector. The former are characterized by a lower average labour supply in hours per month in second-jobs than the latter.

### III.3. The determinants of the supply of shadow services in the FRG

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#### III.3.1. The legal situation in the FRG

The first step into an investigation of the determinants of the supply of shadow services in the FRG must be to examine the legal restrictions upon the official labour supply. The starting point of this analysis is the legal definition of black labour given in the "Gesetz zur Bekämpfung der Schwarzarbeit" (law for the prosecution of black labour) and in the "Gesetz zur Bekämpfung der illegalen Beschäftigung" (law for the prosecution of the illegal employment). Both laws do not primarily define the illegal labour supply with regard to the evasion of taxes or social security contributions associated with the provision of shadow services. § 1 of the "Gesetz zur Bekämpfung der Schwarzarbeit" states three kinds of violations of laws which classify a labour service as black labour:

- Violations of the "Gewerbeordnung" (factory act).
- Violations of the "Handwerksordnung" (crafts act).
- Violations of § 60 part 1, No. 2 of the first book of the "Sozialgesetzbuch" (social law book).

The "Gesetz zur Bekämpfung der illegalen Beschäftigung" adds two more categories:

- The illegal personnel leasing.
- The illegal employment of foreigners.

In the following sections we will therefore focus on these regulations in some detail.

### III.3.2 The illegal employment of foreigners

The employment of foreigners is illegal if the employees do not possess valid residence permissions and/or working permissions. Foreigners who wish to stay in the Federal Republic of Germany generally need to obtain a residence permission. Citizens of certain countries are freed from this necessity if they wish to stay for less than three months. Employed citizens of the EEC countries and their families possess a right to obtain this permission. In addition all foreigners - except citizens of the member states of the EEC - need to apply for a working permission if they wish to work in the FRG. This permission is only granted if the employment of German citizens or foreigners who possess equal rights as Germans (for instance, citizens of EEC member countries) is not endangered. Since the government of the FRG decided on a "hiring stop" for foreigners in 1973 this permission is only issued in very few exceptional cases.

Due to the fact that the labour incomes in the FRG exceed those in many other countries of the world the inflow of illegal immigrants constitutes a crucial issue. Apart from the deportation of the illegal foreigners an illegal resident can be sentenced to up to one year of imprisonment or a fine. An illegally employed foreigner is threatened by a fine of up to DM 1,000.-.

The fines for the employers of illegal foreigners can amount up to DM 100,000.-. If the employment conditions of the illegal foreigners are extremely hazardous compared to the employment of German workers in the same job the employer is threatened by imprisonment of up to three years or fines. In grave cases the employer must be sentenced to an imprisonment between six months and five

years. Repeated or multiple employments of illegal foreigners and their transportation is penalized additionally. Also the hiring of foreigners in their home countries for the purpose of obtaining an employment in the FRG can lead to an imprisonment of up to three years or fines.

The harsh punishment of the employers reflects the fact that the suppliers of the shadow services - the illegal foreigners - are mostly in a rather desperate situation. They cannot resort to the social security system, for instance. Hence they must be able to find employment regardless of the employment conditions. The motive of the employers of the illegal foreigners is clearly to evade the taxes and the social security contributions and, possibly also, to violate costly safety regulations.

### III.3.3. The illegal personnel leasing

Personnel leasing occurs when an employer rents out an employee to another employer. The "Bundesverfassungsgericht" (the supreme court of the FRG) has ruled that this is generally legal. However personnel leasing can only be carried out if a permission of the "Bundesanstalt für Arbeit" (federal labour administration) is obtained. Personnel leasing without a permission can be fined with up to DM 50,000.- for both employers involved. The personnel leasing of illegal foreigners constitutes a criminal offense and is penalized much more harshly (imprisonment of up to five years in grave cases or fines). In the construction business such practices are generally not allowed and violations are penalized with fines of up to DM 30,000.-. No permission for the personnel leasing has to be obtained if such employments are chosen in order

to prevent layoffs or short hours in the first employment ("Beschäftigungsförderungsgesetz", 1985). The other condition which has to be met in order to avoid having to obtain the permission is that the employment must be within firms for which the same collective bargaining agreement ("Tarifvertrag") is valid.

Despite the fact that the "Bundesverfassungsgericht" has stated that the personnel leasing is generally legal the legal ways of utilizing this instrument are highly restricted in the FRG. In order to obtain the permission the employment relationship between the worker and the leasing firm must meet the standards of the "Arbeitnehmerüberlassungsgesetz" (law for personnel leasing). The respective employment contracts must basically contain the same rules applying to "regular" labour contracts in the FRG. Hence persons who have lost their steady employment are rather unlikely to be able to legally compete on the labour market via a personnel leasing employment. The illegal personnel leasing will therefore most likely involve persons who are unable to find an employment in regular jobs. The suppliers of shadow services violating the personnel leasing law are thus those who are at a disadvantage in the official labour market for regular jobs. Personnel leasing in the FRG can hardly function as a means to legally find new employment opportunities for those who have been layed off. This group is driven into the illegal provision of services by the very nature of the regulations.

#### III.3.4. Violations of the "Gewerbeordnung"

§ 14 of the "Gewerbeordnung" requires that every business in the FRG must be registered. In addition § 55 states that travelling businesses must apply for a "Reisegewerbe-karte" (a card for the registration of a travelling business). § 6 contains some exceptions from this rule which apply mainly to agricultural businesses. If these exceptions do not apply the provision of a service is considered to constitute a business if it is intended to be supplied for an enduring period of time and supposed to generate profit. By § 1 of the "Gesetz zur Bekämpfung der Schwarzarbeit" the non-registration of a business indicates that the services provided constitute black labour.

The effect of these regulations is that any non-registered business is considered as a shadow activity regardless of whether it is additionally intended to evade taxes and social security contributions. It is very likely though that the non-registration of the business is mainly chosen for this reason. However the violation of the "Gewerbeordnung" can be fined with up to DM 50,000.-. This sum then adds to the fines and possible imprisonment which can be imposed as a result of the violations of the tax and social security laws.

#### III.3.5. Violations of the "Handwerksordnung"

The concept of crafts applied in the FRG entails a very broad class of activities. It includes many types of production which would be considered as light industry in the other member states of the EEC. A craft business has to be registered by the local craft chamber. In order to do so the self-employed craftsman has to satisfy a

number of highly restrictive formal conditions. In general only those craftsmen are allowed to run a business who have passed the "master"-examination of their particular craft.

Providing labour services in a craft without having obtained the registration can again be fined with up to DM 50,000.- by § 1 of the "Gesetz zur Bekämpfung der Schwarzarbeit". In addition employees who provide shadow services in the same craft as their employer can be fired and are liable for the possible loss in their employer's revenue which can be attributed to their activities.

Due to the extremely limited possibilities to legally operate a craft-firm the illegal activities can to a large extent be supposed to be chosen in order to circumvent these restrictions. In addition taxes and social security contribution will most likely be evaded as well. Due to the well developed cooperation between the inland revenue offices and the craft-chambers another possibility usually does not exist.

### III.3.6. Violations of the § 60 of the first book of the "Sozialgesetzbuch"

This part of the § 1 of the "Gesetz zur Bekämpfung der Schwarzarbeit" applies to the social benefit fraud. By § 60 of the first book of the "Sozialgesetzbuch" the recipients of social benefits must declare additional income immediately to the agency in charge of the benefit payment. By § 1 part 1 No. 1 of the "Gesetz zur Bekämpfung der Schwarzarbeit" it is ruled that the non-declaration of additional income by the recipients of unemployment benefits ("Arbeitslosengeld" and "Arbeitslosenhil-

fe") must be considered to be particularly objectionable. Hence these cases must be treated as grave cases as far as the punishment is concerned. Fines may again range up to DM 50,000.-.

### III.3.7. Problems of the legal definition of black labour

The laws describe five types of black labour for the FRG. However an activity must in addition generate a considerable economic advantage for its supplier in order to be classified as black labour. The question whether the supply of labour services actually yields a considerable economic advantage is sometimes rather hard to be decided upon. Clear definitions only exist for the violations of the § 60 of the first book of the "Sozialgesetzbuch".

In addition there exist a number of exceptions. The neighborhood help is considered to be such an exception, for instance. In general the supply of services must take place for a longer period of time on a unilateral basis between individuals with little or no personal relationship in order to be considered as black labour.

### III.3.8. Taxes and social security contributions

As stated above the legal definition of black labour in the FRG does not primarily aim at the evasion of taxes and social security payments. However due to the fact that the activities are defined to be illegal per se and since the cooperation between the inland revenue offices and the administrations in charge of these regulations is very tight it can be assumed that the provision of black labour generally involves the evasion of taxes and

social security contributions. Hence in most cases the penalties imposed by the black labour laws add to the fines and other punishments associated with the tax and social security laws. Since we have seen before that the average income earned in the shadow economy is rather low the tax and social security regulations concerning the so-called "geringfügige Beschäftigungsverhältnisse" (minor occupations) appear to be of particular importance. Table 12 illustrates the rather confusing legal restrictions on minor occupations. Non-recipients of public transfer payments can hold jobs within these limits and receive a special treatment as far as the taxes and social security contributions are concerned. The observable lack of coordination has basically three effects:

- Jobs can be regarded as minor occupations by the tax laws while on the other hand social security payments must be paid. Hence a certain amount of the second-job activities of the officially employed and non-members of the work force is probably black labour but the suppliers of these services do not know about this.
- The special role of the minor occupations generates a desire to use this employment relationship in order to evade the taxes and contributions. The false declaration by the firm owners can be seen to be particularly profitable. A. Weber (1988) notes the following example: A firm claims to have employed 20 employees for DM 430,- per month. Actually it employs 10 workers for DM 840,- per month. It simply invents a few more names on the payroll in order to be able to utilize the regulations for minor occupations (17).

Table 12: Regulations for minor occupation in the FRG

	Payments	Time spent on the job	Earnings	Possibility to hold more than one job
Taxation	general tax rate 10% paid by employers	a) 20 hours per week b) non-regular work on less than 18 consecutive days	a) Max. DM 120.- per week b) Max. DM 41.- per day	YES
Social security payments except unemployment insurance	a) none b) none c) only the employer pays his share	a) 15 hours per week b) short-term employment of less than 2 months c) no restriction	a) Max. DM 440.- monthly b) no restriction c) DM 440.- to DM 600.-	NO. The sums taken over all jobs must be within the legal limits. Sums are only taken over jobs of one and the same job type (types a-c).
Unemployment insurance	none	18 hours per week	no restriction	YES
Legal accident insurance	full payments	no free range	no free range	The employer must pay fully.

- The control over the shadow activities of the non-recipients of transfer payments is extremely limited. The observation of a worker must cover a longer period of time in order to be able to prove that the minor occupation regulations have been violated.

In addition to the regulations listed in table 12 minor occupations are also treated specially in the "Kündigungsschutzgesetz" (law for the protection against layoffs) and the "Lohnfortzahlungsgesetz" (law for prolonged payments in cases of illness). The "Kündigungsschutzgesetz" only applies to firms with five or more employees and payments according to the "Lohnfortzahlungsgesetz" are refunded for firms with less than 20 employees. Workers who provide less than 10 hours per week or 45 hours per month are not counted in this respect. Hence there exists an additional incentive for the false declarations of the jobs as minor occupations especially in small firms.

The recipients of transfer payments will always have to declare their additional income to the respective transfer agency. As noted in section III.6. fines are imposed if they do not declare this income. However they are also treated differently with regard to their tax burdens. The minor occupation limits do not apply to these persons. Unemployed persons are taxed for incomes which exceed DM 15.- per week. The tax-rate is 50% for incomes below 80% of the "Bemessungsgrundlage" (the income which is used to calculate the amount of the benefit). Incomes above this limit are taxed at a rate of 100%. The unemployed lose their benefits totally if the working time exceeds 18 hours per week regardless of the respective income.

Persons receiving "Sozialhilfe" (social aid) are generally

taxed at 100%. Retired persons will have to pay the full social security contributions (e.g. the employer's and the employee's share) if their income is above a certain level. In addition all recipients of transfer payments are threatened by the loss of their benefits if they do not declare the income derived from secondary jobs.

### III.3.9. Sociological factors influencing the propensity to supply shadow activities

The West German society is characterized by the fact that being employed not only provides a financial basis for the individual. In addition it symbolizes success in life as such and the individual's ability/willingness to contribute to the well-being of the society. Thus unemployment demonstrates the "uselessness" of the individual. Not being able to participate in the "work life" also means that the individual is socially inactive in other respects. The resulting psychological stress from which the unemployed suffer provides an additional incentive to engage in shadow activities. The black labour restores the individual's self-confidence to some extent.

However there are also a number of reasons why the unemployed are socially restrained from providing such activities. The officially employed net-payers into the social security system have the strong suspicion that the transfer recipients are "loafers". This is of course due to the fact that the level of the benefits payed to the unemployed allow for a reasonable standard of living in the FRG. Hence the social control over the shadow activities of the unemployed can be assumed to be particularly strong in the FRG.

Moreover the shadow sector in the FRG seems to be more traditionally organized than has been realized so far. The ability to allocate a shadow job is largely reserved to those who also are officially employed. The shadow economy has been noted to present a mirror image of the official economy. Hence also the discrimination exercised in the official labour markets carries over to the market for illegal labour services.

The West German society is also characterized by the fact that law compliance in general is still very strongly developed. There exist significant moral objections against the provision of shadow services which influence the individual's decision. Though the development towards higher tax burdens in the last decades can be assumed to have had its deteriorating effect on the moral restraints (18) one can maintain that they bear a considerable impact still.

### III.10. The incentives and disincentives to supply shadow labour: Some general remarks

The regulations imposed on the official supply of labour by the "Gewerbeordnung" and (in particular) the "Handwerksordnung" provide strong incentives to provide shadow labour services. It is virtually not possible to compete legally with the registered craft-firms. The permission to operate in this sector is tied to formal examinations. The individual's ability to provide such services in accordance with the safety standards and other regulations for these jobs does not open legal opportunities in this field. The employees of such firms must provide their

services illegally. The resulting extreme price-differentials serve to increase the incentives to provide shadow activities additionally. This is reflected in the structure data provided earlier by the fact that there exists a high correlation between the type of the official job and the type of the shadow activity. Also the fact that craft-jobs constitute the main types of activities for men can be attributed to the regulation policy.

The financial incentives to move into the shadow economy have been demonstrated to be significantly larger for the transfer recipients than for employed persons. This is due to the fact that the relative tax burden for the transfer-recipients in second-jobs is much higher than for the average employee. In addition the lower incomes of the transfer recipients give rise to a necessity to provide shadow services. The fact that the participation rates of the recipients of benefits are not so overwhelming and that the bulk of the shadow services are provided by the officially employed must be attributed to the extreme risk for the unemployed. The possible fines are much higher and this group risks its primary income source, the benefit. In addition control is much easier to be exercised since the mere fact of not having declared the additional income to the benefit agency is sufficient to classify the labour supply as black labour. This is not so for the officially employed persons who possess better opportunities to hold second-jobs legally. The rather confusing structure of the regulations applying to these so-called "minor occupations" deteriorates the possibility to monitor the shadow activities of the officially employed persons.

These regulations are probably also responsible for the fact that small-scale businesses and their employees are

most likely to be involved in the shadow economy. The special role of the minor occupations in the labour legislation gives rise to considerable shadow profits.

The brief discussion concerning non-financial incentives and disincentives has demonstrated also that the shadow activities to a large extent constitute a privilege of the officially employed persons. The existence of significant moral restraints in the West German society may contribute to the overall small size of the shadow economy in the FRG as well as the well-developed system of fines and other punishments.

The West German shadow economy to a large extent reflects the traditional discrimination in the official labour markets. Two reasons have been identified to contribute to this effect very clearly: the social discrimination of the "loafers" and the stronger prosecution of transfer-recipients who can be considered to be disadvantaged.

#### IV. Policy implications

##### IV.1. The characterization of the current West German policy approach towards the shadow economy

Of the three sorts of possible policy reactions to the shadow economy the West German government has clearly chosen to reduce the scale of the shadow sector by imposing penalties and monitoring the labour markets. However this classification does not describe the West German policy approach sufficiently. The structure of the laws and regulations does not imply that the government attempts to actually control the shadow economy per se. It is quite obvious that most of the efforts are directed at the prosecution of the supply of shadow services by the recipients of public transfers.

This policy reflects the political pressure which arises due to the fact that on the one hand the level of the benefits in the FRG are supposed to allow for a reasonable standard of living while on the other hand the officially employed net-payers into the social security system call for an increased control against benefit fraud. The introduction of the social security card proposed for the near future clearly works in the same direction. It introduces a new instrument for controlling the shadow sector which only addresses the group of officially not employed persons. All others will possess such a card and hence its introduction will not increase the control over the shadow services of the officially employed persons (19).

The West German policy is further to be characterized as containing too many regulations which make the provi-

sion of a service illegal for a particular person while the service itself may be perfectly legally done. The possibility to run a business legally is often not tied to the individual compliance to safety standards, environmental control laws, tax and social security laws, etc. Rather it is connected to some kind of a formal education. Instead of determining how a job should be done in accordance with the law the regulations determine who can do the job. This effect is further strengthened by the fact that the permissions to operate in a craft can exclusively be issued by the craft chambers. At the same time the chambers are also very active in controlling the black labour in this area. There exists a strong suspicion that the control exercised is to a large extent directed at the non-members of the official craft-firms (20).

From a more general point of view there appears to be a large discrepancy between the amount of public interest which has been devoted to the shadow economy in West Germany and its actual significance for the economy. This seems to result from a misinterpretation of the concept of supply-side oriented economic policy. This concept stresses the adverse allocative effects of regulation policies. Only one aspect of this policy concerns the possible disincentive effects of public transfer payments upon the supply of labour. The West German policy however seems to be almost exclusively concerned with this problem. The further deregulation of the labour market itself plays a minor role in this policy.

#### IV.2. Perspectives for a policy towards the shadow economy

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In the current situation which is characterized by a persistently high rate of unemployment any contribution which can serve to reduce this problem should be welcomed. Thus even the rather small West German shadow sector should be viewed as providing a potential for new employment opportunities. In order to assess this potential the deregulation of the goods and labour markets must gain more weight in the political decision-making.

In addition the social security system should be generally reformed. What is needed is a system which does not generate adverse allocative effects due to the fact that the prices for goods and services are subject to rigidities which arise from the regulation. The system should be transformed into a subsidy system which guarantees incomes and not the attachment to a particular job. It should allow for more job competition while at the same time securing the income of the employed persons.

For the Federal Republic of Germany this must mean: The laws should be restricted to determining the conditions under which certain jobs must be carried out. The safety standards, environmental control standards, etc. must be defined properly. Laws which determine who should do a particular job should be abolished as much as this is possible. The remaining regulations must be controlled extensively then to avoid possible negative external effects. Also the opportunities for the unemployed to participate in the official labour market competition must be increased. The benefits should be treated like any other income source and not tied to the requirement not to take up other (especially, lower paying) jobs.

This policy proposal obviously constitutes a "legalizing"-strategy as far as the shadow services are concerned. The argument that "legalizing" may lead to "social dumping" should not be overemphasized. As stated above there must exist laws which determine the legal ways of providing a service (e.g. work safety regulations, environmental control regulations, health controls, etc.). The compliance to these laws can be much easier monitored if the activities which now must be carried out in the shadow are allowed to be supplied officially. These laws should also be considered to reflect the true social progress which has taken place in the FRG. Most of the regulations however are presently aimed at limiting the competition. Hence they secure the incomes of certain groups by deteriorating the price-mechanism for the supply of and demand for labour services. It must be clearly said though that guaranteed prices for services have nothing at all to do with the provision of a social security for the members of the society.

ENDNOTES

- (1) S.F. Franke (1988)
- (2) The mere tax-evasion is exercised in large companies as well where fringe benefits to employees are claimed to constitute operating costs. One can also observe that part-time self-employment is chosen for the sole purpose of utilizing this form of tax-evasion. (Examples can be found in "Steuerordnung", Wirtschaftswoche (No. 8), Feb. 1981, reprinted in E. Lauschmann (1983)).
- (3) The exemplifying case studies of this section are taken from various newspaper and journal articles reprinted in E. Lauschmann (1983).
- (4) For a description of the indirect methods see E. Langfeldt (1984), F. Schneider (1986).
- (5) See H. Bonus, E. Landsberg and H. Mücke (1984).
- (6) See also J. Jessen, et al. (1985).
- (7) Source: Hellberger - Schwarze (1987).
- (8) Source: Hellberger-Schwarze (1987).
- (9) Source: Hellberger - Schwarze (1986).
- (10) Source: Hellberger - Schwarze (1986).
- (11) Source: Hellberger - Schwarze (1986).
- (12) Source: Hellberger - Schwarze (1986).
- (13) The average monthly income in second-jobs amounts to DM 254.49.

- (14) Source: Hellberger - Schwarze (1986).
- (15) Source: Hellberger - Schwarze (1986).
- (16) Source: Hellberger - Schwarze (1986).
- (17) A. Weber (1988) also notes that minor occupations can be assumed to be used extensively in newly founded firms.
- (18) See G. Schmölders (1978).
- (19) See G. Faupel (1988).
- (20) There exists some evidence for this suspicion as well. "Die Welt" ("Bönhasen landen selten vor dem Kadi", Dec. 30, 1980) reports that the craft chamber of Wetzlar found some 600 cases of violations against the "Gesetz zur Bekämpfung der Schwarzarbeit" in 1974. Only six cases were tried though and in only one case the person was sentenced.

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**"THE SHADOW ECONOMY IN THE NETHERLANDS AND DENMARK"**

by

Alois Wenig

Fernuniversität Hagen, FRG



I. The outline of this investigation into the shadow economies in the Netherlands and Denmark

The main problem in examining the shadow sector of the two Northern Member States of the EEC, Denmark and the Netherlands, is that there is very little information available at the time being. This holds for both, the statistical information about the size and the structure of the shadow economies and their determinants. Hence this paper had to be based on only two sources to a large extent:

- An experimental research utilizing various types of questionnaires in the Netherlands for 1983. The results are reported in P. H. RENOY (1984), R. VAN GEUNS, J. MEVISSSEN and P. RENOY (1987), and a collection of discussion papers of the workshop on the informal economy research and policy in Nijmegen (1987).
- A questionnaire among large and representative samples of the Danish population for 1980, 1983, and 1984. The respective results are contained in G. V. MOGENSEN (1985a, b, 1986).

Both sources possess very specific features though which make direct comparisons rather problematic. The Danish report provides only very little information concerning the determinants of the shadow economy while the statistical information is more detailed. In many respects the Danish investigation provides figures which are roughly comparable to those reported in the

direct studies of the West German shadow economy. (Institut für Demoskopie - Allensbach (1975), C. HELLBERGER and J. SCHWARZE (1986)). This possibility for comparisons is very limited as far as the Dutch studies are concerned.

The fact that emphasis is put on different issues in these studies yields the necessity that this overview over the shadow economies in the two countries remains rather fragmentary. For a number of reasons we suggest that there are strong parallels to the situation in the FRG, though. This will become clear when the statistical information about the structure of the shadow economies of the Netherlands and Denmark is explored. In addition focussing on the determinants of the shadow activities and analyzing the policy recommendation given in the Dutch and the Danish studies support this assertion.

Since authentic case studies could not be obtained for the countries in focus the possibility to gain an insight into the qualitative features of the shadow economies is very limited. In order to overcome this lacuna at least to some extent the examination of the structure of the Dutch black economy will be enriched by reporting a number of selected answers from the respective questionnaires. (Such information is not (yet) available for Denmark though.).

## II. The shadow economy in the Netherlands

### II.1 The volume and the growth of the shadow economy

For macro-economic policy it is of particular importance to know whether the existence of a shadow economy yields considerable distortions in the official statistics. BROESTERHUIZEN (1985) provides a sensitivity analysis which is particularly aimed at this problem. The Central Bureau of Statistics (CBS) of the Netherlands mainly utilizes the production method to estimate the GDP and its growth rate. In this process the office has to use indirect methods in order to estimate certain productive activities. Consequently the calculations concerning the GDP are at least partly insensitive to shadow activities.

BROESTERHUIZEN concludes that the bias in the official GDP which can be attributed to the existence of the shadow economy is most likely below 5% of the GDP. The distortion of the official growth rate is most likely to be smaller than 0.5%. It could exceed this value only in the improbable events of either a very large distortion of the GDP or an excessively high growth rate of the shadow sector. Thus the concern of the economic policy advisers that the official figures may provide a very unrealistic picture of the true economic condition because of the impact of the shadow activities does not find support by this study.

The total volume of the shadow economy in the Netherlands has only very rarely been analyzed yet. P. RENOY (1984) reports the results of a study by the central bank of the Netherlands carried

out in 1984. Utilizing an indirect method of estimation based on the volume of the cash transactions the size of the Dutch shadow economy in 1982 is calculated at about 12.7% of the GNP. This figure is noted to be particularly astonishing since for 1974 a shadow sector is found to be virtually non-existent. (However one should be aware that the estimation technique utilized could be responsible for this extreme growth of the Dutch shadow economy. In indirect studies on the West German shadow economy this particular estimation method yields the largest figures for both, the volume and the growth of the shadow economy, of all indirect methods. See LANGFELDT (1984)). FREY and WECK- HANNEMANN (1984) estimate the Dutch shadow economy in 1978 at 9.6% of the GNP utilizing the model approach.

Direct investigations (by means of house-to-house inquiries) have been carried out by the CBS. Again some of the results are reported in P. RENOY (1984): 12% of the car repair and maintenance jobs were unofficially carried out in 1982. On more than 7% of the payments for home repairs and improvements taxes were evaded. The inquiry which provides the basis for RENOY's paper yields the following picture: In 1984 the activities in the official economy constituted 43.3% of all activities of the households. Only 9.5% of the activities were classified as having taken place in the shadow economy. The rest of 47.2% is consumed by the domestic activities of the households.

## II.2 The structure of the Dutch shadow economy: qualitative and quantitative aspects

RENOOY<sup>1)</sup> describes the organization of the shadow activities as being clearly distinguishable into two types: The officially employed persons' shadow activities are organized in accordance to the way they work in this official job. Here the only difference between 'white' and 'black' labor (apart from the evasion of taxes) seems to be the time when the job is done. 'Official painting' takes place between 9.00 am and 3.00 pm while 'inofficial paint jobs' are arranged for between 3.00 pm and 5.00 pm, for instance. The shadow activities of the officially non-employed are mostly individual actions. Cooperation and work in groups is only found in exceptional cases. Such exceptions apply mainly to the so-called 'moonlighting' (including activities classified as plumbing, bath-room installation, repairing locks, etc.) Here the work is often organized in 'moonlighting circuits' for the officially non-employed persons as well.

The 'moonlighting'-jobs are very strongly represented in the samples. Thus minor repair or maintenance jobs in the construction industry seem to be of particular importance for the Dutch shadow economy. RENOOY finds that the shadow activities included in the sample can be classified as in table 1. It is noted that the production of goods is clearly underrepresented in the responses. Most of the activities are directly aimed at the consumers.

Table 1: Types of inofficial activities in the samples

Services	Trade	Production
insulating	books	vegetables
catering	watches	robot
garage	tools	toys
baby-sitting	furniture	windmill sails
modelling	paintings	furniture/cupboards
hairdressing	medical instruments	printing
tutoring	various (street sales)	paintings
canteen		resonance equipment
car-rent		
rehearsal-room rent		
painting		
electrical repairs		
cruises		
'moonlighting'		

In the questionnaires the people were also asked to classify their household's activities as being formal, informal, or do-it-yourself jobs. Table 2 lists the results by the type of activities. RENOY points out though that due to certain limitations of the inquiry the results may not be representative (The interpretation of the figures in table 2 is as follows: Line 1 tells us that the households responded that 27.8% of the paint-jobs were done by official businesses, 13.0% by shadow workers and 59.1% in "do-it-yourself"-work. The column 'total' is the sum of informal and 'do-it-yourself' work and thus represents all activities not accounted for in the official statistics.)

Table 2: Activities by method of operation

Activity	Formal	Informal	Do-it-yourself	Total
Painting	27.8%	13.0%	59.1%	72.1%
Carpentry	34.5%	18.2%	47.3%	65.5%
Wallpapering	19.4%	17.4%	63.6%	80.7%
Plumbing	72.3%	8.0%	19.6%	27.6%
Electrics	53.7%	12.0%	34.3%	46.3%
Repairs to electrical equipment	78.3%	4.7%	16.0%	20.7%
Domestic cleaning	7.0%	8.8%	84.2%	93%
Provision of clothing	73.6%	3.9%	22.5%	26.4%
Minor repairs to clothing	3.8%	8.6%	87.6%	96.2%
Major repairs to clothing	23.3%	18.9%	57.8%	76.7%
Laundry	6.5%	3.7%	89.8%	93.5%
Baby-sitting	8.3%	25.0%	66.7%	91.7%
Hairdressing	67.3%	7.8%	24.3%	32.1%
Car repair and maintenance	76.5%	9.9%	13.6%	23.5%
Books and records	96.5%	1.2%	2.3%	3.5%
Administration	28.0%	2.8%	69.2%	72.0%
Averages	43.3%	9.5%	47.2%	56.7%

Slightly astonishing (and not in line with the results for West Germany, for instance) is the finding that skills or the (former/current) type of employment show no relationship to the type of activities provided inofficially. The shadow activities are mainly minor repair or maintenance jobs which do not require particular skills. In many cases it was noted that the number of specialized tools and equipments nowadays offered allows for an increasing number of activities to be carried out untrained. The way in which skills are acquired by the shadow workers is illustrated by the following typical responses to the questionnaires:

- "So I said, well, I simply can't paint. But that didn't make any difference. It was just a matter of slapping it on. Most people seemed to be reasonably satisfied ..."

- "... if people were altering a building somewhere, company people I mean, and they were doing the plastering, I'd just stand and watch for half an hour to see how they did it".

The formal employment sector is very important for the shadow workers. It provides the information and advice needed for the accomplishment of the shadow job. This advice is often noted to be given by official contractors, garages, and do-it-yourself or hardware businesses.

The only skill which is clearly needed by the shadow workers is the ability to engage in conversations with the potential customers. The acquisition of shadow jobs predominantly works through mouth-to-mouth propaganda. This is illustrated by the following typical responses:

- "When you're starting out you just tell everyone you chat to that your're 'moonlighting' and ... straight away people start saying 'Oh, I know a job for you' ..."
- "The people you go to, you have a drink with, you talk about the work, how it was done, whether they have ordered this or thought about that".

The customers are often referred to as being "friends of friends". Conversational skills are probably also very important in bargaining over the price of the shadow services. The 'black' laborers turned out to very flexible in this respect as is

illustrated by the following responses:

- "If, for instance, I spend ten hours mucking about, then I'll only charge for seven".
  
- "I can afford to have a bit of a social conscience. I don't have to worry about competition and I'm not dependent on it for my bread and butter".

The average hourly pays however reflect the skills required on the job. RENOY finds that low-skill activities (baby-sitting, for instance) are payed with f 5,- per hour on average. Simple repairs, etc. are rewarded with less than f 10,-. For jobs which require very specific skills the hourly wage can amount up to f 30,-. This raises questions as to who supplies these activities. In two thirds of all cases included in the questionnaire the participants in the shadow economy had different income sources as well. These consisted of official jobs, students aid, social security payments, or parental income. It turned out that the fraction of activities which were provided unofficially was 9.9% for officially full-time employed and only 9.0% for people relying on social security payments. Payments were predominantly calculated on an hourly basis. Only in very few cases the shadow services involved exchanges in kind. Table 3 further indicates that those who are living alone (either being full-time employed or on benefits) are the most active consumers in the informal sector.

Table 3: Consumption of activities by source of incomes

income source	Formal	Informal	do-it-yourself
Married with job	44.0%	9.3%	46.8%
Living alone with job	44.2%	12.6%	43.2%
Married with benefit	40.7%	7.8%	51.4%
Living alone with benefit	45.6%	11.9%	42.5%

Unfortunately RENOY does not report average incomes earned in the shadow economy. Two benchmarks are reported though: f 450,- per week in the catering business and f 300,- on a 'good' day for street sales (f 200,- for a 'bad' day). LAMBOY and RENOY (1985) conclude that the income possibilities in the shadow economy more or less reflect the opportunities in the official employment sector. Being unemployed is noted to provide a bad start in the shadow sector as well. RENOY also focuses on the investments into the shadow businesses. Two cases can clearly be distinguished in this respect. Those who eventually wish to enter the formal sector invest up to f 30.000,-. Persons who do not have this perspective never invest more than f 10.000,-. They make extensive use of scrap-yards and second-hand shops to acquire the necessary tools and equipment.

- "We bargained a little; I got one of those car pulleys at the Noorder market. Only paid forty guilders for it".

In only one case the shadow worker responded to make regular savings in order to finance the investments. In many cases however the formal employer provided the tools. This was very

often noted to be done, with the explicit permission of the employer.

- "If I happened to be using the boss's car to visit clients in the day, I didn't bring it back at night; I would just use everything that was in the car".

Investments in large, expensive tools and accommodations are avoided as much as possible.

The study by R. v. GEUNS, J. MEVISSSEN and P. RENOY (1987) explores the regional and sectorial dispersion of the Dutch shadow economy. Table 4 attempts to summarize the information about the regional diversity of the shadow economy in the Netherlands. The results concerning the sectorial differentiation are presented in table 5. These descriptions stem from a research in the Amsterdam urban area.

Table 4: Some results concerning the regional dispersion of the Dutch shadow economy

Region	Characterization of the shadow economy	Proposed explanation
Eften-Leur	Large informal sector concentrated in the construction industry. Participants are mainly employed with modal or above modal income.	The participation in the 'building explosion' during the 50's and 60's was very large. Thus the workers are very mobile. Also formal labor contracts were not the rule during this time. Mentality of self-industriousness is well developed.
Goes	Small informal economy mostly in agricultural goods trade and related labor.	The mechanisation and the automatisisation of the agricultural sector has reduced the unofficial employment opportunities in this rural area.
Landgraaf	Very vivid informal economy covering a wide scale of activities.	The strong ties in this society of coal-miners and the sense for social coesion which is developed very well open many opportunities for 'black' labor.
Laren	Smallest informal economy found. Childcare and cleaning jobs constitute the main shadow activities. Many other forms of tax evasion exist though.	High incomes and older persons were overrepresented in the survey.
Lelystad	Mostly do-it-yourself and unpaid neighborhood aid concentrated on home improvements, gardening, etc. Participants are families with children.	The structure of this area with many suburbs and its isolated location has led to the creation of neighborhood assistances.
Oude Pekela	(Suprisingly) small shadow economy.	Almost 60% of the residents are unemployed. Hence there is very little demand for shadow labor. The construction business is underdeveloped. Mostly low-skill or unskilled blue collar employees in the sample.

Table 5: Some results concerning the sectorial differentiation of the Dutch shadow economy

industry	Characterization of the shadow activities	Proposed explanation
garment industry	A large contribution from shadow activities. Working conditions and pays are rather bad for the shadow workers.	The garment industry has recently experienced a considerable growth again. Large number of workshops owned by immigrants, mostly from Turkey.) Many female immigrant workers who have very limited opportunities in the official labor markets. The strong position of the buyers of the clothes puts pressure on the prices.
cleaning business	Fewer shadow activities than in the garment industry but many qualitative similarities.	Prices for their services are under an enormous pressure. The employees possess a weak position in the official labor market
printing industry	Hardly any considerable 'black' work. The shadow activities are restricted to supplementary payments to high-income employees or 'off the record' payments to home workers.	Employers pay much attention to high quality standards.
typing and word-processing agencies	All operate somewhere in between being totally formal or informal.	The demand for high quality is less developed. Individual contractors and government organizations are noted to be major consumers of these services.
special delivery agencies	Same as above. Informal work usually takes the form of illegal subcontracting.	Mostly unintentional consumption of the illegal services. Cost factor is most important for the use of unofficial labor.

### II. 3 The determinants of the Dutch shadow economy

P. RENOY (1984) attempts a classification of the factors which provide incentives or disincentives to participate in the shadow

economy as either influencing the necessity or opening up opportunities to acquire shadow jobs. Among the 'necessity'-factors financial problems turned out to be most important. Here the reliance on grants, social benefits, or parental income accounts for the shadow activities. Again this is stressed by providing some typical responses from the questionnaires:

- "I get f 707,- a month. f 300,- goes on rent. Well ... f 400,- to live on; the cats cost f 25,- a week ... it's just impossible". (19 year old on long-term unemployment benefit).

Also debts and changes in the financial situation which arise due to divorces are noted to give rise to the necessity to move into the shadow economy. This additional income amounted to at least 40 - 50% of the households' total income in these cases. The labor provided 'black' is not experienced as positive:

- "It's a horrible uncertain way of life. That worries me. If a contractor comes along and says: 'You can start tomorrow', I'll do it".

The dissatisfaction with the official job which provides too little opportunities to be creative also contributes to a wish to participate in the 'black' market. In addition the social isolation especially of those who are not officially employed is an important 'necessity'-factor:

- "The feeling that you're actually working is still quite a

kick. The money is not the most important thing, it's mainly chatting during the breaks, having a drink afterwards etc."

Besides these problems the government regulations which severely restrict the possibilities to open new businesses play a significant role. The extremely complex structure of the different permissions needed to operate a business is may be even more important than the restrictions themselves. The overdeveloped bureaucracy is also considered to be most discouraging.

- "The last generation has organized it so perfectly that you can hardly get a foot in the door any more".

In the Netherlands the possibility to work in a particular job is often tied to some kind of formal education (diploma). The individual's ability to do a job does not count. P. RENOY describes the case of a ship carpenter (yachts) who was not allowed to work with hard wood because he did not possess a diploma in furniture design. Also there exist Collective Labor Agreements which either forbid (in the printing industry, for example) or regulate (in the garment industry, for instance) the home work. The regulations applying to certain jobs are additionally formulated in periodical regionally organized meetings between the employers and the trade unions. The individual possesses only very limited possibilities to negotiate freely in the official labor markets as wage-levels, working conditions, etc. are spelled out in these regular meetings. (See

van GEUNS, MEVISSSEN and P. RENOY (1987)).

The subjective pressure of taxation and the distrust in the government's spending of the tax-money also provide strong incentives to supply 'black' labor. (See P. RENOY (1984)). The benefit recipients are on the other hand very strongly restrained from participating due to the risk of losing the benefit. The fact that this group actually calculates the possible risk is further strengthened by the observance that the benefit recipients who also have a considerable debt are even more restrained. The loss of the primary income source, the benefit, would result in a financial disaster for these people.

Small businesses virtually rely on the provision of shadow services. They cannot keep a regular workforce large enough to account for the peaks of the business due to the high costs of labor. In addition the small businesses cannot profit from the tax-deductibility of major repairs. Thus they must resort to the shadow economy in order to get these jobs done. New businesses are usually founded in the shadow sector for this reason. They need to avoid financial and bureaucratic commitments in the beginning.

Among the factors influencing the opportunities to acquire shadow jobs the family life turned out to be important. Individuals were more likely to offer 'black' labor if this was frequently done in their family. The skills which provide a good basis in the official labor market also open better opportunities in the shadow sector. Besides this the number of social contacts as such

(through friends, relatives, local neighborhood, etc.) appears to be very important.

Within some groups or communities the provision of shadow services is very much encouraged. RENOY notes the region of Northwest-Brabant, for example, where it is perfectly normal to work for a labor sub-contractor. This is actually considered to be the only 'real' occupation in this area. Van GEUNS, MEVISSSEN and RENOY (1987) also note significant differences in the local authorities concern over the shadow activities which may account for the regional dispersion. The Municipal Social Services (GSD) exercised varying degrees of control over the compliance to the General Social Security Laws (ABW) and the National Group Regulation Unemployed Employees (RWW). In some areas there was virtually no control while in other areas several civil servants were engaged in tracking down the black laborers. There also existed differences as far as the control over particular types of shadow services is concerned. In addition within one and the same area there were differential treatments of certain population groups. The authors also note that the religious environment had an impact on the individual's participation in the shadow economy. The predominance of the Roman Catholic Church was observed to give rise to a vivid informal sector.

#### II.4 The Dutch policy towards the shadow sector: Description and Evaluation

The policy of the Dutch government towards the shadow economy can be characterized as attempting to reduce its scale by increasing the controls. Van GEUNS, MEVISSSEN, and RENOOPY (1987) note that "the policy has been primarily based on general assumptions of the damaging effects of this phenomenon on government, trade, and industry". For a number of reasons this policy does not appear to be suitable in the Dutch situation though. A closer look at the structure and the determinants of the Dutch shadow economy reveals that the shadow economy exhibits considerable positive effects. These are mainly associated with the reduction of the labor market tensions which have emerged in the past. As far as the recipients of transfer payments are concerned the shadow economy provides opportunities for those who are unable to allocate jobs in the official economy given the present regulative policy. Also the shadow economy is highly integrated into the daily life and there exist strong relationships between the formal and the informal sectors. Hence attempting to reduce the scale of the shadow activities can be assumed to have adverse feedback effects on the official economy.

Still, merely ignoring this phenomenon does not appear to be a suitable policy neither. It has been noted that for some people it is a pure necessity to enter the shadow economy. For these persons the social problems are not solved if their participation is ignored. Rather a reconstruction of the Dutch social security system should be considered. The potential of the shadow economy

should be developed by pursuing a legalization policy which is accompanied by a social security system encouraging the people's wish to take up jobs. Simple cut-backs in the social security system without opening up new employment opportunities through a legalization policy can be assumed to yield a growth of the shadow economy since the impact of the 'necessity'-factors is increased. RENOY (1984) and van GEUNS, MEVISSSEN, and RENOY (1987) support this view very clearly by suggesting to "rethink" the present tax and social security system thoroughly. They also propose that the VAT tariffs should be lowered.

The Dutch policy has only begun to consider these arguments yet. RENOY (1987) points out that the government's proposal to utilize more informal activities in the health sector which is supposed to overcome the financial problems of the health system is to a large extent still obstructed by other policy measures. Also in this sector particularly the government should carefully examine what informal work can and cannot achieve. The general level of health care could be influenced adversely if one attempts to resort to more informal activities. Other sectors seem to be much more promising areas for experiencing the positive effects of a legalization policy.

### III. The shadow economy in Denmark

#### III. 1 The volume and the growth of the shadow economy

Using indirect methods of estimation the Danish shadow economy was calculated to reach about 6% of the GNP for 1974 and 1975 by the Danish Council of Economic Advisers<sup>2)</sup>. FREY and WECK-HANNEMANN (1984) utilizing an explicit model estimated 11.8% of the GNP for 1978. The most recent research using an indirect method (based on the demand for currency) was carried out by F. SCHNEIDER (1986). The volume of the shadow economy averaged 11.3% in several different specifications of the estimation equation. It ranged from 8.0% to 13.2% depending on various assumptions concerning the impact of taxes.

MOGENSEN (1985) discusses the results of a direct study based on house-to-house inquiries. The size of the shadow economy in 1984 is calculated with 3.9% of the GNP. Adding the usual one-sided non-declaration of taxable income this figure is likely to increase to 5.5% of the GNP. This figure resembles 200 million hours of work in the Danish shadow economy. The individual black laborer provides between 215 and 500 hours of work per year. In terms of participation rates the shadow economy appears to have grown between 1980 and 1984. The fraction of positive answers in the questionnaires (indicating the individual's involvement in shadow activities) rose from 8% to 13% in this period.

## II.2 The structure of the Danish shadow economy

The structure of the Danish shadow economy can only be assessed from the direct study using questionnaires<sup>3</sup>). An important issue always concerns the activities of the unemployed. MOGENSEN (1985) states that the unemployment rates for Denmark can actually be viewed as being exaggerated. If the shadow activities of the unemployed would be added the official unemployment rate of 10.8% for 1983 would in fact decrease. However the necessary correction is very small (from 10.8% to 10.3%). This indicates that the involvement of unemployed persons in the Danish shadow economy is anything else than being alarmingly large. The frequency of positive responses in the questionnaires is noted to be more or less identical for the officially employed and the unemployed persons.

The type of the shadow activities is analyzed as follows: In the 1983 inquiry 19% of the population responded to have bought shadow services during the last 12 months. The types of activities bought are listed in table 6.

Table 6: Types of shadow activities purchased in 1983

type activity	Relative share of all shadow work
building sector	46%
house services (childcare, gardening, cleaning, etc.)	29%
other (mainly repair jobs - especially car repairs)	25%

Within the building sector in which the bulk of the shadow work was consumed the repair works and in particular paint-jobs were the most dominant activities.

The average payment for these services was Dkr 770.--. This figure stresses the extreme price differentials between the shadow labor services and official labor services. MOGENSEN reports that the same services purchased in the official market would on average have to be payed for with Dkr 1385.--. In 40 - 50% of the cases the payments were made in cash. The rest consisted mainly of exchanges in kind.

Age, house ownership, and the length of the work week exhibited the most significant impact on the propensity to consume shadow services. MOGENSEN (1985) states: "The typical consumer on the Danish black market in 1983 was a person in the age-group 20 - 40, who owned his dwelling, and who worked long weekly hours".

Age was also a significant determinant of the propensity to supply shadow activities. The 1984 survey showed that the

frequency of involvement in the shadow economy decreased with age. While 31% of the persons below age 20 responded to have supplied shadow labor this figure decreased to 15% for persons between 30 and 39 years of age and to 6% for persons who were between 60 - 69 years old. The participation rates by type of the occupational status which were found in the 1984 inquiry are listed in table 7.

Table 7: Selected participation rates by occupational status

occupational status	Participation rate
school student	29%
university student	26%
skilled blue-collar worker	25%
farmers	10%
pensioners	5%

The participation rates for white-collar employees and the self-employed were found to be particularly low. Other personal characteristics proved to have only minor impacts on the supply of shadow services. Women were less likely to be involved than men (Participation rates: 7% vs. 10%, respectively). Also the frequency of participating in the shadow economy showed a slow decrease from Copenhagen (17%) to the rural areas of Western Jutland (10%). The participation was found to be surprisingly constant over all income groups though. Interestingly the frequency of participation increased with income if the impact of age was corrected for. Thus 'opportunity' seems to have more

influence than the 'necessity'-factors in Denmark.

### III.2 Policy implications

MOGENSEN (1985) notes that if the 200 million hours of black labor provided in 1984 could be converted into jobs for the unemployed some 110.000 new full-time jobs could be created. This would have lowered the unemployment rate of 10.8% in 1984 to approximately 7.8%. However it is stated that this possibility is rather limited. It could only be achieved if the extreme price-differentials between the official and the black supply of labor services would be abolished. The respondents in the questionnaire would rather resort to do-it-yourself jobs (34%) or simply not consume the services (30%) than paying the official price. Hence the whole regulative and tax policy would have to be altered in order to legalize the shadow activities.

MOGENSEN dismisses a policy which only relies on a legalization by pointing out that this would decrease the government's possibility to influence the income distribution in the society. Reducing the income taxes and restoring the competitiveness of the labor markets by pursuing this policy would mean that the income distribution also resembles more or less the market opportunities of the individuals. Hence MOGENSEN suggests to use a policy mix instead. The combination of instruments including increased control should aim at a more realistic goal than attempting to eliminate the black market completely.

To our mind MOGENSEN's conclusions cannot be supported in every

respect. They point out the difficulties associated with a legalization policy though. In fact the pure legalization without at the same time introducing a thoroughly modified social security policy would give rise to the problems described by MOGENSEN. However the government does not need to give up its distributive policy in the process of pursuing a legalization policy. What is needed is a social security system which subsidizes the income if the individual fails to receive a suitable market income by offering his services while at the same time the system should not deteriorate the market mechanism. This can be achieved by abolishing the rules contained in the social security system which currently require the transfer recipients to stay away from the labor market in order to be eligible for the benefits. The transfer and the income tax system must be integrated. This way the government could pursue its (income) distribution policy further without interfering with the price-mechanism which equates the labor supply and demand in the market. We agree with MOGENSEN that increased control should be part of the policy mix. However this control should focus only on those rules which provide a protection against possible adverse external effects associated with certain technologies (e.g. pollution control, safety standards, etc.).

IV. The shadow economies in the Northern Member States of the EEC: Are they comparable?

So far this study has extracted the available qualitative and quantitative information about the shadow economies in the Netherlands and Denmark. It is quite clear that the sources on which this report had to rely are not directly comparable with regard to the information which is provided. On the other hand the qualitative and quantitative aspects of the Dutch shadow economy and the quantitative results of the Danish investigation suggest that such comparisons are valid. In addition the policy discussion provided in these country studies points at the fact that the determinants of the shadow economy can be assumed to be quite similar. To our mind both discussions also suggest strongly that the shadow economies in the Netherlands and Denmark show parallels to the situation in the Federal Republic of Germany. In this section we wish attempt to explore this assertion more thoroughly.

A first look at the way how the social security systems are financed in the three countries (the Netherlands, Denmark, and the FRG) suggests that the structures are quite different. (See Commission of the European Community (1984)). The main differences can be stated as follows:

- In Denmark the social security system is to a large extent financed via taxes while in the Federal Republic of Germany and the Netherlands contributions are payed to different social security agencies.

- Between the FRG and the Netherlands there exist differences with regard to the employer's and the employee's share of the contribution. While in the FRG the shares are equal the employee's share is higher than the employer's share in the Netherlands. Also the amount of the contributions are not equal between the two countries. In addition the unemployment benefits in the Netherlands are financed by the government while in the FRG there exists a compulsory unemployment insurance.

These are rather clear differences in the structure of the social security systems (even if the details are not analyzed further). However the first-sight impression may be misleading. In fact there exist no differences with regard to a tax financed or a contribution funded social security system if the contributions are compulsory. This is the case for the FRG and the Netherlands though. In addition in both countries the governments subsidize the social security systems if the contributions do not cover the expenditures. The fact that the relative shares for employers and employees are not structured equally in the Netherlands and the FRG also does not indicate that there must exist differences in the incentives to move into the shadow economy. In an economic sense both shares together constitute the respective wage-bill component which must be accounted for.

Rather than focussing on the structure of the social security financing one should therefore analyze the tax and social security burdens. This is done by FREY and WECK-HANNEMANN (1984)

for 17 OECD countries. From this study one can infer the following tax and social security burdens for the FRG, the Netherlands, and Denmark.

Table 8: Shares of taxes, social security contribution in the GDPs

		FRG	Denmark	Netherlands
Share of direct taxes	1960	9.3%	11.7%	12.3%
	1965	10.2%	13.4%	12.8%
	1970	10.7%	20.4%	13.8%
	1975	12.0%	26.0%	16.5%
	1978	13.1%	23.8%	16.1%
Share of indirect taxes	1960	14.3%	12.2%	9.9%
	1965	14.1%	13.9%	10.0%
	1970	12.8%	17.1%	11.4%
	1975	12.3%	16.1%	11.3%
	1978	12.8%	16.2%	12.7%
Share of social security contributions	1960	9.6%	1.5%	8.0%
	1965	9.7%	1.8%	11.2%
	1970	10.9%	1.8%	14.7%
	1975	13.5%	0.7%	18.4%
	1978	14.0%	0.5%	18.2%

It is easily observed that the differences in the structure of financing the social security systems show up in table 8. The surprisingly low share of the social security contributions in Denmark is made up by a significantly higher tax burden. This is further strengthened by the fact that Denmark experienced the largest increases of the direct tax shares of the three countries. It can be assumed that this had to compensate largely for the increases in the social benefit expenditures which have led to the strong increases in the Dutch and the West German social security contribution shares. (See table 9)

Table 9: Change of the direct tax share over a five year period

Country	1955 - 60	1960 - 65	1965 - 70	1970 - 1975	1973 - 78
Denmark	0.4%	1.7%	7.0%	5.6%	0.0%
FRG	0.1%	0.9%	0.5%	1.3%	-0.4%
Netherlands	1.3%	0.5%	1.0%	2.7%	0.7%

FREY and WECK-HANNEMANN (1984) also report indices for the degree of regulation and the tax immorality. These are listed in table 10.

Table 10: Regulation burden and tax immorality

Country		Share of public employees in total employment	index of tax immorality <sup>4)</sup>
Denmark	1960	9.9%	2.2%
	1965	13.1%	2.7%
	1970	16.8%	3.6%
	1975	22.1%	4.2%
	1978	22.8%	4.4%
FRG	1960	7.9%	5.5%
	1965	9.7%	6.7%
	1970	11.1%	9.0%
	1975	13.3%	10.6%
	1978	13.9%	10.9%
Netherlands	1960	11.6%	5.5%
	1965	11.4%	6.7%
	1970	12.0%	9.0%
	1975	12.9%	10.6%
	1978	13.9%	10.9%

According to the "Sozialschutzstatistik" of EUROSTAT the three countries under consideration here exhibit the largest shares of expenditures on social security within the EEC. (See table 11):

Table 11: Expenditures on social security in % of the GDP and rank within the EEC member states

	1970	1975	1980
Denmark	19.6% (3)	25.8% (3)	28.0% (3)
FRG	21.4% (1)	27.8% (2)	28.3% (2)
Netherlands	20.8% (2)	28.1% (1)	30.7% (1)

Source: Sozialschutzstatistik - 1970 - 1980, EUROSTAT

All sources together indicate that the three northern member states of the EEC are leading in terms of tax and social security burdens and as far as the volumes of expenditures are concerned. However Denmark has experienced the largest increases in these figures. On the other hand it is also characterized by a strong tax morality. However the FRG and the Netherlands are characterized by upper medium indices of tax morality as well.

We would therefore expect that the Dutch shadow economy should have experienced the largest growth rates in the last decades. The volume of the shadow economy should also be greater in Denmark and the Netherlands than in the FRG. However we would not expect these differences to be particularly large. These assertions of course take into account that the country-specific structure of the shadow economics are similar in these member states of the EEC.

The analysis by FREY and WECK-HANNEMANN supports the hypotheses raised above. The Danish shadow sector has passed those of the Netherlands and the FRG between 1960 and 1978. The volumes for 1978 are estimated with 11.8% of the GNP for Denmark, 9.6% for

the Netherlands, and 8.6% for the FRG. Rather than the absolute figures the ranks appear to be important. They clearly support our assertions from above. Also the 95% - confidence intervals calculated by FREY and WECK-HANNEMANN show that the shadow economies of the three countries could be even more similar than these figures would suggest. It appears as if the Danish shadow economy is overestimated rather than underestimated while the reverse is true for West Germany and the Netherlands.

#### V. Concluding comments

In this paper we have attempted to illustrate the qualitative and quantitative aspects of the Dutch and the Danish shadow economies. Based on the idea that the situations in both countries are quite similar the survey over the Dutch studies stresses different issues than the review of the Danish report in order to obtain a more detailed insight. The results also seem to be quite well in line with the studies on the West German shadow economy. In Chapter IV we have therefore pointed out some more similarities and differences among these three countries in order to assess the size and the growth rates of the respective shadow economies.

The policy conclusions drawn in the Dutch and the Danish studies also show that the determinants of the shadow economies in these two countries are very likely to be similar to the determinants in the FRG. The main problems seem to be an extensive regulation policy pursued by the government and a social security system

which does not allow for the transfer recipients to compete in the official labor market. The governments have been noted to have chosen a policy which aims at decreasing the scale of the shadow economy by increasing the control. In contrast we suggest that for a number of reasons (economic and sociological) a legalization policy would be better suited for these countries.

This policy does not have to deteriorate the distribution policy pursued by the governments as it is stated in MOGENSEN (1985). However as pointed out in the Dutch studies the social security system must be reorganized thoroughly. Merely legalizing the shadow economies does not suffice to overcome the social problems associated with the role of the transfer recipients in the shadow economy. Instead the incomes derived in the labor markets must be subsidized for those people who are unable to obtain an income which allows for a reasonable standard of living. Yet those people should be allowed to participate in the labor market freely in order to eliminate the social discrimination associated with being a "drop-out" from the official labor market. If the policy would be altered accordingly there still exists a need for control though. The laws governing the ways how certain jobs should be exercised given the existence of external effects (health hazards, pollution, etc.) must be enforced rigorously.

**ENDNOTES:**

- 1) In this section the basic results from P RENOY (1984) will be reported. Unless otherwise indicated the figures and quotes are taken exclusively from this report.
- 2) Okonomiske Rad: Dansk Okonomi, Trykning Kontor, Copenhagen, 1977.
- 3) The results reported in the following are documented in G. V. MOGENSEN (1985a, b and 1986).
- 4) For the calculation of this index see FREY/WECK-HANNEMANN (1984).

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PROGRAMME DE RECHERCHE ET D' ACTIONS SUR L'EVOLUTION DU MARCHE DU TRAVAIL

FINAL REPORT

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IRREGULAR WORK  
IN SPAIN

By  
Faustino Miguelez Lobo  
Universidad Autonoma  
de Barcelona-Spain  
(With the collaboration  
of Oscar Rebollo Izquierdo)

To  
La Commission des  
Communautés européennes  
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## PART I CASE STUDIES

### 1. Sabadell<sup>1</sup>

The Catalan city of Sabadell forms, together with Terrassa, Spain's largest textile producing centre. This means that the city has been deeply affected by the crisis in the industry, as can be seen in its extremely high rates of registered unemployment. It would nevertheless seem paradoxical that social absorption of this situation has involved relatively little major protest or mobilisation, and that certain sectors of the city in fact appear to be relatively prosperous. This must cast some doubt on the "official" figures. All the studies carried out indicate a glorious rebirth of informal or hidden activity, which has moreover always been present to one extent or another.

#### *Quantitative Estimates*

Although there are no precise estimates of the extent of informal work, some experts who have been in direct and continuous contact with the phenomenon consider that it could be generating between 30% and 50% of the city's wealth.

At the beginning of the 1980s the active work force was 38% of the total population, whereas the percentage corresponding to the potential work force was 63%. Bearing in mind that 27% of the active work force was registered as unemployed, it must be concluded that only extremely high levels of informal economic activity could maintain the situation.

#### *Determining Factors*

The following are considered to be the factors determining the phenomenon on the part of the employers: reduction of labour costs, gaining of greater flexibility, reduction of costs which are directly related to production and follow market fluctuations, and reduction of costs collateral to the work process, especially those resulting from the control and supervision of tasks.

Tradition has thus once again become a preponderant factor, going back to the days when, before the recession of the 1970s, many of the present types of informal work had already established themselves in Sabadell. The phenomenon has however become more intense, with a more sophisticated organisation and coupled to consciousness of the fact that, for many people, it is the only mode of work possible.

#### *Features of the Market*

Sabadell could be defined as having a relatively autonomous economy, with a considerable degree of openness to the exterior. The city's firms buy and sell on the regional, national and international levels, and decentralisation of production has moved phases of the production process—especially in some textile firms—beyond the limits of the city.

### *Typology of Informal Labour*

Although at-home work has always been extensive in Sabadell and is perhaps the type of informal work *par excellence*, numerous other types of hidden activities are in fact to be found, depending on the production sector concerned. We shall thus leave a more systematic typology for our section on the textile industry.

### *Work Conditions*

Research indicates that work conditions have deteriorated with the growth of informal work: "the workers interviewed receive less pay than legally employed workers for the same hours of work; their conditions are worse, their working weeks are longer and they have less job security".

## 2. Andalusia<sup>2</sup>

### *Quantitative Estimations*

Within the research limitations peculiar to this case, it may be affirmed that the level of undeclared work in Andalusia is relatively higher than the Spanish average, affecting at least 17% of the registered work force, a figure which maximising hypotheses raise to as high as 30%.

### *Determining Factors*

Here we once again see evidence of the generally cited causes of informal work: tax and duty avoidance, reduction of labour costs, flexibility of labour, etc. Some of these factors are however clearly related to Andalusia's economic structure, which presents a perfect combination of features for the generation of high degrees of informal work:

- The reduced size of firms, which in some sectors should be termed artisanal, is associated with low technological levels and thus a higher labour intensity than the national average.
- The high proportion of seasonal demand sectors such as tourism and associated services absorb considerable levels of informal and temporary labour.
- Salaries are low in all sectors, especially those based on agriculture, in which much of the population is employed.
- The low scholary level leads to a lowly qualified labour force.
- The reduced rate of female employment contrasts with the considerable number of women working in artisanal and agricultural activities.

### *Situation of the Market*

The Andalusian firms using informal labour are usually less present in international markets than are comparable firms in Catalonia or Valencia. This may be because they have not formed potent distribution and marketing networks within the appropriate legal structures, much of their activity thus remaining within clandestine networks.

### *Typology of Informal Work*

Most informal work is carried out by women and young people employed on a part-time basis in industry, services and at-home work, as well as on family farms.

The catering, tourism and construction sectors absorb considerable levels of part-time, temporary or totally informal labour.

Agriculture is one of the defining elements of the Andalusian economic structure, and it is here that working conditions have long been the most unstable of the region. It is quite probable that the number of completely informal day labourers has tended to decline since the introduction of unemployment benefits for seasonal agricultural workers in 1984, given that the workers have to declare their periods of employment in order to fulfil the conditions for receiving unemployment benefits. The low number of declared working days needed to have access to these benefits nevertheless suggests that informal employment persists and has in fact only been redefined.

### *Work Conditions*

Work conditions are generally bad. Agricultural work is hard and subject to days of undetermined length and low wages. It should also be noted that seasonal harvest employment is highly unstable, obliges the agricultural worker to move constantly from place to place, and is generally carried out without work contracts, especially in the case of young people, women and family help.

In industry, construction and sectors associated with tourism, work conditions are also inferior to those prevailing in situations of legal employment: the working week is longer and the wages are lower.

In tourism sectors like catering, informal employment is often accorded to groups of workers, usually families including women and children, which receive lump sum salaries for the work of the group as a whole.

### 3. Textile and Clothing Industry<sup>3</sup>

#### *Determining Factors*

In addition to the factors generally prevailing in other sectors, we should note the following points:

- Government intervention in the sector through successive reconversion plans has not led to any real restructuring of the industry, but has rather established the bases for the development of informal and unstable employment.
- The sector's traditional industrial structure is made up of small units involved in a process which allows fragmentation into relatively autonomous production phases.
- The recession has greatly increased the labour supply.

Researchers believe that the labour market and industrial relations are undergoing a restructuring process which involves a return to as much suppression as possible of institutional mediation between capital and labour as well as the possibilities for organised labour.

#### *Features of the Market*

The sector's present transformations are tending to produce a concentration of major capital in the beginning and end of the production process, that is, in firms treating raw materials and those commercialising final products. The intermediary phases tend to be carried out through unstable or informal employment and are becoming increasingly dependent on the larger firms —national or multinational— operating at either of the two ends of the process.

With respect to regional distribution, the Spanish textile industry is highly concentrated, with almost all the production being carried out in the district of Vallès Occidental and the Llobregat and Ter valleys in Catalonia, and in some districts of Alicante. It is nevertheless true that the decentralised and informal manufacturing phases are often to be found in other regions.

Finally, special mention should be made here of the impetus that some commercial firms are giving to exports by raising their international standing through the incorporation of design and fashion into the manufacture of high quality cloth.

#### *Typology of Informal Work*

The exceptionally high diversification of the textile industry's decentralised activities is due to the high number of production phases which can be performed outside the factory, either in private homes or in clandestine workshops. Informal or unstable employment covers the following typology of situations:

- legal workers in legal firms who do not declare all the hours worked (mainly overtime)
- informal workers in legally established firms (cases have been reported, but they are becoming less frequent)
- at-home workers (traditionally common in the textile industry)
- self-employed workers who have been dismissed and have received as compensation a machine which is then installed at home or in a personal workshop (thus making the worker a "business owner" who generally supplies the orders of the machine's former

owner, who retains the commercialisation of the product and guarantees the supply of raw materials)

- itinerant informal workers specialised in specific and traditional phases of the production process but, unable to find permanent work because of the size of the firms, usually work through agents who find them short-term work in various workshops and small and medium firms.

### *Quantification*

Experts pointed out some years ago that the percentage of informal labour in the textile and clothing industry could be between 25% and 50%. This level has however since decreased because of the growing employment of short-term or part-time workers.

#### 4. Footwear and Toy-Making Industries in the South of Valencia Province (Alicante)<sup>4</sup>

##### *Quantitative Estimates*

At first sight, it appears that there is as much or more informal work in these sectors than there is officially declared employment. This is basically due to the extent of hidden female work, which in all cases exceeds the legal employment of females.

##### Extent of Informality (%)

	Footwear	Toys
Hidden Production / Total Production	33.0	47.0
Firms using some degree of informal labour / Total firms in sector	91.0	94.5
Informal Employment / Total Employment (official and informal)	54.8	45.4
Men	37.7	32.9
Women	71.6	55.5
Informal Employment / Official Employment	121.5	83.2
Men	60.5	49.0
Women	251.5	124.7

##### *Determining Factors*

Footwear and toy-making are labour intensive sectors in which labour costs are the main factors which would at first sight appear to determine the development of informal employment.

Government policy over the past decade has nevertheless not been directly aimed at mitigating the effects of this growth. Despite the fact that the labour market has gained extraordinary flexibility and company social security payments have in fact decreased over this same period, the informal economy has by no means been reduced as a result of these measures.

This means that factors like market rigidity and labour shortages are of limited explicative value in this case. We instead turn to three factors which determine informal work in these sectors in Spain as a whole and in Alicante in particular:

- the increase in the active population, mainly due to women and young people entering the labour market and creating an excess of labour.

- the specificity of the Spanish economy's development model, which was long based on protectionism and subsidy-affected paternalism which allowed the formation of a docile and cheap labour market within a system of inexcusable rigidity and low annual and short-term profits, and this in labour intensive sectors with flexible capital and relatively low labour costs.

The protectionism and subsidies which allowed the system to yield assured profits without incurring any great risks have now been replaced by informal work and activities

which guarantee that the profits are not reduced in the short term and that the forms of productive behaviour do not have to be transformed.

### *Market Features*

The south of the province of Valencia contains most of Spain's footwear and toy manufacturing activities, with 51.6% of the firms, 49.7% of the employment and 63.7% of the total exports of the Spanish footwear sector being located in Alicante, together with 31.2% of the firms, 48.8% of the employment and 41.4% of the national exports in the toy-making sector. In regional terms, this produces two basic features:

- high concentration in certain population centres and districts,
- a high degree of monoproduction in population centres where these activities are carried out.

Whole productive spaces are characterised by one or other of these two activities, with one or several extremely specialised production centres surrounded by a production context which, for reasons of proximity, communicability and accessibility, complement the activities of the centres to produce what Ybarra has termed a *polar spatial typology*.

### *Work Conditions*

As might be expected, one again finds the unstable and inferior conditions associated with the informal economy in general: low salaries, long working weeks, abuse of overtime, etc.

## 5. Retailing<sup>5</sup>

### *Factors Determining Unstable and Informal Work*

Payroll reduction, staff flexibility and new forms of control over labour and the production process are three of the factors which explain these different forms of work.

Analysis is not helped by reference to retailing in general, since this is not a homogeneous sector and is in fact differentiated internally by two main variables: the size of the business and the specific commercial activity in which it is engaged.

Small businesses or "shops" run by self-employed workers or owners, when they cannot depend on family help, traditionally turn to informal labour, mainly to young people and women who, without any kind of legal control, carry out all kinds of jobs. The labour relations in these small businesses is generally strongly paternalistic.

Another important factor for this informal economy is the actual structure and content of the activity: the need to have someone present for long hours, through seasonal variations and at busy times of the day means that the kind of labour required is not easily fitted in to the classical forms of permanent work contracts.

In large shops, department stores, supermarkets and chains of shops, the most significant process is not so much informal employment but rather undeclared overtime and the generalised practice of unstable employment.

### *Typology of Informal Labour*

Although the available studies reveal three basic kinds of labour, these analytically useful categories should not be seen as rigid compartments. The range and variety of situations inevitably means that the one worker may be involved in more than one of the following types of employment:

- Informal employment: This group is mainly made up of family workers without fixed hours or salaries, and young people of both sexes who carry out partial jobs (sales, packing and unpacking, cleaning, etc.) in the larger establishments.

- Strictly unstable employment: These workers are considered not to be included in the above group because they have work contracts, even though they do not declare all the work they actually do. The work conditions are practically the same and the group concerned is almost exclusively made up of occasional workers, who could represent up to 50% of the total staff, with a tendency to increase.

- Part-time employment: These workers may sometimes benefit from the social security corresponding to their job even though they only work for part of the normal hours.

The most pertinent way to address this phenomenon with respect to retailing as a whole is perhaps to consider the undeclared work that *all* employees carry out, whether they are informal or not: overtime, undeclared worked hours, etc.

### *Work Conditions*

We have already noted some of the work conditions resulting from the growth of unstable employment in this sector.

The extensive deregulation of commercial establishments is clearly evinced by the number and variety of existing collective agreements, and by their relatively scant

application. This results in extremely long working hours, indiscriminate use of overtime (some of which are unpaid), arbitrary distribution or sometimes complete lack of holidays, and salaries which, if measured in terms of affective dedication, are simply miserable. To this should be added the fact that non-permanent employees do not benefit from long service grades, nor from most of the commissions on sales. The salaries of the sector as a whole are well below those of comparable sectors with respect to both average earnings per hour and monthly salaries per person.

Finally, we should indicate one further factor which may explain how these conditions are maintained in a sector where business strategies are based on concentration: namely, the lack of institutional structuration, resulting in an absence of government intervention, low union membership, weak and isolated business associations and a multiplicity of management-labour agreements.

## 6. Message Services<sup>6</sup>

Message services clearly constitute a growth sector. Since the number of businesses is increasing rapidly and established firms are steadily becoming larger, it is not difficult to find work as a messenger.

There can be no doubt that the development of this sector is due to the inadequacy of Spain's postal services, in which late deliveries and even loss of mail are common.

Message services form a relatively new sector which remains almost entirely unstudied from the perspective of its labour relations. Up to the beginning of 1987, it was entirely deregulated, with absolutely all the work carried out on an informal basis and with no collective labour agreements, nor indeed contracts between firms and workers. The messengers provided their own means of transport, usually a motorbike, and had to cover all the costs —insurance, petrol, repairs, etc.—, receiving a fixed sum for each delivery.

The high degree of risk involved in this activity, coupled to a complete lack of social security coverage, gave rise to a series of protests on the part of the messengers, and this in turn led to the signing of an agreement for the sector. All firms now have to adhere to this agreement and do in fact do so, since its terms remain very much in their favour.

The situation of the sector is presently as follows:

- Work contracts are signed which are of the same kinds as those existing in the rest of the market: temporary, part-time and indefinite.

- The agreement envisions fourteen obligatory pays per year, that is, two special pays and one month of holiday pay.

- Since most of the messengers now have a formal work contract, they are covered by the social security system.

- Remunerations have increased, with from 125 to 135 pesetas now being paid in Barcelona for trips within the city, plus from 20 to 25 pesetas for each kilometer travelled beyond the city limits. Some firms have established "fixed" wages.

- The agreement obliges the firms to have a reserve of motorbikes available to the messenger for at least three working days if his own motorbike should need repairs.

Despite these measures, unstable working conditions still persist: the motorbikes are still owned by the messengers themselves; the workers still have to cover all transport and repair costs, etc.; the firms have no insurance to cover the high risk of accidents; remunerations remain so low that many trips have to be made throughout the day in order to earn a decent salary, and the messengers thus mostly ride around the city as fast as possible, taking considerable risks. The fact that remuneration is based on the number of trips carried out means that wages are formulated in a special way: an inter-professional minimum wage is normally declared, to which is added a series of bonuses until the amount corresponding to the actual trips is reached. There is no fixed bonus for high risk.

## 7. The Madrid Electronics Industry<sup>7</sup>

The electronics industry constitutes a fast growth sector in which advanced technology means that it is more capital intensive than labour intensive. This makes it quite different to sectors like footwear, toy-making and textiles.

### *Quantitative Estimates*

Although there is no exact information on the subject, the maintenance and even growth of employment in this capital intensive sector (together with the creation of new firms) suggests that the total number of informal workers is not scandalously high. On the other hand, the Madrid electronics industry is notorious for its use of informal employment as a tactic when starting up new businesses, with a tendency towards legalisation when the firm has established itself in the market. There is nevertheless an important degree of family help (especially during the initial phases of an activity), "excessive dedication", hidden part-time employment of highly skilled labour and some forms of unstable employment.

### *Determining Factors*

The general causes of informal employment can always be deduced as being based on labour cost reduction and tax avoidance. It is nevertheless true that, if it is profitable to employ an electronics worker—who is qualified and often highly qualified—on an informal basis, it is more for reasons of dedication and flexibility than simply to reduce labour costs (which may in fact be above those of the regular market).

The important point here is to observe the actions and reactions of a capital intensive economic structure which is very much dependent on the State and on foreign investment, and in which the production process is highly concentrated in extremely large firms. Considering the reductions in the number of workers and drops in the level of investment in the older, larger firms, expansion in the sector must be explained by the creation of numerous small and medium firms. Very few of these—probably less than 20%—are associated with international capital or with the CTNE, the INI or other larger concentrations of national capital. They tend to be self-financed businesses created by working professionals able to take advantage of the opportunities opening up in specialised markets beyond the control of the large companies.

These new firms have opted for highly decentralised structures. Most of them subcontract the main phases of production and assembly, retaining for themselves technical processes like design, installation, testing, maintenance, in fact all aspects of commercialisation together with the concentration of considerable research capacities. This means that they remain of reduced dimensions.

Many of these firms began as informal enterprises. Qualified workers often accepted occasional work in addition to their normal jobs. Others began in their own houses, in small sheds or even by paying for the use of machinery installed in other workshops.

One of the aspects allowing the survival of many of these firms was their constant search for new and diversified markets. This means that, whilst they remain suppliers of electronics, they also work for other sectors (automation, construction, etc.).

## 8. At-Home Work in the Region of Valencia<sup>8</sup>

### *Quantitative Estimates*

Within the varied range of informal labour, at-home work is perhaps the most difficult to measure. All empirical estimates of the phenomenon nevertheless indicate that this is a highly traditional activity with a wide extension.

In the case of at-home work in the region of Valencia, we shall attempt to offset the lack of rigorous quantification by presenting some highly significant indices:

- The high degree of stratification found by Sanchis in a sample population of farm workers, together with the reduced dimensions of the group, indicate that the activity is easily localised.

- In Ibi, the capital of the Spanish toy-making industry, some 100 clandestine workshops were to be found.

- In the 1960s, in Castellón alone, more than 2,000 knitting machines were sold for the production of knitted garments in the home.

### *Determining Factors*

In the conclusions of his survey, Sanchis lists the following as causes generating at-home labour:

- Lack of alternative jobs in the local conventional market, due to either marginal geographical localisation or economic recession.

- Inability to engage in available jobs because of inadequate professional formation.

- Need for compatible economic activities, especially with respect to rural employment.

- Reluctance on the part of employers to offer conventional jobs to married women.

- Lack of social facilities —child-minding centres, etc.— needed if women are to work away from home.

- Force of traditional ideas about the family and the role of women in society.

- Breakdown of the model of spontaneous industrialisation as a result of large increases in salaries, taxes (social security) and the price of raw materials, together with an increase in the competitiveness of exterior markets resulting from changes in the international division of labour.

At-home work does not however provide an instant panacea for all the difficulties listed above. What we are really seeing is rather a new stimulus for an activity which in fact existed prior to the industrialisation of the Valencia region and continues to exist in support of industrialisation.

### *Market Features*

The conceptual division between official and informal economies overlooks the real connections existing between these forms, and thus cannot explain the relatively integrated system constituted by firms from both camps which make up the backbone of Va-

lencia's widespread industrial structure. Firms which are amongst the world-wide leaders in their fields—in manufacturing, textile, toy-making, osier-work and footwear—directly instigate at-home labour across the whole of Spain.

### *Typology of Labour*

At-home work is one of the classic types of informal labour. In practice, at-home work and informal work are interchangeable terms

The typical at-home worker is a middle-aged woman who is married to an industrial worker and also does the domestic work; that is, most of them are housewives. Full-time at-home workers are generally young girls. The level of education is very low.

### *Attempts at Legalisation*

At-home work remains informal and is by no means being rooted out. The institutionalised social agents (unions, employers and government) are very cautious about the subject and are fully aware of the negative reactions that any move in this direction would arouse amongst at-home workers, who usually stand to lose their jobs if legalisation comes about.

### *Work Conditions*

Study of the various cases shows that one of the defining traits of informal work in Spain is the atrocious conditions in which this work is carried out. At-home work is one of the clearest examples of this general degradation of work conditions: the working hours are unlimited and their duration may be equal to or even more than the officially established limits. The wages are the lowest of all, and there are no measures of security or hygiene.

To this should be added the complete lack of direct social protection. The husband's social security affiliation guarantees health assistance, but no woman working at home is entitled to unemployment benefits or her own pension.

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## PART II. QUANTITATIVE ASPECTS

### INTRODUCTION

In order to understand the characteristics and evolution of irregular work in Spain, it is necessary to summarize some general traits of the labour market during these last decades.

During the 60' two very different characteristics are present in the labour market. Firstly, creation of employment in industry, in building and in some subsectors in services; secondly, massive emigration from agriculture to other sectors. However, creation of employment was not sufficient to absorb the whole active population; a low rate of unemployment was only due to the opportunity of emigration to other european countries.

On the other hand, between 1976 and 1984 more than 2 million jobs have been eliminated and the workforce reduced of more than 1 million people (not entering the labour market or going out of it), according to official figures. Only from 1985 creation of new employment is evident, but now with very different traits (precarious or part-time jobs).

The rate of activity is been always below the average rate of EEC countries, with a tendency to go further down from 1975 till 1985 as a consequence of the crisis. It is particularly low with respect to females ( this group represents only the 30% of the whole active population). Today it is evident that irregular female work is hidden behind this weak official participation of women in the labour market, a work combined, generally, with the reproductive tasks.

The unemployment rate was in Spain over 20% in 1987, above the EEC average rate for the last few years. It is not only industrial unemployment, because it affects also, and very strongly, agrarian regions as Andalucia.

To finish this introduction, we have to remember that small firms are dominant in workforce volume over any other EEC country, with the exception of Italy.

## 1. VOLUME AND NATURE OF IRREGULAR WORK

### a) Estimated volume of irregular work

Several attempts were made in the early 1980' to measure the percentage of the Spanish national income produced by irregular work, with methodologies (Gutman, Tanzi) previously used in other countries (Moltó, 1980, Lafuente, 1980). The results were however far from convincing, measured in terms of percentage of the industrial product. (Sanchis, 1981). Investigations have since been carried out into the factors determining the phenomenon and the characteristics of the population involved in irregular work, and studies of certain sectors or regions have allowed estimates to be made of the percentage of the labour force in this situation. In this report we shall evaluate irregular work as something different, *stricto sensu*, of tax evasion (tax evasion can accompany, of course, irregular work but is not the same thing) and of criminal economic activity (traffic of drugs, prostitution; etc.)

Evaluations of the percentage of irregular work have been made above all with respect to those sectors in which this form of work is highly traditional: footwear and toymaking in Valencia (more than 80%) (Sanchis, 1982, Ybarra, 1986) and the textile industry in Catalognia (between 25 and 50%) (Miguélez, 1982). Other evaluations have been made of the degree to which unemployment is associated with irregular work (several studies concerning Andalusia and Catalognia indicate that at least 30% of those officially unemployed do in fact work) (Miguélez-Recio, 1988). These studies show that the phenomenon generally concerns workers who, having lost their normal employment or not having had access to their first employment and not receiving unemployment benefit, take on very unstable jobs (temporary, part-time or hourly-based).

In 1985 the Spanish Ministry of Economy carried out an important survey (sample 65.000 people) which classified workers as either regular or irregular according to whether or not their relation with the Social Security system was correct. (CIS y Secretaría General de Economía y Planificación, 1986). This survey showed that 29% of the workers were in irregular situation. But there are two criticisms we must do to this study: first, the authors consider an incorrect relation with the Social Security system when people: are working and do not have Social Security, when they have Social Security but do not pay, when they have Social Security but not properly, when they work meanwhile perceiving unemployment benefit.

In my opinion only the first and the last of these assumptions are to be considered irregular work, equivalent to 70% of the detected irregularity; second, the study overevaluates the number of irregular workers, because considers employed people those who work 1/3 of the regular working hours, not using the last week as reference -what is usual in these survey-, but the last three months.

Considering these two factors of reduction, the real level of irregularity could be, in my opinion, about 20% of all active workers.

Note that only 118.000 people perceiving unemployment benefit do work, that is the equivalent to the 12% of all unemployed having this benefit. This last information is very important to understand that, also in Spain, relationship between unemployment and irregular work is really irrelevant.

#### b) Relationship with tax evasion

In this issue we have to distinguish evasion by not declaring work and evasion by not declaring real income.

Most of unemployed doing irregular work -in general occasionally- do not evade taxes, except Social Security payments for this occasional work, because they do not receive unemployment benefit neither reach minimum annual exempt of taxation; when there is this incompatibility - if they receive unemployment benefit and do work- their

evasion is low, because they are placed in the lowest ranks of income.

A second group of irregulars is made of people theoretically out of the labour market: housewives, students, people looking for their first job, people over the 65s (age of retirement). Most of them evade some taxes -not Social Security payments because do not benefit of it- but at low level, once more, because they are placed in lowest ranks of income.

A third and very important group is people doing not declared overtime or having a second not declared job. In the first case we find normally people with stable employment: employers and employees -sometimes these last are forced to accept extra hours as much as the same Committees do- benefit from this concealment. In the second case are particularly medium and highly qualified, public employees, employees in banks and other services, manual very qualified; tax evasion in this cases may be high, but difficult to control, because they can do their second job as self-employed.

Finally we can consider self-employers (liberal professionals and others) and employers in small firms (also familial helpers); tax evasion in these cases can be high and referred to the principal subject or to some of his collaborators.

According to the Ministry of Economy and some private research, tax evasion in terms of personal income is realized particularly by three social groups: farmers, employers and liberal professionals. In 1987, for instance, the average taxable personal income was about 1 million pts for salaried workers, meanwhile farmers declared under 500.000 pts and employers 650.000 pts as average (only 1% of them declared more than 5,5 million pts of personal income).

In terms of enterprise income, recent TAV has eliminated many double accountings or has brought to the surface many clandestine operations. But after some years traditional Spanish behavior in front of the taxes is coming back by two different ways according experts: not declaring a part of the sales or declaring them at lower prices.

In any case tax evasion in terms of personal or enterprise income is enormously higher than that in irregular work, with the only exception of some kinds of multijobholders.

### c) The nature of irregular work

According to different studies and surveys, we can summarize the characteristics of irregular work at the present time and detail afterwards the condition of different types of irregular workers.

#### Present characteristics

Irregular work is at the moment more concentrated in agriculture and services than in industry and building (till now it was studied almost only in these last sectors); but in the first sector is probably a traditional way of working.

Most of this irregular work is "organized" in enterprises particularly in small firms. But there is an important part of "individual" irregular work in which we can distinguish different groups; more than one third of irregulars are self-employers, familial-helpers or employers, in this order; according to national surveys (Ministry of Economy, 1986), multiple jobholders reach 9% of the work-force, meanwhile regional studies (Enquesta Metropolitana de Barcelona 1986) show that overtime is a common practice for 40% of the work force. Part-time agriculture is extremely important in areas close to, or well communicated with, large urban agglomerations or with industrial areas; between 30% and 45%, according to regions, -this percentage is increasing during last years (Etxezarreta 1985)- are part-time being the agriculture the second, and often not declared, employment. A very important amount of irregular work (not always of irregular workers) is to be found in these groups.

On the contrary there is no evidence of significant irregular work by unemployed having unemployment benefit; only 5% according the national mentioned survey. (Ministry of Economy 1986). Another category is to be considered, the immigrants; according to some research (Documentación Social, 66, 1987) more than 65% of the 720.000 immigrants are working irregularly, not having identification papers neither contracts or being registered as students or

tourists; they work in agriculture, catering, tourist services.

From the supply's point of view the main characteristics of this irregular work force are the following. Most of the irregular "organized" are young people, females, with low level of studies, low qualified, in few words, flexible, cheap and secondary workers. Most of the irregular "individuals" are fixed or qualified workers, that is, workers placed in the primary segment of the labour market. In other words, also in irregular work some kind of segmentation can be found.

Nowadays irregular work is all over the country, but with different characteristics according economic and social structure of the regions. In Valencia, Catalonia and Madrid irregularity is important in traditional (textile, footwear, metal transformation) and in new industries (electronics) (Benton, 1986). In big-metropolis and in highly populated touristic areas, irregularity is significant in personal services and in services to enterprises: Madrid, Bilbao, Barcelona, Sevilla, Mallorca. Irregularity in agriculture is remarkable in Andalusia (latifundism), Galicia and Santander (minifundism), Valence, Catalognia, Asturias and Euskadi (part-time agriculture). In building industry irregularity is higher in regions with low level of industrialisation (Murcia, Castilla, Andalusia).

#### - Main types of irregular workers

Now I'll consider in some more detail the most important types of irregular workers.  
(self-em, unemployed, black, multiple)

First of all self-employment has to be considered. Not taking into account the agricultural sector where traditionally a part of self-employment is irregular in terms of tax declaration, irregular self-employment is present in commerce, other services, construction and industries like clothing and footwear. We should emphasise that the expansion of self-employment over recent years has mainly been in the service sector, thus breaking with the traditional image which previously related informal work to industry. But two kinds of self-employment has to be distinguished: false and true self-employment.

In the first self-employed group workers do not work in an enterprise, but they are not really independent from it. This is the traditional position of the housewife working at home, sometimes with complicated tools sometimes without, for external enterprises in textile, toymaking, footwear and other industries, combining productive external work with reproductive internal tasks (Sanchis 1983, Miguélez 1982, Ybarra 1986). With the economic crisis and the increase of decentralisation this type of worker appears in other industries (paper, plastics). In any case considerations of this work as "typical femenin" contributes to its social acceptance.

The work generally requires skill, but not advanced formal qualifications. Many women work fairly regularly on a full-time basis, either in terms of months-year, days-week or hours-day work, whereas others work on a seasonal or temporary basis. (Recio, Miguélez, Alós, 1988).

But there are also new self-employment with these characteristics of dependence. It is found in building industry, in textile, transport and in some other sectors. Many reasonably qualified salaried workers who have lost their jobs and sometimes get some amount of capital - through indemnities or through capitalisation of unemployment benefit- buy the tools from their ancien enterprise and become self-employed. But the liason with the enterprise remains really strong. The large construction and transport firms, for example, have reduced their personnel levels by between 60% and 80% in the last 8 years and yet continue to have high business; an important part of their activities is subcontracted to former employees. Main firms usually oblige these self-employed workers to legalise their activities in order to avoid problems with government controls, but this does not mean that all the workers in the small business involved have been declared: collaborators like family members, friend and trusted workers may remain in irregular situation. Other times, anyway, these self-employed can remain irregular for a long period or can appear on the surface after a short time if they have got already substantial economic capability.

In the same line of argument we have to consider traditional small scale activities more independent in services (catering, commerce) more subordinate to big

enterprises in industry. An important part of work force used in these firms is irregular family labour, working on occasional or temporary basis. But these small entrepreneurs employ also irregular workers, in general young people and females, in the periods of peak activity.

Summarising characteristics of self-employed we can stress the following points: Self-employed workers have in many cases been salaried workers, with the obvious exception of those, usually young people or women, who enter the labour market for the first time through one of the above modalities. Irregular work has in general not been accepted out of free choice, but because of the need to find an alternative to salaried work. Exceptions to this may however be found in high technology sectors where the appropriate "business decisions" have been made.

These self-employed workers or artisans generally have little capacity for technological innovation. The exceptions are usually found in manufacturing or services in which the presence of well prepared individuals makes such innovation possible, although there are areas in which unionisation or formation of collective groups stimulates the capacity for innovation (Recio, Miguélez, Alós, 1988).

Finally, and perhaps that is the most remarkable aspect, as a result of the decentralisation processes, many of these self-employed workers are in some sense "organised" by a network of larger legal enterprises.

In second place we refer to real "black workers", that is, dependent workers without any contract. In general people in these conditions are young students or in search of their first job, unemployed without unemployment benefit, all of them in general working in small enterprises. According to some authors there is an important increase of this kind of irregular workers from the beginning of the economic crisis and till the early 80'; having this labour force, small enterprises faced competence coming from bigger or more organised firms.

In the last 6 years these irregular workers are decreasing, thanks to some change in their contractual status: many of them can be legal with temporary or part-time contracts.

In third place we may speak of multiple jobholders: Second and third job holders, part-time farmers, overtimers are the main groups in this type.

We could distinguish two different cases in people having a second or a third job. For low-income earners in their first job, the most common second job is a family business: usually they are salaried workers who either dedicate a few hours to their own business having another family member looking after it, or are self-employed in repair work, door-to-door selling, accounting, teaching, doing research, etc. This kind of work is usually temporary and irregular.

High-income earners usually engage in a more regular second job which they undertake either as dependent either as independent workers. This is the case for administrative and professional staff in both the public and the private sectors. Some studies show (Enquesta Metropolitana de Barcelona 1986) that in these cases the second job is usually not in the same sub-sector as the first job, although it normally involves the same occupation. This is probably because the second job tends to be more flexible and totally, or partially, irregular.

Second job normally involves some degree of "self-employment", even in cases where it is done as an employee, since a certain degree of freedom is necessary to combine both jobs. It is in this freedom where some kind of irregularity in terms of not declared work or in terms of not declared income can appear. People with second or third jobs are normally qualified to a certain degree, either with manual skills (mechanics, bricklayers) or professional expertise (bank and public service employees, liberal professions) and can make their second job highly profitable even when it only requires a few hours.

A special case of second jobholders is referred to part-time farmers whose volume is strongly increasing in Spain in the last years, as we stressed above. There are two typological combinations of employment in the case we speak about: when the job in industry or services is a regular or fixed employment, part-timing in agriculture is the secondary activity, usually producing goods for domestic consumption; when the job in industry or services is occasional or seasonal, part-time farming

tends to constitute the primary activity, producing an important amount of family income.

Overtime is similar to multiple jobholding from some points of view, particularly in the aspects of extra work and extra earnings. We mentioned above the significant increase of this work in Spain in last years. Now we can add that, being a rigid regulation of extrahours, an important part of this time of work is wrongly declared (as if they were conjuntural hours when they are structural hours) or directly not declared; in this sense we are dealing with irregular work not with irregular workers.

According to some available research, overtime is made more in small than in big enterprises and significantly more by male, stable qualified workers.

Finally we have to speak about the relationship between unemployed and irregular work. At present, and for the last 3 years, 3 million people, the 20% of the workforce, is unemployed. Only a minority, a third part, receives unemployment benefit, being this benefit, in average, under minimum pay. There is not only an important amount of free workforce to be hired at any condition, but also a public "morality" open to this solution, because it can be the only way of surviving. Several studies show that most of unemployed working, do it in very precarious jobs (Izquierdo, Miguélez, Subirats 1986), with low earnings (García de Blas-Ruesga 1983) or with very long working hours when their income is comparable to regular workers (López 1986), with exceptions in very advanced sectors (Benton 1986).

Often irregular workers, of different types, are officially inactive people: women who work at home (Sanchis, 1983, Ybarra, 1986), what raises the real activity rate; family helpers not declared as such, because they work few hours or simply to evade taxes, particularly in semi-artesanal activities (López, 1986, Casals-Recio-Vidal Villa, 1986, Ybarra 1986); students and retired workers (Enquesta Metropolitana de Barcelona, 1986).

As a conclusion we have to underline that most of the irregular work is made by regular workers or by people officially inactive, not by unemployed particularly if we think of unemployed receiving some benefit.

### 3. DETERMINANT FACTORS OF IRREGULAR WORK

In order to understand the complexity of the factors which contribute to this kind of work, we shall present two different approaches: one historical one systematic.

#### The historical approach

The evolution of irregular work in Spain over the past 20 years may be analysed in terms of three phases:

- First phase: traditional irregular work.

Irregular work was traditionally found in mono-industry areas and in zones of latifundio agriculture where salaried workers, generally temporary, were contracted illegally during different phases of production. With respect to industry, traditional irregular work was largely based on the social role played by the family: women at home carried out undeclared work for textile, toymaking and other industries at the same time they did their domestic work. Small artisans and entrepreneurs found most of their informal labour in their immediate or related families. The family and the role of women also accounted for much of the irregular work in the service sector, mainly in relation with undeclared domestic services (maids, cleaning women) and undeclared family help in commerce and catering.

The main factors determining irregular work prior to 1970s would appear to be the low cost of this labour, the economic and cultural situation ensuring its ready availability (some researchers have talked about "trapped labour") and the lack of social and state control over the enterprises concerned by both unions and government. It should also be pointed out that second and third jobs were also traditional modes of informal work, particularly in occupations associated with the public service and the liberal professions.

- Second phase: Expansion in the 1970s

Researchers agree that although economic crisis did not introduce irregular work in Spain, it played a role in its increase, which was very important in the 70'.

There are several factors determining this fact. The first would be the subjective-individual desire to obtain an adequate supplement to increase low salaries or pensions, for which there is sometimes no other way than the informal economy, because the only available jobs for some workers in a very segmented labour market are these irregular jobs.

For some social groups, specially employers, the main factor to be emphasized would be the excessive rigidity of the labour market which, inherited from francoism, did not allow business to confront international competition; that concerns both the cost of labour and the supposedly excessive fiscal constraints on enterprises. This could be real in some cases, but not as a general issue, because level of taxation in Spain is much lower than the european average, as indeed are labour costs. Moreover, the lack of government and union control over the implementation of agreements and laws means that the real labour market flexibility -as distinct from the theoretical regulation reflected in agreements and laws- is much higher than is sometimes indicated.

There is nevertheless one phenomenon which I believe provides a basic explanation for the growth of irregular work in the 1970s and early 1980s. The restructuring of production in this period involved an enormous decentralization process and considerably accentuated the segmentation of the labour market. This segmentation resulted in the creation of many precarious and not regulated jobs for which the "adequate" labour force was found amongst women, young unemployed people, lowly qualified workers excluded from production processes and retired people unable to live on their excessively low pensions. This in turn led to a huge increase in irregular work.

The new feature to appear over these years was "organized" irregular work, that is, the extension to employees through jobs without contracts and undeclared overtime. The work conditions of these people were

generally at the lower end of the scale, with low wages, long working weeks and little security and hygiene.

The traditional forms of irregular work were also accentuated in this period: many people, not only women, worked at home and there was a rise in self-employment, partly legal but also often informal in sectors like construction, transport, commerce and catering. Little innovation can be detected in these areas, although there are exceptions to be found in electronics, certain services to enterprises, etc.

- Third phase: changes in 1980s

The fundamental change to be detected in recent years is what might be termed as "legalization of deregulation". This concerns the appearance of new forms of work contracts involving training, apprenticeships, part-time employment and, above all, temporary work. These new ways of engaging personnel, the most predominant of which are those involving less than six months of work, now account for almost 90% of the work contracts signed in Spain and particularly involve young people of both sexes and women.

These new contract forms bear on irregular work in two ways. Firstly, the ease with which they allow employees to be engaged and dismissed means that firms can replace their old informal labour with new unstable labour. But it is clear that these new employees are frequently contracted for a few months and then work informally -for the same or another firm- for a certain period before returning to legally contracted employment. This ensues from an employer strategy designed to create an extraordinarily flexible labour market fringe -generally young people, women and lowly qualified adult men- whose work conditions are not very dissimilar in both legal and irregular situations; of course a legalised situation is not at all to be underestimated, but the all condition of work goes further this legality.

Processes of subcontracting to the self-employment area have increased enormously in recent years. Self-employed workers constitute a highly mobile sector which may be either informal or legal but, when legal, usually involves at least some marginal informal work for family members, friends and trusted people who work on a part-

time basis. The same process has led to an increase in double employment, above all in highly secure sectors like the liberal professions, the public service and bank workers. This double employment is often irregular, requires only a few hours and is carried out as an independent job.

This same period has seen the addition of other factors which determine the type and characteristics of informal labour. Modern metropolitan areas generate a significant amount of personal and business services which may be carried out by people placed at the lower levels of the labour market or by people who accept them for a short period (e.g. students working in post-express). Social and cultural attitudes have changed: many people accept irregular work as a different but now quite normal way of working.

Irregular work is in some cases a way of starting up new businesses, cooperatives and study groups which may thus minimize the initial risks whilst fully intending to declare and legalize themselves later. This process is obviously only possible for those who have some capital or a certain qualification level, and it is particularly in these cases that innovation is associated with irregular work.

#### The systematic approach

Briefly some notes which can underline the most important determinant factors in act at the moment on irregular work. We shall distinguish the national and the regional level, because some factors can operate in microcontexts and not at larger scale.

#### - At regional level

At regional level there are some factors which operate on characteristics that irregular work presents in industry.

In traditional industries where we find irregular work there are three factors which are present. First of all there is some kind of ancien informal agreement between small employers and the families by which low wages paid to salaried workers are "compensated" with work offered to other members of the family either at home or in the

plants of the enterprise (working by the hour, temporary, part-time, etc.). On the basis of this agreement, small firms can face competition, sometimes international competition (toys, footwear, textiles) and families can reach a considerable level of consumption. One of the main basis of regional or local development is this structure of small enterprises

But this situation is possible in part, because of the role traditionally played by the family. Small enterprises can survive and accept the conditions imposed by big firms and by the market, using their family workforce: head of family, housewife, sons, relatives in a very flexible way (part-time, weekends, summer time) and specially with low cost. But at the other end of that informal compromise, housewives can work for the industry, because they do it in a very flexible way by which they integrate household responsibilities and complementary external work. Therefore some kind of social acceptance in front of irregular forms of working is developed.

In third place there is no tradition of social control on the conditions in which workforce is used in small enterprises. There is no unions control; the inexistence of free unions in Franco's regime and the present weakness of unionism in small firms is an undeniable fact. Tax control by the administration also was light in the past because of political reasons -francoism looked for some kind of social support in this sector- and it is at present, being these enterprises an important factor in the full employment crisis.

In summary in some regional and local labour markets supply and demand join in a certain area of interest and that creates a very favorable climate to irregular forms of working.

In primary sector, agriculture, irregular work is not based on any kind of informal agreement, but in simple imposition of dominant interests. In latifundio zones, with excedentary supply of labour force, black work was a simple way of reducing labour costs; in Franco's era no intervention against that was initiated by the government; recently official tolerance is to be explained in the context of massive rural unemployment. In minifundio areas, irregular work was some kind of tax evasion for survival's sake which government tolerated.

- At national level

At national level we can identify factors having different degree of influence; some of them have developed in the last years some are traditional.

Some scholars have insisted in the excessive pression of tax system and in the rigidity of the labour market as the main factors explaining irregular work in Spain; with other words, employers would use irregular work to face competition they cannot do if they follow laws and regulations in the two mentioned questions. These factors explain things at subjective and immediate level - that is, a small entrepreneur can react to the high prices he finds in the market only by escaping from legal taxation or legal cost of the labour force. But behind these immediate factors there are some others we have to underline as the main determinants.

First of all the market has been traditionally controlled by big firms, national or international, in textile, electronics, toymaking, footwear, wood, transport and, more recently, commerce, catering and others; these big firms impose final prices which oblige small ones to make irregularly some of their activities. In the last decade the accentuated process of decentralisation has increased this subordinated relationship.

In second place Spanish entrepreneurs are traditionally used to obtain important profit margins and because of this have only with difficulty readapted to the requirements of welfare state: high taxation, basic guaranteed social conditions.

Furthermore because of the characteristics of the labour market, the enterprises have found always many people "ready" to be engaged almost at any condition. The low tax of activity means that many women socially "trapped" at home are ready to work some hours, often irregularly. The high tax of unemployment, without benefit, means an important contingent of "free" work force to be engaged. Multiple job is a long tradition in sectors like civil servants and others. All these elements together with no existence of free unionism during decades and the lack of collective laboral claims in these groups, accentuate the

disponibility of all these potential workers to work in any condition and, of course irregularly.

But a general increase of labour market segmentation during last decades is to be considered as the main factor of irregularity; I'll come back later in this report on this issue.

Finally the last determinat factor to be kept in mind is the role played by the state. During francoism laboral laws, decrees and reglaments were many and very complex. But the official decisions to implement these regulations were weaker. Regulation was not a result of social compromise and because of that there was no social control on its implementation neither by unions or other social organisations nor by the state. State intervention in the last years is oriented to produce a lighter regulation -new forms of contract- imposed reglamentary not negotiated with the social actors.

We have to add some other factors less directly interveining over the phenomenon and more over the general context in which irregular work is developed; w'll call them sociological factors.

Very briefly w'll mention four of them. In the last decades there is an increased stimulus to consume as a main cultural trait in our society; in reaction to that, people need higher incomes. Paralell to that, possibilities of working irregularly part-time, occasionally, etc. are increased, specially in big urban areas. A third factor to be considered is the traditional and generalized mistrust in front of the state and its capability of balancing social differences; because of this reason tax evasion is considered more a sign of ability than some kind of public immorality. The final factor we spoke already about in different moments in this report is the social role played by the family; the family functioning as a unit and the the socio-cultural subordinated position of some of its members provides subordinate workforce to the labour market, which very easily can be irregular, the main members of the family having a regular position.

### 3. CONCLUSIONS AND POLITICAL IMPLICATIONS

#### a). Government attitude on irregular work

Government actions have distinguished two different levels in this phenomenon: irregularity in terms of declaring income and irregularity in terms of declaring work.

At the first level there is, in last years, an increased control particularly in relation to special groups: liberal professionals, employers, self-employers who in their tax evasion can hide irregular work.

At the second level, the most important for our present purpose, official politics are more ambiguous. Irregular work has been condemned by government officials as a form of fraud and "unfair competition", but, at the same time, presented as the way of working by which many people can escape unemployment. In this sense we can speak not only of official passive acceptance, but also a conception according to which this way of working can be different but is the only possible way for many people.

From 1980 there is some regulation of one of the main forms of irregular work, the work at home (Estatuto de los Trabajadores, art. 13). Some kind of contract could be signed between the enterprise and the workers at home, according to this article; but in fact some initiatives coordinated by unions in this direction never got to an end, because of the opposition declared by enterprises, without any official pression for the law to be enforced.

But there are official politics in front of the irregular work in the last years: the purpose of transforming irregular work in legal work. The way are the new forms of contract we spoke about in precedent pages, particularly temporary work. In 1985, 1986 and 1987 more than three million contracts per year were signed; of course, being very short contracts, the same worker can be engaged several times a year or the same contract can be "occupied" by different workers during a year (rotation). But there is no evidence to conclude that this government option can diminish irregular work; on the contrary, this new dinamyc of the labour market is attracting people at present inactive (married women) and "discouraged" (young people, students) increasing more and

more the available workforce to work at any condition, also irregularly.

b) Irregular work and labour market segmentation

Labour market segmentation is, in my opinion, the last line to explain irregular work. This segmentation seems to be increasing and consolidating in the last years due to three factors I have mentioned sometimes in precedent pages and now I'm going to present more systematically.

First of all there is a big process of decentralisation facilitated by the existence of a traditional extensive network of small enterprises in regions like Catalonia and Valencia and with the emergence of many small firms of services in large urban areas. The main instrument in this process is subcontractation of some productions or services from big to small firms. So a hierarchical segmentation is created by which workforce in low sectors is less qualified, more mobile, not at all organised, cheaper; all of them conditions which propiciate all kinds of irregular work. In fact most of the new registered contracts are in enterprises under 100 workers, but also most of dismissals continue to be in this fringe of enterprises; here is a demonstration of flexibility.

Legal framework has accentuated the tendency towards workforce segmentation and flexibility. We spoke already about new forms of contract producing temporary and part-time employment; almost 90% of new contrasts officially registered (INEM) are precarious -many of them have some kind of deduction in the cost enterprise has to satisfy to Social security- in last years; between 18% and 20%, according different statistical sources, of the personnel in all kind of enterprises is already temporary in 1987 with an increase in 5 points over 1986. Dismissal has been the most important way of reestructuring personnel in enterprises. From 1978 to 1986, over 8 million salaried workers, more than 2,6 million have been dismissed through different mechanisms: Labour Tribunals, Expedients to Regulate Employment, Institute of Mediation. In 1988 unemployment benefit covers under 30% of unemployed so more than 2 million workers are in disposition to be contrated at any condition.

But actors' strategies are also to be considered. Employers look for a more flexible labour market and for a double level in enterprises, stable workers and temporary workers; the last can easily be used as flexible factor in front of fluctuations of production. In some way unions have helped to consolidate segmentation concentrating their efforts in the strongest groups of workers.

c) Irregular work and innovations in technology and work organisation.

Irregular work, with few exceptions -could be the case in electronics (Benton, 1986) and some services to enterprises- is not accompanied in Spain with an high degree of technological innovation. But there are two kinds of innovation we have to consider. The first is related to changes in work organisation, because irregular work allows to brake the rigid traditional taylorist organisation, concentrating and doing more autonomous very parcelled tasks. The second has to do with qualification of workers, because in many new enterprises, in particular in services, these qualifications are fully used; of course, many operations in irregular activity, particularly in industry, are tottaly dequalified.

#### 4. EVALUATION

a) What to do in front of the irregular work

Neither a merely repressive position nor a passive acceptance seems to be the right way to face irregular work. In my opinion some of the following mesures could be more effective.

First of all control can be reinforced and accepted by the public opinion in relation to the multiple jobholders, in particular liberal professionals and civil servants; in this sense labour inspection may receive some more interveining powers. But also Committees and personnel Delegates in all enterprises may have more

intervention, and also more instruments, in order to get stronger control on overtime.

New forms of temporary or part-time contracts could stimulate irregular work to emerge only with some conditions; if contracts last not less than 6 months and workers have the right to get unemployment benefit for the same period if the contract is not renewed, obtaining a stable employment after a reasonable period; if these temporary or part-time workers obtain all laboral and sindical rights as the others.

In order to guarantee the replacement of unemployed or the first job for young people, some elements are very important: professional training more solid and closer to the real process of work; efficient retraining; to raise substantially unemployment benefit in terms of money and of people covered by it; to facilitate the presence of unions when new contracts are signed.

In the other hand the presence of workers representatives -in particular unions- might be reinforced in enterprises, specially in small firms, giving them the possibility of having some kind of control on decentralisation process. But unions themselves have to be more conscious of this necessity, understanding that the boundaries between which conditions of work are decided are less and less those fitting with the firm and more and more a more vast territory.

#### b) New proposals for research

An important question to be studied could be the relationship between irregular work and new jobs available (temporary, part-time, self-employment, etc.) in the sense of comparing conditions of work and social conditions of people being in irregular situation and people in new jobs; the main hypothesis to be tested would be the real significance of the legal factor.

More particularly this research should be carried on small firms (under 100 employees), because it is in this group of enterprises where traditionally more irregular work was found and at the present more precarious jobs are available.

Another perspective of research is referred to the relationship between irregular work and unemployment, not to test the level of fraud, apparently very low in every country, but the new conception of work developed in people (young people) who have never worked in a traditional way: stable job, fixed salary, etc.

Finally research could advance in understanding irregular work and other transformations of work today, studying the role played by the family in labour market segmentation.

APPENDIXES

I. STATISTICAL DATA

TABLE 1.- RATE OF ACTIVITY AND EMPLOYMENT BY AGE AND SEX.

GROUPS OF AGE	ACTIVITY	UNEMPLOYMENT	EMPLOYMENT
M+F TOTAL	49.25	20.21	39.30
LESS THAN 25 Y.	54.07	42.00	31.36
25 AND MORE	48.02	13.95	41.32
FROM 16 TO 19 Y.	36.03	48.35	19.64
FROM 20 TO 24 Y.	67.23	39.05	40.98
FROM 25 TO 54 Y.	68.12	15.14	57.81
FROM 55 AND MORE	20.12	8.35	18.44
M TOTAL	67.20	16.06	56.41
LESS THAN 25 Y.	56.98	35.50	36.75
25 AND MORE	70.05	11.55	61.89
FROM 16 TO 19 Y.	38.74	41.97	22.48
FROM 20 TO 34 Y.	71.98	32.64	48.48
FROM 25 TO 54 Y.	93.82	12.20	82.38
FROM 55 AND MORE	33.19	9.28	30.11
F TOTAL	32.50	28.22	23.33
LESS THAN 25 Y.	50.96	49.76	25.60
25 AND MORE	28.18	19.09	22.80
FROM 16 TO 19 Y.	37.26	55.48	16.59
FROM 20 TO 24 Y.	62.16	46.97	32.97
FROM 25 TO 54 Y.	42.87	21.48	33.66
FROM 55 AND MORE	9.69	5.81	9.13

INE. Encuesta de Población Activa. Principales Resultados. 1º trimestre de 1.988.

TABLE II.- WORKING POPULATION BY TYPE OF CONTRACT, WORKING HOURS AND SEX

<u>WORKING HOURS</u>	<u>SALARIED WORKERS</u>			
	<u>TOTAL</u>	<u>REGULAR CONTRACT</u>	<u>TEMPORAL CONTRACT</u>	<u>NOT CLASSIFIED</u>
BOTH SEXES				
TOTAL	8172.6	6438.1	1726.6	7.8
FULL TIME	7799.2	6251.2	1548.0	-
PART TIME	356.5	186.9	178.6	-
NOT CLASSIFIED	7.8	-	-	7.8
MALES				
TOTAL	5726.0	4610.8	1109.1	6.1
FULL TIME	5643.3	4578.9	1064.5	-
PART TIME	76.5	31.9	44.6	-
NOT CLASSIFIED	6.1	-	-	6.1
FEMALES				
TOTAL	2446.6	1827.4	617.5	1.7
FULL TIME	2155.9	1672.3	483.5	-
PART TIME	289.0	155.0	134.0	-
NOT CLASSIFIED	1.7	-	-	1.7

INE. Encuesta de Población Activa. Principales Resultados. 1º trimestre de 1.988.

TABLE III.- STABILITY OF EMPLOYMENT, IN GENERAL 1.987

Stable	80.1
Temporary	19.9

Source: INE. Encuesta de Población Activa. 4º trimestre de 1.987

TABLE IV.- STABILITY OF EMPLOYMENT BY SIZE OF ENTERPRISE 1.987

	6-10	11-50	51-100	101-500	501 And more	Average
Stable	79	77	80	85	91	82
Temporary	21	23	20	15	9	18

Source: Ministerio de trabajo. "Encuesta Sobre Política de Contratación y Formación de los Empresarios Españoles"; en Coyuntura Laboral no. 25, Abril 1.988. Ministerio de Trabajo, Madrid.

TABLE V.- HOURS WORKED IN THE WEEK OF REFERENCE IN THE MAIN AND SECONDARY ACTIVITIES.

SEX	HOURS WORKED IN THE WEEK OF REFERENCE		
	TOTAL	MAIN ACTIVITY	SECOND ACTIVITY
BOTH SEXES	41.3	41.2	17.6
MALES	42.4	42.2	17.7
FEMALES	38.8	38.7	17.2
-			

INE. Encuesta de Población Activa. Resultados Detallados. 3º trimestre de 1.987

TABLE VI.- WORKING POPULATION BY SECTOR AND RELATIONSHIP WITH IRREGULAR WORK.

(Thousands)

Econom. Sectors	Total Working Population	Studied Working Population	Irregular Working P.	2/1 %
Agriculture	2.059	1.550	479	30.9
Others	9.579	8.487	1.712	20.2
Industry	2.870	2.590	406	15.7
Building	885	790	148	18.7
Services	5.824	5.107	1.158	22.7
Not classified	625	292	70	24.0
TOTAL	12.260	10.328	2.258	21.9

Ministerio de Economía, 1.985.

TABLE VII.- POPULATION STUDIED BY FAMILY ROLES AND RELATIONSHIP TO  
IRREGULAR WORK.

	Heads of Family		Other Members	
	Thousands	%	Thousands	%
TOTAL WORKING P.	7.193	100,0	5.067	100,0
POPULATION STUDIED	6.497	90,4	3.829	75.6
Declared Working P.	5.713	79.5	2.362	46.6
Irregular Working P.	779	10.0	1.467	29.0
NO STUDIED	696	9.6	1.238	24.4

Ministerio de Economía, 1.985.

TABLE VIII.- WORKING POPULATION BY REGIONS AND RELATIONSHIP WITH  
IRREGULAR WORK. (Thousands)

REGIONS	TOTAL WORKING POPULATION	POPULATION STUDIED (2)	IRREGULAR WORKING POPULATION(1)	2/1 BY %
Andalucia	1.853	1.538	445	28.9
Aragón	427	356	51	14.3
Asturias	353	304	46	15.1
Baleares	240	210	32	15.2
Canarias	433	367	75	20.4
Cantabria	155	134	21	15.7
Castilla-				
-La Mancha	574	457	125	27.4
Castilla-León	857	706	120	17.0
Cataluña	2.200	1.912	449	23.5
Extremadura	304	251	59	23.5
Galicia	976	776	181	23.3
Madrid	1.484	1.208	180	14.9
Murcia	319	279	89	31.9
Navarra	163	146	25	17.1
Comunidad				
Valenciana	1.175	1.013	248	24.5
Pais Vasco	655	592	97	16.4
Rioja	94	79	14	17.7
TOTAL	12.260	10.328	2.258	21.9

Ministerio de Economía, 1.985.

TABLE IX.- WORKING POPULATION BY REGIONS, EMPLOYMENT SITUATION AND RELATIONSHIP WITH REGULAR WORK.  
(Thousands)

REGIONS	SALARIED WORKERS				SELF-EMPLOYMENT			
	Total	Studied (1)	Irregulars (2)	2/1 (%)	Total	Studied (1)	Irregulars (2)	2/1 (%)
Andalucia	1.195	1.165	296	25.4	304	375	149	39.7
Aragón	252	247	29	11.7	112	109	22	20.2
Asturias	209	204	21	10.3	105	99	25	25.3
Baleares	165	161	23	14.3	52	50	9	18.0
Canarias	295	289	46	15.9	84	78	29	37.2
Cantabria	98	95	14	14.7	42	39	7	17.9
Castilla-La Mancha	321	315	94	29.8	147	143	31	21.7
Castilla-León	455	442	68	15.4	272	263	52	19.8
Cataluña	1.525	1.480	290	19.6	443	432	159	36.8
Extremadura	183	178	42	23.6	73	72	17	23.6
Galicia	462	449	83	18.5	339	327	98	30.0
Madrid	1.142	1.027	104	10.1	192	180	76	42.2
Murcia	214	210	67	31.9	70	69	22	31.9
Navarra	113	111	15	13.5	37	34	10	29.4
Com. Valenciana	801	765	183	23.9	258	248	65	26.2
Pais Vasco	511	503	74	14.7	95	88	23	26.1
Rioja	59	57	10	17.5	23	21	4	19.0
TOTAL	8.001	7.698	1.460	19.0	2.735	2.628	793	30.4

TABLE X.- WORKING POPULATION BY WORKING PLACE AND RELATIONSHIP WITH  
IRREGULAR WORK.

WORKING PLACE	TOTAL WORKING POPUL.	POPULATION STUDIED (1)	IRREGULAR WORKING POPULATION(2)	2/1 BY %
At Home	957	710	311	43.8
Outside Home	10.979	9.580	1.935	20.2
Fix Place	8.310	7.281	1.277	17.5
No Fix Place	2.067	1.818	547	30.1
Both Modalities	602	481	111	23.1
Not Classified	324	35	12	34.3
TOTAL	12.260	10.328	2.258	21.9

Ministerio de Economía, 1.985.

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MAP OF SPAIN AND PORTUGAL





PROGRAMME DE RECHERCHE ET D' ACTIONS SUR L'EVOLUTION DU MARCHE DU TRAVAIL

FINAL REPORT

\* \* \* \*

IRREGULAR WORK  
IN PORTUGAL

By  
Faustino Miguélez Lobo  
Universidad Autónoma  
de Barcelona-Spain  
(With the collaboration  
of Oscar Rebollo Izquierdo)

To  
La Commission des Communautés  
Européennes  
DG V/A/1

Study No  
August 1988



IRREGULAR WORK IN PORTUGAL

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Commission des Communautés Européennes  
Direction Générale d'Emploi, des Affaires Sociales et l'Education.

July, 1988

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## PART I CASE STUDIES

Informal work in Portugal has only been studied directly between 1982 and 1985 —after which there have only been indirect approximations—, and almost entirely through general studies, without focus on specific sectors or districts. This not only means that the number of cases studied is limited —we have ourselves made summary sketches in some new cases—, but that there is relatively little contrast between the existing studies as such.

The information available to us on the multiple nature of informal work in Portugal is thus considerably more approximative and tendential than is the case for Spain. Different writers have produced fairly detailed studies of three cases: construction, agriculture, and at-home work in the textile industry in the north of the country. We have studied a further two cases —clandestine juvenile work and informal work in personal services, particularly in catering and tourism—, although only at the level of initial estimates involving not only Portuguese data but also similarities with the situation in Spain a few years ago.

### 1. Clandestine Employment of Minors<sup>1</sup>

The employment of minors has aroused considerable debate in Portugal, mostly at the instigation of unions in the industrial districts. This debate has brought light to bear on a phenomenon which is nevertheless by no means recent. If attention has once again been focused in this direction, it is not mainly due to the possibly distressing conditions in which minors work —which the unions also regard as possibilities—, but because of loss of scholaryty and the considerable level of educational failure which may be attributed to the phenomenon.

#### *Extent of the Problem*

The legal minimum working age in Portugal is still 14, whereas the compulsory education age was, until 1987, only 12. This implied an incentive for adolescents who were not continuing their education, or for their parents, to devote these two years to clandestine work.

Some studies estimate that about 190,000 children were working at the beginning of the 1980s, 136,000 of which were in agriculture.

According to the National Statistics Institute, the 1987 employment rate for children of between 10 and 14 years of age was still 6.7% of the total age group population, although the tendency was towards decline (the rate was 9.7% in 1983).

Working minors are mainly to be found in three sectors. The foremost of these is agriculture, where there is a long tradition of juvenile employment, particularly in small-scale farming districts. This work normally involves children employed on their parents' properties as family help. The fact that this phenomenon is hardly present at all in the

large-scale farming districts of the south is partly due to the degree of control resulting from strong unionisation.

This work does not however concern full-time continuous employment, but is performed on an hourly basis, except in periods when certain farm jobs require greater urgency.

Another context in which there is considerable employment of minors is that of personal services. There are two kinds of juvenile work here. During the year, minors are employed as family help in small businesses in which all family members participate (father, mother, children), distributing their work over the day or over the year to their convenience; and in special periods like moments of sales increases or the tourist season, the employment of minors takes on some of the features of full-time work. In both these cases, the employment of minors tends to be concentrated in small businesses where there is almost no control over the kind of labour used.

A third area in which there is evidence of juvenile employment is industry, particularly the manufacturing industry of the north of the country. Although the employment of minors here would appear to be the most important new feature of the general phenomenon, there has been no sociological study of this development. Most of the work of minors in manufacturing and other sectors is however related to at-home employment as assistants to adults—generally housewives—who actually carry out the jobs concerned. Once again we find the family playing a decisive role in the existence of juvenile employment.

### *Determining Factors*

The experts we have consulted indicate three kinds of factors determining this type of informal work. Reference must firstly be made to the legal aspect, namely the gap between the age at which a child could end compulsory education and the minimum age at which employment may be undertaken. Having given up on education beyond the compulsory level for a variety of reasons—including the poor quality of the education system itself—, parents then find themselves obliged to facilitate the employment of their adolescent children who would otherwise have nothing to do. But the lack of confidence in the education system goes beyond this: in certain areas of the country many children do not even finish compulsory education because their parents, as well as general public opinion, consider it more important to learn a trade than to go to school. A final factor would then be the importance of traditions of family use of juvenile labour, traditions which still survive in certain sectors and districts of the country.

### *Market Features*

It would seem that we are concerned with a fairly closed market. Although there are no studies on the subject—and it could be useful to have some—, the indications are that juvenile work is circumscribed in certain social sectors: the families of farmers, farm-labourers and poorly qualified industrial workers, families which are moreover those with the most limited access to schools of acceptable quality.

### *Political Action*

We should finally point out that, at least in the opinion of union officials, there has been very little public concern about ending this kind of employment until recently. The new law which raises the compulsory education age to 14 may reduce the opportunities for illegal employment, but only for a short period. It is thus to be hoped that the mini-

mum legal working age in Portugal will be raised to 16, as it is in the other EEC countries.

Taking the above determining factors as a whole, we may predict that the elimination of the employment of minors will be very closely related to basic education reforms and cultural transformations.

## 2. At-Home Work in the Industrial North<sup>2</sup>

The north of Portugal, particularly the Braga district, has a long industrial tradition, mainly in textile manufacture, although there is still a fairly high level of agricultural activity. Informal work is mainly carried out in the manufacturing and footwear sectors, which require only a low level of technology and yet highly skilled labour which facilitates its considerable export capacity.

### *Quantification*

Statistics from the 1981 Census, compared with the business survey (see Part I), show that 20% of the informal work in this sector is informal. This figure nevertheless rises to 45% in the Braga district, and to 23% around Setúbal. Although the cited study considers that this is not the sector with the highest percentage of informal work, the social importance of the phenomenon is explained by the fact that this same sector nevertheless has the highest number of informal workers (some 15,000).

### *Determining Factors*

A very considerable percentage of the manufacturing and footwear firms operating along the north coastal region and centre of the country are not only export oriented, but are in fact foreign firms using the cheap, highly skilled and traditionally trained labour available in this part of the country for the production of quality items.

These firms are thus able to keep their labour costs down, and most labour is offered by family groups who fit this work in alongside agricultural or industrial work (not only in the same district, but also in other parts of the country and abroad). According to some researchers, there is an implicit agreement or a certain convergence of interests between employers and employees, with the workers gaining the flexibility needed to fit agricultural work in with outside or at-home industrial work whilst maintaining the traditional system of social relations, and the firms gaining an abundant and flexible labour supply which is both cheap and sufficiently skilled.

### *Features of the Market*

As may be deduced from the above points, this is a fairly closed labour market in which family structure, the integration of agriculture with industry and the traditional handing down of skills are key elements. We may hypothesise that as long as this market remains as particular and as impermeable to outside influence as it is, informal work will continue to be an important form of exchange.

### *Typology of Labour*

This case presents two basic kinds of labour. On the one hand, there is the labour related to the reproductive tasks of the family, mainly housewives who do both domestic work and at-home industrial work. This is socio-culturally "adapted" labour (through the social conception of the role of married women) which is mostly informal and will probably continue to so. On the other hand, there is the labour which is employed partly in agriculture and partly in industry, dominated by men although there are also women in this category. The informality may in this case be partial (the work done in one of the two sectors may not be declared) or may take the form of undeclared overtime.

### *Work Conditions*

We have already pointed out that the salaries paid for informal work are not high, although a family's standard of living may be comfortable thanks to the existence of several sources of income.

Women who work at home are able to earn an acceptable income by dedicating enormous numbers of hours to their work. Their most onerous work condition is thus their working day which, when their productive and reproductive tasks are added together, may be very long indeed. But one should also note a deterioration in the hygiene and sanitary conditions due to the mixing of work contexts—which sometimes require the storing of unhealthy materials or substances in small houses—and the context of everyday family life.

The working days of those employed in industry and agriculture also go well beyond the normal hours.

### *Political Attitudes*

The Portuguese government's clearest general attitude towards informal work is one of tolerance—probably also due to the inefficiency which many experts attribute to the bureaucracy—, but this is particularly true in the case we are presently considering. There are basically two reasons for this. Firstly, the fact that formal and informal modes of work have been able to co-exist has given the district a certain degree of social peace which the various governments have been interested in maintaining. Secondly, the continued existence of informal work helps the competitiveness of European exports of Portuguese products which would otherwise have to compete against other countries under difficult conditions.

### 3. The Construction Sector<sup>3</sup>

Construction is and has traditionally been the sector in which most informal work is found in Portugal, probably because of its status as a bridge between the primary and secondary sectors.

#### *Quantification of Informal Employment*

At the beginning of the 1980s the number of informal workers in the construction sector was about 200,000, well above the other sectors and representing about 50% of the total construction labour force. This high proportion is to be found in all regions of Portugal, but is most notable in the least industrialised areas, where construction is one of the main non-agricultural activities.

#### *Features of the Labour Market*

The nature of the construction industry's labour market varies widely between industrial areas, where most work tends to be regular, and non-industrial districts, where it is mostly informal.

The reasons for this difference may be that the non-industrial areas have less official and union control over employment, are dominated by small firms and have high levels of multiple employment, particularly in the combination of construction and agriculture.

In other words, the labour employed in the construction industry in industrialised areas comes from a more general market which includes all lesser skilled workers. In the less industrialised areas, on the other hand, construction labour comes from a far more closed market largely determined by its association with agricultural work.

#### *Determining Factors*

The factor determining the extent of informal work in this sector could be the drive to reduce labour costs. But this should in turn be explained within the context of the Portuguese economic structure and labour market of the past two decades.

Firstly, the urban middle class demand for second houses has increased considerably since the beginning of the 1970s. This kind of construction project can be undertaken by small firms and may moreover avoid not only all forms of employment regulation, but also the town planning and building regulations which were formerly quite strict.

Secondly, above all in the less industrialised regions of the centre and north, construction firms have been able to rely on a highly specific supply of labour: that of part-time farm workers. Researchers have put the number of farm workers employed in construction at more than 50,000, and the total number of people constituting the families in these conditions at more than 100,000, most of which would be working in the construction industry on an informal basis.

The interests of the construction firms thus coincide with those of certain labour sectors, notably farm workers who seek to add to their agricultural incomes. This is a very flexible labour supply, the employment of which both unions and government find extremely difficult to control.

To complete this general overview, we should finally point out that wider use of fixed-term contracts has produced a certain tendency towards a reduction in the degree of informal work over the past few years.

### *Typology of Informal Labour*

Statistical studies indicate the existence of a large amount of permanently employed informal labour. But several researchers have shown that this does not account for all informal labour, and that the high proportion of illegal construction sites to be found in the more industrialised districts—a proportion far higher than that of the lesser industrialised areas, which nevertheless have higher percentages of informal workers—would rather indicate that a different kind of labour force is involved.

This is labour employed in other industrial sectors which works in construction on a part-time basis or on weekends as self-employment, family help, help to friends and acquaintances, etc.

#### 4. Informal Agriculture<sup>4</sup>

The main feature of Portuguese agriculture in recent years has been the slowing down of the rural exodus of the 1950s and 1960s and its substitution by a partial reduction of agriculture through part-time farming.

##### *Typology of Part-Time Agriculture*

There are two main types of agricultural activity in which a certain degree of informal work can be detected: that which we might call residual agriculture, and that which we shall define as part-time agriculture.

The first type includes the activities of people in rural areas who although they receive pensions, either old-age or for handicaps which impede work, continue to cultivate their land —generally small and not highly productive farms— as a way of generating income. This category also includes emigrants who have the farm work done by family members throughout the year, and then work the land themselves during vacations. This is a case in which the generation of income is combined with formal work carried out on holidays by people who may not always be included in the work force.

The second type includes people who have two activities, the first in agriculture and the second in construction, industry or the service sector. Such people may be either heads of families or other family members. In what follows, we shall focus our attention on this second type.

##### *Quantification of the Phenomenon*

There are no studies on the extent of informal agricultural work. The general opinion of researchers is however that most of the almost 340,000 people with more than one job who were working in agriculture at the beginning of the 1980s were carrying out either the agricultural or the non-agricultural job on an informal basis. The fact that 72% of them dedicate less than 50% of their time to agriculture allows us to assume that this work is difficult to control through regulations. Most multiply employed workers, 74.4%, do not work in agriculture as a secondary activity, whereas 26.6% are engaged in agricultural work as a second activity.

##### *Determining Factors*

We must once again refer to the Portuguese economic and social structures —especially to the family structure— in order to explain the extent of informal work in this sector.

Leaving aside residual agriculture, in which informal work is simply an additional means of survival, we find that much of the agriculture on lands of less than 20 ha. is in fact in the industrial and tourist areas of the north-east (industry, construction and services). It is not simply that these areas have a supply of extra-agricultural work, but also that agriculture itself, which in these cases has attained a certain degree of technological development, has released its excess of labour (for example, the small farmer who previously spent several weeks working his land or picking fruit etc., can now do it in a few hours by hiring a tractor or other kinds of machinery).

But it is above all the family as a flexible and cheap mode of supplying collective agricultural labour that allows some of its members to engage in other activities on a part-

time basis, without them having to rely on those activities for an income adequate to the family's consumption.

In these areas, the farmer-industrial worker combination would seem to represent a long-lasting solution to the crisis in traditional agriculture. Part-time farming is thus not a step towards the giving up of agriculture altogether, but is rather an integration of multiple different incomes into the rural domestic group.

The sons of these farmers may nevertheless leave agriculture, depending on the extent to which they can "capitalise" on gaining enough education to make the jump. The situation of the rural educational system does however make this difficult to achieve.

### *Politics and Public Opinion*

The persistence of this mode of work, often irregular, is based on the solidity of the rural social structure. In many factories in rural areas, workers are in fact picked up in the morning by buses which often travels many kilometers around the district, returning the workers to their small rural communities in the afternoons.

In addition to not penetrating certain rural ways of life, this mode of multiple activity guarantees the worker-farmers a relatively high standard of living. The second, non-agricultural activity is thus seen as being quite normal and there is no pressure at all against double employment, the absence of which would result in considerable reductions in living standards.

## 5. Informal Work in the Service Sector<sup>5</sup>

Informal service-sector work is found in the country's more developed and urbanised districts: Lisbon-Setúbal, the Algarve and the north-east coast. It has been increasing over the past few years, yet nevertheless remains at a lower level than the extent of informal work in agriculture, construction and industry.

### *Quantification of the Phenomenon*

Here we should once again return to data from the beginning of the 1980s which suggest that the recent tendency could be towards a decline in informal work due to new forms of employment contracts.

We are mainly referring to commerce, catering, transportation, various forms of repair work and personal services in general. The rate of informal work is between 17% and 25%, but reaches much higher levels in certain subsectors like domestic services, various kinds of repair work, teaching services, etc.

### *Typology of Informal Work*

Within the wide range of services, we can distinguish between the two most noticeable kinds of informal work.

Firstly, self-employed workers, especially in at-home repairs and automobile repairs (as well as repairs to other domestic appliances like televisions, radios, etc.), domestic services, etc., are able to undertake this kind of employment either because they also have another job, usually full-time, or because they have to carry out their own domestic work (as is the case with women who work at home). Self-employed workers may thus be highly qualified or not qualified at all. This kind of work is extremely difficult to control, and it is socially admitted that it is carried out on an informal basis.

Secondly, full-time or main-income informal work found in catering, retailing, etc. presents some of all of the following features: the workers are female, young and poorly qualified. This labour is generally employed in small businesses in the respective sectors, since the union presence in large firms makes informal labour difficult, even though it may not impede informal work itself.

### *Determining Factors*

The considerable growth in the Portuguese tourism and commercial sectors, together with the availability of labour which accepts employment conditions inferior to those negotiated legally —mainly with respect to salaries and working weeks— may explain this significant level of informal work. Small businesses look for competitiveness based on lower salaries and greater flexibility, and the size and relative social uncontrollability of businesses would thus appear to go some way towards explaining the extent of informal work.

As with other sectors, reference should also be made here to multiple employment which, especially in tourist areas, combines agriculture with service sector work and thus constitutes a further concealing factor.

With respect to self-employed workers, especially those with multiple employment, growth in the level of informal work has to do both with the desire to increase fam-

ily incomes and the difficulty which the Portuguese government has traditionally had in exercising fiscal control over this kind of activity.

We should nevertheless point out that part of the informal work in these sectors has been replaced in recent years by unstable forms of employment based on fixed-term contracts.

### *Work Conditions*

Informal work in services like catering and retailing connotes conditions far inferior to those of legal work. This above all involves lower salaries, longer working weeks and poorer and less controlled sanitary and hygienic conditions.

## NOTES

1. Interviews realised to different researches.
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3. Sousa Lobo, M. Isabel. Construção não formal. Contribuição para uma análise quantitativa a nível regional. IACEP. Estudos Urbanos e regionais. 1986.
4. Villaverde Cabral. "A economia subterranea vem ao de Cima: estrategias rurais perante a industrialização e a urbanização". Análise Social, XIX (76), Lisboa, 1984.
5. Interviews to researchers and unionist.

## PART II QUANTITATIVE ASPECTS

### *Introduction*

Studies of the informal economy have only been carried out very recently in Portugal and date from a very limited period (1980-1985). There has been relatively little research into the phenomenon and most of the academic investigations and debates concern theoretical problems of formulation and definition. Although the few studies attempted focus on these theoretical aspects and do not concentrate specifically on Portuguese cases, those that do deal with such cases mostly deal with quantitative aspects. This means that the present report is able to include some data on the extent of irregular work and the informal economy in general. The methods used and the aims of the various studies also provide bases —although to a lesser extent— for research into the factors determining the case of Portugal, the elaboration of typologies of irregular work and study of the political and institutional actions of the various social actors involved.

The rhythm of social and economic development in Portugal in the 1970s, and especially the political and social transformations following 25 April 1974, have created a new social dynamic which involves, on the one hand, rupture with traditional forms of economic, political, social and industrial relations together with access, somewhat impetuous and little structured, to certain benefits of the welfare state, and, on the other, the appearance of international economic recession, which had especially acute effects on peripheral countries like Portugal.

Oliviera Neves indicates that adaptation to these new conditions on the part of various economic agents and above all the government did not involve any planning of global strategies. Actions were restricted to different sectors and were highly polarised. More importantly, these actions essentially explain the appearance and structuration of many of the activities presently carried out within the informal economy.



## 1. Quantification and Nature of the Economy and of Informal Work

### *Quantification*

Albano Santos, working on a study for the Ministry of Work and using the monetary method of Peter Gutman, has estimated that in 1981 the informal economy accounted for about 22% of the Portuguese GDP. This estimate is based on the construction of monetary circulation series going from 1950 to 1981, reaching the conclusion that the informal economy was practically irrelevant prior to the 1970s. This hypothesis is challenged by several researchers who insist on the importance of traditional at-home work in Portugal, and especially on the importance of agricultural economies involving unregistered self-consumption (A. Santos, 1983).

Santos moreover hypothesises that the productivity of work in the informal domain is comparable to that carried out officially, and thus estimates that there are some 800,000 workers contributing to undeclared production.

Oliveira Neves considers that the monetary variables used by Santos are not significant enough in the case of Portugal, does not accept the hypothesis of equal productivity in the official and informal sectors and thus cannot accept the resulting estimate of the number of informal workers (A. Oliveira, 1984).

Rosário Cocco and Emanuel Santos work along the same "monetary" lines as A. Santos but use a more sophisticated methodology in which the informal economy is basically explained by taxation levels, with fiscal pressure being the key to explaining informal production (R. Cocco, E. Santos, 1984).

Cocco and E. Santos observe that before 1974 the informal economy represented no more than 7% of the GDP, but rose to 10.3% in 1975 and then up to 11.2% in 1981. The methodology used enables them to estimate the extent of tax evasion associated with the informal economy, which their maximising hypothesis puts at about 300 million "contos" (billions of escudos) for 1981. As can be seen, this estimate by no means coincides with that given by A. Santos.

One of the more recent studies we have received is that carried out by the Instituto de Pesquisa Social Damiano de Góis (Various, 1984). After describing the above disparities, this research approaches the analysis and quantification of the informal economy in Portugal from a wider perspective, with particular emphasis on study of the labour force and abandoning methodologies which, based on monetary variables, calculate the extent of the informal economy in terms of percentages of the GDP.

In this case, the number of undeclared workers is given by the difference between the total number of people the "Recenseamento Geral da População" registered in 1981 as exercising a profession (as salaried workers) and the total number of workers registered in Ministry of Work statistics, the latter being assumed to be working within the formal economy. The following results were obtained for the industrial sector: informal labour accounted for 16.9% of the total labour force employed in transformation industry, with 11.8% of these figuring as undeclared salaried workers and 5.1% as self-employed workers or unpaid family help.

Analysing these results in greater detail, Isabel de Sousa (1985) outlines the following structure of Portuguese industry:

a. With respect to central and intermediary transformation industries, which are the most modern and employ the highest numbers of workers, those defined as central account for 11.7% of the total declared workers, with intermediary industries employing 22.1%.

b. Peripheral transformation industries, which include all the industries of the traditional formal sector, employ 49.3% of the total declared workers.

c. As we have seen, informal or marginal transformation account for 16.9% of the total number of workers employed in industry.

With respect to the regional distribution of the phenomenon, and without going into the detailed statistics of De Souza's study, it is clear that the regions of the interior and the south have proportionally higher levels of informal economic activity, with between 1/3 and 2/3 of workers in the districts of Bragança, Vila Real and Viseu being undeclared. In the more industrialised coastal districts —Braga, Porto, Aveiro, Coimbra, Lisbon and Setúbal— the numbers of workers considered to be employed within the informal economy are remarkably homogeneous, varying between 13% and 16%, just below the national average. The first of these regional variations may partly be explained by the relative lack of economic development in those parts of the country (resulting in greater resistance to the dissolution of more primitive capitalist forms of production, and the greater preponderance of artisanal activities, self-employed work and small businesses) and, in the case of the Algarve, probably by the extent of seasonal activity in the food-processing industry and the tourist sector.

De Sousa nevertheless considers that the industrial structure alone cannot entirely explain the different degrees reached by the informal economy. For example, how can it account for the fact that in Setúbal, where central transformation industry is dominant (45% of workers) and concentrated (78% of workers are employed by firms with more than 100 employees), the extent of irregular work is equivalent to that of Aveiro, where the traditional and small-scale industries are predominant?

### *Nature*

In order to explain this phenomenon, De Sousa then introduces a new explanatory variable: multiple employment involving both agriculture and industry. This factor not only reveals a feature distinguishing between the north and the south, but also allows a redefinition of the regional distribution of the informal economy. Two working hypotheses are constructed on the basis of the above calculation of the number of informally employed industrial workers. The first hypothesis is maximising and is given by the sum of the previous estimate and the number of agricultural workers (including individual producers) registered in the 1979 Agricultural Census, independently of the numbers of hours worked in agriculture and industry. The minimising hypothesis then only includes those who are employed in agriculture for more than 50% of their working week and thus have only secondary industrial jobs. These latter cases are very probably at-home workers, self-employed workers, family help, etc.

The new estimates for the percentage of the work force employed in informal transformation industries, corrected in terms of the levels of multiple employment, are thus 28.1% according to the maximising hypothesis and 18.1% for the minimising hypothesis.

These new estimates also give us an idea of the importance of agricultural work as a complement to undeclared jobs.

De Sousa finally incorporates these new hypotheses into a territorial structuration of the informal economy in Portugal. Regionally, the irregular industrial work-force (PAIM in the Portuguese abbreviation) may be characterised as follows:

a. In the North Coastal (except Viana do Castelo), Central Coastal and Lisbon Interior areas, where the initial estimate was between 14% and 20%, the PAIM is in fact much higher if simultaneous industrial and agricultural employment is taken into account. These are the three sub-regions with the highest levels of multiple employment in the country, in both absolute and relative terms. This phenomenon may be explained by the

zone's specific industrial sector (small businesses, family capital) and by the nature of its labour market (abundant labour supply, low degrees of unionisation and unstable work conditions).

b. In the Lisbon Coastal area, including the districts of Lisbon and Setúbal, the levels of multiple agricultural-industrial employment are, in relative terms, the lowest in the country. The initial estimates thus change little with the introduction of the multiple employment factor: the previous figures of between 14% and 16% rise to between 17% and 19% when multiple employment is taken into consideration. In this area, the PAIM is mainly constituted by undeclared industrial workers who have no secondary job outside of industry.

c. In the North Interior, Central Interior and the district of Viana do Castelo, despite the different levels of development involved, self-employment and unpaid family help tend to reach levels which are greater than or at least equal to the level of undeclared work. There is considerable agricultural activity in these areas, but the lack of industrial development means that very few agricultural workers have secondary jobs in industry. The informal economy does not have the same significance in these interior zones as it does in more industrialised coastal zones, since the preponderance of the primary sector and the importance of subsistence economies and artisanal activities mean that a considerable part of the production and work is not monetarised.

d. The area of Alentejo is similarly characterised by the fact that there are not only considerable numbers of irregular salaried workers but also irregular self-employed workers and family help which, together, make up more than 50% of the PAIM. The differences here are due to different land and property ownership structures which go some way towards explaining why multiple employment in industry and agriculture is almost insignificant in this area.

e. In the Algarve, the district of Faro presents several specific features. Although the PAIM is very extensive (50%), it is mainly made up of undeclared salaried workers and part-time workers who are employed in seasonal activities such as the tourist and food-processing industries.

### *Sectors*

To complete this report on the extent and nature of irregular work in Portugal, we shall give a brief analysis of the extent of the phenomenon in the various economic sectors. Isabel De Sousa presents the following breakdown:

**Undeclared Workers  
in Relation to the Global Structure of the Transformation Industry Workforce**

<i>Activity</i>	<i>Total Workforce</i>	<i>%</i>	<i>Undeclared Workers</i>	<i>%</i>
Food	100,206	10.2	9,777	8.4
Textiles and Footwear	299,206	30.4	38,051	32.8
Wood and Furniture	113,782	11.6	23,250	20.1
Paper and Graphic Arts	48,898	5.0	3,863	3.3
Oil and Plastics	75,185	7.6	6,621	5.7
Ceramics and Glass	65,003	6.6	-1,011	-0.9
Basic Iron and Steel	30,388	3.1	6,475	5.6
Metal Mechanics and Transport	218,489	22.2	8,663	7.5
Other Transformation Industries	32,779	3.3	20,238	17.5
<b>TOTAL</b>	<b>983.998</b>	<b>100.0</b>	<b>115,927</b>	<b>100.0</b>

Note: The negative value corresponding to "Ceramics and Glass" is to be attributed to differences between the statistical sources used.

This table clearly indicates that the traditional sectors are the most vulnerable to irregularisation processes involving undeclared work. This may be explained by the fact that these industries are labour intensive and easily decentralised so as to locate production processes in areas where the labour supply is abundant or has not yet fully been formed into a proletariat.

Within the constraints imposed by the relative lack of available studies, we have thus tried to give an idea of the extent and nature of the informal economy in Portugal. The level of Portuguese research does not allow us to assume that the cited sources are any more precise with respect to quantitative estimates than is the case in other European countries, but there is also a minority of studies which deal with more qualitative features and are based on in-depth interviews with experts in the field. These studies to some extent confirm the quantitative estimates put forward in the above-mentioned research, but one should not forget that these calculations are based on official data. A more in-depth survey based on a wide sample would no doubt reveal informal activities which cannot be quantified through manipulation of different census statistics. The importance of the primary sector, artisanal activities and pre-capitalist production processes, which often do not enter the monetary circuits, especially in the rural areas of the interior, suggests that the informal economy in Portugal is more extensive than has been recognised in the above studies, and reveals the possible existence of a whole range of irregular economic dynamics which could only be explained in terms of the country's specific features.

We have already indicated some of the factors which Portuguese researchers and experts consider as determining informal processes. In the following section we shall attempt to present these factors in a somewhat more systematic way.

## 2. Determining Factors

The research available to us for the case of Portugal does not include any exhaustive attempt to study the factors determining the informal economy. Albano Santos presents certain structural and temporary factors as having direct influences on irregularisation processes. The structural factors include economic, legal and what he terms sociological features. The most important of these would be elements like fiscal pressure, considerable structural unemployment and the legal norms regulating the labour market, as well as cultural factors which influence the ways people divide their time between work and non-work. Amongst the temporary factors listed—which would be the most important for our own purposes, since they refer to specific features of Portuguese society—are balance of payments debts, inflation and unemployment.

There can be no doubt that the factors listed by Santos are of extreme importance, but they fail to give an idea of the concrete features of the case of Portugal.

As has already been indicated, all researchers agree that 25 April 1974 is a key date for understanding the recent social and economic development of the country. In the middle of the 1970s, with the entry of Portugal into the sphere of modern capitalist countries, the Portuguese labour market underwent important changes with respect to the legal structure and industrial relations at the same time as western capitalism entered a deep recession. The Portuguese government's attempts to stimulate the economy and to adopt certain measures of social welfare required higher taxation rates which paralleled high inflation and unemployment rates.

Villaverde Cabral (1984) attaches great importance to these strategies of industrialisation and urbanisation and attempts to describe some of the relations between the development of irregular economic strategies and the real workings of Portuguese society, not only with respect to the economy but also on the political and ideological levels. He considers it especially important to investigate the relation between, on the one hand, the economic recession and the crisis of the welfare state, which as we have pointed out had a very late and partly inefficient development in Portugal, and on the other, the use of individual strategies for maximising profits and redefining working hours.

Villaverde Cabral lists a range of negative economic effects resulting from political changes which introduced a certain rigidity into the labour market as a consequence of union demands for job security.

The generalised economic recession also influenced irregularisation processes, giving rise to individual strategies which were materialised within the unofficial economy.

The same author regards rural areas as a privileged domain for the setting up and proliferation of these kinds of strategies, and notes that "everlasting family agriculture" is structured like a series of small local businesses that facilitate processes of decentralisation of production. He thus reaches the conclusion that industrial decentralisation and irregular work are clear examples of a "process running parallel to the deregulation of economic relations in general and of the labour market in particular".

The relations between socio-economic policies and the informal economy form the key determining factor dealt with in a study carried out by M. Figueiredo et al. for the Instituto de Pesquisa Social Damião de Góis. There are two basic types of these relations:

1. The mainly temporary nature of economic and social policies has in recent years resulted in the adoption of contradictory or poorly formulated measures whose lack of internal coherence has generated numerous loopholes and presented economic agents with profitable opportunities such that it is possible to talk about hard financial calculations as a basis for irregularisation. Institutional measures of support for the prerogatives of the economic policies (subsidies, fiscal exemptions, special credit facilities, export quotas, importation licenses, etc.) have lent themselves to fraudulent practices which have more-over rarely been penalised.

2. At the same time, the increasing transfer of economic resources to the informal economy has seriously distorted the official statistics used for the formulation of macro-economic measures and has thus led to errors in the application of those measures.

The study carried out for the Instituto Damião de Góis indicates that the present erosion of purchasing power, the extent of clandestine work and economies of self-consumption have tended to play a compensatory role offsetting the negative effects of economic policies. The intensification of clandestine labour markets in sectors where use of this kind of labour is viable similarly tends towards a greater degree of labour-force flexibility with respect to production units, and thus improves their capacity to adapt to market variations. This greater flexibility is presented as an easy alternative to situations in which the salary and social security norms introduced after April 1974 became impossible to maintain in a climate of economic recession.

This study holds that the extension of clandestine work in its multiple forms, together with a general liberalisation of the labour market, constitutes a response to the real situation of the Portuguese economy in the absence of any clearly active policy focused on restructuring the production apparatus and responding to the relative rigidity of industrial relations without implying recourse to irregularity.

In summary, the determining factors which have been listed reveal the importance of elements which are also to be found in the case of Spain and indeed in Europe in general: the influence of the economic recession, the employers' need for flexibility in the labour market, increasing fiscal pressure, small-scale industrial structure, etc. In the case of Portugal, the main additional factors explaining the proliferation of informal work would be the economic policies carried out over the past fourteen years and the considerable importance of the Portuguese primary sector.

In the wake of these last factors, special reference should be made here to the role of the family. The structure of the Portuguese family allows incomes to be pooled so that some members may undertake complementary activities which, in themselves, would not be enough to live on. The social role of women also makes female labour cheap and flexible, especially with respect to the many women employed in the industries of the north of the country.

### Tradition and modernity

Precedent explanations, different according to different researchers, give us a fragmented vision of the factors which may explain the phenomenon of irregular work in Portugal. Of course they are valid, if we keep in mind the low volume of research available to the moment in the country, but in spite of that shortage, a more general explanation, as a hypothesis of work, can be proposed.

In spite of the importance that in this, as in other questions, April 25th presents, as a moment in which new actors and new politics are defined, we can't forget the traditional forms of work as a main factor of recent changes in the phenomenon we are studying, during the last years. The development of new forms of work in last 15 years has something to do with important social and political changes, but it would be incomprehensible without considering a tradition which, in our opinion, presents a threefold manifestation.

First of all we have to consider the characteristics of work in agriculture as a real basis of irregularity in other economic sectors; two different types of agricultural activity can illustrate our statement: that which we might call residual agriculture and that which we shall define as part-time agriculture. The most important for our purposes is, of course, the second, including people who have two activities one in agriculture the other in industry, construction or services; normally, part-time activity in agriculture, carried on by the head of family or by other family members, set a minimum basis to work irregularly in other sectors, basis which was important years ago and which is at present; sometimes, of course, part-time in agriculture is also irregular.

In second place there is a tradition of working irregularly in some industries, particularly in textile and clothing industries, in the North. Most of irregulars in this case are housewives working at home, but other family members can also be involved. The basis of irregularity here is defined by a labour market where family and social relations are key elements: that is, most labour is offered by family groups who fit this work in alongside agricultural or industrial work (not only in the same place but also in other parts of the country).

Finally, irregular work is a constant in building sector; the main reason, once more, is that construction firms have been able to rely on a highly specific supply of labour: that of part-time agricultural workers, who have already some way of subsistence.

These three manifestations show the existence of a labour market in which family structure and social relations based on it, some kind of integration between agriculture and other sectors and an important supply of labour (migrations) are substantial traits. New elements emerge after april 25th, but being influenced by this precedent reality. These elements are specially modernisation of labour market and new legal framework.

Important changes are registered in labour market, particularly: the presence of a strong and autonomous unionism at least in big enterprises and in proletarian (industrial or agricultural) regions together with an important employers' association movement gives a new image and a new force to social partners; a new impulse and extension to collective bargaining, unions being very interested in covering the whole market with a bargaining in which they could play a chief role. These two factors reinforce social gaurantees -reinforce regulation- in areas where they operate, but their lack of presence increase deregulation -and because of that, irregular work- in weaker areas, that is, where unions are weak or don't exist or where small firms are predominant. In this sense, but only in this sense, we can say that irregularity is also a consequence of stronger regulation.

During the last years a new element is playing a role in the labour market, having also an influence in the volume and nature of irregular work: the new forms of contracts. In the beginning of 80' these forms of contract were used only to cover occasional work, now they are related to any kind of work but on temporary basis. Thanks to this new legal framework, employments which were irregular before now have become legal; but their social conditions have not changed so much.

We are then facing a process of labour market segmentation, where low segments, years ago ilegal now legal, are playing an irregular role, at least in social terms, if we compare them with the situation of other workers in Portugal.

## POLITICAL IMPLICATIONS

### Social actors' attitudes

If we evaluate attitudes of social actors (state, unions and employers) having in mind a similar question related to Spain, we can underline the following traits:

According to different key informants (unionists, researchers, technicians in the public administration) interviewed, dominant government attitude in relation with irregular work is tolerance. The reasons of this tolerance are three. First of all, and in the case of irregular work in some traditional industries, tolerance is explained because irregular work helps the portuguese products to compete in a market where regular conditions are very difficult to Portugal; in this hypothesis no public intervention is helpful except for some kind of "legal deregulation" through special forms of contractation we have already mentioned. Secondly there is a social reason in a country where "welfare" is lowly developed: the fact that formal and informal work coexist, particularly in regions where agricultural activity might be part-time -because of minifundism or because other reasons- gives to many families a level of income impossible of obtaining at regular level; to some extent social peace is based on this irregular opportunity to work opened to different members of the family. Finally there is also an instrumental reason; inspection of work is inefficient and no government has tried to correct this way of functioning.

But no other social actor has presented concrete and clear alternatives to irregular work. Unions oppose the government tolerance, particularly when clandestine employment of minors is involved and criticise government decrees which open the door to new forms of contract; sometimes they call on legal repression, but without proposing different social or economic ways of organising this labour.

### Public opinion on irregular work

Irregular work is accepted by Portuguese society as a "normal" way of working, maybe more than in the case of Spain. Traditionally for many people the alternatives were to emigrate to other countries or work irregularly and, often, occasionally. Nowadays things are not so different, in spite of new perspectives opened by the entrance in EEC.

## EVALUATION

Because of the similarity with Spanish situation, a similar evaluation can be made. Anyway there are two questions we have to underline.

First of all, competitiveness in front of other countries could justify irregular work and, in consequence of low labour costs, low wages, only if there is a public action to compensate -in form of a different tax politics, for instance- the market conditions of these workers.

Secondly, part-time farming as a basis to engage irregularly in many other employments is a structural condition which needs some kind of intervention in modern terms: agrarian reforms, improve social services in rural areas, facilitate acces to quality education and so on.

APPENDIXES

I. STATISTICAL DATA

TABLE 1.- Work Force, Passive Population and Activity Rate (in thousands)

	<u>Total</u> <u>Population</u>	<u>Work</u> <u>Force</u>	<u>Inactive</u> <u>Population</u>	<u>Work Force</u> <u>Rate %</u>
M=F	9755,53	4510,68	5116,98	46,24
M	4706,28	2606,38	2025,60	55,38
F	5049,23	1904,25	3095,08	37,31

TABLE 2.- Working Population, Unemployed and Unemployment Rate

	<u>Working Population</u>	<u>Unemployed Population</u>	<u>Unemployed Rate (%)</u>
M+F	4191,05	319,58	7,08
M	2467,08	139,30	5,34
F	1723,95	180,33	9,47

TABLE 3.- Working Population by Employment Situation

	<u>Employers</u>	<u>Self-Employed</u> <u>Without Staff</u>	<u>Employees</u>	<u>Family Help</u>
TOTAL	149,3	974,1	2850,7	207,3

Source: Ministerio do Trabalho e Segurança Social.  
Dpto. de Estudos e Planeamento. 1.987.

TABLE 4.- Working and Unemployed Population, by Sex and Age Group

		15-24	25-44	45-54
WORKING (thousands)	M+F	788,40	1854,40	818,88
	M	454,75	1048,38	501,03
	F	333,65	805,95	317,83
(% )	M+F	50,06	77,17	67,77
	M	55,53	91,55	86,92
	F	44,13	64,06	50,28
UNEMPLOYED (thousands)	M+F	152,00	116,15	26,88
	M	66,20	43,80	14,80
	F	85,80	74,30	12,08
(% )	M+F	16,16	5,99	3,18
	M	12,71	4,01	2,87
	F	20,46	3,44	3,66

Source: Ministerio...1.987

TABLE 5.- Working Population, by Employment Duration and Sex  
(in thousands)

	TOTAL	REGULAR	SEASONAL	OCCASIONAL
M+F	4191,1	4122,2	18,7	50,1
M	2467,1	2432,0	4,9	30,2
F	1724,0	1690,2	13,8	19,9

TABLE 6.- Working Population by Duration of Employment in a liven week

	TOTAL	FROM 1 a 15	FROM 16 a 25	FROM 26 a 35	FROM 36 a 40	FROM 41 a 45	Hours
M+F	4191,1	98,1	194,9	259,3	949,4	1478,0	
M	2467,1	30,0	64,0	131,2	555,5	1008,4	
F	1724,0	68,1	130,9	128,1	393,9	469,6	

	FROM 46 a 50	FROM 51 +	Hours
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	459,8	481,8	
	271,7	254,8	
	188,1	227,0	

Source: Ministerio ... 1.987.

TABLE 7.- Work Force in Marginal Transformation Industries.(corrected according to levels of pluriactivity in agriculture-  
-industry)

DISTRICT	TOTAL WORK FORCE		MARGINAL WORK FORCE (%)	
	Maximumising Hypothesis	Minimising Hypothesis	Maximumising Hypothesis	Minimising Hypothesis
Aveiro	142.339	113.957	33,5	16,9
Beja	4.986	4.416	56,2	50,5
Braga	132.017	114.808	26,9	15,9
Bragança	4.164	3.237	76,6	69,9
Castelo Bran.	23.362	19.030	31,4	15,8
Coimbra	43.178	32.766	38,3	18,7
Évora	11.089	9.888	35,9	28,2
Faro	15.024	13.268	56,8	51,1
Guarda	16.027	12.355	35,0	15,6
Leiria	64.739	48.980	40,4	21,3
Lisboa	216.631	210.764	19,1	16,9
Portalegre	7.610	6.701	37,0	28,4
Porto	271.695	249.350	23,3	16,4
Santarem	49.592	39.477	35,0	18,3
Setúbal	88.575	85.805	16,6	13,9
Viana do C.	15.551	12.007	38,7	20,6
Vila Real	7.351	5.474	49,8	32,5
Viseu	22.713	15.982	54,2	34,9
TOTAL	1.136.650	998.265	23,1	18,1

Note: Maximising and minimising hypotheses established by Isabel de Sousa.

Sources: Recenseamento Agrícola, INE 1.979. Recenseamento geral da População INE 1.981. Quadros do Pessoal, Ministerio do Trabalho, 1.981.



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