

WAYS AND MEANS OF INTEGRATING THE YOUNG UNSKILLED INTO WORK

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1. Focusing on the Developed Countries, with some Extensions

We must make a necessary premise in order to define the limits of the issue. In underdeveloped countries, the problems facing young people and unskilled workers are, of course, linked to more general problems of economic and social development. In contrast, these problems are a specific issue in developed countries. It is precisely the difficulties encountered by youths and unskilled workers in today's labour market that underscore some negative aspects of the economy in developed countries, which widespread affluence is nevertheless unable to solve.

However, in an increasingly global economy, even the labour market problems of developed countries are not completely independent of events in underdeveloped ones, especially if we focus on young people and unskilled workers. In fact, wealthy nations have always "imported" a young labour force from the poorer countries, inserting them in the lowest rungs of the job ladder. Currently, the developed countries are feeling the effects of past immigration: second-generation immigrant youths and ethnic minorities constitute one of the more pressing social problems in these countries. But new migratory movements are ongoing, and other youths, from poor countries, fill the rich nations' demand for unskilled, poorly-paid labour, and working conditions have worsened, too. As the jobs these new immigrants do are "low-profile" ones, the countries of destination tend to deny their existence and close their frontiers, attributing the new migratory flows solely to a push-effect from the poverty of their countries of origin. This leaves the new immigrants only the underground economy, which

exerts a powerful attraction on those who do not manage to obtain the proper documentation to enter the rich countries.¹

When we speak of the problems young people and unskilled workers face in finding work in developed countries, we cannot consider only those who have been living in these countries for many generations. Nor can we overlook, unfortunately, the sharp differences in social integration and ethnic origins, although this complicates the issue and makes it more difficult to propose economic solutions that are socially acceptable.

2. *Youths and Unskilled Workers in a Critical Situation*

In all the developed countries except Germany, young people have higher (sometimes much higher) rates of unemployment than prime aged people. In countries like Italy and Spain there are enormous differences in the unemployment rates for different age classes. In addition, when they do work, young people have fixed term jobs or occasional activities much more frequently than is the case for prime aged people. These differences hold true for both genders, but if we compare the same age groups, women are always worse off than men (except with regard to the risk of being unemployed in Great Britain).²

As far as the risk of being unemployed according to level of education is concerned,³ there is an important distinction in Europe between finding first jobs at the entry into the labour market, which concern young people, and retaining jobs afterwards, which concerns prime aged and elderly workers. Among the latter, the poorly educated are at a considerable disadvantage. Among prime aged and elderly workers, the well educated run a very low risk of unemployment, even when the level of unemployment among their poorly educated counterparts is relatively high. Instead, among

¹ This is actually the case also for high unemployment countries: see E. Reyneri, 'The Role of the Underground Economy in Irregular Migration to Italy: Cause or Effect?', *Journal of Ethnic and Migration Studies*, vol. 24, No. 2, (April 1998).

² E. Reyneri, 'Unemployment Patterns in the European Countries: a Comparative View', *DML on-line*, n. 1/1999 (www.lex.unict.it/dml-online).

³ The distinction between well and poorly educated people is only rough, without any reference to specific levels of education, because the relationship between those levels and the occupational ladder is changing over time and can be different from country to country. However, a strict relationship between educational levels and the occupational ladder does exist in all countries. Thus we can make reference to a general and relative concept of differences between well and poorly educated persons, although in different countries those differences may have largely dissimilar characteristics.

the young, the differences are less sharp, and in some countries, such as those of Southern Europe, the gap is minimal.⁴

We can, therefore, affirm that well educated prime aged people risk losing their job much less frequently than poorly educated ones, whereas young people have more or less the same difficulty in finding an entry-level position, regardless of their level of education. This is true for Europe, whereas in the U.S.A. well-educated youths are at a considerable advantage in comparison with their poorly educated counterparts. However, in the case of Europe, it may be that the statistics showing that well educated youths have almost the same difficulty in locating an entry-level job may not reflect the true state of affairs. Almost no country provides unemployment benefits for those looking for their first job, but well-educated youths are often able to wait for a job opportunity that is more suited to their professional aspirations, thanks to the support of their families, while this is not the case for poorly educated youths, who usually belong to the lower socio-economic classes. On the contrary, in the United States (as in the most similar European country, Great Britain) well-educated young people tend to compete with their less educated counterparts for unskilled jobs, thus shortening the waiting time before their first job, to the disadvantage of the less educated. This "displacement" effect is rarer in continental Europe, where every job has a clear place in the social status hierarchy, as well as on the pay scale and in the professional ranks, which are the only distinctions between jobs in Anglo-Saxon societies.⁵

The root cause of this difference lies in the different functioning of the respective labour markets. In countries where a worker is likely to improve his job status over time, the temporary nature of the various "rungs" on the career ladder does not allow each level to "crystallise" into a corresponding social status. Instead, the exact opposite occurs in countries where upward occupational mobility is relatively unusual and a worker's first job is often at the same level as his last, fixing his social status for a relatively long period. The situation of poorly educated youths is poor in both cases, in the short and long term. In fact, on the one hand, the "displacement" effect cuts into the jobs available to poorly educated youths, on the other the lack of upward job mobility reveals a segmented market, where unskilled, poorly educated workers are destined to remain at the lowest rungs of the career ladder for their entire working lives.

Therefore, better educated people have problems of insertion in the regular labour market only at the entry-level stage, when they may have to

⁴ E. Reyneri, *op. cit.*

⁵ Ph. D'Iribarne, *Le Chomage Paradoxale* (Paris, Puf, 1990).

wait for extended periods for a position that corresponds to their social ambitions and professional goals, or perhaps because they temporarily carry out relatively low skilled jobs. But in the reasonable future it is highly likely that they will obtain a qualified position and subsequently hold on to it. They too, however, are subject to three new problems which, as I shall specify later, are affecting the entire labour market in the developed nations: the casualisation of jobs, the use of personal relationships to find work and the risk for workers that they will commit their whole personality either to the firms' organisation or to customers.

On the contrary, we see a strikingly worse situation for poorly educated youths, or for those who, having completed their higher education, are subject to a pervasive discrimination that blocks their access to the higher level jobs. I am referring to young immigrants or the children of immigrants, and to ethnic minorities in general. In developed countries, the poorly educated have far more formal schooling and professional training than their counterparts in the past, but they continue to occupy the lowest rungs of the educational scale in a society that calls for greater and greater general and versatile skills. Their weakness is exacerbated by the fact that those at the lowest educational levels, for the most part, also lack sufficient personal resources, and they are well aware of this, because the educational system is less socially exclusive than in the past, and it is based on a meritocratic approach. This exposes them to a greater risk of social and occupational exclusion, like their older poorly educated fellows who face enormous difficulty in finding another job, if they lose their job and are unable to obtain pre-retirement benefits because technological progress has made their old working skills obsolete.

Among recently arrived immigrants, a sizeable number have considerable schooling, as they come from the élite youth of the poor countries, attracted by the lifestyle of the western metropolis. But they, too, are excluded from the upper job brackets because they often lack documents or they are still scarcely integrated in the receiving society. Nevertheless, as long as their situation remains precarious and they compare their life to the one they would be leading in their home country, the new situation is often seen as an improvement, at least financially.

This is certainly not the case for young second-generation immigrants or members of ethnic minorities. Whether they have been penalized by the educational system or have been able to acquire a good level of education, these youths have higher professional and social ambitions than their parents, but, paradoxically, they are often unable to reach the same level because the jobs their parents hold have been eliminated by the de-industrialization process. This points to a broader issue.

3. *The Trade-off between Unskilled and Permanent Occupations in the Affluent Industrial Society*

Even in modern industrial societies, those which developed rapidly after the end of WW II, peaking in the mid '70s, unskilled youths, who were present in far greater numbers, could only hope to get the lowest level manual jobs, but these had some small advantages. To those who came from the perennial uncertainty of agricultural jobs, construction or micro-industries and artisan workshops, a lifetime contract job in assembly-line plants of large companies had its attractions. Being employed by a large firm, even as an unskilled blue-collar worker, was a step up, socially, confirmed by improved living conditions, which counter-balanced the monotonous nature of the job itself and the non-existent possibility of moving up the job ladder. Furthermore, in large factories and in the working-class neighbourhoods, the constant contact and common situation led to significant forms of social cohesion and a sense of belonging to a community.

For some time now, this trade-off between unskilled work and a permanent job, with an associated good social status, has no longer been available. The large manufacturing firms have closed down, or have been dramatically restructured: the great numbers of relatively unskilled workers have been replaced by far smaller numbers of technicians, white-collar workers and skilled blue-collar workers. In the developed countries, unskilled jobs remain only in the small manufacturing firms, which provide neither lifetime employment nor the corresponding social status, except in some special areas (for example, Italian industrial districts), where near full employment provides job security and the possibility of moving up the career ladder for those willing to take the risk, giving them the opportunity to become self-employed sub-contractors.

The current demand for unskilled labour has not diminished, but now it comes from the service sector instead of manufacturing, and there is no discernible compensation associated with it. Instead, there is a serious risk that job insecurity, stigmatisation and social exclusion will go along with a lack of skills and a lack of meaningful content in the work.

4. *The New Opportunities for Jobs: from which Service Sectors?*

In almost every advanced country most of the employment growth in the last twenty-five years has come from services: from business services and even more so from personal and household services (health care, education, safety, entertainment, the retail trade, catering, house maintenance,

appliance repair, etc.).⁶ The scenario in the advanced countries should already be clear: to industry at large (including business services) goes the task of creating growth and wealth, to the other services that of creating employment.

Employment growth in personal services depends on the approach taken by a society to three main problems: how to guarantee safety and social order, how to keep the members of the society healthy and, lastly, how to reproduce the culture of a society, i.e. its lifestyle and knowledge. These social reproduction functions can be carried out by almost every member in the society, inside families or communities, or they can be "specialised", that is they can be carried out by certain people as a paid job. Thus, the trend of labour demand in personal services does not depend on the needs of social reproduction functions only, but also on how much these functions are performed by the users themselves and how much by specialised structures (either firms or public agencies).⁷

The greater complexity of modern societies increases the need for knowledge, regulation and, unfortunately, for security. Furthermore, both the greater number of working women and the ageing of the population increase care needs for children and elderly people. Apart from household structure (single person households or working women resorting less to self-service), which alternative is chosen between services, either offered by the state or privately, and self-service, depends on how daily life is organised: let us take, for example, fast food (whose development is tied to the metropolitan way of life), and the problem of urban waste and personal safety. Lastly, state policies should also be considered. High levels of public spending, which favour the offer of collective services, obviously create employment in social services, while, if money transfers to households prevail or if public spending is low, there is a greater trend either towards self-service or private customer services.⁸

Combining the alternative of personal services versus self-service economy and that between the service suppliers, which can be private or public, we have three possible cases: (a) a heavy tax load and extensive public serv-

⁶ Leaving the traditional economic point of view behind, even vehicle and appliance repair workshops, and house maintenance, can be considered "services" which are needed to improve the quality of life and to reproduce a society. Furthermore, just as in personal services proper, these sectors are not internationally traded ones and their consumers are households. Both sectors, finally, are little interested in technological innovation, so they have a high proportion of unskilled labour and stagnant work productivity: another aspect common to most personal services.

⁷ J.I. Gershuny, *After Industrial Society? The Emerging Self-service Economy* (London, Macmillan, 1987), M. Paci, *Il Mutamento della Struttura Sociale in Italia* (Bologna, Il Mulino, 1992).

⁸ G. Esping-Andersen, *The Three Worlds of Welfare Capitalism* (Princeton, Princeton University Press, 1990).

ices; (b) a middle to high tax load and money transfers to households more than social services; (c) a low tax load and services supplied largely by the private sector. The first case can be found in Sweden and the third in the U.S. and Japan, while the second one is typical of almost all European countries, although Germany is closer to Sweden and Great Britain to the U.S. This typology is important because of its impact on the skill structure of employment in personal services.

While in industrial and business services work productivity is growing at rapid rates, in most other services productivity, at least till now, has remained at low levels, especially if the aim is to offer a high quality service to the consumer. Stagnant productivity and labour intensive activities, however, are the only common features, since among those employed in these activities there are huge differences concerning professional qualification, wages, social prestige and working conditions. Already at work in industrial production, the tendency to polarise occupational structures is even more pronounced in services, especially if we also consider underground employment.

In fact, social services (education, health care and welfare) are the sectors that employ the lowest proportion of unskilled workers, apart from business services, while the percentage is much higher in consumer-oriented private services (the retail trade, catering, laundering, housekeeping, etc.). Thus, the overall labour market is proportionately more skilled, on the average, in countries where there are more social service jobs, in comparison with those with greater employment in the private services, although there are a sizeable number of highly skilled private service jobs, too. Moreover, in social services unskilled workers enjoy job security and part-time work very widespread among women and to some extent also among young people, is regulated fairly insofar as possible. This is not the case for those working in private services, as we shall see. In countries with low tax burdens, the labour cost is also reduced by lower social security payments, so the growth of employment in private services can be explained by low labour costs, besides the wide availability of unqualified female and ethnic labour. This makes it unnecessary to further lower the cost of labour by employing unregistered workers.

Unregistered employment is, instead, common in those countries where a medium to high level of public spending is more oriented towards money transfers to households than towards social services. As the high cost of labour handicaps private services paid at union rates, people have no alternative to self-producing personal services inside the households or buying them from unregistered workers in order to save on the social contributions and taxes of a regular labour contract. This is clearly the worst solution for unskilled service workers, depriving them of any rights and subjecting them to a wide range of risks.

5. *Increasing Employment in Low Level Services to Face the Growth in Female Labour Supply: Europe vs. the United States*

Even in European countries where unemployment has increased dramatically, employment has not decreased in the last twenty-five years. The increase of unemployment is actually due to the large growth in the labour supply caused by steadily increasing female activity rates. The growth in services (especially private community, social and personal services) and in the retail trade is similar to what has happened in the same years in the U.S., if the relative populations are considered. Nevertheless, while the trends are similar, the result is different: the employment rate, and especially that of people employed in services, is lower in Europe than in the U.S.⁹

This could be due to a time lag. Once past the industrial society stage, the growth of demand for personal services is largely due to women's participation in paid work, creating at the same time a higher labour supply and demand as well. In the U.S. the growth of female participation in paid work started earlier and grew more slowly than in European countries; hence, the adjustment process between a higher labour supply and a higher demand for personal services, substituting those usually performed inside the households, happened without sudden shocks. If this hypothesis were completely true, it would be enough to wait for a stabilisation of the changes inside the households so that a reduction in female household work could cause a higher demand for personal services, either from the public or the private sector.

This is not the case, however, because the process in Europe not only was quicker than in the U.S. but it also occurred later and in a different economic and institutional context. First, from an economic point of view, during recent years the gap in work productivity between industry and most of the personal services has increased dramatically. Second, from an institutional point of view, wage differentials in Europe are far narrower than in the U.S. and less and less related to productivity differentials (either because of trade union bargaining or legislated minimum wage levels), so that in labour-intensive and low productivity activities, such as personal services, the labour cost is too high and demand too low, leaving needs unsatisfied and favouring self-service.

Therefore, the greater flexibility in wages and working conditions

⁹ A. Glyn, 'The Assessment: Unemployment and Inequality', *Oxford Review of Economic Policy*, vol. 11, No. 1, (1996); S. Nickell and B. Bell, 'The Collapse in Demand for the Unskilled and Unemployment Across the OECD', *Oxford Review of Economic Policy*, vol. 11, No. 1, (1996).

(added to a poor income support for job-losers) has allowed the U.S. to employ many people in low productivity and low income jobs, mainly in personal services. These are the so-called "working poor", who are employed and yet cannot escape their condition of poverty. On the contrary, in Europe, wage rigidity and generous unemployment benefits, on the one hand have reduced the demand for poorly qualified and low productivity labour, while, on the other, they have allowed unskilled workers to remain unemployed for long periods.

In most European countries, nevertheless, the story is not over, because we must take the underground economy as well into account. Measuring "black labour", i.e. those paid and legal activities which do not comply with taxation, social security and labour laws, is not an easy task. Yet estimates agree that these activities are increasing, even in countries where they were almost unknown till a short time ago. The great majority of "black workers" are employed in unskilled and low productivity personal and customer services, although many of them are employed by building sub-contractors, small manufacturing firms and in agriculture, too. Thus, the flexibility in wages and working conditions that was not formally achieved because the labour market was strictly regulated by trade unions and/or the state, has been achieved in an informal way.

In the European underground economy we can roughly differentiate three areas. The first one, the highest as far as wages and skill level are concerned, is generally restricted to early retired people and double-jobholders, whose number is supposedly increasing, although surveys devoted to "moonlighting" are still scarce. Local youths largely work in the second area, whose working conditions are worse, although not as poor as in the third one, to which the ethnic minorities and the new immigrants are usually relegated, many of them without the necessary permits. The development of an underground economy is an endogenous phenomenon in European host countries and it cannot be ascribed to illegal immigration. On the contrary, the opportunity to make money without holding a permit of stay is one of the main reasons behind clandestine migration, apart from refugees. Nevertheless, a vast supply of people ready to work in worse conditions than those provided by law and trade unions has provided strong support for the growth of the submerged economy in developed countries.

6. *From an Informalised Labour Market to a "Market for Life"?*

Apart from the underground economy, in recent years the regular labour market in the developed countries has also undergone significant de-

regulation. The parallel processes of downsizing and outsourcing of production tasks have dramatically reduced the importance of large companies and increased the proportion of small and very small firms, where employee turnover is far higher. The temporary, unstable nature of working conditions is further increased by the spread of non-standard working relationships: fixed time contracts, temporary work, part time, sub-contracting, self-employed workers, seasonal work and internships.¹⁰ These forms of regular yet precarious work have almost replaced the traditional, full-time, permanent labour contract for young people and are increasingly common among women of all ages.

Those who believe that increased market flexibility creates jobs may object that jobs that are precarious in theory may not be so in practice. In fact, a worker may have no legal rights with respect to job security but be more or less certain that he will not remain unemployed for long if another job is relatively easy to find, as is the case in economies operating at near full employment. However, if the level of unemployment remains high only some workers will be able to find another job rapidly: those with a relatively "strong" market position, thanks to either their skills or their network of personal contacts, or both. Their career may actually benefit from the different experiences they accumulate through their various positions. This is what is commonly referred to as the professionalisation of the workforce, referring to technicians, skilled workers and professionals.

The scenario is quite different for unskilled workers, who rarely have the opportunity to better themselves professionally or improve their position. For them, a certain amount of uncertainty may be tolerable, economically and psychologically, as long as they are still young. But the initial effect is the delay in starting a family until economic conditions stabilise and permit young workers to face the costs associated with raising children. In the past, unskilled young workers faced the same job insecurities at their entry into the labour market, but then, thanks to the trade-off offered by an affluent industrial society, they achieved a measure of job security sufficient to start a family.

What does the future hold for the unskilled youths who currently hold precarious jobs or, still worse, unregistered jobs? We do not know, because the changing economic landscape makes forecasting difficult, and we cannot draw our data from the experiences of recent generations. In any case, we should not be so worried about the twenty-year-old who is cur-

¹⁰ G. Rodgers and J. Rodgers (eds.), *Les Emplois Précaires dans la Régulation du Marché du Travail. La Croissance du Travail Atypique en l'Europe de l'Ouest* (Genève, Bit).

rently working in a casual job: he is still supported by a family network and is up to the task, psychologically, too. It is his future that is worrying: as he approaches thirty, he will require greater guarantees, both financially and psychologically. Unfortunately, this issue is never raised in the economic debate over flexibility, which ignores the fact that workers experience their relationship to the market differently, according to their social status and gender, their age and their family situation.

In labour markets that are less and less regulated by the state and/or large industry, "strong" workers often benefit from extensive networks of contacts, which allow them to find a new job rapidly. It is proverbial that people look for work in many ways, but find it in one way only, thanks to personal relationships and relatives: "who you know". Survey data confirms this adage. But this is neither an effective nor a fair solution. First of all, these networks, no matter how extensive they may be, are by definition limited. So we are dealing with a *second best* choice, profoundly conditioned by the size of the network. Secondly, not everybody has equal access to the web of relations and the information it transmits. This leads to a new form of discrimination between the well connected and those on the margins. Particularly cut off from adequate information are the weaker brackets of the labour force (the least skilled, the most recently arrived), who have fewer contacts and less experience to rely on.

But this system can prove even more unfair in countries where strong ties prevail over more casual relationships, which give more people access to information about available jobs, and do it more rapidly as well.¹¹ In contrast, strong ties, typically family-based or based on friendships, circulate the same information in a much more restricted environment, but guarantee the reliability and loyalty of the worker in question. This type of recruitment works for both low-skilled workers, whose willingness to work hard is difficult to evaluate in job interviews, but can be guaranteed by someone who knows him well, and many skilled workers, when belonging to certain networks or social groups is important to the success of the tasks involved.

Apart from questions of fairness about a selection process based on inherited rather than acquired characteristics, the personal relationships between demand and supply can facilitate the development of "community-businesses" where employers and employees collaborate in a context of reciprocal consideration. But it can also have less positive effects, when the companies continue to exploit their workers. In these cases, friendships and

¹¹ As it is the case for South European countries: see P. Barbieri, 'Non c'è Rete senza Nodi. Il Ruolo del Capitale Sociale nel Mercato del Lavoro', *Stato e Mercato*, n. 49, (April 1997).

family ties serve to guarantee the worker's submission. Here we can talk about a "market for life", in which not only skills are exchanged, but also a worker's entire personality, all his personal relationships. This is almost always the case for the two lowest brackets of the underground economy, where the network of contacts serve almost exclusively to ensure the employers that the workers will accept irregular working conditions without protesting.

A similar ambiguity also occurs in many jobs in industry and services. The skills that an ever increasing number of workers of all kinds must have include teamwork, participating in achieving objectives above and beyond one's specific tasks, manipulating personal relationships both within the organisation and outside it and the willingness to identify with their job. "Savoir faire" rather than "know how". Apart from those who must "lead" other workers, a sizeable and still growing number of workers must deal with the public or look after the sick, the aged and the young. All these situations also stimulate a community type of social integration. However, if sharp disparities remain in working conditions, status and power, there is a strong risk that the worker will become alienated not only in terms of his job but also with regard to his personality. The risk is clearly greater for unskilled workers, who are threatened with a return to serf status in a service economy.

7. What Form of Participation for Unskilled and Precarious Workers?

All this raises broad questions about worker participation, particularly for those without professional skills, when companies "de-structure" into micro-units which utilise workers with whom there are no full-time, permanent work relationships. These employees have a high rate of turnover and many of them even move back and forth between employee status and freelancing. If they are able to do so, they build a career based on moving from one job to another, so that they cannot form an identity based on their job in the company, but must base it on the professional community or on the local labour market.

For workers it has always been essential to be able to alter not only the conditions in which they work but also the variables that affect their careers and the future of the company, factors which traditionally influence both working conditions and career possibilities. The new state of affairs is that the latter is separate from the former, because it occurs in a different context, the labour market, and in addition, the higher rates of intercompany mobility make this second moment more important than the first. In

modern labour markets, demand and supply are interdependent, so workers have considerable freedom to decide how they will act, within a set of constraints deriving not only from the companies' systems but also from the vast network of social, cultural and political relationships. The outcome of their participation cannot, therefore, be taken for granted, in the same way as in the traditional, company-dominated context. The problems that arise are, however, quite different.

It is important to distinguish between the two moments of participation: the traditional, but temporary, one that occurs within the company and the new, oft-repeated one, when changing jobs in the labour market. In the first, there is a risk of a separation between "internal" and "external" workers in the company. Often, with the consent of the "insiders", the "outsiders" are excluded from any type of participation. Those whose professional skills are strong enough to give them autonomy have no problems with this, but those without high-level skills risk a dangerous exclusion.

The possible forms of participation available pose still greater difficulties to workers in the labour market. Here, the key points are two: training processes, where job skills are acquired and maintained, and employment agencies, which assist in passing workers from one job to another. It is therefore necessary that these new "contingent" workers be able to have an effect on the decisions made concerning job training and employment services. This is not likely because workers are usually isolated in these contexts and, in addition, they are commonly faced with the most frustratingly bureaucratic aspects of their union organisations.

8. *No Jobs, Poor Jobs, Fair Jobs*

In order to combat the high rates of European unemployment, which hit unskilled youths the hardest, the "American" model is often held up as an example to follow. Thanks to greater flexibility in wages and working conditions, it appears to have reduced unemployment sharply, even among the less skilled. The results obtained in this way are, however, well known, so we must decide if it is better, from a social and ethical point of view, to have a class of working poor, with registered, but precarious jobs, or a mix of unemployed, which is more or less assisted, and workers employed by the underground economy. In practice, the gradual de-regulation of European labour markets is moving in the American direction.

Given that the outcome may be a reduction in unemployment and a shrinking of the underground economy, this solution does not provide an exit from the split society, a "two tier" society where the high standard of

living of most people is based on a large underclass of servants. This is not only unacceptable ethically, but unlikely in a European context which, at least till now, has been based on social cohesion, which explains both the considerable support (coming either from the state or families) provided for unemployed people, and the narrow wage ladder aimed at protecting less skilled workers in spite of their low productivity.

It is also unacceptable to wait until the demographic decline reduces the labour supply, and therefore unemployment, even if the demand for workers does not increase. This option ignores the fact that unemployment is also the result of a mismatch between demand and supply and that, whether they wish to or not, the rich, developed nations are unable to stem the tide of immigration from poorer countries. In fact, in an ageing society, the demand for personal services, particularly the less skilled ones, is destined to increase. Faced with a decreasing supply of workers from within its borders, the only option is to attract ever-greater numbers of immigrants willing to work at these jobs. Therefore, the current problems will not go away; only those who have to face them will change: fewer and fewer native youths and more and more immigrants or children of ethnic minorities. There is, instead, a risk of worsening the inequalities, if we add ethnic barriers to the existing economic and social ones, as some countries are already noting.

The key point is that we cannot solve the problem of unemployment among unskilled youths without also facing the problems posed by bad jobs. Both problems must be faced without the illusion that the development of technology and the growth of a de-regulated economy will provide spontaneous solutions. This raises the question of which economic, social and employment policies should be implemented by the state and by the social partners so that all those who wish to carry out a paid job can have a fair job: that is, a job not only fairly paid, but also providing good working conditions, as well as an acceptable social status and a sense of meaning for people's lives.

9. Reducing the Costs of Unskilled Labour and Redistributing Jobs

According to an old proposal, the public budget should take on almost all non-wage costs (taxes and social contributions) for unskilled and low-wage jobs. This way the cost of regular labour would become almost equal to irregular labour, since the "savings" in unregistered work are generally on non-wage labour costs, which in most European countries account for up to 40% of total costs. The impact would be both to create more employment for less qualified workers and "to regularise" a large portion of workers active in the

underground economy. As customers would be able to buy services from regular workers at the same cost as from irregular ones, they should be discouraged from using irregular labour. The benefits of satisfying many needs with the self-service economy should decrease, too, and labour demand for services would increase. Finally, the pull effect on illegal immigration would weaken and prospects for legal migratory inflows would open up.

Another possible solution that has been hotly debated is to re-distribute work by reducing working hours for all full-time workers and/or favouring part-time employment, not just for women, but also for young people and older workers of both genders. This proposal is costly not for the state budget, as the previous one was, but for the budget of workers, who would take home less in salaries. However a re-distribution is inevitable when the economy spontaneously produces a strong polarisation in earnings and wealth. The problem is the achievement of a social and political consensus for a kind of solidarity that may appear increasingly costly and aimed at people of different cultural origins, as inevitably happens in a fragmented and global society.

Apart from the above difficulties, reduced working hours and, above all, part-time work may have undesirable effects. More leisure time might cause a contrasting effect, since it favours the use of many services, but it also makes self-service easier and may favour moonlighting, as well. Furthermore, if there is no financial compensation, the poorest families may become even more excluded, as is shown by the high unemployment rates among immigrants in the country that has almost totally eliminated domestic unemployment, thanks to the enormous diffusion of part-time and part wage jobs. Finally, re-distributing working hours does not solve the problem of quality of work for the unskilled jobs and might even worsen the situation.

Even where they are quite common, jobs involving shorter hours discriminate against those who hold them, blocking them from increasing their professional skills and advancing in their careers. This situation is balanced by the spread of a strictly utilitarian attitude towards work, so that the worker does not suffer unduly. However, we must ask ourselves whether this attitude, which reduces work to a simple source of income, is congruent with man's inclinations. The quality of the work performed is also likely to suffer. In fact, in services to a person or to a family, even in those that seem to require the least skills, the worker's commitment is essential.

10. *A Mix of Labour and Social Policies*

The proposals indicated above, which involve solely the economic aspects, are therefore necessary, in large part, although not sufficient in themselves. On the other hand, it is unlikely that unskilled work in services

in general will be re-evaluated, as was attempted, largely unsuccessfully, for low-skilled manufacturing workers before automation and computerisation radically changed the face of those industries. Instead, economic measures must be coupled with social policies and labour legislation aimed at changing the situation of unskilled workers, particularly in the service sector.

The first measure is to make those jobs so transitory as to favour upward job mobility. Increasing occupational mobility prospects may make unskilled and low social status jobs acceptable even for young people who would like have a fair degree of work commitment. In the long run, it will be necessary to emphasise, as regards wages and social status, a basic factor for quality in personal services: the ability to make relations with users "warm", which means relations not only characterised by a total availability, but also by the commitment to the needs to be satisfied. This means re-evaluating skills wrongly considered innate rather than professional, such as relational ones, which can be acquired along with a higher overall cultural level.

High rates of job mobility, even if aimed at improving one's position, necessarily involve insecurity, especially at first, and this would be very difficult to alter. What can be done is to legislatively strengthen the position of workers who are not covered by unemployment benefits. A basic level of financial security can be guaranteed by minimum income payments, freed from the past constraints relating to the most recent job held, which was often not held for a period long enough to qualify for traditional unemployment benefits. Furthermore, job-training courses can provide a new type of guarantee, which is *de facto* rather than formal. These should, however, be different from the usual training courses, which are usually held within a company. In fact, it will be especially difficult to persuade companies to participate: since stable relationships with workers will not be the rule, companies would be even less prone to invest in training. Finally, the networks of relationships, or more directly, the worker's ability to find a new job to replace the one he has lost, could also be affected. Reducing waiting times to the minimum is another way of protecting workers and is just as effective as guaranteeing benefits.

Yet for many services it is possible, at least partly, to forget the market point of view, thanks to the "third sector": from associations to co-operatives. Although it is a mistake to think that these structures can work without being supported by public spending, their advantage should be not only greater flexibility and the fact that they would offer transitory jobs, but also the commitment of the workers themselves. The commitment, even a limited one, in the management and in the "assistance and care" field should make the relationship with the consumer, individual or household, more "personal", and it should improve the quality of service as well as favouring a meaningful sense of work for the workers themselves.