



Brindisi to the Brindisians, graffiti in Brindisi, Italy. Photo by A. M. Pusceddu.

In/formalization

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To work or not to work

In/formalization practices in the Italian public sector

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ABSTRACT: This piece examines the position of workfare scheme recipients in the municipal administration of a southern Italian city. Looking at the interplay between different regulatory frameworks – from administrative to labour and welfare reforms – in a particular locale, I emphasize the analytical relevance of the formal-informal linkage in understanding the production of spheres of informality and negotiation within a bureaucracy.

1. There seems to be some irony in the fact that the concept of “informal economy” entered the jargon of academics, scholars and policy makers at the beginning of the 1970s oil crisis and became popular in the long period of economic and political transformation that followed. Although crafted to make sense of the difference in Third World countries economy – being, under this respect, a truly «Cold War concept» (Hart 2010: 151), it did not take too long to realize how informality was becoming a «universal feature of the world economy» (Hart 2006: 22; cf. Ghezzi, Mingione 2004; Portes, Castells, Benton 1989).

Rather than focusing on informality as the simple lack of formality, it appeared analytically more useful to focus on the inter-linkages between formality and informality and to analyse a broad range of phenomena through the lens of formal-informal relations. At a general and abstract level, the concept of informality permits to think the «unspecified content» which is built into the «bureaucratic form» (Hart 2010: 148). At the same time, one should not forget that a certain degree of formalization is always inherent to informality. What matters, in any case, is to underscore how formality and informality are mutually constituted and generated.

In this contribution to the Forum I want to focus on the formal-informal linkages in the bureaucratic apparatus of the state. More in particular, I want to address the emergence of particular trends of informalization of labour

within the Italian public administration, showing how the interactions between different scales of (de)regulation and the concrete situations of local administrations may favour the reproduction of informal labour arrangements. The ethnographic material I will be briefly referring to draws from a wider ethnography of livelihood practices and grassroots understandings of the economy¹ in a southern Italian city along the Adriatic coastline. Here I will focus on the position of workfare scheme recipients in the local municipal administration. I believe that addressing in-formalization practices in the public administration may help raise a number of useful questions concerning the definition and analytical value of the formal-informal relation in the current historical conjuncture.

2. In the summer of 2016 a union assembly was summoned in the town hall to discuss a labour stabilization plan. The target of the plan were almost eighty recipients of the LSU workfare scheme² – *Lavori Socialmente Utili* (literally: socially useful jobs), who had been waiting for years to be permanently hired by the administration. They were first employed in 1998 in a biennial project for promoting waste recycling and later distributed in the various branches of the municipal administration, where they have been fulfilling a variety of tasks – from administrative work to caretakers, from cleaning services to maintenance work. However, while doing the same job as “formal” employees, LSU “workers” were excluded from any labour regulatory framework. Instead of receiving a wage and the relative benefits, they were entitled to a temporary subsidy from the National Institute of Social Security (INPS), periodically renewed. The “formal” difference of their position did have substantial implications that concerned labour relations, lack of bargaining power and full subordination. They were not entitled to any reward – such as productivity bonuses or performance related pay, which could only be allocated after an informal agreement among employees who were willing to renounce to a share of their own.

During the assembly the union representatives illustrated the proposal of the labour stabilization plan elaborated by the human resources executive. The triennial plan estimated that part of the workers could be hired as A – the lowest rank – and the remaining as B, according to the financial re-

1. The research was funded by the European Research Council Advanced Grant “Grassroots Economics: Meaning, project and practice in the pursuit of livelihood” [GRECO], IDEAS-ERC FP7, Project Number: 323743.

2. Although the LSU scheme differs in various ways from conventional workfare schemes, it can be considered a stepping stone in the Italian transition from the classical welfare state to a workfare model.

sources and the organizational chart. The plan was welcome with cautious enthusiasm, since previous expectations and promises of labour stabilization had been repeatedly frustrated. Discomfort and disappointment, instead, had come to prevail over time, undermining collective solidarity. During the debate some female “workers” erupted, raising the issue of who were going to get the A or B rank. The implicit suspicion was that someone could receive a preferential help thanks to his or her connections in the administrative hierarchy³. Others reacted by raising the issue of “deservingness”, by remarking that «if you haven’t done anything, what can you expect?» Another complained that she had always kept herself away from internal conspiracies and for that reason was not even entitled to a writing desk. After the assembly ended, a worker commented to me that those who didn’t manage to get a desk were the ones who «did not want to work». On the contrary, she had been doing everything she was requested: «It is by doing so that I earned the desk, because I have shown that I deserve it».

The deservingness of one’s achieved position – symbolized by the desk – was often claimed by those workers who committed themselves to learning and fulfilling all the task they were being assigned. In some cases, their competence and knowledge of administrative work allowed them to hold positions of responsibility, by actually filling the personnel shortage. This type of aspiration was mainly cultivated by women, most of whom held a secondary school diploma, who nonetheless had been doing mainly unpaid housework before applying to the LSU scheme. Men breadwinners, on the contrary, focused on saving time to keep an “informal” job to integrate the meagre (near to) 600 Euros monthly subsidy.

The social and economic background of the city is also important to understand how the ambiguous status of LSU “workers” is being experienced in relation to ideas of employment and unemployment, and to the social implications of being a wage-worker or a subsidy recipient. Similarly to other southern cities targeted by large-scale programs of capital-intensive industrialization in the 1960s, it has been undergoing a process of industrial downsizing and, eventually, gradual deindustrialization, with consequential reduction of employment opportunities. High rates of unemployment, far above the national average, the expansion of tertiary low-income sectors and unwaged precarious works define the livelihood frameworks for a consistent segment of the population (cf. Mingione 1988).

3. Collective expectations were eventually frustrated again few months later, when the newly elected municipal government announced a revision of the labour stabilization plan, which reduced to 22 the number of LSU “workers” to be permanently hired.

3. The informalization of labour in the local municipal administration resulted from the combination of various national regulatory frameworks that in the 1990s intended to reorganize significant sectors of the economy and state bureaucracy. First, the shift from welfare to workfare allowed local administrations to temporarily resort to the unemployed and redundant workers for the fulfilment of jobs of “public utility”. Second, the reform of the public administration, according to the principles of the New Public Management, began to unfold in the years the LSU scheme was implemented. Employees and LSU recipients were confronted with the increasing tension between highly formalized and businesslike representations of public services and the informalization that regulate their actual functioning. Third, increasingly binding budgetary constraints on local administrations and the consequent reduction of resources available created the condition for resorting to LSU recipients – that is, subsidy receivers – for filling the personnel shortage.

LSU recipients increased nationwide in the late 1990s, when they reached the peak figure of almost 170.000 (source: INPS). At the same time a new legislation provided the legal framework to “empty out” the large pool of LSU workers by facilitating their placement in the private (e.g. granting tax breaks) and public sectors. Nonetheless, the expectations raised by the prospects of achieving a permanent public employment may help us understand the informal logics that workers themselves appeared able to negotiate. These expectations are clearly influenced by the larger social and economic environment, where people have to cope with the scarcity of stable and regular employment opportunities, with the recourse to vertical relations to achieve individual benefits, and where public employment is still perceived as a relatively safe and stable social and economic position. Many life stories of LSU recipients, if they could be recalled here, would confirm how informality and formality are inextricably linked in people’s livelihood strategies, in their ways of making a living and dealing with the state.

In conclusion, the brief analysis I have undertaken suggests the analytical relevance of the formal-informal linkage in approaching how the interplay between different regulatory frameworks – from administrative to labour and welfare reforms – unfolds in a particular locale. The concrete implementation of workfare schemes, more specifically, provides an interesting case for pointing out how formalization and informalization processes are deeply interlinked in the material and ideological constitution of citizenship in contemporary Italian society. The analysis of how workfare recipients negotiate

their condition and prospect of in/formalization is underpinned by notions of deservingness and dignity, but also constrained by forms of humiliation and subordination. It is from this standpoint that, perhaps, the formal-informal linkage unfolds its analytical potentials by allowing to read also the popular dialectics of negotiation of state bureaucratic apparatus.

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