
ILLEGAL IMMIGRANTS AND THE INFORMAL ECONOMY: WORKER AND EMPLOYER EXPERIENCES IN THE ASIAN UNDERGROUND ECONOMY

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Abstract

The informal economy and migration in advanced economies are two major political issues. This paper connects them through a study of the concrete experiences of workers, and the firms employing them, in the exemplary case of the clothing and catering sectors in a British city. This experience illustrates, notably through wages as low as £2 per hour, how people live through the tensions of economic pressures for cheap labor and political attempts to regulate its use. Illegal migration was a key reason for the survival of these firms, in supplying cheap and flexible labor. It was not, however, organized in any way by the firms, and they disliked it in principle while having little option but to employ illegals. Workers largely had to accept their lot. An approach to managing the issue through encouragement, rather than strict enforcement, is suggested.

Introduction

In 2003, we carried out research on behalf of the DTI into the use of illegal immigrant workers by Asian-owned firms in Birmingham and the West Midlands (Ram et al 2002a). Using trusted intermediaries, we were able to conduct twenty in-depth interviews with undocumented workers and a further twenty with their employers. Ten cases were drawn from the

clothing sector, and ten from catering (embracing mainly curry houses and similar low-price restaurants). In the following employers are denoted by E and then a code number, and workers by W.

Though far too small a sample to support statistical generalizations, the qualitative case history approach enables us to unravel complexities and nuances likely to be missed by standard quantitative procedures. In this paper, this material is used to address some key debates on immigrants in the informal economy. Our suspicion is that, because much of the most prominent work in this field is heavily weighted towards top-ranking world cities (Light 2000, 2004, Sassen 1991, 1996), it is not entirely representative of what happens in the (actually much more extensive) rest of the world. While it goes without saying that we are not in a position to speak for the non-metropolitan world in its entirety, nevertheless the view from a second-ranking center of a region of drastic de-industrialization is perhaps sufficient to suggest certain correctives. Specifically we shall question prevailing notions of the informal economy itself, the role of immigrant firms and workers within it and its connections with the on-going process of illegal immigration.

The Informal Economy

Formerly taken to be a typically Third World phenomenon, the informal economy is now recognized as a widespread and indeed necessary component of advanced capitalism which, far from a moribund archaism, has actually increased in importance during post-industrialization (Williams and Windebank 1995). Given that its very existence is predicated upon its official non-existence, it is hardly surprising that definitions and labels are many and various, with the word “informal” frequently replaced by “underground”, “subterranean”, “irregular”, “hidden”, “clandestine”, “black”, “shadow” and many others, each seeking to convey its own nuance (Williams 2004). For our own purposes, we are broadly content with the early definition of the informal economy offered by Portes and Sassen-Koob (1987, 30), as activities which “escape normal record-keeping”. Such an approach warns against any unconditional tendency to equate informality with illegality. While in practice the former certainly is apt to slide into the latter, informal firms *per se* should simply be seen as those who eschew the formal contractual exchanges taken to be part and parcel of operating in an advanced economy. The *modus operandi* of the small firm commonly avoids or minimizes the use of institutions like banks and other commercial credit providers, job centers for worker

recruitment and advertising for custom. Instead business resources are drummed up on the *Gemeinschaftlich* basis of face-to-face personalized relationships of trust: capital from free loans or pooled resources with family and friends; labor through family, neighborhood and occupational grape vines; customers through word-of-mouth recommendation and reputation.

Here it is worth emphasizing that, despite the frequent emphasis on ethnic minority firms as exceptionally predisposed to informality (Light 2004, Sassen 1996), such practices are not ethnic-specific but universal, with native white English small operators virtually as likely as Asians to employ them (Jones et al 1994). A true historical as opposed to a culturally exceptionalist perspective confirms that informality is the very essence of the small firm per se, a time-honored set of practices designed to minimize cost, risk, inconvenience and paperwork (Scase and Goffee 1982). Moreover, much entrepreneurial informality is entirely legitimate, consisting of nothing more than a harmless refusal to conform to the textbook rules of economic life. Irrespective of their owner's ethnicity, it is likely that a substantial proportion of such firms operate entirely within the bounds of legality.

In practice, however, the mere *avoidance* of bothersome obstacles tends to set the scene for outright *evasion* of the laws governing business life. Often indeed "the difference between informal economic activities and criminal activities is not easy to make" (Kloosterman et al 1998, 256). In particular the informal labor process is highly subject to regulatory evasion, with casual hiring and an absence of written contracts merging seamlessly into cash-in-hand payments for tax avoidance purposes and, sometimes, bogus claims on social security and welfare benefits (McDonald 1994). Since such workforces are officially non-recorded, there is no compulsion on employers to comply with government legislation on minimum wages, working hours and health and safety. Moreover, the prevailing invisibility also sets the scene for the use of undocumented immigrant workers.

Significantly Kloosterman et al (1998) also point out that the lurch into illegality can occur unwittingly in the complex regulatory regimes now characteristic of advanced economies, where many small

firm owners simply cannot hope to know all the rules. According to Freeman and Ogelman (2000), one of the reasons that immigrant-origin entrepreneurs are over-represented within the regulation-flouting informal economy is that they are “less familiar with the institutional framework in which they must operate”. Accustomed to a much less regulated environment in their countries of origin, they continue to apply these standards in their present milieu. On this oft-asserted connection between immigrants and informality, Light (2000, 162) is adamant that immigrant-origin entrepreneurs and workers are “drastically over-represented” in the informal economy, an emphasis that can also be inferred from Sassen (1991, 1996). Yet, while this may arguably be the case at the level of world cities such as Los Angeles, it does not necessarily apply elsewhere and, on the basis of evidence from a range of European countries and localities, Williams (2004, 14) is equally adamant that “There is no strong correlation between ethnicity and participation the informal economy”. In the light of this, the Birmingham Asian informal economy should properly be regarded as a small, specialized segment of a highly diverse and wide-ranging spectrum of activities.

Despite this, however, we acknowledge that historical logic provides good grounds for making a link between immigration and informality. It is now widely established that the post-industrial emergence of a new cash-rich time-poor upper-middle and middle class has generated a very substantial rise in demand for an expanding range of consumer goods and services (Sassen 1991). At the same time, however, much of this demand feeds upon prices that are too low to support a living wage for producers. It is this mismatch which creates the space for the informal economy, where production costs can be cut to the bone via the evasion of regulations. Given its sub-normal returns for producers, the informal economy is the natural milieu for immigrant workers – and indeed entrepreneurs – whose material expectations can be assumed to be lower than those of non-immigrants. Given also the stringent controls now in force in most advanced capitalist nations, many of these workers must enter by clandestine routes (See Staring 2000 on illegal immigration as a purely legal construct), the irresistible force of labor demand triumphing over every political and legal barrier erected in its path. Indeed, Light (2000, 2004) argues that we have now reached a stage where demand for migrant labor has become largely saturated but migration itself continues as a self-propelling force, with

migrants using established “beaten paths” and the shelter of their own established ethnic communities to ease their entry (Staring 2000). Apparently, migration has become its own irresistible force irrespective of any economic logic, a new turn which is greeted by Werbner (1999, 571) as “an assertion of the agency of migrants”, rejecting the deterministic view of them as passive pawns at the mercy of structural forces. As we shall see in the following sections, this and various other confident assertions need to be qualified in the light of detailed study of the concrete experiences and actual behavior of informal firms and their workers in a world where messy ambiguities often prevail over clear-cut categories.

Informal Practices on the Ground

From the outset, it is evident that our twenty responding Asian-owned firms completely fail to support any hard and fast distinction between formality and informality. Though Light (2004) draws a sharp line between completely law-abiding immigrant firms and those of whom “governments do not have official knowledge” (2004, 389), our own firms appear to be operating in a far less binary world, where boundaries are straddled rather than rigidly observed. None of our entrepreneurs makes any attempt to conceal his (there are no “hers”) existence, even though in the great majority of cases they operate off-the-books payments, employ illegal immigrants and fail to comply with the UK National Minimum Wage (NMW). Following Williams’s (2004, 14) insistence that “wholly underground firms ... are now acknowledged as representing only a small proportion of the informal economy”, we would see our respondents as completely representative of prevailing norms here. Essentially they reside in a gray area, entirely open about their existence, yet conducting some or much of their work in an underground fashion designed to avoid compliance with costly regulations. The extent of these violations can be gauged from the revelation that every employer in the sample was using at least one undocumented worker, with the great majority paying at least some members of their workforce below the NMW. Of the total 181 workers employed by the sample firms, 49 (27 per cent) were undocumented immigrants, though there was a marked contrast here between catering and clothing, with the latter showing a much greater reliance on them. Whereas only one of the curry house owners used more than one illegal, all the clothing firms had two and upwards and, in the

extreme case of E11, five illegals made up 50 per cent of his workforce. Partly the large number of illegal workers in clothing is explicable in terms of the larger size of clothing firms, with the biggest employer in the sample (E14) having 39 workers in total, no fewer than eight of whom were employed illegally. Even so, it bears repetition that none of the businesses themselves attempt to conceal their existence, with the restaurants in particular all actively striving for high visibility. Apart from the employment violations noted here, there is no reason to suspect that the rest of their activities are anything but perfectly “clean”.

Ethical Angst

In almost every respect, our respondents’ entrepreneurial ethics and behavior are entirely consistent with this ambivalent position. This is certainly true of their attitude to rule violation, where there was a virtual consensus that this was highly undesirable, indeed a breach of their own ethical code but a regrettable necessity, to which they were compelled to resort in face of unstoppable external threats to their business survival. Typical observations here are voiced by E5, “Labour shortage means employers don’t have a choice about who they recruit”; E7, “What choice do employers have?”; E1, “If you are desperate, you will resort to illegal staff”. As E15 muses, “It may not be the right way but at the moment it’s the only solution ... I hope it is only temporary”. If E12 is to be believed, illegal immigrants can be a matter of life or death: “without illegals, I doubt my firm would survive”. This pessimism was echoed by E11, whose five illegal workers had “helped us continue trading”. Most of these owners would undoubtedly agree with E8 that “it is better to have legal workers” but felt their hands were forced. Working in tandem with the forces of material necessity, there were also sometimes powerful feelings of obligation towards needy fellow-countrymen, most strongly expressed by E4, “they’re desolate, so you have to help them” and E6, “They know we’ll sympathize with them”. In E17’s case, “our illegals are relatives from India, so we have an obligation to employ them”.

Moral dilemmas were compounded by the sheer fear of detection and punishment, as with E7’s rueful confession, “I couldn’t afford the fines imposed” and E3’s fear that “if there was a raid, I’d be put out of business”. “If we ever have problems with illegals”, says E16, “it would

be the downfall of this business". Employers like E15 "know that one day there could be an official investigation but I just live in hope". In practice it is likely that such anxiety was exaggerated because, as Freeman and Ogelman (2000, 107) explain, the enforcement of official regulations in a liberal democratic state tends to be compromised by "political pressures, administrative incompetence and lack of will". Of these, the matter of will is paramount, with Freeman and Ogelman (2000, 118-9) talking of a "purposeful failure" on the part of the state, which finds much to be gained from "a casual attitude towards the violation of formal rules if the ends of economic efficiency are being served". From this we infer that our respondents' irregular practices are at least in part made possible by the Nelsonian blind eye of officialdom. Even so, it is important to recognize that their attitude to this is anything but sanguine. Far from brazen kleptocratic fiddlers of the system, these are often anxiety-plagued and even guilt-ridden individuals, whose business is conducted under a permanent cloud of insecurity, an insecurity additional to the normal risks of the frantically competitive markets in which they must operate. In many cases, they would clearly welcome the opportunity to come in from the cold, as with E17, who declared "I do not think it [the use of illegal labor] is sustainable in the long run", though it goes without saying that employers were in no position to abandon this system without some compensatory improvement in their acutely problematic market position (See final section).

Motivational Pressures

When we come to enquire what motivates would-be legitimate entrepreneurs to engage in such a high-risk strategy, the short answer is provided by the quotes in the preceding paragraph to the effect that many if not most of them would not survive in business without desperate cost-cutting measures. The origin of this crisis lies in the mismatch between soaring demand for our respondents' goods and services and price levels insufficient to enable them to make a profit or even to break even. Theoretically, of course, such a non-equilibrium is utterly unfeasible, a veritable neo-classical oxymoron but it becomes feasible when there are producers willing to bend the rules to achieve cost cutting impossible under normal circumstances. As illustrated by our recent study of the Birmingham curry house trade, the "Indian" restaurant industry is the archetypal illustration of this principle (Ram

et al 2002b). Fuelled by soaring affluence and changing lifestyles, “exotic” dining-out has enjoyed a truly spectacular demand boom over the past two decades (Warde et al 1999, Mintel 1999) but an even more rapid upsurge in the number of restaurants and take-always (Ram et al’s (2002b) “gold-rush effect”) has overcrowded the market, with hyper-competition forcing prices down to an uneconomic level. Predictably it is workers’ wages which bear the brunt of the cost-paring necessary to sustain such a regime. Once again, this is presented as a regrettable necessity, as expressed by E5, “If your restaurant is not doing well, you can’t afford to pay good wages”.

Historically, of course, restaurateurs could rely on tapping into the labor of settled fellow-Asians, whose own wage expectations tended to be conditioned by the very low standards of the country of origin. Indeed, we would argue that it was this initial willingness on the part of owners and workers to accept low returns that established the Asian restaurant’s reputation as a cheap dining-out option, with customer expectations continuing to impose low menu tariffs as a required norm. Now, however, a substantial proportion of the Bangladeshi labor force is British-born and educated, with reference points that disincline them to submit to the subnormal wages and conditions prevalent in the curry trade. In consequence, “the number of legal workers is dropping rapidly, through retirement, starting their own business and alternative jobs” (E3). According to E5, recruitment was becoming “more and more difficult, there are more restaurants than there are workers”. So intense has the competition for skilled workers become that “people have begun to snatch other people’s staff by offering them better pay “ (E3). By way of explanation, E4 remarked that “the older generation are retiring and the younger generation aren’t really interested in this type of work. They want education and professional jobs”. Pursuing a similar theme, E6 lamented, “the younger generation look down on a restaurant job, they will turn to other professions or even to crime”. More specifically, E3 explained the undesirability of catering work in terms of “unsociable hours and bad image”, while E9 complained that “restaurant work is bad for family life”. Hence the labor shortage repeatedly cited by restaurateurs, a shortage already compromising the viability of many businesses and destined to become more acute. To all intents and purposes, the point had been reached where the continuation of the trade on its present scale depended on the constant topping-up of the workforce by new immigrants unsullied by modern consumerist values and aspirations. In almost all cases,

illegal immigrants were the only option here because, as E2 noted, “you can’t get anybody else”.

Broadly similar considerations apply to the clothing trade, though here stringent cost-cutting was imperative in the face of overseas competition from low wage economies in China and Eastern Europe, a threat to survival that has intensified as a result of global trade liberalization in the 1990s (Arrowsmith et al 2003). “We cannot compete with the import market on price”, said E17, “we are employing less and less people because the orders are not there any more”. Unlike the restaurant trade, there was no absolute shortage of Asian clothing workers, by virtue of the very fact that competition had driven many factories out of business, “so that there are lots of people looking for work” (E17). There was, however, a need for those firms that did survive to drive down wage costs. With blunt realism, E17 noted that “this is a cut-throat business, so any saving is essential”. Here of course is where the illegal workers come in, as noted by E15, “We have had to employ illegals to cut costs”. Just how effective this strategy was, we shall see in the section after next.

Recruitment Methods

In keeping with the prevailing moral ambivalence, the route by which underground migrants arrive in the back kitchens of Birmingham curry houses is highly circuitous and lacking in any kind of proactive pre-planning on the part of their eventual employers. Contrary to the terrors cooked up by the tabloid media, there was an extraordinary absence of anything faintly conspiratorial. Almost with one voice, owners insisted that there was no conscious and purposeful targeting of illegal immigrants *per se*, rather they simply turn up fortuitously in the course of the general recruitment procedure. Given the utterly unstructured and often passive nature of that procedure, this is completely believable. Recruitment in the Asian small firm is the absolute epitome of casual informality, dispensing with advertising, job centers or any other official intermediary (Ram et al. 2001). “Word-of-mouth” was the recurring phrase used by respondents to describe their approach. For E3, this simply meant keeping his ear to the ground and “making a mental note of things I hear when I’m out and about, of new people who might be available for work”. Consistent with a tight-knit ethnic community, friends and family played a key part in

the information grapevine, acting in effect as spotters, sponsors and referees. "If a mutual friend tells me there's a worker available", said E5, "we'll give him a chance". Similarly E4 was content to rely on recommendations from trusted individuals: "if someone you know has heard of someone who wants work, they will inform you". Almost inevitably, some of the employees turned up by this information network would be undocumented immigrants, though in most cases the employer was not immediately aware of this. Here E1 carries a certain conviction when he claims, "you don't know whether they're illegal or not".

Significantly, respondents were unanimous – and highly emphatic – in denying that they made any use of or had any contact with gang-masters or any other criminal intermediaries specifically engaged in securing the employment of undocumented workers. E3 spoke for the whole sample when he insisted, "no, I didn't have any link with the employee getting into this country and I don't think any employer will have a connection with entry ... that's not how it works in the Birmingham restaurant trade". There was "no system, no middlemen, just community connections" (E5). Equally dismissive was E2; "it's not possible for restaurants to bring people over. This restaurant has no connection with middlemen". Quite simply, as E4 explained, "they're already in this country when recruited". According to E5, they came to his restaurant through relatives already settled in Birmingham, "we have no connection with their arrival in Britain. No business will pay travel expenses or anything else".

Significantly, this is wholly confirmed by the workers themselves. Though several worker respondents did use intermediaries to gain entry, these were not connected in any way with their eventual employers. Among those entering via professional traffickers were three who had been involved in opposition politics in Bangladesh and had to leave in a hurry – "I came through party contacts" (W1), "my party leaders arranged for me to come here, I was in fear for my life" (W2), and "I would have been sent to prison, the party sorted everything out" (W3). Apart from these political refugees, there are also economic refugees using traffickers as the only means of escaping a desperate plight. Fairly typical here is W10, who could see no choice but to use an illegal facilitator, which he described as "like a big travel agency". As he said, "the situation in Bangladesh is not good, no employment, too

many people ... there would have been no way of coming legally, only those who can come here illegally will do so". The sample also contains several failed asylum seekers taking shelter in underground employment. More often, however, workers in the sample entered the UK through such unspectacular means as outstaying visitor or student visas (Leman 1997), taking shelter with established family or friends, who then helped them to find a job. For example, W4 "came by legal means for a visit. I did try and extend my stay by legal means but was denied. My only other option was to remain illegally". In this and every other case, entry to Britain by whatever method was accomplished without any prior employment arrangements, each individual first taking shelter within the "personal network" (Staring 2000) and then using its contacts to find a job. Here W1 spoke for almost everyone when he said, "there was no previously agreed arrangement, I got the job through a relative ... once the facilitator had arranged everything, he just disappeared". Family grapevines were repeatedly mentioned, as with W11 whose "mother-in-law's family knew the guy who runs the business". Others simply put their trust in ethnic solidarity by approaching employers directly; "they just walked in off the street", as E16 had it.

Illegals as a lifeline

Though owners claimed to be unaware of the illegal status of workers at the point of recruitment, such workers were very rarely laid off when that status eventually came to light. As well as the perceived moral obligation to help fellow countrymen in dire straits, there was the more powerful practical consideration that undocumented workers are highly advantageous in terms of costs, productivity, pliability and flexibility. On this question, it was the clothing firm owners who tended to be the most forceful, as with E16 who was convinced that illegals "produce more garments for us at a cheaper price"; and E12 who freely admitted that "we get away with paying less to illegal workers", in his case £20 per day compared with £30 for legal workers. As this owner told it, the arrival of the NMW had acted as a critical catalyst here, creating "an increased reliance on illegals", whose low pay for unskilled donkey work like packing and loading effectively subsidized a legal wage for the visible labor force (Arrowsmith et al 2003).

According to E19, this did not result in the frictions and grievances normally arising from such naked unfairness, because the illegals “understand the pay differences, they accept this ... they have seen real poverty”. Here again, the expectations gap between Third World immigrants and long settled Asian is highlighted, emphasizing the manner in which the smooth conflict-free running of this system of production rests upon ready access to “green” labor, prepared to accept otherwise unacceptable pay and conditions. Such willingness is only too obvious from the comments of the worker respondents themselves. “I think the pay is fine”, enthused W3, “I’m a new worker and cannot expect a lot but it is OK”. This acceptance of limited entitlement was quite widespread and was most bluntly expressed by W12, “I am here under false pretences and using the system to my advantage”. Wonderingly W8 talked about the “extraordinary difference in pay”.

In contrast to clothing firms, restaurants did not use illegals to subvert the NMW in quite such a direct way. Indeed, so unpredictable were the working hours in catering that, as E1 argues, “it is impossible for us to comply with the NMW in this trade, we couldn’t pay hourly rates”. Fluctuating working hours can be used as a smokescreen for manipulating the paperwork so that all employees, legal and illegal alike, can be paid less than the NMW while appearing to be paid more. In E9’s case, “the accountant records we are working fewer hours than we actually are”, while E2 declared a ten hour working day as eight hours. Yet, even though many restaurants paid almost everyone below the NMW, they tended to pay their illegal workers even less than the others. Typically the newly arrived illegal was employed as a kitchen porter because, as E3 had it, they had “no skills and language will always be a problem, so they won’t be able to serve customers”, not to mention the need to tuck such workers away out of sight. Workers themselves tended to accept these constraints readily, as with W2, who admitted that “kitchen work is the only option without knowing the language and having a work permit”. Right across the board, kitchen porters were paid £90-£100 per week at the time of interview, a paltry sum often working out at *less than half* of the hourly NMW and evidently contributing a hefty wage-cost saving to the firms.

In addition to their meager demands on the wage bill, illegals were also valued for their productivity. “They work harder”, said E14 “and their output is better”. In E19’s clothing factory, illegals worked

70 hours a week compared to 50 for the regulars “because they are cheaper to employ for overtime”. Speaking from personal experience, this respondent confided, “I myself came in as an illegal immigrant. We tend to graft better, because we don’t know when our turn will come to go back to India, so we put in as many hours as possible to earn the money”. Alongside this, illegal workers were also valued for their work discipline, their unquestioning compliance, their readiness to “do what I ask them without question” (E16). Linked to this is their flexibility, a major advantage in both catering and clothing, where coping with unpredictable fluctuating demand is one of the paramount management problems, normally requiring much artful negotiation with workers. In the restaurant trade, workers need to be persuaded to comply with anti-social late-night working hours on unusually busy evenings, in clothing they may be required to endure sudden temporary lay-offs. Since illegal workers are utterly devoid of bargaining leverage, however, flexibility was a straightforward matter. They were, as E14 notes, employed on “a casual basis” and so “if there are no orders, it is easier to tell illegals not to come in” (E16).

When commentators from the Chancellor of the Exchequer downwards celebrate the much-envied flexibility of the British labor market, it is doubtful whether they would approve of the exploitation and criminality that goes hand-in-hand with so much of it. Though owners tended to keep up the fiction that relations were essentially harmonious and in the interests of both parties, occasionally the mask slipped. Somewhat ominously, E18 comments, “They tend to understand their position but if not we do not force them to work for us”, neatly illustrating Sassen’s (1991, 303) conclusion that, for illegal workers, “dismissal is equivalent to deportation”. Here E7’s warning that “they fear that immigration may come and find them” serves as a reminder that lack of legal status is the ultimate workplace discipline sanction and that the position of illegal workers is qualitatively as well as quantitatively inferior to that of “free” labor (Miles 1987).

Broader Implications

Migration as Self-Propelling?

What light do the present findings shine upon the somewhat counter-intuitive notion that international migration from Third to

First World has now taken on a degree of relative autonomy and is no longer a straightforward response to labor market imperatives (Light 2000, 2004)? At the outset we would caution that our respondents' narratives need to be interpreted with great care, since at one level they appear as supportive of the proposition, while at another they call it seriously into question, especially when taken in their full context. Such a Janus-faced stance should of course come as no surprise since we have repeatedly drawn attention to prevailing self-contradictions in attitudes and behavior on the part of our respondents. Indeed, given that the very presence of illegal immigrants in the informal economy is predicated upon a heavyweight clash between economics and politics, between a need for foreign labor and a need to exclude foreigners (Castells 2000, Staring 2000), it is inevitable that the responses of those who act out the key roles in this surreal drama should display at the very least a certain ambivalence – all the more so when we consider that the state itself seems unable to make up its own mind where it stands on the matter.

Taken on their own terms, our migrant workers' responses certainly suggest that migration itself constitutes its own motivation almost irrespective of employment prospects. If W4 is to be believed, "everyone in Bangladesh wants to come here", suggesting that there exists a colossal pent-up migratory impulse, which must find an outlet whether or not the migrants' labor is in demand in the British economy. This impression is reinforced by the absence of any direct overseas recruitment by the Asian firms in the sample, none of whom, as we have established, are sending out feelers to Bangladesh or India. Historically, of course, this contrasts sharply with the initial labor migration from South Asian in the 1950s and early 1960s, when a substantial proportion of workers were effectively recruited in advance by firms in sectors dependent on cheap unskilled labor (Miles 1982). More often than not this recruitment was an informal affair, using Asian workers already established in the UK as unofficial cheerleaders for their friends and relatives back home (Dahya 1974). Under these circumstances it was easy – and not entirely incorrect – to see labor migration as decisively determined by economic forces. Now, however, that system has long fallen into disuse as a result of de-industrialization coupled with the closing down of legal routes to migrant worker entry. From the testimony provided in the preceding sections, we gather that the current procedure is much more driven by

the human agency of the migrants themselves, with entry to the UK a first priority and entry to employment only then assuming importance. “My objective was to come to this country”, said W9, “getting a job was a need later”. In these circumstances, as Werbner (1999) suggests, the migrants appear much more in charge of their destiny, empowered as they are by that priceless social capital resource, the ethnic network which is a source of succor, shelter and information about vital matters like jobs.

Placing all this in a wider more realistic context, however, we have by no means reached the end of the story. While our migrant respondents may certainly be “making their own history” to a far greater degree than their predecessors, they do so within strict parameters laid down by economic forces which exact a heavy toll from them. First there is the obvious consideration that worsening poverty in the less developed world continues to constitute a compelling economic pre-condition for global migration, a reality of which our own respondents were only too aware. If anything, W5 probably understated the case in saying, “everyone wants to get out and prosper. We were struggling to make a living”. Seen in this light, the 21st century Asian migrant’s “freedom of choice” is little superior to that of the Irish famine migrants of the 19th. Second, the testimony of our entrepreneur respondents unequivocally establishes that demand for immigrant labor is anything but exhausted. As long as there is a multitude of firms whose very survival in a hyper-competitive environment hinges directly upon driving wage costs far below “normal”, it cannot be otherwise. At the risk of repetition, we would suggest that one of the key findings of the present research is the confirmation of the existence of a proliferating informal ethnic minority sub-economy, whose firms’ viability rests at least in part upon the availability of submerged immigrant labor power paid at submerged wages. That these firms do not directly hunt these workers down in the home country in no way invalidates this logic. In the light of this, any claim that demand for immigrant labor power is “saturated” simply has to be refuted. Third, the reason for moving to the UK remains fundamentally economic in that it is working and living conditions that make the country relatively attractive.

Finally, when addressing the question of immigrants as self-propelling agents setting their own agendas, it would be inhuman to

ignore the costs, pecuniary and otherwise, incurred by those who “choose” to go underground in the British labor market. It seems to us that to portray a worker earning less than £2 an hour in a restaurant kitchen as somehow self-empowered would be post-modernist sophistry at its most twisted. In some cases, workers are not only enduring wages set at less than half of what is officially deemed to be a minimum; they are also saddled with massive debts owed to their traffickers (Castells 2000). One such case is W10, who “loaned off relatives, the agency do not accept credit. It was such a large amount that it will take years to pay off”. This individual is an especially graphic illustration of the acute dilemmas, logical and ethical, with which this field of enquiry is riddled. Despite his agonizing struggle to service a huge debt on a pauper’s wage, he nevertheless expresses satisfaction with his lot, with never a grievance or sense of injustice: “no one has taken advantage of me. I do not think people are exploiting me ... I don’t think there is a problem with pay, it is enough to get by on. It seems the same as everyone else in the same job”. Such perceptions are at odds with his objective concrete circumstances and the researcher, ever anxious to avoid the condescension implied in such terms as “false consciousness”, is left wondering whether to take the actor’s own subjectivity at face value or to insist on objective yardsticks. Our own preference is to opt for the latter, if only because our privileged outside observer position grants us a clear untrammelled view of the actuality in all its wretchedness. People work long unsocial hours for poverty wages not primarily from positive self-defined motivations but from an abject lack of job options, as illustrated by W10’s sentiment, “I would much rather move to a factory job but that’s not possible until I’m legal”. In the light of this, it is hard to disagree with Miles’s (1993, 19) assertion that illegal status “constitutes the terrain for practices of exclusion which are in addition to those which might arise from racism”.

In any case, it would seem that the façade of harmony is but fragile and temporary. Alongside their generally positive judgments, illegal immigrants also voiced tentative suspicions about their treatment. Even W10 admitted, “I do not have enough knowledge of pay rates to say whether I’m being paid too little”. Clearly a realist, W4 commented, “naturally they pay you less because you are illegal and can’t say anything, you have a weakness”. Evidently it is impossible to pull the wool over the eyes of even the rawest of newcomers and the

inference to be drawn is that with increasing familiarity there will be increasing awareness. Yet, whether or not this will pose a threat to the Asian informal economy, may well depend on other possible developments in the economy as a whole.

Whither the informal economy?

Currently there are certain straws in the wind that suggest that there may be changes in the official stance towards informal firms. As Grabiner (2000) notes, public policy in Britain has hitherto pursued a predominantly punitive approach, seeking in effect to eliminate informal work. As we have seen, this is extremely difficult to enforce and in any case successful eradication of a multitude of income generating and job creating firms would cost the national economy dear. Even in the case of the small handful of Asian firms surveyed in this paper, job loss would amount to over 180 and would be concentrated in already socially stressed urban areas among some of the most disadvantaged ethnic minority groups in the country. Apart from any other consideration, this would run counter to policy initiatives elsewhere such as tackling social exclusion, regenerating blighted urban areas and encouraging entrepreneurial self-employment. In the special case of Asian restaurants there are also all manner of implications for issues like consumer choice, urban spectacle, nightlife and urban re-branding (Ram et al. 2002b).

Happily, however, it seems that the future policy thrust will now shift away from a crude emphasis on eradication towards helping informal firms make the shift into the formal mainstream of the economy (Grabiner 2000, Williams 2004). According to Williams (2004), practical measures could take the form of VAT reductions and other targeted tax incentives, presumably enabling a reduction in costs sufficient to offset the burden of employing workers on the books at statutorily determined wages and conditions. While such proposals have clear relevance to ethnic minority firms of the type discussed here, they may fall short of resolving their most pressing problems. Given their dependence on immigrant labor, there would need to be parallel reforms in the management of national immigration procedures, perhaps a selective liberalization of the work permit system to admit more low-skilled people with pre-arranged employment destinations in industries like catering and clothing (Ram et al 2002a). Whatever the

eventual details of policy, it is at least promising to see that thought is now being given to constructive solutions to the painful dysfunctionality arising from a repressive approach to both immigration and informality (Vos 1995). A shift from stick to carrot has been long overdue.

Conclusion

If there is a unifying theme running through this paper, it must surely be one of ambivalence, the academically inconvenient blurring of black and white categories into all shades of gray. This gray area leitmotif starts with the firms themselves, whose informality straddles an ill-defined line between law-abiding and illegal behavior and whose owners are beset with all sorts of resulting tensions and double binds. Though they are clearly dependent on employing illegal immigrants, to the extent that, without them, some firms' viability would be fatally compromised, they do not set out deliberately to find them and when they do eventually come within their ambit most employers are genuinely troubled, yet can see no alternative. The migrant worker case histories are similarly riddled with the dilemmas of precarious survival in a harsh world of ever-shifting goalposts. In the first instance it is plausible to see immigrants as self-motivated in charge of their own destinies but in the last instance their position in their destination country rests on a continuing demand by the informal economy for labor paid at sub-normal rates and open to those forms of abuse which are specific to unfree labor (Miles 1987). All these symptoms are ultimately traceable to the clash between economic attraction and political repulsion and yet, ending on a high note, we note the possibility of policy adjustments, which would go some way towards resolving structural tensions. For employers and workers in the ethnic minority informal economy, this would require adjustments on both the labor market and immigration policy fronts. In essence, what is required is a shift from a self-defeating approach which, as Vos (1995) argues, is a breeding ground for criminalization and exploitation towards constructive measures in tune with the needs of a flexible labor market, one of the essential conditions of the post-industrial economy (van Amersfoort 1996). Though in such an economy there is no longer a generalized need for labor power, there is a need for congruence between specific job vacancies and specific potential fillers of them (Webber 1996). Such measures would be welcomed by owners and

workers alike both as a liberation from criminality and as a means of fulfilling their full productive potential.

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