

A Quintessential Immigrant Niche?

The Non-Case of Immigrants in the Dutch Construction Industry

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Abstract

Students of ethnic entrepreneurship show a distinct preference for ethnic concentrations or niches. They focus on small entrepreneurship in sectors with large concentrations of ethnic businesses or on ethnic commercial precincts. In so doing, they attribute great significance to the role of immigrant social networks, and take it for granted that ethnic networks contribute to the formation of ethnic niches. The study of ethnic niches seems essential to the theoretical understanding of the structural determinants of small entrepreneurship and processes of immigrants' economic incorporation. This paper challenges this orthodoxy. It argues that it is important to assess the factors and processes that positively and negatively affect the formation of niches. This argument is corroborated by an analysis of the construction industry in the Netherlands. According to Waldinger (1995), 'construction represents the quintessential ethnic niche', a situation that he attributes to ethnic network mobilization, but immigrants in the Netherlands did not carve out a niche. This exceptional situation can be attributed to a sector-specific configuration of social, economic and institutional processes.

Keywords: immigrant entrepreneurship, construction industry, social capital, mixed embeddedness, ethnic niches

Introduction

Students of immigrant entrepreneurship show a distinct preference for ethnic concentrations. They focus on small entrepreneurship in the garment industry, the catering industry, grocery stores, CTN's and other sectors with large concentrations of immigrant businesses, or to ethnic commercial precincts such as Chinatown, Little Saigon or Klein Istanbul. This preference stems from practical considerations—it is so much easier to find respondents—but also from theoretical considerations: it seems that the study of such concentrations, or niches, is essential to the theoretical understanding of the structural determinants of small entrepreneurship and processes of immigrants' economic incorporation. Many researchers go beyond just describing and explaining entrepreneurial concentrations, and exhibit expressions of approval (see Engelen 2001, Rath 2002a). Light et al. (1999), for instance, applaud Korean entrepreneurship in the L.A. garment industry, even when many businesses are hardly viable and only exist by exploiting the Latino labor force. And Zhou (1992) warmly welcomes the proliferation of Chinese businesses in Chinatown, New York, even when many businesses represent no more than 'a sideways shift from Lumpenproletariat to Lumpenbourgeois', as Aldrich, Jones and McEvoy (1984) would put it. These and other authors celebrate the blessings of entrepreneurship and feel that the more entrepreneurs there are, the better. For as far as comments are given on sectoral or spatial concentrations, researchers point to their temporariness. It is argued that concentrations are to be expected in the first phase of a process of immigrant incorporation, thus before the inevitable breaking out to new markets in other sectors or locations (see for instance Bovenkerk 1982, Basu 2002). Others, however, such as Waldinger (1996), believe that immigrants and their offspring will remain economically active in concentrations, even after having reached upward social mobility and economic self-sufficiency. Only a few researchers display a more critical attitude towards concentrations, like Kwong (1996) or Barrett et al. (2002) who point to various forms of exploitation and marginality. Researchers justify their focus on concentrations in various ways, depending on their theoretical point of view. Some consider these concentrations as nodes of ethnic social networks (Waldinger 1996), some another regard them as the sublimation of immigrants' ethno-cultural propensity for self-employment (Werbner 2000), and again some another recognizes in them the last resorts of the social excluded (Phizacklea 1990).

Whatever is the case, concentrations bask in the favor of social scientists. Still it remains to be seen whether the purpose of understanding small entrepreneurship and, more generally, processes of immigrants' economic incorporation is really served by such a one-sided focus. Concentrations or niches are not in the least natural. Logically, it is important to assess the factors and processes that positively and negatively affect their formation. It therefore makes sense to study the non-formation of niches. Even though it may be methodologically hard to study non-existing phenomena, it is important to engage in such an exercise.

Only a few authors made such an attempt. Hiebert (2002) raised the issue in an interesting article about the ethnic division of labor in Canada when he touched upon the question why Filipinos have not constituted an entrepreneurial niche in the Canadian garment or restaurant industries. He argued that the proliferation of ethnic niches is contingent on the specificities of the initial insertion in the labor market. Filipinos often came to Canada under the Domestic Caregiver program. This means that their entry into Canada is related to acquiring a job as a childcare worker or domestic worker in a Canadian home. They are consequently strongly concentrated in childcare, personal services, assisting occupations in health care, and garment production. Hiebert asserts that the transition from domestic work to self-employment is difficult and rare, as there is usually little scope for entrepreneurial activity in supporting roles in the Canadian health care system. The garment sector should offer more opportunities, but in

practice these opportunities are commonly reserved for men, whereas it is mainly Filipinas who are employed in this niche. Hiebert concludes that their entry in the Canadian labor market as well the gendered labor market segmentation inhibits the potential for entrepreneurship of immigrants from the Filipinos.

Morokvasic, Phizacklea and Rudolph (1986) present another rare example of a non-case (see also Rath 2002b). They compared immigrant contractors in the garment industry in Britain, France and Germany. There is a sizable garment industry in France (especially Paris) and Britain (especially London and the West Midlands) with numerous immigrants as entrepreneurs and garment workers, particularly in the lower tiers of the sector. But there is no comparable immigrant sector in the German garment industry. The authors trot out a number of explanations. First, there is historical discontinuity. The garment industries in France and Britain go way back, and have a long history of immigrant involvement. Take London: initially Jewish immigrants carved out a niche, then after the Second World War Greek and Turkish Cypriots gravitated to the sector, and now there is a proliferation of immigrants from Bangladesh (Panayiotopoulos and Dreef 2002). In Paris, similar processes of ethnic succession have taken place (Green 2002). In Germany, however, these processes were abruptly interrupted by the holocaust. Secondly, Germany's relatively strict immigration regime hampered the influx of potential garment workers and entrepreneurs. Thirdly, German manufacturing industries have shown a strong reliance on modern technologies and this inhibits small and poverty-stricken entrepreneurs from entering the sector. And last but not least, there is the specific governance of the sector. The German welfare state is built on an exclusive ideology of economic citizenship resulting in fairly strict rules and regulations as to who is entitled to enter the SME sector. Garment producers are required to be qualified as Meister and registered in the Handwerksrolle, but for most immigrant entrepreneurs except a few who have qualifications, this is too high a barrier. Immigrants, particularly from Turkey and Greece, are nonetheless highly visible in Flickschneidereien, clothing repair shops (Rath 2002a). Setting up a repair shop is an attractive alternative, because the legal requirements are less strict. Many fledgling entrepreneurs flock to this sub-sector, but as clothing repairmen they are not allowed to perform production tasks. Anyway, these findings help understand the absence of an immigrant niche in the German garment industry. They, moreover, indicate particular avenues of research. We learn for instance that the study of ethnic niches cannot go beyond the regulation of access to the sector, since, in this case, it are mainly rules and regulations that prevent immigrants from setting up shop. Regulation, however, is only rarely addressed by students of immigrant entrepreneurship. Seen from this perspective, the 'ease' with which immigrants in France or Britain can become self-employed garment producers is not in the least 'natural'.

Another exercise of a non-case is the current paper, which deals with the construction industry. This sector is not chosen at random. Time and again, authors show that construction is a key sector for immigrants. This happens to be the case in the United States, but also in Canada, Australia, South Africa, the Middle East, the Far East and in Europe, thus almost everywhere. The American economic-sociologist Roger Waldinger (1995: 577), writing about the economic incorporation of immigrant ethnic minorities, even states that 'construction represents the quintessential ethnic niche'. He defines a niche as an industry in which a group's representation is a least 150% of its share of total employment (Waldinger 1996: 95, see also Waldinger and Bozorgmehr 1996: 476-477, and Model 1993; for critical comments to this definition, see Rath 2000b). Waldinger explains the gravitation of immigrants and their offspring—including Italian, Irish and other white ethnics—towards the construction industry by referring to the specific make-up of their social and human capital. The ties among entrepreneurs and co-ethnic workers are thought to provide the vehicles for the circulation of information, the distribution of jobs and contracts, and the acquisition of financial capital, while skills acquired before migration are usually recognized or can easily be learned on the job. In addition, when working in shifts of co-ethnics, communication in non-official languages is possible. In general, immigrants are

inclined to settle for low-qualified and low-paid work, especially when better opportunities in the country of destination are scarce. This is partly related to their being oriented to the misery in the country of origin. In a highly competitive industry such as construction, these characteristics foster their representation at the lower, non-unionized end, if need be in the dark sides of the informal economy. Waldinger (1985: 568) demonstrates that Korean neophytes were able to ‘make a rapid transition into entrepreneurship’ in that way, despite the barriers they experienced. ‘The Koreans appear to be the most embedded in ethnic networks, through which they secure jobs and skilled labour, though class factors play a role here as well and even the Koreans must reach out beyond the ethnic community for a clientele’ (ibid.: 578)

All this sounds immensely plausible. However, whatever powerful evidence international students of economic sociology of immigration offer about the gravitation of immigrants to the construction industry, the case of the Netherlands is at odds with the popular orthodoxy. The number of immigrant entrepreneurs and immigrant wage laborers in the sector is namely way below what could be expected on the basis of their representation in the general labor force. Incidentally, the same holds for countries such as Denmark and Britain where the construction industry is not the quintessential immigrant niche either.¹ Things were different in the past. In Britain in the late eighteenth century, at the beginning of the industrial revolution, numerous Irish workers came to dig canals and so forth. Today, there is some Sikh involvement in London in addition to a small number of small Afro-Caribbean businesses in plumbing, painting and decorating. In all, however, their representation in the sector is low and does not warrant talking niche.

In this paper, I examine the case of the Netherlands and discuss the question what accounts for the non-formation of an immigrant niche. While maintaining that social and human capital interfere in the allocation of economic positions of immigrants and natives alike, this paper argues that it is a sector-specific configuration of social, economic and institutional processes that accounts for the current situation. I consider this so-called mixed embeddedness approach appropriate, since it relates social relations and transactions to wider political and economic structures (Kloosterman, van der Leun and Rath 1999, Kloosterman and Rath 2001, Rath 2002b). It acknowledges the significance of immigrants’ concrete embeddedness in social networks, and conceives that their relations and transactions are embedded in a more abstract way in wider economic and politico-institutional structures. While appreciating the relevance of social or cultural structures for economic development, the study of the immigrant construction industry must be situated within this analytical approach. In the remaining part of the paper, I will first present a short review of the literature on the representation of immigrants in construction, then present the data available about the Dutch case, and finally discuss the (non)penetration of immigrants into the sector. I conclude with a preview of possible changes.

Constructing an immigrant niche

There is a large body of literature showing the interdependency of the construction industry and immigrants. It demonstrates how construction has offered entrepreneurial and labor market opportunities to (low and semi-skilled) newcomers and how these opportunities have contributed to their incorporation in the host society. In the same vein, it demonstrates how the development of one specific sector has been structurally contingent on the continuous influx and employment of successive groups of immigrants.

In the United States, various authors have pointed to the overrepresentation of immigrants in construction, such as Logan (1994) and Model (1997) who particularly referred to Italian

immigrants, but also Stepick and Grenier (1994) who studied the overrepresentation of Latino (Cuban) and other immigrants and African-Americans in the construction industries of Miami, and Waldinger (1995 and 1996) who examined African-American, Caribbean, Korean and white construction contractors in the Big Apple. In Canada, Walton-Roberts and Hiebert (1997) studied Indo-Canadian entrepreneurs in Vancouver. In South Africa, at the other side of the Atlantic, Rogerson (1999) investigated the role played by immigrants from Mozambique, Zimbabwe and other surrounding countries in the construction industry of Johannesburg. Middle Eastern countries have experienced a large influx of construction workers from Bangladesh, India and Pakistan. Asian tigers such as Japan, Singapore, Taiwan, Malaysia and Hong Kong have also witnessed a huge international labor migration into the construction industry, that is to say at the times when their economies were booming (ILO 1987). Gibson and Graham (1986), for instance, studied the case of Filipino migrant contract construction workers in those countries. In Australia, Collins (1995) discussed the overrepresentation of Italian firms in Sydney, while Peters (1999) presented an account of how Italian and Dutch constructors made it down under.

Europe is another labor catchment area for immigrant constructors. Various researchers noted the emergence of immigrant niches in Greece, Italy, Portugal and Spain (Mendoza 2000).² In Belgium, the press looked on in amazement how tens of thousands Polish construction workers have found employment with informal subcontractors (*De Standaard*, October 30, October 31, and November 1, 1999). In Germany, Pichler (1997) touched upon the historical case of Italian terrazzo workers and plasterers. The involvement of these Italian constructors in the sector—often in the form of seasonal employment—dates back to the seventeenth century. Wilpert (1998) focused on the proliferation of informal subcontractors who are involved in temporarily leasing of workers, daily laborers, and undocumented foreign workers. According to Wilpert, at least 150 manpower-leasing firms were operating in Europe's largest building site, Berlin. They were specialized in leasing foreigners, frequently on the basis of fake work contracts. In the late 1990s, there were approximately 100 000 construction workers in Berlin, 35 000 of whom were skilled workers from Western European countries, 8 000 were workers on a contract basis from Eastern Europe, particularly from Poland, and some 30 000 undocumented workers. Immigrants from Portugal, Spain, Greece and Italy were reported to be involved in subcontracting illegal workers.

This literature offers a variety of theoretical notions that should help to explain the findings. A few notions stand out. To begin with, most if not all authors focus on the role of social networks. As Walton-Roberts and Hiebert (1997: 135) put it:

‘These [family and ethnic] networks are crucial in each of the sequence of steps required for successful entrepreneurship: obtaining a job in the first place; initial training as an employee; raising capital to establish a business; acquiring a labour force; and, in many cases, attracting and holding a client base’.

These networks are often based on solidarity and trust within the boundaries of families of small immigrant communities. This trust is mainly generated by kinship and community relationships, including ethnic ones, rather than by formal laws (Cf. Epstein 1994, Roberts 1994). Particularly in a situation of migration, the individuals involved experience a heightened sense of community and show affinity to the experience of their own group (Cf. Portes and Sensenbrenner 1993). Sentiments of in-group solidarity emerge, especially in circumstances where there is a lack of economic opportunities. This type of situational solidarity constitutes an important source of social capital that can be used in the creation and consolidation of small enterprises and the allocation of jobs. In-group members feel morally obliged to show a preference for other in-group members and to ‘altruistically’ support them. This reliance on one's own has various positive effects. It increases flexibility in economic transactions—as it

reduces the need for formal contracts—, enhances privileged access to economic resources, and creates reliable expectations concerning effects of malfeasance.

While this is correct in general, it should be noted that the constitution of social networks and the concomitant use of social capital can be quite different from one immigrant group to another (Cf. Light, Bhachu and Karageorgis 1993). And within immigrant groups, there are differences between various subcategories, something that can be related to cultural preferences or sectoral characteristics. Construction constitutes a gendered labor market in which construction work is de facto seen as men's work. This, of course, impacts on the way in which individuals are able to profit from social networks. In practice, people face different opportunities and constraints.

Waldinger (1996, see also 1995) presented an interesting, comprehensive view about the role of social capital in the distribution of economic resources and particularly about the development of an ethnic division of labor. He claims that in every market economy economic positions are distributed according to the principles of desirability and availability, yet each 'free' market economy is affected by the social structure of the country within which it is embedded. In the United States, people are ranked in terms of ethnic or racial characteristics. In this way a queue is formed, a pecking order, with the members of the dominant ethnic or racial group at the head and groups lacking the 'right' ethnic or racial characteristics somewhere towards the end. Immigrants coming into such a structure, and whose economic orientation is still influenced by the land of origin, will, more often than not, be satisfied with this marginal position. However, changes in the economy affect the queue. Due to the vertical or horizontal mobility of—particularly—the better situated, vacancies are created in the lower levels of the queue. These in turn are filled by those lower positioned or by newcomers, who for their part are positioned to carve out a niche for themselves. Waldinger suggests that immigrants are funneled towards these niches, via their networks. As soon as the first pioneers have established themselves, others follow and thus, in time, ethnic concentrations are formed. As usual, the best (and most attractive) functions are reserved for insiders, while the outsiders at the end of the queue (for example, members of other immigrant groups) are excluded. The latter is not always acknowledged by other authors, but convincingly elaborated by Waldinger.

Although Waldinger maintains that niches develop in the interaction between the group and its surrounding society, his work mainly focuses on the embeddedness in social networks. Although social networks, group solidarity and trust are of great significance for our understanding of the phenomenon, confining to these issues is too narrow an approach. Elsewhere, I commented on the suggestion that the formation of niches is not only network-driven, and argued that economic and politico-judicial processes are also at work (Rath 2000a, 2000b, 2002a). These social, economic and political-judicial processes make for a configuration of various forms of embeddedness, resulting in a whole gamut of opportunities.

Some authors briefly dwelled upon these wider issues. Walton-Robert and Hiebert (1997) discussed key characteristics that shape capital-market relations in (residential) construction. First, dwelling places are usually built in situ by teams of workers; transportation of the finished product is technically possible in most of the times but rare. Secondly, the demand for housing is seasonal and cyclical, and this makes the market to a large extent volatile, unpredictable and full of risks. Thirdly, partly as a consequence of the previous characteristics, there is a steady stream of prospective entrepreneurs willing to replace the ones who failed, died or left the sector for other reasons. It is a general rule that starting entrepreneurs are recruited out of the ranks of construction workers (Cf. Hiebert 2002); there are even cases of people who repeatedly shift from wage labor to entrepreneurship to wage labor and so on. This is encouraged by the 'boom-bust nature' of the construction industry in which labor shortages create opportunities for subcontractors.

Another aspect, which is mentioned by researchers, is the unionization of the industry. Wilpert (1998) referred to slumbering disputes between various groups of workers in the German construction industry, especially between legal and illegal workers. With informal practices being widespread, wages are extremely low and this has prompted legal workers to exert pressure on the unions to increase their wage claims.

Stepick and Grenier, writing about Miami, Florida, claimed that ‘immigrants have penetrated the industry and contributed to deunionization and a decline in wages’. They went on to argue that race and ethnicity fundamentally determine labor relations, with Anglos more likely to resist and confront management verbally, Latino criticizing management more covertly and Haitians and African-Americans ostensibly obeying. Employers seeking a cheap and pliant workforce therefore have an interest in hiring immigrants. In the 1960s and 1970s Cuban and other white immigrants created an informal sector in the construction industry. When Cubans started to gain control of the new housing market, some of these informal firms moved into the formal economy. However, the large influx of immigrants in the 1980s fostered the informal economy again. Today, Latinos are represented in all levels of the construction industry, and this constitutes an additional condition for a further expansion of the Cuban economy in the City on the Edge.

Peters (1999; see also Appleyard 1956) also pointed to the crucial role played by the unions in Australia. In the 1950s and 1960s, Australian unions insisted foreign-trained workers pass a test to prove that their ‘training and ability’ were on a par with local standards, even when these workers were fully skilled. This, in a sense, did not mesh with governmental programmes to attract skilled construction workers for the booming Australian economy. The test turned out to be an instrument for exclusion, as many newcomers failed the test because of English language difficulties. Interestingly enough, the test brought about ‘perverse’ effects, as it encouraged self-employment among, for instance, Dutch immigrant constructors. Those skilled workmen who failed to gain entry to the industry overcame the blockage by starting a business for themselves.

Researchers have made only few references to the role of the government. Particularly in strong welfare states, one could expect that the proliferation of informal practices—hiring workers off the books, dodging all kinds of regulations, and so forth (Cf. Kloosterman, van der Leun and Rath 1998; Rath 1999 and 2002b)—provokes a response by the state, law enforcement agencies and business associations. Whether or not the government or others decide to organize a crackdown campaign to make a clean sweep of the industry is certainly a relevant issue (Cf. Rath 2002). Whatever the response, regulatory practices can have a considerable impact on the opportunities in construction. In the same vein, the extent to which immigrant constructors or others are able to develop political clout is a matter that differs sharply an ocean apart. The literature does not offer much insight in these aspects.

Let us now examine the case of the Netherlands. Since the involvement of immigrants in the construction industry is contingent on larger economic and regulatory processes and structures, I start with a discussion of the national context in a historical perspective.

Immigrants in Dutch construction

Historically—and contrary to the current situation—immigrants had a strong presence in the Dutch construction industry. In former days, numerous migrants from Germany came to the Netherlands to find (seasonal) employment, and among them were quite a few constructors. Some of them specialized in specific tasks and this was to a certain extent contingent on the

town or region of origin. There were for instance masons and plasterers from the North German city of Oldenburg, and brick makers—who at the time set out in the on-site production of building materials—from the German principality of Lippe-Detmold (Lourens and Lucassen 1999). At the end of the 19th century, however, the economy in the German Ruhr area took off and subsequently many job-seekers changed track. They hauled to the Ruhr area to find a job in the smoke-stack industry. But even then, the number of German workers involved in the Dutch construction industry was substantial. In the seaport of Rotterdam, for instance, in the period 1865-1879, construction was the third occupational group among German immigrants (10.3%) after trade and transport (26.5%) and personal services (20.1%) (Bruggeman and van de Laar 1998). Between 1880 and 1909, the share of construction workers in the total German workforce fell to 7.5%. Yet, the number of day laborers increased. Bruggeman and van de Laar concluded that construction still constituted one of the most important urban industrial sectors. Building contractors, carpenters, painters, diggers and polder constructors continued coming to the Low Lands in large numbers. Most of them found employment in the building of houses of inferior quality intended for the working class—speculation had stimulated investments in such projects—while native constructors were concentrated in the building of houses and mansions intended for the petty bourgeoisie. After 1901, speculation slumped due to the Housing Act, and this likely contributed to a decline of the share of immigrant workers.

Another group of immigrants who were strongly represented in the construction industry were Italian terrazzieri. During the nineteenth century, Northern Italian men who had specialized in the art of making mosaic and terrazzo were recruited under a padrone system to practice their craft in various European countries such as Austria, Germany, Croatia, Bohemia, Romania, Turkey, Russia, Siberia and the Netherlands. Directly after the Second World War, during the early period of reconstruction, there was an enormous shortage of building materials such as wood. Italian contractors were in great demand and got many orders to build terrazzo floors and the like. In the 1950s, though, cheaper and quicker building methods were developed and, subsequently, mass production took over and Italian terrazzo became obsolete. According to Bovenkerk and Ruland (1992; see also Cottaar 1998) the craft has recently regained some of its popularity. In the early 1990s, the number of terrazzo firms still in operation is 65; 90% of these carry Italian names, which in itself does not necessary imply that the owners are first or second generation Italians.

As has already been stated, the involvement of immigrants in construction has dropped in the past few decades (Rath 2001). In 1998, the total labor force in the Netherlands numbered 6 609 000, of whom 6 294 000 native Dutch and 664 000 immigrants.³ This means that immigrant constituted an average 10% of the total labor force. In that year, approximately 7 percent of the total work force, i.e. 442 000 individuals, were active in the construction industry.

Choenni (1997) studied immigrant entrepreneurs in Amsterdam but hardly found such entrepreneurs in construction: he traced only 3 Turkish constructors (out of a total of 948 Turkish businesses), 3 Surinamese constructors (out of 812), and 1 Dutch Antillean constructor (out of 54), but could not identify one single constructor among the other immigrant groups investigated (Egyptians, Pakistani, Moroccans). Van den Tillaart and Poutsma (1998) surveyed the representation of immigrant businesses in the country as a whole. In 1997, there were 34 561 immigrant businesses out of a sum total of 629 000 businesses. Immigrant entrepreneurs obviously gravitated to the restaurant industry (26%), wholesale (17%) and retail (15%). Only 2% was involved in the construction industry compared to 9% of the entrepreneurs in general. This was a ‘tremendous’ improvement on the situation in 1990, when no more than 1% was involved in the sector. There were variations per immigrant category. The representation of entrepreneurs from Morocco was 2% (out of a total of 2 496), from Turkey 3% (out of 6 322), from Suriname 3% (out of 5 612), from Italy 4% (out of 1 343), from the Dutch Antilles 5% (out of 1 515), from Spain 7% (out of 475) and from former Yugoslavia 8% (out of 915). None

of these categories (substantially) exceeded the representation of native Dutch. A recent report about the city of Rotterdam did show a ‘substantial’ increase in the number of immigrant enterprises (van den Tillaart 2000). The average share (3%) was still way below that of native Dutch enterprises.

These figures refer to enterprises only, but how about the involvement of immigrants as wage laborers? A quick glance at the figures available reveals that the situation in that part of the labor market is nothing different. In 1997, (Dutch or immigrant) employers engaged only 4 700 immigrants; they constituted only 2% of the total workforce in construction (Ritmeijer 1997a and 1997b). 70% of the employers in construction had never given employment to a single immigrant. For as far as immigrants did work in construction, they were most likely involved in groundwork, road building, hydraulics and scaffolding (Rotterdams Dagblad, 22 December 2000). These data, to be sure, are based on official statistics that do not count moonlighters or undocumented immigrants. Zandvliet and Gravesteijn-Ligthelm (1994) estimated that 3 to 10% of the construction firms hire undocumented workers every now and then. The share of undocumented immigrants is less than 1% or 50 to 1 000 person-years out of a total employment of 84 000 person-years in the sector. In their report, Zandvliet and Gravesteijn-Ligthelm predicted a decrease of the number of undocumented construction workers. Van der Leun (2001), in her study of undocumented immigrants, interviewed a total of 20 illegal constructors, which actually only indicates that there is some immigrant presence in this tier.

The figures presented here may not always be extremely accurate or complete, they nevertheless warrant only one conclusion, namely that the number of immigrant entrepreneurs and wage laborers in construction is below what could be expected on the basis of their representation in the general labor force. Ergo, construction in the Netherlands is not an immigrant niche.

A Dutch bargain

Let us now examine the structure of the Dutch construction industry. Today, there are a few big players in the field, but the majority of the firms are small or mediums sized and operate as contractor or subcontractor (Arends and Buijs 1992). An ever-growing number of tasks are outsourced to specialized subcontractors that are connected to each other in an intricate structure of interdependencies. There are, moreover, low financial barriers to set up shop. A hammer drill, a set of screwdrivers and, of course, a cell phone will do, so to speak. A system of subcontracting has evidently many advantages. In slack periods, a jobber does not need to lay off workers or carry the financial burden of unused machinery; he only need to suspend the contract with the subcontractor(s). In periods of great pressure, businesses can still deliver in time by involving a number of subcontractors and in the end of the day everyone profits. There are, however, also disadvantages. Such a system demands coordination. If such coordination is ham handed, which is sometimes the case, the efficiency of the building process drops while the costs rise. More important perhaps is the unequal distribution of costs and benefits: firms located on the top tiers of the production chain are better capable of managing the risks involved and raking profits than are firms on the lower tiers. It is a fact that small constructing firms often ‘forget’ to take out sufficient insurances, even though this is not to be blamed on their jobbers. The quest for short-term profits makes them ignore long-term interests (Ipenburg 2000).

This system has been carried through to extremes in the sense that more and more individual constructors leave their firm and become self-employed. This category of self-employed without personnel—sometimes dubbed fake self-employed people—is showing an explosive growth today, especially in construction, and this demonstrates how the boundaries between wage-labor

and self-employment are blurred (Wijmans 1999; Evers and Wijmans 2000; Zwinkels and van Lin 2000).

Opportunities in the construction industry are contingent on the economic cycle. The period of prosperity in the late 1990s was exceptionally favorable: constructors were in high demand. This has not always been the case. In the 1980s, for instance, the industry had a very rough time due to the economic depression. Still, looking back over the post-war period, there has been an almost continuous demand for constructors.

During the years of the Second World War, many houses were destroyed, while little building had been going on. Post-war reconstruction therefore literally boiled down to constructing an extra number of houses and business accommodations (Sira 1989). The post-war housing shortage grew to an alarming extent due to the boom in marriages and its concomitant baby boom, the fact that initially priority was given to the reconstruction of industrial buildings, and a lack of building materials and skilled workers. In the early 1950s, the situation was aggravated because of the immigration/return migration of former colonial subjects from Indonesia, and the flood disaster in 1953. While political pressure mounted up, the government made extra public funds available for house-reconstruction projects, it encouraged young men to start a career in construction, among others by sponsoring campaigns to promote vocational training programmes, and it strongly encouraged families to emigrate to Australia, New Zealand, South-Africa, Canada and the US. The latter measure supposedly alleviated the housing shortage. In 1955, when the problems were still severe, the construction of houses was given top priority. In the early 1960s, quite a number of Dutch construction workers moved to Germany to profit from the *Wirtschaftswunder*. This led, on the one hand, to an increase of informal work, employment of lower-skilled workers and delaying of the completion date of projects and, on the other hand, a strengthening of the negotiating position of trade unions. While the unions were able to conclude labor agreements that were very advantageous for the workers, the employers converted to labor saving construction methods.

This latter shows resemblance to that in other labor intensive sectors of the Dutch economy, such as textiles, garments, ship-building, shoes, and meatpacking. They too had to cope with a shortage of labor, particularly in the lower ranks of the labor hierarchy. The economic boom enabled many native Dutch workers to move up the ladder and to find more attractive and higher paid jobs. Their vacancies were initially filled with workers who, in the words of Waldinger (1996), stood at the very end of the labor queue. Initially they were recruited from the pool of underemployed agricultural workers, but this pool was depleted not long after. In the early 1960s, those industries started recruiting migrant workers from Mediterranean countries under a guest-worker scheme. For many firms the employment of guest workers turned out to be only a temporarily reprieve, as they eventually decided to either shut down or to relocate production to low-wage countries. The latter was consistent with governmental policy: the government took the position that it would not make sense to protect industries that were otherwise not viable. The relocation of production sites to low-wage countries was, moreover, in perfect agreement with the official goal to foster the industrialization of those third-world countries as a way to boost their economy.

The construction industry, however, responded differently to the problems. There was no recruitment of guest workers on a scale comparable to those in other sectors, while putting out work to low-wage countries was out of the question for obvious reasons. Furthermore, the private sector and—more importantly—the government kept on spending (public) funds, which enabled workers, i.e. the unions, to develop political clout. The degree of union organization in the construction industry was among the highest in the country and this encouraged unions to demand high salaries and fringe benefits. While many native Dutch workers left the other manufacturing industries at a massive scale, their places being filled with foreign workers, the

construction industry became a kind of native white haven.⁴ It attracted workers who could not or did not want to stay in the sunset industries. They had good reasons to do so, as the terms of employment were much better than those in the other industries. So, despite the fact that quite a number of native Dutch workers moved to Germany, where the conditions of employment were even better, the construction industry did offer unskilled and low-skilled workers an interesting (financial) perspective. Interestingly, they could even make more money if they did not perform well: in case of delay—which to some extent could be caused by the workers themselves—they could earn a good amount in overtime. These processes, to be sure, did foster the formation of an ethnic niche, albeit a niche of native white Dutch. By the time that guest workers in the manufacturing industries were made redundant and became available on the general labor market—as of the mid 1970s—the government has started disinvesting in construction. This decreased the number of vacancies in the sectors and, subsequently, the opportunities of immigrants.

Since 1982, more neophytes had been facing another blockage. Immigrant entrepreneurs often penetrate a sector by operating on the lower end of the market where entry barriers in terms of capital outlays and required educational qualifications are low (Rath 2002b). Fledgling entrepreneurs compete on price and usually get the edge by putting up with small profits, economizing on salaries, dodging taxes and cutting corners in various ways. In the 1960s and 1970s, the construction industry seemed to offer fertile breeding ground for such informal production: there was an abundance of informal contractors and moonlighting was widespread. In this sector, to be sure, it were mainly native Dutch who were involved in these practices. The government, law enforcing agencies and insurance institutes decided to target these illicit activities. In 1982, the government enacted the Chain Liability Act, which stipulates that the main constructor is holding responsibility for the payment of taxes and fringe benefits by the subcontractors. This Act was reviewed and subsequently sharpened in 1991. This form of regulation has not cracked down on all informal practices, as there are still numerous quasi-formal employment agencies operating on the darker sides of the formal economy (See Rotterdams Dagblad, 21 February 1996). The point, however, is that immigrant entrepreneurs were impeded from following this potential avenue of integration from the onset. This only served to strengthen the resiliency of the niche of native Dutch.

Like will to like

So far, I discussed matters of political economy. But if we are to believe Dutch informants, structural determinants are totally irrelevant when it comes to explaining the low representation of immigrants in construction. They believe that the low representation is most of all caused by the immigrants' culture (see for example Jobse 2000). Immigrants would have a culturally based dislike to construction work and held this type of work in low esteem. This, however, does not seem very plausible. It would be too good to be true that every immigrant share this particular cultural trait, even though they come from very variable parts of the world, have very different migration histories, and demonstrate diverging norms, values and behavior. They, moreover, would have managed to back out of political economic influences, which would be quite an accomplishment. Having said this, socio-cultural factors do play a role, albeit in a somewhat different way. Therefore we need to examine the attitude and behavior of people on the shop floor.

As has already been stated, the construction industry is characterized by an intricate division of labor. Building is a process in which a multitude of specialized tasks need to be done by many different people. All these tasks and people should be geared to each other, and this is all the

more true for tasks that bring hazards or involve a substantial amount of money. This underscores the importance of cooperation (Arends and Buijs 1992), and this urges constructors to look for colleagues who have the right attitude, can be trusted and fit in the team. They believe that this could be accomplished best by recruiting new colleagues out of one's own network. It is no accident that a relatively high number of immigrants, especially Turks, can be found in groundwork, road building and hydraulics, as this sub sector has encouraged the formation of teams of immigrants only. Most of the time, however, immigrants have been discouraged to do so. After all, native Dutch too know how to support one's own.

Construction work is not bound to one location; constructors always commute from one place to the other, sometimes over great distances. Coming from one and the same community then comes in handy, as the designated driver picks up the colleagues who live nearby. This is another incentive to hiring from one's own network. Every morning, busloads of constructors from the suburbs or the country drive to the building sites in the city. City slickers have sometimes difficulties with understanding the local dialects of the provincials (ten Brinke 2001).

Several tasks can be learned on the job. Rookies are generally assigned to a team or to a foreman who teaches him—or her, but that is rare—the tricks of the trade. This too can be accomplished more smoothly when the rookie fits in the team and acknowledges the social hierarchy. Looking for a new colleague in one's own network—one's neighbor or cousin—is therefore a logical step. Furthermore, constructors—often subcontractors themselves—are subjected to great pressures to produce in the most efficient way, and a slowwitted apprentice is then a millstone around their neck. Some constructors have the impression that immigrants are more prone to being slowwitted, especially if they do not master the Dutch language of lack preparatory training.

Finally, the sphere on a building site is informed by a specific (macho) culture. Constructors have 'their own codes characterized by autonomy, work in shifts, informal labor relations and an uninhibited sphere' (Ritmeijer 1997a en 1997b; see also Arends and Buijs 1992). Having a rough tongue, horsing around, bragging about one's sexual performance and showing off is the order of the day. Loudly courting passing broads, pissing in the mortar, making jokes about faggots and Turkish women with mustaches, and boozing beer is fun for guys made of the right stuff. That is again another reason why co-workers must fit in the team. This is tested on the very first day when the newcomer must show his credentials in terms of talking big and exhibiting macho behavior. Those who do not fit in the team risk being badgered. Parts of this behavior can easily—and probably for the right reasons—be interpreted as racist and sexist, and this may discourage immigrants to enter the workforce or encourage them to leave it. In the early 1990s, the Foundation for Vocational Training of Constructors (Stichting Vakopleiding Bouwbedrijf—SVB) identified this as a problem. It decided to tackle it by offering special 'social skills courses'. To be sure, these courses were not (!) intended for rough Dutch workers who could not control their manners, but for immigrant workers. I supposedly help foster their fighting spirit.

Conclusions

In the post-war period, immigrants have settled in the Netherlands and now first and second-generation⁵ immigrants constitute almost 18 percent of the total population of 16 million. They have penetrated numerous sectors of the economy, but not so the construction industry. A small number of immigrants, admittedly, did gravitate to the sector, but statistical evidence shows that their share in the tiers of both entrepreneurs and wage laborers is way below what could be

expected on the basis of their representation in the general labor force. In the Netherlands, to be sure, construction is not the quintessential immigrant niche. This is inconsistent with the international literature on immigration and the ethnic division of labor. Construction is described as the quintessential immigrant niche and this is often attributed to the capability of immigrant ethnic groups to mobilize their own social networks. The non-case of the Netherlands allows us to critically evaluate this theoretical thinking. So, which lessons can be drawn from this case?

To begin with, many researchers of immigrant entrepreneurship seem to celebrate the formation of ethnic niches or anyway show a strong preference for the study of niches. In so doing, they suggest that the more entrepreneurs there are, the better. By emphasizing the opportunities of small entrepreneurship in a capitalist society, they implicitly endorse an economic liberalist ideology (Bonacich 1993; Engelen 2001). To what extent the focus on ethnic niches is rooted in a more or less essentialist conception of ethnic groups and boundaries or a politically driven sympathy for the fate of the ethnic underdog remains unclear. But the fact remains that many are inclined towards particularizing immigrant ethnic minorities. This particularization blurs scientific research and the quest for explanations. For instance, immigrants are a priori attributed with the capability of network mobilization and niche formation, while natives are thought to lack those capabilities. Assiduous researchers, consequently, dedicate a lot of their time on studying the social embeddedness of economically active immigrants and their co-ethnics. By the same token, they take it for granted that economically active natives refrain from networking and that there is no reason to take their activities into consideration. But are natives really sitting ducks in a shooting gallery? The Dutch case evidently belies this assumption. It demonstrates that natives have constructed a kind of ‘native white’ ethnic identity, that they carefully maintain the boundaries of their in-group, and that they display the forms of solidarity that comes with ethnic group formation. Native Dutch constructors have created a specific workplace culture and have been able to impose this on others. They, moreover, have been up to their neck involved in networking and have developed informal ways of recruitment of labor or clients. In so doing, they have excluded newcomers and pegged them down and this has contributed to the formation of a ‘native white’ ethnic niche in the construction industry.

Furthermore, when it comes to explaining the formation of niches, researchers of immigrant entrepreneurship tend to confine to issues of social embeddedness. While acknowledging that this is important for understanding and explaining the development of an ethnic division of labor, this case shows that this development must be placed in a wider context (Rath 2002b). Specific circumstances foster social capital and make its use feasible and rewarding, but none of this is automatic. Social capital is connected to other forms of capital and is the product of the interaction of structural factors such as the political economy of the sector and its operating principles and—for as far as immigrants are involved—the history of migration and immigrant incorporation in the host society. The mixed embeddedness approach provides useful insights here. It acknowledges the significance of the concrete embeddedness of immigrants in social networks as regards economic transactions, and recognizes that these relations and transactions are embedded in a more abstract way in wider economic and politico-institutional structures.

What are the odds that this situation in the Dutch construction industry remains the same or changes? Well, the underrepresentation of immigrants in the work force constitutes an important reason for their underrepresentation in the tiers of entrepreneurs. A first step then is to foster the intake of trainees or students in programmes that lead to a job in construction, such as training programmes in plumbing or masonry or technical colleges. In the recent past, both employers associations and unions have embarked on programmes to increase the number of immigrant trainees, with varying success (van der Meer 1998). It is possible that this will change in the near future, due to changes in the urban demography. One of the main problems, however, is that immigrants who entered the sector do not stay long but leave it quickly. It is up to

employers associations and unions to act more vigorously and really target this problem, but the SME sector in general is ill reputed when it comes to serving the cause of immigrants (Het Parool, October 20, 2000)

The underrepresentation of immigrant wage laborers is, furthermore, related to the fact that there are only small numbers of immigrant enterprises. A common way to settle in a sector is by setting up shop in the very lower end of the market, by working as a subcontractor competing on price, if need be by hiring workers off the books and by tax-dodging. However, the Chain Liability Act, applied as of 1982, made this road rather difficult to follow. There are nevertheless newspaper reports that Turkish labor leasing firms are active in construction and other industries (Rotterdams Dagblad, November 20, 1999). They are allegedly highly informal, if not criminal organizations. To what extent these reports accurately represent the current situation let alone to what extent this indicates a fundamental shift towards a stronger immigrant presence in the construction industry remains to be seen.

It is conceivable that immigrants strengthen their position in the sector by creating their own economy. After all, the communities of immigrants from Turkey, Morocco, Surinam and other sending countries constitute a potential large consumer market. For the time being, however, this market is rather marginal. Turkish, Moroccan and Surinamese immigrants spend much less money than native Dutch on the maintenance of their house (HBD 1998).

Finally, it is possible that immigrant entrepreneurs active in sectors adjacent to the construction industry move out to construction. (Indian constructors in Vancouver, Canada, for example, started in the wood industry before moving out to construction, see Walton-Roberts and Hiebert 1997). As for that it seems worthwhile to examine the suppliers of construction firms, such as manufacturers of doors and window frames or transporters. There are indications that immigrants, Turks in particular, are gravitating to the furniture industry (Meubel, 2001, 48, p. 10). A possible switchover to construction seems less difficult for these entrepreneurs, but if and when that really materializes is hard to predict.

Taking stock of the situation in the Netherlands, it seems to me that construction remains a Dutch niche for the time being ·

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Notes

- ¹ Jan Hjarnö (South Danish University) and David McEvoy (Liverpool John Moores University), personal communication.
- ² Jennifer Cavounidis (National Labour Institute, Athens), Fabio Quassoli (University of Milan – Bicocca), and Rosana Albuquerque (Universidade Aberta), personal communication.
- ³ Date from <http://www.onderzoek-en-statistiek.amsterdam.nl/>.
- ⁴ This is in contrast with the situation in Miami (as described by Stepick and Grenier 1994). There, the success of unions indirectly enhanced the formation of an immigrant niche.
- ⁵ Second generation refers to people with one or both parent(s) born abroad.