INTERNATIONAL MIGRANTS AND THE CITY

BANGKOK BERLIN DAKAR KARACHI JOHANNESBURG NAPLES SÃO PAULO TIJUANA VANCOUVER VLADIVOSTOK

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INTERNATIONAL MIGRANTS AND THE CITY

FOREWORD BY THE EXECUTIVE DIRECTOR OF UN-HABITAT

It is estimated that currently there are about 175 million international migrants and that this number is growing rapidly. International migrants are increasingly heading towards large urban areas, where they have more income-earning opportunities. In large cities, migrants can gain access to an expanding informal sector and can rely on migrant networks and ethnic enclaves for shelter and jobs. However, spatial segregation, social exclusion, labour exploitation, and discriminatory behaviour are also commonplace in cities with significant migrant communities.

International migration clearly raises new challenges for urban management. Local authorities have little if any say over national migration policies. Similarly, they have little capacity to control migratory flows into their cities. Yet they are faced with the end results of transnational migration that challenge their core mandate of providing housing, services and employment.

UN-HABITAT's Global Campaign on Urban Governance has teamed up with Università Iuav di Venezia to carry out case study research on '*Urban policies and practices addressing international migration*'. The research is based on a comparative analysis of 10 cities: Bangkok, Berlin, Dakar, Johannesburg, Karachi, Naples, São Paulo, Tijuana, Vancouver and Vladivostok.

This book gives an account of different policies, practices and governance models that are addressing this issue. It analyses the impact of national policies on international migration, the role of migrants in the local economy, the relationship between local and migrant communities, and the migrants' use of urban space. It reveals the importance and the advantages of promoting communication between stakeholders and establishing channels for representation and participation of migrants in decisions affecting their livelihoods. In analysing lessons learned, the book concludes that local authorities have a key role in promoting civic engagement, social integration, participation and representation

among international migrants. The policies and practices required to do so are, in many ways, a litmus test of a city's political will to improve urban governance for the benefit of all of its citizens and for a better and more sustainable future.

We see this work as a first step. Further in-depth research is required to expand the range of case studies and governance models, leading to tools and policy options for peer-to-peer learning and city-to-city cooperation, especially between developing countries.

I wish to thank the Italian Government, one of the strong supporters of our agency, for its generous support to this initiative. I also wish to thank the Università Iuav di Venezia for taking the lead in this publication. Last but not least, I wish to thank the researchers and their national institutions for their effort in documenting and analysing the city cases.

I hope this publication will serve as a source of inspiration for those decision-makers and urban professionals who are committed to making their cities more socially, culturally and economically vibrant, by including international migrants as an integral part of their citizenry and urban wealth.

Anna Kajumulo Tibaijuka
Under-Secretary-General
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FOREWORD BY THE DIRECTOR-GENERAL FOR ITALIAN TECHNICAL COOPERATION

Urban economies are increasingly the engine of growth, both in developed and in developing countries. The World Bank estimates that also in developing countries the contribution of cities to the GNP amounts to between sixty to seventy five percent. Furthermore, urban growth features increasing complexity, mainly due to two new political trends: the shifting of urban management responsibilities from central to local governments, and globalisation becoming a major driving force in shaping urban development.

As a result of the raising economic attractiveness of urban areas, in the last decades the phenomenon of migration has grown considerably and the number of persons moving to cities from a different, often poorer country, has increased to significant figures.

Well aware of the challenges as well as opportunities migration raises on urban development, at the 1st World International Urban Forum held in Nairobi in 2002 the Italian Cooperation decided to promote a better understanding of the issue, entrusting UN-HABITAT and Università Iuav di Venezia with the task to carry out a research on the impact of international migration on urban development and management. In fact, through this project and the publication of the book, the Italian Cooperation intends to include among its priorities the issue of international migration and the actions that need to be taken to improve urban governance.

The research project main objective has been to highlight those urban policies and practices that promote positive values of urban citizenship directed to international migrants. In particular, the Italian Cooperation aims at encouraging the exchange of integration strategies at the local level based on the analysis on a number of case-studies both in the North and in the South, in the framework of a city-to-city co-operation perspective.

The common analytical framework adopted for the ten case-studies that have been selected, permits a useful comparative analysis of issues, policies and instruments in cities with different characteristics. Based on the comparison of the institutional conditions, the policies promoted by the different cities and the capacities of local governments to implement them, the research provides a tentative set of guidelines for urban policy makers.

I believe that the results achieved by the research and in the book result in a better understanding of international migration to urban areas. I am also confident that the guidelines set forth provide very useful insights for future actions local governments need to take, in developed as well as transitional and developing economies.

I wish to thank UN-HABITAT and Università Iuav di Venezia for the scientific support and the strong coordination, which made possible the research and the publication of this book.

I would also like to thank all the researchers and professionals who contributed to the project, bearing in mind that this is only one of the many steps that we need to take in order to make cities more inclusive and sustainable.

Min. Plen. Giuseppe Deodato
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INTRODUCTION

Marcello Balbo
Rafael Tuts

We cannot ignore the real policy difficulties posed by migration. But neither should we lose sight of its immense potential to benefit migrants, the countries they leave and those to which they migrate. And we must ensure that, in our approach to this issue, we uphold the values of tolerance and respect for human rights (Kofi Annan, UN Secretary General, World Economic and Social Survey 2004).

1. International migration and the city

It is widely acknowledged today that cities are the driving force behind economic growth and provide the best opportunities for improving living conditions. Whereas cities with high population densities are nearing saturation in developed countries, in many other parts of the world this process is bound to continue unabated through much of this century. In fact, according to UN projections, over the next 25 years the growth of the world population will concentrate exclusively in the urban areas of developing countries, where the number of residents will almost double, growing from under two billion to almost four billion (UN, 2004).

While in advanced economies the management capacities of both national and local governments are sufficiently developed to face the current changes even as problems abound, in the developing world inadequate financial, human and technical resources can only have serious consequences. In the South, the integrating role of the city seems increasingly to be giving way to an exclusionary trend, as highlighted by mounting social and economic segregation as well as spatial fragmentation. Exclusion, poverty and violence are on the rise as the sense of belonging, social cohesion and the very notion of citizenship are on the wane.

In the last decade, globalisation has come to the fore as a major driving force in both the shaping of urban development and the creation of new opportunities. In this process, globalisation has also posed new challenges to urban management, as its positive effects are unevenly distributed both across and within cities.

One of these challenges has to be the increasing flow of migrants crossing bor-

ders and settling permanently or temporarily in foreign countries. International migrants are defined as people who were born outside their countries of residence, including refugees who actually may not be foreign-born[1]. A second type of condition is referred to as 'transnational migration', where individuals belong to two or more communities at the same time. The difference between international and transnational migrants is often blurred; it is becoming increasingly so as more and more individuals reside in a host country while maintaining strong ties with their countries of origin. In addition, they may also be members of various types of networks (political, religious and other activism) that reach out into many countries.

The growing number of international migrants is clearly linked to two factors related to globalisation: the declining costs of transportation and the rising awareness of differences in living conditions linked to the nearly universal reach of the media. Information and communication technologies (ICTs) have greatly reduced the barriers of space and time for the movements of goods and many services, boosting liberalisation of international trade, expansion of foreign investment and the related movement of business people. However, for all its promotion and nurturing of new rights for cross-border movement of capital, globalisation has failed to bring down many barriers to the free movement of individuals and has only marginally promoted migrants' rights to settle across borders: 'While goods, firms and money are largely free to criss-cross borders, people are not' (World Commission, 2004).

However, and regardless of a tightening of immigration controls, labour shortages in advanced and high-growth economies have nurtured labour migration. In some countries, migrants have taken over entire segments of the employment market – typically those combining low pay, poor work conditions and insecurity. This, in turn, has brought the emergence of a 'migration industry' in both sending and host countries, complete with recruiters, specialised travel agencies and lawyers, and this industry is spreading to cities in the South.

In Europe and North America international migration is a familiar phenomenon, but in developing countries it has received comparatively little attention. Nonetheless, in Buenos Aires as in Santiago or São Paulo migrants from countries like Bolivia, Paraguay and Uruguay contribute increasing portions of the

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1 The present volume refers exclusively to those individuals who have decided on their own to move to a different country.

urban population. Although the bulk of migration flows across Mexico head to the USA, the numbers of people from Central America and the Caribbean moving into Mexico City or the assembly plants *(maquiladoras)* on the border with the USA are becoming an issue for the urban governments in northern Mexico. In post-apartheid South Africa, the numbers of workers arriving in Johannesburg (and more broadly Gauteng province) from Mozambique and Angola have increased rapidly. Further up north, large communities from Burkina Faso, Mali, Guinea-Bissau and Niger have settled in Abidjan. In the cities of the Gulf area, migrants from Egypt and Jordan, as well as from the Philippines, Pakistan and India together contribute large shares of the local labour force. Finally, in Southeast Asia, extensive transnational communities have opted to live not only in Hong Kong and Singapore, but also in Kuala Lumpur, Bangkok or Karachi The United Nations evaluates the current total number of international migrants at some 175 million, including refugees but obviously excluding an estimated 15 to 30 million illegal or irregular migrants (United Nations Population Division, 2002) whose numbers are rapidly increasing. A breakdown by major regions shows that some 77 million international migrants reside in industrialised countries, 33 million in transition economies, 23 million in Eastern Asia, 21 million in the Middle East and North Africa and 14 million in sub-Saharan Africa.

Between 1990 and 2000, the number of individuals residing outside their country of birth rose by one third (Martin, Widgren, 2002). About 45 per cent had moved to industrialised countries and 55 percent from one developing country to another – particularly to those rich in oil, diamonds or other natural resources. Notwithstanding the scarceness of reliable data, the many economic and social crises that have affected various developing countries these past several years are likely to have caused a significant increase in these flows.

Clearly, the current understanding of international migration in an urban environment is inadequate. Official census counts, surveys and registration schemes largely underestimate the real extent of international migration. As noted in the majority of the case studies included in this volume, the number of illegal/unregistered migrants seems to be far from negligible and on an upward slope.

Although they remain predominantly related to labour shortages in advanced economies, current international migration flows display three main features that make them significantly different from past experience – (a) the *direction* of the flows, (b) their *nature* and (c) their *focus on conurbations*:

- To a significant extent, what was once a predominantly South to North stream has, since the early to mid-1990s, come more and more to involve *flows between developing countries*, such as those from Southeast Asia to the Middle East, from sub-Saharan countries to South Africa or from Paraguay and Bolivia to Brazil, Argentina and Chile.
- International migration no longer involves just male labourers, but also *qualified professionals, students and, increasingly, female workers* who need to provide for their children without male help back home, or who want to escape from harsh family 'dependency' conditions. Women represent more than half of all transnational migrants (in the 1990s, 84 per cent of all Sri Lankan migrants to the Middle East were female, two thirds of Filipino migrant workers), in what has been called 'the female underside of globalisation' (Ehrenreich, Hochschild, 2002).
- International migrants are heading increasingly towards *urban areas*, particularly large cities, where they have more chances of finding income-earning opportunities. In such conurbations migrants can gain access to the large and expanding informal sector; in addition, the enhanced roles which many cities have acquired in the context of globalisation have produced a new demand for low-paid service workers for different types of jobs. Finally, the networks which migrants need to rely upon for shelter and jobs on first arrival can only be found in cities.

International migrants represent an essential economic resource for the urban economies that employ them; however, the countries of origin also receive tremendous economic benefits from migrants' remittances. Although the scale is largely underestimated, such financial transfers to developing countries currently amount to a combined equivalent of 75 to 100 billion US dollars per year, or significantly more than official development aid (ODA) from developed countries and second only to oil revenues (World Commission, 2004). Not only annual remittances to developing countries have more than doubled between 1988 and 1999, but they appear to be a much more stable source of income than public and private sector flows (Gammeltoft, 2002). In 2003 the Indian diaspora (20 million, over 135 countries) sent back home a combined amount equi-valent to some 15 billion US dollars, or more than the revenues generated by India's thriving software industry. In 2001 remittances represent-

ed some 25 per cent of total GDP in Lesotho and Jordan, and between 15 and 20 per cent in Bosnia, Albania, Nicaragua, Yemen and Moldova (IMF, 2003). An estimated 34 to 54 per cent of the Filipino population is sustained by remittances (Salazar Parreñas, 2002). Migration also has the potential to stimulate the introduction of new activities and technologies in the countries of origin, as has been the case in several East Asian countries and India.

International migration clearly includes movements of well-paid, qualified professionals – Indian engineers to Germany, schoolteachers to the Emirates or Zimbabwean doctors to South Africa. However, the bulk of international migrants add to the low-income urban population rather than the well-heeled professional classes. In fact, the majority of migrants, including many skilled professionals, find employment in those low-paid sectors and positions eschewed by local residents and which require little training – typically the construction sector, services and domestic work, or in the expanding informal sector such as street trade and handicrafts production. In Thailand, the Labour Ministry allows immigrants to work only in a limited range of sectors, reserving several skilled and most unskilled jobs for Thai citizens. In some cases, as in Naples or São Paulo, migrants end up toiling away in workshops for very low wages, typically without any labour rights nor formal contracts either, due to the frequently informal or illegal character of their employment; moreover, numerous migrants are prevented from obtaining any kind of document which could be used to regularise their stay in the country.

As mentioned earlier, streams of illegal migrants represent a significant and growing share of international migration in the developed as well as in transitional and developing economies.

Commonplace as illegal migration appears to be, the reasons behind it can be quite diverse, as can the modes of entry into the country of destination (or transit, as the case may be). In those countries with restrictive access policies, the main method used by unregistered migrants is legal entry and overstay. In other countries access can be easier but the weakness or complexity of migration policies, or lack thereof, can make subsequent registration a challenging or even impossible task. Sometimes, it is the government's geo-political strategy that directly promotes or discourages the presence – and thus the potential for regularisation – of specific ethnic groups.

Illegal or irregular status is not attractive for anyone. However, due to inade-

quate migration policies and practices, or lack thereof, migrants determined to seek better economic and other opportunities often have no alternative than unregistered stay, and naturally in such circumstances they avoid making themselves conspicuous. On the other hand, illegal migrants are among those who most need access to health and education services, adequate housing and labour rights. Lack of data makes it difficult both to identify them and to provide the support they need if they are to access citizenship rights.

Migration policies are generally determined at the national government echelon. Migration may, and in most cases, does affect labour markets and welfare policies, alter demographic trends, and almost everywhere is considered as a security issue. Faced with the challenges raised by international migration, most governments seek to curb it. However, the movement of people across borders counts as a constituent element of globalisation, on a par with the international movement of capital and goods. On top of this, globalisation both requires and secures a diminutive role for government if the supposed potential of the market economy is to be fully realised (whereas globalisation also actually calls for more distributive measures, i.e., more government, if residential segregation, a deteriorating environment, increased violence and rampant urban poverty are to be tackled with any degree of success).

International migration only compounds the conditions which globalisation has created. Migrants arriving from abroad usually are low-income workers, though they rarely are among the poorest. In developing countries, most end up living in informal settlements that are generally devoid of basic services, healthy living conditions and security of tenure. In transition economies and in several cities in the economically advanced countries, slums and irregular settlements were first established by international migrants arriving from one specific country or region. The spatial distribution of immigrant populations results from overt segregationist drives operating locally as well as from autonomous decisions by the migrant communities. Migrants' cultural, social and religious traditions often differ from those of the countries and cities they move into, which makes their integration in the host urban society a difficult process. Most newly arrived migrants prefer settling among their own community and close to those places where they are better able to find the support which local institutions are generally incapable or unwilling to provide. This pattern of urban settlement contributes to the fragmentation and multiplication of identities that

have come about as a result of globalisation.

In a bid to face the overt negative effects of globalisation, all countries in both South and North have been promoting decentralisation policies. In practice, they have sought to transfer to local government the responsibility of providing cities with the infrastructure and services required by global competition as well as the basic services required by growing numbers of urban poor. In this devolution framework, it falls upon local authorities to cope with the demands arising from the new population settling within their city boundaries. However, in most cases the shift of responsibilities has not been matched by an increase of resources. Consequently, the attitude of most local governments is essentially of a *laissez-faire* type: city authorities absolve themselves from the responsibility of any pro-active supply of infrastructure and services, forcing migrant communities to rely on the private sector or self-provision to a very large extent. Lack of co-ordination among and within the many layers of government operating within city or metropolitan boundaries is the norm, adding to their limited capacity to manage the issue of migration, which they often regard as only temporary and marginal. In addition, the growing presence of international migrants and the attendant issues of urban segregation and poverty pose local authorities a fresh challenge, as they demand specific capacities for the management of multiculturalism and diversity. To this day, few municipal authorities (particularly in transition economies and the South) have addressed this complex and delicate task, which few have the human and technical capacities to carry out successfully.

2. Challenges and responses in key urban policy domains

Migration policies are taking on much higher political and economic profiles, especially in those countries at the receiving end of the process. Central governments could, and should, aim at setting up adequate bilateral and multilateral policies to curb illegal migration and the attendant traffic in human beings. Since most countries (and their conurbations) find themselves at both the sending and receiving ends, management of migration flows cannot be confined to unilateral policies if it is to be effective. In addition, common policies would benefit both sending and receiving countries.

However, local authorities have very little say, if any, over national migration

policies; similarly, they also have very little capacity to control transnational migration flows into their cities. The fact of the matter is that local government is called upon to face the end results of trasnational flows that make themselves felt in essentially three major spheres of urban policy:

Housing and services. This is probably the single most important problem that international migrants have to deal with when first arriving in their place (city) of destination. Even where the contribution they provide to the local economy is acknowledged, the formal markets for either housing or land (or both) tend to be out of bounds as far as migrants are concerned, to the possible exception of 'professional migrants'. Landlords often look upon international migrants as unreliable tenants. The formation of inner city slums or the expanding 'ethnic' informal settlements on the outskirts also result from the fact that formal markets are inaccessible to this type of demand. As they seek to remove these barriers, local authorities can promote one of two main types of policies: (i) a direct policy that makes low-cost housing accessible to the foreign population; (ii) alternatively, and more likely, they can introduce incentives and guarantees in the housing market that will benefit both the supply and demand sides. Providing access to urban services throughout the city is a second component in any urban strategy aimed at making a city more inclusive: broader access to urban services counters the increasing fragmentation of urban space (and the concomitant flourish of 'closed neighbourhoods') which cities have been experiencing of late.

Employment. Globalisation is resulting in increased labour market polarisation in technologically advanced, transition and developing economies, and local government has an essential role to play here. Policies aimed at promoting more 'formalised' labour markets would benefit the large numbers of transnational migrants who work in the informal business sector where long hours, low wages and unhealthy or even dangerous work conditions are the norm. Local-level decisions can help make informal activities part of a growing formal sector and provide more decent jobs, incomes and protection, as illustrated by the well-known Warwick Junction project in Durban, South Africa, or the Porta Palazzo Market rehabilitation project in Turin, Italy. Through specific local fiscal and urban policies, local government can also facilitate the voluntary return of skilled workers to their home countries, reducing the problems that

might arise from permanent migration and at the same time contributing to social and economic development in the countries of origin.

Inclusion. International migration contributes more and more to maintaining or creating the economic dynamism of cities as foreign workers fill up those segments of the labour market which local populations eschew and contribute to urban productivity. It is well recognised that the presence of international migrants also makes cities more cosmopolitan, and therefore more attractive to the forces of globalisation. However, the increasing ethnic diversity of present-day cities all over the world, including in many countries with little or no multicultural tradition, often evoke anxiety and fear among local residents. If it is actually to be a *polis*, i.e., the place where different populations come together, a city must also ensure the inclusion of all its residents and tackle urban exclusion. Local authorities certainly need policies that raise urban productivity and foster economic growth; but they also increasingly need policies that manage diversity and promote integration among residents. A good many international migrants are not poor, or among the urban poorest, but they are certainly among the most excluded. Instead, they must be given access to security of tenure, health, educational services and urban infrastructure. Integration also encompasses inclusion of international migrants in the public decision-making process: cities must harness the wealth of values at work in their midst to build new collective identities and counter the individualism which liberalisation and privatisation combine to entrench in urban attitudes. A cornerstone of any such inclusive strategy must be the participation of migrants' representatives in municipal councils. Just as fundamental to civic inclusion are public information campaigns on the origins and causes of international migration, the costs and benefits to urban communities of hosting foreign migrants, as well as the rights and duties of both migrants and host communities.

With globalisation it is impossible for those cities that act, or want to act, as hubs for international financial and technological flows to avoid finding themselves at the receiving end of international *migration* flows. It is quite possible that today, migrants are transforming the city to a point where the time-honoured assimilation *vs.* multicultural (ethnic) alternative loses its heuristic

value. Indeed, cities must be prepared to look at international migrants as indispensable to their own survival in the global urban competition.

3. Good urban governance for inclusive cities

With the Global Campaign on Urban Governance, UN-HABITAT promotes sustainable development of human settlements. The rationale behind the Campaign is to bring about the 'Inclusive City,' a place where everyone – regardless of wealth, gender, age, race or religion – is enabled to participate productively and positively in the opportunities which cities have to offer. The Campaign stresses that the crucial prerequisite for more inclusive cities is neither money nor technology, nor even expertise or legislative change (although all these are important): it must be good urban governance (UN-HABITAT, 2002). An expanding group of urban residents, international migrants are often denied access to urban services and opportunities and seldom have a voice in decision-making channels. This is why the relationship between city authorities and international migrants is very relevant to UN-HABITAT's Global Campaign on Urban Governance.

The definition of 'good' urban governance transpires in the set of universal principles which the Campaign builds upon and which are derived two main sources: (a) a wide range of UN Conventions and (b) UN-HABITAT's intensive work with cities over the past decades. These principles can be summarised as follows:

- *Sustainability*: balancing the social, economic and environmental needs of present and future generations.
- *Subsidiarity*: assigning responsibilities and resources to the closest appropriate level.
- *Equity* of access to decision-making processes and the basic necessities of urban life.
- *Efficiency* in the delivery of public services and in promoting local economic development.
- *Transparency and accountability* for decision-makers and all stakeholders.
- *Civic engagement:* recognising that people are the main riches of cities, and both the purpose and the means of sustainable human development.
- *Security* for individuals and their living environment.

When reviewing these principles in the context of urban responses to international migration, it is clear that in many cities there is considerable scope to improve the quality of urban governance. In terms of *sustainability*, urban policies towards migration must look beyond the immediate needs and concerns of the present generation of migrants. Moreover, the consequences of these policies for future generations should be carefully considered. This requires that migration issues be part of a vision for the future of the city. This also implies that besides economics (including labour incentives, as required), urban policies pay due attention to other functions such as education and health services, for instance.

The principle of *subsidiarity* is particularly relevant to the way in which cities deal with international migration. All over the world, city administrations are being given expanded responsibilities in many areas of service delivery. Coping with migrants is increasingly the responsibility of city administrations. Local governments are a natural focus for any efforts to re-invent governance in many areas where sensitivity to local conditions and the aspirations of the local community are of paramount importance. In these circumstances, *local* government has the potential to do better than *national* government. However, city-level migration policies and practice do not stand on their own. They need to link up with national and provincial/State levels as well as infra-city policies and practice.

Ensuring *equity* in migration policies is another key challenge. Respect for human rights should form the basis of any handling of migration issues in cities. The emerging concept of 'the right to the city' is particularly relevant when addressing the relationship between cities and international migrants. Migrants are likely to contribute to the city's wealth when they are integrated in the system of local opportunities.

Efficiency should be another guiding principle when dealing with service delivery and local economic development. Promoting partnerships with the private sector and civil society can go a long way towards realising the potential benefits which migration has to offer.

Transparency and accountability are pivotal governance principles with far-reaching implications at the local level. This does not only include adherence to the rule of law as authorities enact established procedures dealing with migrants. The twin principles of transparency and accountability also call for the opening up of channels of communication, explaining rights and responsibilities, with due consideration of language, culture and religion, as these factors

are critical to engaging in a constructive dialogue with migrant groups. The media have a critical role to play here.

Civic engagement can act as a powerful lever to unleash the potential of migrants for the benefit of host cities. Good urban governance can provide the traction for local government to deliver effective development, services and poverty reduction for all urban dwellers, including international migrants. Participatory processes, including broad-based consultation platforms, have the potential to enhance representative democracy and make local government more relevant for being driven by the aspirations of the local citizenry.

Finally, the other major tenet of UN-HABITAT's Global Campaign for Urban Governance – the principle of *security* for individuals – is an issue of prime importance when dealing with migration issues. All-too often, lack of security is the defining feature of urban migrants' lives: poor work conditions, exploitation and insecure tenure. Proactive policies that tackle xenophobia and insecurity should be a priority in all cities with significant migrant populations.

Throughout history, cities have been places of hope and opportunity, and so they can be again today if we focus on exclusion, the causes behind it and strategies to stamp it out. However, segregated communities, labour exploitation, discriminatory behaviour and neglect are often commonplace today in those cities with significant migrant communities. Good urban governance through inclusive practice that gives a voice to the excluded is a good way of maximising civic potential. Cities need to understand that they have policy options available to address the multiple challenges of exclusion, the decay of citizenship and increasing conflict. The way a city deals with international migrants may be the litmus test of its approach to the challenges confronting its whole population.

Since the challenges international migrants pose to cities today are so obvious, why do we need more research on the issue? The simple reason is that international, national and local institutions need evidence that shows which approaches work, why and in which circumstances. This evidence is essential when advocating approaches to urban governance that will result in better living conditions for international migrants. Therefore, research can help to further the good urban governance agenda in two major ways:

- Assessing *the extent to which policies are implemented* and analysing their outcomes and impact, in order to improve policy formulation and implementation;

- Assessing the *outcomes and impact of specific governance arrangements*, innovations or good practice, in order objectively to determine their effectiveness and transferability.

Against this background, the contribution of the research project on international migration to the Global Campaign on Urban Governance lies in its capacity to document innovative policies and practice and assess their value and transferability.

4. Research methodology

Research for this volume was carried out in 10 cities that were selected to provide a comparative view on the issues, policies and instruments related to the integration of international migration in high-, middle-, low-income and transition economies. The case studies were carried out by researchers specialised in urban issues.

In April 2004, an introductory workshop was organised at the Planning Department, Università Iuav di Venezia in Venice, Italy. The workshop developed a comprehensive theoretical framework that was apt to identify the main relevant facts and circumstances, the existence (or otherwise) of policy initiatives as well as any practices addressing international migration in the selected cities, on top of highlighting the substantive issues to be considered. Based on the different perspectives and the similarities that emerged from the debate, participants laid out a common analytical framework to evaluate what planning and management tools were available in the 10 cities to cope with international migration, and how effective they were. More specifically, participants agreed that the case study should focus on:

- *The context*, identifying the specific features of international migration in any selected city, including the recent evolution of the process. Particular emphasis was given to the identification of regional migration streams and their underlying determinants, together with the evolving roles of male and female migrants.
- *The issues*, describing how migration is perceived at the local level and its effect on city politics, with particular reference to the changing forms of social cohesion or disruption, and the resulting spatial organisation.

- *National policies addressing international migration*, for a review of any national policies that directly or indirectly regulate the inflow of international migrants and their effect at the city level.
- *Urban policies for international migrants*, highlighting the strategies city authorities have adopted to address the challenge of international migration, with particular reference to urban planning and management tools promoting migrant integration in the host urban communities.
- *Lessons learned and recommendations,* with particular emphasis on innovative inclusive policies along the lines of UN-HABITAT's Global Campaign on Urban Governance.

UN-HABITAT and Università Iuav di Venezia jointly organised a second workshop in September 2004 during the 2nd World Urban Forum in Barcelona, where the intermediate results achieved by the research project were detailed and discussed. Participants took stock of the information collected so far on contextual facts and of the existence, or absence, of policy initiatives and practices in the selected cities. This gave an opportunity for an open dialogue with decision-makers and scholars and to explore further perspectives.

Although international migration is a time-honoured process and a key feature of urban development, including in developing countries, globalisation has both added to the momentum and significantly altered the substance of cross-border flows of people. The lack or inadequacy of data, primarily but not only on irregular migration, makes the issue rather difficult to investigate, particularly in the cities of the South. Moreover, and although international migration is gaining further momentum, in a number of cases it is not yet perceived as a central issue for urban policy – a perception that would confront government to generally poor housing conditions, lack of infrastructure and services, and widespread unemployment or underemployment in urban areas.

Where statistical information was found lacking or insufficient, the research work relied on more qualitative information. Based on interviews with local decision-makers and government officials, NGOs working with international migrants and the local media, the different case studies attempt to identify the actual policies (or non-policies) being implemented, as well as the many local strategies and 'informal' practices that actually address the issue.

The lack of information on the challenges posed by the growing number of in-

ternational migrants to urban policies only matches the lack of awareness thereof. This in turn highlights the largely unmet need to improve the capacity of decision-makers and urban managers, at both national and local levels, to make informed choices on the implications of international migration.

The complex implications of international migration for urban areas affect many aspects of the economic, social and political conditions in the host cities as well as in the sending countries and cities. From the sending countries' point of view, the fallout of emigration includes, among others, inflows of remittances and foreign exchange, the potential for technology transfers, benefits as well as shortfalls for educational levels through brain drain and brain gain, as well as promotion of bilateral and multilateral agreements. Obviously, the research in this volume could not survey all these aspects in detail, nor expected to do so. Our collective aim is to contribute to a better understanding of international migration as a process that increasingly affects many cities worldwide, and to help enhance government capacity to maximise its benefits and curb its negative consequences.

THE 10 CASE STUDIES

City	Country	Level of income per head
Bangkok	Thailand	Lower middle
Berlin	Germany	High
Dakar	Senegal	Low
Johannesburg	South Africa	Lower middle
Karachi	Pakistan	Low
Naples	Italy	High
São Paulo	Brazil	Lower middle
Tijuana	Mexico	Upper middle
Vancouver	Canada	High
Vladivostok	Russia	Lower middle

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VLADIVOSTOK, RUSSIA
THE CHINESE CONUNDRUM

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1. The context

Vladivostok is the capital and major economic centre of Primorye, the Russian Far East region[1] with a total population of approximately two million (including 600,000 in the capital). Reflecting its role as the political and industrial centre of the region, the Vladivostok population is an aggregate of more than 50 different ethnic communities, 30 confessions and more than 150 religious organisations.

However, owing to unprecedented emigration from the region after the fall of the Soviet Union as well as to lower birth rates, in the last 15 years, the region's population has fallen by as many as one million, including as many as 400,000 in the sole Vladivostok. Such mass migration came in response to the economic stagnation in the region and the unstable political conditions in the country. According to a recent survey, more than 60 per cent of young people consider leaving Primorye in the future[2], which would drain the region of its workforce.

If the current trend persists, by 2010 the Primorye region will reach a critical level where ageing people will make up well over 20 percent of the population.

The 1989 census showed that out of Primorye's population of 1,976,600, a large majority (1,721,600) were Russians, with the balance split between Ukrainians (185,000), Byelorussians (21,900) and Germans (4,100)[3].

As a result of emigration, by the end of the 1990s the population of the region had changed significantly, with the number of Russians down by 27,600, along with 10,100 fewer Ukrainians and 2,700 fewer Byelorussians. In the same period, some 4,000 new residents from the former Soviet republics (particularly Tajikistan, Kazakhstan, Moldova, the former Caucasian and Baltic republics) had moved to Primorye. In addition, of the 15,000 foreign workers allowed into the region every year, 77 per cent came from China, 27 per cent

from Korea (both North and South**)** and only 6.5 from the former Soviet Union (Vashchuk, 2002). Korea's 27 per cent contribution adds to the significant Korean diaspora (over 15,000) that has settled in the southern part of the Primorye region since the end of the Soviet era.

At the beginning of 2004, Russia's Federal Migration Service registered more than 150,000 legal migrants in Vladivostok and its region (Table 1), a threefold increase on 1994.

TABLE 1 – NUMBERS OF LEGAL IMMIGRANTS IN THE PRIMORYE REGION

Country of origin	1994	2004
China	26,347	106,954
Azerbaijan and Armenia	1,340	13,197
Japan	7,777	9,476
South Korea	5,095	6,427
Former CIS countries*	1,273	6,180
Ukraine	6,987	2,509
North Korea	2,519	2,300
Germany	723	1,046
Great Britain and Canada	825	838
Vietnam	274	600
Total	47,049	154,162

*Uzbekistan, Kazakhstan, Kyrgyzstan, Tajikistan
Source: Primorye Federal Migration Service report to the Pacific State University of Economics, 2004.

The Chinese represent almost 70 per cent of all immigrants to Primorye. What is more, although the Chinese have always gravitated to Vladivostok and the region, between 1994 and 2004 their number has increased more than fourfold. Azerbaijanis and Armenians together make up the second most important immigrant community and the one that has most expanded in the past 10 years[4]. However, official numbers largely underestimate the size of foreign immigration into Primorye and Vladivostok. The largest, though difficult to gauge, inflow is by far from China: these immigrants come in as tourists and then stay unregistered in the city, many of them only temporarily as they see the USA or

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4 Although registered as the third most important migrant community, the Japanese are mostly short-term and transit migrants.

Canada[5] as their ultimate destination. Many other foreigners first enter Russia through borders that are a long way from Primorye, and subsequently move to Vladivostok as internal migrants. A local non-governmental organisation (NGO) known as *Physicians for human rights* estimates that the number of illegal migrants to the Primorye region increased nearly fourfold in the past 10 years, reaching no less than 45,000 in 2004.

Another source which can help gauge the actual extent of illegal migration is the Regional Security Service. For the sole 2003, the service fined over 14,000 foreigners for violating passport and visa regulations. Chinese nationals contributed the bulk of the culprits, followed by those from North Korea, Kazakhstan and Iran. As mentioned, *Chinese* migrants represent by far the majority of foreign migrants to Vladivostok, with a large part of them thought to be using Vladivostok as a mere port of call before a bid across the Pacific to the USA or Canada. The inflow is likely to have increased in recent years, following the relative but significant improvement in Vladivostok's economy, notably in the agricultural, construction and apparel sectors which were experiencing labour shortages.

According to the Interior Ministry, up to 150,000 illegal Chinese migrants live in Primorye, a segment of the 400,000 to two million Chinese immigrants in Russia. Unreliable official data combine with alarmist speculation in the media regarding the scale of Chinese migration; this in turn fuel a general negative perception of the phenomenon among the public (Gelbras, 2003). A case in point was a statement from the Federal Migration Service, warning that the Chinese could become the dominant population in much of the Russian Far East later this century[6]. The irony is that, once a predominantly Chinese city before the Stalin-era purges[7], Vladivostok was until recently the only harbour city along the Pacific Rim without a conspicuous Chinese community. Even today, there is no genuine Chinatown to speak of in the city, since the Chinese community lives scattered across different peripheral areas, in secondary cities such as Ussuriysk and Blagoveshchensk. This spatial distribution of the Chinese migrants results in fairly good and even improving housing conditions for them (Table 2).

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5 According to the Vladivostok News (October 24, 2003), 70 per cent of illegal immigrants in Primorye are Chinese.
6 Migration from China to Russia in general, and Primorye in particular, has been significant since 1988, after the Soviet Union and China signed an agreement on visa-free cross-border movements.
7 The Vladivostok' bay was once known under the Chinese name, Haishenwei, given to it by the Chinese sailors who used to harvest trepang (sea cucumber) there.

TABLE 2 - CHINESE MIGRANTS' HOUSING CONDITIONS IN VLADIVOSTOK

	1999 (%)	2002 (%)
Very good	7.0	16.8
Good	27.0	51.0
Medium	43.0	26.1
Bad	10.0	0.8
Difficult to answer	12.0	1.6
No answer	1.0	3.7
Total	100.0	100.0

Source: Gelbras, 2004

North Koreans represent the second most important migrant community in Vladivostok, with up to 2,500 legally registered, who work primarily in construction. The numbers have remained relatively stable; border guards and migration officials alike concur that there are few illegal North Korean workers.

Vladivostok newspapers are replete with advertisements touting the services of labourers sent by North Korea across the border with Russia. In the Primorye region as a whole (i.e., including Vladivostok), an estimated 10,000 North Koreans are working in logging camps, mining and construction sites.

Korean migration started as early as the latter half of the 1940s, when North Korea sent workers to logging camps in the Russian Far East in exchange for massive economic aid from Moscow. North Korea handled security in these camps and Amnesty International has documented serious instances of human rights abuses, including torture and execution of those trying to escape. Some of these camps still exist, according to Russian media reports, as North Korea provides free labour to help pay off its $3.8 billion Soviet-era debt.

Some North Korean immigrants work in teams on big construction projects, while others are sent out to find more menial types of jobs on their own, such as interior decoration, where they earn an equivalent US$ 120-130 a month. Once a week, they must attend a meeting to report on their activities and hand over the bulk of their earnings. Conditions in the dormitories are poor and many North Korean workers prefer to stay the night on the building sites they are working on. Bribes are essential if a worker wants to get assigned to a more favourable working site with parts and tools available. Even the sending of remittances back home may need the occasional bribe, and some loggers

end up accumulating debts as a result.

Although work conditions became even more difficult after the collapse of the Soviet Union in the late 1980s, many North Koreans still aspire to work as loggers in Russia in a bid to improve their fates. The numbers of North Korean loggers in Russia are said to have plummeted to fewer than 5,000 by late 2004, from a peak of 20,000 to 30,000 in the 1980s. However, according to the Migration Ministry, over 2,000 North Korean workers entered the southeastern Russian region around Vladivostok in 2002, up from 1,500 a year earlier, due to the brisker pace of construction fuelled by Russia's economic revival. This coincided with a warmer relationship between the two countries after a cool spell in the aftermath of the 1991 Soviet collapse.

Among the region's foreign neighbours, the *Vietnamese* play a low-key role because there are only just under 1,000 of them in the region. First brought in under long-term construction contracts, they remained without work amidst Russian economic woes. Today they typically trade in currencies on the black markets in Vladivostok and some other locations around town.

At the same time and owing to poor civil service pay, corruption has increased significantly. Government expenditures on border security and tax collection have also decreased nearly fourfold, while anecdotal evidence[8] suggests that Russian officials are willing to bend the rules for personal economic gain. The *Zolotoi Rog* business weekly reported in April 1999 that Chinese migrants had opened 13 illegal retail and two wholesale markets in Vladivostok. According to the same report, 30 Chinese families had been trading an equivalent $400,000 to $500,000 worth of produce at the well-known Fadeyeva Street wholesale market in Vladivostok without registering their businesses or paying taxes. In Ussuriysk (just north of Vladivostok), where municipal revenues increased threefold as a result of Chinese trade in the late 1990s, the local customs office once prevented the city sanitation department from inspecting the quality of Chinese goods stored at the customs warehouse, for fear of a decrease in customs duty income.

It is estimated that cross-border 'shuttle' trade by individuals (both Russian and Chinese nationals) is three times the volume of officially reported trade between Primorye and China.

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8 According to a recent survey of 100 Chinese traders, 62 per cent had to pay "additional revenues" to Russian civil servants, 80 per cent to the police, 55 per cent to border guards, and 60 per cent to transporters.

2. Emerging issues

Depending on the benefits or nuisance accruing to them, the Vladivostok population's perceptions of foreign migrants are very different, particularly with regard to the Chinese community.

On the other hand, there is little doubt that large-scale immigration to Vladivostok has made it easier for Chinese criminal organisations to prosper in the region. As they face racial prejudice and the threat of deportation (since many have no visas), most Chinese migrants accept to pay protection money to the gangs and bribes to government officials. In 2003, the problem of cross-border crime and illegal immigration was deemed important enough for the two countries' respective presidents, Vladimir Putin and Hu Jintao, to create a joint working group to curb the uncontrolled movement of people across the Sino-Russian border.

The rise in Chinese organised crime and illegal immigration has fuelled racist attitudes towards the Chinese community in Vladivostok, including towards those who are genuine victims of the Triads[9] and their protection rackets. Although the prevailing perception that Chinese migrants form a 'tidal wave' is grossly exaggerated, it reflects local attitudes towards immigration. The number of newly arrived migrants from China does not exceed 200,000, or a mere one per cent of the total population in the region, nonetheless, many in the local population perceive this as a real threat to their future in the area.

The economic impact of Chinese trade and business in Primorye and the concomitant opportunities for corrupt government officials illegally to take their share of the money flowing across the border obviously depend on the volume of goods produced and services provided for by the Chinese in Vladivostok and the Primorye region as a whole. In the last five years, cross-border trade has been declining, with lower Russian government expenditure a contributing factor.

These trends are likely to have opposite effects on the attitudes of Vladivostok residents to Chinese migrants. On the one hand, one would expect more and more local people to be weary of the perspectives of an economy whose growth was so dependent on relationships with China, resulting in heightened ethnic alienation and hostility. The fact of the matter is, the number of re-

9 The infamous Chinese criminal networks.

ported discriminative acts against Chinese nationals in the northern part of Primorye has increased sharply as a consequence of growing cross-border exchanges, despite the economic benefits they may have provided to some segments of the region's population. Popular stereotypes can only add to the increasing potential for inter-ethnic hostility in the region. Few Russians perceive Chinese migrants as honest, polite and responsible; and whereas they are increasingly perceived as hard-working and entrepreneurial, Chinese migrants are also viewed as aggressive and sly.

Therefore, there is a risk that frustrated expectations may open the gates for more and more negative attitudes to Chinese nationals, and pave the way for a rise in nationalist activism by individuals and groups seeking political influence and power. These trends are consistent with the logic of conflict escalation under conditions of relative economic deprivation.

Moreover, ethnic Chinese and Koreans in Vladivostok form a distinct ethnic and readily identifiable minority with a culture and history that local Slavic residents can hardly understand. Such ethnic and cultural differences between Russians and Chinese migrants may set the stage for potential violent confrontations and perceived threats to the physical security and cultural traditions of ethnic Russians, which the long-standing territorial disputes between the two countries have already nurtured (Alexeev, 2000).

Despite these negative trends in inter-ethnic relations, many government officials have personally experienced the economic benefits of cross-border cooperation with China. For this reason, and even in an area with historically contested territories such as Khasan, local government officials have recently expressed support for the creation of an 'International Zone for Trade and Culture' under UN auspices. Moreover, and regardless of mounting hostility toward Chinese nationals in the 1990s, public support for bilateral cooperation remains strong to this day.

Regarding the social-economic role of Chinese migration, the Russian media typically focus on two issues. First, China is often mentioned when the question is raised of potential labour deficits caused by the low birthrates and emigration of local people from the Russian Far East. Second, there is a widespread belief that Chinese migrants cause severe damage to the Russian economy through such illegal activities as currency transfers abroad in violation of foreign exchange controls, black markets in lumber, rare natural and

industrial raw materials, and all the way down to poaching, import of drugs and prostitution. The positive contribution of Chinese migrants to the Russian economy only gets a rare mention if any, although local Russians wear Chinese-made clothes, own Chinese-made TV sets and refrigerators and enjoy the odd meal in Chinese restaurants.

For Chinese migrants in Vladivostok and Primorye, radical changes to their economic or political status would not be easy. Their trade networks are organised in such a way that breaking their connections with China would put Chinese migrants' economic survival at risk. As for changing to Russian citizenship, what had always been a very complex procedure has become even more so with the new legislation recently adopted by the Russian authorities.

In fact, Chinese migrants who have lived in Russia for five or even 10 years have no choice but to retain their Chinese citizenship and to use various legal loopholes in order to stay in Russia. It is also important for them to retain their Chinese citizenship in order to protect their rights and dignity. For all these reasons, only a few Chinese migrants have applied for Russian citizenship, at least until recently.

Recent developments suggest that the number of Chinese migrants opting for Russian nationality in Primorye is bound to grow rapidly if Russian attitudes towards Chinese migrants change –in particular, if the police and government officers stop extorting money, and if nationalists put an end to their hostile campaigns. Statistics show that in the past two years, the number of Chinese migrants in Vladivostok who have been granted Russian nationality has increased to reach 1,323 in 2003.

Another important issue is the labour shortage in Vladivostok and Primorye at large, which is estimated to amount to one third of the absorption capacity of the local economy. The reality is that Vladivostok and the region are major employers of foreign migrants. However, widespread perceptions of Chinese migrants as a threat can only add to the pressure in favour of restrictions on them. This will leave the issue of labour shortages unresolved, which in turn will have inevitable detrimental effects on the local economy. An alternative approach would be to exercise restrained activism, such as stepped-up controls over entry, mobility, registration and trading by Chinese migrants, while stopping short of entry quotas or deportations.

3. International migration and national policies

Migration policy in Russia is both confused and exceedingly complex, with many cross-currents at work. Russian experts tend to focus on the growing need for foreign labour, whereas the population's fears revolve around the already mentioned rise in 'invasive' Chinese and Caucasian immigration. As for the Russian government, its successive contradictory immigration laws attract nothing but criticism.

The issue of immigration in Russia is closely linked with the population decline that took place in the 1990s, as a fall in birth rates failed to compensate for higher mortality during the troubled political transition. Since most countries around Russia (especially those along the southern border) have retained high birth rates, they are creating considerable demographic pressure on Russia's borders, particularly in the Far East region.

Against this demographic background, Russia's labour shortages represent a strong pull factor that can only add to the migration inflows from neighbouring countries. These economic and social conditions, and the increasing presence of foreigners that ensues, are creating a worrying situation. Although far from being outnumbered by immigrants, Russians feel that people with different cultures and religions are taking their place. This is particularly the case in Primorye on account of Chinese immigration.

Such perceptions often have more to do with phobia than with realities, and yet they seem to be the main driving force behind some government policies and statutory legislation. On the other hand, it is obvious that immigration flows are unlikely to slow down and that Russia's economic growth requires more and more foreign labour. Therefore, a clear and well-defined government policy is becoming a priority if immigration is to be managed in an appropriate fashion. Thus the debate over migration policies is gradually shifting away from the perception of migration as just a matter of threats and opportunities, and closer to an acknowledgment that appropriate measures to control immigration flows are urgently needed.

The continuing and mostly illegal migration of Chinese people who hardly speak any Russian and are unwilling to be assimilated into the local community, is already outnumbering Russian internal migrants to Russia's Far East. Even so, the government to this day has failed to launch any sort of scheme to promote assimilation, adjustment, or language abilities. The only step the author-

ities have taken was of a statutory nature and attracted a significant amount of criticism. Under the new statute, foreigners applying for Russian citizenship must have spent at least five years in Russia, pass a language test and have a permanent job. These requirements are tougher than those in the previous legislation (only three years' residence and no language testing). In a bid to stem multiple nationalities, the new statute also requires applicants to give up any other nationality they have held so far.

President Putin said the new statute should 'regulate immigration in the interests of the Russian citizen without at the same time shutting the door on our ethnic kin'. The ITAR-Tass news agency reported at the time the new statute was passed. According to supporters of the new naturalisation rules, the previous requirements were too lax, encouraged illegal migration and fuelled crime. However, critics claimed that the new rules would exacerbate the decline in Russia's population through an immigration standstill.

The new statute also requires immigrants from former Soviet republics to go through the same steps as those from any other countries when seeking Russian citizenship, which in practice means that they lose the privileges they had enjoyed since the 1991 collapse of the Soviet Union.

Critics of the new statute have also accused the government of shutting out ethnic Russians living in other former Soviet republics. However, government officials retorted that those Russians who wanted to migrate back to Russia had already acquired Russian citizenship.

Indeed, estimates are that some four million ethnic Russians from other ex-Soviet republics migrated back to Russia between 1994 and 2004. Nonetheless, Russia's population has shrunk by 4.3 million since the 1991 collapse of the Soviet Union and stood at 144 million by 2004. The decline has been driven by a combination of low birth rates and shorter life expectancy, which in turn are blamed on a variety of factors, including widespread poverty, rampant alcoholism and a deteriorating healthcare system.

Although the share of foreign workers in Primorye's overall workforce is still relatively small, the situation of immigrants is rather complex since many Chinese, Koreans, and Vietnamese are employed in activities quite different from those they were admitted for originally. Often former employers force immigrant workers to set up their own independent businesses and support themselves, and simultaneously to make regular financial contributions to the firm that first

gave them an opportunity to earn a living in Russia.

So far and as often happens elsewhere, foreign workers have been offered the types of employment shunned by the local population, mostly in construction (30 per cent of immigrant workers) and the bottom end of the services sector (24 per cent). Agriculture is another magnet for immigrants, particularly those from the former Soviet Union. By some estimates, up to one six Tajiks (Tajikistan's population is about six million) move if only seasonally to Russia every year[10] to gain employment, mostly in agriculture where they earn four or five times as much as they can make back home. Remittances from relatives in Russia have helped Tajik families to climb out of poverty, in a country whose economic growth rate is painfully slow.

Although Russia has hardly attracted professional immigrants until recently, the country and its international business structures most certainly need to do so at this point.

Illegal immigration is another concern for Russian authorities. The country is host to between 1.5 and five million foreigners whose legal status is dubious, and most are believed to be illegal immigrants. Illegal immigration to Russia has reached alarming proportions: over the past 10 years, between 700,000 and 1.5 million immigrants, foreign nationals and stateless individuals have entered the country illegally. Particularly worrying is the fact that Russia is becoming a transition point for illegal migration.

At the moment, Russian law on illegal migration is of a purely administrative nature. However, the government is planning to make 'illegal' immigration a criminal offence, a change of attitude that is not unrelated to the country's role as a port of call for undocumented migration to other countries.

Russia's Far East region may be too poor to attract huge numbers of migrant workers, who are better off at home in China. However, land is available in abundance, and thousands of Chinese farmers have settled in the border areas where they grow vegetables and other crops.

More importantly, business opportunities abound in the region, especially in the booming underground economy. How well connected in high places are the Chinese criminal groups is difficult to determine, but enforcing the law, and curbing corruption within the police and local government, has never been easy

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10 Official estimates put the number of Tajik immigrants at 350,000.

in this remote corner of Russia[11]. Still, those illegal activities that have to do with the hiring, firing and employment practices of foreign companies could be prevented with the help of appropriate control mechanisms.

4. Problems and opportunities

Both the Regional Government of Primorye and the Vladivostok Municipality have to face various issues resulting from increasing international migration to Vladivostok.

The distribution of economic benefits, including those accruing from corruption, is an essential factor behind the different perceptions of government officials, business elites and civil society regarding foreign migration to Primorye and Vladivostok. What happens in practice is that, whereas increasing the number of immigrants, particularly from China, is an economic imperative, government officials are also sending a receptive population more and more signals that focus public attention on the potential security threats posed by growing immigration.

If, instead, cross-border relationships became associated with the economic revival of the region through increased investment and local economic development, the material benefits that currently soften the nationalist positions of government officials would spread to the general public, inducing more benign and cooperative attitudes toward Chinese immigrants. Short of this, the interethnic equilibrium is likely to become more fragile, giving rise to more hostile acts against immigrants.

With 2.2 million Slavs in the Primorye region facing approximately 70 million Chinese in Heilongjiang province across the western border, the security dilemma may have a strong impact on Russian policy-makers (both in Vladivostok and in Moscow). Why so many people in the Russian Far East consider Chinese immigration as the 'yellow peril' regardless of the clear-cut economic benefits to the region is a mute point; however, it is clear that economic incentives can help contain any potential for ethnic confrontation. This is particularly the case in a political environment such as Vladivostok's, where the rule of law and ethical norms are weak and impose few restrictions on purely instrumental behaviour.

11 Out of 151 bribery cases filed in 2001 and 2002, only 20 made it to court, and, in the end, only one of the suspects received a prison sentence

Russian authorities try to counter illegal Chinese immigration, only to find that an inefficient sanction system and inadequate legislation stand in the way. The Chinese can cross the border into Russia without any major difficulty. There are only 87 checkpoints along the borders Far East Russia, or only half of what such a large region would need. Moreover, many basic organisational problems, such as lack of immigration application forms, equipment and experienced personnel, combine to compound the drawbacks of existing arrangements.

Another issue which Russian authorities have to deal with in connection with immigration is organised crime. This has always been a problem in Vladivostok and the Far East, but the last few years have seen a dramatic increase in the number of Chinese, Korean and Caucasian criminal groups operating in the region. Last year, an estimated 200 million US dollars was transferred from China to Primorye, mostly through the Chinese underground banking system, to be invested in gambling, hotels, restaurants, and hostess bars[12]. Large amounts have also been invested in illegal logging and fishing deals; as timber and fish are smuggled away to China, Japan and South Korea, they cost Russian tax authorities millions of rubles every year in lost revenue[13].

However, and although the Far East has the worst crime rate per head in the whole of Russia, the situation in Vladivostok has improved considerably over the past few years: smuggling, gambling, overt prostitution, kidnappings and car bombings no longer feature among the daily goings-on of the city. In addition, in 2003 the region's governor recommended that municipal authorities ensure safe living conditions for foreign workers: the guidelines included medical check-ups within five days of arrival, with regular medical checks to be held afterwards.

Turning from problems to opportunities, it seems obvious that the resources derived from cross-border economic activities offer new perspectives for the economic links between Vladivostok and China, which in turn could generate taxes and other revenue for local and federal budgets.

To begin with, commerce and trade generate taxes, fees, charges and other payments for the benefit of local and federal budgets. Businesses and traders generate taxable incomes and corporate profits; customs duties; visa or entry permit fees; bus, train, or boat fares and freight charges; property tax and oth-

12 According to the Chinese police, China's underground banking system handles more money transfers than the official banking system, including two-way flows with the Russian Far East.
13 1.00 ruble = 0.036 US dollar.

er fees for the use of public space; value-added and sales taxes; environmental tax and fees; sanitary license fees; and other payments prescribed under law. Since federal government funding is routinely delayed, the economic benefits deriving from the Chinese community (whose members typically deal and make payments in cash) are essential for Vladivostok's municipal budget. Officials could find inspiration in Ussuriysk, a town located only some 80 kilometres north of Vladivostok: the Chinese trade centre there has become one of the three major contributors to the city budget, along with a sugar refinery and an herb vodka distillery. The town's experience shows how local authorities stand to derive significant economic benefits from cross-border migration. Moreover, cross-border travel and trade offer local businesses and individuals more opportunities to make money and create jobs, in the process enhancing interdependence with Chinese counterparts and decreasing job competition.

Finally, with more resources available, local authorities have greater opportunities to maintain infrastructure and services for both local residents and immigrants, reducing any potential source of friction. A well-managed fiscal/economic relationship with immigrant communities holds further benefits for local authorities: since local government uses local resources for stop-gap measures (such as armed forces' pay) when federal government monies fail to arrive on time, tax and other revenues (from Chinese and other immigrant traders and businesses) help to assert local government power over State bodies such as the police and the military. Clearly, revenues from cross-border trade in Vladivostok enhance the local tax base, provide resources to the city, and give political and economic elites opportunities to use public office in order to cash in on some of this revenue. Therefore, in view of the economic hardship in present-day Russia and for that matter in Vladivostok, both the public and the elites benefit, or stand to benefit, from cross-border exchanges with China.

On the other hand, it should also be stressed that resources from Chinese cross-border activities give government officials incentives to benefit personally as they embezzle a portion of these funds, or by manipulating rule-making institutions to help them appropriate public revenues as a matter of legal 'exceptions'. Opportunities for corruption also accrue to border guards, customs and immigration officials, police officers on Chinese market 'beats', and officials overseeing licensing, taxation, regulations and permits.

The attitudes of Vladivostok residents towards Chinese migrants are, in general,

rather hostile. Of respondents to a recent survey[14], close to half feared that Russia would lose some territory due a 'peaceful infiltration' by Chinese nationals – i.e., through a massive inflow of immigrants in the region for the purposes of work, trade, tourism, marriage, etc. – with fewer than five per cent showing a positive attitude towards the Chinese. Individual attitudes depend largely on perceptions of the scale of Chinese immigration and of the relationship between political security and economic benefits.

For local decision-makers, a rational solution to this dilemma would require a strategic balancing act. They would acknowledge the Russian population's concerns over the economic and security implications of Chinese immigration and border disputes; at the same time, they would seek to nip in the bud any factors of ethnic friction or confrontation, and accept the presence of Chinese traders, investors, and businesses in the city and the region.

The other problem for Russian local and federal authorities to solve is the labour shortage hobbling economic growth. The country needs to attract more Chinese, Korean, and Vietnamese labour. If it is to succeed, Russia must lay out a comprehensive framework, complete with proper schemes for social integration, adequate laws and regulations and effective protection of foreign workers' rights.

Beyond business networks and Russia's labour shortages, there is a broader dimension to immigration in the Primorye region and its capital, Vladivostok. Complex as the patterns may be, migration flows into these areas originate mainly from China, as mentioned above. Most Chinese immigrants belong to a well-established trading organisation whose members have no intention to join the mainstream (host) community. Some in Russian society often see current Chinese immigration as part of a 'soft' strategy aimed at expanding Chinese economic influence in the area, and one that could cause dramatic changes in both the growth of immigration and the type of activities undertaken by Chinese communities in Russia.

It will certainly be interesting to watch how events unfold in Vladivostok. There is little doubt that Russia's Far East, and Vladivostok in particular, benefit from a favourable geographic location as a major gateway between the Pacific Rim and Europe. In such circumstances, a diversity of cultures can only add to the resources which the area already has in such abundance.

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BAZHANOVA, E. *The Far Eastern Border Regions: The Present Migration Problems and Ways of Their Solution*.

MOTRICH, E. *Chinese in the Russian Far East: Problems and Perspectives*.

PONKRATOVA, L. *Features of Dynamics and Structure of International Migration in the Far Eastern Frontier Regions*.

PROSVIRNOV, S. *Dynamics of Migration of the Amur Region Population*.

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