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Traces is an on-line news digest service (<http://www.transcomm.ox.ac.uk>) provided by the Transnational Communities Programme for researchers and other interested parties. A new issue will be produced every quarter, and past issues will be kept available. The aim of Traces is to make sense of the human dimensions of globalization by monitoring new stories from around the world and presenting them in summary form. These stories are selected for their relevance to the aims and interests of the Transnational Communities Programme. Today's news stories are, in a sense, tomorrow's research questions.

Every effort is made to cross-check the accuracy of factual information and to provide an unbiased account of often controversial issues. The sources used are referenced at the end of each entry and readers may also judge the value of the accounts themselves.

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The Fate of Elian González Galvanises Cuban Exile Groups

The tale of the Cuban youngster Elian González dominated news in the USA and Cuba throughout the first months of 2000. Saved from drowning while trying to enter the USA illegally, the child became the focus of bitter conflicts between Miami's Cuban exiles, the Cuban government and the US federal government. Some journalists claimed that it also revealed the extent to which Miami-Dade County has 'virtually seceded' from the United States. Hundreds of other parents and children are also separated by the Straits of Florida.

Elian González was rescued from the water on November 25 (Thanksgiving Day) after the boat carrying him capsized. Eleven people drowned, including his mother, and two others survived. Like many others trying to leave the island clandestinely, the party had embarked secretly and attempted the crossing in an inadequate vessel, which broke apart after the engine failed. Since 1994 US policy has been to turn back refugees found in the open water. But some Cuban-American organisations, notably Brothers to the Rescue, patrol the sea hoping to guide vessels to safety. The Immigration and Naturalization Service ordered that, in keeping with their usual practice, González should be placed in the custody of his nearest relative, his father Juan González in Cuba. The attorney general, Janet Reno confirmed

the decision. But Elian had been placed in the safe-keeping of his relatives living in Miami. Led by one of his great uncles, Lazaro 'Larry' González, the relatives determined to keep him in the United States. So began a long campaign between the family and the US authorities over the fate of the boy.

On both sides of the Straits of Florida Elian's cause rapidly became a public matter. Since the death of Jorge Mas Canosa, head of the Cuban-American National Foundation, the Cuban exile community has lacked a single leader and has often been divided. The decision by the Clinton administration to re-open flights to Cuba and allow greater social and cultural links has been welcomed by some but opposed by others. While hard-line exile groups came out openly to keep Elian in Miami, moderates were more guarded. The Cuban Committee for Democracy for one, argued that he should be reunited with his father, who remained in Cuba.

Some of those campaigning to keep Elian in Miami stressed the religious significance of his coming, and that his rescue from the waves was a miracle reminiscent of the story of the infant Moses being found in the rushes. It was implied that he possessed spiritual qualities and several commentators observed an atmosphere of profound spiritual sentiment surrounding the child. There were claimed sightings of the Virgin Mary in the window of a local bank and on the mirror in Elian's bedroom. A mural on the house opposite to where he was staying showed the boy lost at sea protected by porpoises, with the Virgin Mary looking over him. Hundreds of toys and gifts were left outside the house in Little Havana.

As events unfolded in the courts, so growing numbers took to the streets in both Miami and Cuba. The family succeeded in having the INS decision referred to federal courts, enabling Elian to remain in the USA beyond the initial January 14th deadline. At first the protests in Miami and Havana numbered hundreds of people, but throughout January they swelled to tens of thousands. Crowds of 150,000 took to the streets of Miami in support of the boy remaining in the USA on January 22nd. The house where the boy was staying was almost permanently surrounded by crowds of well-wishers and photographers. The President of the Democracy Movement, a Cuban exile organisation, declared that they would block the streets and the airport to prevent him being taken out of the city.

Events in Cuba

In Cuba, President Castro's government orchestrated a vocal campaign to return González. The official newspapers carried strong accusations against the US authorities, Cuban exile groups and Elian's Miami relatives. Anti-American demonstrations took place daily in Havana Castro later called for people to surround US diplomatic offices in Cuba, and even mooted the possibility of an armed rescue mission. Demonstrations were organised in Havana in late January at the same time as those in Miami. A crowd of 100,000 women were addressed by Elian's two grandmothers (who later flew to the USA to see him briefly). The next day 150,000 gathered to listen to famous TV personalities and pop singers. A letter signed by 150 artists, poets, musicians and film-makers was sent to President Clinton asking for Elian's return. President

Fidel Castro visited Juan González at his home in Cardenas and his classmates were involved in the political game.

Crowds of 150,000 took to the streets of Miami

Local politicians also became involved. As tensions rose, the mayor of Miami-Dade County, Alex Penelas, declared that municipal resources would not be made available to assist federal authorities in taking González out of the city. The mayor of Miami city, Joe Carollo, also supported his policy of non-co-operation. Altogether, 20 elected officials in Miami stated that they would not co-operate with federal officers. The declaration was made in front of the federal court house. Rick Bragg, writing in the *New York Times*, likened the move to a 'virtual secession' of Miami-Dade County. He compared the situation to the stance taken by southern segregationist politicians against the federal government during the 1960s civil rights era. Mayor Penelas had publicly renounced US federal policy, while saying that he would hold Janet Reno personally responsible for any bloodshed. He accused Washington of being 'provocative' and making 'unjustified threats'. Over a third of the county's residents are Cuban-American. Popular opinion among the community is mainly opposed to the federal government. The affair has galvanised the community to new levels of mobilisation and protest. But in the country at large polls suggest that the majority think the boy should be returned to his father in Cuba.

Given the importance of Florida to the presidential elections and, within the

state, the significance of the Cuban-American vote, it was no surprise that presidential hopefuls also joined in the affair. George W. Bush, the leading Republican candidate, supported the idea of making Elian González a US citizen. (The governor of Florida is his brother, Jeb Bush.) The idea was hatched by Florida's Republican Senator, Connie Mack, but publicly opposed by Attorney General Reno. Very few people have ever been made a citizen this way. Winston Churchill was one. For his part, Democratic candidate Vice President Al Gore distanced himself from the Attorney General. Legislators from both major parties visited the house in Miami with gifts. Even Disney Corporation joined in by offering the child a free trip to Disney World.

In March a federal judge in Miami ruled that the US Attorney General, Janet Reno, did have the legal authority to decide his fate. The first judge scheduled to decide on the issue had to withdraw from the case because of his links with the Cuban-American National Foundation. Lazaro González, announced that he would no longer co-operate with the INS and the attorney general. After the ruling INS officials sought written assurance from his relatives that he would be handed over if their appeal failed. The family said it would refuse to do so, and would only hand Elian over to his father in Miami. The appeal could be heard in Atlanta in May.

Divided families

The case drew attention to the fact that hundreds of families remain divided between Cuba and the USA. As many as 1700 people have valid visas to see relatives in the USA but have been prevented from travelling by the Cuban authorities, who have refused exit

visas. Many families have been separated for several years. In some cases, there are political reasons for blocking family reunion. Others cannot afford the \$1000 dollars required for the necessary medical exam and administration costs imposed by the Cuban government. In other cases a non-custodial parent has not given permission for a child to depart the country. Finally, bureaucracy causes long delays. A group calling itself the New Generation Cuba has been formed in the USA to support cases of family reunion. At the same time, US regulations allow only one visit by US Cubans to the island a year, making it difficult to maintain family ties. Apart from Cuba, there are many unresolved cases of child custody across borders. According to Colombian author Gabriel García Márquez (who wrote an essay about Elian), there are more than 10,000 American children across the world who have been removed from the USA by one parent without the other's permission.

In the midst of the affair came the accusation that a senior office of the INS had been spying for Cuba. Mariano Faget, born in Cuba, was charged with giving information about Cuban defectors and double agents to Havana. It is believed that many defectors are in fact undercover spies trying to infiltrate exile organisations in Miami. In one case, a defector who joined and flew for Brothers to the Rescue returned to Cuba just days before one of the group's planes was shot down by Cuban fighters. The US also ordered an unnamed Cuban diplomat from the Washington embassy to leave the country. Havana denied that he was a spy and refused to recall him, despite warnings from the Attorney General. President Castro organised mass protests of over

200,000 in the Cuban capital over the affair.

Thousands call for boy's return to Cuba, Scotland on Sunday 9.1.00; In 2 Countries, 6-Year-Old Cuban Is Political Symbol, Lizette Alvarez New York Times 9.1.00; Cuban exiles thank God for Elian, Julian Borger The Guardian 13.1.00; Elian is trophy disputed between Miami Cubans and Havana, Agence France Presse International 15.1.00; Legislators seek US citizenship for Cuban boy, Agence France Presse International 16.1.00; Cubans rally for Elian's return, Agence France Presse International 16.1.00; Helping Cuban Families Is in America's Interest, Bernard W. Aronson and William D. Rogers New York Times 22.1.00; Cuban American group offers to fly grandmothers to Miami, Agence France Presse International 23.1.00; Cuban Official Denounces Political Swell in Miami, David Gonzalez New York Times 23.1.00; Bush backs plan to make Cuban boy a US citizen, Martin Kettle The Guardian 25.1.00; Boy at heart of a bitter Cuba political struggle, Financial Times 28.1.00; Meeting between Elian's relatives, government cancelled, Agence France Presse International 9.2.00; At Edges of Elian's Spotlight Are Other Divided Families, David Gonzalez New York Times 14.2.00; Discovery of Cuban 'moles' embarrasses the US during the Elian Gonzalez custody battle, Pascal Fletcher Financial Times 22.2.00; Cubans march in protest at US spying charges, Financial Times 23.2.00; Albright joins in warnings to Cuba over suspect diplomat, Agence France Presse International 24.2.00; US judge weighs fate of Cuban boy Elian González, Agence France Presse International 9.3.00; Cuban boy a step closer to going home to father, Martin Kettle 22.3.00; Torn in the USA, Gabriel García Márquez The Guardian 25.3.00; INS to give Elian's relatives one more chance to sign agreement, Netscape 28.3.00; Miami in revolt over pledge to send Elian home to Cuba, Julian Borger The Guardian 31.3.00; Stand Over Cuban Highlights A Virtual Secession of Miami, Rick Bragg New York Times 1.4.00; All Seems Calm, for Now, In Battle Over Cuban Boy, Rick Bragg New York Times 2.4.00.

'Defection' of Karmapa Lama Sours Relations Between India and China

The flight of a high ranking Buddhist lama from his monastery in Tibet to India gave new hope to Tibetan exiles, reinforced divisions within Tibetan Buddhism and caused a diplomatic problem for both India and China.

The fourteen-year-old boy lama, together with three monks, crossed the Himalayas during winter, evading Chinese border guards before entering northern India via Nepal. His secret flight covered 900 miles. It took almost a week before the party arrived at Dharamsala to present themselves to the Dalai Lama. After alerting the Indian authorities, the Karmapa Lama went into hiding. Tibetan exiles greeted the news with joy. Many hailed him as the future leader of the 100,000 exiled Tibetans to succeed the Dalai Lama.

Urgyen Trinley Dorje is recognised as the 17th Karmapa Lama, leader of the Karma Kagyu order of Buddhism. There are around 150 Living Buddhas in Tibetan Buddhism, each one a reincarnation of their predecessor. The Karmapa is recognised as the third ranked Living Buddha and the highest lama recognised both by China and Tibetan exiles. This position gives his flight enormous significance, both to Tibetans community and to the Chinese government. The Karmapa is one of the longest-standing reincarnations – older than the Dalai Lama (now in his 14th reincarnation) - originating in the 13th century. After the Dalai Lama, the second ranked spiritual leader is the Panchen Lama.

After the 10th Panchen Lama died suspiciously in 1989, China and the Dalai Lama identified rival children as his reincarnation. One child is in Chinese custody, but is not recognised by all Tibetans abroad. The Dalai Lama himself has been condemned by China. Therefore, the Karmapa Lama remained as the most likely candidate to reconcile China and Tibetan exiles, until his departure.

A rival to the Dalai Lama?

Urgyen Trinley's predecessor, the 16th Karmapa fled to Sikkim from Tibet in 1959 to evade Chinese rule, dying in 1985. Urgyen Trinley Dorje was born four years later to a nomadic family in eastern Tibet. The Dalai Lama recognised him in 1992, after which he was enthroned in the Tsurphu Monastery. The Chinese authorities had believed that the Karmapa could be cultivated as an eventual rival Buddhist leader to the Dalai Lama. The official press had poured praise on the young boy surrounding his meeting with senior Communist party leaders in Beijing in 1999. He had been coached in Communism in the capital. He was nonetheless kept under constant surveillance in the monastery, and among the monks there were several informers.

Urgyen Trinley had been denied leave by China to travel to India and learn from his chosen guru, Tai Situ Rinpoche, exiled in Sikkim. His status as the spiritual leader of the order was thereby jeopardised – each previous Karmapa has received the teachings of his lineage by oral transmission, dating back over 800 years. There exists a painting of a prophecy made by a 19th century Kagyu monk which suggests that the 17th Karmapa would learn in Sikkim, not Tibet. This may have

encouraged the boy to make the perilous journey.

The Kagyu order has adherents throughout the world, and is one of four schools of Tibetan Buddhism. But it is divided between one group recognising Urgyen Trinley Dorje, and a rival group supporting another child smuggled out of Tibet to Germany. Thaye Dorje lives in a monastery in France. The rival Karmapa is championed by the nephew of the 16th reincarnation, Shamar Rinpoche, who has also filed claims to the Kagyu monastery at Rumtek, the school's traditional centre. The two factions fell out over the identification of the 17th Karmapa. Two of the four regents appointed to locate the next Karmapa, Tai Situ Rinpoche and Gyaltshab Rinpoche, recognised Urgyen Trinley Dorje. Shamar, also a regent, disagreed and located a different child. A third candidate for the Karmapa title also emerged, a 22-year-old born in Sikkim chosen by the fourth regent, the late Jamyang Kongtrul Rinpoche.

Urgyen Trinley's arrival threatens to upset Shamar's claims to have identified the true Karmapa and his plan to recover the Rumtek monastery. He will be able to perform a traditional crowning ceremony at the monastery, donning the Black Crown – a gift from a Ming emperor to the fifth Karmapa. The situation is further complicated because Sikkim, where the Rumtek monastery is located, is disputed territory between India and China.

India wary of China

The Indian government remained guarded about the young boy's future, anxious not to upset China. He was asked to keep silent and not to divulge details of his journey. Both China and India are aware that the Dalai Lama is

65 years old and not always in good health. China hoped that his imminent death would allow them to deal directly with the Karmapa, as the spiritual leader of Tibet during the infancy of the next Dalai Lama reincarnation. Alternatively, they hoped that rival leaders would leave Tibetan Buddhism divided and weakened. China is keen to keep open the possibility of a rapprochement with the Karmapa. The official position is that the Karmapa has not fled, but has simply left the country to fetch some ceremonial musical instruments. Meanwhile, it is rumoured that they have already set up a commission to search for the next reincarnation of the Dalai Lama. It will involve the infant Panchen Lama reincarnation recognised by China but not by the Dalai Lama.

*India is home to some 100,000
Tibetans*

A delegation from the Rumtek monastery petitioned India's Prime Minister, A.B. Vajpayee, to allow the boy to take up residence in Sikkim. The Dalai Lama also asked that he should be given asylum. But, wary of China's reaction, the government had made no public decision on the boy's status by the end of March.

The Karmapa eventually appeared in public. During a ceremony marking the sixtieth anniversary of the Dalai Lama's enthronement, the Karmapa Lama stated that Tibetan culture faced extinction. The ceremony also featured an anti-Chinese poem written by the Karmapa during his flight and set to music. The boy publicly thanked and praised the Dalai Lama, and later expressed his desire to stay in India

and assume his position at the Sikkim monastery.

India is home to some 100,000 Tibetans. The Dalai Lama claims that a further 20,000 Tibetan refugees are in Nepal, although there are no official numbers. Thousands cross the border from Tibet illegally every year, stated the Dalai Lama's spokesman. The Dalai Lama planned to visit Japan and South Korea in April, but both governments were wary of granting him the necessary visa and so offending China.

Buddhist leader flees Tibet to join Dalai Lama, Mary Finnegan *The Guardian* 7.1.00; The boy who outwitted a superpower, John Gittings *The Guardian* 8.1.00; Buddhist leader sent into hiding, Mary Finnegan *The Guardian* 10.1.00; Escape of boy Lama from China spotlights rift in Tibetan Buddhism, Agence France Presse International 13.1.00; China cracks down on monastery of escaped Karmapa Lama, Agence France Presse International 15.1.00; Tibetans denounce China's ordainment of two-year-old 'Living Buddha', Agence France Presse International 17.1.00; South Korea to oppose Dalai Lama visit, Agence France Presse International 21.1.00; Beijing in waiting game with Dalai Lama for control of Tibetan Buddhism, Agence France Presse International 17.2.00; Tibetan culture faces great threat of extinction: Karmapa, Agence France Presse International 19.2.00; Tokyo governor insist he will meet Dalai Lama, Agence France Presse International 23.2.00; Emissary of Karmapa Lama rival arrives in Indian capital, Agence France Presse International 25.2.00; Karmapa said to be keen to move to Sikkim monastery, BBC Monitoring Service 28.2.00; Dalai Lama's representative says Tibetans in Nepal number 20,000, BBC Monitoring Service 12.3.00; Flight of the Lama, Isabel Hilton *New York Times* 12.3.00

Indian-Americans Convert High-Tech Fortunes into Political Influence

A new generation of wealthy Indian-Americans is using its

capital and influence both in Washington DC and in India. Clinton was lobbied on the eve of his historic trip to India on Kashmir and other issues. Networks of investment and philanthropy are bringing Silicon Valley and India's Institutes of Technology ever closer together. Germany and Britain are also waking up to the need to attract Indian IT and software professionals.

Since the late 1960s, 25,000 or so top graduates from India have emigrated to the USA. Many engineers, managers and other professionals found work in the IT and computer industry. Indian-Americans now run more than 750 companies in Silicon Valley alone, according to an analysis by Professor AnnaLee Saxenian for Dun & Bradstreet. These firms produce sales of over \$3.5 billion and employ over 16,000 people. According to the *Washington Times*, Indian-Americans account for 40 per cent of high-tech workers in Silicon Valley, earning \$60 billion a year. Of the 1.4 million Indian-origin people in the USA, 400,000 are estimated to be in high-tech employment, including 250,000 in the San Francisco/Silicon Valley region. Another 70,000 live and work in Washington-Virginia's high-tech corridor.

As a measure of their success, two Indian-American software companies announced their merger in March, making the world's the largest software deal. I2 Technologies from Dallas, founded by Sanjiv Sidhu, merged with Aspect Development in the Silicon Valley, headed by Romesh Wadhvani. The deal is worth \$9.3 billion.

Having made their fortunes many Indian-Americans are in a position to assist their homeland. There are signs of a 'reverse brain drain'. But rather than return to live, they are going back to invest in businesses and good causes, adding to a 'brains trust'.

IndUs entrepreneurs

For example, a group of 200 top investors, known as the IndUs Entrepreneurs, are participating with the Indian government to raise a billion dollars for the country's six Institutes of Technology. These are regarded as the hothouses of the next generation of Indian entrepreneurs and engineers, who show every sign of continuing the trend of migrating. In 1999, a third of the 115,000 visas issued by the USA to skilled workers went to India. But some are staying to form their own companies, with the help of foreign venture capital.

Indian-Americans run more than 750 companies in Silicon Valley

The *New York Times* identified a number of the most prominent investors in their homeland. A leading member of IndUs Entrepreneurs is Kanwal S. Rekhi, who made \$300 million as an entrepreneur, executive and private investor in Silicon Valley, and then retired five years ago. He has funded the new Kanwal Rekhi School of Information Technology now under construction, Bombay Institute of Technology. Desh Deshpand owns a telecommunications company, Sycamore Networks. His net worth is put at between \$4 billion and \$6 billion. He and his wife plan to give \$100 million over 20 years to their alma mater, the Indian Institute of

Technology in Madras. Pradeep Singh left Microsoft in the mid-1990s to start his own company, Aditi, which provides customer service via e-mail from India for corporations abroad. He now has two companies, divides his year between Bangalore and Seattle, and employs 600 people -- 350 of them in India. Rakesh Mathur, a graduate of the Bombay technology institute, co-founded Junglee.com, one of the early comparison-shopping engine on the Web. Amazon.com bought it and Mr. Mathur became \$90 million richer. He has homes in Mountain View, Calif., Seattle and Pune in India. He has given \$1 million to Bombay and started a new company, Purpleyogi.com, with offices in Bangalore and Mountain View.

Meeting in the White House

These and other members of the Indian-American elite are beginning to exercise influence in Washington DC. This was made clear by a meeting in February at the White House, between President Clinton and 33 prominent Indian-Americans. The group included entrepreneurs, community activists and supporters of the BJP in New Delhi. The meeting was arranged in advance of the President's first visit to India. The group advised Clinton not to visit Pakistan (although he did), accusing them of fomenting trouble in Kashmir. But they also discussed high technology and trade links between the two countries. Kanwal Rekhi was there, arguing for the US develop stronger links with India rather than China. Narpat Bhandari was also there from Silicon Valley. (Also among those who attended the meeting according to *Express.India* were Achamma Chandrasekhar, Ramesh Kapur, Babubhai Patel, Rajen Anand, Subhas Razdan, Sudhir Parekh and Gopal Vashisht.)

The group also discussed the matter of visas for Indians to enter the USA. When Clinton journeyed to India he met representatives of India's IT sector in Hyderabad. They pressed Clinton to speed up the granting of E1 visas to Indians. These visas are already available in China and the Philippines. In addition, they lobbied for an increased quota of H1B visas for Indians to 195,000 a year. They also want a totalisation agreement which would allow Indians and Americans working in both countries to avoid paying taxes twice.

Another celebrated visitor was Rupert Murdoch. He travelled to Bangalore in March to start a joint venture capital fund with a local company. To be called eVentures, the fund will invest in e-commerce and the internet in India, the UK, Australia and New Zealand. Murdoch was foiled in his takeover bid for Cable & Wireless Hong Kong. He intends to renew his connections with the Indian government, which were strained following a court case against his Star TV channel over remarks it made about Mahatma Gandhi.

The connections between Bangalore and Silicon Valley assist Indian exporters, who have acquired credibility in the software industry because of the visible success of Indians in the USA. The software sector employs 280,000 people in India, and it specialises in computer codes for US businesses. Exports grew at over 50 percent a year in the 1990s and were projected to rise 61 per cent in 2000/1. Nasscom, the National Association of Software and Services Companies, announced that venture capital inflows into India's software sector doubled in 1999. It projected investments of over ten billion dollars by 2008.

Germany and UK look to India

Other countries have begun to recognise the potential value of India's graduate professionals. Germany announced plans a new work permit and visa system to recruit 20,000 to 30,000 skilled computer specialists, relaxing the country's strict immigration controls. The work permits will be limited to five years. The scheme is expected to face opposition from trades unions, the Christian Democrats and the Free Democrats. The federal government has identified a labour shortage of 75,000 skilled workers in the high-tech sector. It has identified Hyderabad and Bangalore as suitable places for recruitment, along with Eastern Europe.

Following suit, the British government also announced a relaxation of restrictions against companies hiring foreigners. Chancellor Gordon Brown linked the move with the need to catch up with the US in e-commerce. Firms complained that recruiting staff from India was difficult and costly under existing rules. The National Computer Centre estimates that there are 100,000 vacancies in the IT sector. As many as 80,000 work permits were issued in the past five years, up 60%, but even this is not meeting demand. Britain's universities are unable to supply enough qualified workers.

Investment in India's software sector doubles, Financial Times 7.2.00; Indian Americans voice Kashmir concerns in White House, Chidanand Rajghatta EXPRESSindia.com 25.2.00; Return Passage to India: Emigres Pay Back, Celia W. Dugger New York Times 29.2.00; Murdoch odyssey to India's Silicon City, Kaveree Bamzai Financial Express 8.3.00; Germany woos computer specialists from abroad, Tony Paterson and Jamie Wilson The Guardian 11.3.00; Two Indian American firms in largest ever software deal, Chidanand Rajghatta, EXPRESSindia.com 13.3.00;

Silicon Valley Saga Series IT industry will be talking E1 and H1B visas with Clinton team, Express News Service 16.3.00; Help for the frontier-free industry, Anne Hyland The Guardian 22.3.00; Germany – Full up? The Economist 25.3.00

Croatia: New Government Alters Position of Diaspora

The parliamentary elections in January and the presidential elections the following month resulted in a loss of power by the Croatian Democratic Union (HDZ), the party with strong connections to Croats outside the country. The new centre-left government indicated that it would discontinue late President Tudjman's plans for a Greater Croatia embracing compatriots in Bosnia-Herzegovina.

Against internal and external opposition, the ruling Croatian Democratic Union (HDZ) went ahead with the enfranchisement of around 350,000 voters in the Croatian diaspora (*Traces* #8). Mainly living in Bosnia-Herzegovina, such electors have in the past strongly supported HDZ. In 1995 all 12 seats in the diaspora went to HDZ, just under a tenth of the seats in the assembly. The West regarded the deal as contravening the Dayton peace accord. Serbs living in Croatia were not enfranchised to the corresponding degree, complained the opposition.

The centre-left opposition won January's parliamentary elections, making Ivica Racan the new Prime Minister. The Croatian Democratic Union, founded by the late President Franjo Tudjman, was defeated for the first time since independence in 1991. The opposition coalition, including former Communists and Social Liberals, won 9 of the country's 11 multi-member constituencies. It holds

71 of 151 seats in the assembly (Sabor), and HDZ holds 46.

On top of 10 constituencies in Croatia proper, one constituency is for diaspora voters and five seats are reserved for Croatia's ethnic minorities. The diaspora electoral unit has 360,110 voters, of whom 127,000 turned out. Of these, 107,847 voted for the HDZ list. Almost all the diaspora voters lived in Bosnia, 110,356, where there were 29 polling stations. They too backed HDZ very strongly. There were reports that turnout in the USA and Canada was much higher than expected. There were polling stations in embassies in Washington DC and Ottawa, as well as consulates in Chicago, Cleveland, Los Angeles, New York and Mississauga (Toronto). There were also 23 polling stations in Germany, 21 in Australia and 10 in Austria.

New Prime Minister Racan signalled his desire to achieve better relations with the European Union and to tone down the nationalism of the former government. He also promised to co-operate with the UN war crimes tribunal in the Hague. The new government also stated that it would restore the national minority status of Slovenes in Croatia's constitution.

The change of government may mean that many of the Croatian Serbs exiled after the war in 1995 might consider returning. Estimates of the number of refugees vary from 100,000 to 450,000. One obstacle to the return of Serbs is that many of their houses are now occupied by Croatian refugees, particularly in eastern Slovenia and Krajina.

President Mesic

The surprise winner of the Presidential elections in February was Stipe Mesic, once an ally of Tudjman's in the HDZ. He left the party in 1994, objecting to Tudjman's aim to create a Croatian enclave in Bosnia-Herzegovina, part of a Greater Croatia. The HDZ candidate, Mate Granic, was beaten into third place and did not make the runoff between Mesic and Drazen Budisa. After his defeat, Granic and some of his supporters left the HDZ to form a new centrist party.

Mesic declared that Bosnian Croats should 'turn to Sarajevo' – i.e. regard themselves as citizens of Bosnia-Herzegovina - and not expect to be joined with Croatia or supported in trying to form a separate Croatian Republic. He was strongly denounced by Bosnian Croat politicians. Mesic also said on television that he was willing to testify against Serbian President Slobodan Milosevic in the UN war crimes tribunal. He also declared his intention that Croatia should join NATO and the EU.

Mesic's first trip abroad was to see Bosnia-Herzegovina's President Alija Izetbegovic. They discussed the possibility of joint diplomatic representation abroad. Bosnia would represent Croatia in the Near East, and Croatia would reciprocate in South America. They also discussed the return of refugees.

Croatians in Bosnia and across the world first to vote, Agence France Presse International 2.1.00; Turnout of Croats at polls in North America 'beyond expectations', BBC Monitoring Service 3.1.00; Pro-Western Opposition Defeats Croatia's Ruling Nationalists, Steven Erlanger New York Times 5.1.00; Landslide victory for Croat opposition, The Guardian 5.1.00; Croatian ruling party should get five or six seats from voters in Bosnia – HINA, BBC Monitoring Service

7.1.00; New President Mesic set to open Croatia up to Europe, Agence France Presse International 8.2.00; Bosnian Croats hope Mesic will help them, Agence France Presse International 8.2.00; New Croat leader asks Serbs to return, The Independent 11.2.00; Stipe Mesic, Tudjman's nemesis takes his place, Agence France Presse 18.2.00; Main Bosnian Croat party condemns switching off of TV channel, BBC Monitoring Service 18.2.00; Croatian Serb party official calls on government to change policy towards Serbs, BBC Monitoring Service 24.2.00; Croatian ruling parties to demand recognition of Slovenes a national minority, BBC Monitoring Service 25.2.00; Bosnian Croat opposition party assails Croatian president's Bosnian policy, BBC Monitoring Service 25.2.00; Return of refugees 'hardest issue' of Croatian President's visit to Bosnia, BBC Monitoring Service 23.3.00; Bosnian President sees 'new spirit of understanding' in relations with Croatia, BBC Monitoring Service 24.3.00

The Irish Diaspora, a Needed But Neglected Resource?

There are signs that the return of Irish emigrants has peaked, yet the country's booming economy still needs their labour. Could the Irish government do more to involve the diaspora in public affairs?

Of the estimated 3 million Irish citizens living abroad, 1.2 million were actually born in Ireland. Two-thirds are in Britain, 500,000 in USA, 250,000 in Australia, 75,000 in Canada, 40,000 in New Zealand, and 35,000 in South Africa. A further 40,000 are in other EU countries than Britain. It has been estimated that there are 70 million people abroad with Irish ancestry.

The amended Article 2 of the Republic's Constitution, changed as a result of the Belfast Agreement, states that "the Irish nation cherishes its

special affinity with people of Irish ancestry living abroad who share its cultural identity and heritage". This represents a new deterritorialised definition of Irishness. Presidents Robinson and McAleese have both suggested that the diaspora has a role to play in the peace process: half of Irish abroad are Protestant. But, according to the opinion of Paul Gillespie writing in *The Irish Times*, the diaspora has little or no official recognition in government, especially when compared with Greece or other countries. Churches and voluntary groups make some contacts, and there are also business networks such as the Ireland Fund. The Department of Foreign Affairs spends some money on informing overseas Irish how to return. But otherwise there is no formal structure for participating in public affairs. There is no provision for participating in elections, and suggestions by three Senators to introduce representation were blocked. This state of affairs compares poorly with the status accorded to diaspora nationals in many other European countries.

Despite the return of Irish from abroad, Ireland's booming economy is short of labour. Some 65,000 people, mostly expatriate professionals, have joined the labour market in the past four years. But there are signs that the numbers coming back have peaked. There was a net gain of 22,800 in the year to April 1998, but only 18,500 in the year to April 1999. Of the 47,500 immigrants in that year, just over half were returnees (25,900).

It has been estimated that there are 70 million people abroad with Irish ancestry

Unemployment rates are about half the EU average. As a result, Ireland is developing a demand for immigrant workers, particularly in low-paid and low-skilled jobs. But there is also a demand for skilled professionals. The Irish government estimates it needs to find 200,000 more skilled workers over the next seven years. A campaign has been launched to attract another 10,000 Irish expatriates and EU nationals to work in tele-services, electronics, software and financial industries. There are plans to take the recruitment drive to the USA. In March the Taoiseach helped launch a new e-business company aimed at the Irish community in the USA. Called www.Ireland-USA.com, it features news, information and recruitment details to attract returnees.

A survey by Yankelovich Partners for Local Ireland, an Irish diaspora website, found that almost two-thirds of Irish online users would interact with Ireland on the internet. This compared with 22 percent of the general population who said that they would connect with their ancestral homeland. Half of the Irish-American visitors to Local Ireland go to their genealogy section, where they can get advice on tracing their roots. And 42 percent of their visitors also travel to Ireland at least once a year. The Tourist Board estimates that there will be one million trips from USA to Ireland in 2000.

Around 10,000 Irish leave Britain to return every year. Despite this, St Patrick's Day festivities in 2000 attracted record crowds in Birmingham and Manchester. Michael Ford, from the Irish World Heritage Centre in Manchester was quoted in *The Independent*, saying that Irish people feel more confident about public

displays of their identity now that the peace process has advanced.

Situations vacant – but how will they be filled? Irish Times 17.1.00; Diaspora a resource to the Celtic Tiger, Paul Gillespie The Irish Times 22.1.00; Ireland's labour shortage points to need for immigration, John Murray Brown Financial Times 10.2.00; St Patrick's Day survey reveals Irish-Americans are more likely than other ethnic groups to use the Internet to connect to the land of their ancestors, PR Newswire 16.3.00; Ireland's Diaspora go back home to join in the boom, The Independent 17.3.00; Drury starts website to attract Irish-Americans, Sunday Business Post 19.3.00

US Announces New Legislation Against Money Laundering

Recent estimates of the scale of offshore banking suggest that \$8 billion passes through such jurisdictions every year. The US and European governments are increasingly alarmed that the uneven regulation of this circulation makes it too easy for the profits of criminal activity to be concealed or laundered. Investigators in the Bank of New York scandal follow the trail to Moscow.

In March the Clinton administration announced new measures against money laundering. The Treasury Department's package of regulations and legislation includes provision for identifying high-risk metropolitan areas – New York, Los Angeles and San Juan in Puerto Rico. The Department will request powers to block suspect transactions between US banks and offshore financial centres. Lawyers and accountants engaged in handling large sums could find themselves subject to closer scrutiny. Alternative draft legislation from the

House and Senate Banking Committee would go further however, and introduce heavy penalties for financial companies failing to police themselves sufficiently. Senator Charles E. Schumer, chairman of the Committee, wants automatic penalties to be imposed on banks and offshore tax havens, instead of discretionary ones.

The OECD is also planning to list countries it considers are offering 'harmful tax competition'. It is believed that a list will be published in June identifying places that allow non-residents to escape tax where they reside. This causes alarm in Caribbean financial centres.

Caribbean and Atlantic island financial centres are therefore coming under greater pressure to introduce greater regulation and block the expansion of money laundering. The Caribbean has 12 per cent of the world's tax haven deposits, although this is far less than Switzerland and Luxembourg. The Cayman Islands has over 600 banks, making it the world's fifth largest banking centre. The islands' believe that they are blamed unfairly and not given enough credit for their skills at preventing abuse. The governments of Antigua and Bahamas are adamant that their regulations are already adequate. They have been assisted by the Caribbean Financial Action Task Force, which aims to make standards more consistent among the centres. British dependent territories, including Bermuda, the Turks and Caicos Islands, the Cayman Islands, Anguilla, Montserrat and the British Virgin Islands have agreed to independent scrutiny of their systems following concern from Britain.

The US State Department's report on Money Laundering and Financial Crimes suggests that money laundering

is the weak link in drug traffickers' operations, when their profits are most vulnerable. *The Bangkok Post* reports that Thailand has become a prime destination for illegal money. Its 'phoi kuan', the underground banking system used for remittances, makes the country an attractive target. The system does not use cash or cheques, but relies on personal and kinship ties. There are rarely any official written accounts.

Certain Pacific states are considering setting up a regional Financial Intelligence Unit to guard against money laundering. The initiative comes from the Cook Islands, and could be extended to Samoa, Vanuatu and Nauru. Deutsche Bank and the Bank of New York imposed currency bans on the Pacific island state of Palau, accusing it of being too closely involved in money laundering.

Bank of New York scandal

The couple at the centre of the investigation into money laundering at the Bank of New York (*Traces #7*), Peter Berlin and Lucy Edwards, pleaded guilty to charges in February. Svetlana Kudryavtsev, a Russian-born former employee of the Bank of New York, also pleaded guilty. She was paid by the couple to monitor the Bank's accounts they were using for laundering after they both moved to London. The investigation into the financial crime led to Moscow, uncovering a network of front companies which acted like banks without being banks. Such 'specialty' or 'pocket' banks have proliferated in the economic and political chaos of Russia in the past decade. They are subject to minimal oversight. A company might set up such a bank as a front in order to give itself a line of credit. The two banks involved with

Edwards and Berlin were Flamingo and DKB, linked to established banks well-connected to the Kremlin and Moscow City Hall. One of these, Sobinbank, was raided by Moscow authorities in October.

The investigators believe that the Bank of New York was part of a network which not only moved money from Russian importers trying to hide their payments to foreign suppliers and funds from rich Russians trying to avoid tax, but also to launder criminal proceeds. Between 1996 and 1999 over \$7 billion was circulated through this network, ending up in offshore accounts.

FBI opens office in Budapest

In an unprecedented move the FBI announced that it was opening an office in Budapest, Hungary, in order to combat Russian mafia activities. This will be the bureau's first office abroad with full-time investigators. FBI agents are often attached to US embassies and also participate in one-off investigations abroad. The agents will carry weapons and work alongside Hungarian forces, but will otherwise be independent. Hungary has therefore ceded an unusual amount of control to a foreign police force, and has also agreed to share criminal intelligence. Budapest was chosen because it is a gateway to eastern and central Europe, a good site to gather intelligence and ideal for observing the activities of Russian gangs engaged in smuggling, prostitution and human trafficking. Two gangs, one headed by Semyon Mogilevich and the other named Solntsevskaya, will be prime targets. The head of the FBI's organised crime division, Thomas Fuentes, justified the unusual funding of the FBI abroad on the grounds that Russian mafia were 'a direct threat to us'.

Banker and Husband Tell Of Role in Laundering Case, Timothy L. O'Brien and Raymond Bonner New York Times 17.2.00; Caribbean and Atlantic financial centres, Canute James Financial Times 22.2.00; FBI to fight Russian mob in Hungary, Raymond Bonner The Guardian 22.2.00; Bank Inquiry's Trail Leads to Top Levels of Power in Russia, Celestine Bohlen New York Times 18.2.00; Narcotics/money laundering: Thailand a prime target for slickers, Bangkok Post 6.3.00; U.S. to Offer Strategy on Money Laundering, Timothy O'Brien New York Times 8.3.00; Offshore Banking Bill Attacked, Timothy O'Brien New York Times 10.3.00; Cook Islands: Premier approves regional unit to combat money laundering, BBC Monitoring Service 23.3.00; Tax havens seek OECD resolution, Canute James Financial Times 24.3.00; Deutsche Bank, Bank of New York may face legal action from Palau, AFX Europe 28.3.00; Ex-Banker Pleads Guilty in Money Laundering, The Associated Press 29.3.00; All roads lead offshore in the pursuit of dirty money, The Scotsman 31.3.00; Trouble in paradise, John Sweeney The Guardian 2.4.00

For Expatriate Workers London is Expensive, has a Moderate Quality of Life but Still Attracts Thousands

Two surveys of the world's major cities ranked them according to quality of life for expatriates and cost of living. London has become the most expensive city in the European Union, and does not rank among the highest for overall quality of life. Nonetheless, partly attracted by low income taxes, its workforce is being swelled by overseas professionals. One in seven of the capital's workers are foreign-born.

William M. Mercer, a human resources consultancy, published its annual survey of the quality of living in the

world's major cities (see Traces #2). Variables for political, economic and social environment, including health and education, were scored for over 200 cities. The firm calculates the index on behalf of multinational companies considering foreign postings. The joint leaders in the survey were Vancouver, Berne, Vienna and Zurich while Sydney, Geneva, Auckland and Copenhagen tied for second. Brazzaville, Congo, ranked bottom because of the ongoing civil war, just below Khartoum, Baghdad, Bangui and Pointe Noire. Twelve of the top 20 cities were in Europe.

The Economist Intelligence Unit calculates measures of how much it costs to live in various cities and ranks them in a global survey every two years. Tokyo and Osaka/Kobe continue to be the most expensive places. Tokyo is 30 percent more expensive than Hong Kong, in third place. London is the costliest city in the European Union, overtaking Paris mainly because of the strength of the pound relative to the euro. London has been getting steadily more expensive since 1995. The fourth ranked city was Libreville, Gabon. Expatriate life there is expensive because almost everything they consume is flown in: a drink at the bar can cost \$20. The cheapest city in Europe was Budapest, but Delhi and Bombay are the least expensive in the world. New York ranks 12th and Vancouver, which heads the Mercer survey, is the 70th most expensive city.

The EIU's costliest cities:

- 1 Tokyo
- 2 Osaka Kobe
- 3 Hong Kong
- 4 Libreville
- 5= Oslo
- 5= Zurich
- 7 London

- 8 Paris
- 9 Geneva
- 10 Copenhagen
- 11 Vienna
- 12= New York
- 12= Taipei
- 14= Stockholm
- 14= Tripoli
- 16 Peking
- 17= Shanghai
- 17= Singapore
- 19 Guangzhou
- 20= Chicago
- 20= Manchester
- 20= Shenzhen

London ranks 34th in the world for quality of living according to the Mercer survey, slightly ahead of New York but behind Berlin, Paris and Tokyo. Low scores were given for traffic congestion and climate, but high scores for personal freedom and international relations. And it is also an expensive place to live, according to the EIU. Nonetheless, recent figures suggest that more than one in seven of London workers is foreign-born, up from one in nine two or three years ago. For the UK as a whole, only 4 percent of workers are foreign-born. As many as 482,000 foreign workers are employed in London, just under half the 1,043,000 overseas employees in the whole country. A second survey found that one in seven new houses bought in the capital went to a foreign European purchaser.

London is the costliest city in the European Union

The foreign contingent is made up of: casual or transient workers from the 'white' Commonwealth (Australia, Canada, New Zealand and South Africa) on the one hand and young professionals in the financial services

sector and related industries, including many from the USA, France and Germany, on the other. Working in the City's financial industry is seen as essential to career progress in Europe, because of the volume and sophistication of the transactions there. And despite high costs, these workers can earn significantly higher salaries in a short time. Young Germans and French workers are also attracted by Britain's low personal income tax. For single and childless individuals Britain has a favourable mix of taxes and benefits, although the situation for families is not so advantageous. UK tax law is also unusual in that it allows foreign citizens resident in the country not to pay tax on their earnings from abroad. In April there was a highly publicised 'defection' of French super model Laetitia Casta. Casta was chosen as the model for the figures of the republican heroine Marianne which adorn city halls across France. So her statement that she was considering moving to London was greeted with glee by the British press and led to criticism of France's socialist government.

In 1971 there were only 21,000 French people recorded living in the UK. The figure is now nearer 245,000 (or 300,000 by one estimate), many of whom are in London. By comparison, only 65,000 Britons live in France.

London a lowly 34th in quality of life poll, *The Guardian* 13.1.00; 'Boring' Berne tops quality of life league, *Financial Times* 13.1.00; Weak euro means London is continent's costliest city, *The Independent* 20.1.00; Nothing for free in Libreville, *BBC News* 21.1.00; Cost of Living, *The Economist* 29.1.00; My little gift: two billion for Gordon, David Mills the *Guardian* 23.2.00; Channel hopping, Emma Brockes *The Guardian* 24.2.00; Foreign workers flock to London, Sarah Hall *The Guardian* 26.2.00

Global Firms Need Expatriate Employees but Few Want Foreign Assignments

A number of surveys of multinational firms, managers and employees point towards similar conclusions. All predict a growth in the need for foreign assignments, but all are aware that such postings place stress on family life and are increasingly unpopular. A common theme was that more needs to be done to prepare families for work and life in a different society.

A survey of 300 organisations by Cendant International Assignment Services found that, although the number of foreign assignments was predicted to grow over the next five years, almost two-thirds of companies reported increasing rates of assignment failure. Many firms recognise major problems recruiting and retaining employees. TMP Worldwide, a British-based executive search consultancy, found that 90 per cent of senior managers in its survey believed it was becoming increasingly important for executives to be globally mobile. But at the same time, half the sample were less likely to make the personal sacrifices necessary. TMP predicts a shortage of globally mobile executives. Arthur Anderson also surveyed 76 large US and European companies and identified the mismatch between the need for globally mobile workers and the difficulty of recruiting and retaining them. Whether the firms were predominantly national in orientation or genuinely global in their outlook, they all recognised the need to establish a global leadership cadre held together by a corporate culture.

The main reason for overseas contracts ending is the stress of working abroad on the family. Several managers interviewed by the *Independent on Sunday* identified the key problem as the lack of preparation and briefing before an assignment. Laura Herring, president of The Impact Group in St Louis, pointed out that 78 per cent of professionals sent abroad had spouses with a career. She stated that 81 per cent of failures were the result of spouses failing to find adequate employment. In one study of German expatriates by the University of Giesen, 90 per cent of spouses could not obtain work permits. Many countries operate work permit and visa systems that make it difficult for spouses. The US government is working on legislation to make it easier, and Canada has already done so. Other problems concern the disruption to children's education or the responsibility for elderly relatives.

One solution may be to use more short-term assignments, or long-distance commuting. Executives can work in New York but spend weekends in Britain. London City Airport for example, now operates a 10-minute check-in in recognition of the numbers travelling back and forth to Paris and Amsterdam. Other airports are trying to make their wealthy commuters feel more at home with massages, showers, aromatherapy and like services. But a report by Liberty Occupational Health found that travelling abroad on business increases the risk of getting ill by over 60 per cent.

Rates of kidnapping have doubled in five years

Many of the surveys argued that more preparation was needed for working

and living abroad. Arthur Anderson runs a website (CountryNet.com) for expatriates and international business travellers designed to brief them on the problems of working abroad. It includes information on more than 1,000 international schools aimed at expatriates' children, as well as tax information for 84 countries.

Expatriates in Asia

The Political and Economic Risk Consultancy (PERC) surveyed expatriates in Asia. They found that, despite the fall out from the Asian crisis, in most countries respondents reported declining levels of hostility or xenophobia. The exceptions were China, Indonesia and the Philippines. Vietnam, Hong Kong and Singapore were reported as being the friendliest countries. PERC's survey of over 500 American and European expatriates found that the Philippines was ranked highest for overall quality of life. Good value housing, nightlife and ability to mix with locals were identified as plus points. Singapore was also rated highly, but less fun, while Japan had a good quality of life but was expensive. The respondents mentioned robbery and burglary as major problems in Malaysia, Indonesia and Thailand. South Korea was ranked bottom because of the problems of breaking down language and cultural barriers. India was also not highly rated because of the standard of its health care and the limitations on leisure activities

Kidnapping Risk

In some locations the concern for personal safety among executives is higher than others. Rates of kidnapping have doubled in five years, according to underwriter with Hiscox Rob Davies. In 1999 there were 972

kidnappings in Colombia, 402 in Mexico, 105 in the former Soviet Union and 51 in Brazil. In all, there were 1789 recorded seizures worldwide. Expatriates in Guatemala, Mexico and Colombia are most at risk. But Cambodia, Kashmir, Indonesia, Taiwan, Chechnya and Tajikistan are also identified as dangerous. When Manchester United played in Brazil in January, the club took out high risk insurance for its players. Two other top British football clubs are also paying for abduction and ransom cover.

Australia informed the UK that it would no longer top up social security payments for Britons retired in Australia. This is in protest at Britain's refusal to index-link expatriate pensions in the same way it increases domestic pensions. There are around 200,000 British pensioners in Australia.

Partners of German expatriates considered according to study, Frankfurter Allgemeine Zeitung 3.1.00; World of difference in human resources, Financial Times 7.1.00; Just how far will you go for your job?, The Observer 30.1.00; Internet to help overcome nationalism in Asia, Agence France Presse International 27.2.00; Australia warns Britain over expats' pensions, BBC Monitoring Service 1.3.00; Countrynet.com and culturesavvy.com prepare expatriates for personal and professional success when living abroad, PR Newswire 7.3.00; More expats are failing assignments, Independent on Sunday 12.3.00; Kidnapping a real threat to travellers, Business Day 23.3.00; Philippines comes out tops in expats' survey on quality of life, Agence France Presse International 2.4.00; Kidnaps for ransom reach worldwide high, Jamie Wilson The Guardian 21.4.00

PKK leader Abdullah Ocalan's execution was suspended by the Turkish government in January

Kurds: PKK Declares End of Armed Struggle, PUK Launches Satellite TV

The Kurdish Workers Party (PKK) renounced the armed struggle for independence, but the reaction from the Turkish government was mixed.

Despite losing his final appeal against a death sentence, PKK leader Abdullah Ocalan's execution was suspended by the Turkish government in January. It announced that it was awaiting a ruling by the European court of human rights. The delay allows Turkey to avoid offending the European Union and thereby not jeopardise discussions about its application for membership. The final decision on Ocalan will be decided by a vote in parliament. Public opinion demands the execution, and there were violent protests across the country when news of the delay was broadcast. But Prime Minister Ecevit wants to avoid the death penalty to demonstrate the country's suitability for EU membership. The European Convention on Human Rights bans capital punishment.

In February the Kurdish Workers Party (PKK) formally announced that it was abandoning its armed struggle for independence. The move had been widely anticipated, following its declared withdrawal from Turkey in September 1999. The military command of the PKK met in the mountains of northern Iraq to make the decision. Most soldiers have withdrawn from Turkey into Iraq, although it is thought that some 300 PKK fighters were refusing to abide by the ceasefire and have stayed inside Turkey.

The declaration of peace could have signalled the beginning of a political process between the Turkish government and Kurdish nationalists. But Ecevit's government sent mixed signals. First it cracked down on HADEP, the main Kurdish political party. Its leader, Ahmet Turan Demir, was sentenced to nine years in gaol along with 16 other politicians, all charged with aiding the PKK during the protests over Ocalan's seizure. The police also charged the mayors of Siirt, Bingol and Diyarbakir with receiving instruction from PKK leaders while visiting western European cities in 1999. The EU lodged a diplomatic protest over the mayors' arrest. Feridum Celik, mayor of Diyarbakir, was arrested only two days after having met the Swedish foreign minister. But Prime Minister Ecevit also has to consider the views of hardliners in his coalition government.

But after a few weeks Demir, Celik and the others were released from detention, although the mayors still faced charges. And for the first time HADEP was allowed to organise countrywide celebrations of the Kurdish New Year (Newroz). Across Turkey there were marches calling for peace. In previous years the event has been marked by violent clashes between PKK supporters and the authorities. Reporters claimed that the release of the politicians noticeably relieved tension in south-eastern Turkey. Another sign of the ambivalence of the government's attitude was the declaration in January by the Foreign Minister that it was time to legalise Kurdish language on television.

Weakening PKK?

There were also signs that the power of the PKK was weakening. Its call for a

general strike to mark the first anniversary of Ocalan's arrest was met with widespread indifference. The call came a week after the declared cessation of armed struggle. There were demonstrations outside Turkey, in Yerevan, Armenia and Almaty, Kazakhstan. A larger protest March of 15 – 20,000 was held in Strasbourg. Demonstrators were coached in from Germany, Switzerland and Belgium. French police said it was the largest pro-Ocalan rally held in the country.

Despite the release of the politicians, there was no sign of an end to the Turkish military's operations against Kurdish fighters. In April, Turkish troops crossed into northern Iraq in pursuit of PKK forces, despite the unilateral declaration of peace. Such incursions have become regular every spring. The PKK continues its bitter struggle in the region with the rival Kurdistan Democratic Party, which controls the territory across the Turkish border. In turn, it is in conflict with the Patriotic Union of Kurdistan. The PUK is the unrecognised government of the region bordering Iran. Peace talks between the PUK and KDP in June 1999 have stalled and the two sides have closed off roads to one another's territory. In February the PUK held elections in the areas it controls.

Satellite TV rivals

Rivalry between the three organisations extends to television. In January the PUK announced the start of its own satellite TV channel, KurdSat, which will be available in Europe. The KDP's Kurdistan TV first broadcast in 1999, and the PKK operates Medya TV, following the shutting down of Med TV by Britain (*Traces* #5). But KurdSat will only begin broadcasting its three hours of

material after Kurdistan TV ends for the day. Its programmes will be broadcast from Sulaymaniyah near the border with Iran.

Outside Turkey the PKK also suffered setbacks. Germany arrested a man known as Hasso S., who authorities claim is a senior figure in the PKK. They say that he commands the regional branch covering Cologne, Bonn, Essen, Duisburg, Dusseldorf and Dortmund. He was seized entering Germany from the Netherlands in late March. The arrest came in the same week that two other PKK leaders were charged with membership of a criminal organisation and weapons charges. One of the two charged, Hassan B., was alleged to be the organiser of the supply of arms to PKK fighters from his office in Berlin. The PKK was banned in Germany in 1993.

Iraq: PUK gives more details of new Kurdsat satellite TV channel, BBC Monitoring Service 5.1.00; Ocalan execution stayed as Turks bow to pressure, Chris Morris The Guardian 13.1.00; Turkey halts process of Ocalan execution, Financial Times 13.1.00; Fiery protests greet Ocalan's reprieve, Owen Boycott The Guardian 14.1.00; Iraq's Kurds votes for the first time since 1992, Agence France Presse International 3.2.00; Kurdish separatist group declares peace with Turkey, Owen Boycott The Guardian 10.2.00; Kurdistan people dream of forgotten peace, Agence France Presse International 10.2.00; 15-20,000 on pro-Ocalan rally in Strasbourg, Agence France Presse International 12.2.00; Kazakhstan's Kurds mark anniversary of leader Ocalan's arrest, BBC Monitoring Service 14.2.00; Armenian Kurds stage March to mark anniversary of Ocalan's arrest, BBC Monitoring Service 15.2.00; Kurds reject strike action in support of Ocalan, The Independent 16.2.00; Crackdown on Rebels Renews Fears of War and Terror in Turkey's Kurdish Region, Stephen Kinzer New York Times 25.2.00; Crackdown on Kurds makes Turkey's EU membership more remote, Irish Times 25.2.00; Turkey's Kurds call for peace amid New Year security boost, Agence France Presse International 21.3.00; Diyarbakir – the day Turkey's Kurds relit fires of nationalism,

The Independent 23.3.00; Two Turkish leaders to stand trial in Germany, Agence France Presse International 28.3.00; Suspected top PKK leader arrested in Germany, Agence France Presse International 31.3.00; Turks pursue Kurds inside northern Iraq, The Guardian 3.4.00

Burmese Exiles Implicated in Thailand Hospital Siege

A small force belonging to a Karen guerrilla organisation called God's Army seized the hospital in Ratchaburi, a town lying between Bangkok and the border with Burma. Ten fighters were killed when Thai forces stormed the hospital after a day's stand-off. After days of shelling, Burmese troops took God's Army's base at Kamaplaw close to the border with Thailand. The twin boy leaders of the army, Johnny and Luther Htoo, were not found. It was rumoured that they were rescued by one of the Burmese dissidents involved in the Bangkok embassy siege. God's Army was formed in 1997 to resist a Burmese military assault on Karen villages in the region. It is disowned by the main resistance group, the Karen National Union.

The Burmese and Thai governments suspect that the hospital siege was linked with the taking of the Burmese embassy in Bangkok in October (*Traces #7*). It is believed that both groups involved exiled Burmese dissidents or students. There are signs that Burmese exiled opposition forces are losing patience with the non-violent tactics of Aung San Suu Kyi, who remains under house arrest in Burma.

There are an estimated 1.7 million Burmese refugees and exiles, residing in India, Bangladesh and Thailand. Around 100,000 are in settlements

along the Thai-Burmese border. The Thai government is losing patience with Burmese dissidents and wants the UNHCR to resettle them elsewhere. After the siege, the residents of the Maneeloy refugee camp, close to Ratchaburi, were confined to the camp. The police suspect that the hospital siege may have been planned there, and that some of those who went free after the embassy siege live there. Senior military commanders called for an end to the government's tolerant treatment of Burmese dissidents. The authorities claim that 1,200 students are in hiding, having failed to report to the UNHCR.

The military regime in Burma/Myanmar issued a ban on the posting of political writings on the internet. Setting up an unauthorised computer network already carries a potential prison sentence of 15 years. Only the government-run Mynamar Post and Telecommunications is allowed to provide email. The crackdown is aimed at dissidents abroad using the internet to stay in touch with the country.

Burmese exiles, refugee may pay the price for Thai hostage crisis, Agence France Presse International 25.1.00; God's Army holds hundreds hostage, John Aglionby The Guardian 25.1.00; No games, this is war, The Scotsman 27.1.00; Review of policy on Burmese exiles urged, Wassana Nanuam and Aphaluck Bhatiasavi Bangkok Post 27.1.00; Burmese students: stay in Maneeloy, exiles told, Yuwadee Tunyasiri and Temsak Traisophon Bangkok Post 29.1.00; God's army: junta seizes jungle base, Wassana Nanuam Bangkok Post 2.2.00; Burma bans politics on the net, AP The Guardian 22.2.00

Remittances: Burma tries to tax expatriates, Indonesians swindled

Burma issued a ruling requiring

nationals working overseas to remit 50 per cent of their income to register with the Directorate of Labour and pay a fee of cent of their income, and a week later revoked the decision. \$200. The remittance tax was to have been paid in foreign currency. All funds would have passed through the Foreign Trade Bank. There is still a ten percent income tax, payable to embassies in the country of residence. The remittance law was scrapped following outraged opposition from expatriates, including diplomats and students. The government blamed the labour minister for taking the decision on his own.

Thousands of Indonesia migrant workers in Malaysia may have been swindled out of their savings by BNI Agencies. Police raided branches of the company in March on suspicion of unlicensed remittance business. The Indonesian embassy had warned nationals not to use BNI for remittances. It was suggested that migrants wrongly believed that BNI was linked with Bank Negara Indonesia, a respected bank in Indonesia. BNI's logo looks similar.

Junta wage grab hits expatriate Burmese, Bangkok Post 10.3.00; Bank Negara officers, police raid 'BNI' branches, Business Times 14.3.00; Indons forewarned against using firm to remit money, Business Times 15.3.00; Burma: remittance law to be scrapped, Bangkok Post 19.3.00

Transnational Communities Programme
working paper WPTC-2K-15
Steve Vertovec

Rethinking remittances: plenary lecture at the 5th Metropolis conference, Vancouver

Pinochet Human Rights Ruling Extended to Chad's Habre,

Although General Pinochet was allowed to return to Chile rather than face trial in Spain, human rights lawyers and exile groups believe that a precedent has been set for international law. It established that crimes against humanity can be prosecuted in any country. Other dictators who could face trial include Idi Amin, Milton Obote (both former leaders of Uganda), Baby Doc Duvalier of Haiti and Paraguay's Alfredo Stroessner. Shortly after Pinochet's release, courts in Senegal charged former Chadian dictator Hissene Habre with torture and barbarity. Habre had lived in Senegal since being overthrown in 1990. During his eight years of rule tens of thousands of Chadians died and many were tortured. His trial has been advocated by Human Rights Watch, the International Federation of Human Rights, the Chadian League of Human Rights and other. Habre is the first African head of state to be tried in another African country.

In Belgium, an Iranian exile initiated a court action against former Iranian President Akbar Hashemi Rafsanjani. A judge ordered an investigation into allegations of torture and kidnapping between 1983 and 1989. The Iranian government protested the move to the Belgian government.

Pinochet case spurs rights groups to move against Chad's Habre, Agence France Presse International 26.1.00; 'World a smaller place' for rights abusers, Agence France Presse International 2.3.00; Test case boosts human rights, Financial Times 3.2.00; 'African Pinochet' is charged over torture and killings, The Independent 4.2.00; Iran, Belgium back off confrontation over Brussels court case, Agence France Presse International 6.3.00

'Bollywood' Goes Increasingly Global and Corporate

Buoyed by record profits from the Indian diaspora, the country's film industry is cleaning up its act and becoming more corporate.

Bollywood (so called, because of its main location in Bombay) employs 2.3 million people and makes 800 or so films a year. Profits are expected to quadruple by 2005. The diaspora (variously estimated at 17 to 25 million strong) has become the most lucrative market. A decade ago exports earned around \$10 million a year. In 1999 earnings rose to \$100 million, and it is projected that they will swell to \$2.1 billion in the next five to seven years. Half of all ticket sales to Hindi films are now abroad, while Britain is the biggest single market. In 1999 five Bollywood movies made the weekly top ten listings in Britain. Profits will also be driven by the convergence between film and telecommunications.

it is projected that export earnings will swell to \$2.1 billion in the next five years

The wounding of well-known Indian film director Rakesh Roshan by a gunman in January drew attention to the unorthodox and often illegal means of financing pictures. It is suspected that he was attacked by a gangster to whom he owed money and who is on the run in the Middle East. But Bollywood is increasingly turning to legitimate means of financing as its productions become more profitable worldwide. Venture capitalists attracted to India's IT and high tech sectors are being drawn into film-

making, while at the same time large movie companies are globalising. The old haphazard system of family ownership and black money financing is giving way to corporate control. Both Sony and Universal have invested in the industry since the government lifted the ban on foreign investment.

The growing reputation of Indian cinema is winning converts from outside the Indian community too. British composer and producer Andrew Lloyd Webber announced that he was going to Bollywood to make a musical. 'Bombay Dreams' will be directed by Shekhar Kapur, who also made 'Elizabeth'. After a run in Bombay the show will transfer to London's West End.

Gangs Prey on Bombay's Filmmakers, Celia W. Dugger New York Times 27.2.00; Lloyd Webber rides the boom to Bollywood, Stephen Farrell Times of London 9.3.00; Bollywood pushed into giving up 'black' money, Khozem Merchant Financial Times 1.4.00; Entertainment industry set to boom, BBC Monitoring Service 31.3.00

Seattle Bombers 'Linked to Osama Bin Laden' say US Prosecutors

US authorities investigating an alleged bombing plot involving Canadian-based Algerians claim mounting evidence that they were part of the same transnational terrorist network as Osama bin Laden, suspected of directing the attack on US embassies in East Africa.

A federal judge ruled that the terrorist suspect, Ahmed Ressay, should be tried in Los Angeles instead of Seattle, where he could receive a fair trial. Ressay was arrested crossing the

Canadian border in December with a large amount of explosives and timers in his car (see *Traces* #8). It was feared that he and an accomplice were aiming to explode a bomb during Seattle's Millennium New Year festivities. These were cancelled as a result, causing widespread unhappiness in the city and making a fair trial difficult, according to the judge.

Ressay's defence lawyers also claimed that media stories linking Ressay to Osama bin Laden, wanted for the bombing of US embassies in 1998, prejudiced his case. They claimed that there was no proof of such a connection, although the press carried rumours that Ressay had been trained by Bin Laden's group in Afghanistan. Federal prosecutors however have alleged that the Algerians were connected to Bin Laden through a Mauritanian national, Ould Slahi, arrested in Senegal in late January. He was in Montreal in December and thought to have contacted and organised Ressay's group. When Ressay was arrested he sought refuge in a Montreal mosque before leaving the country. A second suspected link is through Hamid Aich, an Algerian who lived in Vancouver for three years and who was briefly detained by Irish police in December on suspicion of organising a bombing.

Authorities are still searching USA and Canada for Ressay's former roommate, Abdelmajid Dahoumane. Two other suspected accomplices were arrested in January, in Seattle and New York. Abdel-wahab Hamdouche was a naturalised French citizen of Algerian origin, and Abdel Hakim Tizegha was an Algerian national. Both are suspected of being members of the Armed Islamic Group (GIA), although terrorist experts think that they may have been operating independently.

US investigators of the Nairobi and Dar-es-Salaam embassy bombings claimed that the chief suspect, Osama bin Laden, used an aid charity and other international corporations as a cover for his activities. At its offices in Ireland, Mercy International Relief Agency employed Hamid Aich, one of the suspected links between the Algerian bomb plotters and bin Laden. Three suspects are awaiting trial in New York for planting the bomb. One man is being held in Britain and two more in Tanzania.

Two more arrests as FBI investigate 'bomb plot', Julian Borger *The Guardian* 5.1.00; Bin Laden terror network uses charity cover, says US *The Independent* 25.1.00; Evidence is seen linking Bin Laden to Algerian group, David Johnston *New York Times* 27.1.00; Arrest 'links Bin Laden with millennial bomb plot', Julian Borger *The Guardian* 28.1.00; Algerian's trial moved to L.A., Kim Murphy *San Jose Mercury News* 4.3.00; Bomb Suspect Made Victory Video, *The East African* Kevin J. Kelley 16.3.00

Armenia and Azerbaijan Jostle for Position in Washington DC

Azerbaijani press sources claimed that Washington was tilting the balance of its support towards Azerbaijan and away from Armenia. An Azeri delegation returning from a three-week visit to the USA told the newspaper *Yeni Musavat* that the influence of the Armenian-American lobby was weakening. They met with representatives of the Armenian Assembly of the USA to press for the lifting of the ban on US investment. Azeri newspapers reported that the apparent shift in policy had angered the Armenian lobby in the capital, the first sign that the US would not give unqualified support to Yerevan. The stories probably stemmed from the draft budget submitted by Secretary of State Albright to the Senate, which

decreases aid to Armenia but increases support for Azerbaijan. For the Senate to agree to the budget it would have to overturn a ban on aid to Azerbaijan. Albright favours lifting the ban, because it would enable the US to invest in the planned Baku-Ceyhan oil pipeline. Azerbaijan sources suggested that the shift was both a warning to Armenia not to get too close to Russia, as well as a reward for Azerbaijan President Heydar Aliyev during his visit to Washington DC. A US trade official visiting Yerevan suggested that Washington would rather that Armenia relied on Azerbaijan for its oil supplies than Iran. The Armenian government is planning a gas pipeline with Iran, but the US believes that energy supplies could be the basis for peace between Armenia and Azerbaijan.

The Prime Minister of the disputed territory of Nagorno-Karabakh attended a meeting of Armenian diaspora businessmen in Budapest in an effort to encourage them to invest in the region. He announced that an organisation of businessmen would be set up to organise the investment. The meeting was also attended by the senior government official for the Armenian diaspora from the Armenian government. The Prime Minister also met potential investors in Geneva and Zurich. In a separate announcement, the US stated that it was giving a million dollars to Armenia to fund Internet centres at the country's schools. Part of the aim of the project is to enable school children to keep in touch with the diaspora. US officials said that future funding for the programme could come from American Armenians.

Ex-Azeri aide, on US visit, urges Armenians to give up 'reckless' idea of Karabakh independence, *BBC Monitoring Service* 11.2.00; Armenian President and US diaspora members discuss activity in USA, *BBC*

Monitoring Service 18.2.00; Azeri ex-adviser returns from USA, says he defeated Armenians in debates, BBC Monitoring Service 23.2.00; USA reportedly to increase financial assistance for Azerbaijan in 2001, BBC Monitoring Service 28.2.00; Azeri expert says USA decreasing aid to Armenia due to its pro-Russian policy, BBC Monitoring Service 29.2.00; Washington against Armenia becoming dependent on Iranian oil, visiting US trade official says, BBC Monitoring Service 29.2.00; Karabakh premier urges Armenian businessmen in Europe to invest in Karabakh, BBC Monitoring Service 3.3.00; American aid to pay for connecting schools to internet, BBC Monitoring Service 3.3.00

Moldova and Romania Quarrel Over Dual Citizenship

Moldova's government announced that it planned to make dual citizenship legal, in response to the growing numbers of Moldovans becoming naturalised in Russia (over 70,000), Romania (over 150,000) and Israel. Because neighbouring Romania has asked to join the European Union, thousands of Moldovans have applied for Romanian citizenship. The government appears to regard this loss of citizens as a major problem, and criticised Romania for not keeping them fully informed. The office holding civil status documents in the Moldovan capital Kishinev was shut down for a month. Officials stated that it had run out of money, but aggrieved Moldovans claimed that the move was designed to prevent obtaining the necessary proof to apply for Romanian citizenship. Moldova's parliament proposal for a new citizenship law included a language test and an oath of allegiance to Moldova as qualifications. Dual citizenship would be available to the children of foreign nationals, the children of naturalised Moldovan citizens and those deported from Moldova during the Soviet period. Also, ethnic Moldovans

resident abroad could apply for citizenship.

The spat between Romania and Moldova was resolved after a meeting between the countries two foreign ministries. Romania agreed to supply Moldova with data about Moldovans holding Romanian citizenship. They also discussed an agreement on the mutual recognition of dual citizenship. But, the leader of Romania's Christian Democratic National Peasants' Party protested about Moldovans acquiring dual citizenship. He claimed that the Moldova-Romania border was already too easy to cross for criminals, and that this would jeopardise Romania's application to the European Union.

Moldova plans to legalize dual citizenship, BBC Monitoring Service 13.2.00; Moldovan authorities accused of closing archives to stem exodus, BBC monitoring service 17.2.00; Moldovan foreign ministry complains Romania encouraging law violation, BBC Monitoring Service 7.3.00; Romanian party leader says dual citizenship for Moldovans could cause problems, BBC monitoring service 27.3.00; Moldovan foreign minister comments on dual citizenship talks with Romania, BBC Monitoring Service 28.3.00; Moldovan Parliament to debate new citizenship law, BBC Monitoring Service 30.3.00

Traces 10: April-June 2000

Mexico's Historic Elections Spill Over into the USA; Peru and Dominican Republic Also Vote

The victory by Vicente Fox in Mexico's Presidential elections on July 2 marked the end of over 70 years of government by the PRI. Mexican nationals and citizens abroad could not vote, but the campaign was taken north of the border. By contrast, Peruvians in the USA are required to vote.

Following the blocking of legislation by the PRI-dominated Senate in 1999, Mexicans abroad cannot actually vote in the Presidential election. There is no provision for absentee ballots. But two of candidates, Cuauhtémoc Cárdenas (Democratic Revolution Party) and Vicente Fox (National Action Party) campaigned in the USA, where there are an estimated 18 million people of Mexican descent. Both hoped that they would impress US Mexicans sufficiently enough to persuade them to tell their friends and relatives in Mexico to support them. Cárdenas had visited California twice before in previous unsuccessful campaigns. His conservative opponent, Vicente Fox, addressed the California State Senate in Sacramento and campaigned in Los Angeles and Chicago.

Both Fox and Cárdenas supported the principle of voting rights for citizens abroad. PAN proposed reserving ten of the 500 seats in the Congress for Mexicans abroad. In his campaign

speeches Fox was also critical of US border policy and highlighted the loss of life among those trying to cross over illegally. At a rally in the border city of Nogales, he called ranchers in Arizona and Texas who had been rounding up border-crossers 'criminals'. He also declared that he would be the first President 'to govern for 118 million Mexicans', including those living outside the country itself.

The PRI candidate, Francisco Labastida, did not campaign in the north, although outgoing President Ernesto Zedillo visited Washington in June. Although it was difficult to judge the extent of interest in the elections among US Mexicans, most observers judged that the PRI had little support because of its opposition to expatriate voting. Unlike Zedillo and the previous two Presidents, Labastida did not attend a US University and does not speak English. He criticised the other two candidates for electioneering outside Mexico, but nonetheless sent his wife and advisors to the USA to publicise his campaign. In the week before the poll he met 350 community leaders from the USA just south of the border.

Fox declared that he would be the first President to 'govern for 118 million Mexicans'

With no absentee voting, the estimated one million eligible voters living in the USA had to travel to Mexico should they wish to cast their ballots. Sixty-two special polling stations were set up along the border. Civic and political groups organised coaches to ferry voters there and back. But a symbolic vote was organised in cities in ten US states on polling day (July 2) to enable US Mexicans to register their interest

in the election. New York had 15 'symbolic' polling stations alone. The polls were organised by a Quaker-run charitable foundation, the American Friends Service Committee.

Seventy-one years of government by the Institutional Revolutionary Party (PRI) was ended. The National Action Party (PAN) won 224 seats out of 500 in the Chamber of Deputies and 53 out of 128 in the Senate. For the first time, three Mexican citizens living in the USA ran for the Congress, two for the PRD and one for the PRI.

Fox is a former executive with Coca Cola and former governor of Guanajuato. He is President-elect until December. He announced that he would spend much of the intervening period travelling the world in search of investment and aiming to strengthen NAFTA.

Peruvians and Dominicans vote

By contrast with Mexico, Peruvians are permitted dual citizenship but are also required by law to vote. There was a presidential election in May. Unless a citizen has their *libreta* stamped officially as having voted they are not able to buy property in Peru. They may be fined on returning to the country without proof of voting. In New York voting took place at a High School on east 33rd street in Manhattan. There are 25,460 Peruvian immigrants and foreign nationals registered in the New England region – the largest such concentration outside Peru itself. In 1995 35 percent of registered voters cast a ballot.

Dominicans cannot vote from abroad, although political parties from the island actively campaign in New York, where 600,000 Dominicans reside. Fund-raisers and rallies took place in

Washington Heights and campaigners urged Dominicans to fly home to vote or phone their relatives on the island. Parties raise funds to subsidise airfares.

For Peruvians Far From Home, Election Is Close at Hand, Seth Kugel New York Times 9.4.00; Candidate Cardenas wraps up tour of California, Los Angeles Times 10.5.00; Mexican candidates seek support north of the border, Christopher Parkes Financial Times 16.5.00; Dominicans Stay Tuned To Voting At Home, Juan Forero New York Times 17.5.00; Mexican Presidential hopeful lashes out at Arizona 'criminals', Agence France Presse International 20.5.00; Mexicans living in US apathetic toward election back home, Louise Daly Agence France Presse International 25.6.00; Zedillo uses US trip to fend off predatory Fox, Financial Times 9.6.00; Mexican immigrants in US prepare to cross border for Presidential vote, Claudia Rahola Agence France Presse International 25.6.00; Mexican presidential candidate attacks U.S. ranchers over immigration, CNN 30.5.00; Mexican Presidential Candidates Campaign in U.S., Pam Belluck New York Times 1.7.00 Election surprise, Jo Tuckman The Guardian 4.7.00; Mexican President-elect seeks investments, reconciliation, Patrick Moser Agence France Presse International 5.7.00.

Elian Gonzalez Returns to Cuba, and the Fall-Out Begins in Miami

Soon after a US court ruling, the six-year-old Cuban boy, Elian Gonzalez, returned to Cuba with his father. The child's seizure by armed federal officers and the court's decision enraged many among the Cuban-American community. In Miami, divisions between Cuban-Americans and others in both City Hall and on the streets became intense. Mayor Carollo consolidated Cuban-American power over the city.

The federal authorities removed Elian Gonzalez by force from his great uncle's house in Little Havana, Miami on April 22 – Good Friday. Although there was a violent reaction to the seizure from the crowd, in which 300 were arrested, subsequent rallies were well-organised and peaceful. The federal government was castigated by many people in the deeply-religious Cuban-American community for conducting the raid over the Easter-Passover weekend. The first action was a call for a general strike in Miami on Tuesday 25 April. Although Little Havana was practically closed down for the day, the rest of the city appeared untouched by the strike. Despite being observed by singer Gloria Estafan and Cuban-American members of the Florida Marlins, no prominent figures outside the community offered support. The largest demonstration numbered tens of thousands.

Supreme Court rejects appeal

In early June the federal appeal court ruled that Juan Miguel Gonzalez had the sole right to act for Elian in asylum matters. The effort by his Miami relatives to apply for asylum on his behalf was rejected. The ruling meant that the family could return to Cuba, but only after 14 days, leaving Lazaro Gonzalez – Elian's great uncle – time to appeal. Representatives of the Cuban-American community condemned the ruling and attacked the Clinton administration. But neither Brothers to the Rescue nor the Democracy Movement called for more mass demonstrations. But Eloy Gutierrez Menoyo, president of Cambio Cubano, which backs greater dialogue with Havana, criticised exile groups for turning the Elian case into an attack on Castro.

On 28 June the Supreme Court rejected an appeal from Lazaro Gonzalez's lawyers and lifted the injunction preventing the child from leaving the USA. He left for Cuba the following day.

Elian had been in the USA for seven months. He returned not to his hometown of Cardenas, but to a government-owned seaside villa in Miramar, outside Havana, in to adjust to life back in Cuba. President Fidel Castro was not present at the airport to welcome the family upon their return from Washington, passing up the opportunity to make immediate political capital out of the affair. There were no great crowds in the streets. Instead, the homecoming was broadcast on television, and had been rehearsed the month before. The Cuban government appeared anxious to draw a distinction between the Miami family's use of video clips and photographs of the six-year-old in the propaganda war and their own sense of decency. But a week later, Juan Miguel Gonzalez was decorated with Cuba's highest civilian honour by Castro himself.

The day before Elian departed Congress voted to lift the embargo on grains and medication in place since 1962. The vote acknowledged that the blockade had failed to weaken Castro's regime. Congress accepted that food embargoes hurt ordinary people but did not affect governments. At the same time, similar sanctions against North Korea, Sudan, Libya and Iran were lifted. Cuba will have to pay for imports in cash and will not be able to barter for goods. The tourist ban on the island also remains in a concession to Cuban exile groups. The change represents a victory for the combined efforts of the Farm Bureau and the US

Chamber of Commerce, anxious not to lose markets in Cuba to other countries.

Cubans travelling to US on the rise

In the past decade the number of Americans travelling legally to Cuba has increased by ten per cent a year and the number journeying via third countries doubled – 22,000 in 1999 according to the State Department. Although a tourist ban remains, private and business trips have been made easier by the Commerce Department. By gradually relaxing the rules, Cuba is being opened up. Although President Clinton cannot alter the embargo without permission of Congress, he can affect travel restrictions.

Impact on exile groups

The Elian case and the lifting of the embargo were interpreted a blows to the hard-line Cuban-American exile groups. Public opinion in the USA had generally backed the government. The Cuban American National Foundation reacted by making changes to its leadership, bringing in younger people. A non-Cuban was appointed to head its Washington office. In the past, and particularly under the late Jorge Mas Canosa, the Cuban lobby had been regarded as one of the most effective in the capital, but it has suffered a severe blow. Since Canosa's death in 1997 there has been no single acknowledged leader of the cause. The CANF tried to maximise political capital from the Elian affair, printing pamphlets to be distributed at the anti-WTO protests in Seattle and mounting an intense media campaign. It backfired, as the Miami hardliners were perceived as exploiting a child's misfortune and seeking to separate father and son. Nonetheless, the leader of the Brothers to the

Rescue, Jose Basulto, argued that the affair had drawn the exile community closer together. But most commentators claimed that it had further distanced the exiles from US public opinion and from Congress. Flying the American flag upside down in protest did not endear Cuban-Americans to the rest of the country. In Miami itself, other residents grew fed up with the gridlock caused by constant marches and protests.

Fall out in Miami

In the week after taking Elian, Miami's chief of police resigned. Mayor Joe Carollo criticised Chief William O'Brien for not telling him about the raid in advance and for assigning a city police officer to accompany federal agents. City Manager Donald Warshaw was sacked by Carollo, allegedly for refusing to fire O'Brien. Both manager and police chief were replaced by Cuban-Americans. Three of the city's five councillors are also Cuban-American. In protest at their

Sixty per cent of Miami's voters are Cuban-American

enhanced political dominance, non-Cubans threw bananas at City Hall – a reference to what they regard as a 'banana republic' government. Others flew flags of the city of Miami with bananas painted on them, and some displayed the Confederate flag. In 1987 Carollo had lost his seat as city commissioner after falling out with the powerful leader of the CANF, Jorge Mas Canosa. He learned thereafter not to oppose the powerful exile groups, and he actively sought their support during the Elian affair – reminding them that he too arrived in the USA as a six-year-old. Sixty percent of

Miami's voters are said to be Cuban-American, and the signs are that Carollo intends to govern without the support of his former Anglo partners.

Outside Little Havana, Many Beg to Differ, Rick Bragg 12.4.00; Elian battle drags on despite seizure, Martin Kettle The Guardian 24.4.00; Cuban exiles' strike passes Miami by, Julian Borger The Guardian 26.4.00; Tens of thousands expected on Miami streets in Elian protest, Agence France Presse International 29.4.00; Elian saga set to continue after US Appeals Court hearing, Agence France Presse International 12.5.00; Elian's father wins right to take him home, Martin Kettle The Guardian 2.6.00; Leading Cuban exiles in US not surprised by Elian ruling, Agence France Presse International 2.6.00; Despite U.S. Restrictions Against Cuba, Door Opens Wider for Visits by Americans, Christopher Marquis New York Times 19.6.00; Legacy of a Cuban Boy: Miami City Hall Is Remade, Rick Bragg 10.5.00; US lifts food embargo on Cuba, Julian Borger The Guardian 28.6.00; Cuban exile moderate slams radicals for Elian own goal, BBC Monitoring Service 29.6.00; Cuba welcomes Elian home to a place in history, The Independent 30.6.00; Soft landing for castaway Elian, Julian Borger The Guardian 30.6.00; Cuban-American Lobby on the Defensive, Christopher Marquis New York Times 30.6.00; Fight Over Cuban Boy Leaves Scars in Miami, Rick Bragg New York Times 30.6.00; Castro calls Elian's father a hero of the revolution, The Independent 7.7.00

Zimbabwe: UK Passport Holders Under Pressure to Go

White Zimbabweans who had illegally held onto dual citizenship were accused of disloyalty in the increasingly violent run-up to June's national elections.

Around 20,000 white Zimbabweans out of a community of 70,000 are thought to possess the right to British citizenship, by virtue of their ancestry. Having a parent and grandparent born in Britain may entitle a person to

citizenship. It is estimated that about one third of the white population possesses dual citizenship. And some 15,000 are registered with the British High Commission as British nationals. Many families gave up their passports when Zimbabwe achieved independence in 1980. Dual citizenship was banned in 1984, and people holding two passports had been given until 1995 to give up their overseas citizenship. But, according to the government, 86,000 people failed to give up their second passport.

In May the Zimbabwe government announced that it was revoking the Zimbabwean passports of everyone holding dual British and Zimbabwean citizenship. The effect of the decision was to remove around 30,000 voters from the electoral register in the run-up to elections. The opposition Movement for Democratic Change (MDC) challenged the decision in court. But the majority of High Court and Supreme Court judges may still be British citizens and therefore deemed only residents of Zimbabwe. The Chief Justice, Anthony Roy Gubbay, was challenged to say whether he had retained British citizenship. Supporters of the Zanu-PF government accused the judges and the MDC of receiving support from Britain and being disloyal to Zimbabwe.

Pressure on white landowners from forces allied to the ruling Zanu-PF party became increasingly violent from February onwards. Denounced by President Mugabe as 'enemies of Zimbabwe', hundreds queued outside the British consulate to apply for passports or to attempt to retrieve the rights they had given up. Although the majority was reported as having no wish to leave, they regarded a British passport as security in case events became more violent. They would not

require a visa to take refuge in South Africa.

President Mugabe attacked the continued ownership of land by descendants of white settlers when thousands of Zimbabweans are without land. The President threatened to seize half of all white-owned farmland by force and redistribute it to the landless without compensation. The leader of the squatters seeking to force white landowners off the farms, Chenjerai Hunzvi, demanded that British passport holders either leave the country or apply for Zimbabwean citizenship and renounce their British citizenship.

The UK Foreign Office drew up plans for an emergency evacuation of UK and other EU nationals, involving convoys into Mozambique and South Africa.

Britain seen as safe haven from worst case scenario, *The Scotsman* 19.4.00; President's 'enemies' line up for British passports, Victor Mallet *Financial Times* 20.4.00; Britain makes plans for Zimbabwe evacuation, *The Independent* 1.5.00; Zimbabwe farmer is critical after attack by squatters, *The Independent* 8.5.00; White farmers with UK passports 'must leave', Andrew Meldrum *The Guardian* 8.5.00; Zimbabwe citizenship order will bar thousands from voting, *Agence France Presse International* 13.5.00; Mugabe to seize whites' passports, *The Observer* 14.5.00; Legal crisis looms over Zimbabwean citizenship, *Panafrican News Agency* 4.6.00

'Bollywood' Comes to the Millennium Dome

The globalisation of Indian cinema continued, with its first awards ceremony in London and financial deals in multimedia and communications being struck by diaspora entrepreneurs.

The first ever international awards ceremony for Indian-made films was held in the Millennium Dome, London, on 24 June. By holding the ceremony for the International Indian Film Awards (IIFA) outside India the organisers hoped to win wider recognition for their industry. It was hosted by the current Miss World, Yukta Mookhey, and leading actor, Anupam Kher. It was attended by 3,000 celebrities. They included famous Indian stars and directors, as well as figures from the entertainment industry outside India. And to coincide with the event, actor Amitabh Bachchan will be the first to be represented in wax at the famous Madam Tussaud's in London.

series on Global Diasporas

The Hindu Diaspora
Steven Vertovec

Routledge, London. 2000

Britain is the second-biggest market for Indian films outside India, with revenue around \$45 million; 55 percent of ticket sales are in the UK. Altogether, Bollywood will earn a projected \$200-250 million outside India in the coming year. An increasing number of Bollywood films are also being shot or made in Britain. *Kuch Kuch Hota Hai* was filmed partly in Scotland, while the country mansion of Longleat in Wiltshire is being used as a location for another movie. European locations are being chosen for the elaborate song and dance episodes, partly because they are exotic. The industry is also having an impact on cinema companies. Warner Village opened a new multiplex in Birmingham, England in July, where six of the thirty screens are dedicated to Bollywood. Birmingham city centre

has one 8-screen cinema devoted to Indian films, but it only seats 1000 viewers.

India produces around 800 films a year, with an audience outside India of as many as 20 to 25 million. In recognition of the export potential of the industry, India made foreign entertainment earnings tax free in 1999. The first movie to make it big abroad was in 1995, called *Dulhaniya Le Jayenge* (The Brave get the Bride), whose stars played expatriate Indians. This was followed by *Pardes*, set in the USA and addressing the lives of Indians abroad. Foreign sales are vital to the future finances of Indian film, particularly the satellite television market. Sony and Zee Tv (which has 30 million subscribers in 120 countries) are major purchasers of Indian films.

About 70 per cent of the world distribution rights of Indian films are controlled by Kishore Lulla, who is based in London. Together with two other London businessmen, L.N. Mittal and Gokul Binani, they aim to become the biggest production and distribution outfit in Bollywood movies. Their company, B4U, already supplies Hindi programmes to Indians abroad. It also plans a Tamil-language movie channel and five Internet portals for entertainment programmes. In May it began broadcasting an hour of Indian music on the French-based music channel MCM, mainly supplied by groups in Britain and the USA. In July B4U aimed to start a movie channel for 20 million subscribers in India itself.

London-based Indians set sights on Bollywood, Agence France Presse International 23.4.00; Hoorah for Bollywood as Birmingham gets multiplex screens dedicated to Indian films, Angeliqe Chrisafis The Guardian 17.5.00; Bollywood hits the Dome, Geeta Guru-Murthy BBC on line

23.6.00; Bollywood comes to the Dome for first Indian 'Oscars', Agence France Presse International 24.6.00; Bollywood stars come to the Dome for 'Oscars' and their own waxwork, The Independent 24.6.00; Indian cinema: why Bollywood is coming to Britain, Sonia Trikha Independent 30.4.00

USA Says Transnational Terrorism Shifting to Asia

Two reports by the US government suggest that terrorist networks are shifting from the Middle East to Asia, and added powers are required by federal government and the military. The UK is debating changes to anti-terrorist legislation that, if passed, would strike at the activities of exile groups such as the LTTE.

The State Department's report on Patterns of Global Terrorism concentrated on Asian and Middle Eastern countries and argued that the main threat was shifting from the Middle East towards South Asia. The list of states accused of sponsoring terrorism included Cuba, Iran, Iraq, Libya, North Korea, Sudan and Syria. But it indicated that Cuba, North Korea and Syria showed signs of moving towards being removed from the list. Although not listed, the report also raised fears about Pakistan and Afghanistan, which it accused of harbouring Osama bin Laden and giving support to violence in Chechnya, Lebanon, Kosovo and Kashmir. Pakistan was criticised for maintaining relations with the Taliban forces in Afghanistan. Although naming certain countries, the State Department argued that international terrorism was increasing independent of states and based in loose networks.

It identified the network suspected of the attempted bombing during Seattle's New Year celebrations in 1999 as an example. (In a later speech, President Clinton accused Osama bin Laden of being behind the Seattle plot.) These networks were receiving less support from states and relying more on criminal activities such as drug trafficking.

But the report also noted that terrorist activity had declined in the Middle East, where governments had taken action against it. Spain, Turkey and Algeria were singled out for praise in fighting terrorism. Across the world, the numbers killed or wounded by acts of terrorism fell compared with 1998, although the number of separate attacks rose 43% to 329. The increase came from incidents in Colombia, Greece, Nigeria and Yemen.

National Commission on Terrorism

A separate report by the National Commission on Terrorism to Congress stated that current anti-terrorist measures were inadequate. It called for the US military to take responsibility for domestic terrorism. The report also recommended increased surveillance of foreign students in US universities by creating a national database of all those studying subjects such as physics and engineering. The FBI and Department of Justice should acquire greater powers of surveillance. The report labelled a new generation of terrorists as 'transnational', naming Osama bin Laden as the main example. The NCT singled out Greece for criticism, accusing the country of not co-operating enough in the fight against terrorism.

The UK parliament continued debating new legislation to address transnational

terrorism, with opponents fearful that the laws will curtail legitimate protest. Anyone from protestors against the WTO to those who tear up GM crops could be defined as terrorists and detained without charge for up to a week under the proposed legislation. It would be an offence to support, by word or deed, an armed struggle or violence against any person or property inside or outside the UK. The bill uses an FBI definition of terrorism that makes no distinction between domestic and foreign acts: 'The use of serious violence against persons or property, or the threat to use such violence, to intimidate or coerce a government, the public, or any section of the public for political, religious or ideological ends.' Under the law therefore, no UK citizen could back the Zapatista revolt in Chiapas for example. Other groups affected might be Kurds, Tibetans, Burmese activists, and Tamil separatists.

The LTTE's global reach

Writing in the *International Herald Tribune* (19.6.00), M.R. Narayan Swamy detailed the network assisting the Liberation Tigers of Tamil Eelam (LTTE) in their war against the Sri Lankan state. Their supply chains extend throughout Asia but also to Europe and North America. The fighting force on the island state is between 7,000 and 10,000 people. They are financially supported by elements among the 500,000 Sri Lankan Tamils abroad. But the LTTE has also built up chains of businesses and trafficking networks, involving trucking companies, ships, restaurants and gas stations. The Thai authorities even seized a mini submarine being constructed in Phuket thought to be for the LTTE. Medicines and diesel fuel are bought from the Indian state of Tamil Nadu. Arms are obtained from

guerilla groups in Burma, Cambodia and Thailand. Sri Lanka has accused Thailand of being the main staging area for these weapons.

Although the US designates the LTTE as a banned terrorist group, they are still able to operate in many European countries. Despite the proposed changes to UK anti-terrorist laws, London is thought to still be the centre of the LTTE's political activity.

International terrorism pursues shift away from state sponsorship, Agence France Presse International 1.5.00; South Asia is new hub for terrorists, US claims, Michael Ellison The Guardian 1.5.00; US worries on terrorism focus on Asia, Financial Times 2.5.00; Rights mess, Gibby Zobel The Guardian 3.5.00; Clinton blames Bib laden for plot, Anne Gearan The Guardian 18.5.00; Indian ships take position, ebb in refugee inflow The Hindu 18.5.00; Terrorism bill new definition puts direct action and protest groups at risk, The Guardian 22.5.00; US report on terrorism sparks controversy, Financial Times 6.6.00; The Tamil Tigers prove ferocious, with help from abroad, M.R. Narayan Swamy International Herald Tribune 19.6.00.

Expatriates: Problems on Returning

As well as the problems of expatriates and their families moving abroad, those returning from assignments face problems according to surveys in the USA and Japan. In New York, suburban Westchester County has emerged as the preferred destination for expatriate executives.

A report from the Center for Global Assignments in San Diego reported on the scale of returned expatriates leaving their companies for new jobs, often at considerable expense to their

former employers. In their survey, one in four executives leave a company within a year of return, double the rate among those who do not go abroad. And most of those go to competitor companies. The survey also found that two-thirds of returnees found repatriation more wrenching than going aboard to begin with.

The reasons for leaving cited in the survey were boredom and frustration with their old companies, the lack of stimulation of being in another society and the loss of status. Returning from a relatively senior position in an overseas office to more modest roles at home caused disenchantment. A third of those surveyed were still on temporary assignments three months after return, and three out of four felt that they had been demoted. Companies were faulted for not planning return enough and not setting out what goals the returnee should have on repatriation. Experts also claimed that investing in social networks back home in the months before return was important.

nearly two-thirds of European businesses reported failure in overseas assignments

A report in the *New York Times* confirmed that Japanese returnees faced similar problems, particularly the difficulty of rejoining a strict and hierarchical business environment. Executives and their families referred to their loss of freedom to express opinions and make their own decisions. Others thought that their spells abroad had tainted them in the eyes of other Japanese. The so-called 'U turn phenomenon' describes the practice of seeking another foreign assignment rather than stay in Japan.

Opinion polls report that expatriates were happier overseas, especially women.

Official figures state that between 1988 and 1998 the number of Japanese working abroad rose from 80,000 to 298,000, with a further 186,827 studying abroad in 1999.

A survey by Cendant International Assignment Services found that nearly two-thirds of European businesses questioned reported failure in overseas assignments (*FT* 1.6.00). Less than half of the firms assess a candidate's cultural suitability or family circumstances for expatriate work. Yet the firms sampled predicted massive growth in the expatriate jobs market in the next five years, particularly in IT and services. In recent years, skills transfers and responsibility for start ups, in a context of mergers and acquisitions, had greatly enlarged the need for expatriates. Moscow was identified as the fastest growing single destination.

The New York recruitment company Gardiner, Townsend and Associates identifies curiosity as the most important cultural qualification for a successful overseas assignment. Being curious and observant about the people you work amongst helps executives fit in. Scott Gillis, of Marakon Associates, relates how one executive sent to Africa hired anthropologists to inform him about all aspects of the society. The ability to enjoy being abroad is regarded as essential for a successful global manager.

Westchester County has become a favoured residence for expatriate families posted to New York according to Lisa Foderaro in the *New York Times*. The German School New York in White Plains caters for the children

of German, Austrian and Swiss families. The French-American School is in Larchmont. The suburbs of lower Westchester are diversifying, although different nationalities are clustering in particular suburbs. The French concentrate in Larchmont, Mamaroneck and New Rochelle, and the Germans in White Plains. Scarsdale and Rye are the favoured destinations of Australians, New Zealanders, Japanese and Brazilians. Various groups have organised their own welcoming clubs and civic organisations. Although there were alarms in the early 1990s from American residents over the sudden influx of Japanese families, relations are generally good.

Japan Unsettles Returnees, Who Yearn to Leave Again, Howard W. French *New York Times* 3.5.00; For Expatriate Families, A Home Away From Home Lisa W. Foderaro *New York Times* 7.5.00; Return of the Native Executive, Jobert E. Abueva *New York Times* 17.5.00; Businesses fail in expatriate assignments, *Financial Times* 1.6.00; Mind your language, Philip Whiteley, *Times* 1.6.00; Xenophobes need not apply, Andrei Poselnicu, *Financial Times* 28.6.00.

Latvia and Russia – Differences Over Citizenship Unresolved

Although the friction between Russia and Latvia over the rights of ethnic Russians in the Baltic state has abated, there are still tensions. Within Latvia, there is divided opinion as to whether to move closer to Russia or to the West.

Latvia's economy relies on good relations with Russia, and a strong business community favours closer ties. Russian oil passes by pipeline to

the Latvian port of Ventspils, and the capital Riga has become an important offshore financial centre for Russians. But the Prime Minister Andris Berzins prefers moving closer to the West, via membership of the EU and NATO. President Vaira Vike-Feiberga is less diplomatic in her criticism, accusing Russia of trying to sew divisions among Baltic states.

Relations with Russia remain strained over two issues, the language requirement for citizenship and the trials of war veterans. Russian-speakers, who make up 37 per cent of the population, must pass an examination to acquire Latvian citizenship, without which they cannot hold public-sector jobs. Estonia and Lithuania, where the Russian minorities are a smaller proportion of the national population, have not required such stringent tests. Under diplomatic pressure from Moscow, the requirements were watered down in 1999 but remain unacceptable to Russia's government. Russia has demanded that everyone living in Latvia up to 1990 should receive citizenship without qualification. Since the start of the new citizenship process in 1995 30,000 people have successfully applied for Latvian citizenship. The trials of Soviet military veterans accused of atrocities during the Second World War have begun in Latvia. Some have received prison sentences. Russia accused the government of being apologists for Nazism at the Council of Europe in March.

President Vaira Vike-Freiberga visited Canada and the USA in May to drum up investment and campaign for membership of EU and NATO. After living in exile in Canada for many years, she gave up her Canadian citizenship in order to become

President. She met with Canadian Latvians and asked them to assist the country in its aims.

In Tallinn, Estonia, the Russian embassy struck a more conciliatory note, urging Russian-speakers to abandon harsh criticism of the government. In June a Russian-Baltic political party was founded in Tallinn. Among its aims is the removal of the examinations for Estonian citizenship, and the granting of equal status to the Russian language. The Council of Europe does not regard Estonia's citizenship laws as unjust, although it does claim that they are too bureaucratic. There are 80-100,000 Russian citizens among the population of 1.4 million.

Estonia Human Rights watchdog says rights of Russian-speakers observed, BBC Monitoring Service 2.5.00; Russia accused of driving wedge between Baltics, Financial Times 8.5.00; Latvian President to encourage US and Canadian investors to invest in Latvia, BBC Monitoring Service 8.5.00; Thirty thousand people have already been naturalized as Latvian citizens, BBC Monitoring Service 5.6.00; Latvian citizenship policy criticised at conference on relations with Russia, BBC Monitoring Service 5.6.00; Latvian President promises serious measures towards social integration, Baltic News Service 13.5.00; Georgia ready to receive ethnic Georgians denied Latvian citizenship, BBC Monitoring Service 18.5.00; Estonian government eases non-Estonians' language tests, BBC Monitoring Service 30.5.00; New Russian-speaking party set up, BBC Monitoring Service 18.6.00; Russian embassy in Estonia urges local Russians to seek reconciliation, BBC Monitoring Service 19.6.00; Andris Berzins, a hard-pressed Latvian, The Economist 24.6.00.

Hungarians Beyond the Borders Kept Waiting for Citizenship

The congress of the World Federation of Hungarians was

held in Budapest in May. Although various parties raised the issue of citizenship rights for the diaspora, the government remained committed to 'national reunification within borders'.

The congress ended with a call to create a status of foreign-resident Hungarian citizenship, with a right to travel to Hungary but not to vote or settle. The idea was modelled on forms of British overseas citizenship. The delegates were told that dual citizenship, including the right to settle, would encourage an exodus from Carpathian communities, already depleted by out-migration and low birth rates. The congress also called for Hungarians beyond the borders to be represented in a second chamber of the Hungarian parliament. The new citizenship would be founded on the principle that the Hungarian state is for all Hungarians in the world.

Some delegates demanded that Hungarians abroad already with Hungarian citizenship should be given to right to vote in Hungary. A proposal to urge the congress to press for the revision of the Treaty of Trianon was not passed. Supporters of the far-right Hungarian Justice and Life Party earlier demonstrated against the Treaty, which established the country's current borders and left other Hungarians stranded in Romania and Slovakia. (There are an estimated 1.7 million ethnic Hungarians in Romania and 600,000 in Slovakia.) The Foreign Minister Janos Martonyi denounced the idea. But the Federation's president denounced the international treaties between Hungary and its neighbours relating to the Hungarian diaspora.

Other suggestions at the Congress included a greater role for Hungarian Duna Television and a network of Hungarian universities in Romania and Slovakia. A regular news service for Hungarians in the Carpathian basin region was set up in February. The Congress discussed setting up a Diaspora Council to be a consultative body to the government.

But in his address to the delegates, Prime Minister Viktor Orban stated that Hungary's policy was 'national reunification without changing borders'. He interpreted this as meaning that the government would help halt the decline of Hungarian communities in the Carpathian basin region and work for its economic prosperity. In the first six months of 2000, over 2600 people from abroad were granted Hungarian citizenship, over half of them from Romania and others from Yugoslavia and Slovakia.

Transylvanian Hungarians want special passports for ethnic Hungarians, BBC Monitoring Service 3.5.00; Hungarians beyond borders want voting right, dual citizenship, BBC Monitoring Service 20.5.00; Hungary's strategy is national reunification without border changes – Premier, BBC Monitoring Service 21.5.00; Hungarian neighbour treaties slammed at Budapest Congress, BBC Monitoring Service 21.5.00; All-Hungarian forum calls for two-tier citizenship, all-Hungarian constitution, BBC Monitoring Service 22.5.00; All-Hungarian congress proposes 'British model' of overseas citizenship, BBC Monitoring Service 23.5.00; All-Hungarian Congress calls for overseas citizenship for ethnic Hungarians, BBC Monitoring Service 23.5.00; Minister and 8,000 Hungarians denounce post-WW1 carve-up, Agence France Presse International 4.6.00; Most foreigners applying for Hungarian citizenship come from Romania, BBC Monitoring Service 11.7.00.

The New Central Europe and its Neighbours

In Poland, Moldova, Romania, Bulgaria, Belarus and Yugoslavia the relations between nationals, exiles and diasporas continue to raise questions about citizenship rights.

An article in *The Economist* (8 July 2000) posed the question of 'where is Central Europe?' The two main factors responsible for sustaining the regional identity since 1945 – the Soviet Union and a divided Germany – have gone, and at the same time the map of allegiances is being redrawn by the increasing pull of NATO and the EU. The article speculates on a new Central Europe for 2010, focused on Poland but including Lithuania, Belarus and Ukraine. Relations between these countries and their neighbours are affected by the presence of diasporas and exile groups.

The lower house of the Polish Parliament passed a new citizenship law in June allowing Poles who were displaced or fled during the period of communist rule to apply for the restoration of their rights. The chamber voted 386 to 2 in favour, and the measure awaits passage through the Senate (which is anticipated). Those people eligible for restored citizenship include soldiers who joined the Allied armies after World War Two and anyone leaving between 1939 and June 1989. The new law is in accord with the European Citizenship Convention. It also allows for resident foreigners to apply for naturalization after five years.

Moldova and Romania moved closer to resolving their problematic relations by initialling a political treaty. One of the

issues covered in the treaty is dual citizenship (see *Traces* #9). Moldova also concluded an agreement with neighbouring Ukraine requiring passports to travel between the two countries from January 2002. Such is the severity of Moldova's economic crisis that as many as one in seven Moldovans – 600,000 people – have left the country, mainly for Russia and Romania.

In Romania itself the government is considering setting up an upper council of representation for Romanians outside the country, thought to number 10 million. The council would be filled by an election held at the same time as parliamentary elections. President Constantinescu argued that such a council would help lift Romania's international image and at the same time preserve the country's language, traditions and culture.

The Bulgarian Prime Minister Ivan Kostov organised the first meeting of Bulgarian expatriates aimed at enlisting their aid in lobbying for European Union membership. The Bulgarian Easter Initiative, as the event was called, was held in Sofia. It will next establish an Internet communication system. Kostov announced that he would instruct Bulgaria's ambassadors to work with members of the expatriate community to enhance the country's international image.

Opposition to the proposed incorporation of Belarus with Russia is being organised by exile groups in North America and Russia. The Belarusian People's Republic Council called for an All-Belarusian Congress to debate the matter

An assembly of the Yugoslav diaspora was successful in persuading the

Yugoslav government to free investments from the diaspora from any customs charges. On the first anniversary of the NATO air campaign against Serbia, a session of the Yugoslav 'Diaspora 99' assembly was held in Belgrade. Just before this assembly, a meeting of Serbian opposition groups was held in Athens under the heading of Alliance for Change. It agreed to set up a council of democratic forces of Serbia under the chairmanship of Crown Prince Alexander of Yugoslavia and Patriarch Pavle of the Serbian Orthodox Church. The council would include representatives of the diaspora. The meeting aims to overthrow the current Serbian government under President Milosevic. Representatives met with President Clinton's special envoy and the Greek Foreign Minister.

Yugoslav Crown Prince opens meeting on future of Serbia in Athens, BBC Monitoring Service 22.4.00; Serbian opposition meeting in Athens ends, seven-point declaration adopted, BBC Monitoring Service 23.4.00; Belarusian diaspora supports nationalist congress, BBC Monitoring Service 25.4.00; Yugoslav government adopts measures to boost investment from abroad, BBC Monitoring Service 27.4.00; Moldovan leader welcomes initialling of treaty with Romania, BBC Monitoring Service 28.4.00; Bulgarian Premier comments on Internet initiative, BBC Monitoring Service 28.4.00; Romania: President proposes setting up body to create links with diaspora, BBC Monitoring Service 11.5.00; Yugoslav minister tells expatriates' assembly about NATO 'aggression', BBC Monitoring Service 20.5.00; MPs approve citizenship act draft, Polish News Bulletin 8.6.00; Polish parliament adopts new citizenship law, BBC Monitoring Service 29.6.00; Belarusian opposition leader in exile predicts uprising, BBC Monitoring Service 30.6.00; Where is Central Europe? The Economist 8.7.00; Moldova, Romania sign agreement on bilateral passport requirements, BBC Monitoring Service 4.7.00

Pakistan Seeks to Emulate India's Success With IT Expatriates

Pakistan is seeking to reproduce India's model of involving expatriates the development of IT and software industries. Indian IT professionals are in demand throughout the world, but Germany's visa scheme is failing to lure them.

Pakistan has declared its intention of becoming a 'real player' in the Information Technology sector and catch up with competitors. Compared with India's software projected exports of \$6.3 billion in 2001 Pakistan expects exports of about \$35 million. The minister for science and technology undertook a global tour including London and Silicon Valley to announce the government's new investments in IT. Land has been set aside near the capital Islamabad for a science park. A group of expatriate IT entrepreneurs and professionals was set up in May headed by Masood Jabbar, president of computer systems at Sun Microsystems. But *The Nation* newspaper reported that Pakistan prevented IT professionals from travelling abroad to work for Pakistani-owned companies. India lifted its similar ban in 1999.

In India

In India, the combined pressure from the National Association of Software and Service Companies and prominent expatriate entrepreneurs succeeded in persuading the government to make tax reforms to assist software and pharmaceutical companies. The provisions cover venture capital and share options designed to retain skilled

personnel. Tempting offers from the USA, Japan and now Europe have helped create a shortage of managers and professionals with 5-7 years' experience. The country's six Institutes of Technology produce only 2,200 graduates a year. Industry managers and expatriates are insisting that the government expand the number of technological colleges to meet the skills shortage.

Indian software companies showed signs of rapid growth, entering into higher value-added activities connected with e-commerce and e-business. Growth rates of 50-55 per cent are being predicted for leading companies, and exports are anticipated to rise to \$6 billion in 2001 from \$2.65 billion in 1998.

Germany's skilled migrant scheme

German Chancellor Schröder's controversial scheme to attract up to 20,000 mainly Indian IT professionals (Traces #9) appeared to have produced little response. By late May only 1600 expressions of interest in the new visa scheme had been received from India, fewer than from Bulgaria. As if to emphasise the changed balance of power between the two countries, Foreign Minister Joschka Fischer failed to secure a meeting with the chief minister of Karnataka during an official visit to Bangalore. Azim Premji, head of Wipro – one of India's biggest software companies – told Fischer that the scheme was too bureaucratic. The Indian press has claimed that the salaries are lower than those in the USA, that visas are limited to only five years and that it is hard to bring families and partners to Germany. In Germany itself, Schröder's government came under severe criticism from the opposition Christian Democrats for the scheme.

A politician in North Rhine-Westphalia coined the election slogan 'Kinder statt Inder' – children not Indians – to suggest that education and not immigration was the answer to the country's skilled labour shortage.

India budget aids software exporters, Financial Times 8.5.00; Outdated laws hit manpower export, The Nation 9.5.00; German visa offer fails to tempt India's IT experts, Luke Harding The Guardian 22.5.00; Islamabad plans to become 'real player' in IT, Caroline Daniel Financial Times 4.7.00; Companies gear up for expansion, Khozem Merchant Financial Times 4.7.00; Hard sell for software sector, Khozem Merchant Financial Times 4.7.00

Kazakhstan Calls for Germans to Return

The Kazakh government announced in April that it would conduct a media campaign in Germany in 2001 seeking to persuade ethnic Germans previously resident in the Central Asian republic to return. The announcement coincided with a visit by the deputy chairman of the German parliament to Astana, Kazakhstan's capital. Of the million or so ethnic Germans living in Kazakhstan in 1990 only 350,000 remained in 1999. The German government puts the figure at only 170,000. They took advantage of Germany's law of return, which grants people of German descent the right to settle in the country. Kazakhstan's population as a whole has declined by over a million since 1989. As well as Germans, 1.6 million ethnic Russians, 300,000 Ukrainians and 70,000 Tatars have departed.

Germany has sent \$50 million to the country to assist the ethnic Germans start up businesses in northern Kazakhstan. The government is not eager to see more leave the region, and no longer offers free flights. Ethnic

Germans are mainly poor farmers, for whom the German economy has little need.

The Kyrgyz government announced that it was willing to grant citizenship to Kyrgyz abroad in order to encourage them to repatriate. The main target of the remarks was 2000 Kyrgyz in neighbouring Afghanistan and a community of 1500 in the Lake Van region of Turkey.

Deputy Kazakh parliamentary speaker receives German counterpart, BBC Monitoring Service 3.4.00; Kazakhstan to launch campaign to return emigrated ethnic Germans, BBC Monitoring Service 4.4.00; Kazakhstan – Auf Wiedersehen, The Economist 15.4.00; Kyrgyzstan to repatriate ethnic Kyrgyz living abroad, BBC Monitoring Service 23.6.00.

India Responds to Fiji Crisis

The seizure of the Indo-Fijian Prime Minister and other politicians by rebel Fijian nationalists threatens to weaken the position of the island's Indian community and spark a second exodus in 13 years.

Prime Minister Mahendra Pal Chaudhary and 26 others were taken hostage by Fijian nationalists led by George Speight on May 19. The hostage-takers succeeded in their demand for the 1997 multiracial constitution, which protects rights of Indo-Fijians, to be scrapped. Chaudhary had no choice but to resign, while the President, Ratu Sir Kamisese Mara, was also forced from office under pressure from the military. The last 18 hostages were finally released in July, although the atmosphere of violence and intimidation continued.

Indo-Fijians make up 44 per cent of the population, descendants of 60,000 indentured labourers brought by the British from the 19th century onwards. But after a coup in 1987 overthrew an Indian-led government, as many as 67,000 fled the country, mainly from the middle classes. There are now fears that this coup will lead to further departures. The Australian government urged its 1700 to leave.

India reacted to the crisis by sending a Secretary from the Ministry for External Affairs to Australia and Fiji. Diplomatic ties between New Delhi and Fiji were only recently re-established and India intended the move to signal a strong diplomatic reaction to the coup. India has also made moves in association with the South Pacific Forum and the Commonwealth.

At the same time India had to deal with a sudden influx of refugees from Sri Lanka, where Tamil separatists made major advances. The Indian navy prepared for a mass exodus, although the numbers fleeing dropped after a week.

Indian ships take position, ebb in refugee inflow, The Hindu 18.5.00; India send emissary to Fiji, The Hindu 1.6.00; India: Fiji drama: the inside story, Business Line 5.6.00; The desperate cry of a people left stranded by globalisation, The Independent 5.6.00.

OFWs remit more but criticise Philippine government

Despite public praise for the role of migrant workers in the Philippine economy from the government, there are signs of unhappiness from Filipinos abroad.

The Central Bank of the Philippines announced that in 1999 remittances from Filipino Overseas Foreign Workers (OFWs) rose to \$6.8 billion, compared with \$5 billion the year before. Much of the increase came from the Middle East, rising from \$60.7 million to \$263 million. But the vast majority of income still came from North America, \$5 billion in 1999. But the Speaker of the country's Parliament put the figure for remittances much higher, at \$8 billion from over 7 million workers abroad. On Migrants Workers Day (5 June) he praised their contribution to the national economy. Manuel Villar Jr. announced that the government would introduce a bill giving the right of absentee voting to OFWs. Other bills would establish a pension fund, an OFW bank and provide for hospitals. In May the Philippines Overseas Workers Administration announced plans for a hospital for expatriates and their families in Abu Dhabi, where there are 120,000 OFWs.

But the United Filipinos group of overseas workers claims that the Estrada government is corrupt and inefficient, and is wasting their remittances. Its chairwoman, Connie Bragas Regaldo, organised a protest outside the Philippine consulate in Hong Kong in association with similar demonstrations around the world. In Manila, Migrante International called for an end to the war against rebels in Mindanao, asserting that the money from remittances could be better spent on social needs.

Filipinos protests against Estrada government taking remittances, BBC Monitoring Service 4.5.00; Manila to build hospital for expatriate workers, Gulf News 11.5.00; Dear Editor, Estrada government should not use OFW remittances for war in Mindanao, BusinessWorld 16.5.00; OFWs remit \$7B, Manila Standard 28.5.00; OFWs key role in economy cited, Manila Standard 6.6.00.

Armenia: Relations Between Yerevan and the Diaspora

There remain tensions between the government in Yerevan and the Armenian diaspora, among whom there are calls for more to be done to enable them to participate in the country's affairs. Foreign Minister Vardan Oskanyan, who met with US Armenians in May, stressed the role of the diaspora in economic development. In his words, Armenia had the right to expect assistance from Armenians abroad. But he stressed that investment would only flow given political stability and clear progress towards cleaning up corruption. The US ambassador to Armenia also drew attention to the problems of corruption during a meeting with businessmen in Yerevan.

After meeting the Azeri President in Moscow, Armenian President Kocharian journeyed to Washington in June and met with President Clinton and later Vice-President Gore, who is co-chairman of the task force charged with creating favourable conditions for investment in Armenia. At a dinner for two dozen wealthy Armenian-Americans Kocharian hinted that he favoured reducing taxes for foreign investors. Diaspora funds will be required to compensate for the reduction in US aid, from \$102 million in 2000 to \$75 million in 2001. Sources suggest that the US Armenian community alone could invest between \$180-250 million, comparable in size to the state budget. Kocharian also met with representatives of the Armenian Assembly of America.

An article in the Armenian newspaper *Aravot* criticised President Kocharian for conducting his foreign policy more with Armenian communities abroad than with states themselves, thereby

harming Armenia's relations with Turkey and the Arab world.

Transnational Communities Programme
working paper WPTC-2K-11

Institutions and their agents in diaspora: a comparison of Armenians in Athens and Alevi in Germany

Martin Sökefeld & Susanne Schwagin

President Kocharian and President Heidar Aliev met in Moscow to discuss Nagorno-Karabakh. The Russian press reported that a possible way of resolving the dispute between Armenia and Azerbaijan over Nagorno-Karabakh had been identified by the OSCE-led negotiations. Resolution could include joint sovereignty or condominium status of the two states over the enclave. This would mean dual citizenship for all residents as well as the use of two currencies. Washington is alarmed that Russia and Iran are trying to get involved in the peace process, which is intrinsic to further development of the Caspian Sea region oil and gas resources. It has been suggested that the US would be willing to invest \$2 billion in a settlement of the dispute.

The Economist (3.6.00) reports that the continued dispute and the closure of the borders between Armenia and Azerbaijan on one side, and Armenia and Turkey on the other, has pushed traders into the Georgian border town of Sadakhlo. Here, in the largest market in the Caucasus, Armenians and Azeris trade food, clothes and flour, and the Georgian authorities guarantee low customs duties. Richard Beilock, an economist at the University of Florida, is quoted in the article as estimating that reopening the borders would bring down transport

costs between Turkey and Armenia by between one third and a half.

Armenian paper accuses President of ruining relations with Arab world, BBC Monitoring Service 8.4.00; Armenian foreign minister meets top US officials in Washington, BBC Monitoring Service 2.5.00; An uncommon market in the Caucasus, *The Economist* 3.6.00; Armenian foreign minister favours increasing contribution of diaspora, BBC Monitoring Service 6.6.00; Armenian paper looks at relations with USA, BBC Monitoring Service 28.6.00; New plan for joint Azeri-Armenian rule of Karabakh said drawn up, BBC Monitoring Service 7.6.00; The Caucasus – is a settlement possible?, *The Economist* 24.6.00; Armenian leader meets diaspora activists in USA, BBC Monitoring Service 26.6.00; Armenia seeks balanced relations with Russia and USA, BBC Monitoring Service 29.6.00.

Satellite TV for Europe's Pakistani communities

The Pakistani commercial television channel Prime TV was launched in Europe in June. It is carried by the Norwegian company Telenor as part of its ColourSat system of expatriate channels. Prime TV will broadcast a range of programmes 24 hours a day aimed at the continent's 2 million Pakistanis. Pakistan's national television service will supply programmes under an exclusive arrangement with Prime. General Pervez Musharraf welcomed the channel as evidence of the country's free press and as a means of broadcasting Pakistan's image abroad.

Pakistani TV channel enters Europe, *Daily World Wire* 1.6.00; Pakistani TV channel launched in London, BBC Monitoring Service 30.6.00

France: Brain Drain and Foreigners' Voting Rights

A report to the French Senate raises fears that France is losing its bright young professionals because salaries and conditions abroad are more attractive. The foreign ministry estimates that there are 1.78 million French citizens working overseas officially – including 194,000 in the UK and 236,000 in USA (see Traces #9 on expatriates in London). The number living in California alone has risen 30 per cent to 45,000.

In May the National Assembly, the lower house, passed a bill to allow non-European residents to vote in local elections. But the law is not expected to pass through the Senate, the upper house, where conservative parties hold a majority. EU nationals have the right to vote at municipal level. There were organised marches in the streets of Paris in support of voting rights. Among the demands of immigrant groups was a National Day for African Immigrants in France.

French foreigners vote law passes first reading, Agence France Presse International 4.5.00; Africans, Caribbeans demand citizenship in France, Panafrican News Agency 21.5.00; French Senate raised brain-drain alarm Les Echos 15.6.00

Traces 11 July-September 2000

Somalia's Transnational Assembly Meets in Djibouti

Delegates selected from Somalia's main clans met in Djibouti from May to August to elect a new President for the divided country. But the break-away republic of Somaliland called on the UN to grant it special status.

A Somali 'transnational assembly' met in Arta, Djibouti, the first such gathering since 1991 when President Siad Barre was overthrown. It was the twelfth attempt to initiate such an assembly, the others having failed. It was convened after intense diplomatic efforts by Djibouti's President Ismael Omar Guelleh. In his opening remarks to the delegates he called for national unity and an end to the civil war. There were 245 delegates, and the proceedings were witnessed by members of the Somali diaspora and international observers. The assembly met in Djibouti because Somalia itself was regarded as too unsafe.

The delegates were nominated or picked by Somalia's four main clan leaders – who were allocated 44 seats each – or appointed by President Guelleh. Twenty-five seats were specifically reserved for women. The first delegates assembled in Arta in May, while the procedure for selecting the others was debated. There was much disagreement and controversy over the methods. In Mogadishu there were protests that the allocation process was unfair.

The assembly has a three-year mandate. Its first act was to elect a President, who will form a government in the Somali city of Baidoa while waiting for Mogadishu to become safer. Abdulkassim Salat Hassan, once a minister in Barre's government, won the presidential contest ahead of nine other candidates. Hassan spent several years after 1991 in exile in Cairo before returning to Somalia.

Opposition to the assembly came from in Mogadishu, where 'warlord' Hussein Mohamed Aided threatened to prevent the delegates returning. He accused the assembly of being under foreign control. Other warlords, including Colonel Omar Jess – who turned his back on negotiations to set up the assembly – have also threatened the meeting. The break-away regions of Somaliland and Puntland in the north of Somalia have also declined to recognise the gathering.

Hassan hopes to count on the support of the Islamic courts and Mogadishu's business elite in his campaign to win over the country's warlords. Speaking from the United Nations after his election, Hassan declared himself willing to meet with Mogadishu's rival faction leaders. But there was an outbreak of heavy fighting in Mogadishu in late September between two factions, placing the peace process into doubt.

Although the assembly included representatives from Somaliland, the republic's President, Mohamed Ibrahim Egal, did not recognise the new President. Instead he called on the United Nations to give the nascent republic special status, though short of independence. He compared the situation to Kosovo or East Timor, both of which possess an interim status sufficient to apply for financial

assistance from the international community. Recognition would also facilitate credit and money transfers.

Somali clans settle seat quotas in first Parliament for a decade, Agence France Presse Internationale 8.8.00; Somalia's first Parliament in a decade inaugurated in Djibouti, Khaled Haidar Agence France Presse 13.8.00; Divisions threaten Somali parliament, BBC 13.8.00; Convention held to usher in new Somali national assembly, BBC Monitoring service 14.8.00; Somaliland calls for 'special status', BBC 15.8.00; Somali assembly chooses Speaker, BBC 21.8.00; Somalia's new civilian leader, BBC 29.8.00; Somali women find a voice, BBC 6.9.00; Somalia's president ready to meet warlords, 15.9.00; Clashes in Mogadishu, BBC 22.9.00.

Sri Lanka Steps up Campaign Against Tamils Abroad

In the face of renewed fighting in the north of the island, the Sri Lankan government moved to shut down support for separatists from the Tamil diaspora. This might pose a test for the UK's proposed new anti-terrorist laws.

In July the Sri Lankan government formally requested the UK to ban the Liberation Tigers of Tamil Eelam (LTTE), whose international headquarters are in London. There are thought to be around 80,000 Tamils in Britain, of whom 24,000 are seeking asylum. The LTTE was banned in the USA as a terrorist organization in 1997, and in India after an attempt to assassinate Prime Minister Rajiv Gandhi in 1991. The request from Sri Lanka takes advantage of the UK's new bill on terrorism, which provides for the banning of organizations engaged in armed conflict overseas.

The case of two Sikhs highlighted the inconsistencies in the UK's asylum and

anti-terrorism laws. An immigration appeals commission ordered the release of Mukhtiat Singh and Paramjit Singh on the grounds that they could face torture if returned to India. But at the same time their request for asylum was rejected because the commission judged that they were international terrorists and constituted a threat to national security. The commission used a new definition of terrorism, first laid down in an appeal court decision in May, that any individual considered a threat to Britain or its allies could be seized and deported. The two men were alleged to have entered the country illegally between 1994 and 1996 and thereafter engaged in arms deals in support of the movement for Khalistan.

The case of two Sikhs highlighted the inconsistencies in the UK's asylum and anti-terrorism laws

The Sri Lankan government also asked Switzerland to investigate allegations that LTTE was fund-raising in the country. There are an estimated 30,000 Tamil refugees in Switzerland, and the Sri Lankans suspect them of raising over a million US dollars a month. Although the Swiss authorities believe that two-thirds of Tamils support the struggle for independence, they have no definite proof of fund-raising.

Greater support for the Sri Lankan government has come from the US administration, which passed new laws allowing for extradition between the two countries. Collecting money or lobbying for the LTTE is banned in the USA. But at Tamil cultural events to raise awareness of the conflict, money is gathered for needy families either in

exile or trapped on the island and dependent on remittances.

In Canada, there are mounting concerns that the LTTE is involved in gang warfare, mixing fund-raising with illegal activities. A series of shootings in Toronto have been linked to the organization. One study suggested that Canadian Tamils raised \$22 million for relatives in Sri Lanka.

Tamils in Europe run three satellite radio networks providing news about the island in conflict with the Sri Lankan government's attempt to control the news. Information from rebel areas in the north of the island, where there are no working telephone lines, comes out via word-of-mouth or ham radio. There are large Tamil-speaking communities in the USA, Europe, Mauritius, Canada, Malaysia and Singapore. In September Teleindia announced the creation of an internet portal, or congregatal, aimed at the 80 million Tamil-speakers in the world.

Tamil diaspora surfs for news, Sanjoy Majumder BBC 25.5.00; US-Sri Lanka treaty awaits approval, Jeff Phillips BBC 4.7.00; Switzerland asked to probe Tamil groups, Claire Doole BBC 14.7.00; Sri Lanka urges Tiger ban, BBC 28.7.00; Risk of torture stops deportation of Sikh 'terrorists' freed from jail, Richard Norton-Taylor The Guardian 1.8.00; There is another country..., The Economist 19.8.00; Teleindia limited launches online congregatal at Tamil.com, PR Newswire 15.9.00

European Police Co-operate Over Trafficking Migrants

Western Europe's police forces are co-operating over the growing level of trafficking migrants. Widely-publicized arrests were made in the

Netherlands and Italy, where the authorities claim to have broken up transnational criminal networks.

Police forces from Belgium, Netherlands, Germany, France and the UK agreed to co-operate more closely to tackle the growing trade in human trafficking. The meeting was brought forward following the discovery of 58 dead and presumed illegal immigrants from Fujian, China, in a container truck in the British port of Dover in mid-June.

The UK National Crime Squad (NCS) – which was formed in 1998 specifically to combat transnational criminal activity by organised gangs - estimates that the trade involves between half a million and a million a year throughout the world, with profits around \$20 billion. In 1999 Britain caught 16,000 people trying to enter the country illegally, compared with only 61 in 1991.

The director of the UK's National Criminal Intelligence Service (NCIS), John Abbott, stated that gangs were switching from drugs to smuggling immigrants because of the lower risks and greater profits. He said that dozens of gangs were involved, many forging cross-border alliances. Abbott called for greater co-operation and co-ordination between European police agencies to meet the challenge. A NCIS report on the 930 criminal families it has identified in Britain determined that 11 per cent of them were involved in illegal immigration. Over half (56%) were active in drugs, and 47% in money laundering. Most of the 930 gangs are British, but the report also describes significant activity by criminal organizations from Albania, Colombia, Turkey, Nigeria,

China, the Caribbean and the former Soviet Union.

In July Dutch police made 60 arrests and claim to have broken up a human trafficking 'ring' smuggling Iranians into Britain. The sixty included 54 Iranians, and others from Iraq, Algeria and Romania. The police suspect the same gang of using their four main networks to move narcotics and forge passports. A fortnight later, the Italian police made a similar announcement, stating that they had uncovered a network of three gangs responsible for smuggling over 5,000 Chinese into the country within the past year. Among those arrested on the Slovene border were Chinese, Croats, Slovenes and Italians. The migrants from China had travelled via Moscow, Kiev and Budapest before arriving in Slovenia. The Italian authorities have identified a Croat man living in Croatia as the key figure in the network.

After the discovery that the 58 dead Chinese immigrants at Dover were smuggled into Europe through the Czech Republic, the EU and UK put pressure on the Czechs to toughen up their border security. The German authorities lent the Czechs high-tech detection equipment including carbon dioxide detectors and thermal imaging cameras. The Republic, which has more borders with EU states than any other Eastern European country, has emerged as a major transit route into Western Europe. In the first five months of 2000 14,000 people were apprehended, although the police reckon that five times as many entered undetected. The majority are thought to have paid couriers to be smuggled in. The Czech border police are poorly-equipped and low-paid. In the past their job was to keep people in, but the challenge of patrolling heavily

wooded borders to keep people out is demanding.

Europe's sex industry trade

Police authorities are also keen to co-operate over the growing level of women trafficked into Europe and into the sex industry. The sex industry in Europe is said to be worth \$9 billion a year. Estimates of the number of women smuggled into Europe by gangs are around 300,000 a year, although not all end up in the sex trade. Ukraine calculates that 400,000 Ukrainian women have left since independence; the Czech authorities estimate that there are 20,000 women working in brothels in the country, most from abroad.

The pattern of trafficking involves women from the former Soviet Union countries moving first to Central and Eastern Europe, perhaps on the offer of a job as a waitress or a maid. From there they are moved into Western Europe, having had their passport or papers stolen by gang members. The trade is mainly controlled by well-organised Russian gangs, although Albanians also mix trafficking prostitutes and drugs. Italy has emerged as a major destination for women smuggled into Europe by Albanian gangs. The authorities calculate that there could be more than 40,000 foreign prostitutes in the country. Most of the women are from Albania or other former-Communist countries.

Police to tackle human trafficking, BBC 27.6.00; Easy path through EU's green frontier, Kate Connolly The Guardian 5.7.00; Drug gangs turn to migrant trade, Nick Hopkins The Guardian 6.7.00; People-smuggling gang held, Andrew Osborn The Guardian 7.7.00; Italy arrests Chinese traffickers, Rory Carroll and Jon Henley The Guardian 21.7.00; Italy's sexual slave trade, BBC 2.8.00; Trafficking women, The

Economist 26.8.00; Making a killing, Nick Hopkins The Guardian 12.10.00

Anti-Capitalist Protests Move From Melbourne to Prague

The series of anti-capitalist protests moved on from Seattle in November 1999, to Washington DC in April, Melbourne on September 11th and Prague on September 26th. National security forces attempted to match their transnational organization.

On each occasion the loose coalition or protestors have organised a 'convergence centre' beforehand to provide advice, medical assistance, food and training in non-violent protest. Observers commented at how well-organised the anti-hierarchical protestors are.

The World Economic Forum's Asia Pacific Economic Summit met in Melbourne in September, starting three weeks protest leading up to the Sydney Olympics. The Forum met in the Crown Casino, owned by Australian media tycoon Kerry Packer. It meets in Davos every year, and has begun to hold regional conventions. Critics accuse it of being a meeting ground for the new global elite, hatching policies but unaccountable.

Between 10,000 and 20,000 protestors tried to shut down the summit, including representatives from Britain, New Zealand and the USA. The coalition behind the protests includes church groups, trades unions, and NGOs. Within the Labour Party there is also a growing sentiment against free trade policies. The protest has

also been backed by the anti-immigrant One Nation party.

The Melbourne protests turned into violent clashes between demonstrators and police. Proceedings within the casino were disrupted and held up.

Britain's MI5, the security service, warned Australia that militant organizers from London's protests were planning to attend. The Canadian Security Intelligence Service drew the authorities' attention to the possible involvement of groups it regards as violent – Third Position, Black Bloc and the Black Army Faction.

And on to Prague...

After Melbourne the next venue for protest was Prague to confront a joint meeting of the World Bank and the IMF. Unlike Seattle, Prague's protest consisted mainly of European activists, although many were also present at Seattle. Prague was the first major European-wide anti-capitalist event. Activities were co-ordinated by a local umbrella group, Inpeg, the Initiative Against Economic Globalisation (www.inpeg.org).

The mixed bag of protestors are united in their fervent opposition to the IMF, World Bank and the WTO. But they also disagree on many things, including tactics. A meeting organized by Czech President Vaclav Havel to bring the protestors and the delegates together before the summit failed when the former could not agree whether to attend or not. Traditional marching was enhanced by various forms of 'tactical frivolity' or carnival, dressing up, performing, singing and dancing. The sources of inspiration cited by those present ran from sub Comandante Marcos, 'leader' of the Chiapas revolt, to Naomi Klein, author

of 'No Logo'. But there were rumours that Czech far right groups would join the demonstrations.

The Czech authorities banned marches in the city during the summit but were unable to prevent an estimated 20,000 protestors taking to the streets for three days. Protestors from abroad were turned away at the border. The Czech police received information from the FBI and Scotland Yard to assist them in identifying protestors.

Delegates and their companies were being advised to set up well-researched and detailed rebuttal services, using the internet to match the protestors. Scotland Yard sent a team of officers to Prague in advance of the meeting for two days' of talks. They brought with them photographs and files of people identified by the police as organizers of demonstrations in London in June. A team of 24 Czech officers attended training at the FBI's headquarters in Washington DC in August. They also collaborated with German, Polish and Scandinavian forces through Interpol.

Among the major demonstrations on the same day were protests against GM crops in Bangalore. The protest was attended by Jose Bove, the French campaigner against McDonald's and Indian environmentalist Vandana Shiva.

Anti-capitalist groups claim a number of tangible successes, including persuading Starbucks to sell fair trade coffee beans and extracting commitments from Gap and Nike to address sweatshop conditions on the Pacific island of Saipan. The World Bank has pulled out of a resettlement project in China as a result of protests by Tibetan groups.

Riots threaten Prague autumn, Nick Hopkins and Kate Connolly, *The Guardian* 24.8.00; Business protestors mobilise to disrupt Melbourne summit, *New Zealand Herald* 2.9.00; Czech extreme right to demonstrate against IMF, World Bank summit *BBC Monitoring Service* 7.9.00; Australia braced for protests, Shawn Donnan and Stephen Wyatt *Financial Times* 11.9.00; This was supposed to be three days of high-powered talks, Charlotte Denny and Patrick Barkham *The Guardian* 12.9.00; Gates rounds on protests, Patrick Barkham *The Guardian* 13.9.00; Protest generation vows to grab reins of power, *The Independent* 18.9.00; Carnivalistas slink in with a pink revolution, John Vidal *The Guardian* 23.9.00; Anti-capitalist protest, Amelia Hill *The Observer* 24.9.00; Anti-capitalist protests, *The Economist* 23.9.00; Among the protestors, Steve Schifferes *BBC* 25.9.00; 'Widespread' discontent at IMF, Ray Furlong *BBC* 25.9.00; Tide turning against the global order, George Dor *Business Day* 26.9.00; Prague summit, John Vidal and Kate Connolly *The Guardian* 26.9.00; Outwitting the global protesters, Neil Huband and David Little *Financial Times* 26.9.00; Farmers rally against GM crops, *BBC* 26.9.00; Lessons in revolt, Kate Connolly *The Guardian* 27.9.00; Capitalism in hiding, Kate Connolly *The Guardian* 28.9.00

Iranian Exiles Protest Against Khatami in Germany

Iranian President Khatami toured Germany and met vehement protests from exile groups. At the same time, the Iranian government renewed appeals for exiles to return.

President Mohammad Khatami paid a three-day visit to Germany marked by protests from Iranian exile groups. The German authorities took a tough stance on protestors, searching houses, making arrests and turning back Iranians at the country's borders. The provisions of the Schengen Treaty were suspended in order to prevent free movement into Germany. About 7,000 protestors marched through

Berlin, an event organised by the National Council of Resistance. The NCR is the political wing of the Mujahideen Khalq, based in Iraq and opposed to the Tehran government. It stands accused of being responsible for a series of mortar attacks in Tehran. German police were informed of 17 separate protests planned for the visit. There were calls within parliament to cancel the tour supported by 175 deputies in support of the NCR. There are estimated to be 116,000 Iranians in Germany.

The provisions of the Schengen Treaty were suspended in order to prevent free movement into Germany.

The protests were criticized by reform parties both within Iran and in exile. Five Iranian parties held a joint news conference in Berlin stressing the need to normalise relations with Tehran. But in Iran, conservative parties raised objections to the visit. Khatami discussed human rights and trade relations with the German government, as well as measures to fight transnational crime. In 1978 he lived briefly in Germany as imam of Hamburg.

Tehran summons exiles

In the wake of Khatami's visit the Iranian government renewed its call for exiles to return. Tehran's press recognised the possible importance of Iranian exile investors, identifying 80 major entrepreneurs, 6,000 doctors and 3,000 medical students in the USA alone. It is estimated that as many as two million Iranians, most of them professionals, either left or chose not to return from study abroad after the 1979 revolution. A special meeting was convened in the capital to discuss how

to encourage expatriates to return. Previous attempts to lure exiles back have generally failed. In September, forty deputies in parliament tabled a bill to grant amnesty to Iranians who fled after 1979.

Exiles are using satellite television to broadcast into Iran. Although it is illegal to own a satellite dish in Iran, by some counts there are two million homes in the country able to receive the broadcasts. NITV for example, is run from West Hollywood in Los Angeles. It shows old movies and music shows from before the revolution, banned inside Iran. The station gets much of its funding from donations by the diaspora. NITV has plans to open office in Europe. KRSI Radio also broadcasts on short wave from Beverly Hills into Iran, drawing big audiences for its phone-in programmes.

The authorities in Iran are aware of the broadcasts but recognise the enormous practical difficulties of hunting down every hidden satellite dish. There have been calls within Parliament to legalise them, including President Hashemi Rafsanjani.

Exiled Iranians demonstrate against President Khatami's visit, BBC Monitoring Service 6.7.00; Human rights issues likely to cloud Khatami visit to Berlin, Guy Dinmore and Haig Simonian Financial Times 6.7.00; Iranian President's visit to Germany still on despite the pressures, Michael Anders, Agence France Presse International 7.7.00; Khatami visit puts Berlin on security alert, Guy Dinmore and Haig Simonian Financial Times 10.7.00; 'New start' for Iran-German relations, BBC 10.7.00; Iranian reform parties criticize protests against President's visit, BBC Monitoring Service 10.7.00; Germany raises Iran's export credits Haig Simonian Financial Times 11.7.00; Khatami visit ends with protests, BBC 12.7.00; Iran wants return of its diaspora, Agence France Presse International 15.7.00; Wistful Iranians feed on a satellite beam of nostalgia, Geneive Abdo and Duncan Campbell The Guardian 16.8.00; Iranian parliament to

consider exile amnesty, BBC 3.9.00; Amnesty plan for Iran's expatriates, Guy Dinmore Financial Times 5.9.00; Iranians make it in the US, Tom Carver BBC 26.9.00

Expatriate Workers in London

A series of articles in the *Financial Times* by Astrid Wendlandt detailed life for expatriate workers in the City of London, focusing on the cultural adaptations they must make to be successful.

The London Chamber of Commerce reckons that the largest number of foreigners come from the USA, followed by France, Germany, Italy and Spain. In JP Morgan's London office there are over 50 nationalities alone.

The different national groups have their own particular adaptations to make to the City's culture, with its combination of informality, conspicuous consumption and drinking. For example, the practice in London is to address co-workers by their first name, unlike other European financial centres. This custom is said to be particularly hard for French and German workers to get used to. Many who are on short-term contracts or who intend to leave the City for politics, may prefer to maintain formality. But the general informality may make business easier in some respects, allowing employees to communicate directly rather than via their respective bosses. Another feature that surprises continental Europeans, reports Wendlandt, is the culture of conspicuous consumption of British workers, who are regarded as spendthrifts and show-offs. Translating annual bonuses into the

latest fast car is an obsession with many financial workers.

Each national group faces their own specific problems in the workplace. For example, Japanese workers hired in Japan and sent abroad find that they do not enjoy the same promotion prospects as people hired in London working for the same firm. Japanese workers are promoted according to length of service. UK workers may rise through merit and hard work, or get large financial bonuses. It is also thought that Japanese workers are more reluctant to move between firms to advance themselves.

Transnational Communities Programme
working paper WPTC-2K-09

*Vorsprung Durch Sales Technique:
Stereotypes, strategies and identities in a
Global City*

Fiona Moore

The expectations surrounding business meetings vary. North Americans like short, constructive meetings, while their European counterparts prefer longer and less decisive encounters. A common stereotype is that Americans are direct and blunt, Germans pedantic and Britons evasive or understated.

Finally, Wendlandt suggests that Britons, Australians and Americans like to go drinking after work, while others do not. It gives the Anglophone workers an advantage in business, because they know each other better. But Americans never drink during work hours.

Health hazards of business travel

Also in the *Financial Times*, Gillian Upton surveyed the health problems of

business travel. A survey by the Joint Bank Fund, the common health services department of the World Bank and the IMF health services department of more than 1,200 travellers found that 48 per cent reported family and personal problems, 41 per cent work problems and 10 per cent health worries. The World Bank has surveyed spouses of its employees as well, in the belief that executives are reluctant to admit to problems openly. The World Bank has 5,000 employees who travel regularly, spending more than 250,000 days a year on the move. Although the Bank makes available options for flexible schedules, home-working, family leave and so forth, not enough employees take advantage of them.

The name game is a puzzle for expats at work, Astrid Wendlandt, Financial Times 15.8.00; Hooked on Square Mile's international buzz, Astrid Wendlandt Financial Times 15.8.00; Why your colleagues should be behind bars, Astrid Wendlandt Financial Times 16.8.00; 'You know you are at home when you are happy to come back', Astrid Wendlandt, Financial Times 17.8.00; Modern manners in the City, Astrid Wendlandt Financial Times 17.8.00; Employees taste bitter fruit of the Japanese way, Astrid Wendlandt Financial Times 18.8.00; Universal language of spending money has its drawbacks, Astrid Wendlandt Financial Times 19.8.00; Hard landing for travellers, Gillian Upton Financial Times 28.8.00

Central Asia Addresses 'Transnational' Islamic Militants

Central Asia's leaders met to condemn what they perceive as a growing transnational threat from Islamic militants, who it is claimed form a network stretching from Afghanistan and Chechnya to the Fergana Valley.

The presidents of Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan met in the Kyrgyz capital in August to discuss common security measures. In the joint statement of the Collective Security Council they condemned 'acts of aggression, terrorism and extremism' in the region, and agreed to act together to combat 'transnational crime'. The statement explicitly connected 'terrorism and banditism' across Central Asia to Islamic militants in Chechnya and the Taliban regime in Afghanistan, as 'links in one chain'. The communiqué called for the Tajik-Afghan border to be strengthened to prevent the conflict spilling over and block the trade in heroin and opium.

The states' anxieties centre on the Fergana Valley, which borders Uzbekistan, Kyrgyzstan and Tajikistan. They claim that the Islamic Movement of Uzbekistan (IMU) is attempting to found an independent Islamic state in the region. The apparent ability of the small bands of militants to move freely across borders is causing tension between the region's states.

Soldiers with the Islamic Movement of Uzbekistan are reported to be crossing into Uzbekistan and Kyrgyzstan from Tajikistan, a claim denied by the Tajik authorities. An incursion into southern Kyrgyzstan in mid-August resulted in the deaths of 24 government troops and 50 rebels. The Tajik government has prevented Uzbekistan chasing insurgents across the border. Some reports suggest that the IMU is based in Afghanistan, and small groups cross through Tajikistan. Others say that rebels used to return to Afghanistan but are now staying permanently in Tajikistan between attacks. The Uzbek and Kyrgyz governments assert that the IUM have links with Chechen separatists and Osama bin Laden's training camps in Afghanistan, a claim

doubted by outside observers. The US government has provided aid to Kyrgyzstan in its campaign against rebels.

The core of the IMU's 2000 warriors are Uzbek exiles who left in the early 1990s and who gained military experience fighting in Afghanistan. According to Kyrgyzstan they have been joined by Tajiks, Russians, Pakistanis and Chechens.

After a series of murders and attacks in the Kazakh city of Almaty, the Kazakh authorities cracked down on the country's Uighur community in September. Uighur separatists are engaged in fighting with the Chinese government across the border. Representatives of the Uighur diaspora claimed that their human rights were being abused, and complained of being branded as terrorists. A spokesman for the Uighur House in Almaty denied that any official Uighur association was involved in violence. According to the National Statistics Agency, around 210,000 Uighurs are living in Kazakhstan.

According to Kyrgyz government sources, the size of the German community in the country has declined fivefold in the past few years: 80,000 of the 100,000 once resident in the country have emigrated to Germany. The deputy prime minister blamed the country's weak economy as well as the fighting in the south.

The militants take aim, *The Economist* 26.8.00; Four-fifths of ethnic groups left Kyrgyzstan – deputy premier, BBC Monitoring service 31.8.00; Kazakh Uighurs condemn separatism, deny links with suspected killers, BBC Monitoring services 28.9.00; Kazakh Uighurs complain about abuse of rights following police raids, BBC Monitoring Service 29.9.00; Bishkek Central Asian security summit 20th August, BBC Monitoring Service 21.8.00; Muslim militants

take the holy war to central Asia, David Stern *Financial Times* 26.9.00

Tibetan Exiles Lobby World Bank

Tibetan exile groups and supporters succeeded in blocking World Bank help for a resettlement project in China. The Tibetan government-in-exile also helped persuade Western multinationals pull out of oil and gas projects affecting Tibet.

The World Bank was considering a loan of \$40 million to China to facilitate relocation of 58,000 Chinese farmers in an area traditionally belonging to Tibetan and Mongol herders, although not part of Tibet itself. It is known as the Qinghai project. Opponents claim that the project amounts to 'cultural genocide', swamping the Buddhist culture with thousands of outsiders. The International Campaign for Tibet led a vocal opposition to the scheme and the World Bank's involvement, organizing marches outside the Bank's offices in Washington DC. It has support from members of the US Congress. The Clinton administration opposes the Bank's funding.

An internal report argued that the Bank was violating its rules in backing the project on western China. Pro-Tibetan campaigners pressured the Bank's president to make the report public. After it finally did so, the resultant outcry forced the World Bank to cancel the loan.

In another development, the Dalai Lama and the Tibetan government-in-exile called on western firms not to support oil and gas schemes in the

region. BP Amoco, Enron and Agip have relationships with Chinese firms involved in projects there. The main target of opposition is the 953km Sebei-Lanzhou pipeline, part of China's 'western development plan'. BP Amoco withdrew from the pipeline under pressure from human rights organizations and pro-Tibetan groups, but it has invested in Sinopec, the Chinese firm working on the project. China announced that it would continue with the projects with or without western help.

The Dalai Lama visited California in July. Hundreds demonstrated in support of Tibetan independence in Los Angeles outside the Chinese consulate. The spiritual leader addressed a crowd of 10,000 in the city's Memorial Sports Arena. From California he progressed to Washington DC to mark Tibet's independence day. In September the Dalai Lama visited France and announced his intention to travel to Taiwan in 2001. A proposed trip to South Korea earlier in the year had to be cancelled after pressure from Beijing. But the Dalai Lama was conspicuously not invited to the World Peace Summit held at the United Nations

Hundreds march across California for Tibetan independence, Agence France Presse International 25.6.00; Tibet report dispute throws World Bank into disarray, Sathnam Sanghera Financial Times 26.6.00; Dalai Lama conciliatory toward Beijing during US tour, David Finnigan Agence France Presse International 26.6.00; World Bank Criticizes Itself Over Chinese Project Near Tibet, David E. Sanger and Joseph Kahn New York Times 27.6.00; Dilemma over Dalai Lama, Jane Little BBC 25.8.00; World Bank rejects Tibet land plan, BBC 7.7.00; China intensifies anti-Dalai Lama campaign, BBC 28.8.00; Tibetan government-in-exile regrets Dalai Lama's exclusion from UN summit, BBC Monitoring Service 31.8.00; Dalai Lama meets French deputies, BBC Monitoring Service 27.9.00;

Beijing vows to press ahead with gas pipeline, James Kyng and Peter Montagon Financial Times 27.9.00; BP caught in the crossfire, Luke Harding The Guardian 2.10.00

India Woos Diaspora Entrepreneurs

During his visit to the USA, Indian Prime Minister A.B. Vajpayee courted Silicon Valley's Indian entrepreneurs, inviting them to invest in India's booming software industry. The government also announced plans for a second Resurgent India Bond.

It is estimated that there are over 750 software companies run by Indians in Silicon Valley (see also *Traces #9*). The region contains around 300 Indians with net worth of five million US dollars or more. The Indian government is targeting this community as a source of investment. Prime Minister A.B. Vajpayee toured the USA in September for two weeks, visiting Silicon Valley along the way. The trip was intended to build on the relations established between the two countries after President Clinton toured India in March. Vajpayee hopes to attract 15 billion dollars in the next year. Indian entrepreneurs persuaded New Delhi to deregulate the venture capital industry and offer tax breaks to software industries.

Vajpayee also hinted that the government would speed up the deregulation of India's long-distance telecom market by ending the monopoly held by the state-owned VSNL. This is welcome news to the diaspora. At present, it costs three times as much to call from India to the USA as from the US to India. New

Delhi has also opened up voice mail and internet services to foreign investment.

The nascent Indian venture capital sector has funds of around \$488 million according to the National Association of Software and Service Companies, most directed towards IT. The last budget relaxed the rules governing taxing foreign VC funds setting up in India, and it is hoped that the resultant inflow will amount to \$3 billion.

A second Resurgent India Bond

The State Bank of India announced plans for a second Resurgent India Bond (RIB) to be aimed at Non Resident Indians. NRIs are estimated to hold \$27 billion in deposits in the Indian banking system. As before, the five-year bond will be available in US dollars and pounds sterling, with an attractive interest rate of 8.25%. The first RIB was successfully launched in August 1998. The second bond is designed to restore India's foreign reserves depleted by the rising price of oil.

PM's US trip may ring in more reforms, Navika Kumar India Express 5.9.00; PM's US trip to flesh out new partnership despite irritants, India Express 6.9.00; Struggle to bridge the management gap, Khozem Financial Times 13.9.00; New Delhi woos Silicon Valley Indians, Khozem Merchant and David Gardner Financial Times 15.9.00; Vajpayee wraps up tour with a feel-good speech, Chidanand Rajghatta India Express 18.9.00; India sets sights on overseas investors, Khozem Merchant Financial Times 25.9.00

Poland Welcomes Returns From the Diaspora

There are signs that Poles are returning from Western Europe,

and the government has introduced new provisions to encourage Poles living in the former Soviet Union to come back.

Over half the 10,000 foreigners who apply for Polish citizenship each year are returning Polish emigrants. Although the net flow is still outwards, with 25,000 departing each year, the balance is tipping towards return. An unrecorded number of people with dual citizenship, who never surrendered their Polish passports or who retain their German citizenship, are also returning. There is a high representation of educated and skilled Poles among those coming back. With rising wages in and the prospect of EU membership, Poland has become relatively more attractive to skilled workers.

One region to suffer from out-migration in the post-Communist era was Silesia. Perhaps 10 per cent of the region's population, 500,000 people, left after 1990. At the time German citizenship was easy to obtain for Poles of German heritage. Now some are coming back, permanently or temporarily. Some live in Poland but commute to Germany for work.

The Polish lower house (Sejm) passed a law to assist the repatriation of Poles who were left behind on the territories of the former USSR. Sources calculate that 20,000 of the 60,000 Poles in Kazakhstan will seek entry into Poland, just as Kazakh Germans repatriated. To qualify, a person must demonstrate that a parent, grandparent or two great-grandparents had Polish nationality. They must also show evidence of links with Polishness. The law excludes those repatriated from Poland between 1944 and 1957 to

Belarus and Ukraine. Under the provision, the government will pay travel costs, the costs of setting up home, of educating children and a daily allowance.

In September it was announced that, for the first time, Poles living abroad will be able to vote in the second round of the presidential elections. The Foreign Ministry reckons there are 800,000 to one million eligible Polish citizens abroad.

Transnational Communities Programme
working paper WPTC-2K-07

A European space for transnationalism?

Aliasdair Rogers

When Poland joins the EU, in 2003 or 2005, the border with Belarus will become the EU's eastern boundary. Germany and Austria are pressuring Warsaw to create a high-security, fenced border in anticipation of membership. But the Polish authorities are anxious not to offend their neighbours or jeopardise the significant (though falling) amount of cross-border trade, much of it informal. The Bialowieski Forest will prove particularly hard to police. Officials are already discovering networks of tunnels in the area designed to help smuggle migrants across.

Polish Parliament adopts law enabling repatriation of Poles from East, BBC Monitoring Service 20.7.00; Poland's emigres find the grass is greener at home, John Reed Financial Times 22.7.00; On the soon-to-be eastern frontier, The Economist 26.8.00; Poles abroad able to vote in runoff Presidential ballot, BBC Monitoring Service 20.9.00

Hungarians Continue to Debate Citizenship Status

Pressure from the diaspora on Hungary's government to extend citizenship rights to Hungarians abroad continued throughout the summer (see *traces* #10).

At a convention of the World Federation of Hungarian Calvinists in July, a statement from nine organizations representing Transylvanian Hungarians called on the government to move towards dual citizenship for the diaspora. It also requested more funding from Budapest for the diaspora, above the current 0.13 per cent of the national budget.

The Hungarian Democratic Union of Romania (UDMR) repeated its dissatisfaction with the government's draft bill on the status of Hungarians abroad. Chairman Bela Marko called for the diaspora to receive the right of entry, but not the right to residence or to vote. Among the UDMR's complaints is that the Hungarian authorities unfairly punish Transylvanian Hungarians caught working in the country illegally, but do nothing to punish the employers.

The President of the World Federation of Hungarians, Miklos Patrubany, undertook a cross-country tour of Hungary to campaign for the enhanced status, which he has compared to British alien citizenship more than full dual citizenship. Patrubany met with the general secretary of Austria's governing People's Party in Vienna to press his case. The WFH has support from junior parties in Hungary's governing coalition, the Hungarian Democratic Forum and the Independent Smallholders' party.

The government's bill is scheduled to go to parliament in November. Hungarians in Transylvania (Romania) and Vojvodina (Serbia) began a petition campaign to influence the legislation and call for external citizenship.

In August Moldova enacted its new citizenship law allowing dual nationality in cases where there is a bilateral agreement with the citizen's second country. President Lucinschi announced that the new law was in keeping with the European Convention on Citizenship, which Moldova accepted in March.

Hungary's policy on ethnic Hungarians is to keep them at home – official, BBC monitoring service 17.7.00; Transylvanian Hungarians concerned over impact of Hungary's EU entry, BBC Monitoring service 17.7.00; Federation leader campaigns for special citizenship for ethnic Hungarians, BBC Monitoring Service 19.7.00; World Federation of Hungarians leader proposes alien citizenship for ethnic kin, BBC Monitoring Service 21.7.00; Romanian Hungarians unhappy over Hungary's bill on status of ethnic kin abroad, BBC monitoring service 25.7.00; Moldova enacts new citizenship law on dual nationality, BBC Monitoring Service 11.8.00; Romanian Hungarian official criticizes Hungary's treatment of illegal workers, BBC Monitoring Service 25.9.00; Junior government party wants citizenship for Hungarians abroad, BBC Monitoring Service 28.9.00; Romanian Hungarians campaign for special Hungarian citizenship status, BBC Monitoring Service 28.9.00; Hungarian minorities official opposes citizenship for Hungarian diaspora, BBC Monitoring Service 4.10.00

Lawsuits Filed in USA by 'Comfort Women' and Forced Labourers

In August a group of Chinese forced to labour for Japanese companies during World War II filed suit in a Los Angeles court demanding compensation. The claim was

exceptional in including Chinese citizens alongside US citizens of Chinese descent. Among the 20 companies named are Mitsui and Mitsubishi.

It was the latest of 30 similar lawsuits brought in the past year, The rise in suits comes as a result of the state of California extending the limit on filing to 2010. Non-US nationals and bereaved relatives may file suit. Not only Japanese companies, but also German firms have been the target of court actions in the USA.

A group of women claiming that they were forced to serve as 'comfort women' for the Japanese army in World War II brought a class action suit against the Japanese government in a Washington DC court in September. This was the first suit on this issue brought in the USA, and was brought under both US and international law. Among the group of 15 women are Koreans, Chinese, Filipinos and Taiwanese nationals, none with US citizenship.

The suit claims that the Japanese government set up hundreds of brothels and staffed them with 200,000 women brought by force from other Asian countries – so-called 'comfort women'. The Japanese government responded to the suit by expressing remorse but stating that the matter was closed after the 1951 San Francisco Peace Treaty. In 1995 it set up the Asian Women's Fund, which has paid out over two million yen to 170 women in compensation.

In a related development, the Korean Council for Women Drafted into Military Sexual Slavery by Japan called on the Korean government to challenge Japanese textbooks' account of the war. The call coincided with a

visit to Japan by President Kim Dae-jung.

Chinese to file forced labor lawsuit in U.S. court, Kazuo Ishii The Yomiuri Shimbun 23.8.00; 'Comfort women' lawsuit to be filed in U.S. court, The Yomiuri Shimbun 17.9.00; Wartime sex slaves take Japan to US court, Michael Ellison The Guardian 20.9.00; Korean comfort women appeal over Japan 'distortion' BBC Monitoring Service 22.9.00

Tax Havens and Money Laundering

The OECD and G7 stepped up their campaigns against tax havens and money laundering, led by the French and US governments.

Michael Camdessus, former head of the IMF, states that money laundering is equivalent to 2-5 per cent of global GNP. Oxfam reported that developing countries were losing \$50 billion a year to tax havens, equivalent to the world's total aid budget.

In late June France co-hosted a major international summit on tax havens, drawing together OECD member countries and others, 60 in total. France has taken the lead on tackling what it regards as harmful tax practices, meaning countries that seek to attract investment seeking to avoid tax in home countries. The OECD published a list of 35 such jurisdictions, giving them a year to reform. None of the countries named attended the summit. But they included territories linked to OECD members such as Gibraltar, Monaco, and the US Virgin Islands. Other British territories include Anguilla, Antigua and Barbuda, the Bahamas, Barbados, Guernsey, the isle of Man, Jersey, Montserrat, St. Lucia, St Kitts and Nevis and Saint Vincent and the

Grenadines. Failure to adopt more transparent practices within a year will lead to the countries being listed as 'unco-operative tax havens'. The loss of reputation would endanger legitimate financial investment, it is argued.

The OECD published a list of 35 jurisdictions accused of harmful tax practices

In a separate report, the International Financial Action Task Force (FATF) against money laundering named certain countries as failing to co-operate sufficiently. They included Cyprus, Israel, the Cayman Islands, Bermuda, Costa Rica, Malta, Liechtenstein and Mauritius, the Bahamas, Cook Islands, Dominica, Marshall Islands, Nauru, Niue, Panama, the Philippines, St Kitts and Nevis and St Vincent and the Grenadines. Russia was also listed. FATF member countries were urged to pay close attention to transactions originating from these places. It warns that failure to reform may lead to the rest of the world refusing to do business with tax havens. The FATF was set up by G7.

The G7's finance ministers also issued a declaration about money-laundering and global financial crime at their meeting in Japan in July.

The US authorities are particularly keen to crack down on e-commerce companies using the internet to avoid sales tax. The US Treasury claims that it already has strong evidence that this practice is happening. In July Canada adopted a tough new law against money laundering to come into effect at the end of 2000. It will bring the law into line with the USA. Canada's

stable currency and good banking system have made it attractive for organized crime looking to launder money.

There was a strong reaction to the OECD and G7. A meeting of the Caribbean Community (Caricom) in July rejected the OECD's criticisms and accused it of running an 'orchestrated campaign' against them. They complained that Caribbean countries were not represented in the report process and argued that the FATF's threats were against international law. At the United Nations in September, the Prime Minister of Antigua and Barbuda, Lester Bird, accused the rich world of breaking international law and trying to throttle efforts of small countries to improve themselves. In 1999 British and American investors were warned to be suspicious of transactions from Antigua, resulting in a sudden decline in the level of investment.

Cyprus promised to reform its offshore banking sector and stop tax evasion and money-laundering. The finance minister offered to submit reform proposals to the OECD for clearance, thereby avoiding being listed among the 35 unhelpful tax havens, as well as escaping the FATF list of 15. There are over 40,000 offshore companies registered on the island, but only 1,200 carry out day-to-day operations there. Among the rest are a large number of Russian and Yugoslav front companies.

Industrial world tightens net around tax havens, Sue Kendall Agence France Presse International 26.6.00; France co-hosts 60-state meeting on tax havens, Agence France Presse International 29.6.00; All havens in a storm, the Economist 1.7.00; Business centre or tax haven?, Kerin Hope Financial Times 3.7.00; Caricom summit rejects OECD calling some Caribbean nations 'harmful tax havens', BBC Monitoring Service 6.7.00; Making clean work

of dirty money, Michael Peel Financial Times 7.7.00; OECD takes aim at 'harmful' tax havens, Michael Peel Financial Times 7.7.00; Sun, sea, sand and the occasional hurricane, Stephen Arthur Financial Times 7.7.00; Main points of G7 statement, Agence France Presse International 8.7.00; US seeks to stop net becoming an offshore tax haven, Peter Spiegel Financial Times 11.7.00; Money-laundering laws in Canada get some starch, Sandra Rubin Financial Post 13.7.00; Idylls where the jet set find life not too taxing, Patrick Jenkins Financial Times 29.7.00; Small states, big money, The Economist 23.9.00

Serb Diaspora Meets to Back Milosevic

In August representatives of the Serbian diaspora met in Belgrade to offer support to the tottering Milosevic regime. The assembly, known as Convention Diaspora 2000, formed a council of 11 members. It backed Milosevic's candidature for the Presidency after he had addressed the assembly. Among its other decisions was an initiative to require every adult in the diaspora to contribute 100 Deutschesmarks a year to the Council's activities. The delegates also criticised the UN for its policy on Kosovo. The diaspora convention first met in August 1999. The delegate's flights and expenses were paid for by the Serbian government, ensuring a friendly reception for Milsoevic.

Around 50,000 Serbs were expected to return to the country to vote in September's Presidential elections. There were no provisions to cast ballots in Yugoslav diplomatic offices abroad.

Also in August the Second World Congress of Montenegrin Emigres was held in Cetinje, Montenegro.

Milosevic sets out policy goal in talks with diaspora, BBC monitoring service 6.8.00; Serbian diaspora pledges to spread 'truth'

about Serbs, BBC Monitoring Service 6.8.00;
Montenegrin diaspora offers support for 'free
and democratic' Montenegro, BBC Monitoring
Service 13.8.00; Yugoslav NGO head sees
about 50,000 diaspora Serbs voting against
Milosevic, BBC Monitoring Service 18.9.00

Traces 12, October-December 2000

Transnational Organised Crime: UN Convention Signed in Palermo

One hundred and twenty-four states signed the UN convention on transnational organised crime, and smaller numbers signed protocols on trafficking migrants. Such crime may amount to 5 per cent of global GNP.

The UN Convention against Transnational Organized Crime was adopted by the United Nations in November. The Convention was then signed at a conference held in Palermo, Italy 12-15 December.

The background to the Convention includes several linked developments in organised crime. First, established regional organisations such as the Mafia, Triads and Colombian cartels have increased their scope of operations and begun to operate at a global scale. Second, new organisations are rapidly emerging, often in the form of networks or in association with legitimate business. Thirdly, the range of criminal activities has grown and organisations have diversified their sources of income, to include drugs, weapons trafficking, migrant smuggling, fraud and cybercrime. From the perspective of the United Nations, transnational organised crime also threatens state sovereignty. It involves the corruption of officials and the circumvention of border controls, and states laws as well as the undermining of legitimate businesses.

The Convention detailed actions states can take either independently or in co-operation with others in the areas of mutual legal assistance, corruption, money laundering, confiscation and judicial measures, informal co-operation, joint investigations, and special investigative techniques. The stress was on states being more organised in concert than the criminal gangs. The provisions concern such things as extradition and witness protection, confiscating assets and pooling information. If ratified, the treaty should make it easier to establish whether a crime in one country is also a crime in another by standardising laws.

One hundred and twenty-four of the UN's 189 Member States signed the convention's landmark treaty. A smaller number, around 80, signed two further Protocols concerning trafficking in migrants. Once 40 of these countries have ratified the treaty, its provisions will come into force. This was the greatest number of signatures in the shortest time of any UN Convention.

Among states not signing the treaty were Iraq, Libya, Myanmar and North Korea.

The Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children included three aims; to prevent the trade, to protect victims and to promote inter-state co-operation. The Protocol against the Smuggling of Migrants by Land, Sea and Air is designed to combat human trafficking. These Protocols were omitted from the main Treaty because the member states could not agree on their implementation.

According to Pino Arlacchi, the UN's head of drug control and crime prevention, transnational crime "probably comprises around 5 per cent of world gross domestic product".

One of the sessions addressed 'cybercrime in a borderless world'. One estimate of reported losses suffered by businesses and governments due to cybercrime over the past four years was on the order of \$600 million. Much of it originated in one country but was experienced or realised in another. A German contributor claimed that 80 per cent of cyber-crime in that country came from abroad.

A UN Centre of Mafia documentation was opened in Corleone, Sicily, during the Convention. The Corleonesi are reckoned to be the most powerful Mafia clan.

Mafia rebirth dismays UN conference, Rory Carroll *The Guardian* 12.12.00; Balkans provide new riches for the Mafia, Robert Fox *The Daily Telegraph* 15.12.00; Mafia buster charts a new course for UN, James Blitz *Financial Times* 15.12.00; From Seattle to Palermo, *The Jakarta Post* 23.12.00

USA International Crime Threat Assessment

The US government released its assessment of the threat of international crime, including figures for the financial losses involved.

In the week after the Palermo convention the US government released its International Crime Threat Assessment, its most comprehensive statement on the issue. It identified the global context of international crime and how it impacts upon the USA.

The report also published key facts on the effect of international crime on the country:

- the estimated total cost of drug abuse, including health care and lost productivity was \$100 billion in 1995;
- an estimated 500,000 illegal migrants are smuggled by organised gangs each year across the world;
- the world-wide trade in migrant smuggling could be worth \$7 billion a year;
- approximately \$1 trillion is laundered in the world each year, one third to half of which comes from drug trafficking;
- stolen software costs US industry \$12 billion a year globally;
- losses from economic espionage may amount to \$300 billion each year;
- reported losses from computer crime in 1999 in the USA were \$265 million, almost double the figure for 1998;
- 70 percent of US businesses reported internet intrusions;
- there were 169 terrorist attacks against US targets worldwide in 1999, up 52% from 1998.

The document's introduction states that:

"The spread of international crime since the end of the Cold War is a significant, complex and growing phenomenon that threatens U.S. citizens and vital interests both at home and abroad. The same attributes of globalization - more open borders, increased volume of international trade, advances in technology and communications - that have promoted important U.S. interests have also facilitated the dramatic growth of international crime. International crime threatens the safety, security and

prosperity of Americans everywhere, and can undermine our nation's ability to promote stable democracies and free markets as well as our ability to preserve global security and stability.”

The report was commissioned by President Clinton in 1998 and was released by the National Security Council. It was accompanied by the announcement of a new inter-agency task force to address the rise in the trafficking of women and children, of whom 40-50,000 passed across the country's borders in 1997. The government wants to get various agencies, such as the Immigration and Naturalisation Service, the Treasury Department and the Drug Enforcement Agency to regard their actions in the context of a fight against transnational crime. It admits that there remains much to be done to break down the walls between agencies. At the same time, many law enforcement bodies see themselves in only local or regional terms, not global, as required.

The National Security Agency announced a major reorganization in October in response to two reports commissioned on its operations. Among its other weaknesses, the NSA was accused of failing to switch from Cold War threats to new transnational challenges.

NSA announces reorganization, United Press International 17.10.00; Getting Tough On Gangsters, High Tech And Global, Joseph Kahn and Judith Miller New York Times 15.12.00; The White House Office of the Press Secretary - Fact sheet, Progress in Efforts to Combat International Crime, M2 Presswire 18.12.00; USA International Crime Threat Assessment, M2 presswire 20.12.00

Regional and bilateral agreements on transnational organised crime

The months before the Palermo convention witnessed a remarkable level of regional, multilateral and bilateral agreements between states and law enforcement agencies to fight transnational crime.

Nine South American countries signed an agreement to combat money laundering in Cartagena, Colombia, in December. The states agreed that money laundering was at the heart of the drugs trade. The name of the body resulting from the treaty is the South American Group of Financial Action, and it was the brainchild of Colombian President Pastrana. The USA committed an extra \$1.3 billion to fighting the drugs trade in the region.

In October the G-15 group of states from the South met in Mexico to discuss, among other things, transnational organised crime. The 163 member countries of Interpol pledged themselves to greater co-operation between police forces. In Sofia, Bulgaria, senior law officials from 18 Central and Eastern European states met to strengthen co-operation over crime. Bulgarian and Russian police earlier signed an agreement to combine forces on crime. Russian and Spanish police authorities met to discuss the activities of Russian gangs, although the Russian Interior Minister claimed that the level of Russian involvement in money laundering was exaggerated. Russia also signed an understanding with France on money-laundering. ASEAN held a Regional Forum in Seoul on transnational crime, including piracy and weapons

trafficking, and another in Manila. ASEAN has committed itself to wiping out drugs in the region by 2015. Amphetamines have been identified as a new and growing threat.

The benefits of co-operation were revealed by a massive seizure of 350 kg heroin in Fiji in October, involving forces from Australia, Canada, New Zealand and Fiji. Following an earlier haul of 500 kg of cocaine near Sydney, this seizure has brought home to Pacific states that they have joined the world's drugs smuggling routes. Authorities have identified West African gangs operating out of Asia as the main culprits, although the two men arrested with the heroin were Chinese. They are concerned that small Pacific islands such as Fiji and East Timor, where there has been political instability, have become international staging posts.

Central Asian countries meeting in Tashkent agreed to increase co-operation in the fight against terrorism, violence and transnational crime. According to Russian sources, the Kyrgyz drugs trade is worth \$1 billion a year, while Afghanistan produces 75 per cent of the world's heroin. The G8 countries convened a meeting of experts on Internet crime in Berlin – called the Lyon Group and formed in 1995 – calling for common international standards on what constitutes crime on the web.

China convened a summit of senior law officials from Angola, Yugoslavia, Pakistan, Bahrain, Myanmar, Nepal, Laos, and Cambodia. Northeast Asian law enforcement agencies met in Seoul to set up co-operation between Japan and South Korea on the one hand, and Russia and China on the other. Japan is concerned by the rise of Chinese and Russian mafias in the country, and the

fact that they are displacing the Japanese yakuza in drugs and prostitution.

On his first visit to India, Russian President Putin discussed transnational crime with Prime Minister A.B. Vajpayee.

In November, officials from 14 West African countries met in Dakar, Senegal to set up the Intergovernmental Group of Action against Money Laundering (GIABA) charged with co-ordinating action against transnational crimes in keeping with the UN's recommendations.

Russian, Bulgarian police to set up joint anticrime task force, BBC Worldwide Monitoring 2.10.00; Indian premier's statement at joint press conference with Russia's Putin, BBC 4.10.00; Russian paper reports on Northeast Asia police conference, Kommersant 6.10.00; ASEAN conference admits amphetamines becoming region's scourge, Agence France Presse 11.10.00; Chinese Top Prosecutor Meets Counterparts from Eight Countries, Xinhua 13.10.00; Profits of drug lords in Kyrgyzstan reach \$ 1 bln, Interfax Russian News 19.10.00; Germany urges minimum Web standards to fight crime, Deborah Cole Agence France Presse 24.10.00; Russian, Spanish interior ministers talk cooperation in Spain, Andrei Marychev and Sergei Sereda TASS 24.10.00; President says crime a threat to East European democracies, BBC 26.10.00; Interior Minister Rushaylo says Russian money laundering in Spain exaggerated, Source: ITAR-TASS 27.10.00; Asian regional forum to hold meeting on transnational security in Seoul, Yonhap news agency 27.10.00; Text of declaration adopted by Uzbek forum on security in Central Asia, British Broadcasting Corporation; 27.10.00 Police bust Pacific drug connection, Agence France Presse 29.10.00; World's police need to work together, Interpol chief says, Agence France Presse 30.10.00; Heroin bust confirms NZ status, Mark Stevens The Evening Post 30.10.00; G-15 Meeting Takes Place In Mexico, Xinhua 31.10.00; West Africa launches crusade against organised crime, Tidiane Sy Agence France Presse 4.11.00; Russia, France join forces to fight money laundering, ITAR-TASS news agency 4.12.00; Nine South American countries unite

against money laundering, Agence France Presse 8.12.00.

President Fox's Vision for Mexicans in the USA

Soon after his inauguration as President of Mexico, Vicente Fox confirmed his election commitments to govern on behalf of '118 million Mexicans', in both Mexico and the USA.

Fox, the first President from outside the Institutional Revolutionary Party (PRI) in 70 years, was inaugurated in December following his election in July. During the election campaign, the former businessman had spoken of his intention to reach out to the long-neglected Mexican-origin communities north of the border. For decades the Mexican government showed either indifference or resentment to emigrants, regarding them as renegades on the one hand and as a painful reminder of the country's economic weakness on the other. This position began to change in the 1970s, in part forced by the economic and political advances made by Mexican-origin migrants in the USA. They remit between five and eight billion dollars a year to Mexico, the country's third highest source of income after oil and tourism. The new policy began with establishing contacts with Mexican-American civil society organizations and using Mexican consulates to spread the PRI's influence. In 1997 the citizenship law was changed to allow migrants to retain Mexican nationality when they naturalized as US citizens (*Traces* #1,3 & 4). The PRI government of the day had feared that the rising level of naturalization would result in a weakening of economic and political

ties between US Mexicans and the home country. But the take up of Mexican nationality was lower than expected, while polls have often suggested a lack of real interest in Mexican politics by those north of the border.

New President of Mexico Vicente Fox announced during his election campaign that he intended to govern on behalf of the 18 million people of Mexican-descent abroad as well as the 100 million in the country itself. (The US Census has since estimated the number of Mexican-descent persons in the USA as 21 million.) In a speech Fox referred to the Mexicans abroad as 'our beloved migrants, our heroic migrants'. In November he visited Southern California, where he went further than his predecessors by actually encouraging Mexican-Americans to become US citizens. In a speech to the Mexican-American Legal Defense Fund Fox appeared to recognise that emigrants may have different interests as well as developing a different culture from those in Mexico. Nonetheless, he wished to keep relations open. He said that "my goal is to build a relationship of equals, of neighbours, of friends and partners and, in the process, I want us to view one another as investors in a joint venture with a shared future," and continued "my goal is to forge a special bond with Mexican origin communities in the United States, Mexican Americans or Mexicans, documented or undocumented, temporary or permanent, Democrats, or Republicans, Panistas, Priistas or Perredistas. I will govern for every single Mexican."

Fox meets Mexican-Americans

On the third day of the inauguration ceremonies President Fox met with

over 200 prominent Mexican-Americans, included corporate executives, students, activists and political figures from California, Texas, Illinois and other states. He told the group that he would travel to the northern border to welcome Mexicans coming back to the country for the Christmas holidays, drawing a contrast with the often frosty reception they were used to from border officials. It is also widely alleged that customs officials demand payments from returnees. He also stated that the government would make it easier for emigrants to remit money home. Among the other ideas discussed at the meeting was expatriate voting rights, training programmes and the reform of visa policies. The President's chief of office, Juan Hernandez, has dual US and Mexican citizenship and has been given responsibility for migrant affairs. One of the main objectives of the office will be to manage migrant investment in Mexico.

Fox was asked to increase the investment of matching funds from the federal government to projects in Zacatecas. At present, the government invests one dollar for every dollar raised abroad, but officials from Orange County, where many Zacatecans have settled, are asking for a doubling of the contribution.

The newspaper *La Jornada* reported that Mexican emigrants had remitted \$28 billion in the six years after NAFTA came into effect, equivalent to 83 per cent of US investment in that period. The newspaper further said that 80 per cent of these funds go to subsistence and only 1.7 per cent in investment.

The politics of the border and dual citizenship emerged in a different form, relating to the rights of native

Mexican emigrants remitted \$28 billion in the six years after NAFTA came into effect

people in the region. The ancestral lands of the Tohono O'odham Nation (formerly known as Papago) straddle the US-Mexican border between Sonora and Arizona. They are campaigning for dual citizenship rights to prevent what they claim is harassment from border officials when they cross over. The nation has approved funding for 10-year visas and money to lobby Congress for dual-citizenship on behalf of the 1200 members living on the Sonoran side. There is a concern that ranchers are encroaching on their lands, and that young people are leaving for the USA. Dual citizenship would provide an incentive to stay.

Migrants' funds boost Mexican economy, Agence France Presse 30.12.00; Mexican president-elect wants to build ties with U.S. Latinos, Alfredo Corchado The Dallas Morning News 11.11.00; Expatriates look south of the border with tempered hopes, The Commercial Appeal 1.12.00; Mexicans in U.S. tune in to event, Alison Gregor and Lisa Sandberg San Antonio Express-News 2.12.00; Fox wants closer ties with Mexicans abroad, Morris Thompson Knight Ridder/Tribune News Service 4.12.00; Fox embraces Mexicans living in the US, James F. Smith Los Angeles Times 4.12.00; O.C. expatriates get Fox, Anh Do The Orange County Register 4.12.00; About to see the Americanization of Mexico, Gregory Rodriguez The Houston Chronicle 12.12.00; Vincente Fox gives his blessing to the Americanisation of Mexico Gregory Rodriguez Irish Times 13.12.00; Tribe Approves Funding for 10-Year Visas for Members in Mexico, Brenda Norrell Knight Ridder/Tribune Business News 6.11.00

African Governments Reach Out to Diasporas

Across Africa governments are turning to nationals overseas as a source of investment and support. Fifteen African countries already allow dual citizenship, and Uganda's President raised the issue with American Ugandans. Senegal, Somalia, Eritrea and Nigeria also addressed their respective diasporas.

At the 12th convention of the Ugandan-North American Association held in Kampala in December, Ugandan President Yoweri Museveni announced that he supported the idea of dual citizenship and proxy voting for Ugandans abroad. He called on them to invest in the country. Museveni said that in 1998/9 Ugandans invested around half a million US dollars in the country from abroad, a sum greater than the export earnings from coffee. But he also asked them to retain their cultural identity by not changing their names, and keeping languages, dance and music to pass on to their children. Over 200 delegates attended the meeting and one speaker estimated that there were 100,000 Ugandans in North America. Other speakers also called for a change to the constitution to allow emigrants to hold dual citizenship. A reformed status may appeal to the thousands of Ugandan Asians expelled in the 1970s and now running successful businesses in the rest of the world. Delegates also called for an end to corruption in government before investment could increase.

Following the signing of an agreement between Eritrea and Ethiopia in Algiers in December, the Eritrean

government renewed its call for Eritreans abroad to return and invest in the country. The government announced that there would be elections to the National Assembly in December 2001 and that Eritreans abroad would be able to participate.

The new government of Somalia, elected at a convention held in Djibouti (see *Traces* #11) launched an appeal to Somalis abroad to invest. President Addiqasim Salad Hassan met with a delegation of overseas Somalis in Mogadishu. The government announced that it had started a website to keep in touch with emigrants called Wake Up Somalis. During the meeting the President replied to emailed and telephoned questions from Somalis around the world. *The Minnesota Star Tribune* reported that the state's Somali community, numbering 10-20,000, have been sending back over \$2 million a month.

The Nigeria Investment Promotion Commission announced a renewed strategy to attract investment from Nigerians abroad. It will include a conference organised in Washington DC and six regional offices around the world.

Banks in Dakar, Senegal, estimate that Senegalese traders and workers abroad send back \$40 million a month, equivalent to 60 per cent of the country's economy. Many of the funds flow through the Mouride Islamic brotherhood and go to family members. The government under President Abdoulaye Wade is looking to divert some of this money into productive investment.

A candidate for President of the Cape Verde Islands, Carlos Veiga, visited the USA to court Capeverdeans living there. He said that if elected he would

appoint a representative for emigrants at council level.

Presidential candidate Veiga heads for USA to meet expatriates, British Broadcasting Corporation 9.11.00; Senegal: Informal funds to create jobs, William Wallis Financial Times 13.11.00; Mazrui's Challenge To Kenyan Diaspora, The Nation 24.11.00; NIPC Devises New Strategy To Lure Nigerian Investors, Emma Ujah, Vanguard Daily 30.11.00; Somali Government Woos Support From People Living Abroad, Xinhua news Agency 10.12.00; Somalia's new government starts fund-raising campaign, Osman Hassan Associated Press 11.12.00; Eritreans encouraged to Invest at Home, Africa News 18.12.00; President Museveni announces plans to review constitution, BBC Summary of World Broadcasts 28.12.00; Museveni Wants Dual Citizenship, Richard Mutumba New Vision 29.12.00; Convention Wants Graft Eliminated, Richard Mutumba, New Vision 30.12.00; Dual Citizenship Beneficial, Editorial New Vision 30.12.00

Cuba, Panama and El Salvador Row Over Castro Assassination Plot

President Fidel Castro has accused Cuban exiles of trying to assassinate him while in Panama for the Ibero-American Summit. And Cuba threatened to cut phone links with the US unless carriers pay an additional tax.

At a press conference President Castro alleged that Cuban exiles supported by the Cuban American National Foundation were plotting to assassinate him during the Ibero-American Summit in Panama. The CANF dismissed the allegation. Castro identified Luis Posada Carriles as the man behind the plot. Posada has been accused of plots against Cuba since 1976, and was imprisoned in Venezuela for nine years before escaping. He is wanted for organising

a bombing campaign in Havana in 1997 and for bombing a Cuban airliner in 1976. Three hours after making the allegation, Posada was seized by the Panamanian authorities along with three other exiles who were found in possession of explosives and false passports. Posada had entered the country from El Salvador, causing a public row between Castro and Salvadoran President Flores. Cuba immediately declared that it would seek Posada's extradition, while Venezuela is seeking him following his jail break.

The allegation overshadowed the start of the conference, and critical observers accused Castro of trying to deflect criticism of himself by raising the spectre of US-backed terrorism. Nonetheless, the summit called for the repeal of the Helms-Burton act concerning the US trade embargo of Cuba.

In the run-up to Christmas, Cuba threatened to cut off the telephone service to the USA unless US phone companies paid a ten per cent tax. The move was seen as retaliation for legislation passed by US Congress in October freezing Cuban assets in the USA to compensate the relatives of exiles killed by the Cuban airforce in 1996. The White House ordered US companies not to pay the tax. In 1998 there were 135 million minutes of calls between the USA and Cuba, 90 per cent of which originated in the USA. The charges are split equally between the Cuban phone company and American carriers.

Panama's penchant for taking in exiles, Mary Beth Sheridan Newsday 15.10.00; Castro says US-based exiles plan to kill him in Panama, Chicago Tribune 18.11.00; Cuban and Salvadorean presidents in terrorism row, Financial Times 20.11.00; Extradition sought of anti-Castro militant, Pascal Fletcher

Financial Times 23.11.00; Exiles may face trial in plot to kill Castro, Arizona Republic 24.11.00; Cuba Threatens to Cut Off Phone Service to the States, Christopher Marquis New York Times 9.12.00

Dual Citizenship or Divided Loyalties?

Rows over dual citizenship and the rights of national abroad continued in Zimbabwe, and erupted in Canada and Scotland. By contrast, Yugoslavia signalled a move to accept dual citizenship.

In December Zimbabwe's courts stopped the government's attempt to remove citizenship from thousands of whites living in the country (see *Traces* #10). The Registrar General had refused to renew whites' passports on the grounds that they had not formally renounced British citizenship under British law. But the Supreme Court ruled that this was not required by the constitution. Two white judges absented themselves from the case because they had rights to British citizenship. The ruling affects an estimated 30,000 whites who carry Zimbabwe passports and who still qualify for foreign nationality although they renounced their foreign citizenship before Zimbabwean officials when Zimbabwe banned dual nationality in 1984. There are 70,000 whites in the country in total.

An aerospace company based in Winnipeg Canada rescinded its decision to require its workforce to renounce dual citizenship. The original decision to ask for signed oaths from dual citizens was prompted by Standard Aero's desire to comply with US security rules for defence

contractors – the International Traffic in Arms Regulations. These bar dual citizens from working on US military equipment. The company had 100 dual citizens, about a tenth of the workforce, many of whom were outraged by the request. The plant makes engines that power Hercules transport aircraft.

Sean Connery in donations row

New legislation governing donations to political parties in the UK was attacked by the Scottish National Party and its most famous overseas supporter, the actor Sir Sean Connery. The Political Parties, Elections and Referendums Act restricts political donations to people who have a British address and are registered to vote there. The act makes an exception for parties in Northern Ireland, including Sinn Fein. This means that Irish abroad can fund politics in the UK, but not Scots such as Connery who is a UK citizen living in the Bahamas. The SNP announced that it would challenge the legislation under international human rights law. The law results from the recommendations of the Neill committee on standards in public life. But the committee only required that donors be eligible to vote, not actually registered as mandated by the new law.

The Yugoslav government announced in December that it would allow citizens to hold dual nationality. The move will help thousands of refugees from Bosnia and Croatia to reclaim property lost in the region's wars. As many as half a million people could remain Yugoslav citizens with a right of abode while also trying to recover their homes. Under Milosevic, people had to renounce their former nationality together with any prospect of returning in order to acquire Yugoslav nationality. Bosnia-

Hercegovina has welcomed the proposal.

Government loses case to strip whites of Zimbabwe citizenship, Associated Press 1.12.00; Manitoba firm stands by decision to ask employees to renounce dual citizenship, Paul McKie Canadian Press Newswire 21.11.00; Winnipeg firm tells staff they won't have to sign oath renouncing dual citizenship, Paul McKie Canadian Press Newswire 23.11.00; SNP fury over block to overseas donations, Belfast News Letter 4.12.00; Legal action looms over Connery SNP cash veto, David Scott The Scotsman 4.12.00; Connery accuses Labour of 'stitch up' over donation ban, Fred Bridgland and Paul Waugh The Independent 18.12.00; Yugoslav, Bosnian foreign ministers agree on need for dual citizenship, BBC Worldwide Monitoring 15.12.00; Yugoslavia to allow dual citizenship, Agence France Presse 29.12.00

Dual Citizenship Rows Over Peru's Fujimori and in Trinidad

The disgraced ex-President of Peru and two newly-elected politicians in Trinidad fell foul of their countries laws on dual citizenship.

Following accusations of collaborating with his spy chief in bribery, corruption and intimidation, President Alberto Fujimori of Peru fled to Japan in November. The former political ally, Vladimiro Montesinos had been accused of taking money from drug barons and gone into hiding himself. In Tokyo, Fujimori claimed refuge based on his Japanese nationality, which he held in addition to Peruvian nationality. Fujimori's parents were born in Japan, but press sources in Peru had also alleged that he was born there himself and so was never eligible to become President. The Japanese authorities investigated his claim for a passport and concluded that he had

never revoked his Japanese citizenship. Furthermore, as a Japanese national he could not be extradited to Peru. There was outrage in Peru at this disclosure. The constitution allows only Peruvian citizens to hold the presidency, while Japan refuses to recognise dual nationality for adults.

The President had arrived unexpectedly in the Japanese capital on a stopover flight from the Asia-Pacific Economic Summit in Brunei. Upon arrival, he holed up in a luxury hotel in the Japanese capital. From there he resigned his office and in his absence, the opposition gained control of congress. He defended himself against the accusations, and claimed that Montesinos was still at large in Peru. He was reported as spending hours on the phone talking to relatives and supporters in Peru. He claimed that he had no knowledge of Montesinos' wrongdoing, and that the disgraced ex-advisor had close links with the CIA. The Peruvian authorities are investigating two Panamanian front companies suspected of channelling funds for Fujimori's children's college education in the USA. They also allege that he has \$18 million in three bank accounts in Japan, siphoned from Peru via Singapore.

Trinidad and Tobago

After national elections in Trinidad and Tobago the opposition People's National Movement challenged the legitimacy of two candidates from the victorious United National Congress. They accused William Chaitan and Winston Peters of failing to report their dual citizenship, as Canadian and American respectively. People with foreign citizenship are not allowed to run for office. The PNM threatened to boycott the legislature. If they succeed in removing the two deputies the PNM

may overturn the government's narrow majority in Parliament.

The PNM is mainly supported by the country's African-descent population, while the UNC is backed by the East Indian community. The two groups are roughly the same size, 40 per cent each of the country's population.

For earlier stories on politicians and dual citizenship see *Traces* #6.

Fujimori 'seeks sanctuary in new passport', Jonathan Watts *The Guardian* 21.11.00; Former Peruvian president Fujimori has Japanese nationality, Agence France Presse 28.11.00; Japanese bank denies Fujimori account, Japan Economic Newswire 1.12.00; Ex-spy chief still wields clout, Valerie Reitman and Sebastian Rotella, *Los Angeles Times* 2.12.00; Fugitive Fujimori finds sanctuary in dual nationality, Jonathan Watts *The Guardian* 1.12.00; Pandaymonium, *The Economist* 9.12.00; Trinidadian opposition threatens parliament boycott, Angela Potter *Associated Press* 30.12.00; Trinidad and Tobago: challenges confront the new government, Bert Wilkinson *Inter Press Service* 14.12.00

Remittances Up Across Asia and Caribbean

In countries throughout Asia and the Caribbean governments and banks reported an increase in migrant remittances. But in the Philippines there were predictions of a decline.

Sri Lankan emigrants remitted US\$780 million in the first nine months of 2000, an increase of 14 per cent over the same period in 1999. The figures were issued by the Foreign Employment Bureau, based on the earnings of around 1.5 million Sri Lankans abroad. The Bangladesh Bank announced a new drive to attract

more funds from non-residents in order to shore up the country's small foreign currency reserves. The terms under which dual citizens and non-residents can open accounts have been made more attractive. Official figures from Pakistan show an increase in remittances of 40 per cent for the period July-October compared with 1999, amounting to US\$453 million. The highest amount was remitted from Saudi Arabia, just over US\$120 million.

In the countries of the Gulf Cooperation Council a third of the labour force are migrant workers, 28.4 million in total. Their annual remittances amount to over US\$20 billion a year.

The Saudi government measures remittances in terms of funds lost to overseas. Recent figures suggest that they are equivalent to a quarter of the country's oil revenue, or US\$17 billion a year. The government plans that by 2004 a further 200,000 jobs currently held by expatriates will be taken by Saudi nationals. Foreign citizens account for 55 per cent of Saudi Arabia's workforce, numbering some four million.

The Central Bank of Honduras announced that migrant remittances were expected to reach \$US 300 million in 2000, up from just US\$60-70 million four years ago.

There are 5.5 million Filipinos working overseas. In 1999 they sent back US\$6.79 billion through official banking channels, in addition to money sent informally directly to family members. But the Labour Secretary announced that the government expected foreign exchange remittances from Overseas Foreign Workers to reach US\$6 billion for the whole year,

down on 1999. The vast majority, 85 per cent, was expected to come from the Middle East. Earnings from the USA were anticipated to fall.

The Central Bank of the Philippines announced that their remittances from OFWs fell by almost a quarter in the first seven months of the year, dropping to US\$3.467 billion. The decline was accounted for by land-based workers; sea-based workers' remittances actually rose. Workers' remittances fell in most regions of the world, but rose in Europe and in particular the UK, reaching US\$51 million. There are estimated to be 200,000 Filipino seaman worldwide, roughly one fifth of the marine merchant fleet workforce.

By contrast, the Philippine National Bank reported an increase of 12 per cent on its remittance business, reaching US\$2.78 million from January to October. PNB has 800 branches worldwide and is looking to open new offices in Vancouver, San Francisco, West Virginia and, in the longer term, Sydney.

The amount of money sent back to the country partly fluctuates because of movement in the exchange rate between the peso and other currencies, notably the US dollar, as migrants may hold on to their earnings waiting for more favourable rates. Because of political unrest, the peso fell in the third quarter of 2000 and resulted in a surge of remittances, boosting the country's economic performance.

Remittances by Philippine overseas workers fall 23 percent, Agence France Presse 6.10.00; Overseas Filipino Workers to Remit 6 Bln Dollars, Xinhua News Agency 18.11.00; Remittances provide big push to economy, Yasmin Lee G. Arpon, Rommer M. Balaba, Leotes Marie T. Lugo and Cecille E. Yap BusinessWorld 29.11.00; Remittances fuelling Q3 GNP growth questioned, Cecille E. Yap

with Reena J. Villamor BusinessWorld 6.12.00; Philippine National Bank Jan-Oct remittances up 12% year on year, Asia Pulse 7.12.00; OFW remittances fall in first seven months, BusinessWorld 19.12.00; Remittances of expatriates from Gulf states reach \$20b a year, Middle East Newsfile 13.10.00; 'Expat remittances abroad 26pc of oil revenue', Saudi Gazette 18.10.00; Overseas Pakistanis send home 40% more money in July-Oct period, Asia Pulse 27.11.00; Family remittances keep increasing, Caribbean Update 1.12.00; Non-residents' foreign currency deposits scheme liberalized, The Independent 6.12.00; Sri Lankan Expatriate Remittances Reach New High, Xinhua News Agency 18.12.00.

A 'Global Glass Ceiling'? Female Expatriate Managers

Evidence of a 'global glass ceiling' comes from the USA. A survey by Catalyst, a New York-based research outfit, found that human resources managers viewed women as either unwilling or unsuited to foreign assignments. They tended to think that women preferred to stay in one place rather than improve their prospects by working abroad. Furthermore, there was a perception that non-US customers and businesses preferred dealing with men rather than women. But according to the female managers themselves, who were also surveyed, although they were indeed less willing to relocate than men in general, they were significantly more keen to do so than the human resources managers thought. Among the frequent flyers canvassed 47 per cent of women said that they would go abroad on assignment, compared with 51 per cent of men. In addition, a clear majority (77 per cent) reckoned that they were successful at building business relationships with men from different cultures. Companies are significantly under-estimating the potential mobility of women managers.

Catalyst calculated that only 13 per cent of middle managers posted overseas by US corporations were women, although in these same companies women made up half the middle managers. Women make up only 9 per cent of expatriates, according to a separate survey by PriceWaterhouseCoopers. Among the Catalyst sample, two-thirds reckoned that it was harder for a woman to balance work and family. This may be part of the reason why only 55 per cent of the female expatriates Catalyst interviewed were married, in contrast to 78 per cent of the men in the survey. Nine out of ten of the married women had husbands who worked.

America's gender gap travels abroad, Alison Maitland Financial Times 20.10.00; Women of the world? Hardly, Maria Mallory The Atlanta Journal and Constitution 19.11.00; Have wife, will travel, The Economist 16.12.00.

Expatriate Workers: Personal and Professional Strains

A number of surveys among expatriate workers of large multinational companies uncovered more evidence about the causes of failed assignments. There are signs that short-term posting may become more popular in the future. Levels of reported stress among expatriates in Asia are falling.

A survey of one hundred multinational companies by William M. Mercer found that family difficulties were the most common cause of failed assignments, followed by adverse reaction to change. But the survey also revealed that companies are least likely to consider potential family difficulties when planning assignments. They

place most significance on technical expertise, followed by leadership qualities and organisational skills. Only just over half (57 %) of the companies in the survey said that they measured the costs of assignments, and fewer than a third had figures for the rate of non-completion. Two thirds lacked any selection process.

Half of the companies in a separate survey by PriceWaterhouseCoopers said that an employee's partner was a reason for failed assignments. The French technical services company Schlumberger has its own Spouses' Association with a network of 6,500 volunteers to make dependants' lives easier.

The Centre for Research into the Management of Expatriation, based in the UK and co-sponsored by the Cranfield School of Management and Organisation Resources Counsellors, released a survey of 60 mainly European big companies. Although 53 per cent stated that they had more than 50 employees on long-term overseas assignments, the majority expected the most growth to be in short-term postings. Nearly eighty per cent of the over 500 multinationals questioned by the Society for Human Resource Management Global Forum also reported a rise in short-term assignments. At present they account for almost 30 per cent of postings abroad.

New organisational structures

The main reasons given for the change include the high cost of long-term assignments and a switch in organisational structure. Since the 1990s managers have acquired responsibility for sectors or global functions rather than specific regions. Managers with specific skills in IT or

similar might now be expected to spend shorter periods of time in more places than before. In addition, the strains of dual career households were militating against longer assignments. Short assignments may be around six months, keeping the salary levels of the home office. They cost less, but companies such as IBM still worry that they will run into problems with family commitments.

The rise in websites offering information and advice to expatriates has been rapid. Professional organisations such as netexpat.com, expatica.com and expatfinancial.com are joined by hundreds of company sites; some are country-specific, others aim to be global in reach. As well as offering a first port of call on arriving in a foreign country, some sites enable expatriates to communicate with one another

Expats in Asia

The Political and Economic Risk Consultancy, based in Hong Kong, conducts an annual survey of stress among expatriates in Asia. Its 2000 survey found that Japan and Malaysia were becoming more predictable places, and so less stressful, while Vietnam, Singapore and the Philippines were becoming more stressful. The effects of the 1997 economic crisis were slowly receding in many places, while the bursting of the Internet bubble in the US had improved things.

Although stress levels had risen in Singapore, it remained among the least stressful assignments according to the survey. *The Straits Times* reported on the level of consumption among the country's affluent expatriates, thought to number around 400,000. Their total earnings amount to \$222 million per

month, at least 20 per cent of which is pumped in to the local economy. Dining out, shopping and drinking account for much of the expenditure. Nearly half of those in the survey took at least four foreign vacations a year.

Some of the uncertainty involved with expatriate life may be reduced by living in specifically-designed expat compounds, such as Dragon Villas outside Beijing described by Ginny Parker for the *Associated Press*. Landscaped like a US suburb out of Chinese farmland, such developments offer the comforts of home as well as clean and fresh air. They include supermarkets and swimming pools. At the same time, the government is able to keep an eye on foreigners. To live in ordinary Chinese housing requires a special permit. Most expats are expected to live in residences dedicated to foreigners

Western-themed compounds home away from home for Beijing's expats, Ginny Parker *Associated Press* 15.10.00; Thinking of living and working abroad? Chris Moss *The Guardian* 19.10.00; Commute a chore? Stephanie Armour *USA Today* 9.11.00; Nasty, brutish and short, *The Economist* 16.12.00; Less stress for expats as Asia gets more predictable, *Business Times* 18.12.00; Expats here not afraid to spend, Andy Ho *The Straits Times* 18.12.00; Families thwart overseas posts, *Financial Times* 22.12.00

Hong Kong and Indonesia to Stop Expatriate 'Tax Dodgers'

In December the Inland Revenue of Hong Kong announced that it would introduce a pay-as-you-earn system for expatriate workers. The Audit Commission revealed that expatriates leaving the country without settling their tax bills owed \$35 million in the last financial year and \$213 million in the past three years. Under previous legislation, workers from overseas only

pay their tax at the end of the financial year, instead of monthly. The Audit Commission criticised companies for allowing workers to leave without paying. They are supposed to give one month's notice of employees leaving Hong Kong and not pay them during the last month of their contract. The Commission's suggestion of obliging employers to deduct taxes each month, was criticised by the Chambers of Commerce as adding to employment costs.

The practice of leaving without paying bills is known colloquially as 'doing a Chep Lap Kok runner', after the local airport. The saying is that employers leave their jobs and phone their employers from the airport with their resignation. But, as the *South China Morning Post* pointed out, the lost revenue is only equivalent to 0.2 per cent of the annual tax take.

In a similar development, Indonesia also announced that it would clamp down on expatriate tax evasion. Under proposed new laws not only would the process of collecting taxes be made more thorough and efficient, but expatriates would be taxed on their income overseas as well as local salaries. Opponents of the measure, including the British Chamber of Commerce, feared that it would deter investment. There are around 10,000 foreigners registered as employed in the country. In the last financial year \$815 million was collected in taxes from expatriates.

Hong Kong plans measures to prevent expats fleeing tax bill, Agence France Presse 16.11.00; Tackling expat tax dodgers, Glenn Schloss South China Morning Post 18.11.00; Jakarta to proceed with tax crackdown on expats, Shoeb Kagda Business Times 8.12.00; Hong Kong confirms possible rule change to foil expat tax evaders, Agence France Presse 9.12.00

Hungary: Citizenship and Nationality Debate Continues

The debate over the citizenship and nationality status of ethnic Hungarians outside Hungary continues (see *Traces* past). Signatures were being collected for a petition on dual citizenship from Ukraine to Romania. The Third World Congress of Finno-Ugric Peoples in Helsinki called for the protection of the rights of minority peoples, including the Hungarian diaspora. There are 21 Finno-Ugric Peoples in the world, only three of whom have their own state. The Congress welcomed the fact that two of them, Hungary and Estonia, would soon be joining Finland in the European Union. In a separate announcement, leaders of the Hungarian churches in Vojvodina, sub-Carpathia in the Ukraine, Felvidek in Slovakia and Croatia added their voice to the call from Romanian Hungarian churches for special status for Hungarians abroad. They added that the churches should be involved in selecting who would be genuinely Hungarian and therefore eligible for the law's benefits.

The Office for Hungarians Beyond the Borders [HTMH] conducted a survey among 3,075 respondents of 428 cities and villages in the Hungarian-populated areas of bordering countries as well as in Hungary itself. In the diaspora, a high majority (80 per cent) said that they would take advantage of special status; one third would try to find a job in Hungary. Two-thirds would use the opportunity to travel to Hungary. The survey concluded that there was no real danger of special status leading to a rapid influx from the diaspora, as some in Hungary itself feared.

Romania's Hungarian presidential candidate not in favour of dual citizenship, BBC

Worldwide Monitoring 8.10.00; Romania's Hungarian leader: no row with Hungarian premier over dual citizenship, BBC Monitoring Service 20.10.00; Ukraine's Hungarians continue petition for law on Hungarian diaspora, BBC Monitoring Service 24.11.00; Diaspora Hungarians support status law - Hungarian survey, BBC Monitoring Service 25.11.00; East Europe's Hungarian churches urge special status for diaspora Hungarians, BBC Monitoring Service 28.11.00; Hungarian president at Finno-Ugric congress calls for enhanced minority rights, BBC Monitoring Service 11.12.00; Hungarian summit starts, key speeches delivered behind closed doors, BBC Summary of World Broadcasts 15.12.00

New Zealanders to Lose Automatic Entry Right to Australia?

For the past century Australia and New Zealand have granted one another's citizens right of abode in the other country. But under negotiations underway between the two governments this right may be terminated for New Zealanders. A deal will be struck in which New Zealanders lose residency rights and in return Australia will no longer seek funds compensating for expatriates using the country's welfare system. Although New Zealanders could still live in Australia, under the proposals they would lose rights to family tax benefits, maternity allowance, free schooling and so forth. About five times as many people move from New Zealand to Australia than in the opposite direction.

In New Zealand, senior government ministers accused the Business Roundtable of organising a campaign of complaints by email from New Zealand expatriates. The campaign was initiated by a businessman, Richard Poole, to highlight how the government's economic policies are causing a brain drain. Poole claims

that he is trying to persuade expatriates to return and rescue the country. The campaign began when Poole wrote to Prime Minister Helen Clark accusing her government of pursuing anti-business policies and encouraging explosive race relations issue. This was followed up by a newspaper advertisement and the internet protest.

An opposing view was put forward by retiring MP Simon Upton, whose farewell speech asserted that New Zealand had an insecure and incomplete sense of nationhood, but that the departure of so many new Zealanders abroad was part of an 'enriching' diaspora.

Group blamed for 'nasty' campaign, The Press 5.10.00; Trying to plug the brain drain, Fleur Revell and Richard Poole, The Sunday Star-Times 8.10.00; New Zealanders set to lose automatic residency in Australia, Agence France Presse 8.12.00; Navel gazing, The Press 9.12.00

India Steps up Relations With Diaspora

The Indian government announced a new committee to consult with the 18-20 million Non-Resident Indians, alongside a new bond issue aimed at NRIS to bolster forex reserves.

The number of People of Indian Origin abroad is estimated at between 18 and 20 million. According to the *Straits Times*, the diaspora's combined gross assets are estimated to be \$510 billion, equivalent to India's GNP. The Indian workforce in the Silicon Valley owns companies with a value of \$235 billion.

India is to step up its campaign of reaching out to the Indian diaspora by

creating a high-powered committee to tour communities around the world. The committee will be headed by a former High Commissioner in London, L M Singhvi, and it will establish how best to make use of Indian communities to further the country's foreign policy interests. Although not explicitly stated, the move is seen as a response to the government's inability to react constructively to the Fiji crisis. Among other things, they will examine the case for dual citizenship.

The Indian government is anticipating an increase in remittances to bolster the country's foreign exchange reserves. In November the State Bank of India announced the issue of certificates of deposit for Non-Resident Indians with the aim of raising \$3.5 billion. The issue is to be known as India Millennium Deposits and will have five-year maturity term. It will be available in US dollars, euros and pounds sterling. In 1998 SBI raised \$4.2 billion from the diaspora in response to US-led sanctions.

There are concerns in India that the export of talent, especially high-skilled IT workers, will cause long-term damage to the country's economic prospects. About half of Indians taking doctoral and post-doctoral degrees abroad do not return. India needs 2.2 million doctors over the next eight years, but is having to compete with Western health services. L M Singhvi, head of the new diaspora committee, suggests that developed countries should compensate India by investing in its universities and colleges.

State Bank of India to raise 3.5 billion dollars from expatriates, Agence France Presse 20.10.00; Going OM to India, Yeow Kai Chai The Straits Times 26.10.00; Bankers see rise in NRI deposits, remittances, Business Line 7.11.00; India woos ethnic Indians, Brunei

Bulletin 12.11.00; An Entrepreneurial Tale From India, Aparna Achar Wireless Week 30.10.00; India starts to count its losses, Luke Harding 31.10.00

Competition over US Wire Transfer Business

New regional companies, as well as the US Postal Service, are challenging the position of big firms such as Western Union and MoneyGram for a share of the \$17.4 billion remittance business.

In 1999 workers in the USA sent \$17.4 billion abroad in remittances, over a third of which went to Mexico. But the remitters have sometimes faced charges of as much as 10 percent on their transfers. Behind the attractive flat rates there may be hidden charges for converting to foreign currency, sometimes at unfavourable rates. Western Union and MoneyGram have received substantial complaints about their fees in particular (see *Traces* #6). A series of class-action lawsuits brought in the 1990s and the promise of legislation failed to produce any positive results. Congress did not take any action. But so large and lucrative is the money transfer market that competition is hotting up from new companies, including the US Postal Service and new credit unions. The Treasury Department says that in 1996 such business earned over \$1.1 billion in profits.

Some of the new companies begin as small local operations capable of under-cutting the big firms. They include Raza Express in Los Angeles, GiroMex in San Diego and New York's Delgado Travel, with 19 offices. The US Postal Service has opened Dinero Seguro, with branches

in Texas, California and Illinois. The World Council of Credit Unions has launched its IRNet program of discount wire transfers to Mexico, Guatemala and El Salvador from Southern California Edison Federal Credit Union in Los Angeles. Other credit unions in other states may join in later.

The big players, Western Union and MoneyGram have had to defend their higher fees and meet the accusations of charging excessively. Although the many lawsuits taken against them have not had much effect, they have begun to rebuild relations with migrant communities by investing \$4.6 billion in community groups and giving \$400 million in discount coupons to customers.

Newly-elected President of Mexico Vicente Fox has voiced his concern about the charges on money transfers.

First Texas-To-Mexico IRnet Transfer Is Completed, Credit Union Journal 16.10.00; Immigrants Stung by Money Transfers, Adam Geller Associated Press 20.11.00; Competition heats up for overseas wire transfers, The News and Observer 23.11.00; Cashing in on sending cash, Leonel Sanchez The San Diego Union-Tribune 1.12.00

US Presidential Elections: Voting Abroad

There are over 3 million US citizens outside the United States, not including US government employees and their families. The largest groups are in Canada, Mexico, the UK and Israel. These overseas citizens are eligible to vote in US federal elections, but must take the initiative to register themselves and organise a postal ballot. Overseas voters are registered in the former state of residence in the US. In Florida, there were estimated to

be 1800 to 3500 ballots from overseas, enough to make a significant difference in the unusually close contest.

The Republican National Committee set aside \$600,000 to canvas voters in 28 foreign countries. But Democrats relied on donations from supporters already living overseas, raising \$80,000. They focused on Canada and Mexico.

There are 158,000 US citizens in Israel, of whom around 40,000 cast a vote in the 1996 Presidential elections. About the same number were registered this time. The majority generally support Democrat candidates. But this time there were complaints from among the 35,000 Palestinian Americans that because of the unrest they either did not receive their ballot papers or could not get to the US embassy to vote. Democrats anticipated that the Israeli absentee vote would be the second largest from abroad, topped only by military personnel. The UK broadcaster Channel 4 estimated that there were 4000 Florida voters in Israel, 200 in the UK and 170 in Ireland.

In general, few US citizens abroad bother to register or vote. For example, out of 45,000 in Hong Kong local estimates were that only a few hundred sought to vote.

Law looks the other way on dual citizenship, Goergie Anne Geyer Tulsa World 25.10.00; To vote or not to vote?, Helen Schary Motro The Jerusalem Post 2.11.00; Doubts About Recount Harden Partisan Tone, Warren Ohr International Herald Tribune 11.11.00; Floridians overseas feel power of ballot, Vivienne Walt The Boston Globe 12.11.00; Americans in Ireland 'glued to tube', Sheila Sullivan The Irish Times 13.11.00; Some Floridians in Mideast cast votes; others couldn't, The Florida Times-Union 16.11.00

Gypsies Call for European Citizenship

The newly-elected President of International Romani Union (IRU) called on the European Union to grant 'European citizenship' to two million Romanies or Gypsies. Emil Scuka described Romanies as a 'transnational nation'. The IRU, founded in 1971, is the world's largest Gypsy organization. It claims that there are 15 million Romanies in the world, of whom 12 million live in Europe, mainly in Central and Eastern Europe. The IRU held its fifth world conference in Prague in July, attended by delegates from across Europe. Although it is the largest Romany or Gypsy organisation, few of the delegates were elected and none came from Hungary. The union agreed to organise a floating parliament in the future, meeting every three months, and called for the recognition of Gypsies as a 'non-territorial nation'. It suggested a poll tax and a court to try racists.

The IRU is promoting a standard written form of the language and a flag, while it is opening an office to lobby the EU in Brussels. They hope to use the negotiations between the EU and prospective new member countries as an opportunity to improve their status outside the EU as well. Scuka raised concern for the fate of Romanies in Romania, where far-right parties appeared to be doing well in national elections. The Organisation for Security and Co-operation in Europe is assisting their efforts. IRU has the status of an advisory committee at the United Nations.

The European Commission is reluctant to accord national status to Romanies for fear of setting a precedent for other groups such as Basques. One option might be to appoint a commissioner

with responsibility for Gypsy affairs. Another, raised from within the IRU, is representation in the European parliament.

Europe's Gypsies lobby for nation status, Kate Connolly *The Guardian* 28.7.00; A nation is born, Gary Younge *The Guardian* 31.7.00; Europe's Gypsies: are they a nation? *The Economist* 25.11.00; Gypsy leader calls for EU citizenship rights, *Agence France Presse* 4.12.00

