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## **France's vote on Armenian genocide mars relations with Turkey**

France's decision to recognise the 'Armenian genocide' represented a major success for the French-Armenian diaspora lobby, but threatens to disrupt relations between Turkey and France, as well as interfere with negotiations for Turkey's EU membership.

France joined those countries officially recognising 'the Armenian genocide of 1915'. The vote on January 18 the lower house of the French Assembly was unanimous. Although it did not refer to Turkey by name, the Turkish government was furious at the implication that there had been an organised campaign of extermination of Armenians in the last years of the Ottoman Empire. A significant campaign of economic and diplomatic reprisals quickly followed the vote, and was stepped up when President Chirac signed it into law two weeks later. Turkish Prime Minister Bulent Ecevit stated that 'lasting damage' had been done to relations between the two countries. And less than two weeks after the law came into effect Kocharian embarked upon a five-day visit to France, during which he met President Chirac

The Assembly's decision was the result of a long and intense campaign of lobbying by France's large Armenian community. It is alleged that between 1915 and 1923, some 1.5 million Armenians died, by a combination of violence, starvation, disease and deportation from eastern Turkey to modern-day Syria and Iraq. Turkey states that there were fewer deaths and that there were multiple causes, including the Russian occupation and internal fighting. It points out that Armenians also carried out massacres. The campaign involved many Armenian exile organisations, including the Defence Committee for the Armenian Cause. Its President, Ara Krikorian, stated that he hoped that denials of the Armenian genocide would now be prosecuted in the same way as denials of the Nazi Holocaust. The law

may also expose Turkey to lawsuits from French-Armenians demanding compensation.

France has the largest Armenian community in Europe, estimated at between 500,000 and 700,000; there are thought to be one million Armenians in the USA and 400,000 in Canada. They first arrived in France as merchants in the seventeenth century, and then thousands fled the violence of 1915. In recent years, Armenians born in diaspora have also move to France. Most live in Paris, Marseille and Lyon. The largest single concentration is in Alfortville, southeast of Paris, where one in six residents are Armenian.

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Transnational Communities Programme  
working paper WPTC-01-9

*Institutions in Diaspora: The Case of  
Armenian Community in Russia*

Marina Oussatcheva

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Fewer than ten per cent of the Assembly's members were actually present for the vote, and many claimed that it was not directed against Turkey. The bill was not supported by either President Chirac or Prime Minister Jospin, although the former did sign it into law. But Turkey instigated minor but symbolic sanctions against France, with the threat of more serious moves in the future. A deal worth \$176 million for French satellite technology was cancelled and French firms were barred from bidding for defence contracts. When the bill passed into law on January 30<sup>th</sup>, a \$250 million contract to upgrade Turkey's military planes was scrapped. There were demonstrations in the streets of Ankara and Istanbul, where crowds called for tougher retaliation against France. French wines and foods were removed from menus and the French flag was burned. The government was criticised in the press for being slow to react and ineffective in combating the diaspora's lobbying. Some politicians demanded the end of flights to Armenia and sanctions against the country. The Mayor of Ankara announced plans to build a monument to Algerians killed by French soldiers in that country's revolution.

A spokesperson for Turkey's 80,000-strong Armenian community, most of whom live in Istanbul, called France's action ill-conceived and badly-timed. It plays into the hands of those forces in the country resisting EU membership and political reform. Part of the requirement for membership will be an improvement in the country's human rights record. Reformers were dismayed by the French Assembly's action, which will reinforce the impression that the EU does not really want Turkey as a member.

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Transnational Communities Programme  
working paper WPTC-01-21

*Elites and Institutions in the Armenian  
Transnation*

Khachig Tölölyan

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France is the first large Western country to pass such legislation, although it has been debated elsewhere. The vote was welcomed in an official statement by the Armenian government. The US Congress failed to enact a similar declaration in October 2000 following President Clinton's persuasion that it would harm relations within NATO. The EU Parliament, the Belgian Senate and the Russian Duma have all called upon Turkey to acknowledge the genocide, but have not done so themselves. The Greek Parliament nominated April 24 as a day to remember the genocide. Relations with the UK government were strained by plans to include representatives of the Armenian diaspora at the official ceremony marking International Holocaust Day.

Outside Washington, Armenian-Americans have been busy lobbying the Maryland Assembly to pass a vote on the genocide and include it in school textbooks. Their lobby is countered by some members of the Turkish, Azeris, and Jewish communities in the state, but supported by some Greel-Americans. Maryland is important because any vote there will affect two major defence companies, Lockheed Martin and Northrop Grumman, based there.

Armenia and Turkey have no diplomatic relations, despite Turkey's early recognition of newly-independent Armenia in 1991. But behind the scenes there are moves to restore relations, often using Armenian-Americans as informal go-betweens. The Armenian Church of America has organised a tour of ancient Armenian sites in Turkey for June. Other links have involved businessmen and government officials. The main points dividing the two countries are the settlement of the border and the campaign for genocide recognition. In an interview with a Turkish journalist, Armenian President Robert Kocharian claimed that the campaign was organised by the diaspora without active support from Yerevan. This claim is disputed from within Turkey. He also asserted that Armenia would not demand reparations from Turkey if it recognised the genocide.

French legislation calls Armenians' deaths genocide, John-Thor Dahlburg Los Angeles Times 19.1.01; Politicians condemn French parliament vote on Armenian genocide, BBC Summary of World Broadcasts 20.1.01; Armenian consumers to boycott Turkish goods, support French genocide vote, Agence France Presse 23.1.01; Turkey raises stakes in genocide row, Simon Tisdall The Guardian 25.1.01; Armenian issue haunts Turkey's EU aspirations, Leyla Boulton and Jonathan Birchall Financial Times 27.1.01; Turkey and Armenia – that controversial G-word, The Economist 3.2.01; Armenians push hard in Maryland, Turkish Daily News 3.2.01; Turkey cornered in Armenian allegations, Turkish Daily News 5.2.01; Kocharyan's remarks, Turkish Daily News 6.2.01; France home to largest Armenian community in western Europe, Agence France Presse 12.2.01; Armenian, French presidents meet in Paris for talks, Associated Press 12.2.01; Armenians and Turks Test Climate for a Thaw, Douglas Frantz International Herald Tribune 16.2.01

### **Military sexual slavery; mixed success for transnational campaigners**

A landmark human rights ruling in the Hague made mass rape and sexual slavery a crime against

humanity. But in Japan, campaigners on behalf of so-called 'comfort women' lost two important court cases in their struggle for an apology and compensation.

The International Criminal Tribunal for the Former Yugoslavia in the Hague ruled for the first time that mass rape and sexual slavery constituted a crime against humanity. The landmark decision was made in the case of three Bosnian Serbs charged with systematic and savage rape, torture and enslavement of Muslim women in 1992 in the Bosnian town of Foca. Human rights organisations estimate that tens of thousands Muslim women and girls were systematically raped and abused in camps. The judgement elevates the offences from being a violation of the customs of war, as it was in war trials in Nuremberg and Tokyo, to a crime second only in seriousness to genocide. The presiding judge, Florence Mumba of Zambia, ruled that rape was used by Bosnian forces as an instrument of terror. She told the accused that "by the totality of these acts, you have shown the most glaring disrespect for the women's dignity and their fundamental human right to sexual self-determination." Human rights groups had argued that rape was part of a deliberate policy of ethnic cleansing, forcing Muslim women to bear 'Serbian' children. The three convicted Serbians, who received sentences totalling sixty years, were among forces that overran Foca early on in the war. They held 72 women prisoner in a sports hall then selected victims for rape or forced women into personal domestic service. Some were sold to other soldiers.

The ruling will have implications for war crimes trials being held in Rwanda, Kosovo and East Timor and will offer hope to campaigners for the thousands of military sexual slaves, so-called 'comfort women', victimized by Japanese forces in World War Two. A motion filed on behalf of 'comfort women' in a Washington DC court in March was in part based on the Hague court's ruling. The motion asked the court to rule that Japan could not claim sovereign immunity as a defence in the case. The decision represents a victory for international and national human

rights and women's rights groups, who have argued that rape has been too often regarded as just another facet of war. The proposed permanent international criminal court will be able to apply the ruling to other cases.

At the same time as the Hague ruling the World Court of Women Against War, for Peace was meeting in Cape Town. Created by Rome Treaty in 1998 and holding meetings in various places throughout the world, the Court cannot redress past crimes. Nonetheless, it heard evidence from the Asian Women's Rights Council on behalf of victims of military sexual slavery at the hands of the Japanese Imperial Army in the Philippines. These victims, known as 'lolas' (grandmothers) had filed suit against the Japanese government in Tokyo District Court in 1993 demanding an apology and compensation. The suit was eventually dismissed by the Supreme Court. But last year a number of regional Filipino groups came together to form 'Lolas Kompaneras' and press the Japanese authorities for an investigative committee into wartime forced sexual slavery. Some of the women involved, now in their seventies, have travelled to Sarajevo and other places to advance their cause.

The victims of military sexual slavery suffered a blow in Japan following the dismissal of a case brought against the Japanese government by forty Korean 'comfort women' by a Tokyo district court. The plaintiffs were represented by the Association of Pacific War Victims and Bereaved Families, led by Kim Jong Dae. In a further blow, the High Court in Hiroshima overturned a decision ordering the central government to pay three women compensation. The earlier ruling, made by the Shimonoseki branch of the Yamaguchi District Court in 1998, had been challenged by the Japanese government. On appeal the judge decided that the government was not legally obliged to apologise or pay compensation in connection with the use of prostitutes by the military. The Shimonoseki decision had been the first and only ruling in favour of 'comfort women'.

But the government claims that all compensation for wartime damages was settled in 1956 as part of a bilateral agreement with Korea. It set up the Asian Women's Fund in

1995 as a private group to offer small amounts of compensation, but no apologies. By asking for funds from private sources the Fund avoids any implication of state responsibility. It has provided 340 million yen in financial support to 170 wartime victims in Korea, Taiwan and the Philippines. But others have refused the funds as too small or meaningless without an apology. In January the AWF revealed that it was short of necessary funds, and launched an appeal among businesses and trades unions for support. With other NGOs, the AWF participated in a 'mock tribunal' on sexual slavery in Tokyo in December. It ruled that Japan's Imperial Army had violated international laws in force at the time.

Another ten similar suits are still in the Japanese courts.

According to historians, some 200,000 women were forced into sexual slavery before and during the Second World War. Most were from Korea, but others came from the Philippines, China, Indonesia and Taiwan. In March, relations between these countries and Japan were inflamed by a Japanese cartoon book portraying 'comfort women' as willing volunteers and not sex slaves. The book is part of a series of manga (cartoons) produced on behalf of the Society for Writing New History Text Books offering a revisionist view of Japanese history and defending the Imperial Army and its actions. It sold 240,000 copies between publication in November and March 2001. The author, Yoshinori Kobayashi, was banned from entering Taiwan, although the restriction was later lifted. An aide to the Taiwanese President was forced to apologise after being quoted in the book. The President of South Korea warned Tokyo not to try to rewrite history and China's President Jiang Zemin asked Japan not to approve it as a school textbook.

Comfort women group to seek donations from businesses, unions, Kyodo News International 8.1.01; Asia's former comfort women seek justice from Japan before it's too late, Jenny Tumpelmann Deutsche Presse-Agentur 8.2.01; Mass rape ruled a war crime, Andrew Osborn The Guardian 23.2.01; Rape is a war crime, The (Montreal) Gazette 24.2.01; Forum on comfort women opens in Tokyo, Japan Economic Newswire 1.3.01; Former 'Comfort Women' Ask Court to Rule that Japan Has No Sovereign Immunity for Systematic Sexual

Slavery During World War II, Business Wire 5.3.01; 'Comfort women' hope for justice, Perla Aragon-Choudhury BusinessWorld 9.3.01; Asian fury over claim that comfort women were 'volunteers', Colin Joyce Sunday Telegraph 18.3.01; Taiwan allows entry of Japanese cartoonist, Agence France Presse 24.3.01; Former Korean soldiers, sex slaves lose suit in Japan, Deutsche Presse-Agentur 26.3.01; Japan quashes World War II comfort women's compensation. Kiriko Nishiyama Agence France Presse 29.3.01; High court reverses ruling favoring 'comfort women', The Daily Yomiuri 30.3.01; 'Comfort women' lose war pay-out, Ken Hijino Financial Times 30.3.01

## **Cuban exiles look to Bush; Iraqis and Armenians also**

Diaspora lobbies within the United States were hopeful of changes in the country's foreign policy following the election of President George W. Bush.

Cuban-Americans in Florida supported George Bush for President by four-to-one. Many exile groups anticipate political gains from the new administration and a recovery in fortunes after the Gonzalez affair. Denis Hays of the Cuban-American National Foundation (CANF) claimed the community was 'instrumental in Bush's election'. In return the CANF expects tougher sanctions on Cuba and more support for the democracy movement on the island. To achieve these goals they will have to win back support from big business, which has increasingly turned against the embargo. One route of influence is through the President's brother, Jeb Bush, who is Governor of Florida and running for re-election.

Not all the early signs were not promising. Bush extended a decree issued by Clinton in 1996 prohibiting protests against the Cuban government in a three-mile zone around Florida's coast. On the other hand, the US government agreed to the transfer of \$93 million in frozen Cuban assets to the families of the men, members of Brothers to the Rescue, shot down by Cuba in 1996. The money comes from the revenue paid to Havana

by long-distance telephone companies and held in Chase Manhattan Bank in New York.

But relations between the White House and the exile community were strengthened by two appointments to Bush's cabinet. Mel Martinez became the first Cuban-American member of a Presidential cabinet when nominated as Secretary for Housing and Urban Development. Martinez was a prominent official from Orange County, Florida, best-known for funding Elian Gonzalez's trip to Walt Disney World in November 1999. He left Cuba as a fifteen-year-old in 1962 as part of the Pedro Pan airlift of 14,000 unaccompanied Cuban children. Bush chose another Cuban-American, Otto Reich, as Assistant Secretary of State for Western Hemisphere Affairs. His nomination was welcomed by CANF and other exiles' groups.

Reports from Cuba suggest the 38-year-old embargo is showing distinct signs of weakening. Decisions to allow greater foreign investment and the circulation of the dollar inside the country, together with the lifting of restrictions on remittances are bearing fruit. A UN report indicates that Cuba received \$725 million in remittances in 1999 alone. Nonetheless, the Castro regime has toughened its stance towards opponents at home and abroad. Two visiting Czech politicians were arrested after meeting with human rights activists. There were also encouraging signs for the Castro government from Florida. Evidence of divisions among Cuban exile groups surfaced at the trial of five alleged Cuban spies in Miami. Testimony revealed strong differences, in particular between the Cuban American National Foundation and the Cuban Democracy Movement, over the 1996 shooting down of two exiles' aircraft by Cuban forces and the Elian Gonzalez affair (see *Traces* #9, 10). Cuban spies or agents are often accused of fomenting such rivalries, as for example during the concert by leading Cuban group Los Van Van

The new Bush administration also faces important decisions about whether to continue supporting Iraqi exile groups in their opposition to Saddam Hussein's government. It was reported that Vice President Cheney favours aggressive support for the Iraqi National Congress, empowering it to launch

military operations from within Iraq. The State Department and Colin Powell favour a mix of sanctions and propaganda. They are sceptical over the INC's abilities and claims of support. In February, leaders of the INC met in Washington DC to discuss the potential for greater UD involvement.

The new President was also lobbied by Armenian groups over recognition of the Armenian 'genocide' (see story this issue). Armenian media reported that 100,000 postcards were sent to Bush in the first month of office by members of the diaspora. During the campaign, Bush had guaranteed that as President he would work for recognition, in contrast with the Clinton administration.

Exiles' actions under scrutiny. Jose Dante Parra Herrera, Sun-Sentinel 1.1.01; Cuban-Americans see possible resurgence with Bush administration, Agence France Presse 2.1.01; Castro clamps down on critics, Richard Lapper Financial Times 7.3.01; Discord divides Cuban exile groups, Jose Dante Parra Herrera Sun-Sentinel 14.1.01; Little known about Martinez in Cuba besides involvement in Elian case, Anita Snow The Associated Press 18.1.01; U.S. OKs release of Cuban assets to pay families of shot-down pilots, Jay Weaver The Miami Herald 14.2.01; Bush's foreign policy team is split on how to handle Hussein, Robin Wright Los Angeles Times 14.2.01; Armenians urge US President Bush to keep election promise and recognize genocide, BBC Summary of World Broadcasts 17.2.01; Stay tough on Castro, exiles tell Bush, David Cazares Sun-Sentinel 25.2.01; US-Cuba exile group calls extension of decree 'very unfortunate' EFE News Service 28.2.01; Cuban exiles pleased with Bush's choice for top Latin post, EFE News Service 23.3.01

## **Remittances: essential to the Caribbean and Latin America**

Migrant remittances are growing in volume and becoming increasingly significant to economies across the Caribbean and Latin America. In some cases they are being channelled directly into local development projects as well as

meeting families' welfare and consumer needs.

Caribbean economies are increasingly dependent on tourism and remittances to sustain troubled economies, according to a report by the Caribbean Development Bank. The agricultural sector faces great uncertainty following the deregulation of international trade in sugar and bananas. The export earnings of minerals are unpredictable. In 2000, the region's tourist industry earned \$18 billion; it employs a quarter of the Caribbean's workforce. But a number of countries rely heavily on remittances from North America and Europe, particularly Dominican Republic, Haiti, Jamaica and Guyana. Even Cuba relies on money sent by relatives from abroad, estimated at \$800 million a year by the Economic Commission for Latin America. Remittances are the biggest source of foreign earning in the Dominican Republic, totalling \$1.5 billion a year. They amount to \$800 million in Honduras, forming the main source of foreign currency. Furthermore, unlike tourist revenue, remittances stay within the country. The US Treasury has tightened up on the reporting of money transfers in recent years, lowering the maximum amount that can go unreported from \$3000 to \$750 for some routes. The Treasury is closely monitoring transfers to the Dominican Republic and Colombia in particular, searching for evidence of money laundering.

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*remittances valued at \$6 billion a year represent Mexico's third-largest source of income*

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Remittances are perceptibly shifting from money sent to relatives for family needs towards funds for development in a wider sense. Governments and aid agencies recognise that migrant funds can fund infrastructure and public services. The Salvadoran embassy (drawing on figures from the Central Reserve Bank) states that in twenty years the value of remittances has increased from just \$10 million to \$1.7 billion in 2000. This is an increase of 27 per cent over 1999, equivalent to 13 per cent of the country's GDP. It is reckoned that ten per cent of these funds

go straight into community development projects. The Central Reserve Bank expects the flow to increase in response to the earthquake that hit the country on January 13. Having learned from the disaster relief after Hurricane Mitch, Salvadorans in the USA were requested for cash rather than food. Two years ago, hundreds of tons of food sat in warehouses for months waiting for transport.

According to Manuel Orozco, director of Inter-American Dialogue, remittances valued at \$6 billion a year represent Mexico's third-largest source of income, and 80 per cent if all direct foreign investment. Other sources, reported in *El Economista*, put the sums at \$6.28 billion, equivalent to fifty per cent of FDI. This represents an increase of 65 per cent over 1995. The Bank of Mexico and the National Population Council (Conapo) reported that Mexico was the fourth largest recipient of transfers throughout the world, after France, India and the Philippines. Conapo also stated that transfers are the main source of income for almost 1.2 million Mexican households.

Remittances are also vital to sustaining Ecuador's economy, still struggling after a year of dollarization. Inflation stood at 91 per cent at the end of 2000, and only migrant transfers and the profits from oil exports are providing any source of stability. Ecuador's Central Bank cannot issue foreign currency itself, so remittances are essential.

Ecuador fails to curb inflation in first year of 'dollarization', Pilar Valero EFE News Service 8.1.01; Quake relief focuses on cash donations, Antonio Olivio Los Angeles Times 17.1.01; El Salvador received \$1.7 billion in remittances in 2000, EFE News Service 1.2.01; Total remittances from Mexicans abroad rise to 6.28bn dollars in 2000, BBC Summary of World Broadcasts 10.3.01; Tourism and remittances are essential, Canute James Financial Times 19.3.01; Immigrants Fund Improvements In Their Homelands, The Washington Post 19.3.01; Hispanic remittances may play role in Latin American development, EFE News Service 19.3.01; US-Honduran presidential hopeful seeks extended TPs for Hondurans in US, EFE News Service 22.3.01

## **Competition over wire transfer business in N. America and Asia**

The booming business in money transfers by wire, frequently between migrants and their families back home, is intensifying competition between established companies and a host of smaller newcomers offering cheaper rates.

The total transfer of remittances abroad from the USA was \$17.4 billion in 2000. Over \$6 billion is sent to Mexico alone and the U.S.-Mexico money-transfer market is expected to continue growing at 12% to 15% a year. But established companies such as Western Union and MoneyGram stand accused of overcharging customers (see Traces past). Since his election, Mexican President Vicente Fox has been vocal in his call for lower charges.

Juan Hernandez, Fox's migrant affairs advisor, claimed that costs of sending money had already fallen by almost thirty per cent in the first three months after Fox took office. Regular weekly meetings between the government and money transfer companies have been taking place under the new administration. The Consumer Protection Agency is monitoring costs, once reckoned to be 30 per cent higher than necessary. Western Union, for example, have lowered costs by about twenty per cent. In large cities where the competition is greatest, such as Los Angeles and Dallas, reductions have been nearer thirty per cent. MoneyGram also unveiled a new low rate service called Cambio Plus, with a flat fee of \$15. Most other companies charge varying amounts according to the sum exchanged. But competitors such as FinMex in Los Angeles and Vigo Remittance Corporation in New York still charge less on small amounts, only \$10. Four years ago MoneyGram controlled a third of the money transfer business between the USA and Mexico, but its share has fallen to 12 per cent as customers turned to lower-cost rivals. 7-Eleven is pioneering Automatic Teller Machines (ATMs) in 37 stores in Mexico.

Customers will be able to use them to transfer funds directly from ATMs in the USA.

In March the Community Credit Union and Texas Credit Union League joined forces with the Mexican government to announce the foundation of the International Remittance Network (IRnet). The service will offer low cost money transfer facilities between the USA and Mexico. Sums of up to a thousand dollars can be sent for a fee of \$10. Under US law, depositors can open accounts at credit unions without a Social Security number, which is an attraction for migrants. Hernandez pointed out that this would mean more money flowing into the country rather than kept by foreign businesses.

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*The total transfer of remittances abroad from the USA was \$17.4 billion in 2000*

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With over 100,000 locations, a new Western Union office opens every half and hour somewhere in the world. In March Western Union Financial Services revealed a strategic alliance with Malaysia's Bumiputra-Commerce Bank Bhd to provide money transfer services to and from Malaysia. Around \$2 billion is transferred by Malaysians abroad and by foreign workers in Malaysia. Western Union regards the country as a vital to its expansion into the wider Asian market, where it has opened businesses in twenty countries since 1990. It has only 6,500 outlets and a two per cent share of the Asian market, which is less productive than Eastern Europe and the Middle East. China, Malaysia, Thailand and India are identified as growth areas. Western Union calculates that it needs one branch for every 25,000 to 30,000 people, meeting the needs of travellers and migrants alike.

Fox wants lower cost for remittances from Mexicans in US, EFE News Service 26.1.01; Competition, settlement take edge off wire transfer fees for immigrants, Adam Geller Chicago Tribune 28.1.01; MoneyGram revamps money-wiring service, Lee Romney Los Angeles Times 31.1.01; Migrants find wiring money to Mexico now cheaper, Susan Ferriss The Atlanta Journal and Constitution 4.3.01; Mexico's Secretary of Migrant Affairs, Juan Hernandez, And Community Credit

Union Unveil New Discounted Funds Transfer Service, PR Newswire 9.3.01; Bumiputra-Commerce Western Union tie up, Zuraimi Abdullah New Straits Times 13.3.01; Western Union entry proves strong market, The Star 19.3.01

## **Presidents Fox and Bush discuss US-Mexico relations**

Newly-elected Mexican President was George Bush's first foreign trip in February, and Fox himself toured California's Mexican-American communities later in the month.

Presidents Fox and Bush met at Fox's ranch in Guanajuato on February 16<sup>th</sup>. It was the American President's first foreign trip since taking office. (President Clinton did not travel to Mexico in his first term.) The meeting raised the problem of illegal immigration and the possibility of a new guest-worker programme of up to 250,000 temporary, legal worker visas. Other matters raised included trade, energy and economic development.

In addition to announcing cheaper wire transfer services (see story this *Traces*), President Fox and Juan Hernandez, his migrant affairs advisor, announced deals with major corporations to aid development. Western Union, American Airlines, and 7-Eleven have promised to contribute to development funds to help stem migration from poorer parts of Mexico. The deal was announced at a meeting between US businesses and the President in Guanajuato in March. Fox also plans to promote a centre for the distribution of goods made by small Mexican companies in California, similar to a scheme set up in Dallas while he as governor of Guanajuato.

Later in February Fox travelled to the USA himself for a two-day visit. He began with meetings in Silicon Valley with industrialists and addressed the State Legislature. In Fresno, California, he told a rally of farm-workers that 'Mexico needs you' to come home and rebuild the country's economy. He also referred to emigrants as 'heroes'. Fox declared that he would press the USA for a more liberal immigration policy, although many emigrants

in the USA would prefer an amnesty for illegal workers rather than his preferred guest-worker programme. He also promised to make good on his campaign pledge and enable Mexicans to vote by absentee ballot in the elections due in 2003. Fox urged the University of California system to treat long-time undocumented students the same as other California residents, and charge them the same fees.

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Transnational Communities Programme  
working paper WPTC-01-23

*Migrant Membership as an Instituted Process: Comparative Insights from the Mexican and Italian Cases*

Robert C. Smith

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Fox later visited a school in Los Angeles with first lady Laura Bush, and gave a speech at the City Hall. His final stop was to open the California-Mexico Trade Center in Santa Ana. Throughout the tour he was accompanied by California Governor Gray Davis, who had attended Fox's inauguration in December. Latinos make up almost a third of California's population, and Mexico is California's largest export market, especially in electronics and consumer goods. Mexico provides California with electricity, a sensitive topic amid the state's energy crisis. Davis, a Democrat, is anxious to repair relations with Mexico damaged by the passage of Proposition 187 under his Republican predecessor.

Fox wants lower cost for remittances from Mexicans in US, EFE News Service 26.1.01; Expatriates Cheer Fox, Carla Marinucci The San Francisco Chronicle 14.2.01; Fox, Bush talks to focus on Mexican farmworkers, William E. Gibson Sun-Sentinel 15.2.01; Migrants find wiring money to Mexico now cheaper, Susan Ferriss The Atlanta Journal and Constitution 4.3.01; Mexico's future lies in middle, Juan Esparza Loera The Fresno Bee 18.3.01; Mexico's Fox to pursue expatriates, high-tech industry on California trip, John Simerman and Carrie Sturrock Contra Costa Times 21.3.01; Fox calls on state immigrants to help build 'a new Mexico', S. Lynne Walker and Gordon Smith The San Diego Union-Tribune 23.3.01; Migration – be my guest, The Economist 31.3.01.

## **Lagos seeks support from Nigerians abroad**

The Nigerian government is trying to encourage middle-class exiles to either return to the country or invest in it. But many exiles remain wary about President Obasanjo's relatively short-lived democratic government.

Decades of unrest, corruption and persecution have caused many Nigerians to flee abroad, particularly the middle-classes. By some estimates there are over a million highly-educated Nigerians in exile. Various figures for the total numbers overseas suggest there are 3 million Nigerians in total in the USA and 10 million in Europe. The revival of elected civilian government in 1999 has not yet resulted in any significant return.

During a tour of the USA in 2000, President Olusegun Obasanjo had proposed the formation of Nigerians in Diaspora Organisation (NIDO) at a meeting in Atlanta. Its purpose would be to utilise the skills and resources of Nigerians abroad to help develop the country. Critics charged that NIDO would be too closely associated with federal government. Others are said to be reluctant to invest in the country until there are clearer signs of peace and stability, coupled with evidence of tackling corruption. Meeting in New York in February, a group of Nigerian-American professionals put the finishing touches to NIDO. It will have branches in the USA and Europe. NIDO will establish a database of Nigerian diaspora skills and knowledge to be tapped for development. The intention is that members will also help raise the country's image abroad. In March the Nigerian Foreign Affairs Minister, Alhaji Sule Lamido, announced plans to enable Nigerians to vote from abroad.

The campaign to persuade exiles either to return or invest has involved many senior members of Obasanjo's government. His wife has toured South Africa and government officials personally telephone Nigerians abroad.

The incoming Bush administration in the USA announced that it had no plans to undo the African Growth and Opportunity Act (AGOA), one of the achievements of collaboration between Africans and African-Americans under the Clinton administration. AGOA offers trade benefits to 34 African countries, provided that they show signs of establishing market economies and advancing workers' rights. In the last weeks of the Clinton government, a number of new items were added to the list of benefits, notably apparel. Opponents of AGOA from within Africa accuse the USA of trying to enforce too many rules on beneficiaries, and of ignoring WTO rules.

Policy on Nigerians in diaspora, Africa News Service Express (Lagos) 12.1.01; Whither the African growth and opportunity act? Africa News Service (Accra Mail) 26.2.01; Nigeria calls expatriate sons and daughters home, Rena Singer The Christian Science Monitor 26.2.01; US-based Nigerians meet to pool skills for national development, Jerome Hule Panafican News Agency 27.2.01; 'Why rich Nigerians don't repatriate investments' Africa News Service (Post Express) 13.3.01; Nigeria To Introduce Overseas Ballot System, Vanguard Daily 19.3.01.

## **Tibet's boy Lama allowed to remain in India**

The Indian government announced that it had given permission to the Karmapa Lama to stay in India and travel to Buddhist spiritual sites in India. The fifteen-year-old Ugyen Trinley Dorje had been confined in Dharamsala, headquarters of the Tibetan exile community, since his dramatic flight from China in the winter of 1999/2000 (*Traces* #9).

It is expected that he will want to visit the Kagyu sect's most important monastery in Sikkim. This will intensify the battle for succession as the 17<sup>th</sup> incarnation of the Karmapa Lama between Ugyen Trinley Dorje and his rival Trinley Thaye Dorje who lives in France. The Kagyu sect has more followers in the West than the other three orders of Tibetan Buddhism, as well as a fortune of \$1.2 billion amassed under the late 16<sup>th</sup> Karmapa Lama. But there are supporters of both boys among

the sect's leadership. Ugyen Trinley Dorje is recognised as the rightful 17<sup>th</sup> Karmapa Lama by his former benefactors in China. Following the decision to allow him to stay in India, the Beijing government warned India not to let him be used for political ends by Tibetan exiles.

Dalai Lama argued that his successor as leader of Tibetans in exile should be democratically elected in order to prevent disputes between the different schools of Tibetan Buddhism. He indicated that the process should begin within the next year, so that a successor can be in place before his death. But he did not name the Karmapa Lama among the potential candidates, despite widespread speculation that the teenager could be groomed for leadership. There are also political divisions among Tibetan exiles, between those supporting the Dalai Lama's non-violent path and those urging a more radical stance towards China.

The Dalai Lama's government-in-exile launched its website from India in January. But China opened its own English-language website on Tibet, called tibetinfo.com, close to tibetinfo.net, which operates from London. China's site quotes lamas and Tibetans favourable to its government of Tibet, and offers opportunities to travel to Lhasa. The government-in-exile declared that it would try to prevent China being chosen as the host of the 2008 Olympic Games. A small crowd of Tibetan activists tried to disrupt the visit of Chinese leader Li Peng to New Delhi.

Tibetan exiles try to disrupt Chinese leader's motorcade in India, Agence France Presse 11.1.01; High-tech Sherpa, Tom Heinen Milwaukee Journal Sentinel 12.1.01; China tries to snare Tibet's web visitors, John Gittings The Guardian 15.1.01; Tibet's Dalai Lama searches for elected successor, Pierre Lesourd and Giles Hewitt Agence France Presse 28.1.01; India gives refugee status to young lama, The Straits Times 5.2.01; China urges Indian caution over Tibet's Karmapa Lama, Deutsche Presse-Agentur 6.2.01; Tibetan boy lama sets off on first pilgrimage around India, Uttara Choudhury Agence France Presse 21.2.01; Allowing the boy-Lama to travel has stirred a hornet's nest, The Times of India 25.2.01; Tibetan exiles oppose China's Olympic bid, Agence France Presse 1.3.01

## **Gujaratis overseas respond to earthquake disaster**

An earthquake struck the Kutch region of Gujarat in India on January 26. It centred on the town of Bhuj. Initial estimates placed the death toll at 30,000. Gujarat is one of the most populated states in India. Over the centuries tens of thousands have emigrated to the Middle East, Europe, North America and Africa, creating communities all round the world. They were an immediate source of support for the region's devastated towns and villages.

Hundreds of Gujaratis living in the UK boarded planes for India as soon as they heard the news. They went looking for relatives and offering assistance in the disaster zone. The Shree Swaminarayan temple in Neasden, London, organised a relief team of 175 swamis (priests) from England. Plane loads of tents, blankets, clothes and medical supplies left London. In Silicon Valley, the IndUS Entrepreneurs (TIE) network mobilised its contacts and resources to provide assistance. It spearheaded a fund-raising effort among individuals and businesses in the United States' Indian community. Indian doctors prepared medical supplies and a dozen trauma specialists volunteered to fly to Gujarat as soon as necessary. There were collections raised in dozens of communities from Atlanta in the South to Flushing, Queens and Edison in New York-New Jersey. Swaminarayan temples in the USA contacted their sister temples in other countries. The sect was founded in Gujarat and has strong ties to the region. The Asian-American Hotel Owners Association, representing 7,000 Indian motel owners, a vast majority of them Gujaratis, appealed to its members to contribute directly to the American Red Cross. In France, where there is a small Gujarat community, the relief effort was organised by the Gujarati Hindu Samaj.

In the Gulf, expatriate Indian communities also organised relief shipments and raised funds. Air India offered free transport. The community in Sharjah, Abu Dhabi, sent five tonnes of medicine and food right away; a further forty tonnes was flown out of the UAE. Indians in Kuwait began a campaign to raise half a million dollars. Dubai's Indians aimed to raise \$1.36 million. Governments in

Kuwait, Oman and Qatar also pledged funds and aid.

Indian-Americans Mobilize to Send Aid Home, Somini Sengupta The New York Times 29.1.01; Aid agencies, Silicon valley, scramble for Indian quake relief, Stephen Collinson Agence France Presse 30.1.01; Indian expats in UAE mobilize aid for Gujarat quake survivors, Agence France Presse 31.1.01; Gujarati expats in France join quake relief, The Times of India 31.1.01; Indian expats in Gulf mobilize tonnes of aid for Gujarat quake survivors, Agence France Presse 1.2.01; Indian expatriates begin relief efforts, Maria T. Padilla The Orlando Sentinel 1.2.01; India's exiles return to pain of quake zone, Tom Walker Sunday Times 4.2.01

## **India's diaspora commission begins its world tour**

The High Level Committee on Indian Diaspora appointed in September continued its tour of overseas Indian communities (see *Traces* #12). Chaired by Dr L.M. Singhvi, the five-member delegation held seminars in Kuwait, Riyadh, the UAE and South Africa. Later trips were planned for Nairobi, Mauritius, Reunion, Britain and Amsterdam.

The committee is seeking suggestions and solutions for India's progress. Its brief includes: (1) a review of the status of Persons of Indian Origin (PIOs) and Non-Resident Indians (NRIs) in the context of constitutional provisions, laws and rules applicable to them both in India and the countries of their residence; (2) a study of the characteristics, aspirations, attitudes, requirements, strengths and weaknesses of Indian Diaspora and their expectations from India; (3) a study of the role that the PIOs and NRIs may play in the economic and social and technological development of India; (4) an examination of the current regime that governs the travel and stay of PIOs in India and investments by PIOs in India, and recommend measures to resolve the problems faced by NRIs in these areas; (5) recommendations for a broad but flexible policy framework and country specific plans for forging a mutually beneficial relationship with the region of PIOs and NRIs, and for facilitating their interaction with India and their participation in India's economic development.

The commission heard complaints from Indian workers in the Gulf about working conditions and the fraudulent behaviour of recruitment agencies. It promised to look into the issue of Indian prisoners in the region's gaols. There are 3.2 million Indian expatriates in the Gulf.

Indian team on Gulf tour to review NRI, PIO problems, Business Line 11.1.01; Gov keen to solve problems of NRIs, Mridula Krishna The Times of India 16.1.01; NRI panel team studies problems of expatriates, Fakir Hassen and Mridula Krishna India Abroad 26.1.01; Committee on Indian diaspora due soon, Kuwait Times 6.2.01; Delegation on Indian diaspora in town, Kuwait Times 8.2.01

## **India aims to be 'knowledge superpower' with diaspora help**

India's campaign to reverse the 'brain drain' by attracting contributions from skilled professionals overseas and investment in leading industries continued with an appeal from the Prime Minister.

At the sixth convention of the Global Organisation of People of Indian Origin held in New Delhi in January, Prime Minister A.B. Vajpayee called on overseas Indians to help forge India into a 'knowledge superpower' by 2010. He identified in particular sectors such as information technology, biotechnology, agriculture, space and energy where PIOs were making significant advances. Vajpayee reminded delegates that many had received their education from India and that it was time to put something back in the motherland. He declared that 'we do not merely seek investment and asset transfer. What we seek is a broader relationship - in fact, a partnership among all children of Mother India so that our country can emerge as a major global player.' He also called on the diaspora to mobilise public concern over political issues such as the situation in Fiji after the coup. The Prime Minister called for the restoration of democratic government on the island.

The convention lasted two days, and gathered 300 delegates from 25 countries, including Fiji, Trinidad and Tobago, Australia, Canada, Mauritius, Indonesia, and Malaysia. Their main complaint to the Indian government was the high cost of getting a PIO card and the lack of a government agency dedicated to PIOs and Non Resident Indians. Vajpayee referred to the Singhvi commission as the source of a possible solution (see story, this issue).

Nobel prize-winning economist Amartya Sen praised the achievements of Indians in Silicon Valley during an address to The IndUS Entrepreneurs (TIE) in January. *The Financial Times* reported that about \$5 billion in venture capital was raised in 2000 for Indian investments, an increase from £340 million raised in 1988-99. The investment is led by TIE based in Silicon Valley. New venture capital funds such as Redwood Ventures, E4E and Accordiant Ventures are channelling funds into Indian start-ups. The rapid increase in funding is due to two things, say experts in the region. Firstly, many more Indian-Americans are financially successful in the IT and related industries. Secondly, they are responding to a change of heart from the Indian government, which has ended its deep-seated suspicion of risk-taking and foreign investment. The regulations covering venture capital investment were revised in February 2000 by the Securities Exchange Board along the lines proposed by Silicon Valley industrialists.

The venture capitalists recognise India's great skills basis, but also acknowledge that the domestic market is too small on its own. Only two million Indians are logged onto the Internet. For the foreseeable future they envisage controlling the high-tech companies from the USA. Furthermore, the rules governing stock options and incorporation are more attractive in the USA than in India.

A group of doctors, mainly from New York, have formed an organisation called Indo-American Initiative for Healthy Children to pioneer a newborn screening programme in Chennai and later, Tamil Nadu.

In the UK, Zee Network announced the launch of a new channel dedicated to Indian cinema, Zee Cinema. It will show six movies a day,

mixed in with news and gossip about Bollywood.

India's Vajpayee calls upon expatriates to boost knowledge economy, Agence France Presse 6.1.01; India calls for restoration of democratic government in Fiji, Ashok Sharma AP Worldstream 6.1.01; PM to NRIs: make India knowledge superpower, The Economic Times 7.1.01; Sen lauds diaspora's success in Silicon Valley, India Abroad 26.1.01; New Bollywood movie channel launched in UK, The Economic Times 8.2.01; India: Cheering up kids at home, The Hindu 15.2.01; India lures the expat dollar, Financial Times 28.2.01

## **Expatriates: short-term assignments the answer?**

Further evidence of the costs and difficulties of expatriate assignments were backed up by a survey of multinationals indicating that shorter postings will become more common. Tokyo topped the annual survey of the cost of living in major business cities.

A report by CIGNA corporation in association with the US National Foreign Trade Council and WorldatWork presented new evidence confirming the high costs of failure in foreign assignments based on the lack of preparation and lack of communication between bosses and employees. The survey questioned 143 human resources managers and 453 employees in the UK and USA on the internet. It proposed better evaluation of employees' personalities, clear objectives for assignments and better support structures. Employees are often lured by an exotic location and an interesting experience, whereas employers often had more narrow and strategic aims, which they failed to communicate adequately. Although half the executives thought their company was good at preparing employees for assignments, only a third of the workers agreed. About twenty per cent returned home sooner than expected. Three quarters of the expatriates reported that they would rather take another international job with a different

employer than return to a domestic position with the same company. The average cost of sending a family of four from the USA to a country in the Pacific Rim for three years is \$1 million, according to CIGNA. CIGNA is a US insurance group with concern for the costs of assignment failure.

The 2000 Global Survey of Short-Term International Assignment Policies argued that short-term assignments are growing in popularity among global firms. The survey questioned over 500 North American, Asian and European companies and was conducted jointly by The MI Group, Organization Resources Counselors Inc. and SHRM's Global Forum. It found that 94 per cent of companies used short assignments and three-quarters predicted that they would be using them more in the future. A fifth reported that the problems of dual career households were among the causes of the projected rise, and that 79 per cent of such assignments involved people going alone. The major reasons for such postings were: special projects, technology transfer and filling skill gaps. The survey uncovered wide variations in the level of support and planning for such appointments among multinationals.

Hong Kong SAR's government reported a rise of 22 per cent in the number of foreign professionals either taking up or renewing posts in the territory. In 2000 a total of 18,000 work visas were issued, largely to people from Britain, the USA, Japan and Australia. For the sixth consecutive year there was a fall in the number of emigrants to 11,900.

The annual survey of comparative city costs by the Economist Intelligence Unit reported that Tokyo and Osaka were the world's most expensive cities, and that London remained the costliest in the European Union. Other European cities, such as Paris, had become considerably cheaper because of the fall in the value of the euro. Belgrade is an exception because of trade restrictions, and is now the third most expensive city in the survey.

#### Top Ten (Previous rank)

1 (1)	Tokyo
2 (2)	Osaka
3 (86)	Belgrade

4 (3)	Hong Kong
5 (24)	Seoul
6 (12)	Taipei
7 (12)	New York
8 (7)	London
9 (5)	Oslo
10 (23)	Tel Aviv

Japanese cities most expensive for expats, AAP Newsfeed 18.1.01; 22 per cent more foreign professionals take up jobs in Hong Kong, Deutsche Presse-Agentur 29.1.01; International short-term assignments on the rise, Canada NewsWire 26.3.01; Overseas and oceans apart, Alison Maitland Financial Times 26.3.01; Employers May Lose Money Overseas, Bill Bergstrom AP Online 27.3.01

### **UK's new terrorism law hits exile groups**

New laws against terrorism came into force with the intention of clamping down on the activities of a wide range of exile groups and organisations, including the Tamil Tigers.

London has become a centre for exile politics, particularly for Asian organisations, leading countries such as India and Yemen to accuse the UK of harbouring terrorists. But under the provisions of new anti-terrorist laws the UK announced that it was banning twenty-one organisations. The Indian government welcomed the inclusion of the Lashkar-e-Taiba, alleged to be behind fighting in Kashmir, and Babbar Khalsa International, a Sikh organisation campaigning for independence in Punjab. A third group included is the Liberation Tigers of Tamil Eelam, which had maintained its head office in London, from where it organised fund-raising in other countries across the world. The ban was greeted as good news by the Sri Lankan government. The network centred on Osama bin Laden, al-Qaeda, was banned, as was November 17, thought to be responsible for the murder of a British diplomat in Athens. The list also includes ETA and the Kurdistan Workers Party (PKK). Other proscribed groups, many of which are associated with

militant Islam, are not thought to have any presence in the UK. Few if any have carried out any violence in the UK itself. Despite the fears of human rights groups, no solely UK organisations were listed.

The Terrorism Act replaces temporary legislation designed to address the conflict in Northern Ireland that had to be renewed every year by Parliament. The new law, based on UN definitions of terrorism, redefines terrorism to include acts of violence motivated by religion or ideology, including cyber warfare. It covers fund-raising and posting instructions to make weapons on the Internet. Critics argue that it obstructs international human rights campaigns and is unfairly aimed at Muslims. Others fear that the broad definition of terrorism could stifle legitimate protest. The bans are announced by Ministers but have to be approved by Parliament before they come into force.

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*The new law redefines terrorism to include acts of violence motivated by religion or ideology, including cyber warfare*

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Immediately after the law came into effect the Russian government requested a ban on Al Muhajiroun ('the emigrants'), which it alleges recruits and trains Muslim students to fight in Chechnya. Al Muhajiroun, which was founded in 1983 in Saudi Arabia, denies the charges. A spokesman for President Putin accused the London School of Economics, one of Britain's leading universities, of being a breeding ground for recruits to terrorism. The UK security agency MI5 has set up a unit to monitor the activities of Islamic student organizations.

UK finally complies with rights convention, Clare Dyer *The Guardian* 20.2.01; Islamic militants seek foothold on campus, Jamie Wilson, Angelique Chrisafis and Richard Norton-Taylor *The Guardian* 24.2.01; Britain Moves To Ban Radical Groups, Jill Lawless *AP Online* 28.2.01; India hails Britain's ban on terror groups, calls for joint action, Agence France Presse 1.3.01; Hitting the Tigers in their pockets, *The Economist* 10.3.01

## **Dual citizens in trouble: Fujimori, Trinidad, updated.**

Peru's former president Alberto Fujimori sought exile in Japan in November to avoid charges of corruption back home (*Traces* #12). He was granted Japanese nationality in December, enabling him to avoid extradition. Fujimori announced that he would not return to Peru but he would submit to questioning by Peruvian authorities in Japan. It is alleged that he has secret bank accounts in Panama and Singapore, and there are allegations of his involvement in drug running. Congress voted to remove his right to run for public office for ten years, and later announced that he would be prosecuted for dereliction of duty.

In Trinidad, the High Court rejected motions from two government ministers charged with being dual citizens, paving the way for a challenge to the legality of the government. The opposition People's National Movement argues that the two men cannot legally run for office and that their seats in Parliament should go instead to the runners-up in the two polls. The government only has a two-seat majority.

Ex-Peru president Fujimori offers to be questioned in Japan, Agence France Presse 14.1.01; Peruvian Congress opts to prosecute Fujimori, Agence France Presse 14.2.01; Fujimori calls his re-election a "political error," Montesinos a "cancer", Ricardo Ustarroz Agence France Presse 20.2.01; Peru's ex-president Fujimori hits at move to oust him from public life, Shigemi Sato Agence France Presse 28.2.01; Ruling puts Trinidad government close to collapse, Peter Richards *Inter Press Service* 9.3.01

## **Zimbabwe, new laws to curb dual citizenship**

In March the government of Zimbabwe announced that it would be introducing new bills to close loopholes in the nationality law presumed to advantage white Britons and stem the funding of political parties from abroad (see *Traces* # 10 for background). A further bill will enable the government to reassert its broadcasting monopoly and reverse a Supreme Court ruling challenging it. In 2000 the Supreme Court blocked government attempts to strip Zimbabwean passports from anyone

also holding a British passport. Under proposed legislation, people would have to renounce British citizenship and their right to claim British nationality or lose their Zimbabwean passports. Under exiting law, although many Britons handed in their foreign passports to obtain Zimbabwean citizenship the British authorities kept open their right to reclaim permanent residency status in the UK. In addition, the time a citizen can spend abroad before losing their Zimbabwean citizenship will be reduced from seven to five years. The ruling would affect around 30,000 whites, who are assumed to oppose President Robert Mugabe's government. Mugabe accuses the opposition Movement for Democratic Change of obtaining backing from Britain, and new laws will block foreign funding.

Zimbabwe issues new rules on dual citizenship, Agence France Presse 27.3.01; Mugabe moves to stamp out dual nationality, Jan Raath in Harare and Michael Evans The Times 27.3.01; Zimbabwe bills target broadcasters, British, political parties, Griffin Shea Agence France Presse 30.3.01

## **Latin America: migrants flow out, remittances flow in**

Deteriorating economics and the threat of violence are driving thousands of people away from Latin America. But according to the Inter-American Development Bank, their remittances not only keep the regions' economies going, they may also hold the key to future development.

The loss of so many middle class and professional workers from across the continent constitutes a massive 'brain drain' in the view of some experts. While economic crisis is the common underlying factor, in various countries there are additional reasons to leave; violence and kidnapping in Colombia and opposition to the populist government in Venezuela. Exact numbers are hard to come by. The Colombian American Service Association calculates that 130,000 Colombians have left the USA on six-month tourist visas and not gone back in the past two years. A similar number may have left Venezuela since 1999.

The economic crisis is causing thousands of Argentines with dual nationality to apply for Italian and Spanish dual passports. In May the Italian Consulate announced that it would have to operate a lottery system for passports. As either children or grandchildren of Spanish and Italian immigrants in the 19<sup>th</sup> and 20<sup>th</sup> centuries, several million people could claim their nationality. A poll in the country found that half of all Argentines would leave the country if they could, and the most keen to leave were those in their 30s.

More people are leaving Ecuador than ever before in the country's history. Migration took off in Ecuador in 1997 as the economy started its downward spiral. Companies folded, jobs disappeared and currency depreciation cut into purchasing power. In 1999 and 2000 as many as one million of the country's 13 million

citizens emigrated to escape the worsening employment situation. Government figures suggest 300,000 in three years. As many as 2.5 million Ecuadoreans now live outside the country, mainly in the USA, Spain and Italy. Thousands take illegal routes into these countries. But Spain's new laws requiring the deportation of workers without residency papers or work permits came into effect in January causing hardship among exploited Ecuadorean workers. In response to growing protests, Madrid and Quito signed an agreement regularising the situation of 150,000 Ecuadoreans in Spain, but only if they first returned to Ecuador to complete the necessary papers.

The decline in businesses is offset to some degree by the formation of hundreds of new services catering to emigrants, from travel agencies to cyber cafes and companies specialising in sending traditional Ecuadorean foods and medicinal herbs abroad. Ecuadoreans remitted more than \$ 1.2 billion to their families in Ecuador, an amount second only to oil as a source of foreign exchange and up by 23 per cent from 1999. Some 95 per cent of remittances are spent on new housing, fuelling inflation in land prices and construction costs.

The exodus among Colombia's middle classes intensified in 1997. As many as 1.1 million, and perhaps up to 1.5 million, of the country's 40 million people have left since 1996. Half have gone to the USA, others to Ecuador, Australia, Spain, Germany, France, Canada and Costa Rica. Just over a quarter of a million Colombians travelled to the USA on tourist visas in 2000: several thousand more apply for asylum. Colombians are second to Chinese in the numbers applying for asylum in the USA. Despite the return flow of remittances, the impact on the country's economy of so many closed businesses and lost professional skills is severe. The amount withdrawn from closed bank accounts and other investments could be \$2 billion over two years.

Southern Florida is a major destination for Latin American immigrants. According to the Buenos Aires press there are 160,000 Argentines in South Florida alone, mainly from the professional and business classes.

They have settled in Palm Beach and Broward counties rather than Miami-Dade. Greater Miami is home to 130,000 Colombians, one in three resident in the USA. Venezuelans are also crowding into Miami.

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*Colombians are second to Chinese in the numbers applying for asylum in the USA*

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The outflow of so many people, often those countries can least afford to lose, is partly offset by a return flow of remittances. Emigrants from Latin America remit \$20 billion a year, and will send home an estimated \$300 billion or more in the next decade. The Multilateral Investment Fund, an autonomous fund administered by the Inter-American Development Bank, was set up in 1993. It calculates that Latin America's annual rate of growth of remittances is 7-10 per cent. Remittances are equal to one third of the region's foreign direct investment and exceed 10 per cent of GDP in several countries; Haiti (17 per cent), Nicaragua (14.4), El Salvador (12.6), Jamaica (11.7), the Dominican Republic (10) and Ecuador (10). Remittances to Colombia are equivalent to half of its coffee export earnings. By volume, Mexico receives the most, \$6.75 billion in 1999, followed by Brazil, the Dominican Republic, El Salvador and Ecuador.

The dollar value of remittances (in billions of US dollars) to selected Latin American countries in 1999. Source: Inter-American Development Bank

Mexico	6.795
Brazil	1.898
Dominican Republic	1.747
El Salvador	1.580
Ecuador	1.247
Peru	0.819
Jamaica	0.781
Haiti	0.720
Colombia	0.612
Guatemala	0.535
Honduras	0.368
Nicaragua	0.345

The MIF reckons that the average migrant remits \$250 a time, 8-10 times a year. This amounts to 80 million transactions, with fees of 15-20 per cent. The Fund is encouraging cheaper remittance services to the region. Under competition from low-cost credit unions big companies such as Western Union and Moneygram have begun to cut their fees significantly. These two companies control 97 per cent of the dollar remittance trade in Latin America. By cutting charges, the Manager of the MIF, Donald Terry reckons that the amount of remittances feeding the region's economies could be increased by \$4 billion or more a year.

Terry also proposes setting up investment funds in immigrant associations to allow workers to invest their money in projects that promote development back home. The MIF will provide grants and investments for private sector development and help improve the climate for investment in the region. The first scheme announced was aimed at Brazilian migrants in Japan. They typically spend three to five years working in Japan, sending home \$1.2-1.6 billion a year. The MIF will invest up to \$5million in the Fondo Mutuo de Inwestimento em Empresas Emergentes, a regulated Brazilian investment fund designed to assist returnees to start up small businesses. The fund will also provide advice and access to networks of expertise.

Prosperous Colombians Flee, Many to U.S., to Escape War, Juan Forero The New York Times 10.4.01; The Argentine Way, Enrique Fernandez Sun-Sentinel 28.4.01; Ecuador: Job shortage fuels historic exodus, Kintto Lucas Inter Press Service 1.5.01; The Colombian diaspora – Miami nice, The Economist 5.5.01; IDB proposes channelling immigrant remittances to development, Elena Moreno EFE News Service 15.5.01; New migrants spur growth in remittances, Stephen Fidler Financial Times 17.5.01; Plan will make sending home money easy, Tom Carter The Washington Times 17.5.01; MIF launches first investment alternative for Latin American emigrants, BBC Worldwide Monitoring 18.5.01; Italian and Spanish consulates swamped in Argentina, EFE News Service 18.5.01; Immigration remittances sent by immigrants fuel businesses in Ecuador, EFE News Service 18.6.01; Exodus clouds the future in South America, Patrice M. Jones Chicago Tribune 22.6.01; Sending Dollars to Latin America, Eric Brazil The San Francisco Chronicle 24.6.01

## **Cuban exiles, a year after Elian Gonzalez**

A year after the departure of Elian Gonzalez back to Cuba, the Cuban-American exile community is recovering ground. But thousands of Americans are visiting the island, defeating the lobby's attempts to sustain the US trade embargo.

The US relatives of Elian Gonzalez and their supporters staged a small demonstration at the house where he lived for the five months before the Border Patrol raid which eventually saw him return to Cuba. His great-uncle Lazaro Gonzalez is suing the federal government for violating the family's constitutional rights. The family intends to turn the house into a shrine for Elian, now that Lazaro and other relatives have moved out.

Elian remains at home with his father in Cardenas, Cuba. He has been caught up in a 'Battle of Ideas', a campaign to revive revolutionary ideals among the island's young people. They have no landmark event such as the Revolution or the Bay of Pigs with which to identify. The boy has been present at several state events. Earlier in the year he met with Thabo Mbeki, President of South Africa. Castro attended a birthday celebration for the seven-year-old, and Elian also attended the Bay of Pigs 40<sup>th</sup> anniversary celebration. His father, Juan Miguel, has stood by Castro's side at rallies. A year after the events, Elian is still proving an important propaganda symbol for Castro's government.

But the Cuban exile community has also recovered some ground since the blow of 'losing' the boy, although political divisions remain. Their hopes were briefly raised when President Castro fainted during a long speech, although he subsequently recovered. With the help of Republican politicians the Cuban-American lobby has mostly succeeded in blocking attempts to lift the US embargo on the island further. Support for George Bush in the Presidential race is also paying off. The Cuban American National Foundation appointed a new director, not a Cuban-

American, and opened a new office or 'embassy' in Washington DC. CANF is lobbying Bush to indict Fidel Castro for murder, relating to the shooting down of two exiles' planes in 1996. The move followed the bringing of a guilty verdict against five Cubans accused of spying. One of them allegedly knew of a plot to shoot down the planes beforehand. The five were convicted of conspiracy and acting as agents of a foreign government without registering as such with the US government.

In the Senate, a group of senators led by Jesse Helms tabled legislation to raise \$100 million to fund opponents in their campaign against the island's government. Modelled on a 1980s package for Polish dissidents, the bill is called the Cuban Solidarity Act of 2001. An alternative piece of legislation, the Bridges to the Cuban People Act, has also been introduced. It would soften the sanctions and lift further the restrictions on US travel to the island. CANF opposes this bill, which is backed by the newly-founded Cuba Policy Foundation.

The Cuban-American Defense League sponsored a visit to Cuba by potential investors in June. The organisation rejects the trade embargo and claims that thousands of Cuban-Americans support this view but are afraid to speak up. Havana is enjoying a tourist boom, with daily flights from Canada, Germany and Spain. The government expects two million visitors in 2001. Tourism contributed \$2 billion to the economy, although this is still not enough to meet the rising cost of imports. In 2001 it is estimated that 20-30,000 Americans will visit Cuba as tourists and businessmen, as well as 150,000 Cuban-Americans coming to see relatives. Another 20,000 Americans are expected to arrive via third countries, circumventing the embargo. Such visits undermine the embargo, charge exile organisations hostile to the government.

In Miami, the Cuban American National Foundation announced plans to convert the so-called Freedom Tower, a 1920s' office building, into a museum and library for Cuban exiles. Between 1962 and 1974 it was used by the federal government to process the refugee applications of over 400,000 people fleeing Cuba. The tower, modelled after the Giralda

in Seville, therefore has a special meaning for the exile community. In April, King Juan Carlos of Spain visited Miami and praised the contribution of Cubans to the region's economy. But the CANF paid for full-page newspaper adverts criticising the king for not challenging Spanish investment in Cuba. Spain officially opposed the US trade embargo.

King Juan Carlos of Spain praises Cubans for helping make Miami 'dynamic', Carol Rosenberg and Elaine De Valle *The Miami Herald* 3.4.01; Cuba Marks Bay of Pigs Victory, Anita Snow Associated Press 19.4.01; Shipping between US, Cuba resumes after 40 years as vessel heads to Havana, *St. Louis Post-Dispatch* 20.4.01; Small protest by Cuban exiles marks anniversary of Elian Gonzalez raid, *St. Louis Post-Dispatch* 22.4.01; Visiting Cuban-Americans hope to eventually invest in Cuba, Associated Press 5.6.01; 'The last iron curtain', Vanessa Bauza *The Orlando Sentinel* 14.5.01; Senators Seek \$100M for Cuba Groups, George Gedda Associated Press 16.5.01; Slippery, shapeless and slow to be repaid, *The Economist* 19.5.01; Cafes, ATMs, Luxury Cars Are Evidence of Tourism Boom in Havana, Nancy San Martin *The Miami Herald* 27.5.01; Cuba exiles say Cuban spies verdict a step toward trying Castro, EFE News Service 11.6.01; Exile group seeks indictment against Castro, George Gedda Associated Press 27.6.01; Miami's freedom tower will become exile museum, Madeline Baro Diaz *The Orlando Sentinel* 19.5.01; Bill aims to ease ban against Cuba, Rafael Lorente *Sun-Sentinel* (Fort Lauderdale, FL) 12.6.01; Castro's fainting spell starts a buzz among Miami's exiles, Alex Veiga *The Orlando Sentinel* 28.6.01; Back to normal, forever changed Vanessa Bauza, William E. Gibson and Madeline Baro Diaz *Sun-Sentinel* 28.6.01

## **Mexico's municipal elections attracts returned migrants**

A year after the election of Vicente Fox to Mexico's presidency, there are more signs of a new attitude to Mexican migrants in the USA. Municipal elections in the state of Zacatecas provided an opportunity for five migrants to return and run for office.

*The New York Times* and several other newspapers featured stories about Andres Bermudez, a wealthy tomato farmer from central California who left Jerez in Zacatecas over 25 years ago. He decided to go back and run for mayor, one of the first US residents to do so. He and several others are able to do this under Mexico's new citizenship and nationality laws. Bermudez's main challenger was also a former US resident. Salvador Espinoza, like his rival, employed illegal Mexican labourers on his California lettuce farms until returning in 1990. He has invested \$3million in a hotel and cattle ranch in Jerez. Bermudez himself began campaigning in May, taking up residence in Jerez and raffling household appliances. Bermudez promises to use his mayor's salary to fund college scholarships and will invest his own money in local farming programmes. But he also directs his appeal to those already living in the USA, suggesting a state holiday to honour migrants. For his part, Espinoza dropped hundred dollar bills from a hired plane. But the only debate between the two candidates took place in Los Angeles.

By law, a returned migrant has to be resident in Mexico for a year before becoming eligible to run for office. But Bermudez was in fact on his farm in California for part of his year's 'residence' in Jerez. Officials had to be persuaded to grant him residency status. The state's head PRI politician objected to the candidates on the grounds that they do not properly meet residency requirements.

Whoever wins will have control over some of the thousands of migrant dollars that flow into the town each day. By some estimates there are as many Zacatecanos in the USA as in the state itself. In the 1990s 34 of its 57 municipalities experienced population decline. It now receives \$1 million a day in remittances. The state's governor, Ricardo Monreal, has proposed legislation to allow Zacatecanos abroad to vote in state elections. Zacatecanos pioneered hometown associations among US migrants. In 17 years their numbers have grown to 240 in ten US states. Together they persuaded Mexican federal, state and local governments to match the funds they invest in the region. Already in 2001 they have raised \$7 million. The mayor has a big say in how the funds are spent.

Two other US residents are also campaigning for mayor in nearby towns, Tepetongo and Apulco. Should they win they will be expected to live in Zacatecas. President Fox's adviser on migrant affairs, Juan Hernandez, welcomed the development as a sign that Mexicans abroad are becoming more successful and more involved in the country's politics.

The uptake of the dual nationality programme has been much slower than expected. Launched by the Mexican government in 1998, it would enable Mexicans living in the USA and their children to carry both US and Mexican passports. But after a year, only 26,000 people have applied, around a tenth of what was expected by the Mexican Embassy. The programme costs only \$15 and the paperwork takes under two weeks, so officials are surprised by the lack of interest. It may be that thousands already carry both passports without informing the authorities. In 2000, 196,000 Mexican nationals took out US citizenship, almost double the number of the year before.

Dual citizenship sees slow start, Dane Schiller San Antonio Express-News 15.4.01; Jerez Journal; Candidate Lives in U.S., but So Does Half the State, Ginger Thompson The New York Times 19.6.01; Migrants flex muscles back home in Mexico, Elliot Blair Smith USA Today 28.6.01; Tomato king vs. lettuce king in mayoral race, Diego Cevallos Inter Press Service 29.6.01; Mexico vote shows migrants' clout, Marion Lloyd The Boston Globe 30.6.01; 3 Men, 2 Nations, 1 Dream, Jennifer Mena Los Angeles Times 30.6.01

## **Remittances are the key to development, says IOM**

A report by the Institute of Migration (IOM) in May stated that the financial and human resources of diasporas could be the key to development in poorer countries. Often remittances are equivalent to a large proportion of exports; 117 per cent in Cape Verde, 83 per cent in Eritrea, 67 per cent in Yemen and 33.5 per cent in Bangladesh for example. They make up over a fifth of the GNP of several countries, including Cape Verde, Eritrea, Mali and Yemen.

The IOM recommends making the diaspora a partner in development and introducing macro-economic reforms to make sure that remittances enter the formal economy. It suggests encouraging professionals to return. The World Bank estimates that Africa has one third of its executives between 1960 and 1987; 23,000 graduates leave each year. South Africa alone is losing 10,000 people a year, although some estimates suggest double that number are leaving. A national campaign called 'Circle of Sunshine' has been started to attract professionals back. The University of Cape Town also has a programme called South African Network of Skills Abroad, involving 2000 overseas professionals available to return their expertise to the country.

The seven million foreign workers in Saudi Arabia send home \$18.6 billion dollars a year according to government sources. The government is campaigning to reduce the number of expatriates and replace them with nationals.

Western Union Financial Services International and the Indian Department of Posts announced a joint agreement to handle remittances. Western Union has over 1000 agents in India out of 95,000 across the world.

Pakistan's Finance Minister stated that \$1.2 billion of remittances enters the country by official channels, but that \$6 billion arrives each year by all routes, legal and illegal. To encourage overseas Pakistanis to send money he announced new benefits for those remitting more than \$2500 per year: free visa, better treatment at airports and free renewal of passport. He also outlined plans to crack down on unlicensed money changers.

Portugal receives \$3 billion annually in remittances. Equal to 20 per cent of total deposits in the national banks. It pioneered packages of tax breaks and subsidised interest rates for housing to attract overseas Portuguese investments.

Migrant remittances to Jordan rose to \$1.7 billion in 2000, up from \$564 million in 1985. This is equivalent to 20 per cent of the country's GDP. Most of the 500,000

Jordanians abroad work in the Gulf, notably Saudi Arabia and Kuwait.

Remittances by Vietnamese living overseas increased to \$1.7 billion in 2000, equal to half the country's oil and gas revenue. The government encouraged overseas workers to transfer money through official channels, by making it cheaper to do so. There are 3 million 'Viet kieu', Vietnamese abroad, mainly in the USA, France, Canada and Australia.

Postal dept ties up with US money transfer firm, Business Line 18.4.01; Foreign workers in Saudi send home more than 18 billion dollars a year, Agence France Presse 21.4.01; Jordanian remittances from abroad soar despite Gulf War setback, Agence France Presse 2.5.01; Remittances by overseas Vietnamese rise 30% in 2000, Asia Pulse 14.6.01; Overseas remittances surpass foreign aid, Farah Khan Inter Press Service 16.5.01; The high price of sending money abroad, Gumisai Mutume Inter Press Service 18.5.01; Finance Minister places remittances to Pakistan around \$6 billion per year, Ahmed Mukhtar Business Recorder 25.5.01; Migration turning the brain drain into financial gain, Ferial Haffajee Financial Mail 1.6.01

## **USA criticised over migrant domestic workers' visas**

The USA was criticised for its visa policy covering migrant domestic workers which, says a report, leaves them vulnerable to abuse and lacking government protection. In Hong Kong, migrant workers are challenging abusive employers.

Human Rights Watch issued a report in June stating that the special visas issued by the USA to foreigners working as household domestic workers leaves them vulnerable to serious abuse. The report assessed the fate of thousands of mainly women migrants who enter the country each year to work for diplomats, officials of international organisations and other foreigners working in the USA. Carol Pier, the author of *Hidden in the Home: Abuse of Domestic Workers with Special Visas in the United States*, charges

powerful and elite employers with abusing the rights of some of the most powerless people in the country. Official figures show that in the past two years more than 3,500 domestic workers a year have entered the USA under the special visa programme.

Under US visa regulations, such domestic workers cannot change jobs to escape abusive employers. If they leave their employer, they lose immigration status and become liable to deportation. Even if they file an official complaint against an employer, the Immigration and Naturalization Service is not required to let them stay in the country before the case comes to court. And even if they can stay, they may be prevented from working, but are not eligible for federal benefits of any kind. Live-in domestic workers are not covered by federal laws governing overtime pay, workplace health and safety, the right to organize, and sexual harassment. There is no government department to monitor the visa programme or check for abuse.

Furthermore, work conditions were often illegal. The average hourly wage of those interviewed in the report was \$2.14, from which employers sometimes deducted payment for board and lodging. The average working day was 14 hours, and some domestics did 19 hours. There were cases of employees being forbidden to leave the house. Finally, Human Rights Watch found that one in ten of the workers it spoke to were victims of human trafficking.

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Transnational Communities Programme  
working paper WPTC-01-15

*Multiple Transnationalism: Space, the State  
and Human Relations*

Bridget Anderson

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In Hong Kong there are suggestions that foreign domestic workers are becoming more willing to challenge abusive employers. A report by the Asian Migrant Centre in 2000 stated that one in four female domestic workers had been abused in some way. NGOs working with maids also claim that the level of

abuse is growing. The Association of Indonesian Migrant Workers says that there are 60,000 Indonesian domestic workers in Hong Kong, but many are paid below official wages and work longer than the stipulated hours. Despite a few high profile cases in which employers were convicted of physical and sexual abuse, there is no blacklist of guilty employers. While waiting to bring a case, the woman cannot work and has to seek support from charities. An employee who leaves a bad employer has only two weeks to find another position until the authorities regard them as liable for deportation. But they cannot get another job without a release letter from the first employer. The Association is also unhappy with the efforts of the Indonesian government to help workers abroad, charging that it is only interested in the remittances.

Hong Kong: Filipino women flee brutal underground sex trade, Daisy C.L. Mandap Inter Press Service 12.6.01; Migrant Domestic Workers Face Abuse in the US, Africa News 14.6.01; Study Cites Abuse of Migrant Domestics, The Washington Post 14.6.01; Maids brave odds on abuses, Vanessa Gould Hong Kong iMail 18.6.01

## **Campaign for the recognition of the Armenian genocide**

Following France's recognition of the Armenian genocide in February the diaspora's campaign was stepped up in Canada and the USA. The worsening situation in Armenia is leading to continued outmigration.

The Armenian government and the Armenian diaspora stepped up their worldwide campaign to have the alleged genocide by Turkey against Armenians in 1915 recognised (see *Traces* #13). Across the world there were moves to have April 24 officially designated as a day of remembrance of the genocide. There were ceremonies in 80 countries on the day, including an address by the President of the United States. Campaigners were disappointed however, that President George Bush did not refer to 'genocide' or even 'massacre' in his address on that day, despite promising to do so

when running for election in 2000. He chose the word 'annihilation' instead. It is thought that his advisers persuaded him not to risk offending Turkey over the issue. The Armenian National Committee of America (ANCA) immediately issued a statement after Bush's message, accusing him of not keeping his promise.

An Armenian genocide bill was tabled in the US Congress by both Democrats and Republicans in 2000 but then withdrawn. A motion was brought before the Canadian Parliament in Ottawa on April 24 but was not supported by the government. Ontario and Quebec state legislatures voted for it in 1980. There are reckoned to be 100,000 Armenians in Canada, but their lobby is not yet powerful enough to sway the government. Argentina, Belgium, Greece, Italy, Lebanon, Russia and Uruguay have all recognised the genocide, joined in January of this year by France (see *Traces* #13).

The Armenian Apostolic Church's highest-ranking primate visited the USA for the first time in May. His Holiness Karekin II, Supreme Patriarch and Catholicos of All Armenians, spent five days in the country cementing ties with the diaspora. He travelled to southern and central California, where there are estimated to be 800,000 ethnic Armenians. He also paid visits to San Francisco and New York. The Armenian church is divided in two, with parts based in Armenia and Beirut. The head of the part, Aram I, visited California in October 2000.

In Armenia itself there are signs that outmigration is continuing apace. It is estimated that around one million of the 3.7 million people living in Armenia at the time of independence in 1991 have since left the country. So many young men have left that there are now 57 women to every 43 men. The economy is struggling over the multiple burden of the loss of former Soviet markets, the costs of a six-year war with neighbouring Azerbaijan and trade embargo with Turkey. In an article in the *Los Angeles Times*, the mayor of one industrial town, Charentsavan, is quoted as saying that 20,000 of the town's 45,000 inhabitants have left. Armenia received \$1.4 billion in aid from the USA since 1991, but even so 50 per cent are unemployed and 80 per

cent live in poverty. Many depend on remittances from those who have left. These figures came not from official sources but from Gevorg Poghosyan, head of the Armenian Sociological Association.

The Armenian Deputy Foreign Minister stated that most of the country's 36 embassies are financed by the diaspora, which makes them dependent and not fully in government control.

Armenians on the offensive at all fronts, Turkish Daily News 23.4.01; Remembering the genocide, Levon Sevunts The Gazette (Montreal) 24.4.01; Despite pressure, President Bush refuses to use the word 'genocide', Turkish Daily News April 26, 2001; A desperate, destitute nation deserts itself, John Daniszewski Los Angeles Times 30.4.01; Another April 24, another wave of anger, Turkish Daily News 30.4.01; Armenian embassies abroad financed by diaspora, BBC Worldwide Monitoring 8.5.01; Spiritual Journey Armenian church leader brings blessings as he begins Valley visit, John Ellis The Fresno Bee 8.5.01; Armenian Prelate Visits L.A., Larry B. Stammer Los Angeles Times 11.5.01

## **Albanian diaspora funds rebels in Macedonia**

The rebel National Liberation Army, fighting on behalf of the Albanian minority against the Macedonian government, is being supported with arms and supplies from the Albanian diaspora.

The National Liberation Army is demanding talks with Macedonia's government over the future of the country and its Albanian minority, who make up around a quarter of the population. In February its troops occupied villages in the north of the country, from where they have engaged in hit-and-run fighting with Macedonia's own poorly-equipped army. The NLA is reckoned to have no more than 800 armed soldiers, mainly veterans of the KLA campaign against the Yugoslav army. Some were trained by the British army in guerrilla warfare.

The National Liberation Army was founded by Swiss, German and American Albanians out of the Kosovo Liberation Army (KLA) and the Democratic League of Kosovo (LDK), after the end of the war in Kosovo in 1999. It receives its main political and financial support from Albanians resident in Switzerland. The NLA raises money through a fund called Liria Kombetare, meaning National Freedom. Many Albanians voluntarily pay a 5 per cent tax to the fund. Fazli Veliu, an NLA leader, said that there were 45,000 Macedonian Albanians in Switzerland alone. With more Kosovans now living as refugees and workers outside the country the scope for support is high. Officially the funds are for food and medicine for families affected by the fighting, but the fund-raising predates the outbreak of armed conflict.

The Macedonian government called on the USA and EU to stop the flow of arms and supplies to the rebels. In June EU foreign ministers discussed the issue in secret. There are moves in the USA to have the NLA branded a terrorist organisation to prevent it from raising more funds. It is feared that the weapons purchased may be used against US personnel in Kosovo.

Arms dealers hover as Macedonia struggles with rebels, Dave Clark Agence France Presse 10.5.01; Albanian exiles threaten to escalate war, Nicholas Wood The Guardian 21.5.01; Macedonia asks US to cut channels supporting ethnic Albanian rebels, Misha Savic Associated Press 5.6.01; EU moots steps to halt diaspora support for Macedonia rebels, Agence France Presse 11.6.01; Albanian rebels declare 24-hour ceasefire in Macedonia, Judy Dempsey Financial Times 12.6.01; EU Macedonia peace envoy arrives amid rebel tension, Chris Stephen The Irish Times 29.6.01

## **Canada and Transnational Crime**

Canada's federal government is pushing ahead with new laws to combat transnational crime and money laundering. A report recommends that Canada should post government agents abroad in an

effort to tackle criminal networks at source.

The Canadian federal government announced an extra \$200 million funds for fighting organised crime. The Canadian Security Intelligence Service identifies 18 transnational criminal organisations operating in the country, as well as domestic gangs. They include Russian and East European mafias, Asian triads, US and Italian Mafia, Japanese gangs, and Colombian drugs cartels. The CSIS reckons that Asian gangs control human trafficking as well as heroin, cocaine and marijuana trade; East Europeans specialise in credit card fraud, sometimes in association with Canadian motorcycle chapters.

There is legislation before parliament making gang membership a criminal offence, but critics charge that it does not go far enough to address what is perceived to be an escalating problem. The USA has identified Canada's strict controls on what police officers can do as one chink in its armour against crime. The new legislation would allow law enforcement officials to breach laws in the line of duty without the resulting evidence becoming inadmissible. This could extend to US and other officials acting within Canada. As a result, undercover policing will become more effective, says the government.

Canada has also introduced new measures against money laundering, which require all banks, trust companies, insurance firms, and casinos to report suspicious dealings, cash transactions of \$10,000 or more and the cross-border movement of large amounts of currency. These transactions will be monitored by the new Financial Transactions and Reports Analysis Centre. The aim is to target organised crime at one of its weak spots, returning illegal earnings into the legitimate economy. But some critics have suggested that similar legislation introduced by the USA in 2000 is having great problems obtaining compliance from businesses. A federally-funded study, *Alternative Approaches to Combating Transnational Crime*, identified flaws in the new rules.

The study also recommended setting up overseas units to fight crime in alliance with

foreign police forces. It suggested tackling transnational crime at its source, especially in East Europe and Asia. Following examples from the USA, Australia and UK, members of the country's police, customs, immigration and intelligence services could be based abroad. Their aim would be to disrupt the main smuggling routes and networks before they reached Canada. It would also enable agencies to better anticipate new sources of criminal activity, something the report says federal agencies have not done well.

CSIS issued another related report in June stating that Canadians were becoming more vulnerable to terrorist attacks. The Service warned that a side effect of welcoming more immigrants was the greater likelihood of terrorists and hostile intelligence agents entering the country. Islamic terrorism was identified as the chief threat.

In April the UK Home Office announced that it was spending an extra £90 million over three years on fighting organised crime. Smuggling drugs and human trafficking were identified as priorities, with the former receiving three-quarters of the new funds.

Take war on crime abroad, report says, Jim Bronskill *The Ottawa Citizen* 2.4.01; 'Gaps' plague our dirty money defence system: Study questions key element in fight against organized crime, Jim Bronskill *The Ottawa Citizen* 3.4.01; Fight Against Organised Crime To Receive Significant Financial Boost Hermes Database Home Office 5.4.01; Fighting organized crime threat requires money and concerted effort: experts, Ayed Nahlah *Canadian Press Newswire* 5.4.01; Our war against international crime will be expensive, Daphne Bramham *The Vancouver* 11.6.01; Canada at risk of growing terrorism, Jim Bronskill *Calgary Herald* 13.6.01.

## **Israel seeks Jewish immigrants from new sources**

Facing a decline in the number of Jews wishing to settle in the country, the government is turning its attention to South America. Germany's Jewish population is

meanwhile thriving. But violence between Israelis forces and Palestinians has deterred US visitors.

The Census Bureau for Statistics revealed that there had been a 22 per cent decline in the number of Jews migrating to Israel in 2000, and a further 30 per cent drop in the first quarter of 2001. A combination of economic recession, violence and concerns about poor standards of living are thought to deter potential migrants. Prime Minister Ariel Sharon announced that Israel would try to attract around half a million Jews from Latin America and 80,000 from South Africa to immigrate to the country. He stated that there were 230,000 Jews in Argentina, 130,000 in Brazil and 50,000 in Mexico. France and the Ukraine were also identified as possible countries to target. He thought Israel could attract another million Jews in 13 years. By official figures, 62 per cent of all Jews live outside Israel. The former Soviet Union supplied 800,000 new Israelis in the 1990s, but numbers have now declined.

Unless the Jewish Agency can keep up the numbers of those coming to Israel under the Law of Return, it will lose some of its funding support from the USA. But according to critics, two thirds of those who 'returned' in 2000 were not even properly Jewish. It is said that the standards of proof of descent have been lowered too far in a desperate search for numbers.

There are signs that Jewish communities outside Israel are thriving. Germany inaugurated its first rabbinical training programme for nearly 70 years at Heidelberg University. Germany's Jewish population has risen from 30,000 to nearly 100,000 in a decade, mainly because of immigration from the former Soviet Union. But the Israeli government strongly criticised the President of the Central Council of Jews in Germany for advocating tougher entry requirements for people entering the country claiming to be Jews. Paul Spiegel said the number of Jewish immigrants should be limited to 25,000 in the next four years. Too many people, he alleged, were claiming to be Jewish just get into Germany.

As violence between Palestinian and Israeli force mounted, thousands of American Jews cancelled their visits to the country. The US Reform Jewish movement abandoned its usual youth tours of Israel. Organizers of the Maccabiah Games, which usually attract 5000 competitors from around the world, asked the government to call off the event. The 600-strong US delegation requested a postponement for a year. Nonetheless, the Birthright Israel programme, through which young Jews are funded to visit the country by the government, continued.

Israel lures wary Jews with better deal, Inigo Gilmore Sunday Telegraph 8.4.01; Sharon wants Jews from Latin America, South Africa to settle in Israel, Agence France Presse 27.4.01; Germany's Jewish community inaugurates new rabbinical training program, Katharine Schmidt Associated Press 10.5.01; Violence spurs Jews to cancel Israel trips, Mary Curtius Milwaukee Journal Sentinel 13.6.01; Israel-Diaspora Ties Strained, Dina Kraft Associated Press 14.6.01; New demographic time bomb, Jonathan Rosenblum The Jerusalem Post 22.6.01; Israel attacks German Jewish leader for 'encouraging anti-Semitism', Gil Hoffman The Jerusalem Post 25.6.01

## **Bollywood in USA**

The spread of commercial activities relating to Bollywood in the USA is evidence of the growing wealth and confidence of the country's young South Asians.

The third annual award ceremony for Bollywood was held at the Nassau Coliseum in Uniondale, New York, in April. The awards were voted on by thousands of movie fans across the USA, reportedly bringing together South Asians of different nationalities, religions and languages. The ceremony is backed by Bombay-based Zee TV through one of its Hindi-language movie channels, Z Gold. It was broadcast to 84 countries by satellite and cable, drawing an audience of around 200 million. Zee has around 120,000 subscribers to its five stations in the USA. Western Union was another sponsor of the awards. In June 2000 a similar event was held in London's Millennium Dome (see *Traces* #10).

The event was organised by entrepreneurs known as the Bollywood Group. In 2000 they held their first Bollywood Music Awards, and later in 2001 they plan a similar event for fashion to be held in Manhattan. A Bollywood theme restaurant is opening on West 19<sup>th</sup> Street in Manhattan, while a film and TV studio is planned for Queen's.

The organisers are trading on the growing number of American Indians who are young and wealthy, as distinct from the earlier immigrants who entered hard-working professions not normally associated with glamour. In the New York region alone there are a million South Asians who might serve as a market. They also have high family incomes compared with other ethnic groups, some \$45,000 a year median family income.

The worldwide success of Indian films has some unwelcome consequences, including the spread of pirated VCDs and DVDs. Major Bollywood films are available on pirate videos before their release in the USA, with Malaysia and Pakistan suspected of being the source of the illegal copies. The problem was discussed between Indian government officials and the US authorities at a meeting in Washington DC in June.

'Just Like Back Home', Fred Bruning Newsday 25.4.01; A Little Bit Of Hollywood Starring India, Dean E. Murphy The New York Times 27.4.01; Westward Ho! To wipe out the pirates, The Times of India 11.6.01

## **Silicon Valley's Indians suffer in the slowdown**

The slowing down of the US economy is affecting thousands of high-skilled migrants on temporary visas. Indian IT professionals may look to other countries until the situation improves.

The slowdown in the US economy has had clear negative effects on the software industry, and by extension on Indian-owned businesses

in the San Francisco Bay region. Office vacancy rates have risen to 8 per cent and rents have fallen by twenty per cent in the past year. It has been forecast that over 80 per cent of the Bay Area's internet firms may go out of business within a year. Travel agents are losing custom from the falling number of Indian workers with H1-B visas who used to return to India every six months or pay for family members to visit them. In March and April as many as 2,000 Indian professionals left the country.

H1-B visas were introduced in 1992 to attract skilled workers in 'specialty occupations'. They last six years, after which a holder can apply for permanent residence. But the visa expires if a worker is made redundant, forcing the individual to quickly find a new job or face deportation. This means that many accept lower wage jobs. In response to the worsening situation, Chinese and Indian professionals are forming support organisations and lobbying the government to suspend deportations.

As a result of the US slowdown, Indian technology firms and IT workers are looking more towards Europe. This will come as good news to those European governments, including the UK and Germany, that are seeking to recruit and retain high-skilled migrant workers. An indication of new Indian interest was the three-day E-novation trade fair held in Lille, which attracted twenty Indian IT firms in May. India is the second non-EU country to participate in the show, and it follows on the successful bid by Infosys Technologies for a big order from UK-retailer Sainsburys.

In 2000 some 80,000 Indian IT professionals sought work in the USA, but perhaps only 10,000 looked elsewhere. In 2001 many are now looking to Germany, Japan, Singapore and Switzerland instead. But experts reckon that America's advantages in terms of creativity, innovation and opportunity, as well as salaries, mean that the trend to go elsewhere may be short-lived. Singapore has a large Indian community and speaks English, but is also perceived as rigid and unfriendly. Language is a problem in Japan, while taxes are too high in Germany. Furthermore, there is a belief among Indian IT graduates that only

the USA genuinely wants foreign skills and is willing to welcome foreign cultures.

Indian IT workers eye job markets outside US, Meenu Shekar *The Straits Times* 2.4.01; Reeling under US slump, Satya Prakash Singh *The Times of India* 10.4.01; Insecurity grips US-based Indian business community, *The Economic Times* 14.4.01; Byting off more than they can chew, *The Economist* 7.7.01

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Transnational Communities Programme  
working paper WPTC-01-14

*The Impact of Kinship on the Economic  
Dynamics of Transnational Networks:  
Reflections on some South Asian Developments*

Roger Ballard

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## **Australia considers dual citizenship; Georgia and Kyrgyzstan too**

In Australia, the Immigration Minister Philip Ruddock declared that he was 'disposed' to changing the law to allow dual citizenship. This was in response to recommendations from the Australian Citizenship Council. The current law recognises dual citizenship acquired through birth or marriage, but requires Australians who take out another nationality to give up their Australian passport. An exception is made for New Zealanders, Britons, Canadians and Americans, who can hold dual citizenship after successfully applying to become Australians. The change is called for by Australian expatriate organisations, who have been campaigning for two years on the issue. But expatriate sources, including the London-based Southern Cross Group, are annoyed that the government is dragging its feet on the issue.

The Georgian government announced that it was preparing legislation allowing Georgian citizens to also hold citizenship in other countries with which Georgia has signed an agreement. The move was triggered by Russia's decision to allow former-Russian USSR passport holders to become Russian

citizens. Georgia fears that this will lure away the country's Abkhaz and Ossetian minorities unless they can simultaneously hold Georgian and Russian citizenship

Deputies in both houses of the Kyrgyz parliament submitted legislation to amend the country's constitution to allow dual citizenship. A spokesman for the legislators stated that it would assist Kyrgyz in Russia as well as Russians in Kyrgyzstan.

Expats say decision, not talks, needed on dual nationality, *AAP Newsfeed* 17.5.01; Australian citizenship proposal could clear up confusion for New Zealanders, *New Zealand Press Association* 18.5.01; Kyrgyz MPs call for dual citizenship with Russia, *BBC Worldwide Monitoring* 4.6.01; Georgia: Details of dual citizenship proposals revealed, *BBC Worldwide Monitoring* 12.6.01

## **Congress of the Polish Diaspora meets in rancour**

The Congress of the Polish Diaspora met for the second time in Pultusk, near Warsaw, in May. The first such assembly was held in Rome in 1990. The assembly was riven by internal arguments. Edward Moskal, chairman of the Polish-American Congress, accused another prominent Pole, Jan Nowak-Jezioranski, of having collaborated with the Nazis during World War II. Moskal's detractors accuse him of anti-Semitism. Such rows have served to build up suspicions in the Polish Foreign Ministry that organisations in the Polish diaspora cannot be trusted or relied upon and should not receive government funding.

The Congress demanded the right to enter the country using a passport of the country of residence rather than a Polish passport. It also declared May 2 to be Polish Diaspora Day. A new body, the Polish Diaspora Global Council, was announced, designed to unite all the world's Polish diaspora organisations.

There are estimated to be at least 9.5 million Americans of Polish ancestry, with large concentrations in New York, Chicago and Wisconsin. Most are descendants of peasant migrants in the late 19<sup>th</sup> and early 20<sup>th</sup>

centuries, who obtained assistance from Poland in setting up self-help organisations. Critics allege that these institutions no longer serve any purpose for Poland or for Polish professionals in the USA. They belong to an old world, when there was an Iron Curtain and it was acceptable to criticise Poland from abroad. Moskal has been accused of driving out younger professionals and university-educated members from the Polish-American Congress.

Representatives of Poles Living Abroad Criticise the Government, Polish News Bulletin 30.4.01; 2nd Assembly of Polish Diaspora Concludes in Krakow, Polish News Bulletin 4.5.01; Polish Diaspora is Slowly Becoming a Museum Piece, Polish News Bulletin 10.5.01

## **Overseas Gujaratis help after the earthquake**

Gujarat is one of the leading industrial regions in India, with ten per cent of the country's factories. The earthquake caused terrible damage to the region and to the country at large. But despite the involvement of around two hundred NGOs, there are widespread feelings that the relief and rehabilitation effort is not reaching the outlying villages. Critics complain that the relief effort is poorly coordinated.

Millions of dollars of relief funding came from Gujaratis abroad, in the UK, USA and the Middle East. The Shree Kutch Leva Patel Community in Britain raised one million pounds alone, for example. Thousands of overseas Gujaratis returned either bringing funds themselves, to oversee the use of funds or to assist in the recovery. In overseas Gujarat communities there are rumours that corrupt officials or village elders are stealing the relief funds. As a result, many overseas organisations bypassed the government and sent money direct to sister temples, charities and organisations in the region itself.

US-based Indians have established an American Indian Foundation to raise funding for a long-term disaster management programme for the country. The Foundation intends to raise \$100 million and adopt 100

villages for relief work. The Board includes many prominent American Indians, as well as former President Clinton, who visited Gujarat after the quake.

Indian expatriates in USA set up foundation for disaster management, BBC Worldwide Monitoring 1.4.01; British Asians keep an eye on quake aid, Stephen Farrell The Times 16.4.01; Gujarat tragedy: could be a blessing in disguise, The Statesman 23.4.01

## **Iran's elections cause rows among diaspora**

Iran's elections took place in June. The result was a landslide victory and second term for President Mohammed Khatami. But opponents and supporters of the Iranian government played out a game over polling stations in California, elsewhere in the USA, and in Canada. There were 40-50 polling stations throughout the USA, where there are around 1.5 million Iranians. Half a million live in southern California, and Washington DC is the other main centre. Supporters of Khatami's regime tried to organise ballots in hotels and publicise the election on the Internet. But opposition forces campaigned to force the hotels to shut down the polls. Twelve polling stations closed early in Canada. Eight stations advertised on the web in southern California had to be abandoned, replaced at the last minute by four more. The hotels changed their minds after threats from wealthy Iranian-Americans to boycott them.

The deposed Shah of Iran's youngest daughter, Princess Leila Pahlavi, died in a London hotel in June, perhaps by her own hand. She was 31 years old, and suffered from depression. She left Iran aged nine. Other members of the exiled royal family live in Paris and the USA. Her brother, the Shah-in-exile, lives in Virginia and continues to campaign for return.

Exile vows to help bring freedom and democracy to Iran, Soraya Sarhaddi Nelson Los Angeles Times 13.4.01; Hotels cancel voting for US Iran expats, Agence France Presse 8.6.01; LA Iranians watching elections in homeland, Lawrence Kootnikoff Agence France Presse 8.6.01; Conflict Disrupts Voting by Southland Expatriates, Soraya Sarhaddi Nelson and Tina Borgatta Los Angeles Times

9.6.01; Expatriate Iranians get to vote here, Peyton Whitely The Seattle Times 9.6.01; The Peacock Princess, Rose George The Independent 13.6.01; Princess Leila of nowhere, James Buchan The Irish Times 16.6.01

## **Jamaica gains from remittances**

According to the Eastern Caribbean Central Bank Jamaica is among the top three Caribbean countries in terms of absolute and relative flows of remittances. In 1999 \$600 million was sent to the island from the estimated 1.7 million Jamaicans and their descendants living overseas. The Inter-American Development Bank puts the figure at \$781 million (see Latin American story in this issue of *Traces*).

Although remittances are regarded as good for the economy overall by the government, they also lead to the import of expensive consumer goods.

Jamaica's minister of foreign trade, Anthony Hylton, promised to find a way to involve overseas Jamaicans in the country's trade policy. The move recognised the significance of their remittances to the country's economy. Addressing a seminar on international migration in Kingston he said: "In today's knowledge-based economy our intellectual capital is our greatest national asset. Our ability to create wealth, both at home and abroad, must therefore be underpinned by policy to facilitate the free movement of people and their intellectual capital."

Hylton noted that 63 key public sector posts had been filled by skilled returnees from overseas, with assistance from a EU and IOM programme. But he also warned of the negative effects of a brain drain, particularly among nursing staff. He blamed foreign recruitment programmes.

Overseas Jamaicans to be represented in trade policy, BBC Worldwide Monitoring 29.5.01; Remittances impacting positively on local economy, The Gleaner 29.5.01; Remittances a development tool, The Gleaner 29.5.01; Brain drain needs to be tackled – Hylton, The Gleaner 29.5.01; Jamaica's economy boosted by remittance inflows, The Gleaner 30.5.01

## **Tibetans exiles first vote for Prime Minister**

In June the 13th parliament of Tibetan government-in-exile was sworn in. For the first time its prime minister ('Chief Kalon') was directly elected by Tibetans in exile. One hundred and thirty four thousand Tibetans voted around the world. In 1995 4000 Tibetans voted in the USA for a representative, one of 46 legislators. The parliament, also known as the Assembly of Tibetan People's Deputies meets twice a year in Dharamsala in India.

The decision to elect the Prime Minister came from the Dalai Lama, and is rare among governments-in-exile. The Assembly used to elect Cabinet members from among themselves, and they choose a Chairman from a list provided by the Dalai Lama. Now the Prime Minister will choose the Cabinet. But power in the Assembly rests with representatives of the five main Buddhist orders.

The Dalai Lama visited Tibetan communities in the USA for three weeks, including Washington DC, Oregon, Minnesota. There are over 20 sizeable communities, the largest in New York and Minneapolis-St.Paul.

Trying to govern democracy in exile demands delicacy, Richard Read The Twin Cities, a haven for Tibetans, welcomes the Dalai Lama as a community, Ben Chanco The Associated Press 5.5.01; The Oregonian 10.5.01; Dalai Lama finds attentive audience in Minnesota, Stephen Scott Wisconsin State Journal 10.5.01; Tibetan exiles have forgotten neither plight nor heritage, Peggy Fletcher Stack The Salt Lake Tribune 12.5.01; In exile in Oregon, Julie Sullivan The Sunday Oregonian 13.5.01; 13th parliament of Tibetan government-in-exile sworn in, Channel NewsAsia 2.6.01

## **National Tartan Day, in USA but not Scotland**

In 1998 the US Congress established National Tartan Day, officially April 6, the anniversary of the Declaration of Arbroath in 1320. This

was when Scotland declared its independence from England. This year there were events across the country celebrating Scotland's heritage and its contribution to American history. Sir Sean Connery, the film actor, and Henry McLeish, Scotland's First Minister, attended a ceremony at the Capitol building. Connery received the William Wallace Award from the American-Scottish Foundation. There are plans to mark the day in Australia and New Zealand, but in Scotland itself there are no festivities. Many Scots regard the occasion as contrived and embarrassing, according to the newspapers.

Tartan Day was consciously modelled on St Patrick's Day. Its main instigator was Republican Senator Trent Lott. However, Lott is now leading the campaign to penalise Scotland's cashmere industry in retaliation for the EU refusal to open up to Central American bananas.

The Scottish parliament is slowly finding its feet on the international stage. Here too, many are looking to Ireland as a model to emulate, particularly in the involvement of the overseas Irish in economic development. McLeish wants to have a senior Scottish civil servant present in the UK's Washington embassy. He recognises the importance of Scottish-Americans to the country's tourist industry, as well as its other industries. Scottish Secretary Helen Liddell made a speech in June calling on the country to look to Scots abroad to boost trade, increase exports and encourage tourism. She undertook to use Britain's embassies to further Scotland's prosperity.

Keeping real history in check, Ian Bell *The Sunday Herald* 1.4.01; American pride in Scottish roots worth celebrating, *The Scotsman* 7.4.01; How McLeish failed to get Tartan Day's big banana to back Scotland, James Cusick And Neil Mackay *The Sunday Herald* 8.4.01; Expats for exports is new slogan, *Aberdeen Press and Journal* 1.6.01; Scotland can find a role on the world stage, Tim Cornwell *The Scotsman* 18.6.01

## **US-Led clamp down on informal banking network allegedly financing terrorism threatens migrants' remittances**

The US government and its allies stepped up their campaign against money laundering and deepened their investigations into the sources of terrorist funding after the events of September 11th. Among the sources identified is the *hawala* system of so-called underground banking. Though illegal in some states, the trust-based networks are in widespread use by Asian migrants around the world for sending home remittances.

Soon after the attacks on the World Trade Center and the Pentagon the US government announced it had frozen the US assets of 15 individuals and 12 organisations suspected of being involved in the financing of terrorist campaigns. The Bush administration also set up a special Foreign Terrorist Asset Tracking Center involving personnel from different agencies, including the CIA, FBI and Customs. Its premise is that, by striking at the financial network, terrorist operations will be disrupted, forcing Al Qaeda – the group initially identified as being behind the attacks - to devote time and money to rebuilding. Washington could also invoke the International Emergency Economic Powers Act to coerce other governments into taking action against the financing. These powers were deployed, without success, against Afghanistan following the East African embassy bombings in 1998. Further legislation, allowing the federal government to impose sanctions on countries and banks accused of money laundering, was blocked in the Senate in 2000. Other legislation being considered would prevent US banks from holding accounts for offshore shell banks.

But the failure of the Clinton administration's best efforts to attack terrorist financing after the 1993 World Trade Center bombing, together with conflicting and overlapping responsibilities between competing agencies, led many experts to suggest that the government will be hard-pressed to succeed. William F. Wechsler, director for transnational threats at the National Security Council from 1996-99, wrote in the *New York Times* that Al Qaeda's global network of funding has more than one source. In addition to Osama bin Laden, other wealthy donors, charities, legal and legal businesses and informal or underground money transfer businesses are involved. Among the 27 individuals and organizations whose assets were frozen were three charities including the Al Rashid Trust, a welfare organization that operated bakeries in Afghanistan. Also under investigation are the relationships between Al Shamal Islamic Bank, set up by bin Laden in Sudan in the 1990s, with banks in London, Frankfurt, Geneva and Johannesburg. Experts also warned that the administration's efforts should not just focus on banks, which hold less than a third of the USA's total assets. More money is held in securities brokerages, insurance firms and money transfer businesses.

### *The hawala system*

Chief among the targets in the money transfer business is the '*hawala*' network of informal transactions operating to and from Asia and the Middle East. The *hawala* system operates more by trust than transparent accounting, which means that large sums of money can be moved between countries 'beneath the radar' of international financial scrutiny. It works as follows. Someone deposits money with one broker in exchange for a code or token that allows them to access the same amount of money from another broker, usually a member of the same social network of merchants or brokers. Alternatively, the first broker phones or emails the second broker to tell them to honour the transaction. The network trusts its members to eventually settle debts with one another, often without written records. There is no requirement to settle the accounts immediately, because both brokers trust one another or know that they will need each other's services at some later date. Gold, gems or other commodities may be used to settle

debts, again leaving no trail of money to follow.

For transactions involving unusually large amounts, a group of hawala bankers may divide the sum among themselves and so break the exchange down into smaller amounts. This may also circumvent reporting requirements. The bankers or brokers keep their cash in offshore accounts, commonly in UAE or Singapore, rather than in banks in their home country. Hawala networks have existed for hundreds of years, predating modern banking and money transfer companies. The ties of trust are therefore often the result of several generations of doing business with the same family or clan members.

#### *New legislation*

Attempts to regulate or shut down the system may cause hardship for migrants, who have relied upon it as a safe, cheap and quick form of sending money home. US Senator Evan Bayh of the Senate Banking Committee announced that he would introduce legislation to clamp down on informal or underground banking. He specifically targeted the hawala network. A law was passed in 1993 requiring hawala operators in the USA to be registered and report all transactions greater than \$3000, but it has not come fully into operation. Bayh proposes tougher reporting requirements on hawala brokers. The system is constantly under investigation by the State Department as part of its programme against the narcotics trade. It has also long suspected that the network finances terrorism, a view shared by the Indian Central Bureau of Investigation, which suspects hawala brokers of being behind the unrest in Kashmir.

Hawala, also known as *hundi* in Pakistan, is used widely throughout Asia by migrant workers for remittances. It is illegal in Pakistan but nonetheless widespread. Thousands of small exchanges involving no more than a few hundred dollars are made between the Gulf and Pakistan. Government attempts to regulate it, and the black market, have only served to drive it deeper underground, or into the areas where the state has little control, such as Peshawar and the North-West Frontier.

London is also a major international centre for hawala bankers. In India, the authorities stepped up their investigations into the accounts and financial transactions of Non-Resident Indians in the UK and USA. In India itself, their focus is on Bangalore. In July, Indian police carried out a number of coordinated raids against hawala operators in Delhi suspected of funding Kashmir militants. They made no arrests but did seize evidence.

There are other sources of income under investigation. The US administration estimated that only twenty per cent of Al Qaeda's funding comes from Saudi Arabia, UAE and other Gulf States. Much of this is thought to be money paid by wealthy individuals for protection. Even before September 11, the US was concerned that the Saudi Arabian authorities were not doing enough to crack down on funding terrorism. A third concern is the profusion of charities set up to aid Afghans during and after their struggles against the USSR, made use of the requirement that devote Muslims should contribute one fortieth of their income to help the poor. Although the majority of such charities are legitimate, helping the poor through mosques and clinics, there are grounds for believing that they may also channel money to Al Qaeda. According to testimony at the embassy bombing trial from a former insider in Al Qaeda, it directly benefited from religious charities.

Al Qaeda also owns and operates companies in trucking, construction, currency trading, imports and exports, as well as owns farms and sells farm goods abroad. Finally, behind the complex web of charities, banks and companies are particular individuals in Saudi Arabia and the United Arab Emirates. Particular organizations are dispensable to the financing network.

The United Nations Convention for the Suppression of the Financing of Terrorism was adopted in 1999 but is still to be ratified. Only four countries have ratified the Convention, the UK, Botswana, Sri Lanka and Uzbekistan. The USA has not done so. Egypt rounded up 80 suspects claiming to be working for charities shortly before September 11. The country has worked hard to shut down the funding of local terrorist activities. Saudi Arabia,

Kuwait and other Gulf countries have said that they will regulate donations made at mosques more tightly.

Massive raid on hawala operators, evidence of terrorist link collected, Hindustan Times 2.7.01; Finance network behind bin Laden must be destroyed: experts, Jacques Charmelot Agence France Presse 21.9.01; Muslim charities come under scrutiny amid concerns that some donations funneled to militant groups, Salah Nasrawi The Associated Press 21.9.01; Hawala operators feel the heat of US terror attacks, Bansy Kalappa The Times of India 23.9.01; NRI bank transactions under scanner for terrorist links, The Statesman 23.9.01; Attacks aided by 'privatisation of terrorism', Jimmy Burns, Harvey Morris and Michael Peel Financial Times 24.9.01; Bin Laden funded by bogus charities, Daniel McGrory and James Doran The Times 25.9.01; U.S. effort to deny funds to terrorists may run into difficulty, as transactions in Muslim world often avoid banks, John Daniszewski and Paul Watson Los Angeles Times 26.9.01; Terror networks rely on 'hawala'; Ancient system under scrutiny, Vincent J. Schodolski, Chicago Tribune 26.9.01; Terror's Money Trail, William F. Wechsler The New York Times 26.9.01; Experts see huge task attacking terrorist funds, David Williams Agence France Presse 26.9.01; Charity helps poor and 'jihad'; U.S. alleges it funnels cash to terrorists, Margaret Coker The Atlanta Journal and Constitution 27.9.01; Bayh seeks law to target terrorist funding, The Associated Press 28.9.01; Links to bin Laden among America's friends in the Gulf Islamic extremists are bankrolled by respectable, even royal sources, Neil Tweedie The Daily Telegraph 29.9.01; Other legislation being considered would prevent US banks from holding accounts for offshore shell banks; Funding terror: When slaughter is cheap, Jamie Doward The Observer 30.9.01; Terrorists' cash flows in secret world, Antonio Fins Sun-Sentinel 30.9.01

## **September 11 – impacts on migrant remittances**

The attacks on New York and Washington on September 11 directly threatened the two cities' many communities of migrant workers and could disrupt the essential outflow of remittances to

## **the Caribbean, Latin America and India**

The Central Bank of Ecuador (BCE) announced that daily remittances from New York fell from \$2.3 million a day to \$1.5 million a day after the attacks. High unemployment among unskilled, illegal and/or foreign workers is largely to blame, according to the authorities. Migrant remittances provide the country's second largest source of foreign earnings after petroleum exports. There are reckoned to be 600,000 Ecuadorans in New York, as well as 100,000 each in Los Angeles and Chicago, and 60,000 in Washington DC.

There are around one million Haitians and Haitian-Americans in the USA. In 2000 they remitted \$699 million to the Caribbean country, but after September 11 there are real fears that this lifeline will be much reduced. The recession in the USA was also expected to impact the country negatively, not least because of the large number of assembly plants that employ over 20,000 workers. Uncertainty in the USA and Haiti could lead to lower levels of investment in property.

In the immediate aftermath of the attack lines of communication between New York and the Caribbean were badly disrupted. A fifth of the telecommunications capacity run by Cable and Wireless was lost during the attack. Many Caribbean nationals worked in the World Trade Center complex, as white-collar professionals, but also security guards, clerks, restaurant staff and janitors. The Caribbean Tourism Organization also anticipates heavy losses

The flow of Non Resident Indian deposits fell sharply after September 11 but after two weeks levels recovered. Indian banking authorities explained that the fall was the result of several important correspondent banks – including American Express Bank and Chase Manhattan - being located in the World Trade Center. There was a slowdown of NRI remittances as a result of the Gulf War ten years earlier.

In Caribbean, tense wait after US terror attacks, Zadie Neufville Inter Press Service 13.9.01; Haitians fear fall in living standards amid US woes, Ives Marie Chanel Inter Press Service 21.9.01; India: NRI deposits likely to fall, Business Line

21.9.01; Ecuador: Caen remesas de emigrantes tras atentados en EEUU, Kintto Noticias en Espanol 28.9.01; India: NRI deposits picking up, C.J. Punnathara, Business Line 29.9.01

## **US Mexican stripped of victory in Mexican mayoral election**

The only one of three US-Mexicans who ran for mayor in Mexico in July was stripped of his victory by the election authorities for failing to meet the residence requirements. This was a blow to President Fox. But government plans to channel investment from Mexicans abroad into development projects continue apace. Fox discussed possible new arrangements for migration and citizenship with President Bush.

In July's local elections, three US citizens born in Mexico took advantage of changes in the law to run for office in Mexico (see *Traces* #14). One succeeded and two lost in the polls. But Andres Bermudez Viramontes, the US-resident Mexican who was elected to mayor of Jerez, Zacatecas, in July's elections, was stripped of victory by federal officials on the grounds of his failure to meet the residency requirements. The electoral commission ruled that he had not been a legal resident of Jerez for a full year prior to the poll. Bermudez had promised to invest in the city and bring jobs there, and President Fox had hailed him as a model of what could be achieved. But the PRI, which had held the city until his election, accused Bermudez of being a trafficker in migrants and a smuggler. The PRI made the complaint to the electoral commission that led to his dismissal. The man known as 'The Tomato King' threatened to go to Mexico City and protest to the president in person. In the meantime he has returned to California, saying that he may never return and advising other expatriates to forget Mexico. Bermudez had celebrated his victory with a cavalcade through his hometown in Santa Ana and destinations in

Southern California, and had been greeted with popular acclaim as a local hero.

About half of all Zacatecas have migrated to the USA. Zacatecas prides itself in pioneering alternative development programmes to halt emigration, employing overseas funds and know-how to do so. Bermudez argued that the long-established system of hometown associations financing community projects in infrastructure has its limitations. There are 50 such groups in Zacatecas alone, with 20,000 members drawn from the more than 600,000 Zacatecas in the USA. But as well as roads and sewage systems, the state needs entrepreneurial projects, in Bermudez's view. At present, according to the *Los Angeles Times*, 95 per cent of the dollars sent to Zacatecas are spent on food, clothing or basic items instead of development. The InterAmerican Development Bank has started a \$2-million pilot project, made up of 60 small, local schemes in Zacatecas, Guanajuato and Puebla states. Migrants will be invited to invest in these projects, which might include food processing plants or canneries for the states' significant farming industry.

### *Remittances to Mexico up*

Figures from Mexico's central bank purported to show a 50 per cent increase in remittances between the first half of 2000 and the first six months of 2001, coinciding with Fox' election. In January-July 2001 the bank said that Mexicans in the USA remitted \$4.29 billion. Sources at the bank expected the economic downturn and uncertainty following September 11 to knock off a billion dollars from the year's eventual total. In 2000 Mexico received \$6.28 billion, second only to India in total receipts. There are around a million individual transactions a month. Some experts question why there should be such a drastic increase in the absence of obvious developments in economies either side of the border. Perhaps the increase is the result of Mexicans in the USA becoming richer or having better, full-time employment, or because figures include laundered drug money. Another view is that the bank is getting better at counting remittances.

The Population Council reckons that five per cent of homes in Mexico depend on money

sent by relatives from abroad. Combined remittances are the country's third largest source of income. The Council's study showed that the 450 of Mexico's 2,442 municipalities that register the highest migration rates are also more economically dependent on remittances from relatives working in the United States.

### *The padrino programme*

President Fox and his administration support the idea of reducing the dependence of Mexican municipalities on family remittances and instead channelling the efforts and investments of hometown associations and wealthy Mexicans abroad into more planned development projects. Fox's envoy for Mexicans abroad, Juan Hernandez, is pursuing a strategy known as the *padrino* (godfather) scheme. A padrino will invest in a specific project, and will be specifically headhunted. The federal government has identified 90 of the poorest municipalities that have suffered from emigration to be targeted under the development programmes. It will also offer 3-for-1 matching funds for each dollar invested from Mexicans. The first padrino was a businessman from New Jersey, the owner of a trucking company, who is investing in textile factories in. In another example, officials from the state of Tlaxcala have proposed to the state's hometown associations in Waukegan that they invest in a chain of inns. The association would provide the funds and the state would supply materials and land. The association would have to manage the inns, with no guarantee of a return. The investments run the risk of poor management and poorly-thought out business plans. Potential investors are also put off by worries about corruption among officials. And among hometown associations there are concerns that the federal and state government are only interested in their money

State governors have also visited the USA to promote similar schemes. The governor of Michoacan, Lazaro Cardenas (Democratic Revolution Party) undertook a two week tour of the United States, concentrating on the Midwest where many thousands of Michoacans live. Like President Fox, who also toured Chicago in July, Cardenas said he would support the right of US-resident

Mexicans to vote in Mexico's elections. The governor is attempting to secure the right to vote in local and state elections, independently of decisions made about federal elections, due in 2003. The governor of Zacatecas, Ricardo Monreal, also supports voting in local elections.

Jose Murat, governor of Oaxaca, toured California in July, where he met with members of the newly-formed Oaxacan Federation of Los Angeles. The Federation was formed to unite the many small hometown associations in the Los Angeles region. Murat agreed a 3-for-1 matching fund for migrants' donations to the state's public project.

President Fox visited Washington in early September to discuss, among other things, the issue of Mexican-US migration with President Bush. The 2000 census suggests that about half of the 8.8 million Mexicans in the USA are undocumented, and a further million detentions and deportations are made each year. The talks focused on how to reconcile the demand from the US economy for Mexican workers with the state's interest in protecting its borders and the sanctity of its immigration laws. Fox asked Congress to regulate migration rather than try and stop it. His government has already increased Mexico's collaboration with US authorities on human trafficking, and has broken up smuggling networks from Asia. The Fox administration has also stepped up its efforts to extradite suspects in drugs cases to the USA, and made several high profile arrests in its first seven months. The alternatives are to issue more temporary or permanent work permits, or, less likely, to grant legal status to millions already present in the USA through an amnesty. Washington appeared to favour some kind of revised guestworker programme that would include protection for Mexican workers in the country. Senate Majority Leader Tom Daschle suggests including Guatemalans, Nicaraguans, Hondurans and Haitians in any new programme.

Mexico asks emigres to lend hand, Oscar Avila Chicago Tribune 5.7.01; Oaxacan Leader Meets in L.A. with Expatriates, Jill Leovy Los Angeles Times 8.7.01; Expatriates Wild About 'Tomato King' Mayor, Jennifer Mena Los Angeles Times 9.7.01; 8 million votes too alluring; Mexico

considers expatriate right, Teresa Puente Chicago Tribune 13.7.01; Fox pitches aid plan to expatriates, Alfredo Corchado The Dallas Morning News 17.7.01; Mexico's powerful drug barons get one way ticket north of the border, Andrea Mandel-Campbell Financial Times 24.7.01; Job Programs Aim to Curb Migrant Flow, James F Smith Los Angeles Times 20.8.01; Five per cent of Mexican homes depend on US remittances, EFE News Service 23.8.01; Clubs in U.S. Spark Political Change in Mexico, Robin Shulman Los Angeles Times 27.8.01; Mexican Expatriate Returns to U.S., Lisa J Adams, AP Online 7.9.01; Mexican expatriate calls for protests after he was stripped of mayorship, The Associated Press 8.9.01; Regulating Mexican Migration, Tim Weiner The New York Times 9.9.01; Mexican Immigrants Sending More Money Home, Chris Kraul Los Angeles Times 24.9.01

## **Protests against military sexual slavery in USA and Asia**

Organized protests and law suits on behalf of the victims of Japanese military sexual slavery during World War 2 continued in the USA, Philippines, Japan and Korea. A network of transnational advocacy groups is involved in many of the actions. But the US federal government has defended Japan and tried to block suits by former 'comfort women'.

In April the US Justice Department urged the dismissal of a class-action lawsuit brought against Japan in a District Court by 15 former 'comfort women'. The action was brought under the Alien Tort Claims Act that allows foreign citizens the right to sue for abuses of international law in US courts. But Justice officials argued that the court did not have jurisdiction to try this case. Among the plaintiffs are six women from South Korea, four from China, four from the Philippines and one from Taiwan. A group of Chinese Americans protested in Washington in support of the plaintiffs in July. Also in July a resolution was introduced into the US Congress calling on Japan to issue an

'unambiguous apology' to women forced into sexual slavery during World War II and pay reparations.

The Justice Department also states that such suits have been inadmissible since a 1951 treaty settling all wartime issues between the two countries. This included compensation, although none of the funds went to 'comfort women'. It alleges that the suit will harm relations between USA and Japan. In a written submission the Department said it would "have serious repercussions for our foreign policy toward Japan and other nations". But lawyers for the plaintiffs argue that a new law passed in October 2000 condemning international sex trafficking allows for reparations in the case of military sexual slavery. They also point out that military brothels were operated in Guam and the Philippines, both at the time US territories occupied by Japan, and that therefore sexual slavery affects the USA.

Furthermore, Congress is also considering three bills that would allow American prisoners of war to seek compensation from Japanese companies that mistreated them. These suits had also been ruled inadmissible as a result of the 1951 treaty by a San Francisco District Court. Ceremonies to mark the 50<sup>th</sup> anniversary of the treaty between US and Japan were interrupted by protestors on behalf of 'comfort women'. Demonstrators organized a parallel conference to the official proceedings in San Francisco's Japantown.

Japan argues that the statute of limitations has run out on cases arising from the Second World War, and that reparations for military sexual slavery are being made through the Asian Women's Fund, set up by the Japanese government in 1989. Further, Japan argues that a bilateral treaty with South Korea in 1965 settled all claims from Koreans. But the UN Special Rapporteur on Violence against Women and Mutsuko Miki, argues that Japan is failing to live up to its responsibilities. In April, the UN Commission on Human Rights urged Japan to take legal responsibility and compensate the women. And in February, the UN War Crimes Tribunal declared the wartime rape and enslavement of women as crimes against humanity (see *Traces* # 13).

In September the Asian Women's Fund paid out \$19,300 each to 78 Dutch women forced into military sexual slavery during the occupation of Indonesia. The 78 women were the only survivors from around 200-300 Dutch nationals forced to become 'comfort women' during the war. The payments arose from an international appeal through newspaper ads for Dutch women to come forward and apply for compensation in 1998. Some of those who applied lived in North America, the UK, India and Australia.

In July, eight Chinese women filed suit against the Japanese government in the Tokyo District Court. They had been forced to work as prostitutes on Hainan Island during the Japanese occupation. This was the first of around 50 suits brought against Japan that demands compensation for the psychological trauma suffered after the event as well as damages for the slavery itself. The eight claim they were shunned by their families and neighbours after the war ended and they returned home

South Korea's parliament urged its government to campaign against Japan getting a seat on the UN Security Council because of its attitude to the war and its alleged distortion of history. A meeting of activists in Seoul in July formed the Korea Women's International Network. Korean women from 23 countries attended the event, part of annual Women's Week. Among those attending was a representative from the Washington Coalition for Comfort Women Issues. The conference called on the government to provide more funding for joint projects between women in Korea and overseas, to enable them to stay informed about events in the homeland and contribute to Korea's economic development. The next meeting was planned for San Francisco.

Japanese demonstrators joined Koreans in protests outside the Japanese embassy in Seoul for the first time since 1992 in September. They condemned Japanese Prime Minister Junichiro Koizumi's visit to the Yasukuni war shrine, regarded as an inflammatory act by critics of Japan's attitude to the Second World War. South Korea's President Kim Dae-Jung also attacked Koizumi for the visit. The Japanese protestors travelled to Korea on a

ship called Peace Boat as part of a symbolic pilgrimage to discover the true history of the war, one that they allege does not appear in Japanese textbooks. In a joint press conference with the Korean Council for the Women Drafted for Military Sexual Slavery by Japan, the Peace Boat activists proposed publishing a common history text for all Asian countries. Peace Boat was founded in 1983 by Japanese students angry at the government's censorship of the history of the war.

In August the Japanese embassy in Manila was picketed by Filipino protestors, including 20 former 'comfort women' from a group known as Lila Pilipina. The group represents 173 surviving women. It rejects the Asian Women's Fund because payments do not involve a formal apology.

Before an official visit to Japan, President Arroyo of the Philippines was urged by activists and feminists to raise the issue of sexual slavery with Tokyo. After her visit to Japan, President Arroyo said that Prime Minister Junichiro Koizumi had apologized for the sufferings of Filipina women forced into sexual slavery. But she received no further promises on compensation.

In September, surviving 'comfort women' in Indonesia protested outside the House of Representatives demanding that the government do more to help their cause. The petition was organized by the Communication Forum for Sexual Abuse/Rape Victims of Dai Nippon. Jakarta received money from Japan in 1996 as compensation, but the victims allege that they have never received it themselves.

WWII Reparations; Asian sex slaves hope new law will aid in fight for redress, Bob Egelko The San Francisco Chronicle 1.7.01; Seoul Women's Confab Initiates Korean Women's International, Korea Times 6.7.01; Japanese pay-outs for Dutch 'comfort women' of WWII, Agence France Presse 13.7.01; Former Chinese sex slaves sue Japanese government, Deutsche Presse-Agentur 16.7.01; Chinese American Group to march in support of 'comfort women', Nelson Chuang and Maubo Chang Central News Agency 21.7.01; Lawmaker asks Congress to call for formal Japanese apology for WWII-era sex slaves, Kate Beddall Agence France Presse 25.7.01; South Korea leader joins attack on Koizumi war shrine visit, Agence France Presse 15.8.01; Former Philippine sex slaves

demand compensation bill become law, Agence France Presse 16.8.01; Strains surround US-Japan treaty 50 years later, demands for redress mar celebration, San Jose Mercury News 5.9.01; Japanese Civic Group Joins Comfort Women in Blaming, Korea Times 6.9.01; Japanese join weekly anti-Japan protest in Seoul, Yoo Soh-jung The Korea Herald 6.9.01; Koizumi apologized for comfort women: Philippine president, Agence France Presse 15.9.01; Gloria fails to get cash aid for 'sex slaves', Stella O Gonzales Philippine Daily Inquirer 15.9.01; Comfort women demand government attention, Jakarta Post 29.9.01

## **Australia to introduce dual citizenship**

Australia is to recognize dual citizenship for the first time, prompted by a concerted campaign among Australians overseas. The next stage of their campaign is to make voting abroad easier. There are also efforts to persuade skilled Australians to return, reversing the 'brain drain'.

In August the Australian federal government announced that it would change the country's citizenship laws to allow Australians to hold the citizenship of another country. Although the ruling is not retrospective, in future people acquiring citizenship in another country will not automatically lose their rights in Australia

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*There are estimated to be 830,000 Australian expatriates*

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The new law was in response to a mass campaign involving businesses, civic organisations as well as organisations based among overseas Australians. Almost all of the 800 submissions received on the issue by the government were in favour of the change, and the opposition parties also agreed. It was also in line with the recommendations of the Australian Citizenship Council's report of 2000. The changes will bring Australia into line with the citizenship laws of countries

including the UK, Canada, New Zealand, the United States, France and Italy.

The Immigration Minister, Philip Ruddock, said it would allow "the growing numbers of internationally mobile Australians to take advantage of opportunities overseas while maintaining their links with Australia and bringing back to the Australian community their valuable expertise and knowledge". The Minister's spokesman argued that the new law would make it easier for Australians to go abroad and assume important positions in business, which would advantage the country through new connections. Life for Australian businessmen abroad would also be easier if they could keep their ties to the homeland while taking advantage of the benefits of full citizenship in their country of residence. By one estimate reported in the press, Aus\$1.5 billion was added to the value of business and professional services exports in 1999 because of expatriates. Finally, the door is kept open for skilled professionals to return and resume their Australian citizenship.

An organization known as the Southern Cross Group, together with web activists from Australiansabroad.com and others, launched an effective campaign in support of dual citizenship. They lobbied the Prime Minister directly, took out newspaper advertisements and set up a telephone hotline in the USA to assist people in a letter-writing campaign. Groups in Asia successfully persuade the federal government to fund and restore Australian TV broadcasts to the region.

There are estimated to be 830,000 Australian expatriates, but only 65,000 of them voted on the last federal elections. The expatriate organizations' next campaign is to change the Electoral Act to make it easier to register to vote from abroad. One problem is that if Australians fail to vote in one election they are automatically struck off the register. They can register as an overseas elector, but must do so within two years of leaving the country.

There are also efforts to lure skilled and professional Australians back to the country. The Australian Labour Party's Knowledge Nation Taskforce stated that too many talented Australians did not want to return because salaries and conditions were poor, especially in

the country's universities. A report issued in July by the Committee for Economic Development of Australia confirmed that Australia was losing academics to the USA and UK. In August a Aus\$220 million plan was unveiled to attract back top researchers in key areas, called BioFirst – NSW Biotechnology Strategy 2001. Funded by the federal government, New South Wales, and the private sector, it aims to provide additional salaries and finance links with the private sector in order to reverse the brain drain. Fifteen key scientists were specifically targeted, but there would also be an international advertising campaign in January.

Draining nation's knowledge pool, Catherine Lambert Sunday Herald Sun 29.7.01; Fed: Govt agrees to allow dual citizenship, Linda McSweeney AAP Newsfeed 3.8.0; Australians can have dual citizenship, Michael Madigan The Daily Telegraph (Sydney) 4.8.01; Dual citizenship benefits trade, Bernard Lane The Australian 6.8.01; Expat army fights back, Claire Harvey The Weekend Australian 11.8.01; Expatriates deserve our support, The Weekend Australian 11.8.01; NSW premier unveils biotech anti-brain drain plan, AAP Newsfeed 15.8.01; Luring back our best brains, The Daily Telegraph(Sydney) 16.8.01.

## **New Zealand and Malaysia: reversing 'brain drain' and tapping expatriates' skills**

The governments of New Zealand and Malaysia are considering their nationals overseas as valuable economic assets, and are looking at ways of attracting them back or making better use of them abroad.

The New Zealand government is planning to establish a global network of New Zealanders working in science and technology to tap their expertise for the country's development. The Minister of Science, Research and Technology said that expatriates need not return to be able to contribute to the country. Their contacts in the worlds of science, research and business abroad could still be useful to New Zealand. Peter Hodgson journeyed to London to meet with New Zealand skilled professionals and

discuss ways of countering the brain drain. It is thought that there are 600,000 New Zealanders living overseas.

An online survey by TMP Worldwide of 750 New Zealanders at home and overseas established that while financial rewards were better abroad, quality of life in New Zealand was a major factor in returning to the country. Over half of those who had worked abroad had gone to Britain, where at least 80,000 New Zealanders are known to be, with Australia and the USA as other important destinations. Among those returning, a third thought that their experience abroad helped them find work back in New Zealand, but an equal number did not think that they gained. Respondents told the survey that the private sector and government could do more to reverse the brain drain. Among the measures suggested by TMP are reducing the cost of University degrees and reducing taxes on high incomes.

A consortium of New Zealand businesses is organizing events in London for 450 key expatriates in order to lure some home. Those attending work in fields such as health, IT and education. Wellington City Council, the Auckland District Health Board in association with other local health authorities and New Zealand newspapers will also hold recruitment fairs in Britain. The organizers point out that half of all New Zealanders who return to the southern hemisphere, in fact go back to Sydney and Melbourne. In California, two entrepreneurs have started a Society of Silicon Valley Kiwis, and they have plans to create a global network of professionals.

According to the latest figure, in July 2001 more immigrants arrived in New Zealand than emigrants leaving, resulting in a net gain of 1140 people.

### *Malaysia's incentives to migrants*

The Malaysian government is also planning to reverse the brain drain by offering highly-skilled expatriate professionals tax incentives to return. The five-year programme is aimed at filling a shortfall of 35,000 skilled workers, especially in technology and engineering. Thousands of trained Malaysians work in Singapore, Britain, the USA, Australia and elsewhere. Britain alone is home to 3000-4000

medical professionals. The programme offers tax exemption for savings and assets brought into the country, including cars. Non-Malaysian spouses and dependants would receive permanent resident status after six months in Malaysia. The incentives are aimed at Malaysians with doctorates and other higher qualifications. An earlier programme aimed at enticing scientists to return was abandoned as a result of the regional economic crisis in 1997-98.

'The good life' a big factor in luring expatriate Kiwis home, Jillian Talbot *The Dominion* July 20.7.01; Expat networks to plug drain, *The Evening Post* 30.7.01; Malaysia steps up drive to reverse brain drain, bolster workforce, Eileen Ng *Agence France Presse* 24.8.01; Expos for expats pushing Capital, Loh Ho-Sang *The Evening Post* 24.8.01; From 'brain drain' to 'brain gain' in NZ, *The Press* 25.8.01

## **Vietnamese, Cambodian and Laotian exiles said to be plotting in the USA**

A number of protests and alleged bomb attacks directed against the governments of Vietnam, Cambodia and Laos have been traced back to exile groups in the USA. The three governments allege that these groups are funding and organizing terrorism. Two Vietnamese-Americans were arrested on bomb charge in Manila.

The Cambodian government has complained to the USA about the activities of a Cambodian American accountant from Long Beach, California, who has been financing and organising armed uprisings in the country. A plot to bring down the government by capturing the Defence Ministry failed in November 2000, when the 50 rebels were confronted by Cambodian troops in the street. Two Cambodian Americans were captured and tried. But the accountant and alleged mastermind, Yasith Chhun, has stated that he

will attempt another armed uprising in the future.

The Government of Free Vietnam, an exile organization also based in Southern California, is plotting to overthrow the Vietnamese government in Hanoi. It claims to be operating training camps along the border with Cambodia and has already planted bombs in Hanoi – though none went off. Several members of the group were also sentenced for plotting to bomb sites in Ho Chi Minh city. Other attacks have been made on the Vietnamese embassy in Bangkok. Vietnam has also complained that exiles in the USA are organizing demonstrations by the Montagnard minority, an allegation denied by US-based Montagnards.

Two members of the Government of Free Vietnam were arrested in Manila in September for alleged involvement with the bombing plot in Hanoi. Three others, including a Vietnamese-American, a Vietnamese-Swiss and a Japanese national, were also arrested for suspicion of planning to bomb the embassy in Manila. They were caught with bomb-making equipment. Among those arrested were individuals sought by the Thai police for the attack in Bangkok.

A raid on a customs house in Laos in 2000 has also been blamed on Laotian exiles living in the United States.

Sources suggest that the exiles have become more active as a way of testing out the Bush administration and how far it will support them. Unofficial support for such activities from the US authorities dissipated in the 1990s, but the ageing exiles hope for more from the new President. It is claimed that the organizations have little support and are not effective, especially in comparison to Cuban exile groups. The Government of Free Vietnam operates a radio station, but Yasith Chhun's Cambodian Freedom Fighters appear less substantial.

According to the Neutrality Act, American citizens or residents are not permitted to use force to overthrow a foreign government. The way round this law is to organize the attacks from Thailand. The FBI is investigating the attacks and whether there is an active link to

the USA. Cambodia has called on Washington to extradite Yaith Chhunn, who admits to being in Thailand to coordinate the assault in November. But the two countries have no extradition treaty.

Waging War From California; Vietnam, Cambodia Urge U.S. to Curb Exile Groups, Rajiv Chandrasekaran The Washington Post 30.7.01; Vietnamese exile group says two members held by Philippine police, Agence France Presse 3.9.01; Alleged anti-Vietnam plotters charged with illegal bomb possession, Agence France Presse 4.9.01

### **Cuban exile group divided over music awards ceremony**

The most prominent exile group The Cuban American National Foundation, was divide by a spate of high profile resignations among board members. Their departure seems to have been prompted by the leadership's secret campaign to lure the Latin Grammy awards ceremony to Miami. Though at first successful, the awards organization changed its mind, leading to further loss of credibility for CANF and the city.

In August 20 members of the board of the Cuban American National Foundation (CANF) resigned, almost one in eight of the board. This followed the high profile departure of two board members in July. The director, Joe Garcia, expressed his sadness at the decision. The resignations follow splits within CANF over the future direction of Cuban exile politics. Garcia and CANF chairman Jorge Mas Santos, son of the founder Jorge Mas Canosa, are accused of wanting to take a softer line and broaden the cause's appeal among Democrats. In the wake of the Elian Gonzalez affair, the leaders realise that Cuban exile politics has lost widespread support among the American public. Most Americans thought that the boy should return to Cuba. The pair were also heavily criticized for backstage

negotiations to persuade the Latin Grammy music awards to hold their ceremony in Miami. Some exiles are appalled that musicians from Cuba might appear at the awards. But at the news conference called by the twenty leaving members, a spokesperson criticized Garcia's dictatorial style and alleged that there was financial mismanagement.

According to the 2000 census there are now 650,000 Cuban Americans in Dade County, an increase of 15 per cent in the decade. There are 833,00 Cuban-American in Florida as a whole. CANF is the strongest and most prominent Cuban exile organization, modelled on the powerful American Israel Public Affairs Committee. It founded Radio Marti and TV Marti to broadcast anti-communist programmes to Cuba. But pressures to relax sanctions against Cuba are growing, not least from the farm lobby in search of new markets. In July, the House of Representatives voted to ease travel restrictions to the island, with many Republican representatives supporting the measure. Furthermore, there are tensions between CANF and the Bush family, arising from Cuban support to Clinton in his first Presidential campaign.

#### *Row over Latin Grammy awards*

In 2000 Miami rejected an offer to host the Latin Grammy awards because of a local ordinance barring Dade County from doing business with anyone who has dealings with Cuba. But in 2001, Mayor Alex Penelas and the CANF leadership secretly negotiated for the show. But despite their efforts, the organizers of the ceremony decided to pull out of Miami and hold the event in Los Angeles instead. The head of the show's organizers said the decision was based on the fear of violent protests, alleging that Castro's agents in the city would try to stir up trouble. Michael Greene claimed that protests during last year's visit by the Cuban musicians Los Van Van indicated that the Grammys would not be safe for guests. The credibility of both Garcia and the Mayor with the Cuban-American community was badly damaged as a result. Others also fear that Miami has earned and unjust reputation for trouble.

Times change for anti-Castro exiles, Rafael Lorente Orlando Sentinel 30.7.01; Members of prominent

Cuban exile group resign, blame leadership, Jaime Hernandez The Associated Press 7.8.01; Cuban Group's Direction Causes Internal Conflict; Ideological Clash Leads to Resignations, Sue Anne Pressley The Washington Post 20.8.01; Miami's image suffers anew, Rafael Lorente Sun-Sentinel 22.8.01; Grammys feared Castro 'thugs', Sara Olkon The Miami Herald 24.8.01; Leaders staked credibility on Grammys, Madeline Baro Diaz Sun-Sentinel 26.8.01

## **Philippines government praises Overseas Foreign Workers**

The President of the Philippines praised the contributions of overseas foreign workers and promised to speed up legislation enabling them to vote. Because of unrest in the country, remittance levels have fallen. But more migrants are using formal banking channels.

There are around 7 million Filipino workers overseas and they remit some \$US 8 billion a year. President Gloria Arroyo acknowledged the country's dependence on remittances during a three-state tour of Southeast Asia. She announced that the government would press for the ratification of the 1999 UN Convention on the Protection of Rights of Migrant Workers and the adoption of a convention on female migrant workers. Arroyo told crowds in Singapore that she would also move to enable overseas Filipinos to vote. But the Overseas Filipino WorldNet Foundation Inc, an organization aiming to make available voting by internet for expatriates, complained that not enough progress was being made. It claimed that the repeal of the law against absentee voting was taking too long, and that provisions would not be made in time for the 2004 elections. The delay was partly caused by the impeachment proceedings against former-President Estrada.

But concerns over unrest in the Philippines, and the stormy change of government from Estrada to Arroyo, may have been partly responsible for a decline in remittances in the first five months of 2001 by 18 per cent.

Remittances were down by up to a third from the USA and Europe, even before the events of September 11. In the past, there has been a surge of remittances in May and June coinciding with the new school year in the Philippines, and the need to pay costs. Similar peaks occur in October, for the second semester, and March, graduation.

In the past decade Filipinos have increasingly turned to banks and formal means of sending money rather than informal channels which, at the start of the 1990s, may have accounted for 70 per cent of all funds remitted. Banks now have about 75 per cent of the market, and many banks are dependent on the remittance flow to stay in business. The formal system has emphasized its advantages of speed and safety. Remittances from the USA are being transferred via a new network of rapid remittance centres. Dozens of branches are opening up across the country. They offer to ensure that the money will arrive in as little as six hours, for a fee. The Philippines National Bank opened 25 offices across the USA from its base in California in 2001. Other major markets are in Hawaii and the Washington DC area. PNB, which accounts for about a third of the overseas Filipino remittances, has added door-to-door service as part of its friendly image.

Dollar remittances by overseas Filipino workers decline, Deutsche Presse-Agentur 26.7.01; Philippines to remain dependent on overseas remittances: Arroyo, Pang Ai Lin Agence France Presse 26.8.01; Philippine tradition creates need for specialized banking, Katrice Franklin The Virginian-Pilot 11.9.01; Banks or money transfer agents?, Cecille E. Yap BusinessWorld 17.9.01; A financial lifeline for Filipinos, Katrice Franklin The Philadelphia Inquirer 23.9.01; Internet Voting For Filipinos Abroad Faces Obstacles, Melvin G Calimag Newsbytes 25.9.01.

## **Pakistan's government promotes formal channels for remittances**

Pakistan announced new provisions to persuade migrants to use formal instead of *hawala* banks for remittances, in line with IMF

requests to crack down on money laundering.

In September the Pakistani government announced a package of incentives designed to persuade expatriates to remit money through formal channels instead of informal or *hawala* routes (see story this issue of *Traces*). Money passing through the *hawala* networks deprives Pakistan of much-needed foreign exchange. Among the incentives were duty-free baggage allowances, seat quotas in universities, free insurance and passport renewal, and special treatment at airports. In addition, there will be preferential treatment over property development, housing and privatization programmes. These benefits will be available to holders of a new Foreign Exchange Remittance Card. The silver card will be issued to those remitting \$2500 and the gold card is earned by remittances of \$10,000 and above. The gold card entitles the holder's children to special seats in professional colleges and universities. It is estimated that non-resident Pakistanis hold assets worth \$60 billion.

Before the events of September 11 the Pakistani government announced that formal remittances from abroad rose by 10 per cent between FY1999-2000 and FY2000-2001, to just over \$1 billion. The leading source was Saudi Arabia. Amounts sent from Canada, Germany, Japan, Kuwait, Qatar, Norway, UAE, UK and USA all increased. The biggest increases were from Japan, up fourfold, and the USA, doubling. More was sent back from the USA than from the UK. The formal sum is thought to be between a fifth and a sixth of all remittances. But these sums are below the levels recorded in the early 1980s. The peak year was 1983-83, when \$2.9 billion were remitted. At that time, remittances were the country's largest source of foreign currency and they helped finance a large current account deficit.

The government's moves are in line with requests made by the IMF during a mission to the country, during which the issue of money laundering was raised. The IMF requested that Islamabad allow for the proper scrutiny of remittances by the tax authorities. The government is worried that an increase in

surveillance of remittances will push more money underground. It is thought that up to \$1 billion a year leaves Pakistan illegally, as laundered funds.

Commerce: Remittances rise to over dollar 1 billion, *The Pakistan Newswire* 30.7.01; Remittances decline to \$1.06 billion in 1998-99 from \$2.9 billion in 1982-83, Ahmed Mukhtar, *Business Recorder* 9.8.01; Pakistan assures steps to combat money laundering, *The Pakistan Newswire* 21.8.01; Remittances from expatriates up 10 percent, *Business Recorder* 29.8.01; Pakistan launches remittance incentive package, Ashfaq Ahmed *Gulf News* 16.9.01; Foreign exchange remittance card holders to enjoy discounts, special quotas in sick unit auctions, T.A. Malik *Business Recorder* 16.9.01

## **Singhvi Committee on Indian Diaspora**

The Indian government undertook to implement the recommendations of the Committee on the Indian Diaspora, but ignored its advice in appointing a controversial second ambassador to the USA. The governor of Kerala appealed to Keralites in the Gulf to invest in the state.

The Committee on the Indian Diaspora chaired by L.M. Singhvi (see *Traces passim*) asked the Home Office ministry to abandon the practice of asking Indian origin visitors with foreign passports to report to police stations, provided that they possess a valid six-month visa. In the Committee's tour of South Africa, UK, USA, Canada, the Caribbean, the Gulf and Australia, many overseas Persons of Indian Origin complained about this requirement. While on a visit to Australia, the Committee expressed concern about human rights violations in Fiji, particularly as they affected the island's Indian origin community. The Chairman urged Australia to take a stand on the issue, as it had done in East Timor.

The Home Office Minister, L.K. Adavni, undertook to implement the Committee's

recommendations as soon as they were finally received. Among the requests from NRIs were calls for dual citizenship, voting rights and greater access to duty-free Indian goods on payment of foreign currency.

But against advice from the Committee as well as the Foreign Office, the government appointed a veteran of the Rashtriya Sawamisevak Sangh (RSS) as an advisor with the rank of ambassador to its embassy in Washington DC. The RSS is a Hindu cultural organization with close links to Hindu nationalism. Bhishma Kumar Agnihotri will be ambassador-at-large for NRIs and PIOs, operating out of the New York consulate. The appointment was regarded as a slight against the existing Indian ambassador in Foreign Office circles. Agnihotri is a Law Professor with good ties to the ruling BJP.

The NRI population in the USA has doubled in a decade to 1.7 million, according to the 2000 census. Indians hold 48 per cent of the H1-B visas available for temporary work contracts among skilled professionals. But the downturn in the IT industry has meant many have been sacked, and persuaded others to terminate contracts, return home or look for new opportunities in Europe. A source at Tie.org, a network for Indians in Silicon Valley, estimated that between 10,000 and 50,000 contract workers had left the region.

The Chief Minister of Kerala, A.K. Antony, called on Non Resident Keralites to aid the state in the time of economic crisis. His call for greater private investment from abroad was a change of heart by the state's government. Antony also announced that Kerala would open an NRK office in Delhi, and would campaign for voting rights for Indians overseas. Recent research reported in *Gulf News* has shown that a particular problem related to Keralite migration is the high suicide rate among wives of expatriates remaining at home. The state's suicide rate for females is three times India's average. A combination of loneliness and the pressures to maintain standards and appearances with falling incomes afflicts women in Kerala whose husbands are working for long contracts in the Gulf. The desire to be seen to be successful causes many families to spend more than they

earn, and so work longer abroad than initially intended.

The Goa Sudharop Community Development, a US-based NGO launched a website in Goa aimed at the Goan diaspora in August.

Singhvi Committee recommendations to be implemented: Advani, *The Press Trust of India* 3.7.01; Indian expatriates feel the chill first in Silicon Valley, Deborah Gardiner *Financial Times* 7.7.01; Police reporting for Indian origin visitors opposed, *The Times of India* 9.7.01; Committee on Indian Diaspora expresses concern for Fiji NRIs, *The Press Trust of India* 15.7.01; Gowda congratulates expatriates for maintaining Indian culture, *The Press Trust of India* 19.7.01; Social, economic pressures drive Keralite wives to suicide, Anupapathap Mathew *Gulf News* 21.7.01; Antony seeks NRKs' help to pull Kerala out of financial crisis, Akhel Mathew *Gulf News* 20.8.01; NGO launches website for Goan diaspora, *The Times of India* 20.8.01; RSS man advisor in Indian embassy, Saurabh Shukla *Hindustan Times* 24.8.01; RSS man appointed advisor in US, *The Pakistan Newswire* 24.8.01; Dispersing diasporal science, *The Hindu* 13.9.01

## **Tibetan Exiles Elect Head of Government**

Tibetan exiles elected their head of government for the first time. But The Tibetan government-in-exile was strongly critical of the decision to award the 2008 Olympics to Beijing.

In August Tibetan exiles held their second round of elections to choose a chief Kalon, the head of the government-in-exile (known as the Central Tibetan Administration). The winner, and therefore the first elected head, was a 64-year-old Buddhist monk, Samdhong Rinpoche. Rinpoche left Tibet in 1959, speaks Hindi and English, and is reckoned to be a spiritual individual rather than a politician. He was head of the Center for Tibetan Studies. The direct election was a new development, and the chief Kalon will be second only to the Dalai Lama in the temporal government. He will nominate his own Cabinet, to be ratified by the

46-member Assembly of Tibetan People's Deputies.

On previous occasions, the head of government was chosen by the Kashag or Cabinet. The idea of direct elections came from the Dalai Lama. Mindful of the need to establish a political structure that would outlast him.

The government-in-exile condemned the decision of the International Olympics Committee to award the 2008 games to Beijing, China. It criticized the IOC for its choice, made in July in Moscow, charging that it ignored the history of human rights abuses inflicted upon Tibet since China seized control in 1950. In China, the decision was greeted with joy. Among overseas Chinese there was also celebrations. The Straits Times speculated that the 2008 Olympics might unify the Chinese people, including the mainland and the diaspora. A leading Chinese dissident, Wei Jingsheng, was prevented from protesting to the IOC in Moscow because he was denied a visa to enter Russia. He had planned to attend a news conference in the Russian capital organized by Tibetan exile groups and Russia's Transnational Radical Party. Wei has lived in the USA since being exiled from China in 1997.

Tibetans did secure a 'victory' over China elsewhere, when, despite strong objections from Beijing, a Tibetan NGO was given accreditation at a UN meeting for the first time. Tibetan exile groups were permitted to attend the World Conference Against Racism held in South Africa in September. Accreditation creates a precedent that Tibetans may invoke on future occasions involving international meetings, and the NGOs recognize this as a major step forward in their campaign to be recognized.

Chinese dissident denied Russian visa to attend IOC meeting, Agence France Presse 7.7.01; Chinese dissident barred from confronting IOC: U.S. resident denied visa by Russia Calgary Herald 10.7.01; 2008 Games - a dream for all Chinese, Ching Cheong The Straits Times 13.7.01; Exiled Tibetan government slams Olympic Games award to Beijing, Agence France Presse; 13.7.01 Tibetans hold landmark elections for second rung leadership, The Press Trust of India 29.7.01; New Tibetan PM leaves a trail of fans in Indian village, Jay Shankar

Agence France Presse 22.8.01; Tibet triumphs at NGO session, Paul Goble United Press International 3.9.01

## **Eastern Europe: contrasting fates for exile governments**

While Bulgarian exiles working in the City of London successfully plotted the return of the former king to elected office, the government-in-exile of Belarus languishes.

A group of Bulgarian expatriates in London known as the Bulgarian City Club, worked for return of the country's former king in June's elections. After his election as Prime Minister, several members of the group joined Simeon Saxe-Coburg's new government, including the deputy prime minister and finance minister. With a good background in London's financial industry, they were also able to draft the king's economic strategy. The Club anticipates that it will be heavily involved in the upcoming privatization programme and it intends to act as a think-tank abroad.

The Club began as a fund-raising group for charitable causes in Bulgaria, but developed into a discussion group. But the old government ignored their contributions to Bulgaria's annual Easter conferences, held to tap the brains of the country's overseas professionals. One of the Club's founders was the former king's son, and so they began to plot his return. He won the elections after 50 years of exile.

Belarus's President-in-exile, Joanna Survilla, lives in Hull, Canada. Survilla heads the Belarusian Democratic Republic, formed in 1918 and now the only remaining government-in-exile in Eastern Europe. She fled with her family from Stalin's police in 1939, when only three years old. In 1997 she was elected president by the legislature of Belarusian exiles (the Rada), charged with persuading western governments to address the shortcomings of the country's post-Communist government. Rada meets in the USA, although some of its members come from Europe. The

exiles oppose the elected government of Alexander Lukashenko, which is pursuing plans of reunification with Russia and which is charged with repression and human rights abuses.

City bankers ditch the high life to rebuild Bulgaria's economy, Andrew Jivkov Simeon II *The Independent* 23.7.01; Bulgarian kingmakers were in the Counting House, Phelim McAleer *Financial Times* 26.7.01; Madame President is fighting repression, Bruce Ward *The Ottawa Citizen* 29.7.01

### **Expatriates: cost of living survey and fears in Indonesia**

The annual cost of living survey for expatriates found that Asian cities remain the most expensive places to do business. Fears over unrest in Indonesia have affected American and Australian workers in the country, and the government has advised all foreign companies to register their employees.

The Economist Intelligence Unit's regular survey of the expatriate cost of living in the world's 131 major cities. Once again, Asia emerged as the most expensive region in which to do business. Osaka-Kobe and Tokyo in Japan tied for first place, then Hong Kong, with Singapore and Taipei also in the top ten. Oslo is the most expensive in Europe, followed by London and Zurich. The survey takes its benchmark as New York (=100). On this basis, the two Japanese cities score 140. Outside Europe, Asia and USA, Libreville is the costliest place in which to do business. Tehran is the cheapest of the 131 cities.

According to the *Philadelphia Inquirer* US Multinational Companies are cutting back on the costs of overseas assignments, which can be as high as \$1 million over a three-year posting. Some are reducing the package of pay and benefits, others are looking to recruit locally or use localized expatriates already in the country. The President of Boyden Global Executive Search, based in New York City, aid

that 15-20 per cent of contracts were not being renewed. The newspaper cites Ginny Hollis, vice president of Cigna International Expatriate Benefits, of Wilmington, as estimating that the number of American business expatriates doubled to 300,000 over the last decade.

The Dutch press reported on a survey by the University of Groningen on the partners of US expatriates working in the Netherlands. It warned that there were enormous pressures on wives, and advised companies to do more to help them. The survey noted that, although Dutch society is warm and accommodating, it is very hard to enter friendship networks. Partners from non-EU countries have been allowed to work in the Netherlands since 1998, but many suffer from loss of careers or experience.

In Jakarta, the city government advised all foreign companies to register their expatriate employees with the authorities. The advice came from the Foreigners Control Coordination (Sipora) team, consisting of officials from the ministries of immigration and taxation, as well as representatives from the police and tourism agencies. Among their concerns are that expatriates are avoiding paying tax and are taking jobs specified for Indonesian nationals. The Immigration ministry is to resume periodic censuses of foreigners, which were abandoned in 1992. There are sanctions for failing to register.

The authorities stated that the police would be in a better position to protect expatriates from civil unrest if they were registered. In July, the Australian government prepared to evacuate its nationals from Indonesia amid signs of growing unrest around the impeachment of President Wahid, including bomb blasts in the capital. About 3,500 Australians live in Jakarta. In 1998 severe rioting drove many foreign workers out of the country. After the events of September 11, US expatriates in Indonesia were nervous in the face of threats against Americans. The US ambassador advised citizens to consider leaving the country. Many US citizens work in the oil and mining industries in the country.

Perks being cut for overseas jobs, Sherwood Ross *The Philadelphia Inquirer* 1.7.01; Japan still world's

most expensive country despite deflation, Japan Economic Newswire 2.7.01; Taipei ranks 9<sup>th</sup> in worldwide executive cost of living survey, Asia Pulse 3.7.01; Cost of Expat Lifestyle Up, Elizabeth Wolfe The Moscow Times 4.7.01; Fears for expats in Indonesia, Chris Brummitt and Catharine Munro Courier Mail 23.7.01; All companies in city told to register their expatriates, Jakarta Post 25.7.01; 'Don't forget the spouses', expats employers told, Mike Cooper Het Financieele Dagblad 10.8.01; U.S. companies in Indonesia remain clam despite threats, Jakarta Post 29.9.01

## **Ukrainian diaspora meets, President attacked**

The third World Forum of Ukrainians met in Kiev in August, coinciding with the tenth anniversary of the country's independence from the USSR. Delegates attended from 42 countries. A televised address by President Leonid Kuchma was met with boos and heckling, in reaction to allegations of human rights abuses by the government as well as its poor economic record. It was also alleged that Kuchma had fixed the roster of speakers at the forum to exclude critics of his government. Outside the building there were demonstrations from the President's opponents. But Kuchma emphasized that the diaspora should keep out of domestic politics.

Parts of the President's address were well-received. He stressed the importance of keeping in contact with the diaspora and admitted that the government had, as yet, no effective means for doing so. Ukraine had an interest in keeping the culture and language alive outside the country, he said. Kuchma also won approval for his suggestion that Ukrainian should be the country's only official language, dropping Russian. Russians constitute 30 per cent of the country's 50 million population. In return, the President stressed that the country needed financial assistance from the diaspora, especially investment.

One practical step was a decree enabling ethnic Ukrainian visitors to receive five-year, multiple-entry visas, instead of the previous maximum stay of six months.

Foreigners of Ukrainian origin to have easier visa rules for trips to Ukraine, AP Worldstream 14.8.01; Ukraine's president heckled while giving speech to Ukrainian diaspora, Marine Syssoeva, AP Worldstream 18.8.01; Kuchma - it is necessary to uphold Ukrainian diaspora abroad, Mikhail Melnik TASS 18.8.01; Anniversary heckling greets Ukraine's president, Tom Warner Financial Times 20.8.01

## **Taiwanese abroad lobby on behalf of UN membership**

In the USA, the Formosan Association of Public Affairs (FAPA) announced that it would lead a coalition of US-based Taiwanese organizations in a campaign to secure UN membership. The USA, together with France and the UK, opposes the bid. Taiwan lost its membership in 1971, when China joined the organization. Working alongside the FAPA are the Taiwanese Association and the East Coast chapter of Taiwan's ruling Democratic Progressive Party.

A speech by President Chen Shui-bian of Taiwan was relayed to the 27<sup>th</sup> annual congress of the Federation of Overseas Chinese Organizations in Europe. Held in Brussels in July, there were 380 Taiwanese expatriate delegates. Speaking on behalf of the President, the minister of Overseas Chinese Affairs thanked the conference for its assistance in developing Taiwan's economy and establishing itself internationally.

President urges ROC expatriates to help create a brighter future, Tang Ping-chun and Luis Huang Central News Agency 27.7.01; Taiwan expatriates to launch publicity campaign for ROC's UN bid, Eric Tseng and Sofia Wu Central News Agency 10.8.01

## **US crackdown on hawalas has severe consequences for Somalia**

The decision by the US government to target two named hawala networks and shut down their offices worldwide threatened to cut off the vital flow of remittances to Somalia. Aid agencies warned that the loss of support from families overseas would aggravate and already-desperate situation, increasing the prospects of famine. In the USA, hawala offices were raided in four states.

The US Treasury published the names of two hawalas in connection with the efforts to identify and stem the flow of funding to al Qaeda. One of these networks is al-Barakaat, the most significant channel for remittances to Somalia. The Treasury declaration says it has offices in the Gulf states, Sweden, Canada as well as several US states. The other is al Taqwa, which has offices in Switzerland, Liechtenstein, Italy and the Caribbean. Hawalas are the informal banking system based on trust used by Arab and South Asian migrant communities around the world to transfer remittances (see Traces #15).

President Bush alleged that the hawala networks were used to arrange arms shipments, to provide cash for operations and secure telephone connections. The authorities claim that al-Barakaat skims of five per cent of the takings to pass on to al Qaeda, amounting to \$25 million a year. Bush said that "the entry point to these networks may be a small storefront operation ... but follow the network to its centre and you discover wealthy banks and sophisticated technology, all at the service of mass murderers." U.S. Treasury Secretary Paul O'Neill labelled al-Barakaat "the quartermasters of terror". US authorities say that the founder of al-Barakaat, Ahmed Nur Ali Jim'ale, met Osama bin Laden during the war against the Russians in Afghanistan and became a close associate. He is now based in

Dubai, from where he denied any connection to al Qaeda. Al-Barakaat has 60 offices in Somalia and 127 offices in 40 other countries. Its hawala money transfer services are used by residents in the Gulf and South Asia, as well as Somalia. Most of its business in the USA is remittances from Somali immigrants, usually in small amounts. The Treasury had been investigating al-Barakaat since 1999 because of its suspected links to Al Qaeda.

Al Taqwa has offices in the tiny tax haven of Campione, on the eastern shore of Lake Lugano. It is part of Italy but surrounded by the Swiss canton of Ticino, and has avoided close scrutiny from both Italian and Swiss authorities because neither has complete authority. Campione is only 2.1 km long and no more than 1 km wide. In addition to offering offshore banking services it has a large casino, ideal for laundering money.

### *Raids in four states*

Together with the posting of the hawalas' names, police raided office in five states. Hawala premises were entered in Minneapolis, Seattle, Columbus (Ohio), Boston and northern Virginia. A man was arrested in Dorchester, near Boston. Filing cabinets and records were taken from the business. The assets of 62 companies and individuals in the USA and abroad were frozen. Al-Barakaat's offices were specifically singled out by Treasury officials; four other hawalas in Columbus were not raided, for example. But a prominent Somali businessman in the city pointed out that Barakaat means 'blessed', and was a common name to give such businesses. It did not imply any connection with al-Barakaat in Dubai.

A week after his Columbus offices were raided, hawala operator Hassan Hussein promised to reopen under a new name and continue to serve the Somali community, thought to number 30,000. In the past year, the business had been used by up to 5000 families a month, involving sums as small as \$50. Hussein claimed that he earned \$30,000 in commission in 2001. He also stated that he would request that the Treasury release \$127,000 in sequestered funds. This money represents the remittances of Somali families destined for their relatives in Somalia.

Soon after 9/11 a new law was passed in the USA requiring all hawalas to register with the Treasury Department by December 31st. They will also be required to report all suspicious cash transfers. Although this law was first passed in 1994 it was never enacted. Businesses that fail to comply can be fined up to \$5000 a day. The Treasury recognises that most hawala transactions are legal and above board, but it also expects some businesses to avoid registration and attempt to stay underground.

Canada also froze the assets of al-Barakaat as requested by the US authorities. The RCMP also arrested Liban Hussein, a Canadian citizen born in Somalia, after he turned himself in to the authorities. His brother had been arrested in Dorchester. Hussein was wanted by the US in connection with the Dorchester offices of Barakaat North American Inc. He has a house in suburban Ottawa. Because the hawalas do not take deposits and charge no interest they are not covered by Canada's usual financial institution regulations.

Al-Barakaat's offices in Dubai and Britain were also shut down, and others had been raided in Kenya before the US clampdown. In London, al-Barakaat Money Remittance and Albarakat Money Transfer and Telecom served the Somali community from its base in Clapham. A week later, in mid-November, Ethiopia's government announced that it was closing all Somali remittance companies, not just Barakaat's, and posted armed cards at their offices. It also requested that all Somalis remaining in the country should obtain identity cards.

#### *The biggest bank in Somalia*

Al-Barakaat is the biggest hawala operation in Somalia. It is estimated that 80 per cent of the \$140 million of remittances the bank handles every year are destined for Somalia. It also acts as a deposit bank for businesses. The remaining 20 per cent is channelled to Kenya, Ethiopia and over 25 other countries. The bank was founded in the late 1980s but took off in 1991 after the Somali state collapsed, leaving an institutional vacuum in which there was no formal banking system. The bank's headquarters are in Dubai, though most transactions end up in Somalia. Al-Barakaat

also owns Somalia's largest telecommunications business, as well as a water company and a postal service. Together, these companies were the country's biggest employer.

Somali families are accustomed to receiving \$100-200 a month from relatives, many of whom are in the USA. A spokesperson for Save the Children in Somalia estimated that half of all families relied upon funds from relatives abroad. In the absence of a central banking system, Al-Barakaat and around eight other money transfer businesses are the only lifeline for tens of thousands of such families. Al-Barakaat was also forced to suspend its international telecommunications service after AT&T and British Telecommunications cut off its international gateway. The half a billion dollars a year in remittances far outweighs aid and earnings from livestock exports.

UN officials declared that the economy was on the verge of collapse. Remittances had already declined by 50 per cent after September 11, even before the subsequent restrictions on money transfers from the USA. In addition, there is a ban on livestock exports to the Gulf States because of Rift Valley Fever, and a long-running drought. The UN estimates that 780,000 people are affected by food shortages in Somalia and that the country needs 56,000 metric tonnes of food to cope until the next harvest in 2002. In December the United Nations agencies working in Somalia responded to the crisis by launching a joint appeal for \$84 million of aid. In 2001 the UN received only 20 per cent of the \$130m it had asked for. Aid officials explained that they were asking for less despite conditions being worse, in recognition of political circumstances. The UN acknowledges that the perception of Somalia as a country without government or organization was dissuading donors from providing food and aid. The transitional government has little control outside the capital, Mogadishu.

Somalia's transitional President Abdulkassim Salat Hassan condemned the US decision. Clan elders in the breakaway country of Puntland, still officially part of Somalia, also issued a statement supporting hawala banks. The statement praised them for stepping into the

breach after the country's formal institutions had collapsed.

Since 1992, over 325,000 Somali refugees have returned home from Ethiopia, Kenya, Djibouti, Yemen and other countries, according to a representative of the UN High Commissioner for Refugees Somali Office. By the end of 2001 the UNHCR hopes to have repatriated 50,000 refugees, mostly from Ethiopia.

Funds for Somali food crisis drying up since attacks on US: UN official, Robert Holloway Agence France Presse 19.10.01; Somalia: Puntland clan leaders defend activities of local banks, BBC Worldwide Monitoring 23.10.01; Somalia: remittances halved, Africa Research Bulletin 1.11.01; Somalis need way to send money, Charles Pope and Sam Skolnik Seattle Post-Intelligencer 9.11.01; Closing down bank 'will hit Somalis', Edward Alden, Robert Shrimley and Mark Turner Financial Times 9.11.01; Somalis left in the lurch by US decision to freeze main bank, Anthony Morland Agence France Presse 10.11.01; Somali elders in Mogadishu add to denials of terrorism links, Anthony Morland Agence France Presse 11.11.01; Bank of England Freezes Accounts Held by Dubai-Based Money-Transfer Group, Jat Gill and Annunziata Rees-Mogg Sunday Business 11.11.01; Barakat pleads innocent to US 'terror' claim, Mark Turner Financial Times 12.11.01; Where's proof of bank's terrorist links? Hassan asks US, Anthony Morland Agence France Presse 12.11.01; Somali leader reacts to US closure of remittance bank, BBC Worldwide Monitoring 13.11.01; Remittance banks broke the law, says Ethiopia, justifying closures, Agence France Presse 15.11.01; Barakat telecoms gateway cut off, Mark Turner Financial Times 16.11.01; Shutdown of Remittance Firms Hits Somalia's Economy, Xinhua 27.11.01; Somalia; UN Agencies Launch Assistance, Africa News 3.12.01; US closure of Somali remittance bank strikes even desert dwellers, Agence France Presse 5.12.01; Somali money transfer services seek to restore flow of money, Associated Press 7.12.01; Somalia food situation 'deteriorating fast', says UN food agency, Agence France Presse 13.12.01; Fighting terror attacking the financial network, Michael Kranish and Scott Bernard Nelson The Boston Globe 8.11.01; Cash movers branded as financiers of terrorism, William Hall, Mark Turner and John Willman Financial Times 8.11.01; Police raid business sites allegedly aiding Bin Lade, The Miami Herald 8.11.01; Columbus money firm aided Somalis, colleague says, Ted Wendling and Stephen Koff, The Plain Dealer 9.11.01; 'Hawala' broker plans reopening, Ted Wendling The Plain

Dealer 14.11.01; Treasury Department says some underground money brokers won't register, Marcy Gordon Associated Press 15.11.01; U.S. seeks Ottawa man suspected of aiding terrorists, Tim Naumetz, Jim Bronskil and Rick Mofina The Vancouver Sun 10.11.01; Ottawa hawala owner surrenders to RCMP, The Gazette 13.11.01; Immigrants lack lifeline as assets are frozen, Paul Weinberg Inter Press Service 3.12.01

## **Caribbean and Central America: the fall out from 9/11**

Throughout the Americas there was heightened anxiety that the consequences of the terrorist attacks of September 11 would damage the region's already vulnerable economies. The World Bank's initial predictions were pessimistic but, although many countries reported falls in migrant remittances, others suggested that there would be no lasting impact.

Two weeks after the attacks on the Pentagon and the World Trade Center the World Bank announced that the attacks would aggravate the slow down in the world's economy. It estimated that the events of 9/11 would reduce economic growth in the industrialized world by 0.75 of a percentage point to 1.25 percentage points in 2002, and in developing nations by 0.5 of a percentage point to 0.75 of a point. By these calculations, as many as 10 million people who might otherwise escape poverty in 2002 will remain poor. Tens of thousands more face starvation. Between 20,000 and 40,000 children under five could die as a direct result. The World Bank reckoned that the world's poorest countries would be affected most, as well as those depending on remittances, tourism and foreign investment. This could involve Egypt, Tunisia and Morocco.

Even without the attacks, the World Bank had estimated that world growth would slow to 2.6 per cent in 2002, the lowest level since 1993. Other analysts doubted that such precise

forecasts could be made so soon after the attacks.

Initial reports from various Caribbean and Central American countries presented a mixed picture on the impact of 9/11 on remittances. In some countries declines were reported, but in others sources said that there was no lasting impact. The Inter-American Development Bank surveyed 1000 Latin American immigrants in the USA in December. The survey found that 56 per cent were sending less money home after 9/11; 26 per cent were earning less and 7 per cent had lost their jobs. Of those questioned, seven out of ten said that they did send money regularly.

#### *Dominicans, Salvadorans & Ecuadorians*

In 2000 the Dominican Republic received \$1.7 billion in remittances, 80 per cent of which came from the USA. There are fears that the flow will dry up in the wake of September 11, after which as many as 41 Dominicans were reported either dead or missing. It was feared that the economic slowdown would result in mass layoffs for Dominicans in the large American cities. According to the IADB annual are equivalent to almost two-thirds of the country's income from tourism. They are almost four times the value of the country's traditional primary exports; they exceed annual foreign direct investment; and they represent more than 11 times the value of development aid. Amounts increased 85 per cent between 1996 and 2000, and were still growing in the first six months of 2001. According to some estimates, there are 700,000 Dominicans in the New York-New Jersey region, but the exact numbers are uncertain. This region alone remits around \$500 million a year.

Remittances from the estimated 930,000 Salvadorans living in the USA fell by more than \$20 million after 9/11. In August they remitted \$167m, but in September only \$147m; this was still more than September 2001. The country's Central Reserve Bank anticipated an eventual recovery in remittances. In a deal between the American restaurant company Pizza Hut and the portal Terra.com, Salvadorans in the USA will be able to 'remit' pizzas to their relatives back home. Terra.com is owned by Spain's Terra Lycos, the world's third largest ISP.

Reports from Cuba also suggested that remittances - the island's biggest source of foreign currency - were down after September 11. Tourist receipts also declined, with visits down by as much as a third according to some estimates. In a survey conducted in Havana in the mid-1990s, 60 percent of the respondents said they had relatives living abroad.

The sums remitted by Ecuadorians in New York fell from \$2.3 million to \$1.5 million a day in the two weeks after 9/11. The Central Bank reported that remittances had been declining even before the attacks as the US economy slowed down. But it was also possible that post-attack construction could result in many immigrant workers finding employment again. According to official figures, 600,000 Ecuadorians live in New York, 100,000 in Los Angeles, 100,000 in Chicago and 60,000 in Washington, D.C. Over two million Ecuadorians live overseas.

Jamaican Senator Douglas Orne announced in December that, although remittances to the island had fallen for the ten days after the terrorist attacks, levels then recovered. He said that there was no evidence of any negative effect on Jamaica's economy. Prime Minister P.J. Patterson also said that there has been no negative impact on remittances to Jamaica, although passenger numbers were down by a third in the first weeks.

Despite the events of September 11 the Central Bank of Honduras also reported that remittances to Honduras increased in September, to \$370 million. This was \$100 million more than September 2000. There are around 650,000 Hondurans in the USA. The central bank of Guatemala said that 9/11 had not significantly affected remittances from the USA. Levels dipped in September but picked up again in October to \$41.4 million.

The role of the Dominicans abroad in the island's economic development was discussed at a one day symposium in New York organised by the Rosie Douglas Foundation and sponsored by the Dominica Academy of Arts and Science and the Dominica Development Association of New York. The Foundation, named after the deceased former prime minister, is based in Maryland.

Attacks Take Heavy Toll on World's Poor, Warren Vieth Los Angeles Times 2.10.01; Ecuador: remittances shrink in wake of terror attacks, Kintto Lucas Inter Press Service 2.10.01; Insecurity in US threatens flow of remittances, Dalia Acosta Inter Press Service 10.10.01; Salvadorian remittances fell 12 percent in the wake of Sept. 11 attacks, AP Worldstream 15.10.01; Salvadorean expats may now remit pizzas too, Latin America Weekly Report 23.10.01; Jamaica Prime Minister Says Sept. 11 Had No Negative Impact on Remittances, Caribbean News Agency 25.10.01; Cuba suffers impact of Sept 11 attacks, Vanessa Bauza Sun-Sentinel 28.10.01; US-Honduran family remittances increase to \$370 million thru Sept, EFE News Service 31.10.01; The hearts of Dominicans in two homelands at once, Elizabeth Llorente and Karen Mahabir, The Record 14.11.01; US dollar remittances rebound - Orane, The Gleaner 3.12.01; Guatemalan remittances still run high, Latin America Regional Reports 4.12.01; Symposium on Dominica's Development Set in New York, Caribbean News Agency 7.12.01; Reliance on Remittances, LatinFinance 8.12.01; Migrants Sending Less Money Home, Julie Watson Associated Press 17.12.01

## **Afghans in the USA react to the onset of war**

The Afghan community in USA, noted for its low profile since the first refugees in 1979, reacted with mixed emotions to the American air assault on Afghanistan. There were efforts in the Bay Area, the main area of settlement, to set aside past differences and plan for a post-Taliban future.

The US assault on Afghanistan in pursuit of the Al Qaeda network accused of the September 11 attack began in the first week of October. Afghans in the USA reacted with a mixture of anxiety, fear and hope. Most Afghans in the country arrived as refugees after the Soviet invasion in 1979 and until 2001 they were a low-profile community. There are communities of Afghans in: the San Francisco Bay Area, especially around Fremont; Orange County and the San

Fernando Valley in Southern California; Alexandria, Virginia; and Flushing, New York. California and Washington DC were the major initial destinations because this was where the refugee charities that assisted their settlement were based. The official number in the USA is 50,000, but Afghan sources claim that there are three to four times that number; the Afghan Coalition says there are 300,000. The preliminary results of the 2000 census recorded 7000 Afghans in the Bay Area, although a spokeswoman for the Afghan Coalition put the number at 42,000. After Fremont, the second largest Afghan population is in Flushing, New York, locally estimated at 30,000. The refugees included many from Afghanistan's professional and intellectual classes. They were followed by the merchant classes and then, in the mid-1980s, by poorer refugees. Numbers arriving in the USA declined rapidly in the 1990s.

In each of the areas of settlement, the country's ethnic divisions persist. For example, the majority in Alameda County, northern California, are Tajiks, historically supporters of the Northern Alliance, although a large minority are Pashtuns. Some supported the Taliban for bringing much-needed stability to Afghanistan, while others remain bitter opponents. When the fighting began, Afghan communities around the country met to assess the situation. Dozens of community groups in Northern California assembled in Alameda County in an effort to bury old differences and find an alternative to the Taliban and the Northern Alliance. 600 people gathered at a hall in Hayward under the auspices of the Worldwide Afghan Unity Foundation. Their second aim was to mobilize humanitarian resources for post-war reconstruction.

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*The official number in the USA is 50,000, but Afghan sources claim that there are three to four times that number*

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The groups meeting in Hayward only came together shortly after September 11, there being no previous history of co-operation among the region's many associations. Although there are formerly senior politicians and officials from Afghanistan living in the

USA, they had not been active or prominent in intervening in the country's affairs. As reported in the press, Afghan Americans generally welcomed the installation of Hamid Karzai as Prime Minister in Kabul in December. Afghan Women's Associations were particularly optimistic because of the inclusion of two women in the interim government.

Afghans found that once the war started, contact with their homeland was practically cut off. Even before September communication with Afghanistan was difficult or expensive; letters took weeks to arrive. The Taliban banned email. Afghan exiles in the Silicon Valley set up an Internet site to act as a link between the many activities among exile communities around the world. Founded in 1999, Virtual Nation was intended to be a gateway for the Afghan diaspora wanting to help in reconstruction. It was established in collaboration with the World Bank and five Afghan NGOs. The site lists potential opportunities for assistance in construction, engineering, education, health care and finance. Until October there was little interest in the project from Afghan communities. But 160 of 200 respondents to the site after the war started stated that they would be willing to return.

Although many Afghans are thought to be planning to return and take part in reconstruction, others argue that exiles should have no part in government; they chose to leave. Anecdotal evidence suggested that hundreds or thousands are returning from the USA to Afghanistan. In the first few weeks of October, it was reported that around 100 US Afghans journeyed to Rome to be near the exiled king in anticipation of discussions on the country's future. But some have been away for over two decades and may now be out of touch. With thousands of professionals in refugee communities in Iran and Pakistan, there is unlikely to be a shortage of skilled workers willing to participate in rebuilding the country. But for former lawyers, doctors and engineers forced to take lower-skilled positions in the USA the option of recovering their status and helping their country is attractive.

Bay Area Afghans cull support for post-Taliban government, T.T. Nhu and Lisa Fernandez San Jose Mercury News 10.10.01; Afghans in U.S. Thrust

Into Spotlight, Nita Lelyveld and Jessica Garrison Los Angeles Times 11.10.01; Afghan Emigres Want a Role in Rebuilding, Eric Bailey and Nita Lelyveld Los Angeles Times 14.10.01; To Some Afghan Expatriates, Dreams of Glory, Hanna Rosin The Washington Post 14.10.01; In New York, a large Afghan exile community yearns for return to stability in homeland, Deepti Hajela AP Worldstream 15.10.01; Afghan-Americans gather in California to discuss future of homeland after military campaign, Deborah Kong The Associated Press 18.10.01; Expatriates in agony, Berny Morson Rocky Mountain News 29.10.01; Bay Area Afghan-American members dispute statistics, Jack Change Contra Costa Times 21.11.01; Afghanistan rebuilding efforts take to the Internet, R. Scott McIntosh Agence France Presse 18.12.01; To Afghanistan With Love; Exiles Leave Comfortable Lives Here to Help Rebuild Homeland, Nurith C. Aizenman The Washington Post 18.12.01; Cautiously Optimistic, Afghan Americans Say, Geoffrey Mohan and Nita Lelyveld Los Angeles Times; 24.12.01; Returning To The Homeland, Bart Jones Newsday 28.12.01

## **Afghans in Europe respond**

**There was widespread opposition to the US bombing campaign among Afghans living in Europe.**

As many as four million Afghans have fled the country since 1979. At least two million are in Pakistan, despite around one million having returned after the end of Soviet occupation in 1992. Others made their way to Europe, settling in Germany, Britain and elsewhere.

There are around 100,000 Afghans in Germany, a fifth of them in Hamburg. Among the refugee community there was opposition to the US airstrikes and fears that one hardline regime could be replaced by another. But efforts to unite the country's Afghans have failed. The Council of Afghans in Northern Germany did not succeed in bringing together 52 different groups. While many oppose the Taliban, there is also opposition to the return of the exiled king and deep suspicion of Pakistan.

Britain's 30-40,000 Afghan exiles were also divided over events. Despite opposition to the Taliban, few support the US and UK bombing

campaign. The UK refugee community's divisions reflect the series of revolutions and upheavals in the country, and, in contrast with the USA, their numbers are increasing every month as more refugees arrive. There was no single outflow and no shared experience of conflict and departure. The first arrivals in the early 1980s fled the Communist government. The second wave, in the mid 1990s, included many intellectuals, while the third phase included a wide range of people fleeing the Taliban. The formation of the Taliban government deepened divisions between Pashtuns, mainly from the south and identified with the regime, and other groups - Tajiks, Hazaras and Uzbeks. But Afghans from different regions and with different identities are all more or less concentrated in one part of suburban west London, stretching from Harrow to Acton. This region holds dozens of different centres, societies and organisations. The oldest, the Society for Afghan Residents in the UK, was founded in 1982. Small numbers of recently arrived Afghan refugees have been dispersed by the government to provincial cities such as Glasgow, Leeds and Birmingham.

After the end of the Soviet presence in Afghanistan some Afghans fled to Russia. The community of former military men, engineers, politicians and officials, numbering some 50,000, is centred on Moscow. The majority are illegal immigrants, unable to gain access to schools and hospitals. They also accuse local police of blackmailing them by demanding payment to ignore their illegal status.

Over 1000 Afghan exiles meeting in Peshawar, Pakistan, in late October called for an end to the bombing. The meeting also recommended the return of the former king, Zahir Shah, and argued that the country's problems could only be solved by Afghans themselves.

Divisions among Britain's Afghan communities reflect history of a homeland ravaged by war, Ian Burrell *The Independent* 1.10.01; Exiles Bemoan Attacks on Homeland, Carol J Williams *Los Angeles Times* 9.10.01; Britain's Afghan community concerned but carries on as airstrikes target homeland, Mara D Bellaby *The Associated Press* 13.10.01; Summit of Afghan exiles demands end to U.S. raids, Kathleen Kenna *Toronto Star* 26.10.01; Cut off from home, exiles wait for better day Afghans in Uzbekistan, Ellen Barry *The*

*Boston Globe* 4.11.01; Exiled Afghans wracked by fears for families back home, Mohammad Bashir *Agence France Presse* 7.11.01; Afghan exiles in Moscow look anxiously homeward; Harassed and beaten, most long for return, Douglas Birch *The Baltimore Sun* 29.11.01; Afghans Looking Homeward From Exile With Wary Eyes, Douglas Frantz *The New York Times* 16.12.01; Afghan Refugees in Iran Learn to Keep School a Secret, Soraya Sarhaddi Nelson *Los Angeles Times* 25.12.01

## **Expatriate workers' fears after 9/11**

American and European expatriate workers in Gulf and Asian countries faced heightened anxieties after 11 September and the onset of war in Afghanistan. Some US firms repatriated workers and embassies advised citizens to take extra security precautions.

Foreign workers in Indonesia, particularly Westerners, experienced another wave of insecurity in the wake of 9/11. Ever since the fall of the Suharto regime in 1997, expatriates have faced gradually increased security measures. The US and UK governments issued travel warnings to their nationals in September. The American embassy sent non-essential staff home, while Nike and Mattel repatriated their staff. The US embassy advised Americans to stay off the streets unless necessary. Australians were warned not to travel to Indonesia, although Bali was not included in this warning. Security firms based in Jakarta reported increased business. It is estimated that the country's tourist trade has lost 1.3 million visitors since September 11th.

The Front of Islamic Defence (FPI) has pledged to send out gangs hunting for American business workers in Jakarta and hunt tourists elsewhere in the country. It demanded that the government cut diplomatic ties with the USA. There have also been anti-American protests.

Across the Gulf states Western expatriates were on alert after the start of the bombing campaign in Afghanistan. There are more than 100,000 Americans and Europeans in the Gulf. In Kuwait, the murder of a Canadian aircraft technician as he and his Filipino wife were leaving a fast food restaurant increased alarm. A German family was also firebombed. It was reported that in the region's many expatriate residential compounds, families were stocking up on supplies in preparation for being confined to their homes. Others reported an increased level of abuse and harassment in public. The US and Canadian embassies advised nationals to increase their personal security.

There were also security alerts among Americans in other Asian countries, including Malaysia, where six suspected Islamic militants were arrested on terrorist charges. The US embassy stepped up security in Thailand and advised US citizens to keep in close touch. Embassy officials also recommended that American tourists register with them. In Phnom Penh, Cambodia, the US embassy closed its doors to the public. There have been daily protests outside the embassy in Manila since the war began.

In October, five Yemeni nationals were murdered in three separate attacks in California, Virginia (USA) and Canada. In addition an Egyptian was murdered in Los Angeles, a Sikh Indian killed in Arizona and a Pakistani murdered in Texas. There were hundreds of reported attacks on Arab-owned businesses and Arab individuals in the weeks after 9/11.

On the brink of war, Stuart Millar *The Guardian* 6.10.01; Trouble brews in Indonesia as militants demand cutting of US ties - Australians in the crosshairs, Chris Griffith *Courier Mail* 9.10.01; Nike pulls expatriate employees from Indonesia, *The Associated Press* 10.10.01; Five Yemenis killed in US and Canada in post-Sept 11 reprisals: official, *Agence France Presse* 11.10.01; American expats in Asia hunker down in face of Moslem backlash, *Deutsche Presse-Agentur* 11.10.01; Air strikes on Afghanistan, Ashraf Fouad And Mariam Isa *The Independent* 12.10.01; North Americans brace for violence, Aaron Sands *The Ottawa Citizen* 12.10.01; Security services thrive on expatriates' fears in Indonesia, *Deutsche Presse-Agentur* 21.10.01

## **Argentina's economic crisis prompts exodus**

December's growing chaos in Argentina saw banks close, protestors take to the streets and a succession of Presidents resign. Argentine Jews and Italian-Argentines took advantage of their dual citizenship to leave the country.

Even before the crisis broke in December, the Israeli government had offered generous incentives to Argentine Jews to settle in the country. The package included automatic citizenship and subsidies towards buying an apartment. Included are the airfare and relocation costs. Prime Minister Ariel Sharon is seeking to attract 1 million new immigrants over the next 10 years. Argentina had been targeted, alongside South Africa and France, because of its economic conditions. The Jewish Agency had sent 18 emissaries to Argentina and employs 50 local people there. About 1500 left in 2001, with 6000 more expressing interest. There are thought to be 200,000 mainly middle-class Jews in Argentina, although many have fallen on hard times as the country's economy collapsed. Large numbers are being supported by Jewish welfare organisations. Hebrew is taught and spoken among the community, and the majority of children have attended Jewish day schools.

After the onset of riots and the resignation of the President, Israel announced that it would increase the incentives on offer by \$20,000

Nearly half of Argentina's 36 million people are of Italian heritage. An estimated 250,000 Argentines have Italian citizenship. The Italian government responded to the crisis by organising temporary repatriations and speeding up the process of applying for passports and visas. In the first few days after rioting began 13,000 people applied for Italian citizenship.

The deteriorating economy in the 1990s had persuaded many Argentines to emigrate to North America and Spain, some taking

advantage of a decision by the USA to waive visa requirements for Argentines. This move has caused concern in Canada, where Argentine applications climbed to the fifth highest of any country.

New US-Canada border accord tightens border security, EFE News Service 4.12.01; They see turmoil from afar, Nicolas Penchaszadeh Capital Times 21.12.01; Italy to renew credit to Argentina, helps Italians wishing to leave AP Worldstream 21.12.01; South Florida's Argentines pained by nation's turmoil, Andrea Elliott The Miami Herald 21.12.01; Adios Buenos Aires... Hola, Israel, Leora Eren Frucht The Jerusalem Post 28.12.01; Israel lures Argentina's Jews, Joshua Brilliant United Press International 29.12.01

## **International initiatives on terrorist funding**

Following US pressure, international and national efforts to tackle money-laundering and root out the sources of terrorist funding intensified. Commercial banks and governments recognise their self-interest in stemming the activities of hawala operators.

The G8's Financial Action Task Force met in Washington in late October to agree new measures against money laundering. These included new rules for customer identification and an extension of existing rules to informal money transfer businesses including hawalas. There are currently 40 countries on the FATF blacklist for not co-operating over money laundering.

In September President George W. Bush announced a list of 27 targets including 11 organisations, 12 individuals and four charities or businesses whose assets were being frozen in the United States. He called on other governments to also target them. The US Treasury Department formed a new task force in co-operation with the Justice Department, Internal Revenue Service, Customs Service and FBI to tackle terrorist funding. The team will be known as Operation Green Quest.

Among its tasks will be anticipating and disrupting future sources of financing. Although over 150 countries had formally agreed to assist in the international effort to locate any terrorist funding networks, independent experts stressed the great difficulties of the operation.

The Saudi authorities pointed out that with 6 million migrant workers sending home \$15 billion a year, it was impossible to regulate every transfer. The US suspects that the channels started up in the 1980s, with its blessings, to fund the Afghan fighters against the USSR are still operating. Private individuals, they fear, continue to pump funds into al Qaeda. In particular, the US has identified a Saudi businessman, Wael Hamza Jelaidan, as an associate of Osama bin Laden. He denied the accusations.

In 1999 Saudi Arabia clamped down on the unregulated activities of charitable organisations assembling small sums from mosques or street collections. It was feared that this was one of the means of raising funds for Islamic militants abroad. Now all fund raising must be licensed by the state.

### *Pakistan takes action*

The Pakistani government urged its nationals in the Gulf to use formal banking channels for their remittances and avoid hawalas. In order to attract funds, Pakistani banks have suspended fees from Non Resident Pakistanis for remittances. The governor of the central bank travelled to the United Arab Emirates to discuss how to crack down on underground money transfer business. Tighter regulations had been planned for June 2002, but in the wake of the US campaign against terrorist financing, the Pakistani authorities decided to speed up the process. Commercial banks in the Gulf recognise that they will gain significant business if hawalas are disrupted. As much as \$20 billion a year is sent home from Gulf states according to some estimates. The United Arab Emirates approved a draft law carrying a maximum seven-year prison sentence and a \$272,000 fine for making an irregular money transfer to finance "kidnapping, piracy and terrorism". Banks must refuse transactions of over \$25,000 if the client fails to reveal the source of the funds.

In London, eight people were arrested in October for their connection with hawalas, money laundering and heroin trafficking. The arrests were not related to September 11 according to police authorities.

Gulf nation bans cash transfers aiding terrorists, Barry Shlachter *The Philadelphia Inquirer* 11.10.01; Gulf banks to gain from anti-money laundering drive, Nadim Kawach *Gulf News* 22.10.01; Experts face new challenge tracing terror money, Vessela Segueva *Agence France Presse* 24.10.01; Saudis See Obstacles in Freezing Accounts, Howard Schneider *The Washington Post* 25.10.01; US team created to target al-Qaeda finances, Peter Spiegel *Financial Times* 26.10.01; Eight held in 'dirty money' probe, Jimmy Burns *Financial Times* 31.10.01; FATF plan to combat terrorist funding, *Business Line* 2.11.01; Tighter Rules To Cut Off Supply Of Terror Funds, Lenore Taylor *Australian Financial Review* 3.11.01; Pakistan seeks UAE's help to regulate money changers, Farhan Bokhari *Financial Times* 6.11.01; Pakistanis urged to shun hawala system, *Gulf News* 14.11.01; In anti-terror moved, Canada to force money changers to keep detailed records, Robert Gillies *Associated Press* 7.12.01

## **President Putin's new pledge to Russian diaspora**

Russian President Vladimir Putin addressed the Congress of Compatriots held in Moscow in October. He stated that the government had not done enough for Russians abroad but pledged to do more in the future. Putin said that "Russia is interested in much closer ties with Russian diaspora than they are today". He announced that the government would allocate 105 million roubles to their interests. He noted that Russians in neighbouring countries often faced economic and cultural discrimination. "The compatriots should have the same rights as nationals of their country of residence and Russia will fight for it in a qualified ... firm manner." He added that Russia should support Russian-language media and schools, and do more to disseminate Internet and other electronic means of communication. "Nothing must prevent us from feeling that we are a unified people," said the Russian President.

The Congress assembled 600 representatives of Russian-speaking communities in 43 countries, estimated at 25 million people. The largest delegations came from the Baltic states. It lasted two days and was the first such convention for six years; earlier planned congresses were cancelled because they clashed with national elections. Among the matters discussed were the formation of a permanent international organisation to protect the rights of the diaspora - proposed by The Chairman of the Duma International Committee, Dmitry Rogozin - and how to speed up issuing visas and applications for naturalisation. There were also calls to reform the law on the status of compatriots to clarify their position.

The week after the Congress the Duma introduced a bill tightening up the procedure for obtaining Russian citizenship. In the future, an applicant must be continuously resident for five years. There would be no minimum term for former Soviet citizens born in Russian territory.

Putin vows to defend rights of Russians abroad, *AP Worldstream* 11.10.01; Russia interested in closer ties with compatriots abroad, *Baltic News Service* 11.10.01; Rogozin proposes law on national and cultural status of Russian people, *Interfax News Agency* 11.10.01; Duma passes new version of Russian citizenship bill, *Business Law Review* 23.10.01

## **Australians overseas participate in elections**

In expectation of a close result, Australia's main political parties canvassed for votes among expatriates abroad.

The biggest polling booth in November's Australian elections was at the Australian High Commission in London, where it was anticipated that 18,000 votes would be cast in person and 6,000 more by post. In the last general election 21,000 voted. Under election rules, Australians abroad have 10 days in which to cast their ballot. Given that the vote was expected to be close, the major parties

campaigning vigorously abroad. Campaigners agreed that it was difficult to track down Australian voters, there being no register and no particular areas of settlement. They had to make do with garnering support at cultural and sporting events likely to be attended by Australian voters.

There are 830,000 Australians abroad according to expatriate leaders, who are campaigning for greater voting rights for overseas Australians. In 1998 only 65,000 cast a vote. The Southern Cross group tried to mobilise 100,000 voters this time. According to press reports, among their concerns in the election were the war against terrorism and the country's international image in the wake of the Tampa affair, when the authorities blocked a Norwegian ship carrying refugees from docking on the mainland. Despite the expectation of a close vote, Prime Minister John Howard was returned by a comfortable margin.

To stand for election in Australia a candidate must be able to demonstrate that they have renounced any former citizenship and prove that they do not hold dual citizenship. A leading politician in the Country Liberal Party, London-born Nigel Scullion, had to dash back to the UK days before the poll to obtain proof that he had given up his UK status. He was nominated for the Senate elections in Northern Territory. A One Nation candidate for Queensland, Heather Hill, was stripped of her seat in 1999 when it was revealed that she had not properly revoked her UK citizenship (see *Traces* #6).

New Zealanders can acquire Australian citizenship without renouncing their New Zealand passport, despite confusion over their status. It was announced in the Australian papers that New Zealand actor Russell Crowe will take advantage of this provision and become an Australian citizen. Crowe was born in Wellington but moved to Australia as a child. He returned to New Zealand as a teenager but then moved back to Australia to pursue his acting career. He had wished to become an Australian citizen for the past decade but was under the mistaken impression that he would have to renounce his New Zealand status. For Australians wishing to take out New Zealand citizenship there is no option

of dual citizenship as yet, although the Immigration Minister has announced plans to change the law.

Candidate races to prove he's not British, *The Australian* 18.10.01; Kiwi Russell Crowe about to become an Australian citizen, *New Zealand Press Association* 28.10.01; You Mean I Really Can Become An Aussie?, *Christine Sams Sun Herald* 28.10.01; Voting In The UK Gets Under Way, *Australian Financial Review* 30.10.01; Voting begins around the globe, *Claire Harvey The Australian* 8.11.01; London booth crucial in a tight poll, *Bruce Wilson Sunday Herald Sun* 11.11.01.

## **Scotland calls on diaspora act as champions abroad**

Scotland's government is seeking to emulate the positive contribution of the diaspora to Ireland's economic success with a programme known as **Global Connections**.

The Scottish executive announced a new programme called **Global Connections** to mobilise support for economic development from Scots abroad. Secretary of State Helen Liddell confirmed that she would travel to Hong Kong to win support for investment in Scotland. In a speech delivered in New York in October, Liddell appealed to 'the extended Scottish family' to champion the country and use their influence to promote it. The hope is that professionals abroad will broker new businesses and help restore the ailing tourist industry. A website started by the Scotland Office will keep overseas Scots informed about events in the country, and provide ready-made text for speeches extolling Scotland's virtues. As reported in *The Glasgow Herald*, whereas Irish President Mary Robinson spoke of a light in the window reminding the Irish diaspora of home, Scotland's message is more like a winking light on the computer.

Liddell is concerned that the image of Scotland abroad is too quaint and outdated, based on the manufactured traditions of kilts and Highland Games. This is not sufficiently modern and business-like.

The scheme is modelled on Ireland's successful relations with its diaspora. But critics point out that Scots abroad lack the kind of diaspora organisation that characterises the Irish; they are more like isolated individuals. There are no effective organisations that link Scots with Scotland, either in the past or the present. There is no equivalent of the Republican movement, its brotherhoods or the Catholic Church. Furthermore, wherever Scots went they tended to become successful, shaking off any association with victimhood often implied by diaspora. Most of the two million people who left in the 19th and 20th centuries were lowland Scots from industrialising towns and cities, economic migrants rather than refugees from famine. Many were professionals or skilled workers. Smaller numbers were forced out by the Highland clearances. As a result, in North America there were no Scottish ghettos or quarters, and Scots did not encounter the same degree of racial discrimination as the predominantly-Catholic Irish.

In an attempt to forge some kind of diaspora consciousness, a company based in Edinburgh and St Andrews established a website to which it is intended that Scots around the world should register. The idea of StAndrews.com is to create a global census of the Scottish diaspora. The founders reckon that there are between 40 and 90 million people of Scottish descent in the world, easily outnumbering the 5-6 million in Scotland itself.

Liddell looks to Scots expats to sell the nation to the world, Torcuil Crichton *The Sunday Herald* 14.10.01; Scotland's exiles can follow Irish lead, Tom Devine *The Scotsman* 27.10.01; Calling all Scots, wherever they are in the world, Kay Jardine *The Herald* 10.12.01; Historical hurdle faces global connections, George Kerevan *The Scotsman* 28.12.01.

## **Cuban exiles divided over hurricane relief**

Cuban exile groups had mixed reactions over the relief effort in the wake of a damaging hurricane. In other developments, Miami's electors voted for a new Cuban-

American Mayor and the house where Elian Gonzalez stayed during the custody battle opened as a shrine.

In November Hurricane Michelle struck Cuba, killed five people and devastated water and electricity supplies across the country. The Cuban American National Foundation announced that it would direct its relief effort through dissidents resident on the island. Two other Cuban-American exile groups, Agenda Cuba and Municipios de Cuba en el Exilio, followed suit. The organisations sought to channel private donations through informal networks rather than trust Castro's officials. However, this presented logistical problems, aggravated by the loss of telephone connections because of the storm. Following a severe hurricane in 1996, the Catholic Archdiocese of Miami was criticised for directing relief efforts through Cuba's government. It was suspected that the food and supplies donated by Cuban Americans never actually reached those in need but was kept by officials. The Cuban government turned down offers of emergency relief from the US government, and instead called for an end to the 40-year trade embargo.

Divisions within the Cuban American National Foundation caused a split among the organisation's board (Traces #15). The departing members set up a new organisation called the Cuban Liberty Council. Its purpose, like that of CANF, is to oppose Castro's government in Cuba. The founders left CANF in protest at the allegedly dictatorial behaviour of its leader, Jorge Mas Santos.

### *Castro charged in Brussels*

In a separate development in November, a group of Cuban exiles including Brothers to the Rescue launched a court case against President Castro in a Belgian court. The suit charges him with crimes against humanity. A 1993 Belgian law allows local courts to rule on such crimes wherever they occur. Cases have also been filed against Israel Prime Minister Ariel Sharon and Iraqi President Saddam Hussein in separate actions. Already under the

law, four Rwandans have been sentenced for their parts in the genocide in Rwanda in 1994.

In October, the Miami residence of the Gonzalez family where Elian Gonzalez spent five months was opened to the public as a shrine in the boy's memory. On the day it opened, the United in Elian House welcomed five hundred visitors. The house contains some of Elian's toys and pictures of the boy taken during the custody battle between the Gonzalez family in Cuba and in Miami, and the US government.

Despite being nominated for the post of Assistant Secretary of State for Western Hemisphere affairs, Cuban exile Otto Reich was still waiting for confirmation hearings to begin as the year ended. Supported by President Bush and Florida Governor Jeb Bush, as well as exile politicians, Reich's appointment has been blocked by Democrats because of his close involvement with the Reagan administration and its policies in Central America. These included the Iran-Contra affair.

In November Miami voters elected a new mayor to replace Joe Carollo. The winner was another Cuban-American, Manny Diaz. Carollo was defeated in the first round of voting: he had held office for six years. Carollo was credited with reducing the city's crime rate and reversing its budget deficit, but his personality and politics were also accused of dividing Miami's communities. He publicly sided with the campaign to stop Elian Gonzalez from returning to his father in Cuba and lost face over the city's bungled bid to host the Latin Grammy Awards (Traces #15). Diaz acted as the US Gonzalez family's lawyer in the case and his father had been a political prisoner in Cuba.

In the mayoral race, all but one of the top six candidates were born in Cuba. Maurice Ferre, also a former Mayor, was born in Puerto Rico. Sixty per cent of those who vote in the city's elections are of Cuban descent.

Cuban-American exiles launch war crimes case against Fidel Castro, Constant Brand The Associated Press 4.10.01; Cuban Exiles Form New Anti-Castro Group, Los Angeles Times 11.10.01; Cuban exiles appoint unified board, Madeline Baro

Diaz Sun-Sentinel 11.10.01; Miami Shrine Dedicated to Elian, Miranda Leitsinger Associated Press 22.10.01; Exiles split on helping storm-battered Cuba, Maya Bell The Orlando Sentinel 6.11.01; US offers storm relief aid to Cuba, Nancy St Martin, Andres Oppenheimer and Elaine de Valle, The Miami Herald 8.11.01; Exile organizations are planning hurricane relief effort for Cuba, Draeger Martinez The Miami Herald 11.11.01; Backed by Cuban Americans, Diaz Wins Miami Mayor's Race, John-Thor Dahlburg Los Angeles Times 14.11.01; Bush recess appointment may be path for Reich, Paul De la Garza St. Petersburg Times 23.12.01

## **The Philippines debates dual citizenship**

Draft legislation giving six million overseas Filipinos the right to vote in national elections and to allow naturalized citizens of other countries to recover their Filipino citizenship was introduced into the Philippines Senate in November. Senate leaders promised that the bills would be passed in late December of early January. Politicians from different parties have pledged to support the measure, which was widely touted during President Arroyo's tour of the USA. But there was also opposition from Senator Blas Ople, who warned that the measure would be a recipe for divided allegiance.

The legislation allows Filipino citizens overseas to vote in elections and those referendums on national issues. They will be able to stand for office, but not if they already hold office in another country. Members of the armed forces of other countries will not be eligible for Filipino citizenship. Filipinos who are citizens of their adopted country only will not be permitted to vote however. Absentee ballots can only be cast by those who have properly registered and a special unit of the postal service will be set up to handle postal votes. There will also be an option of voting in embassies and consulates.

Senate President Franklin Drilon, who supports the bill, argued that 89 countries already have some form of dual citizenship. The proscription against dual citizenship has stood for 65 years but was no longer suited to what the Senator described as a borderless

world. He hoped that by allowing Filipinos to regain their rights more would return and it would boost the country's tourist industry.

Drilon files bill on dual citizenship, C Balana, Philippine Daily Inquirer 2.11.01; Absentee voting bill sure to pass, Manila Standard 23.11.01; Ople: Let's go easy on dual citizenship, Cynthia D Balana, Philippine Daily Inquirer 25.11.01

## **Dual citizenship: Developments in Georgia, Ghana, Indonesia and Korea**

The number of countries granting dual citizenship is increasing, but there is still opposition from many quarters.

In Tbilisi the Chairwoman of the Georgian Parliament, Nino Burjanadze, declared her opposition to dual citizenship in Georgia because she fears that foreign countries may use it against the country. The issue of dual citizenship was raised by the chairman of the Association of Greek Communities. He noted that 100,000 of Georgia's 130,000 ethnic Greeks had left the country in the past decade. He said that they wanted to retain their links with Georgia, which would be possible with dual citizenship.

A law passed in 1999 giving Koreans overseas the status of Korean citizenship was declared unconstitutional by the country's Constitutional Court in December. The main flaw in the legislation was its definition of who was eligible. Under the rules, Koreans in the USA and other affluent countries qualified, but not the 2.6 million ethnic Koreans in China, Russia and Japan. There are many ethnic Koreans from China resident illegally in Korea who had not benefited under the regulations. In 1999 the government omitted these people for fear of offending the Chinese and Russian governments by being seen to claim some of their citizens. Under the new ruling, the court required the government to come forward with revisions before 2003. There should be no discrimination against Koreans overseas.

During a visit to France, Ghana's President John Agyekum Kufuor announced that his government would soon pass a law providing for dual citizenship. In 2001 Ghana received \$400 million in remittances, indicating the extent to which the country owed a debt to Ghanaians overseas.

The Indonesian Minister of Justice and Human Rights, Yusril Ihza Mahendra, announced that he was seriously considering the idea of dual citizenship. He said that he had first considered the concept during a visit to the USA. There he found out that there are 20,000 Indonesians who have overstayed their visas and whose citizenship status is therefore ambiguous. Indonesian citizenship law also contains discrimination against nationals who marry foreigners. According to The Jakarta Post, the child of an Indonesian woman married to a foreign man cannot become an Indonesian and will have the father's citizenship. But if a foreign woman marries an Indonesian man she and their children are eligible for citizenship.

Georgian Parliament speaker against dual citizenship, BBC Worldwide Monitoring 28.12.01; Yusril floats the idea of dual citizenship, The Jakarta Post 31.10.01; Kufuor promises Ghanaians dual citizenship, Panafrican News Agency 3.12.01; Equality for Korean diaspora, The Korea Herald 5.12.01

## **Rwanda Diaspora's first meeting**

Around 300 expatriate Rwandans convened in Rwanda in the last week of December to discuss how the diaspora can assist the country's economic and political development. The five-day convention was organised by the Rwandan embassy in South Africa, the Ministry of Foreign Affairs and others. It was the first such congress of the diaspora. According to the Rwanda Southern Africa Alliance there are 100,000 Rwandans abroad. Among the new opportunities part of national reconstruction are privatized enterprises and potential business on agriculture, tourism and technology transfer. The meeting discussed: globalisation; economic development; diaspora and national development; constitution and governance; technology and human resources. The delegates were told by President Paul

Kagame that they had a 'crucial role' to play in Rwanda's development from abroad.

Diaspora Convention to Be Held in Rwanda, Xinhua 19.12.01; Expatriate Rwandans gather for unprecedented meeting on their country's future, Rodrique Ngowi AP Worldstream 27.12.01; Rwanda; Diaspora Convention On Development Opens, Africa News 28.12.01

## **First Azeri Diaspora Congress**

The first ever congress of the Azeri diaspora was held in the Azeri capital Baku in November.

Different reports claimed that either 600 individuals from 37 countries or 1153 people from 36 countries attended. Azeri President Heydar Aliyev said that the event would "reinforce the solidarity between compatriots and create a platform for cooperation between the Azeris of the world to reinforce the international authority of their country". A major priority was the resolution of the conflict with Armenia over the disputed territory of Nagorno Karabakh, which the President described as "occupied lands". He also invited the congress to work to enhance Azerbaijan's image and prestige abroad.

There are thought to be up to 40 million Azeris abroad, outnumbering the 7.5 million resident in the state itself. Half of these are in neighbouring Iran, and large numbers are found in Turkey (2.5 million), Russia (1.5 million), other countries of the former Soviet Union as well as Germany, Austria and Britain.

Azeri World Solidarity day is 31 December, which is a national holiday. President Aliyev addressed Azeris by radio, stating that:

The basis of the unity and solidarity of world Azeris, which is a pressing task of the historical self-determination of our people, is formed by ideas of Azerbaijanism and Azerbaijani statehood. The idea of Azerbaijanism provides above all for the development of realization of Azeris' national dignity, their national-spiritual values, language, culture, rites and traditions, which

have stood the test of time, and the creation of Azeris' unity with their historical homeland and between themselves on the basis of this idea. At the same time, the independent Azerbaijani state is a powerful factor in the solidarity of world Azeris, a reliable point of rest for their organization and membership of the international community as an influential force. The Azerbaijani state is a protector of the human rights and legal interests of world Azerbaijanis. The Azerbaijani state is a reliable protector and owner of rich material, moral-spiritual and intellectual values, which our people have contributed to world culture throughout history, and the name Azerbaijan itself.

He noted that the congress was a stage in "the process ... of uniting world Azeris around the true idea of national self-consciousness and the nationwide idea - Azerbaijanism, independent statehood and national-spiritual values".

Azeri president opens diaspora congress, Agence France Presse 9.11.01; First congress of Azerbaijani expatriates opens in Baku, Interfax News Agency 9.11.01; First congress of Azeri diaspora opens in Baku, Sevinj Abdullayeva and Viktor Shulman ITAR-TASS News Agency 9.11.01; Azeri president addresses nation on occasion of World Azeris Solidarity Day, BBC Worldwide Monitoring 29.12.01

## **Singapore: questions over dependence on foreign workers**

Two Singapore opposition parties, Singapore Democratic Alliance and the Singapore Democratic Party support an employment policy of "Singaporeans First". No foreigner would be employed if a local was qualified for the post, and foreigners would be laid off before Singaporean nationals. In response, government spokespersons confirmed its support for attracting foreign talent. Senior Minister and former Prime Minister Lee Kuan Yew declared that Singapore could only succeed in arts, medicine, education and technology by 'casting its net wide'. He compared Singapore with London, New York and Shanghai as other great cities where foreigners 'make the place sparkle'. There are 800,000 foreigners in Singapore.

A survey of 1,000 business expatriates in 13 Asian economies by the Hong Kong-based Political and Economic Risk Consultancy (Perc) ranked Singapore first among Asian cities as a place to do business. Hong Kong was ranked second. Further, respondents also expected Singapore's business climate to improve in the next five years, in contrast to Hong Kong. In terms of ease of starting and running companies, Indonesia and Vietnam were ranked bottom by the survey.

We will fail if we don't cast talent net wide: SM Lee, *The Straits Times* 16.10.01; Looming clash over foreign talent, *The Straits Times* 24.10.01; S'pore rated best place for business, *The Straits Times* 2.11.01; Hong Kong, Singapore most hospitable to foreign investors, *Agence France Presse* 23.12.01

## **Hungarian citizenship remains controversial**

The new Status Law (also known as preference law) giving Hungarians living in neighbouring countries rights to state-funded jobs, education, health care and cheap travel in Hungary continued to cause controversy. It will come into effect on January 1st 2002. Although the governments of Ukraine and the former-Yugoslavia accept the law, there is opposition from Romania - where there are 1.6 million ethnic Hungarians - and Slovakia. Governments there accuse Hungary of violating their sovereignty, and fear that it is part of a campaign to recover lands lost at the Trianon Treaty in 1920.

The European Union, which is considering Hungary's application, has not yet issued an official statement on the law. It contradicts the EU's model of protecting minorities. Brussels also points out that Hungary does not do enough to protect non-ethnic Hungarians within its own borders.

The Chairman of the Democratic Union of Hungarians in Romania, Bela Marko, stated that granting Hungarian citizenship to co-ethnics in Romania would not solve the community's problems. But a poll among Hungarians in Transylvania found that 79 per cent wanted citizenship. But Laszlo Jozsa,

deputy chairman of the Alliance of Vojvodina Hungarians, was of the opinion that the status law was the first step to dual citizenship.

Vojvodina Hungarian leader criticizes Hungarian premier over his promises, *BBC Worldwide Monitoring* 9.12.01; Hungary's Neighbors See Bias In a Law to Aid Its Diaspora, *The New York Times* 11.12.01; Ethnic Hungarians' leader opposes dual citizenship for Hungarians of Romania, *BBC Worldwide Monitoring* 13.12.01

## **Mexico's government to ease family remittances**

In November President Vicente Fox revealed the formation of 'Commitment to Our Countrymen: With You on Remittances', an initiative of a new federal commission designed to assist remittances. The government said that it would work with 200 banks and money transfer firms to reduce the costs of sending money home. Fox declared that transfer costs had already fallen by 25 per cent since he came to office in December 2001.

The government's minister for migrant affairs, Juan Hernandez, stated that, although remittance levels had slipped for two days in September, they were expected to recover by the end of the year. By November they had reached \$9 billion, an increase of 40 per cent over the first ten months of 2001. Hernandez noted that there had been no mass return of Mexican migrants since 11 September, although the numbers crossing the border north had declined by half in the weeks after the attacks. In the run up to Christmas, officials anticipated that as many as 2.5 million people would return for the holidays, 25 per cent more than the previous year. To ease the process, Mexican consulates in the United States distributed guides, complete with complaint forms and phone numbers to facilitate the campaign against border officials demanding bribes.

If trends continue, the Mexican national bank expected total remittances to increase from \$6.28 billion in 2001 to near \$9 billion in 2002. This would represent the second-largest source of foreign exchange after oil exports.

Mexican group aims to lower money-wiring cost, Minerva Canto The Orange County Register 10.10.01; Remittances of Mexicans in US increase 40 per cent this year, EFE News Service 2.11.01; Commission will make it easier for Mexicans living in the U.S. to send money home, AP Worldstream 13.11.01; Mexican Immigrants Send More Cash Home, Chris Kraul Los Angeles Times 29.11.01; Mexico expects more holiday homecomings, tries to stop bribe-seekers, Dane Schiller San Antonio Express-News 16.12.01.

Man Held by FBI in Embassy Scare, Mai Tran and Monte Morin, Los Angeles Times 14.10.01; Vietnam Calls O.C. Group Terrorists, Scott Martelle and Mai Tran, Los Angeles Times 21.10.01

## **Vietnamese exiles arrested on terrorist charges in California**

The FBI arrested a Vietnamese man at John Wayne Airport in Southern California in connection with an attempt to bomb the Vietnamese embassy in Bangkok. Vo Van Duc was charged with using a weapon of mass destruction in association with the attack on June 19; the devices were discovered and disarmed before they could be detonated by remote control. Vo is wanted by the Vietnamese authorities, who already hold three alleged co-conspirators. A spokesman for The Government of Free Vietnam, a group based in the southern Californian suburb of Garden Grove, confirmed that Vo was a member of their organisation.

Vo Van Duc is a Vietnamese-born US citizen who lives and works in Southeast Asia. He is also suspected of being involved in two other bomb plots against Vietnamese embassies in London and Manila.

Founded in 1995, the Government of Free Vietnam broadcasts Radio Free Vietnam in Southeast Asia. It claims 200,000 members around the world, including 10,000 in the USA. Critics are sceptical about these claims. In the wake of Vo's arrest, the Vietnamese government demanded that the US authorities should crack down on the organisation. Vietnam asked the USA to bring terrorism charges against the group's leader, Chanh Huu Nguyen.

The State Department issued a warning on December 19 that any Americans conducting acts of violence against foreign governments could be prosecuted.