

# The Economy of Seeking Asylum in the Global City

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## ABSTRACT

This article explores asylum seeker survival strategies and agency in relation to the structural, post-industrial conditions that have emerged in Hong Kong. The focus is on the livelihoods of asylum seekers within spaces of illegality and social exclusion, how such spaces are formed, and how asylum seekers exploit local conditions to establish profitable networks across borders. The article considers asylum seekers' engagement in income-generating activities and the importance of legal status in the sectors of the economy in which they most often work: recycling and trading. Far from being a burden to society or opportunistic deviants taking advantage of Hong Kong's economic prosperity, as they are normally depicted in public discourse, asylum seekers are economically productive. They act in economic spaces in which disadvantaged strata of the local resident population organize their means of survival, thereby improving the economic opportunities for locals.

## INTRODUCTION

Considerable numbers of sub-Saharan African and South Asian people have been seeking asylum in Hong Kong in recent years. About 6000 of them are presently seeking protection at either the United Nations High Commissioner for Refugees or the Immigration Department, or both. The former carries out refugee status determination procedures in lieu of the Hong Kong government – Hong Kong is not party to the *1951 Convention relating to the Status of Refugees* (Refugee Convention). The latter screens applications under the *1984 Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment*. Pending the determination of such claims, the Hong Kong government affords no legal status or economic rights to people who claim they would be subject to persecution were they to return to their country (Loper, 2010). However, asylum seekers are provided with minimal assistance, financial or otherwise.

Indeed, the government-sponsored support system offers in-kind assistance that is inadequate to meet the needs of the asylum seeker population (Vecchio, forthcoming). Other than limited cash reimbursements to cover the costs of travel to attend interviews with case officers, asylum seekers are not provided with money; yet they require financial support to pay bills and buy the daily necessities that are not readily available through government assistance. The asylum seeker population is consequently forced into a state of economic precariousness and subsistence living. It is within this context that many asylum seekers seek work opportunities in the local informal economy.

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Nonetheless, public and official representations of asylum issues in Hong Kong depict asylum seekers' involvement in income-generating activities as a reason to cast doubt on the genuineness of their asylum claims. Regardless of their circumstances, asylum seekers are predominantly perceived as illegal immigrants who enter Hong Kong for economic reasons and apply for asylum in order to prolong their stay. Their agency is negatively interpreted, resulting in the reinforcement of exclusionary discourses aimed at impeding their social inclusion (Vecchio, forthcoming). This attitude towards asylum seekers impacts public policy. Notable is the widespread conviction that Hong Kong would be subject to a massive influx of illegal economic migrants seeking to exploit the city's prosperous economy were certain policy changes implemented, such as the government signing the Refugee Convention (LG, 2011).

In this article, I intend to advance understanding of asylum seekers' engagement in income-generating activities and their socio-economic contribution to Hong Kong. The aim is to inform the policy-making and advocacy efforts of non-governmental organizations working with asylum seekers to improve their rights. An argument is made that, rather than being (solely) opportunistic individuals who illegally exploit favourable local economic conditions for profit, asylum seekers deliver significant economic benefits to the city. Indeed, they emerge in this study as important components of complex processes of global city formation.

It has been noted that recent socio-economic transformations in the world's key cities have resulted in increased social differentiation between workers at the top and bottom of society. These changes are due to a shift within production away from manufacturing towards a service economy, which promotes informalization and labour casualization (Sassen, 2001). On the one hand, I contend that asylum seekers' contribution to the local service sector must be understood in relation to their legal exclusion from Hong Kong's economy. Deprived of both legal and economic rights and adequate support, they procure a livelihood in specific socio-economic spaces as cheap and expendable workers (cf. Landolt and Goldring, 2010). In so doing, they create economic opportunities for certain strata of the legal resident population whose social status is impacted by the polarizing consequences of neoliberal capitalism – namely, those positioned at the lower end of the city's hierarchy of income distribution. I contend that asylum seekers are compelled to exert their agency in ways that are profitable for small enterprises that must resort to informal modes of production to make a profit and thus ensure their business remains sustainable. Within this context, asylum seekers strengthen the business capacity of low-income residents, in turn supporting Hong Kong's well-established ideology of self-reliance (Chan, 1998).

On the other, I argue that the engagement of asylum seekers in income-generating activities at the micro level creates and expands the networks upon which Hong Kong relies to further its central position in the world economy. The experiences of my participants suggest that they form new, and build upon existing, local and transnational networks in pursuing their livelihoods. Although the transnational flow of goods they generate involves a relatively small amount of capital in terms of Gross Domestic Product (GDP), the connections they establish to meet their needs generate business opportunities for local family-run and micro enterprises that engage in cross-border trade. This strengthens Hong Kong's economic presence in new and growing markets in the developing world, and possibly enhances business prospects for the city in general.

In the following pages, I analyse the literature that informs this article and explain the methodology used in this research. I then provide an account of how asylum seekers negotiate their existence in the sectors in which they principally work: recycling and trading. Drawing on the input gained from asylum seekers, I explain the roles they play in different niche markets. Finally, I speculate on how the illegalization of asylum seekers effectively transforms them into instruments that ease local social inequalities based in processes of neoliberal economic restructuring, while also advancing Hong Kong's "global" status.

## GENERATING INCOME AT THE LOWER END OF THE URBAN LABOUR HIERARCHY

A handful of global cities have emerged under conditions of accentuated globalization as key command centres for the international management, exchange and consumption of capital and highly specialized services (Sassen, 2001). Global cities have consequently undergone extensive socio-economic transformation (Mollenkopf and Castells, 1991). As Sassen has explained (Sassen-Koob, 1984; Sassen, 2001), the concentration of wealth and financial activity in the global city has given rise to gentrification and new cultural forms of spending. Further, it has fed the expansion of various ancillary occupations, poorly paid but necessary for the construction and maintenance of residential and commercial buildings, hotels and restaurants, and for the day-to-day caretaking of household activities.

Friedmann (1986: 77) has called the result of this process the “evolution of jobs”. Urban labour markets have been impacted by the rapid growth of labour-intensive employment opportunities which have shaped the distribution of job opportunities and promoted what Sassen (2001: 285) terms the “casualization of work”, largely in relation to subcontracting, part-time and untenured jobs. Consequently, employers now require greater numbers of casual, unprotected and cheaper workers to meet their production needs. At the same time, the rising numbers of unregulated workers at the bottom of the salary scale have become reliant on low-cost producers and retail shops, where returns are marginal and small profits are possible only by employing ever cheaper labour. This development has meant that a wide array of micro-manufacturing and service jobs previously performed legally are now undertaken in violation of the public regulatory framework; and this has occurred as employers have sought higher profit margins by avoiding government regulations related to minimum wage, safety and overtime conditions, and ensuring more flexibility in working hours and in the dismissal of unnecessary employees (Champion, 1994; Sassen, 1991).

Although a generalization of this process is debatable, especially in light of state welfare policy mediating between global restructuring and local labour market structures (Hamnett, 1996), in Hong Kong the rapid shift from manufacturing to a service-based economy, which has forced over 80 per cent of the manufacturing labour force out of work, has caused a decrease in the real income of the working class and a downgrading of wages at the lower end of the social hierarchy (Chiu and Lui, 2004; Zhao et al., 2004). While instances of professionalization have occurred, the increased number of women coming into the labour market to relieve the increased hardship experienced by low-income families, and the prevalence of part-time work, has pushed down wages in low-paid service jobs, reducing opportunities to escape poverty (Lee et al., 2007). Various small-scale services, shops, restaurants and guesthouses, often operating on the fringes of legality and targeting customers at the lower end of the social ladder, have proliferated as a result. As emerged from this study, a number of these activities require cheap and flexible labour power to operate at a profit. Moreover, in the specific sectors in which asylum seekers work, employers tend to be local low-income residents, often of immigrant background, who lack the financial and human capital to compete in a knowledge-based economy.

On this point, Kloosterman et al. (1999) have noticed that the rate of participation in entrepreneurship among (lawfully resident) immigrant populations is influenced by both their socio-economic and ethno-social characteristics and the specific opportunity structure prevalent in that society. Lacking in most cases the means to finance larger enterprises or to engage in mainstream society, residents of immigrant background start up their own businesses often on the margins of the sectors in which they can comfortably operate, in the absence of higher educational qualifications and local language skills (Newendorp, 2010). However, the lower the barrier of entry into highly accessible economic activities, the higher will be the level of competition (Kloosterman et al., 1999). Therefore, business owners engage in undercutting and evade regulatory systems to

ensure their business' survival (Jordan and Travers, 1998). Such dynamics can be observed in specific areas of Hong Kong where micro-enterprises and self-employed individuals of diverse ethnic backgrounds rely on informal modes of income generation (Mathews, 2011). Importantly, such practices relate not only to the way enterprises are managed, such as through tax evasion or the use of unrecorded payments, but also to the status of labour, which may be underpaid and employed in breach of immigration regulations. As noted earlier, asylum seekers are not permitted to work in Hong Kong; however, they are employed, or their services as self-employed individuals are sought, for they provide the local resident population with opportunities to generate new or expand current services, to enable their businesses to remain viable. Yet, asylum seekers do not necessarily gain from working with the local community. Because of their monopolistic position as lawfully present residents, employers often exploit their co-ethnic and co-national newcomers who have irregular immigration status (McKay et al., 2011). As Grzymala-Kazłowska (2005) has identified in the case of Polish irregular migrants in Belgium, newcomers may be offered poorly remunerated casual work and services at inflated prices, precisely because of their illegal status (Landolt and Goldring, 2010).

This article is concerned with the agency displayed by asylum seekers in the above context. If specific conditions in Hong Kong appear to determine the sectors in which low-income employers generate income, I contend that such conditions are equally impacted by the asylum seekers resident in Hong Kong. At the same time, asylum seekers' income-generating strategies are necessarily related to the characteristics of the local ethnic population in which they are embedded and the market opportunities that are intertwined with co-ethnic demand (cf. Aldrich and Waldinger, 1990). In other words, asylum seekers appear to exploit specific local opportunities for themselves while becoming instrumental in enabling local entrepreneurs to generate profit.

Mollenkopf and Castells (1991) inferred in their analysis of New York that conditions of polarization are likely to occur when neoliberal market dynamics are supported by public policy. In a similar context (Law and Lee, 2006), asylum seekers in Hong Kong emerge as inexpensive and flexible labourers who propel entrepreneurship at the lower end of the social hierarchy, thus becoming useful personae non-gratae (Calavita, 2003). Scholarly research has demonstrated that unwanted refugee populations can deliver significant economic benefits to local societies (Jacobsen, 2006). Although the phenomenon is rarely examined in the case of urban settings in developed nations, Grabska (2006) has shown how, despite their lack of access to rights and services, both legal and illegal refugees in Cairo have developed creative ways of managing their livelihoods, thereby contributing economically to the host society. In this regard, the following analysis of the recycling activities and the trade in garments, electronics and car parts with the economically emerging countries from which asylum seekers in Hong Kong originate, reveals how specific structural conditions in the territory are exploited by asylum seekers in trying to develop survival strategies, from which local businesses also benefit.

## METHODOLOGY

This study draws on extensive ethnographic work conducted in Hong Kong over a period of 10 months in 2010–11. About 100 people participated in the research, comprising both a core group of 75 asylum seekers and, to a lesser extent, their employers and business partners. Notably, asylum seeker participants were mainly male. As the process of finding work is gendered (Landolt and Goldring, 2010), the economic activities described here refer largely to this group.

Data was collected via observations and interviews conducted in the form of both semi-structured interviews and less formal unstructured discussions. This method elicited the greatest knowledge of the subjects' lived experiences and their social networks, while being flexibly adjustable to the field

(Madden, 2010). A non-probability sampling technique was used, including snowball sampling, quotas for key explanatory variables and various starting points (May, 2001). Asylum seekers were met at local charity organizations, their homes and other places where privacy could be ensured. While answering questions about their experience of working in Hong Kong, several asylum seekers showed me their work sites and the tasks they performed. I was then introduced to their colleagues and employers; and extensive time was spent on observing the activities, patterns of engagement, and places where these asylum seekers generated income.

To collect reliable data and recruit participants, I devoted considerable energy to developing trusting relationships (Madden, 2010). Urban refugee populations are generally “hidden” groups, in that they seek to minimize their visibility (Harrell-Bond and Voutira, 2007). In Hong Kong, asylum seekers are normally bailed after their identity is determined. However, they are a reserved and cautious group, making it particularly difficult to gain in-depth understanding of the income-generating activities in which they engage. Additionally, because of the risk of discovery by the authorities that both they and their employers face, site visits could take place only after asylum seekers and employers understood the purpose of the research. In this view, “social boundaries” (Ocejo, 2013) were negotiated through my being a stranger to both their ethnic group and the Chinese community. On the one side, I probably fended off unsolicited attention by appearing as a concerned friend or buyer. On the other, if I had been Chinese I would probably have been taken for an undercover police officer (Mathews, 2011). Further, were I of African or South Asian descent I would likely have gained insight into that particular ethnic group – although possibly have been distrusted by factions within the same group, depending on their legal status – but I would have jeopardized my chances of gaining valuable insight into other ethnic groups. Some complexities of group dynamics that are shared through language and cultural understandings may have been missed; but, in part because I was an “outsider”, asylum seeker interviewees took the opportunity to reveal their suffering, hoping that it would not remain confined in their community. As noted earlier, asylum seekers are often depicted in official and public accounts as illegal migrants who enter Hong Kong for economic reasons alone. Many asylum seeker participants wished to explain their reasons for engaging in the informal economy, and thereby to resist their homogenization as abusers of the asylum system.

Two major areas of Hong Kong were accessed during the fieldwork: one large, rural area extended through several towns in the New Territories; the other primarily comprised the urban districts of the Kowloon peninsula. Despite the geographical distance between the two, the business activities found in these areas largely intersected, especially in relation to the transnational networks connecting trading opportunities in different businesses. Nonetheless, the sectors and conditions of work in which asylum seekers found themselves varied in different geographical regions. For instance, employment opportunities in the recycling and dirty and dangerous labour-intensive sectors were primarily available in the New Territories, while trading opportunities were a major source of income in urban areas – although the automobile and car parts trade was largely situated in the New Territories. These are certainly not the only activities in which asylum seekers engage. However, for the significant number of asylum seekers who work in these sectors, they emerge as illustrative of the complex processes that affect job opportunities and the strategies that emerged from the participants’ negotiation of their environment.

## THE MICRO-ECONOMY OF RECYCLING WASTE

The disposal of waste, including e-waste, is an emerging and increasingly significant industry (Grossman, 2006), an examination of which reveals the impact on contemporary society of both the technological innovations that drive globalization (Castells, 2000) and the new high-end

lifestyles and consumption behaviours said to contribute to gentrification, and conversely to increased demand for low-wage workers (Sassen, 2001). In Hong Kong, the recycling of garments, plastics and electrical and electronic equipment provides employment for low-wage workers in low-status jobs. Additionally, the management of the disposal of such materials has created opportunities for segments of society to procure a stable income through a primarily survival-oriented economy, running on marginal profits and involving several levels of production relations. As Yang (2008) has observed in relation to China, garment and plastic waste, and e-waste, are regarded as a resource in Hong Kong. E-waste contains valuable materials such as gold and copper which can be reused in other sectors. Everything that can be recycled is generally collected from the streets, sold to small workshops in urban areas and then transported to larger yards in the New Territories. Usable items are either dismantled or repaired before being sold for further use in China and developing countries. For example, several yards I visited collect air-conditioners, refrigerators, photocopy machines, computers and TV sets. Incoming e-waste generally originates from the city; however, containers of e-waste are also imported from countries such as Japan.

In general, scrapyards specialize in either dismantling machines or fixing reusable items. Other yards deal in cars and car parts, cutting and selling spare parts or fixing them when purchased second-hand for export to developing markets. For the most part, however, site owners tend to diversify their work in response to arising business opportunities and the availability of recyclable items. As a consequence, work is mainly irregular and seasonal, with the disposal of electronics occurring mostly in the months between March and November.

Within this rudimentary but highly stratified system of informal collection and disposal of waste, asylum seekers are employed as cheap labourers. The interviewees said that the tasks assigned to them included loading and unloading containers and cargo from trucks, and dismantling or fixing the items handled by the yards. This was said to be “hard work”, “very difficult” and “dangerous”. The work generally involved the use of heavy hammers and chainsaws to break down electronic appliances and metals, carried out from morning until dusk in unsafe, unclean conditions, amid fear of police arrest. Injuries were common when dealing with thick TV screens and piercing metals as “sharp as knives that easily cut you”, I was told.

Salaries were exploitative. Asylum seekers received day work wages ranging between HK\$50 and HK\$300, or remuneration was paid by the piece. In the latter case, some participants explained that for dismantling a large refrigerator they would receive HK\$7, while HK\$5 was paid for smaller appliances. One Pakistani interviewee said that he tried to work as much as he could but only earned between HK\$2500–3000 a month. The longer and faster he worked, the more he could earn. However, the faster that people worked, the more tired and careless they would become, which reportedly increased the likelihood of injury. Additionally, many participants revealed that at times they worked for weeks or months and received no wages, while others said that payment of their wages was often delayed. In the former case, some participants said that because they were new to Hong Kong, they were too scared to complain or leave the yards, and thus endured hard work for no wages, contrary to what they had been promised. Other participants claimed that they had protested vigorously to their employers. However, as one African interviewee explained, the Pakistani site owner did not pay him on time not only because this was standard practice for some employers, but also because he had no money as “business was slow” in the winter months.

Conditions of work were reportedly exploitative regardless of whether the sites were managed by Chinese or residents of non-Chinese immigrant background. Some asylum seekers, however, stated that exploitative conditions were worse in the yards where production was organized by non-Chinese entrepreneurs. The distinction between legal status holders and illegal workers in many cases overruled more traditional distinctions based on social status, education or other achievements. As one Pakistani asylum seeker affirmed when speaking about the attitude of his co-national Hong Kong residents towards their employees:

It depends on the [legal] status that people have here. In Hong Kong even if you come from a very low caste, it doesn't matter. But if you don't have a Hong Kong ID card, then you are exploited.

It is noteworthy that several employers of non-Chinese background, including former asylum seekers who acquired legal status through marriage, worked in the recycling business because of the poor prospects for social mobility in Hong Kong. For instance, a Pakistani employer who established his business by selling luxury second-hand cars to developing countries explained that he worked for years in the construction sector in Hong Kong before he managed to earn enough capital to start his own company. When he decided to start a business, dealing with markets in his native country was the easiest way to earn an income and attempt to advance his social status, as career options were limited to employment in low-wage menial work or self-employment in niche and ethnic markets. Similarly, another employer revealed that:

I tried to get a job in a factory, office, but it is difficult for the fact that I'm not Chinese.... Also, if you want to work, probably you are not paid much to support your family. And then, by looking around I realized that there are certain areas that are still not developed [demand is not met].

He added that, particularly because he was limited by a lack of education and language skills, his career choice was also influenced by the relatively little capital needed to start such a business. In fact, in addition to money for goods and rent, "the rest is all about hard work" – which asylum seekers could provide. In this regard, an African site owner eloquently explained:

Asylum seekers are like scavengers. They get jobs that the residents cannot do, like in these work-shops.... These are the kinds of jobs that don't need documentation. You know what I mean? It is not done on a permanent basis. It is flexible work. So I would prefer the government kept a blind eye on what they do.

In the interviews with employers, I was told that because work was irregular and largely seasonal, they could not afford to formally employ workers. While most did not confirm that they were hiring asylum seekers – rather, helping friends and compatriots to get by in "difficult Hong Kong" – employers often stressed that wages for local residents were significantly higher. This would decrease the number of workers employable for the same amount of money to carry out the same work, thus reducing production output and profit margins, which were already stretched by the low value of the product and the many levels of production relations involved. As one employer revealed in relation to this line of business:

It is all about providing a good service to customers. If you want to work, you need to adapt to the market and develop some means to beat the competitors.... [For] locals, you would have to pay them what you may not be able to pay, because if you pay them you cannot keep up.

Similarly, a Bangladeshi asylum seeker, who managed his own business, cleverly noted:

So many people work in garbage and recycling companies. So many of these companies pay workers HK\$150 or HK\$200 for 12 hours of work. Do you think that local people can do that job? Impossible. You need to pay them at least HK\$800. But if you spend HK\$800 for one worker, you can't open these kinds of companies.

In fact I could find no local residents working in these sites, indirectly confirming the exploitable nature of co-national "solidarity" (McKay et al., 2011). However, a few locals were said to labour in scrapyards where margins of profits are higher in light of the different items they handle, for which workers reportedly received higher day-wages.

Asylum seekers worked from about three or four up to 20 days a month, in different tasks and for different employers, depending on the business opportunities available. Importantly, many participants revealed that their irregular status impacted the hiring process. Fearful of being questioned by the authorities, asylum seekers would not venture onto the streets or near the yards to seek jobs. The norm was as described by one interviewee: “Most of the time we just sit at home. If they need us, they will call us”.

The above discussion indicates that this sector of the economy is supported by the flexible recruitment of cheap labour, always available to perform casual work. Several scholars have examined the benefit of having a large army of people with irregular status who can supplement the insufficient and/or too expensive local workforce, thus providing the operational means for small enterprises to survive (Borretti, 2010; Calavita, 2003). In Hong Kong, it appears that recycling businesses would hardly remain viable were asylum seekers not acting as instruments of cheap labour casualization. Moreover, as they patiently “wait at home”, asylum seekers rarely find work in sectors in which the local resident population seeks employment. As the site owners explained, the asylum seekers are chosen in part for their physical strength, in addition to their willingness to work at short notice for long hours and low remuneration. Africans and South Asians were seen as better able to handle bulky electrical equipment and heavy car parts without any mechanical assistance.

## TRADING IN A SERVICE ECONOMY

Hong Kong is being visited by increasing numbers of traders from Africa and South Asia looking for cheap goods to export to their countries (Mathews, 2011). During the fieldwork, asylum seekers were found to be managing cheap guesthouses for travellers and traders from developing countries. Some asylum seekers were working in the kitchen or serving at the tables of small ethnic restaurants, which mainly cater for the above groups. Others were standing on the streets and approaching people they believed to be tourists to sell them copy-watches and other Chinese-manufactured goods. Some were offering tourists tailor-made suits, shirts and fine fabrics from nearby, often ethnic-owned shops. Many others worked as middlemen in the mobile phone and garment trade or in the re-export of second-hand cars and car parts. In the words of one interviewee, these asylum seekers “created jobs for themselves”, and by doing so performed crucial liaison functions between local and overseas markets.

Many participants stated that they had developed services to enable their co-national traders to make the most out of the short stay permitted by their visas. One interviewee revealed that he helped traders with accommodation, translation and invitation letters, and escorted them to the shops where he knew prices could be bargained. After five years in the city, he said that he had learnt a great deal that could be useful to his customers, and had established a reputation for himself and honest relationships with his clients. As this participant explained, he and other asylum seekers in the same business acted as informal but reliable trading agencies, sorting orders and shipping the materials requested overseas. Consequently, they were often entrusted with considerable amounts of money. In addition, some asylum seekers relied on family members in their country of origin to assist with their trading activities, investing the profits they had made by helping tourist traders in Hong Kong.

Importantly, as one West African participant noted, this was a profitable business that asylum seekers developed out of necessity due to their status:

Most of the asylum seekers do business like me. They get money from Africa and buy goods that they later ship to Africa. We can only do this because we are not allowed to work. So we buy something and sell it to our country.



Many participants persuasively argued that trading activities and the small or micro-enterprises in economies of low scale could operate in Hong Kong rather undisturbed, particularly because of the lack of strict law enforcement in certain sectors. On this point, Mathews (2011) has noted that policing in Hong Kong operates largely in response to complaints, thus often reflecting a permissive attitude towards unregulated businesses. In relation to his fieldwork, but also doubtless generalizable to the territory as a whole, Mathews (2011: 165) stressed that by and large the police “operate under the principle of *laissez-fair* neoliberalism: as long as the Hong Kong public is not harmed, let business go on unimpeded, since business is the foremost priority of Hong Kong”. While authorities operated occasional raids and arrests, severely punishing individuals with heavy jail sentences if caught working, one Pakistani interviewee nonetheless confirmed that asylum seekers have effectively gained a fictitious right to work by performing jobs about which no or few public complaints arise. As he noted in relation to asylum seekers pushing trolleys for wholesalers and tourists:

If they don't have it [the right to work] officially, they gained it unofficially, because you see police walking near them, but they are not catching them.... Why? They know that Hong Kong ID holders will not complain against handymen. They need their help. That's why they are allowed to work.... They fetch their own jobs [that] Hong Kong ID holders find not acceptable.

Furthermore, asylum seekers appear to exploit the specific structural conditions in Hong Kong to obtain or facilitate work in niche markets, often in economic sectors that are heavily dependent on ethnic ties and demand, which has benefits for the local economy. For instance, one interviewee explained how every week he would have at least one customer sending him US \$20,000 to buy clothes that he would later ship to Africa in a container, the cost of which he would share with another asylum seeker involved in similar transactions. Considering the benefits to Hong Kong, he commented that if the majority of asylum seekers he knew provided these services, receiving similar amounts of cash per week, the share of business generated for Hong Kong would be substantial. In reality, this trade was probably marginal to the final computation of national GDP. Nonetheless, these trading activities were providing significant support to certain categories of wholesalers, particularly small enterprises that would have had difficulty continuing their line of work had they not developed connections with developing markets overseas. Indeed, a shop owner explained that “Africa [sic] people are troublesome, but buy very many”, and that had it not been for their regular purchases she would have moved her business across the border, where opportunities were rising. Similarly, the owner of a small grocery store said that he engaged in the garment trade to supplement his meagre income, “because if these Africans buying cars have some space in the container, they may want some clothes to fit in, and I'm close by”.

Although it may be difficult to support without hard evidence, particularly as I did not identify any research that analyses the economic advantage to Hong Kong retailers of business transactions with developing countries, based on my fieldwork and observations carried out previously, it is clear that the business activity in some neighbourhoods has been transformed in order to service increasing numbers of African and South Asian traders visiting Hong Kong. In Sham Shui Po, in particular, I noticed local garment wholesalers whose clientele, in the span of only a few years, became almost exclusively African. Along the streets of this old, impoverished district, one could see large, dark green jute bags full of clothing stacked at the entrances and empty corners of shops, their sides imprinted with the delivery address, often in Lagos, Accra or Lome. Similarly, in the New Territories, growing numbers of scrapyards were serving rising overseas demand, thus changing the landscape of Hong Kong's rural areas. Although scrapyards have always existed, their non-Chinese character appears to be on the rise. It is no coincidence that one long-time Pakistani resident of a small town in the New Territories opened a

multicultural food store when he realized that the South Asian and African population there was growing.

It can be argued that in Hong Kong the surging demand for cheap products from booming markets in economically emerging countries is being channelled by asylum seekers who take advantage of spaces of relatively tenuous law enforcement to generate income. In so doing, they establish reliable linkages between local businesses, normally specializing in low-value-added products that require relatively modest capital spending, and overseas markets, where low-budget traders cannot afford more expensive goods.

## CONCLUSION

This article has explored the engagement of asylum seekers in Hong Kong's informal economy to expose processes of stereotyping and illegalization that, while limiting asylum seekers' agency and well-being, require them to be a part of the process of global city formation. Asylum seekers service the local economy both as flexible, cheap labour, physically prepared to endure strenuous work, and as self-employed entrepreneurs who fill vacant positions in niche markets that cater to growing numbers of tourists and tourist traders from developed and emerging economies. In so doing, they positively affect those members of the local resident population who engage in cross-border trade for their limited opportunities to professionalize.

In this regard, this article has noted the correlation between legal status and income generation. As highlighted by some participants, traditional caste divisions in home countries were overruled by new socio-economic hierarchies based on legal status in the host society. Redefinitions of migrant social characteristics and consequent perceptions of status appear related to the neoliberal socio-economic transformations occurring in the global city, which have caused a decline in the value of some workers as a result of the downgrading of the value of the tasks performed at the lower end of the occupational structure. As Sassen (2001) has explained, this process increases the likelihood of exploitation for some members of society. In Hong Kong, asylum seekers' illegal status, and their concomitant lack of comprehensive support, effectively regulates their economic engagement in the host society. This suggests that neoliberal restructuring and limited welfare (Chan, 1998) contextualize processes of global city formation (Hamnett, 1996) to produce an accentuated paucity of alternative labour markets for certain economically active local residents. However, their abilities and economic independence are empowered by asylum seekers who enact their, albeit limited, agency while attempting to negotiate the exclusionary policies that prevent their integration, thus leading them to forge networks with certain resident populations (Landolt and Goldring, 2010). In other words, while low-income citizens struggle to generate income under conditions of accentuated globalization, structural economic factors and local asylum policy and politics combine to create the conditions that lead asylum seekers to assume a role that effectively eases the social inequalities caused by economic restructuring. Consequently, the impact of the "low-income-poverty cycle" is potentially reduced (Lee et al., 2007) for residents otherwise excluded from privileged positions in the formal labour market.

In this context, if asylum seekers deliver economic benefits in the form of increased opportunities for certain strata of the local working population affected by income and occupational insecurity, they also "create jobs for themselves". In the economic sectors in which large numbers of male asylum seekers work, asylum seekers do not compete for jobs with the legal resident population. Locals either do not possess the skills to establish stable connections between low-end transnational consumer markets and services that often require face-to-face transactions to develop trust, or they find unacceptable the kinds of labour-intensive, poorly paid, untenured jobs that

asylum seekers are willing to perform. Thus, asylum seekers may not be the deviant characters who illegally take advantage of Hong Kong's flourishing economy, as they are represented in the popular media and imagination. Rather, while they do work illegally, asylum seekers come to occupy a precise role in local market dynamics which is apparently tolerated if not sanctioned by government authorities. Asylum seekers contribute to burgeoning economic activities that foster the distinctive features of the global city: diversity, cosmopolitanism and networking. However, this occurs at the same time as they are denied basic rights and de facto transformed into second-class residents.

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