

Living Outside the Walls

Living Outside the Walls:
The Chinese in Prato

Edited by

Graeme Johanson Russell Smyth
and Rebecca French

**CAMBRIDGE
SCHOLARS**

P U B L I S H I N G

Living Outside the Walls: The Chinese in Prato,
Edited by Graeme Johanson Russell Smyth and Rebecca French

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PREFACE

PROFESSOR JOHN NIEUWENHUYSEN AM, DIRECTOR, MONASH INSTITUTE FOR THE STUDY OF GLOBAL MOVEMENTS

The Prato Centre of Monash, in its beautiful Palazzo, set in the town's medieval heart, is held in special affection by Monash scholars. Prato provides an ideal venue for European based activities of the University. In Prato, an enormous range of workshops and conferences, as well as short term teaching courses, are held. The Monash Institute for the Study of Global Movements alone has sponsored nine highly successful meetings of scholars from around the world at Prato, dealing with refugee, governance, immigration, multicultural, security and integration issues, among others. Each of these has led to a publication, and in each venture the centrality and beauty of Prato has facilitated the willing and enthusiastic attendance of scholars from around the world.

Living Outside the Walls: The Chinese in Prato, edited by Rebecca French and Graeme Johanson, of the Faculty of Information Technology and Russell Smyth, of the Faculty of Business and Economics at Monash Australia, is the latest publication (based on two Prato conferences) with which the Institute has been associated, and proudly so.

Almost all the conferences and workshops held in Monash's Prato Centre have thus far been concerned with topics which are beyond the immediate issues of Prato's own local community. This volume, however, considers in an extremely helpful and empirical approach a major feature of the population composition of the city of Prato – the presence of a large Chinese community, centered on the textile industry and living and working outside the ancient and great surrounding walls of medieval Prato. The volume has also engaged scholars from Italy as well as China. This international research collaboration and interaction is at the heart of the Institute's strategy to encourage an outward looking culture for Monash scholarship.

At a time of growing immigration flows, both authorized and illegal, in Europe, and rising unease among governments and communities in the

receiving countries about some of the social consequences of these movements of people, this book is especially timely. It provides a useful description of the Chinese community in Prato in the context of the textile industry, and the challenges to social integration facing the city. And it places the issues confronting Prato in the comparative context of the settlement policies pertaining to the Chinese community of Melbourne.

A specially valuable feature of the volume and the Prato conferences themselves, is the interest shown in the project by Wenzhou University, a large delegation of whose members, including its Deputy Vice President, participated in the discussions leading up to the emergence of the manuscript, and two of whose scholars provided research inputs in an important chapter on remittances. The Australian Ambassador to Italy, the Hon. Amanda Vanstone, also made valuable contributions at two conferences.

Living Outside the Walls: The Chinese in Prato is not a parochial study – it carries messages that stretch well beyond Prato. Indeed, as the authors of the introduction point out, the networks of existing relationships which are exploited by a chain of often illegal migration “... may be laying the foundation for a new model of immigration, with implications for the levels of integration within the host country as well as patterns of future activity”.

I should like to thank and congratulate Graeme Johanson, Rebecca French and Russell Smyth and all the authors (who are drawn from a good diversity of sources) for their excellent work. The Monash Institute for the Study of Global Movements is proud to have been associated with the conception and execution of this study.

Professor John Nieuwenhuysen AM
Director
Monash Institute for the Study of Global Movements

THE CHALLENGE OF SOCIAL INTEGRATION IN PRATO

CHAPTER ONE

THE CHINESE COMMUNITY IN PRATO

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Introduction

Prato has the highest proportion of Chinese immigrants of any Italian province, with most (95%) originating from just two provinces in the south of the PRC: Zhejiang and Fujian. Typically these immigrants come seeking to establish their own business, and take advantage of an often illegal migratory chain that exploits networks of existing relationships. In turn, the development of these networks may also be laying the foundation for a new model of immigration, with implications for levels of integration within the host country as well as future patterns of economic activity.

In general, local government, business and civil society in Prato have tended to be pro-active in their dealings with these immigrants, recognising not just the problems associated with high levels of immigration, but also the potential benefits. Attitudes to, and relations with, the Chinese community have varied, however, since the early 1990s, with much of the debate centring on the degree to which the Chinese have formed a closed community, and the implications of this for the second generation.

This chapter surveys the available published research, looking at evidence relating to how the Chinese community in Prato ties into the broader fabric of life in Prato and the international Chinese diaspora, and the role of ICT in both areas. These are particularly important issues at the moment, as local governments around Italy define their policies and strategies in relation to migrant communities. This chapter also serves as an introduction to the other contributions to this edited volume.

Recent Immigration to Italy

Large-scale immigration is comparatively recent in Italy, taking on significant dimensions only in the 1980s (Farina 2002). The first legislation focusing on migrants was an attempt to regulate foreign workers, introduced in 1986. Laws focusing on various aspects of immigration were passed in 1990, 1995, 1998, and 2002. The 1998 Act attempted to introduce immigration quotas, with the majority of places being allocated to manual labour, with only a modest quota for skilled labour or professionals (Ceccagno 2003). While these laws tightened official immigration, they also had the perverse effect of encouraging illegal immigration, because they were accompanied by mass amnesties, generating a belief amongst prospective illegal immigrants that further amnesties would follow. Some 246,000 and 217,000 migrants were granted amnesties in 1995 and 1998 respectively, while a further 702,156 migrants being granted amnesties following the introduction of Law 189/02 in 2002 (Ceccagno 2004).

It is difficult to obtain an accurate statistical overview of immigration. The most common method used is to examine the figures for residence permits. ISTAT (Istituto Nazionale di Statistica) and a range of other organisations, for example Caritas (2007), publish annual figures on residence permits, but the figures from different sources often do not match and can be difficult to reconcile (Marsden 2003, Tolu 2003). Bearing such statistical problems in mind, it was estimated that, at the end of 2002, there were 2,469,324 foreign nationals legally in the country, or almost 4% of the total population (Ceccagno 2004).

In 1982 there were approximately 2,000 Chinese in Italy (Rastrelli 1999), but since then the PRC has relaxed its emigration policies (Lombardi 2004) and there has been a steady increase in numbers. Nationally the number of immigrants giving the People's Republic of China (PRC) as their country of origin rose from 15,776 in 1992 (l'Ufficio Indici di Mercato e Statistica 2004), to 114,165 in 2006 (Istat 2006). At the end of 2002, the main concentrations of Chinese were in Lombardy with 27.3% of the total, followed by Tuscany (19.8%) and Lazio (11.0%). Chinese now rank as the fifth largest immigrant group in Italy, behind Moroccans, Albanians, Romanians and Phillipinos (Rastrelli 1999).

The Chinese Community in Prato

The Province of Prato in Tuscany is one of the smallest in Italy. It includes the City (Comune) of Prato, which has a population of some

180,000 people, and several small towns. Prato specialises in textile production and is characterised by a production model based on small businesses with a strong division of work processes, a structure which contributes to the dynamism and flexibility of the sector (Ceccagno 2002, Colombi 2002a, Colombi 2002b). In part, Prato's strong position can also be attributed to its growth after the Second World War, which was stimulated by internal migration, particularly from the south. The population of Prato grew from 77,631 in 1951 to 165,670 in 1991 (Colombi 2002a).

The textile industry underwent an economic crisis in the 1980s, with the loss of 3,550 small businesses and 15,000 jobs, following which it repositioned itself, focusing on the supply of textiles for clothing, and innovating in both materials and production methods. Nationally, according to ISTAT statistics for 1996 (quoted in Colombi 2002a), Prato has 20% of those employed in spinning mills, 16% of those employed in textiles/weaving and 17% of those employed in 'finishing'. It also produces 27% of related exports and 11% of yarn/thread. In 2003, there were approximately 50,000 people employed in some 9,000 businesses (Lombardi 2004).

By the end of 2003, it was estimated that there were 24,173 foreign nationals in Prato (Caserta & Marsden 2003) and although ranked as the 31st province in terms of absolute numbers of immigrants, it had the highest proportion of migrants (7.85%) (Ceccagno 2004). Estimates that included those who had applied for, but not received, residence permits suggested that the actual figure was closer to 28,000, or some 16% of the population (Caserta & Marsden 2003). The annual Caritas figures (2007) reported the number as 28,357. There are also a substantial number of illegal immigrants. Many Chinese migrants arrive in Italy illegally as 'clandestinos', smuggled in by 'snakeheads', who are human trafficking middlemen. On arrival in Italy, many Chinese work to pay off the snakeheads (Ehlers, 2006). Estimates of the number of illegal immigrants vary, from the relatively conservative figure of 20% to 30% of legal immigrants (Martinelli 2003), to unsubstantiated estimates, such as that quoted in the *Corriere della Sera* of 29 January 2007 (p.4) suggesting that there may be as many as 20,000 illegal Chinese immigrants in Prato.

In 1989 there were only 38 Chinese resident in Prato, but by 1991 there were 1,009 (Tolu 2003) and, according to Prato Multiethnica (2007), by the end of 2006, there were 10,080 Chinese holding residence permits and living in the city of Prato. Of Chinese resident in the city of Prato as at 31 December 2002, 78.63% were born in the PRC, while 18.52% were born in Prato. By age, 34.61% were less than 20 and 47.51% between 21 and

40. Only 17.82% were over the age of 40 (Tolu 2003). Marsden (2003) reported that many of those from the PRC live in Prato without their spouse (almost 30% of those married) and 35% of families with children have only one parent present.

An analysis of those born in the PRC showed that 83.35% indicated their place of birth as Zhejiang and 13.21% as Fujian. The next largest group was from Shanghai, with a mere 0.38% (Tolu 2003). On arrival in Italy, economic links, familial and community values play a strong role in determining both their work options and their immigration status (De Giorgi 2002) but emigrants from Zhejiang and Fujian tend to have a preference for small family based businesses and one of the primary aims of emigrants in their first years of work is to gain sufficient resources to open their own business. This pattern reflects the emerging importance of small-scale enterprise with conventional private property rights, as a counterbalance to large and medium-sized state-owned enterprises in the PRC itself, and is commonly known as the Wenzhou or Zhejiang model (Rastrelli 1999, Marsden 2002).

Chinese immigrants live in all parts of the city of Prato, but the highest number is in the historical center, in particular in Via Pistoiese. Via Pistoiese is popular with the Chinese because it is an old artisan area, rundown after the building of new industrial estates, with typically artisan hybrid housing and workplaces. Buildings in the historical centre of the city are characterised by poor safety and hygiene conditions and inflated prices. In 1995 the City Government tried to restrict the use of these shared facilities by imposing stricter conditions but they did not take into account the realities of migrant worker life, and so had little impact (Ceccagno 1997, Bisogno et al 2004). The Chinese have continued to build up in this area and have opened a wide range of businesses: bars, restaurants, video stores, and so on. These have primarily a Chinese clientele, which sets them apart from other Chinese areas in which the businesses have a much more multi-ethnic clientele (Ferri & Grondini 2003).

The Provincial and City Governments have monitored Chinese businesses actively since 1994 when the Centro Ricerche, Documentazione e Servizi per la Comunità Cinese (Centre for Research, Documentation and Services to the Chinese Community) was established, with a view to identifying problems, and business opportunities, and assisting with long term planning (Caserta & Marsden 2003). Local government in Prato has tended to adopt an interventionist approach to immigration issues, drawing in civil society to help. For example, it has worked with Caritas, which operates 'meeting centres' for immigrants and

which assists with housing issues. Rastrelli (2003) comments that Prato has the capacity to provide information communication, services and coordination.

The Prato Chamber of Commerce has also sought to work closely with the Chinese community, and both local government and the Chamber of Commerce have sought the cooperation of local Chinese businesses in trade delegations to the PRC itself (Lombardi 2004). The Provincial Government initiated a series of exchanges with Wenzhou, focusing on trade, health and cultural issues, and illegal immigration. In March 2003, Prato and Wenzhou signed a twin-city agreement (Lombardy 2004). In addition, the Provincial Government has participated in two European-funded schemes to assist with integration: Revitalisation Through Restoration (2002/04) assisted with the safeguarding of cultural heritage (buildings and monuments), tourism and health in the Yongchang area of Wenzhou under the Asia Urbs program, and Net-Met, which was designed to combat various forms of discrimination and inequality in the Italian workplace (Lombardy 2004). A third project, based on an accord between hospitals in Prato and Wenzhou to support the bilateral exchange of technical and cultural information, commenced in 2001.

While Ceccagno (2003) notes that there is an increasing number of Chinese working for Italian firms, the overwhelming majority of Chinese work for Chinese-owned businesses, the most common size of which is ten to fifteen employees. In Prato, most Chinese-owned businesses undertake subcontracting for Italian firms, which is attractive because of the low level of initial investment required. This production model, based on family businesses and links, has proved attractive to many Chinese workers, and has contributed to the arrival of other co-nationals (Ceccagno 2002). In general, most Chinese businesses have two or three clients and, while many export to Tuscany and other regions, only a few work for the great fashion houses such as Versace, Gucci and Armani (Ceccagno 2002).

This pattern of development was established early and by 1992 there were 200 Chinese-owned businesses in operation. By that time, however, legislation had been introduced so that only immigrants who had arrived before 1990 were eligible for autonomous work (the right to establish a business) and development slowed (Ceccagno & Omodeo 1995). An increasing number of immigrants applied for autonomous work permits after the 1998 Martelli Legislation liberalised the granting of residence permits for the purpose of autonomous work and, by 2000, there was on average one business for each seven Chinese adults (Ceccagno 2002).

By the end of 2005, there were 3,682 businesses managed by foreign nationals in the Province of Prato, of which 2,414 were managed

exclusively by Chinese. A further 14 businesses were managed by mixed foreign nationals, and 504 businesses had mixed Italian/foreign management (Casserta & Marsden 2007). Levels of female employment as a percentage of male employment have been low, but are increasing (Bisogno et al 2004) and while management of Chinese businesses was predominantly male the proportion of businesses managed by women, at 38.4%, was higher than for other foreign nationals (Caserta & Marsden 2007).

Guercini (1999, 2002) suggests that Chinese businesses have a great respect for hierarchy and a low degree of individualism, a need to avoid uncertainty, a high degree of patience and persistence in conducting business, and a heavy reliance on relationships and 'good will'. He found strong internal links within the Prato Chinese community for all business relationships and, in terms of sourcing staff, a preference for family members, friends or people coming from the same area in the PRC. He also found a strong component of family participation in decision-making. Proprietors have similar schooling, having stopped sometime during secondary education, and have poor Italian language skills. They tend not to use Italian banks for finance but bank with family, friends and friendly firms – partly because of not having sufficient understanding of the Italian financial system which goes with their comparatively recent arrival. While this works reasonably well for them, the local Chinese community has a limited resource base, and so this is a constraining factor in the development of firms.

In terms of legal structure, Caserta and Marsden (2003) reported that, in 2002, 72.1% of foreign-owned businesses were sole proprietors (*ditte individuale*). This figure rose to 88.3% for Chinese businesses (L'Ufficio Indici di Mercato e Statistica 2004). In Prato, in 2006, for the second year in a row, the highest rate of increase (22.3%) in structural form was for *società di capitale*. This form of company is preferred because it provides for limited liability, and is a particularly common structure for mixed foreign-Italian businesses. It is worth noting, however, that while the median investment in Italy for *società di capitale* is 65,000 € that for Chinese *società di capitale* is considerably less, at 19,000 € (Caserta & Marsden 2007).

Although the move to *società di capitale* is beneficial because it is a more stable corporate form, the generally high turnover rates for businesses indicates there are clearly weaknesses in the structure of the sector. A total of 1,358 Chinese businesses were registered during 2004-05, but of those, only 50.3% were still active at the end of 2005. New Chinese firms were registering at a rate of 38.6% of the total, but had a

cessation rate of 18.9%, giving an overall rate of increase of 19.7%. The consequent turnover rate of 57.5%, while higher than average for foreign businesses (48.8%), was almost four times that of Italian businesses (15.6%) (Caserta & Marsden 2007).

In analysing this situation, Marsden (2004) reported that Chinese businesses lacked knowledge of local conditions and Italian clients, as well as enduring the usual difficulties experienced by immigrant-owned businesses such as discrimination. The rapidly increasing number of Chinese businesses has led to increased competition and increased difficulty in maintaining a position in the market, particularly as the Italians can then reduce prices, and/or discontinue contracts (Ceccagno 2002, Marsden 2004). Other difficulties experienced, often reflecting the state of the market, include a high level of flexibility, always 'urgent' commissions, and instances of non-payment for large orders (Ceccagno 2002). There is a high rate of worker mobility, tied not only to the clandestine status of many migrants, but also to the desire of many new migrants to start their own business (Ceccagno 2002, Ceccagno 2003, Marsden 2004).

As ethnic communities become more stable they tend to diversify their business interests. Family networks and other relationships are important in providing work and support for immigrants when they first arrive, but they also provide a base from which to expand into new activities and enterprises. The period 1994 to 1997 saw a general increase in the size of families, with a significant increase in the number of families of between five to ten people. From 1994 to 1997 there was an increase in the number of sole proprietors, largely because some of the larger families had started second and third businesses. In 1996 this usually meant opening a business in the textile sector, but since then it has increasingly meant opening a business in a new area of activity as families diversify their interests (Marsden 2002).

In 2002, the number of sole proprietors was basically stable. However, the number in the textile sector actually decreased while numbers in other areas increased, particularly those that service the Chinese community, for example, restaurants, administrative services, estate agents, IT services, Internet points, travel agents, hairdressers, clothing and food supplies (Caserta & Marsden 2003). The move to new sectors is often driven by the weight of competition in the sectors developed by the original immigrants, but does not necessarily result in economic advancement, as it opens the way for other co-nationals. Only those who can move into sectors that require language skills and a rapport with Italians seem to be better protected (Ceccagno 2004).

The increase in the number of wholesalers (56.35%), with many businesses importing goods directly from overseas is particularly noteworthy (Caserta & Marsden 2003, Marsden 2004, Caserta & Marsden 2007). This parallels developments in Rome, where there is a thriving import district with about 500 wholesale importers, and is important because the sector generally allows for higher margins and so leads to a better standard of living (Ceccagno 2004).

Table 1: Province of Prato: Chinese businesses active as at 31/12/2005

Sector	Number	%
Textiles	163	6.68
Tailoring/clothing	1,688	69.15
Preparation and tanning of leather	45	1.84
Independent manufacturing	48	1.97
Food and drink	10	0.41
Wholesaling – import/export	197	8.07
Detailing	147	6.02
Restaurants	22	0.90
Bars	11	0.45
Transport / travel agents	6	0.25
Post / telecommunications	22	0.90
Estate agents	33	1.35
Construction	13	0.53
IT and related activities	6	0.25
Professional and business services	6	0.25
Other	24	0.98

Source: Caserta & Marsden (2007)

Another significant development has been for some Chinese to go into “pronto moda” and the direct supply of clothes to retail outlets. By 2001 there were 50 such businesses and numbers are growing steadily. This has in part been possible due to the contribution of the second generation with their better language skills and better knowledge of the broader cultural environment. For those that have been able to manage this transition, it has led to higher incomes, better living conditions, better socio-economic mobility and status within the local community. They often actually work with Italians rather than just being in a client relationship and in the long term this should lead to improved social integration (Ceccagno 2004). This progression is now difficult for recent immigrants, not least because they do not have the means of accumulating the capital necessary to face the existing market risks and conditions (Ceccagno 2002).

Overall, the growth of Chinese-owned businesses in Prato has been such as to suggest that, in a global era, the Chinese in Prato are fundamental to the competitiveness of 'Made in Italy' (Ceccagno 2003). In recent years there has also been an across-the-board increase in the number of foreign-owned businesses serving the open market (as opposed to the ethnic market), indicative of integration and an advancement of assimilation (Ceccagno 2002).

Two related issues that are prominent in any discussion of the Chinese in Prato are those of illegal immigrants and the black economy. In Prato, over the two year period 1999 to 2000, the Ufficio Provinciale dell'INPS inspected 216 Chinese businesses, employing 1,053 workers, and found 70 businesses working in the black economy. They also identified 238 illegal immigrants. While this is a comparatively high number, it should be noted that, in Prato during the period 1998 to 2000, 95 of 524 Italian-owned businesses investigated were found to be working in the black economy (Ceccagno 2002).

From the employers' perspective, the two principal motives for working in the black economy are to employ illegal immigrants and to avoid taxes. The use of illegal immigrants is clearly an important consideration where Chinese firms are concerned, but the tax situation is a little more complex and while most businesses pay their taxes, there is often a gap between when tax should be due and when it is paid. Many Chinese also claim that tax avoidance is necessary because of the low rates paid by Italian clients (Ceccagno 2002).

From the immigrant's perspective, the conditions of work actually render it impossible for many to regularise their legal status as they need to show that they have a job and appropriate lodgings – both of which are difficult in the circumstances. It is believed that some may have even renounced their legal status because of the bureaucratic difficulties in maintaining it. One consequence of this is that workers do not have access to other normal services, such as health assistance, access to schools or proper housing. This affects providential payments and access to trade union representation – although the trade unions often come up with impractical solutions from a cultural point of view (they cannot sue or confront their employers because they owe a debt to them, their employers are family or assist them in other ways). Ehlers (2006) described the story of a 17 year old illegal Chinese migrant to Prato, who hemmed pants 18 hours a day, earning 500 € a month under the table, just to pay off his snakehead. Illegal migration, nevertheless, remains an attractive alternative for many Chinese because although conditions for many

Chinese migrants to Prato are harsh and remuneration poor, it is nonetheless ten times the average worker's wage in the PRC.

Integration and Closed Communities

Attitudes to, and relations with, the Chinese community have varied since the early 1990s. Sections of the media in Italy have often been unsympathetic and sensationalist, talking of yellow mafia and slaves working in miserable conditions. For example, a study of *La Nazione* between 1988 and 1994 revealed that 55.81% of articles relating to the Chinese used the term mafia (without evidence) and almost all spoke in terms of a menace. This has contributed to a sometimes violent public reaction and administrations that were not yet ready to help with integration (Rastrelli 1999). In 1997 the local Artisan's Association raised a number of concerns relating to Chinese business activity and, despite its generally more positive outlook, the Chamber of Commerce launched an appeal for controls over immigration levels, as did the Prefettura and Mayor. While by 1998 there seemed to be a more general view that the Chinese were contributing to a revitalisation of the textile sector, the 2002 mass amnesty strained the capacity of public institutions to deal with racial issues and lead to a reversal of public opinion and increased tension (Rastrelli 2003).

Much of the debate on the problems associated with Chinese immigration centres on the degree to which Chinese integrate with Italian society as opposed to forming closed communities. The closing in on itself of a community, however, is often a reaction to deep-seated distrust. Effective dialogue between the Chinese and local communities depends on the level of communication established between the two groups and on the efficacy of local policies in tackling the problems of migrants (Rastrelli 2001). Regardless of the fact that local institutions, in the pursuit of dialogue and reciprocal comprehension, have faced the problems posed by living alongside the large Asian community with specific tools and notable energy, integration between locals and immigrants come up against difficulties that are often tinged with diffidence and prejudice (Rastrelli 2001).

By the end of the 1990s the Chinese community had become more complex and had established a number of associations, for example, the Association of friends of the Chinese in Prato, the General Italo-Chinese Commercial Association (Marsden 2003); and the Association of Fujian Chinese (Lombardi 2004). The roles these associations take on include the reinforcement of relations with the PRC, the provision of assistance to co-

nationals, the promotion of cultural and recreational activities, the improvement of living conditions for members, and the provision of representation to Italian institutions, particularly with regard to residency (Lombardi 2004). These associations reflect the culture and particular vision of the community (Rastrelli 1999). Although many see these as symptomatic of the insularity of the Chinese community, from the perspective of the Chinese community itself, they provide a way of sustaining migrants who face an extremely harsh economic environment (Ceccagno 2002).

Italy has a poor record in terms of the level of education achieved by the working population overall, and this is even worse for the Chinese. Success rates are generally lowest at Secondary Level 2, where the national average is 84.7% (77.03% for foreign students). However, the success rate for foreign nationals in Prato is even lower, at 74.64% (Ceccagno 2004).

There has been considerable concern that 50% of Chinese students drop out between second and third years of secondary school, many doing so to join their parents in business (Ceccagno 2004). Other problems are caused by students being allocated on a bureaucratic basis – age and vacancies rather than capability or need - and that students can be inserted into any level without a word of Italian and with few classmates capable of interpreting for them (Bisogno et al 2004). There are many cases of scholastic failure for more familiar reasons, for example, difficult socio-economic conditions or because families often move city, or country, looking for work, and may experience long absences during important Chinese festivals or trips back to the PRC. Working conditions also have a big impact on lifestyle as many live where they work, children included, and only the lucky ones have their own private space (Ceccagno 2004). The Chinese are considered closed and reserved, with no linguistic or cultural similarities to build on, and little opportunity of practicing Italian outside of school. Written language is a particular problem (Ceccagno 2004, Bisogno et al 2004).

Ceccagno (2004) undertook research into school-age second-generation Chinese in Prato, particularly those in the post-compulsory schooling age (or approaching it), 12 -17 year olds. She notes a range of problems, starting with language difficulties, but extending to lack of success at school, lack of socialisation with Italians, the centrality of groups of co-nationals and recreation with ethnic connotations (Ceccagno 2003a, 2004). Despite this, she found significant differences between the generations, with the younger Chinese being more educated than their parents, and in general more competent with Italian and familiar with the

overall culture. Many youth do not want to emulate their parents and their lifestyles of privation, but it is often not a choice that is theirs to make. There is a lack of social mobility. In terms of the generation gap, the facility of younger Chinese with Italian and technology potentially opens up new prospects for them, but in looking for points of contact, reference, and activity in the country in which they live, they meet many impediments, and can be frustrated and disengaged in their attempts to integrate with the local Italian community. High concentrations of migrants in the one area contribute to this situation, although these levels are a reflection of their aspirations and preferred models of economic affirmation (Ceccagno 2004).

Although it is common to talk of an ethnic economy, Chinese businesses are clearly integrated into the broader economy. They rely on Italian contracts and clients for their existence and it is this broader market that determines the conditions of business (Rastrelli 1999, Ceccagno 2002). The forces of globalisation are also influencing events, and while Chinese work and cultural preferences (together with the characteristics of the migratory chain and its consequences) are different to those of Italians, these have enabled the extreme flexibility of Chinese businesses that is so useful in this market (Rastrelli 2003). In this respect, It is clear that the apparent independence of the Chinese community in a social sense does not interfere with its integration in an economic sense (Giovani & Savino 2001).

Networks of Relationships and Models of Migration

The new international status of the PRC and the globalisation of the Chinese economy and culture facilitate the success of new migratory models among the Chinese, and some argue that migration can now be lived as a dynamic and reversible process, with Chinese immigrants in Europe forming an economic and socio-cultural network based on their familial links and place of origin that transcends the host country (De Giorgi 2002). Information obtained through the migratory chain indicates those destinations best suited to emigration and capable of providing business opportunities and this is important to the developing diaspora. This phenomenon has been described as the 'economics of the diaspora' (E Ma Mung, cited in Marsden 2002). However, while many Chinese migrants hold a dream of returning to the PRC, particularly in their old age, this may be just a dream (Ceccagno 2001). Even if progress is slow, second generation migrants are increasingly integrated in the Italian

community, have much improved Italian language skills and see their future in Italy (Ceccagno 2002).

This new model of migration may also have implications for levels of integration. As Giovani and Savino (2001) comment, the Chinese in Prato, unlike other ethnic groups, have a strong sense of community, have plenty of work, and can create a new life for themselves without a knowledge of Italian. It would also appear that, in general, Italians are willing to start economic relations with Chinese but have little respect for them in a social sense, either collectively or individually. It would seem, however, that while those Chinese who are economically successful mainly gain recognition within the Chinese community, that is also what they value most. The fact that success amongst one's fellow countrymen may be more important than prestige in the host country may have negative implications. These trends reinforce the isolated nature of the Chinese community (Ceccagno 2001).

Overview of the Volume

The next section contains four chapters on the role of the Chinese community in Prato's rapidly changing local economy. Prato has long been studied as a typical example of an Italian industrial district. As Gabi Dei Ottati discusses more fully in her chapter, the industrial district is characterized by the presence of a community of people and firms in a confined geographical space where the economic and social aspects of an organization are merged. Prato, as an industrial district, has increasingly faced challenges from globalization. These pressures are twofold. First, the rise of low cost manufacturing, and cheap imports, particularly from developing countries in Asia in which wages are lower. Second, the formation of a Chinese ethnic economy operating inside the industrial district. The four chapters in the next section offer differing perspectives on the challenges and opportunities posed by the Chinese community in Prato to the notion of the industrial district. The Chinese advantages within the industrial district stem from their location within 'Made-in-Italy' districts combined with the trans-national extension of their ethnic networks. Chinese contractors possess several advantages vis-à-vis local firms in Prato, including offering lower prices, being able to meet orders within a short period and flexibility in productive capacity.

In Chapter 2, Dei Ottati argues that the development of the Chinese ethnic economy within the Prato industrial district is not sustainable over time because it undermines the socioeconomic characteristics that define the industrial district. Dei Ottati's solution is for the local Italian and

Chinese communities to come together to propose collective solutions in which the Chinese community becomes integrated into the industrial district. To put it differently, Dei Ottati proposes that the economic and social relationships between the Chinese and Italian communities be embedded into a cross-cultural and transnational framework that nurtures the traditional trust features of the industrial district and utilizes the advantages of the Chinese international networks and access to low-cost manufacturing. In chapter 3, Antonella Ceccagno describes the internal organization of Chinese-operated *pronto modas* and their relationship with Italian suppliers and other Chinese contractors in Prato in the global fashion business. The main point Ceccagno makes is that the organization and patterns of production pursued by Chinese businesses in Prato resembles those pursued by Italian firms operating within industrial districts in the past. Ceccagno points to a specific form in which the economic and social relationships between the Chinese and Italian communities in Prato are being transformed in an international context and the positive role the Chinese are playing in transforming the Prato industrial district. As she notes, while in the past Prato was solely known as a textile district, the Chinese are gradually transforming Prato into a fashion district. This transformation is incrementally revitalizing the locally economy and integrating Prato into the global *pronto moda* industry.

In Chapter 4 Daniela Toccafondi also examines the relationship between the Chinese ethnic economy and the Prato industrial district, but offers a different perspective. Toccafondi, who represents a Prato business association consisting of mainly local textile manufacturers (Pratofutura), points to the gulf between the local Chinese and Italian communities and problems with the operation of Chinese businesses as local Italian textile manufacturers perceive them. She argues that local institutions have attempted to facilitate positive interaction between the Chinese and Italian communities, but this has largely come to naught. Toccafondi suggests that most of the blame for the lack of better integration lies at the feet of the Chinese who operate outside the law to obtain an unfair competitive advantage. While one might question whether this in fact the case or not, she cites a Pratofutura survey which suggests, somewhat alarmingly, that the majority of Prato residents perceive this to be the case. For Toccafondi, the prospects for better socioeconomic integration in the future lie with the second generation of Chinese who might be more prepared to integrate. In Chapter 5, Anja Fladrich examines the emergence of a separate enclave Chinese labor market in Prato. She specifically explores how Chinese migrants find jobs in Prato's enclave labor market and the role ethnic ties

play in job search. Fladrich documents the existence of strong ties between the Wenzhounese and weak ties between the Wenzhounese and Chinese migrants from other cities. Thus, contrary to what is often assumed – that the Chinese in Prato represent an homogenous group – the Chinese enclave labor market at least and most likely broader economic ties within the Prato Chinese community, are increasingly fragmented and depend on the specific city and province from which the migrant comes in the PRC.

Chapters 6 to 12 examine different aspects of social integration between the Chinese and Italian communities in Prato. In Chapter 6 Massimo Bressan and Massimiliano Radini and in Chapter 7 Bressan and Sabrina Tosi Cambini provide a broad overview of how migration in general, and Chinese migration in particular, has changed the demographic and social landscape of Prato. In Chapter 6 Bressan and Radini show that to differing degrees various migrant communities have concentrated within socially disadvantaged parts of Prato. However, perhaps surprisingly, it is the Pakistani community that is most likely to reside in areas with multiple social disadvantages, while the Chinese are least likely to be concentrated in such locales. In Chapter 7 Bressan and Tambini adopt an ethnographic approach to document the demographic transformation of the “Macroletto 0”, which is the hub of the Chinese community in Prato. While acknowledging the contribution of the Chinese in breathing life into the Macroletto 0 as an urban space, Bressan and Tambini point to the social tensions generated by having a high concentration of a specific migrant group in a limited geographical area. Bressan and Tambini suggest the solution lies with giving neighborhoods such as the Macroletto 0 collective assets that the inhabitants can continually reinvent consisting of public spaces, sites for the exchange of knowledge and institutions for the mediation of interests.

In Chapter 8 Tom Denison and Graeme Johanson examine the role of Chinese internet points in Prato in community building. While their findings point to specific instances where the internet points have brought the Chinese and Italian communities together – such as a Chinese girl bringing her Italian boyfriend to use the webcam to show him off to relations back in the PRC– their overall conclusions are more bleak. Internet points have the potential to bring the Chinese and Italian communities together, but in practice do not. The Chinese internet points in Prato are used by Chinese for communicating with family and friends back in the PRC and for socializing with other Chinese in Prato, but do not cross the cultural divide with the host community who rarely use internet points owned and frequented by Chinese in the Chinese part of the city. In

Chapter 9 Angelo Andrea Di Castro and Marika Vicziany examine how the Chinese community in Prato is portrayed in the Italian media. Di Castro and Vicziany argue, and illustrate with examples, that the Italian media is generally stilted against the Chinese and does not adequately present a Chinese perspective. Focusing on the specific example of Chinese Dragon Procession for New Year in 2007, Di Castro and Vicziany argue that the Italian media presented a one-side account of the events with little or no room for dissenting voices. Such an approach in the media ultimately reinforces prejudices in both the Chinese and Italian communities through pushing opinion in a particular direction. Ultimately, this makes it more difficult to engineer collective solutions based on trust along the lines suggested by Dei Ottati in her chapter.

In Chapter 10, Chen Xiao and Ochsmann Randolph describes the daily lives of Chinese laborers in garment workshops, who are at the bottom of the social ladder of the Chinese community in Prato. These are the people who are fuelling the engine of the Chinese enclave economy, much like the 120 million plus internal migrants in the PRC are responsible for China's high growth. Similar to China's internal migrant work force, Chinese garment workers in Prato work long hours under often appalling conditions and largely outside employment laws. Garment workshops are virtually closed to outsiders making it difficult to attain first hand evidence; however, Chen was able to access a workshop and live for three days with seven workers, in which time he interviewed the workers and observed their lives. Chen and Randolph conclude that these people, who are at the bottom of the pile, are facing multiple identity crises; specifically they labor long hours in poor working conditions, have little or no social networks, have little or no social life and are largely unfamiliar not only with Italian life in Prato, but Chinese life as well. Most Chinese migrants come to Prato in search of a better life; they believe that if they work hard they can save and one day go into business on their own. Chen and Randolph show that for the garment workers featured in their study at least, aspirations to one-day have their own business and pursue a better life are largely just a pipedream.

Conflict between the Chinese and Italian communities is not restricted to Prato. Some other cities in Italy, such as Milan, also have large Chinese communities and have experienced conflict. One such instance is the April 2007 Chinese riots in Milan. In Chapter 11 Matteo Tarantino and Simone Tosoni compare and contrast attitudes to the April 2007 riots amongst Chinese in Prato and Milan. One difference in attitude that emerged between the samples was that the Prato sample largely saw the riots and ensuing response by the Italian authorities in purely racial terms – the

Italians were acting in a racist manner towards the Chinese - while the Milan sample saw the riots in both racial and political terms. Both the Prato and Milan Chinese saw the media coverage of the events as singularly one-sided, reinforcing the conclusions of Di Castro and Vicziany. Differences between the Prato and Milan samples most likely reflects the fact that the riots occurred in Milan and, thus, were much 'closer to home' for the Milan sample. If the Prato sample, had been interviewed about the refusal of the Prato Commune to permit them to have their Dragon Procession for Chinese New Year in 2007, it is likely they would have seen that refusal not just in racial terms, but also as a political act (see also Di Castro and Vicziany's chapter).

In Chapter 12 Dharma Arunachalam, Maryann Wulf and Michelle Lobo examine Chinese settlement in Melbourne, Australia and its implications for Chinese settlement in Prato. Melbourne and Prato share some important similarities (see Di Castro and Smyth, 2007). First, both cities have sizeable Chinese migrant populations. Second, in both Melbourne and Prato the Chinese community has made an important economic contribution to the success of the city. In Melbourne's case the Chinese community has also made an important contribution to the civic life of the city. Most prominently, the current, and longest serving, Lord Mayor of Melbourne, John So, was born in Hong Kong and is of Chinese descent. Third, there have been periods of social tension which are inevitable when a sizeable migrant community initially emerges. An important difference between the two cities is that while, as discussed above, Chinese settlement in Prato is a relatively recent phenomenon, Melbourne has over 150 years of Chinese settlement. The Chinese community in Melbourne was fairly closed in the middle of the nineteenth century. There were many clashes between Chinese and European settlers at the time of the gold rush in the 1850s. There were also social tensions through the first part of the twentieth century, fuelled by discrimination manifest in the White Australia policy. In the early 1970s, Australia, and Melbourne in particular, embraced multiculturalism and multiculturalism has become an important part of what makes Melbourne what it is. This is not to say that tensions do not arise from time to time or even that the notion of what it means to be multicultural is not debated in Australia. However, it does mean that over time the Chinese, and other migrant communities, have emerged from the distrust and social isolation of the White Australia years to be active and integrated into the cultural and social life of Melbourne as a whole. In this respect, there are lessons in Melbourne's experience for Prato.

The final three chapters examine the economic links between Prato and Wenzhou and the role of international migration more generally in Wenzhou's economic development. In Chapter 13 Bin Wu provides a general introduction to the literature on the link between international migration and economic development and presents an overview of the central features of the Wenzhou model of economic development, which along with the Sunan model is one of the two famous characterizations of non-state sector development in the PRC. In Chapter 14 Zhang Xiaolv, Chen Yi and Russell Smyth focus on the role of donations from overseas Chinese in Wenzhou's economic development. That chapter points out that donations, while not as large as foreign direct investment, can be more conducive to foreign direct investment because donations can be targeted at poor areas. The final chapter by Silvia Lombardi brings the volume full circle. Lombardi shows the similarities between the Wenzhou model of economic development and the Italian industrial district. Read in conjunction with the chapters by Dei Ottati and Ceccagno, Lombardi's chapter shows how the Chinese ethnic economy, which has strong similarities with the Wenzhou model of development in the PRC, can sit alongside and complement the industrial district in Prato. Given the core features of both are the same, this gives credence to Dei Ottati's suggestion, or hope, that the Chinese ethnic economy and traditional industrial district in Prato will merge to form a richer, more fuller, entity.

Conclusion

A central issue with respect to the future development of the Chinese community in Prato is the degree to which they integrate with, or perhaps more importantly, are seen to be isolated from, Italian society. Many immigrants come to see Italy as having a two-level society, with them on the bottom (Rastrelli 1999). In a recent media report, Antonella Ceccagno (in Ehlers, 2006) observed that there is a mutual lack of trust and self-imposed separation between the Italian and Chinese communities. This sentiment was echoed by the Mayor of Prato, Marco Romagnoli, who agreed that the Chinese are a "blessing", economically, yet concurrently "are a catastrophe for the community" (in Ehlers, 2006). As a result it has been said that Prato has become the scene of a clash between the two cultures: the young, dynamic Chinese, who are not afraid of being taken advantage of to further their own goals, and the Italians, who are deeply concerned that Prato could soon spin out of control unless the Chinese and their companies are forcibly legalised (Ehlers, 2006). As Di Castro and Vicziany discuss in their chapter in this volume, the mistrust between the

Chinese and local Italian communities was manifest most recently in the events surrounding the ban imposed by the Prato government on the dragon procession for the 2007 Chinese New Year celebrations. Andrea Frattani, the Prato Councilor for the Multicultural Affairs Section, allegedly stated to the media that he was upset by the ‘deafness’ of the Chinese community which was not collaborating with the Italian community on matters of the overseas Chinese.

Despite the fears of some sections of the Italian community and the obvious deep-seated mistrust that exists among segments of the local Italian community of Chinese migrants, there are many positives in the current situation that, if managed correctly, can work for the benefit of all. The positives include recognition of the growing economic importance of the Chinese in Prato and improving prospects for integration of second generation Chinese into the Italian community. Study is needed into the links (social capital and social networks) that not only sustain Chinese immigration to Prato but also bind these communities together while making the most of the growing international networks. The use of information and communications technology also has a significant impact in these areas but further research is required to understand the processes involved. There is strong evidence of attempts in these directions already and these need to be encouraged and reinforced.

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