Faces of migration: migrants and the transformation of Amsterdam

Kloosterman, R.C.

Published in:
Migration and London's growth

Citation for published version (APA):

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Migration and London’s growth

Final report of LSE London’s HEIF 5 project on Migration and the Transformation of London led by Christine Whitehead, Ian Gordon and Tony Travers

Edited by
Ben Kochan

LSE London 2014
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Faces of migration: migrants and the transformation of Amsterdam

Robert C. Kloosterman

Multicultural markets: the street and the financial species

The daily Dappermarkt street market is clearly a meeting place for people from almost everywhere in the world with its sights and sounds and smells of all kinds of food being sold. The market, in the eastern part of Amsterdam, built in the 19th/early 20th century, is an urban renewal area with a highly diverse resident population in terms of their place of birth, length of stay, family status, education, socio-cultural orientation and life prospects. There are members of what used to be the ‘traditional’ (white) working class, migrants from less-developed countries who came as guest workers and their descendants, migrants from the former colonies and their descendants, political refugees and asylum seekers and young urbanites, mostly students or recent graduates from the Netherlands and increasingly from abroad.

Only a few kilometres to the south, there is a quite different type of street life. In the Zuidas business district with its gleaming office towers, there are people who work in advanced business services sitting outside posh cafés. Their more or less uniform dress style and conversation often in English, the lingua franca of their trade, belies their diverse national backgrounds from the Netherlands, the US, the UK, Germany, France, Japan, China and many other countries.

Both city snapshots are images which reflect the presence of migrants in Amsterdam. Not just Amsterdam, but many other cities in the world are also displaying ever more diverse faces of migration spanning low-paid cleaners to high-flying CEOs of multinationals (Vertovec, 2007). In addition, ethnic diversity associated with migration tends to overlap with socio-economic fault lines resulting in segmented urban societies. To put the Amsterdam experience in perspective, I briefly sketch the relationship between the emerging production system and social stratification. After that, I set out very briefly recent migration trends in Amsterdam. I then explore how this diverse migrant population has fared in socio-economic terms using quantitative data from the local
A new wave of urbanisation

Cities are always changing but I want to distinguish between the different phases of urbanisation under industrial capitalism and to focus on the more enduring generic characteristics, specifically those concerned with the production system: the dominant technology, the leading industrial sectors, the key products, the prevailing labour practices and managerial strategies, the locational patterns, and the main cleavages in the social division of labour. The current phase, labelled cognitive-cultural capitalism by Allen Scott (2008 & 2012), is first and foremost characterised by a production system in which ‘highly qualified human capital’ constitutes the crucial input and more customised products are an increasingly important output (Scott, 2012: p.x). Within the leading sectors, then, the key input consists either of highly formalised knowledge - as in advanced producer services and high-tech industries - or of a less-formalised form of aesthetic, cultural or craft knowledge as in creative industries such as fashion design or music making. Both forms of human capital may enable firms to compete more on quality than on price. Thus they are able to find or create a particular niche and focus on a limited range of products, and escape, at least temporarily, cut-throat competition from other firms.

These leading activities tend to thrive when, on the one hand, firms are able to reap agglomeration economies by being concentrated in local clusters, and, on the other, when they are able to tap easily into global networks to maintain contacts with suppliers, customers and others. Those cities or city-regions with the right conditions have benefited and seen employment and population growth. They have a certain critical mass and diversity, an orientation towards advanced producer services, high-tech industries and/or creative and cultural industries, and a tradition of openness and global linkages and a supportive infrastructure. In general “…capitals demonstrated a striking ability to recover, aided by their dominance of national and international business and transport networks. The upturn in world banking and finance since the 1980s consolidated their primacy.” (Clark, 2009: p.242) Global cities such as New York (not a political but certainly a financial capital) and London evidently belong to this category, but on a more modest level, smaller cities like Amsterdam have displayed similar dynamics achieving an urban renaissance with strong growth of cognitive-cultural activities, a resurgence of their inner-cities and widespread gentrification (Engelen, 2007; Fernandez; 2012; Kloosterman, 2013). Amsterdam’s economy is currently dominated by producer services which provided 39 per cent of the city’s total employment in 2013, (O+S, Jaarboek 2013) and creative and cultural industries which provided 10.5 per cent of total employment in 2012 (O+S, Jaarboek 2013; http://www.rotterdam.nl/sectorenclusters).

While the competitiveness of the evolving urban production system hinges on the leading sectors, these activities do not exist in a vacuum, but “are almost directly coupled with an adjunct penumbra comprising a flexible low-wage employment segment … focused on jobs like housekeeping, child care, health care, food preparation and serving, janitorial work, taxi driving, and home repair” (Scott, 2012: p. 43). Their labour market position is not just characterised by low pay but also tends to be more insecure, and, moreover, are dead-end jobs in terms of opportunities for upward social mobility. Given the often precarious situation these workers find themselves in, they belong to a new vulnerable group, the ‘precariat’ (Scott, 2012: p.101). Migrants from non-western countries are typically overrepresented in this class of servile workers.

Accordingly, with this new phase of urbanisation, a central fault line is emerging between those who work in cognitive-cultural activities and those in supporting activities (Sassen, 1991/2001; Scott, 2008 & 2012). Both poles of the labour market are, in principle, able to attract migrants, especially in global cities with already firmly established linkages with various parts of the world. However, given the diverging requirements for the jobs in both segments, multifaceted sorting processes in the urban labour market create a complex mosaic along lines of human capital, social and cultural capital, and, often ethnicity. This mosaic is also spatially articulated as the leading sectors, these activities do not exist in a vacuum, but “are almost directly coupled with an adjunct penumbra comprising a flexible low-wage employment segment … focused on jobs like housekeeping, child care, health care, food preparation and serving, janitorial work, taxi driving, and home repair” (Scott, 2012: p. 43). Their labour market position is not just characterised by low pay but also tends to be more insecure, and, moreover, are dead-end jobs in terms of opportunities for upward social mobility. Given the often precarious situation these workers find themselves in, they belong to a new vulnerable group, the ‘precariat’ (Scott, 2012: p.101). Migrants from non-western countries are typically overrepresented in this class of servile workers.

This is, of course, a highly schematic rendering of what is happening in advanced urban economies. It does, however, provide a few key reference points for positioning a city and its migration experience. Before locating Amsterdam in this broader scheme of contemporary processes of urbanisation, we first consider the migration trends and some key indicators of the socio-economic position of the migrants.

Migration trends

In 1959, Amsterdam’s population peaked at about 872,000 inhabitants and the nadir was in 1985 at just under 676,000. Without the arrival of migrants from abroad this decrease could have been much larger, as the birth rate had declined and, moreover, many people, especially middle-class families with children, left the city in droves for
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the green promise of suburbia (Kloosterman, 1994). Migrants from Turkey and Morocco came as guest workers to fill low-skilled jobs and later as part of family reunion schemes. There were also migrants from Surinam who left when the former Dutch colony became independent in 1975. These migrants partly replaced those leaving for Purmerend, Hoorn, Almere, and other smaller cities in the vicinity of Amsterdam (Mak, 1995: p. 328). The socio-economic effects of this relatively rapid change in Amsterdam’s population became painfully evident in the 1980s when a deep recession hit the Netherlands and Amsterdam in particular. Deindustrialisation rapidly pushed up unemployment, especially among migrant workers. When employment started growing again with an expansion of the service sector in the second half of the 1980s, the local labour force in Amsterdam turned out to be less well qualified for the new jobs. It was not just that the educational qualifications of many members of the labour force were deemed inadequate, employers preferred workers from outside Amsterdam who they saw as better educated and more eager (Kloosterman, 1994). As a result, a significant part of the Amsterdam labour force found itself at the end of the hiring queue and, consequently, the overall rate of unemployment in Amsterdam went up to about 25 per cent – one of the highest in the country - with even higher rates among migrants. Amsterdam in the 1980s, with its riots, squatters, and highly visible population of junkies close to the Central Station seemed on its way to becoming an intractable urban mess (Boscher, 2007a, b and c).

In retrospect, however, we can now observe that, although unemployment remained very high throughout the 1980s, the signs of an urban renaissance were already there. A period of economic and demographic decline, of sharp political, social and cultural turmoil ended more or less in 1985.

Geert Mak (1995: p.326), in his history of Amsterdam, has dubbed this period from 1985 to 1985 the ‘Twenty Years Urban War’. It was not just that after two decades of deindustrialisation, the urban economy picked up again in the mid-1980s with the expansion of the services sector and growth of employment, but city life itself had become more popular among large numbers of higher educated young people who, instead of leaving the city soon after graduation, stayed in the more central parts of the city even when they had children (Boterman, 2012), and widespread processes of gentrification started to alter the outlook of the city. The Jordaan, a rather dilapidated and deserted neighbourhood in the 1970s, became a prominent playground for the new urbanites. Teachers, academics, and increasingly people working in the producer services had become the successors to the indigenous working-class Amsterdam residents who had left the city (Mak, 1995: p. 326). The fear expressed in the 1970s and early 1980 that Amsterdam would be stuck with a lower educated labour force, did not materialise. Instead, in 2007, Amsterdam ranked second, only behind much smaller Utrecht, in terms of the proportion of higher educated workers in the city’s labour force with slightly more than 50 per cent (Marlet, 2009: p. 121). Indeed, a new phase of urbanisation had set in, driven by an unfolding production system strongly oriented towards cognitive-cultural activities. Amsterdam benefited greatly from the combination of a production system dependent on proximity because of agglomeration economies and connectivity because of global linkages with the shift in the residential preferences of high-skilled workers towards urban living.

These changes are reflected in the demographic trends of the Dutch capital. In 1985, after almost three decades of continuous decline, the Amsterdam population started growing again. After 1985, the birth rate in Amsterdam exceeded the death rate and has remained positive ever since so contributing to the population growth. Even more important at least until the late 1990s was the decline in net domestic outmigration, while the net international migration surplus remained until 1993 when outward migration temporarily exceeded inward (see Table 1; O+S, 2014). After 2008, all components contributed to population growth and at the beginning of 2014 (Latten and Deerenberg, 2013), the Amsterdam population went over the 800,000 mark again for the first time since 1971 (O+S, 2014a) (see figure 1).

International migrants from roughly 1965 until 1985 were mainly relatively low-skilled non-western guest workers and their family members or they came from Surinam. From 1990 onwards they were far more diverse (Obdeijn and Schrover, 2008; Latten and Deerenberg, 2013). There were political refugees, asylum seekers from the former Yugoslavia, Iraq, Iran, Ghana, Afghanistan, Somalia and other countries. They tended to be generally better educated than their predecessors. Moreover, with the liberalisation and extension of the European Union, citizens of other EU member states have acquired the right, in principle, to settle in the Netherlands. The migrants from notably Great Britain, Germany, Spain, Belgium, France, Italy come mainly for work, study or to join a family member and are typically relatively highly educated (Obdeijn and Schrover, 2008 p.339). Amsterdam, with its expanding economy, its cosmopolitan atmosphere, its two universities and other higher education institutions, and its already sizeable population of western migrants, unsurprisingly, has the largest number of non-Dutch citizens of all Dutch cities (O+S, 2014). Whilst Dutch citizens make up about 895,000 of the city’s 799,500 population, figure 2 shows that the remainder come from a wide range of countries. Non-Dutch citizens in Amsterdam
Amsterdam in the 21st century has again become a city of migrants just like it was in its Golden Age, the 17th century, when people from Germany, Belgium, Spain, Portugal, among them many Huguenots and Jews, flocked to a booming and tolerant, or to put it more cynically, indifferent city. Many migrants encountered difficulties in finding their way and historical studies have shown that substantial numbers of migrants were part of a pre-industrial underclass living separate lives from the rest of the Amsterdam population (Obdeijn and Schrovers, 2008 p.59-63). Other migrants, though, were crucial in boosting the competitiveness of the Amsterdam economy by bringing knowledge of products and production processes (e.g. Huguenots and woollen cloth, Prak, 2002: p.158-159) and trade networks (e.g. Sephardi Jews, Israel, 1987 p.73). What can we say about their contemporary counterparts?

Migrants and the new wave of urbanisation

A comprehensive overview of the role of migrants in the Amsterdam economy is beyond the scope of this contribution. Instead, the focus is on the labour market position of migrants in Amsterdam. I will look at the unemployment trends among specific groups of migrants and especially among the youth, the differences between men...
unemployment rates are consistently higher and, in some cases, much higher than the overall rate. These rates also appear to be more erratic, but this might be due, at least partly, to problems with data collection. Whatever the quality of the data, it seems beyond doubt that unemployment rates among 1st and 2nd generation migrants are much higher than those of indigenous Dutch (and western migrants). The data also suggests that these migrants from non-western countries are among the first to lose their job and the last to be hired.

If we focus on the labour market situation of young people up to the age of 26, these differences become even more salient. Recently, the municipality of Amsterdam published a Factsheet which gives a detailed picture of the labour market situation of young people in Amsterdam in 2014 (Monitor jeugdwerkloosheid Amsterdam 2014, 2014). This report shows that unemployment rates among young people of respectively Moroccan descent (48 per cent), Surinam and the Dutch Antilles (38 per cent) and Turkey (33 per cent) are considerably higher than the overall rate for young people in Amsterdam (24 per cent). These differences can only be partly explained by differences in educational qualifications as even highly educated young people from non-western countries are twice as likely to be unemployed as their counterparts of
London: “Employment rates are especially low for women born in South Asia (37 per cent) and the Middle East and North Africa (39 per cent).” The high unemployment rate for women of Turkish and Moroccan descent in Amsterdam partly explains the very low rates of net participation, but they also reflect the fact that a much smaller number enter the formal labour market in the first place. The figures for workers of Dutch descent and those from other western countries, both men and women, are comparable but contrast sharply with that of migrants from non-western countries.

Labour market position is not just about rates of unemployment but also the quality of the jobs. The pay, security, how dangerous and/or dirty they are and whether they offer possibilities for upward social mobility are also key issues. There is no data on most of these characteristics, but there is a breakdown according to job security for different groups of workers for 2013 (see Table 3). This gives only a very limited insight into the nature of the jobs, but still marked differences are revealed between the various groups. It indeed seems the case that migrants from non-western countries are more likely to have flexible contracts, which is one of the defining characteristics of the ‘precariat’. The proportion of migrants on flexible contracts from Morocco and Surinam and the Dutch Antilles at 40 per cent and 30 per cent respectively stands out. Interestingly, we do find a gap here between workers of Dutch descent and those of western countries.

Table 2 Labour market participation and unemployment in Amsterdam by country of origin and gender, 2013.

<table>
<thead>
<tr>
<th>Country of Origin</th>
<th>Men</th>
<th>Women</th>
<th>Men and women</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Labour participation net rate (%)</td>
<td>Unemployment rate (%)</td>
<td>Labour participation net rate (%)</td>
</tr>
<tr>
<td>Surinam &amp; Dutch Antilles</td>
<td>54</td>
<td>20</td>
<td>51</td>
</tr>
<tr>
<td>Turkey</td>
<td>57</td>
<td>18</td>
<td>24</td>
</tr>
<tr>
<td>Morocco</td>
<td>51</td>
<td>26</td>
<td>29</td>
</tr>
<tr>
<td>Other non-western countries</td>
<td>54</td>
<td>22</td>
<td>42</td>
</tr>
<tr>
<td>Western countries</td>
<td>76</td>
<td>7</td>
<td>72</td>
</tr>
<tr>
<td>Netherlands</td>
<td>77</td>
<td>7</td>
<td>69</td>
</tr>
<tr>
<td>Total</td>
<td>69</td>
<td>12</td>
<td>59</td>
</tr>
</tbody>
</table>

Source: O+S (2014), Jaarboek 2014: 214

Table 3 Labour market position of the active Amsterdam labour force broken down by country of origin as a percentage of the total group, 2013.

<table>
<thead>
<tr>
<th>Country of Origin</th>
<th>Tenured (%)</th>
<th>Flexible contract (%)</th>
<th>Self-employed (%)</th>
<th>Combination of self-employed and job (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surinam and Dutch Antilles</td>
<td>62</td>
<td>30</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Turkey</td>
<td>50</td>
<td>24</td>
<td>26</td>
<td>1</td>
</tr>
<tr>
<td>Morocco</td>
<td>56</td>
<td>40</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Other non-western countries</td>
<td>45</td>
<td>31</td>
<td>21</td>
<td>4</td>
</tr>
<tr>
<td>Western countries</td>
<td>48</td>
<td>31</td>
<td>18</td>
<td>3</td>
</tr>
<tr>
<td>Netherlands</td>
<td>55</td>
<td>21</td>
<td>18</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>53</td>
<td>26</td>
<td>17</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: O+S (2013), Jaarboek 2013, 4213
Migration and London’s growth

Amsterdam, a second or third-tier global city, but nonetheless a global player in particular producer services, creative and cultural industries, and tourism (recently ranked, together with the rest of the Dutch Randstad as the 16th most influential city in the world (Kotkin, J. 2014), basically fits this pattern. The city can be labelled as a highly developed cognitive-cultural urban economy with a very diverse population.

A closer look at the relationship between migration and the processes of urban transformation suggests that there are no simple, clear-cut answers to the questions regarding this relationship. The more generic structural economic changes intersect with existing more specific local socio-cultural and institutional contexts. The labour market statistics revealed a city with very evident ethnic fault lines especially between, on the one hand, migrants from non-western countries and, on the other, those from western countries and the Netherlands itself. Surinamese, Turks and especially Moroccans, although the majority were born or have lived most of their lives in western countries who do not seem to suffer from negative stereotyping. The danger then exists that some may become less attached to the labour market and develop subcultures, which are even less conducive to getting a job. The process might then feed off itself and create an ever greater distance between these detached subcultures, which are even less conducive to getting a job. The process might then feed off itself and create an ever greater distance between these detached subcultures.

Conclusions

Amsterdam has shown a similar development pattern to many other (capital) cities. The population decline which started in the 1960s as manufacturing shed jobs and middle-class people left the city was partly countered by the arrival of lesser educated migrants from non-western countries seeking work and a better life in the west. The demographers Jan Latten and Ingeborg Deerenberg (2013) have shown that Amsterdam, as an international centre of producer services and creative and cultural industries, attracts most of the workers from western countries within the Netherlands. These workers are, on average, relatively well paid (e.g. expats working with multinationals) thereby significantly contributing to the local economy.

The transformation of the production system after 1985 and a shift towards cognitive-cultural activities requiring highly skilled workers, the city changed significantly. Central urban locations became attractive again for both firms and residents thereby altering the face of many urban neighbourhoods. The emerging production system also fostered contacts and ever more flows of highly skilled workers between different advanced urban economies. Migration before 1990 was confined to people from less-developed countries, but after that increasing flows of mainly highly skilled workers (and students) came from other advanced economies between global nodes.
It is clear, though, that migration and migrants are here to stay. Amsterdam as a minority/majority city is testimony to that. Insertion processes of migrants are obviously dependent on the trajectory of the urban economy which is partly a function of a city’s place and role in the global urban hierarchy. They are also determined by the national regulatory framework regarding migration as well as labour and welfare. In addition, the specific history of a city as embodied in the minds of people, its local traditions and its built environment also impacts on processes of insertion (Kloosterman, 2010b). These factors determine the variations on a common theme of migration and transformation and the more idiosyncratic characteristics of the Amsterdam case can contribute to them.

The analysis above has shown that the pocket-size global city of Amsterdam is increasingly benefiting from migration especially from other western countries. Some groups are however tending to be left behind. Migrants and their descendants from non-western countries who came in the 1960s, 70s and 80s have alarmingly high unemployment rates which point to the existence of an unemployed, ethnic outsider population, which may be even worse than the emergence of a precariat. The costs and benefits of migration are, then, quite unequally distributed. There are clear winners, those working in high-paid jobs, but there are also losers: migrants barely able to get a decent job, but also established citizens who feel they face unfair competition from newcomers or who feel alienated by the rapid demographic changes in their neighbourhoods. It would be hard for a compact and open city like Amsterdam to afford sharp socio-spatial divisions.

The former mayor of Amsterdam, Job Cohen, talked about “keeping the city together”. This in a nutshell captures the huge task faced not just by the current mayor of Amsterdam, but probably also by mayors of other cities. It obviously requires creating the conditions for a thriving urban economy, but it also needs to go beyond seeing it in purely economic terms. Cities should be seen as more than just localised machines of commodification and accumulation. Cities also have, according to Aristotle, a telos or goal beyond the economic realm and should provide a home and a haven to its citizens (Sandel, 2010). This requires at the very least some sense of a shared destiny as well as considerable collective action to balance the different claims and to pursue policies of integration. Given the increasing fragmentation of urban (and national) societies along various lines (not just ethnic) and the retreat of the state in the domain of social policies (Streeck, 2014), urban policymakers in Amsterdam and elsewhere face an uphill struggle.

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