

# **African Traders in Guangzhou:**

**Why They Come, What They Do, and How They Live**

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## **Abstract**

Guangdong Province in south China is the “world’s factory,” from which all kinds of products are made that subsequently circulate around Africa, Latin America, and Asia, products that serve as the material basis for what has recently been called “economic globalization from below”. In this thesis, I examine the global passage of these products through the African traders who come to Guangdong to buy these products. Thousands of these traders purchase China-made counterfeits of Nike shoes, Adidas T-shirts, Sony audio sets, and mobile phones in bulk, and ship or as air cargo or by flight to their home countries. The trade between China and Africa is largely informal, and often involves violation of copyrights and government policy; this trade forms a worldwide economic network conducted through individuals with global connections. In this thesis, based on three months of fieldwork in Guangdong Province, I look at the economic activities of these traders and the goods they buy; I discuss who these traders are, the global circulation of the goods they deal in, and the influence these traders and goods have in China, in their home countries, and globally.

## 摘要

中國廣東省是世界工廠，這裡製造出來的各式產品有許多流通到了非洲、拉丁美洲、以及亞洲各國，這些產品成為低端全球化的物質基礎。本文調查了此類產品是如何通過一群非洲裔商人從南中國運回非洲的。在廣東省省會城市廣州，出現了一大批非洲商人，以從事此類經濟活動。非洲商人買下中國製造的仿冒耐克鞋、阿迪達斯 T 恤、索尼音響、及成袋的手機，通過水運和空運把貨品運回非洲國家。這一中非貿易大部分是非正規的，常常違反版權法律或者政府條例；同時，這種貿易形成了一個以個別商人為引導的跨國經濟網絡。本文基於在廣東省三個月的田野考察，描述了非洲商人的經濟活動和他們所買賣的貨品，探討商人們之來由、其倒賣商品之流通過路線、以及他們對於中非國家所產生的影響。

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## Chapter 1 Introduction

In mid-July 2009, a local Guangzhou police station was surrounded by more than 100 African protestors. A Nigerian man without a legal visa document had previously been in an illegal money exchange store during a police raid. He fled and jumped from the second floor window and sustained serious injury.<sup>1</sup> The African community was furious towards the frequent immigration raids and streamed towards the police station, expressing their anger and demands for justice. The event brought worldwide media attention to the existence of a large African population in southern China, who live at the margins of law in trading goods between China and Africa, which I became interested in studying.

In the past decade, tens of thousands of African traders have arrived in Guangzhou (see figure 1), the center of China's "world factory" and in the neighboring city of Hong Kong. It is estimated that in 2009 there were about 20,000 Africans living long-term in Guangzhou and thousands more visiting the city regularly.<sup>2</sup> They gather around several major wholesale markets near the old railway

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<sup>1</sup> There is controversy about whether the African man was injured or dead on the spot. The *South China Morning Post* on 29 November, 2009 reported that he was injured seriously. Media such as the *Guardian* (Branigan 2009) and *BBC* (2009) reported that the man died. I have asked some of my informants who witnessed the event and they said he was only injured and he went back to Nigeria afterwards.

<sup>2</sup> The number of 20,000 Africans should be only considered as an estimate, which was published in the *South China Morning Post* (2009). I have interviewed a cadre at the Guangzhou Social Science Institute, who was in charge of a project investigating African residents in Guangdong. He said that the state did not intend to reveal any statistics about foreign populations in China, because it is a "sensitive subject", since "China is supposed to be a non-immigrant country".

station in the city and purchase Chinese manufactured goods in bulk for shipping back to West Africa. Many traders manage to open their own shops and become middlemen in the lucrative global business. Due to the large African population, districts such as Sanyuanli and Xiaobei (see figure 2) have become known as “Chocolate City”, “Little Africa”, and “Guangzhou’s Harlem”.



Figure 1. Guangzhou.



Figure 2. Fieldwork locations.

Large proportions of the goods are either illegal in the home countries of these traders or related to illegal or semi-legal economic activities such as counterfeiting goods, smuggling, and underground banking. Reliable and smooth handling of the goods and money therefore can be secured only through personal networks. Nonetheless, traders often find themselves facing bankruptcy not just because of bad business management, but more often than not, China's visa policy and local corruption. Based on my fieldwork in Guangzhou, this thesis explores the routes, profits, and reasons of the African traders in southern China through individual stories. It discusses the organization of the market as well as individual informal economic activities reflecting a "globalization from below", where traders with relatively small capital become upwardly mobile by taking advantage of the infrastructural advancements made possible in an age of globalization, such as fast international transportation, convenient communication, mass manufacturing, and

brand recognition, for short-term and long-term gains.

The trading activities of the Africans in Guangzhou represent an economic “underworld”, a world that is untraceable by customs or survey institutes. Although numerous papers have been published on Chinese investment and interests in African countries (Alden 2007; Mohan and Power 2009; Prah 2007; Rotberg 2008; Tull 2006; Waldron 2008), the number of research studies conducted on the topic of Africans in China is limited. I hope that this thesis can serve to add knowledge to an area that has been relatively unexplored by scholars.

## **Literature Review**

### **i. African Communities in China**

Li et al, (2009) from Sun Yat-Sen University, gathered information through surveys of traders and argued that an ethnic enclave has formed in Guangzhou, which resulted in racial conflicts and social instability. Their paper aims at mapping a transnational space where Africans are experiencing segregation inside Guangzhou and also shows the socio-economic impact that the trade has had on the local community. Li et al mostly argue from the perspective of the Chinese local community and discuss the transformation of Guangzhou’s urban space, while leaving aside discussion of how African traders in Guangzhou are significant in the larger picture of China-Africa connections, and in processes of globalization. Bodomo (2010) also explored through surveys the demographic profile of the African population in

Guangzhou. He proposes, from the African traders' perspective, that the traders serve as bridges between China and Africa, which the authorities in China should recognize in order to make more business-friendly policies. His article implies that African traders, Chinese factory owners, and the governments of the nations involved have different visions of what a good future should look like, something which need to be further explored.

Barry Sautman (1994) researched anti-black sentiments in China in the post-Mao era. He discusses several attacks and other incidents towards African students in China, including the 1979 Shanghai incident,<sup>3</sup> the 1986 Tianjin incident,<sup>4</sup> and the 1988 Nanjing incident.<sup>5</sup> The Chinese authorities claimed that these incidents were the result of cultural clashes. However, Sautman finds them to be the results of racial hierarchization and racism, which has long historical roots in China. On the basis of surveys conducted among 461 Chinese students and intellectuals, he suggests that Chinese perception of Africans assimilate with their discriminatory views towards peasants in the social hierarchy, of being backward and having dark skin (Sautman

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<sup>3</sup> This began on 3 July 1979 when a few African students were stoned and beaten because they played loud music at the dorm. Several fights took place between African and Chinese students afterwards. A hundred African students protested in the Beijing diplomatic quarter two weeks later to call for a stop to sending African students to China.

<sup>4</sup> The Tianjin incidents arose from complaints of loud African music and African interactions with Chinese women. Twenty-five African and Arab students were surrounded by 400-600 Chinese who threw bricks and bottles at them. This led to another African protest in Beijing to call for security guarantees from the Chinese state.

<sup>5</sup> The Nanjing incident began when two African students entered Hehai campus with two Chinese females. Around 300 Chinese students were involved in attacking the international dormitory where the African students resided.

1994: 434). Sautman's article is helpful in understanding the Chinese history of racism towards African students in the 20<sup>th</sup> century, which continued to exist at the time I conducted my fieldwork. Anti-African racism by Chinese is one of the major themes of this thesis.

In Hong Kong, just to the south of Guangzhou, Chungking Mansions is an important low-end international market that connects with the African markets in Guangzhou (Mathews 2011). Many African traders in Guangzhou travel to Hong Kong to renew their China visas and to do business. While the traders go to China to purchase all kinds of goods, the goods they pursue in Hong Kong are usually mobile phones and watches of higher quality, not only counterfeits. Mathews' book *Chungking Mansions, Hong Kong: Ghetto at the Center of the World* (Mathews 2011) is a good comparison to the Guangzhou African markets not only in its trading profile but also in its discussion of globalization from below, which the book calls "low-end globalization". Compared to the African markets in China, there is less state control over Chungking Mansions; in Chinese markets, efforts at state control are frequent. Like Chungking Mansions, these markets in China involve traders of various cultural backgrounds pursuing their economic interests, partially transcending all potential religious and racial conflicts.

## **ii. African Diasporas in Other Parts of the World**

There are several books on the topic of residents of the African diaspora working

in the informal economy and being socially marginalized. *Congo-Paris: Transnational Traders on the Margins of the Law* (MacGaffey & Bazenguissa-Ganga 2000) discusses Congolese traders in France. Many of the African informants in the book are *sapeurs*, who wear expensive and often outlandish clothing to celebrate their social status; they make a living by selling goods catering to the needs of African migrants in Paris. The traders are divided into three categories: undocumented migrants, students who failed academically, and former government employees in their home countries, whose opportunities for achieving better lives are hindered by the society they reside in. By selling forged passport, smuggling goods, and dressing in showy styles, these traders reject the mainstream society in the country they now live in. The authors argue that the traders' activities represent a "second economy" which is legally, spatially, and institutionally marginalized, and that the disorder of the community life is essentially a form of resistance (MacGaffey & Bazenguissa-Ganga 2000: 171).

Another interesting book on African diasporas is *Money Has No Smell: The Africanization of New York City* by Paul Stoller (2002). The book focuses on a group of West African street vendors, mainly Muslims from Senegal, Mali, Niger, and Gambia, earning a living in Harlem, selling African masks, drums, patterned cloth, and African music tapes. The author describes the reproduction of West African markets in America and the socio-economic problems that many traders have to face while trying to support their relatives across the ocean. The ethnography depicts how

globalization as a whole has affected individual migrants in New York and the kin-based “culture of trade” of West Africans in the American concrete forest (Stroller 2002: 44).

My research is similar to these studies in the sense that it is also about African diasporas, but it focuses on their lives in the context of the Chinese informal economy. China's position in the world system is ambiguous—while China is the world's second largest economy, it is also still a developing country; beyond this, it is a relatively closed country in terms of immigration policy. To use Appadurai's scapes (2006), China in its ethnoscaapes mainly contains ethnically Chinese citizens; its strict immigration policy makes it hard for foreigners, especially those from the developing world, to obtain Chinese visas. In terms of mediascaapes, mass media in China are government controlled and mostly in the Chinese language; local people speak very little English. I have heard many accounts of fraud enabled by the language barriers experienced by Africans in Guangzhou. In terms of finanscaapes, almost every trader avoids using the official Chinese banks because of the complex and bureaucratic money exchange protocols. They instead look to underground banks, at the risk of being caught in a police raid. Despite these different barriers, China still attracts numerous West African traders, for reasons that are distinctively different from the cases of Congolese in France or West African Muslims in New York: they only want to make money in China and very few would like to live in China, a sentiment often shared freely and openly by African traders.

### iii. Globalization from Below

This thesis is also concerned with the larger context of globalization, particularly focusing on the lives of traders at the socio-economic grassroots and their roles in processes of globalization. Globalization from below is non-hegemonic, in the sense that it is not exclusively against legitimate globalization, nor does it aim to destroy the legal business and laws of international societies. Rather, the grassroots participants in globalization from below pursue the dream of becoming rich and having a better living just like the employees of multinational corporations. In countries in sub-Saharan Africa, it is the common people who are punished for the failings of their states. Though many traders of this study are from middle-class backgrounds, many of them will fail if they stick to the fluctuating and corrupt domestic market of their home countries. Coming to the Guangzhou markets is a path to a better future for these African traders. The same hope is there for numerous Chinese migrants who are working in the African markets in Guangzhou or in small private factories.<sup>6</sup> They too do not have much hope of finding employment in the formal economy with their limited educational background and hardly any useful *guanxi* (human connections) in the city. In places like Sanyuanli and Xiaobei, these participants in low-end globalization are given the opportunity of taking a share of

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<sup>6</sup> Most of the Chinese shop keepers and business people are either from provinces north of Guangdong, or from other towns inside Guangdong province. The common language use among them is Mandarin, instead of Cantonese.

the economic prosperity of the world. As Ribeiro (2009: 325) argues, these transnational grassroots traders integrate into the global economy through “blurring borders, creating transfrontier social spaces, and linking different global fragmented spaces”. Through this non-hegemonic process of globalization, the members of the lower and lower-middle strata of their societies are able to gain upward mobility and economic survival, albeit while perhaps violating laws and regulations (Falk 1999; Li et al 2009; Mathews 2007). The African traders as well as their local business partners in Guangzhou are a mobilizing force that symbolically represents grassroots globalization.

By describing the lives of African traders in China, this thesis seeks to contribute to a knowledge of contemporary African diasporas in general, and the African diaspora community involved in China’s informal economy in particular, in its context of being economically open but politically closed to foreign traders. Through the flow of goods and people between the African continent and China, we can understand what globalization means for petty entrepreneurs, who trade in places where they are entirely cultural outsiders and where they risk running afoul of the law in their course of business.

### **Overview of African Traders in Guangzhou**

China-Africa trade relations were established when the PRC government was founded. From 1949 to 1977, the relationship was political and China assisted Africa

with food, money, living necessities, and military training to fight against colonialism and hegemony (Li 2008: 23-25). After the 1978 reforms in China, more emphasis has been put on economic cooperation: China seeks to obtain from African countries raw materials such as crude oil, iron, cotton, and diamonds; African imports from China include electrical appliances, textiles, machinery, and chemicals (Ampiah and Naidu 2008: 7-8; Li 2008: 31). It was also after the reform era that China embraced a more liberal economy and its manufacturing became increasingly privatized and deregulated. Guangzhou became known as the business centre of a “world's factory” as private manufacturers flourished in southern China, where cheap goods are produced *en masse* with low labor costs. Located next to Hong Kong, Guangzhou soon finds its buyers in the international market.<sup>7</sup>

Around the same time, market demand in the populous region of West Africa underwent a rapid expansion. For instance, the Nigerian markets rely heavily on imports, earning Nigeria a reputation as a “cargo economy”, described as “ships laden with containers docking at Nigeria’s ports and returning almost empty to their places of origin, as Nigeria does not have much to export” (Ogunsano 2008: 198). On the other hand the country has fragile and malformed democratic institutions, where individual life and property cannot be ensured with safety, particularly from

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<sup>7</sup> There is also a population of African traders in Hong Kong (See Mathew 2011). However, Hong Kong is different from Guangzhou because it does not specialize in production. Hong Kong, especially in Chung King Mansions, is mainly a market where African and South Asian traders purchase mobile phones, wrist watches, and other electronics such as audio sets. Guangzhou attracts larger population of African traders because the products are sold cheaper and traders can directly place orders at the factories.

Nigeria's corrupt government (Alden 2007: 68; Ogunsano 2008: 196). Such a situation has deepened the local market's dependency on foreign imported goods, especially from China in the last few decades.

In the 1980s and especially the 1990s, large numbers of African merchants were seen in the Canton Fair in Guangzhou. The Canton Fair is the largest international trade fair in China, and has been held twice a year since 1957. It is a main exposition in which China-made goods are displayed and ordered for export to different corners of the world. The African markets found their "gold mine" here and their needs could be met through comparatively inexpensive means. In the late 1990s, aside from the traders who attended the Canton fair, many individual African traders began traveling from sub-Saharan countries to Guangzhou to order goods. These petty traders are different from the Canton Fair traders in several respects:

- 1) They do not own or represent any company back in their home countries, nor do they have funds for placing substantial orders.<sup>8</sup>
- 2) Instead of attending the Canton Fair held in officially built exposition halls, the petty traders gather around the old railway station where shops are sub-let to Chinese and African migrants, who are often selling counterfeit goods and participating in semi-legal activities.
- 3) Instead of getting an official invitation letter to stay in China for three months,

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<sup>8</sup> The petty traders may manage small retail shops together with their families or master, but they do not own and are not employed by registered companies. As a result, they usually purchase goods by cash rather than by credit.

the traders often find a way to “buy” invitation letters from Chinese whom they do not even know<sup>9</sup>; if they need to, they overstay their appointed stay period to continue business.

- 4) Instead of staying in recognized hotels, these traders find inexpensive accommodation through networks or stay at special discounted rooms in cheap hostels.
- 5) Instead of having organizational guarantees and certificates that their goods are in good condition,<sup>10</sup> these traders may have nothing more than a spoken promise or a hand-written receipt that is kept off-book.

The traders near the railway station and the Canton Fair traders are at opposite ends of semi-legality versus legality, the informal economy versus the formal economy, and what can be called “globalization from below” versus “globalization from above”.

The traders that I met or that my informants talked about mainly come from Nigeria, Ghana, Mali, Cameroon, Senegal, Kenya, and Tanzania. The majority are Nigerian Igbo,<sup>11</sup> who are mainly Christians coming from southeastern Nigeria.

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<sup>9</sup> Tourist visas to China only grant one month of stay, so the traders usually try to get a business visa to stay for three months or even one year. Business visas require the applicants to have an invitation letter from a registered company in China. Since the petty traders are not affiliated with any Chinese company, they often pay agencies that give false invitation letters.

<sup>10</sup> Such guarantees are usually official recognition and certification of the supplier and distributor, such as business license, ISO labeling, or certificate from the chamber of industry and so on.

<sup>11</sup> The majority ethnic groups in Nigeria are the Hausa (north), Fulani (north), Yoruba (southwest), and Igbo (southeast) (Falola and Heaton 2008). There are some Muslim

Compared to their counterparts of other African nationalities or ethnicities, the Igbo usually stay for a longer period in China and manage to open more shops in China, earning a reputation of being “very good at business”. My Igbo friends said that they had to be good at business to survive. “If you want to know about Igbo, you need to know the history of the Biafran War.” I was often told. The Biafran War, also known as the Nigerian Civil War, was an ethnic war in the late 1960s which resulted in most Igbo residents being deprived of all their savings by the government.<sup>12</sup> “We became the poorest ethnic group in the whole country and we could not get even entry-level jobs because our race was discriminated against. We could not expect inheritance from the older generation. So Igbo had to stand on their own feet and make profits from whatever possible means,” one of my informants said. Indeed I found in many traders, not just Nigerians, the spirit of being very industrious in the attempt to rise from poverty. The following paragraph from my fieldnotes describes the life of a Nigerian trader before he came to China.

Eric, who now owns two clothing shops in Guangzhou and Lagos, is one of the many traders who started business from nothing in China. When he was still a 15-year-old boy in the Imo state of Nigeria, his family sent him to a local clothes

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Hausa traders in China and some Yoruba traders, but only a small number compared to the Igbo population living in China.

<sup>12</sup> In the early 1960s Nigeria was marked by ethnic regionalism and later by anti-Igbo riots. The military of the Igbo region tried to claim independence from the Nigerian state but failed. The war led to a widespread massacre of Igbo people. The Igbo survivors were deprived of most of their financial savings and belongings by the state. For more information, see Falola and Heaton 2008.

shop. An agreement was made to let Eric become an apprentice in the shop. In the following 9 years, Eric worked as a shop assistant and learned about the textile market and sales techniques. As an apprentice, he only received food, accommodation, and pocket money, but at the end of his apprenticeship Eric's master rewarded him with money to start his own business. By that time Eric had already heard about the "gold rush" in China, so he bought a plane ticket to Beijing, where he met some other African traders who told him of better opportunities in the south, in Guangzhou. With the money he was given by his master, he became successful in buying clothes from Chinese local factories and selling to other African traders in Guangzhou. Soon he also opened a shop in Lagos, where he can directly sell to Nigerian consumers.

Eric is among the fortunate traders who became successful in the transnational business. Some other traders I spoke with have attended universities back in their home countries. I know several traders with bachelor's degrees in business management, electronic engineering, biochemistry, and even philosophy. Like many other college graduates in general, they do not find book knowledge useful in actual trading and have to find consultants to help them when they do business in Guangzhou. Eric offers consultancy services to traders new to China, for an undisclosed commission. He told me that even so, some traders were not willing to come back to China because they expected better professional opportunities than that of a low-end trader. Eric sneered at these people: "The job market in Africa is bad.

There is a better chance of getting money in China.”

There are also many traders from lower-middle-class family backgrounds. They had to make harder efforts to find their way to China. Jeff’s story is typical:

Jeff was sent to become an apprentice in a clothing shop when he was 13 years old. He served his master for 9 years before his master let him go with an amount of money only sufficient to come to China. He bought a one-way ticket to Hong Kong three years ago and then crossed the border to Guangzhou. By then, he did not have enough money left over to start a shop or buy much inventory. So he talked to a few people like himself and found employment in a Ghanaian logistics shop, where he became a laborer, transporting bulk goods for freight and flight. He worked for 2 years and, together with previous savings, he accumulated enough to open a shop. He is now married to a local Chinese woman and both work in the shop selling clothes and offer consultancy services to short-term traders.

Less fortunate traders end up losing all their money; my estimate is that about half of the African traders who come to China lose the money their relatives invested in them. Desperate traders sometimes make a scene at the market after losing their money. Eric’s new Nigerian neighbor on the same market floor once started a fist fight with Eric. It turned out that the man, without knowledge of how to run a clothing business, had no customers for two months and was about to go broke; he

blamed the surrounding shops for “stealing his customers.” It proved to be a very ineffective tactic, because after that incident no Africans would talk to him. A month later, his shop was closed. Some said that this man and his Chinese wife from Hebei had to go back to Nigeria.

Economic benefit is the primary reason for traders to come to China. Every trader seeks to become rich in order to have a better life. Most Africans I know want to use the money they earn in China to open shops in their homelands. There are a few others who have an ambition to invest in political campaigns in Africa with the hope of becoming politicians so that they could move up the social hierarchy much faster than they could through trading. Several traders, who used to be soccer players in Nigeria, participated in soccer matches in Guangzhou and Dongguan, with the hope of being noticed by some famous coach from the United States or Europe.<sup>13</sup> Meanwhile, they also trade to accumulate capital for themselves and their relatives. As noted earlier noted, however, few African traders view China as a home. “China is not my place. I come here just to make money. Nothing else. Once I get the money I want, I will leave.”

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<sup>13</sup> It is unclear, however, why the American or European coaches would come all the way to Guangzhou or Dongguan to watch a soccer game. These “coaches” might be just temporary coaches invited by factories in Dongguan.

## Fieldwork

Africans gather in large numbers at two places in China: Yiwu (義烏)<sup>14</sup> in the east and Guangzhou in the south. I chose to conduct fieldwork in Guangzhou over Yiwu not only because it is easier for me to visit Guangzhou since it is close to Hong Kong, but also because the Guangzhou African population is more than ten times that in Yiwu.<sup>15</sup> Within and around Guangzhou, I conducted three months of fieldwork in Sanyuanli (三元里), Xiaobei (小北) and Foshan (佛山)<sup>16</sup> (see figure 2).

These three districts contain the majority of the African population in Guangdong province and are distinctly different from neighboring communities. Sanyuanli, where I spent most of my time researching, is a Nigerian- and Ghanaian-based market and has a large population of long-term African middlemen who sell goods to traders coming from West Africa. Xiaobei is mainly populated by Muslims and is a somewhat more expensive market, where there are more short-term traders from Islamic areas in Africa and the Middle East, such as Mali, Senegal, Guinea, Northern Nigeria, Yemen, and Jordan. Foshan is a neighboring city of Guangzhou, but its cheap rent and convenient transportation links with the above two trade areas, make it a major African residential area,<sup>17</sup> especially for traders who

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<sup>14</sup> Yiwu is known for its export business in its China Small Commodities Market (中國小商品市場), which is a center for the wholesaling of counterfeit goods from cigarette lighters to sun glasses.

<sup>15</sup> It is estimated by my informants that the African population that stays in Yiwu for longer than 6 months is not larger than a few thousand.

<sup>16</sup> Sanyuanli and Xiaobei are names of districts in Guangzhou, while Yiwu and Foshan are names of cities.

<sup>17</sup> It should be noted that even in the district where most Africans congregate, the

cannot afford hotels or do not hold valid visas.

My fieldwork included mainly participant observation and ethnographic interviews with African traders, as well as Chinese factory owners, shop assistants, and community residents. Gaining entry to these networks, particularly among African, was quite challenging. It turned out that that my “hanging around” and talking to strangers was very suspicious to both Africans and Chinese. The Africans initially believed that I was either a persistent local journalist or undercover police.<sup>18</sup> The Chinese shop owners and wholesalers thought I was a business competitor trying to gain some insider secrets or steal their business connections. Since I was not relevant to anyone’s business interests within the market, I was like a square peg in a round hole. Most of these people are involved in some kinds of semi-legal activities, so the best thing for them to do is to avoid talking to suspicious individuals like me.

In his book *In Search of Respect: Selling Crack in El Barrio*, Bourgois (2003) described how he lived five years in the El Barrio and picked up the street accent that the Puerto Ricans spoke with in order to socialize with drug sellers on a daily basis. He had to at least seem like he fit in the community in some way. I did something similar in my own research. In Sanyuanli, I noticed that most Chinese shops had job posts looking for English-speaking Chinese employees to improve their

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community is still predominantly composed of local Chinese. Some nearby restaurants adopt English menus, but the African population there is not large enough to have much of an impact on the local socio-economic environment.

<sup>18</sup> The undercover policemen are sent to different African markets to check foreigners’ passports and to arrest those without valid visas. The undercover police are not always the same group of people, so it is hard for the traders to recognize faces.

communication with foreign clients, so I approached them offering free translation services and my name card with my researcher title and contact information. I also offered translation services to several stores. The shop keepers called me when they needed the service. This allowed me to justify my hanging around the market observing and participating in conversations with African traders. Knowing some simple Igbo phrases also proved to be very useful in gaining Nigerian connections. I learned to say “*Bia bia, kedu ka imere? Kedu aha gi?* (come come, how are you? What is your name?” and various Nigerian traders became interested in talking to me more. It was also an amiable and friendly gesture to them when I ate *fufu*<sup>19</sup> by hand with them; they would say “Whoa, you eat African food in an African way. That’s good!”

Nonetheless, my identity as an ethnic Chinese and a female continued to hinder my fieldwork, and I tried hard to overcome the difficulties these created. Since most African migrants have encountered racial discrimination and financial fraud in one way or another from Chinese, they are very skeptical and hostile to any Chinese person who approaches them without a clear indication of what he or she sells. Those who suspected I was a journalist by default believed that I spread negative information about them. A trader told me, “Many many journalists have interviewed my people and seemed nice at first. But then they wrote that we were stingy, smelly,

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<sup>19</sup> *Fufu*, sometimes also referred to as *semo*, is a staple food in West Africa that is made from maize, yam, or rice. It is served with meat soup, such as chicken soup or beef soup. It is consumed by using one’s right hand fingers to make a small ball of fufu and scoop up a portion of the soup.

and had no manners! They never said true things!” Even those who did believe I was a researcher thought that I was working for the Chinese government, “You collect data for your paper but then your government will use your paper to act. If I give you my story, the police will chase after me. Are you even aware of how badly your people and your government treat us?” Because I am ethnically Chinese, they equated me with the Chinese government and Chinese people in general.

Aside from this, as a young female, I was seen as potential courtship target for some African men, who are used to being very direct in pursuing partners. It was quite common that their conversation with me developed into flirtation and trying to ask me out for a date. Generally I was not bothered by these actions except that some of them made up all kinds of bizarre stories about themselves and kept spamming my email or phone in-box with love messages. It amused me when I pointed out to some of them that they forgot to hide the name list when they mail love letters to multiple potential Chinese partners.

Several things helped me in overcoming the above problems. I am very thankful that I have been occasionally accompanied by my friend Noah Altman, who helped in breaking the ice of some conversations, provided useful financial analysis, and, surprisingly enhanced my credibility among the traders and also fended off flirtations. The fact that I was associated with an American Caucasian led to a huge improvement of my social status in the African markets. Some people we had not met before would come by and shake hands, asking for our names. After knowing

that Noah came from the United States, the Africans often said in great delight, “Oh, wow, you are from America. How is America? How is Obama?” It is surprising to me even today how many times such scenarios were repeated during my fieldwork.

My speaking more fluent English than other Chinese in the area also gave me more credibility. I also tried to prove my identity as a research student. I showed the traders a *Macao Times* newspaper report about me as a research student at the Chinese University of Hong Kong, giving a talk on racism and the marginalized situation of Africans in China. It helped to a certain degree in showing them that I was a researcher with a sympathetic stance towards the African traders.

By the end of the fieldwork, I had been accepted by many members of the African community and even developed long-term friendships with some of my key informants. I found out that my African acquaintances called me “copy Chinese” behind my back, because I spoke English and behaved very “different” compared to “normal Chinese”. For example, I did not throw rubbish on the floor and I did not sneer at the Africans with my Chinese peers.<sup>20</sup> To them, I was a “fake” Chinese, just like a copy Rolex or a fake Adidas shirt, except, presumably, in a good way.

I managed to establish my network with African traders and businessmen in various shops;<sup>21</sup> I did informal interviews with mainly 48 informants (see appendix),

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<sup>20</sup> It is quite customary and also tolerated in the African markets for people (both Chinese and Africans) to throw product wrappings, disposable lunch boxes, and tissues on the floor. People regard it is the cleaning lady's duty to keep circuiting around the mall and sweeping the rubbish away.

<sup>21</sup> All the African entrepreneurs I met are male. My female African informants are mostly spouses or relatives of the traders. Further discussion of female African traders can be found on page 62.

and also talked to various market participants from Nigeria, Congo, Togo, Benin, Ghana, Cameroon, and China. I observed how they did sourcing in wholesale markets and how they became successful middlemen in the China-Africa trade. I followed my informants not only to markets but also to their churches, residences, and social areas, such as African restaurants and bars. I also witnessed several conflicts between the foreign traders and the Guangzhou government, which gave me opportunities to interview people of various backgrounds about their views of these conflicts and the African population in China in general.

I use pseudonyms for all individuals and shop discussed in this thesis. Except for known informants (such as representatives for African associations), informants are disguised in other ways as well, and thus cannot be recognized.

### **Outline of Chapters**

The thesis is divided into five chapters. Chapter one has provided the introduction to my thesis. Chapter two describes the Guangzhou African markets in two dimensions: horizontally, where there are different kinds of stores and services available to traders and related interest groups which are linked to the China-Africa trade, and vertically, where there is a clear commodity chain in which traders act as middlemen between the Chinese producers and the African buyers. I particularly take the textile industry as an example to describe in detail the operations of the business and manufacturing related to African traders.

Chapter three focuses on individual traders: how do they do business? What kinds of capital are needed in the business? What specific skills do the traders adopt to succeed? What obstacles do they encounter when trading with Chinese? The chapter explains how an African trader becomes a street-smart entrepreneur by overcoming fierce competition through his human networks and successful business management. Fraud cases will also be described as a high risk in doing business. The issues of visa problems and the corruption of local police also heavily influence the trade and become the biggest barrier for African traders. In the last part, I discuss traders' views of their economic activities of bringing large quantities of goods to Africa. The morality and justification of the trade will be discussed in this chapter.

Chapter four turns to the social and political life of the African traders living in Chinese cities. What is it like for them to live among the Chinese population? What are the Chinese social reactions to the African community in Guangzhou? What kind of political policies have been imposed upon the Africans? I explore the cross-cultural relationship between African traders and their Chinese partners and how in particular romance with Chinese girls changes their social status as well as imposes social pressure on their lives. The majority of traders also spend time in religious activities, where they socialize with their peers and also search for spiritual comfort. The underground churches and daily prayers in markets are some of their main religious venues. Finally I discuss how the social lives of traders are generally marginalized in China because of conflicts with the Chinese state.

Chapter five analyzes in broader perspective the African presence and trade in China to present a picture of globalization from below. These markets represent an informal economy in China that contests the law both in China and Africa and transcends national borders. Its potential lucrative profits come from its semi-legality and globality. I also discuss the change of political climate in China towards the end of 2010, when the Asian Games prevented many African traders from staying in China. Guangzhou, as a major global city of China, is facing its own set of dilemmas in the development process, as I discuss in this chapter.

## Chapter 2 The Markets and Trade

“We make money from our own people. We make African money. We never steal jobs from the Chinese. In fact, we create jobs for the Chinese. So why don’t you Chinese leave us alone?” I have been told on several occasions. “African money” refers to the idea that the profits that African traders gain from business are eventually converted to Nigerian naira or other African currencies. They only sell their goods to other Africans. Indeed, the foreign traders in China greatly benefit the local private sector by placing numerous orders; the traders themselves seldom become involved in the actual production of goods. Almost every African trader in China is a middleman in some industry and profits from linking China and sub-Saharan Africa. It is a modern Silk Road where these business traveler buy goods from the “world’s factory” to sell to their home countries. This chapter explores the economic activities of these African traders in two dimensions: the horizontal dimension of the markets and their various organic components and the vertical dimension of the commodity chain.

### The Markets

There are two kinds of markets in Guangzhou that African merchants go to: “African markets,”<sup>22</sup> where there is a high percentage of African-owned shops (compared to

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<sup>22</sup> The African markets are called this because most buyers are African. African-run shops only take up five to twenty percent of the total number of shops in these markets;

other markets in China), and Chinese wholesale markets, where stores are managed by Chinese locals. The African markets are popular trade destinations particularly for short-term traders from Africa,<sup>23</sup> because they can easily find business consultants and shop assistants who speak fluent Igbo, French, and Arabic and so on.<sup>24</sup> There are also many informal agencies in these markets that facilitate the needs of African traders in terms of finance and living. The Chinese wholesale markets, on the other hand, mainly accommodate Chinese buyers, so there is much less marketing targeted at foreign traders. The language spoken in these markets is Mandarin and there are no money exchange stalls for traders who only carry U.S. dollars, which is the standard currency that traders carry outside their home countries. Africans who go to these Chinese wholesale markets are usually either wealthy traders who can afford hiring Chinese interpreters or “localized Africans” who have stayed a long time in China and own shops/companies in the African market targeting short-term traders.

Sanyuanli, with approximately twenty percent of the shops managed by Africans, is a typical area for African markets in Guangzhou.<sup>25</sup> I have spent much time in the Tangqi building (see figure 3), near where the 2009 July incident described at the

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the rest are run by Chinese

<sup>23</sup> The short-term traders usually hold either one-month or three-month visas; they do not own shops in China. They travel to Guangzhou or other mainland cities to place orders or purchase spot commodities once or several times per year.

<sup>24</sup> Igbo is used among the Nigerian Igbo traders. French is used among traders from Mali, Cameroon, Congo, Togo, and Benin. Arabic is used among traders from North Africa such as Egypt, Libya, and Algeria. English is mainly used among traders of different nationalities or between Chinese and Africans.

<sup>25</sup> I calculated the percentage by walking around the major trade buildings in Sanyuanli and simply counting whether the shops belong to a Chinese or an African. It should also be noted that I have never seen African clerks working in Chinese shops.

beginning of the thesis happened. There are also several trade buildings hosting various sorts of small shops that sell different kinds of products, as summarized in table 1.



Figure 3. The Tangqi Building in Sanyuanli.

Markets	Available Goods
Tangqi (唐旗), Canaan (迦南), Old Tian'en (天恩), New Tian'en (新天恩), Baile (柏樂)	Clothes, handbags, shoes, electronics
Meibo (美博)	Cosmetic products, perfume
Ziyuangang (梓元崗)	Leather products, backpacks, hand bags

Table 1. Trade buildings and goods in Sanyuanli.

Xiaobei district does not have as many African shops as Sanyuanli.<sup>26</sup> The market there serves the purpose of catering to mostly short-term Muslim traders from Africa and the Middle East. The Xiaobei district is more strictly controlled by the Chinese police, who often appeared standing at the entrances to this market.<sup>27</sup> It is generally harder to find store fronts for sublet in Xiaobei. Nonetheless, there are a few major trade buildings there, such as the Tianxiu (天秀) (see figure 4), Taoci (陶瓷), China-Africa Tradegate (中非商貿城), Xiushanlou (秀山樓), Jinshan Xiangmao (金山象貿), and New Donfrac (新登峰). Most of the shop owners in these trade centers are Chinese who have African and Middle Eastern connections.



Figure 4. The Tianxiu building in Xiaobei.

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<sup>26</sup> To review the geographical location of Sanyuanli and Xiaobei, refer to figure 2 “fieldwork locations” on page 3.

<sup>27</sup> Next to the Xiaobei market, there is a police office called the “Community Office of Foreigners Assistance”, whose purpose is to manage and regulate the foreign population nearby.

### **i. African shops**

The African shops (see figure 5 below) are not much different from the Chinese shops in appearance. The clothes stores are stuffed with piles of shirts up to waist height. At the store front, colorful clothing samples are hanging on vertical steel chains. The clothes on display change almost on a daily basis and you can always sense different new fashions spreading in the market. A rainbow pattern on shirts may be the most popular this week, while next week Polo shirts with LV prints take over. In the Tangqi building, the African shop managers and shop assistants who are more aggressive in occupying the public resting area will pile up huge bags of stocked clothes in the corridor. As you walk around in the building, you can often see several groups of traders standing among the clothes piles and unpacking shirts for sale or for purchase. They throw away the plastic wrappings to reduce the weight for shipping.



Figure 5. African shops in Sanyuanli.

The African shops and the Chinese shops are distinctly different in one important respect: while many Chinese rent stores directly from the administrative department of the market, the Africans usually obtain sublets. One can easily observe this by looking at the business license papers on the wall of individual shops, because the names of the tenant and operator are always Chinese. To open a shop for business, the African traders either find these shops through their Chinese networks or through sublet agencies and street advertisements.<sup>28</sup> The Chinese sometimes rent sublets too, but for Africans it is out of necessity rather than choice. The Africans feel that they must not formally register anything with their passports, in order to avoid *mafan* (trouble, 麻煩)<sup>29</sup>. *Mafan* in the context of registering means that their information

<sup>28</sup> The African traders may have Chinese wives or business partners who can deal with registration of shops and business for them.

<sup>29</sup> The word *mafan* is probably the most popular Mandarin word among Africans in China, except perhaps *wo ai ni* (I love you 我愛你).

can be easily traced by the Chinese police in case they overstay their visas. If their passports are recorded, it may be harder for these traders to re-enter China once they have been caught violating the laws and regulations in China. In one trader's view, "They (the police) require every entity to be registered with my passport. When I check into a hotel, the staff needs to scan my passport. When I find a house to live in, they need my passport. When I rent a shop, they want my passport. You Chinese are *mafan*. So many Chinese in my country (Nigeria) and we never give them *mafan*." Despite these various troubles, the African shops are still very competitive in doing business, because it is easier for them than it is for Chinese to gain African customers in their shops. Speaking the same mother tongue and being Africans outside of Africa strengthens the bonds between them and their African customers.

## **ii. Underground Banks**

The existence of underground banks is another result of traders avoiding having their passports recorded in China. These illegal money exchange stores are discreetly operated exclusively by Chinese.<sup>30</sup> In Xiaobei, where police control is stricter, the money exchange service is available only by telephone request. The dealer and buyer meet at a restaurant or a café,<sup>31</sup> where the police are less likely to raid. In Sanyuanli,

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<sup>30</sup> Although money exchange is illegal outside of officially appointed banks, I suspect that the Chinese government is aware of and tolerant towards the unofficial money exchange business. Since the profit made in this business is huge, its existence for such a long time might be a result of corruption.

<sup>31</sup> Some of these restaurants and cafés are themselves fronts for underground money exchange. One can easily find this out by looking at their menu, because most of the dishes on the menu are always "sold out". Few customers go to these shops for food

on the other hand, a money exchange provider takes up the disguise of a clothes shop to blend into the market. Nevertheless, it is still easy to tell them from bona fide clothes shops, in that these shops never actually sell any clothes. A typical underground bank in Sanyuanli often looks like a clothes shop that is that about to go out of business: there are just a few jackets or shirts hanging on the wall and there is no inventory in the shop. The interior space is divided in two by a transverse thin wall with a small door. In front of the wall, there is a writing table where the shop owner sits. African traders come by and walk directly to the room behind the thin wall where no one catches sight of their transaction (see figure 6).



Figure 6. A trader checks rates in an underground bank.

The Chinese government forbids currency exchange outside of official banks. It is a common irony to see the official notice “No illegal money exchange activity!” right next to an illegal bank. However, these underground bankers are seldom harassed by  

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or drinks.

the authorities.<sup>32</sup> These banks make profits from the exchange rate difference compared to the official exchange rate of the day, as the following table shows:

Buy-in Rate	Sell-out Rate
RMB → US dollar	US dollar → RMB
e.g. 6.734 RMB → 1USD	e.g. 1USD → 6.8RMB

Table 2. Underground bank's profit structure.

The exchange rate offered at the underground banks is higher than the rate at legitimate banks, but the foreign traders still go to these banks so that they do not have to go through the process of presenting passports as well as writing a statement explaining why they need to exchange money. The official currency exchange service requires the client to present his/her passport and also to fill out a currency exchange sheet where one writes down the purpose and usage of the transacted money. Many traders fear that leaving their records at the legal banks will sabotage their returning to China once they were caught overstaying in China. As a result, the African buyers find it worthwhile to pay an extra percentage fee to exchange US dollars into RMB in a more convenient way for them. The Chinese bankers then exchange the dollars back to RMB at the government banks with standard rates. They also offer to exchange a small amount of RMB into US dollars when the traders have finished their business in

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<sup>32</sup> There are exceptional cases where the Chinese government cracks down on illegal money exchange stores. For example, 26 illegal underground banks in Shenzhen were found and closed in May 2010. However, the reason for this case is that the Shenzhen underground banks contributed to serious money laundering problems between Shenzhen and Hong Kong, about which the Hong Kong government had complained.

China or when Chinese need to get some US dollars before going abroad.

Newcomers are often curious about the trustworthiness of these underground banks, because there is no security guard watching the door and there is no guarantee that the RMB notes are authentic.<sup>33</sup> The operators of money exchange shops always claim that they use a currency detector to check every note,<sup>34</sup> but it is known that some “clever Chinese” have already cracked the technology by inventing currency detectors that turn a blind eye to fake money. Surprisingly, none of my informants have ever heard of a single case of money fraud at the money exchange. A trader explained, “They don’t need to cheat. If they cheat, they don’t have business anymore. It’s not worth it.” The market decides that no one in the underground bank business cheats with fake money, as a matter of “don’t kill the goose that lays the golden egg.” Other than times when there are immigration raids targeting visa overstayers, the market remains a peaceful and secure place for money transactions and other economic activities.

### **iii. Logistics Companies/ Custom Clearance Companies**

International money transfer services are operated by African logistics companies.

The logistics firms transport money, goods, samples, and sometimes gifts for mostly

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<sup>33</sup> There are a large number of counterfeit RMB notes in the Chinese market. The fake money goes to buyers who then use them for purchasing products in various places. The idea is to launder the fake banknotes or to replace them with real money without being noticed. It is unlikely for underground banks to use fake banknotes because they are much less mobile than money launderers are, and they have a reputation to maintain in the market.

<sup>34</sup> A currency detector is a machine that checks whether a money note is authentic or not.

African clients. The firms also offer “customs clearance” services, which involves clearing customs barriers for imported goods in West Africa. Although customs brokerage is a licensed profession in many countries, the ones in the African markets in China are not legitimate in this sense. My informants said that their way to clear the barriers was to bribe customs officials.<sup>35</sup> Nonetheless, since they are handling large sums of cash and goods and crossing national borders, every logistics company has to be trustworthy and they have widespread networks in the areas of flight and freight. Many of them have branches in Guangzhou, Yiwu, Hong Kong, Lagos International Airport, Abidjan, Beira, Capetown, Lome, and many other major African ports.

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<sup>35</sup> The importation of Chinese clothes into Nigeria is illegal, so the goods are registered as non-textile items or are transported through non-official channels, which often involve bribing the customs staff in Nigeria.



Figure 7. An advertisement for an Africa-China logistics service.

The containers and boxes of goods are transported by several employees who are connected to the local cargo business. Small items such as money envelopes and product samples are often handled by flight attendants that these firms employ. Rather than a legal contracted employment, the agreement between the logistics company and the flight attendants are unofficial and are based on human networks. The flight attendants are ideal for this profitable part-time job because of their frequent international travel and their free luggage allowance. Branch employees at the destination pick up the items at airports and then take them to clients. An employee of the Sanyuanli branch Jack said, “We are trustworthy because our handling procedure is secure, probably more secure than the official post service. The

reason is that if the Chinese post service loses your goods, they compensate you and can still go on with what they do. If we lose your goods, we will be out of business because no client will come to us again.” As an example, he explained the procedures for how to send money from Nigeria to Guangzhou:

Clients in Nigeria can pay the amount of money they want to send in US dollars. The payment can be made by going to our branch offices in Nigeria or they pay at a major bank into specified accounts, like Ecobank Nigeria, Afribank Nigeria, First Bank Nigeria, United Bank of Africa, and Zenith Bank. If you want to send \$1,000 to your friend in China, we charge 1,000 nairas for the service.<sup>36</sup> The money is put in individual envelopes which will be handed to our flight attendants on that very day in the next flight to China. For non-express service, the money can reach China in three days. The person who needs to pick up the money will have to come to our office in Guangzhou. We ask the person to say the name of the sender and to call my assistant's mobile phone. If the number appearing on the phone is the correct number that the sender put down, then we will give the money envelope to the receiver. We have been doing this business for five years and seldom have problems. The only problem that can occur is when the international flights are delayed. Overall, we have a good name both in Guangzhou and Nigeria.

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<sup>36</sup> The value of 1 US dollar equals 156 Nigerian naira, so the service charge for sending \$1,000 is about \$6.41, a 0.6% service rate charge.

The apparent verification of the receiver's identity involves checking his phone number at the logistics shop, where the staff requires the receiver to call the staff's personal cell phone number to see if the number is the same as the one appearing on the transaction record. It seems that there may be many ways to cheat this system, for example by using a device to modify one's calling number. However, as I sat in Jack's store for a long period of time, I found that there are more subtle ways of verifying clients. It appeared that Jack and his assistant remember most of the faces of their clients. With half of their regular customers, they were able to call out their names and could find where their stores or factories are. If it was a new client, either African or Chinese, Jack relied on his intuition to judge whether the client was a cheater or not. He observed how this client behaved, chatted with him for a while, and found out background information about the business of the client. Compared to the other identification methods, face-to-face observation seems quite efficient to secure a good transaction. "New customers can give me their name cards, but I get more information about them just by talking to them. I know about their educational background just by listening to how they talk, not by looking at their certificates," Jack said.

As mentioned in Jeff's story (see page 16), the logistics shops in Guangzhou serve as an entry-level employment for many African traders who initially do not have much economic capital. Jack's assistant Toby sought to earn enough from his current job so that he could join the trading business between home and China.

Employed just a few months earlier, Toby planned to accumulate enough money to buy some clothes to ship back to Nigeria for sale. His job responsibility was to verify the phone number of the clients and to pick up samples and money envelopes from Guangzhou International Airport around six o'clock in the afternoon every day. He said he often carried more money than he ever could have imagined, but he claimed that he would never attempt to steal the money. Toby said, "I got the job through my relative. They only want trustworthy Nigerian working in the company. If I ran away, my relative will have the liability. For now, I stay here but later I will be doing business myself."

#### **iv. Clothes Wholesale Markets**

The majority of African traders trade clothing items because it is where quick money can be made. When they look for good supply, they usually go to several large wholesale markets: Shijing Guangda (石井廣大) (see figure 8), Dashatou (大沙頭), Shahe (沙河), Xintang (新塘), and Lihu (荔湖). These markets are conveniently located near the Guangzhou railway station and can be easily reached by bus and taxi. They were first founded to supply Chinese retailers but became popular trade destination for Africans in recent years. The size of a wholesale market complex can be as big as four soccer fields and there are independent sections selling jeans, suits, underwear, and dresses, among other clothing items. Around these markets, one can see many African traders walking from shop to shop picking up clothes samples

in their black plastic bags.



Figure 8. Traders walking towards the jeans section of Shijing Guangda.

Shijing Guangda, also known as Guangda, is the largest wholesale market in Guangzhou. It specializes in out-of-season clothes. The locals call these clothes “tail products” because they are out of fashion and are usually of less value.<sup>37</sup> Petty retailers, both Chinese and African, go to this market to get these outdated clothes at reduced prices. Some stores have their own factories producing their own brand of clothes, while others sell counterfeit Adidas and Nike products. When they counterfeit known brands, they follow new designs every season, so they open “outlets” at Guangda in order to clear their storage.

Although there are many English signs in the market advertisements and shop

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<sup>37</sup> Tail products (尾貨) originally refer to 1) products that fail to pass the quality inspection; 2) the surplus products in an order, because the number of produced goods is usually larger than the actual ordered number so as to ensure the quality eligibility of the end product.

fronts, the Chinese employees who sell clothes there seldom speak English. The stores have very odd English names, poorly translated from their original Chinese names, such as “Europe More Rat Dress-shop” or “Altogether Wins Clothing Firms”. To converse with foreign buyers, the Chinese shop owners mostly rely on interpreters that traders bring, or they communicate by pressing price numbers into a calculator to show the foreign customer. It is a common scene that an African trader “bargains” back and forth with a Chinese shop owner by typing on the calculator and making exaggerated gestures without saying a word.

### **The Clothing Commodity Chain**

In the commodity chain, middlemen are located at different points between the producer and the buyer and benefits from linking the two. Most of my informants, either African or Chinese, are middlemen in the transnational commodity chain. The following is a chart of the textile industrial chain that includes various interest groups:

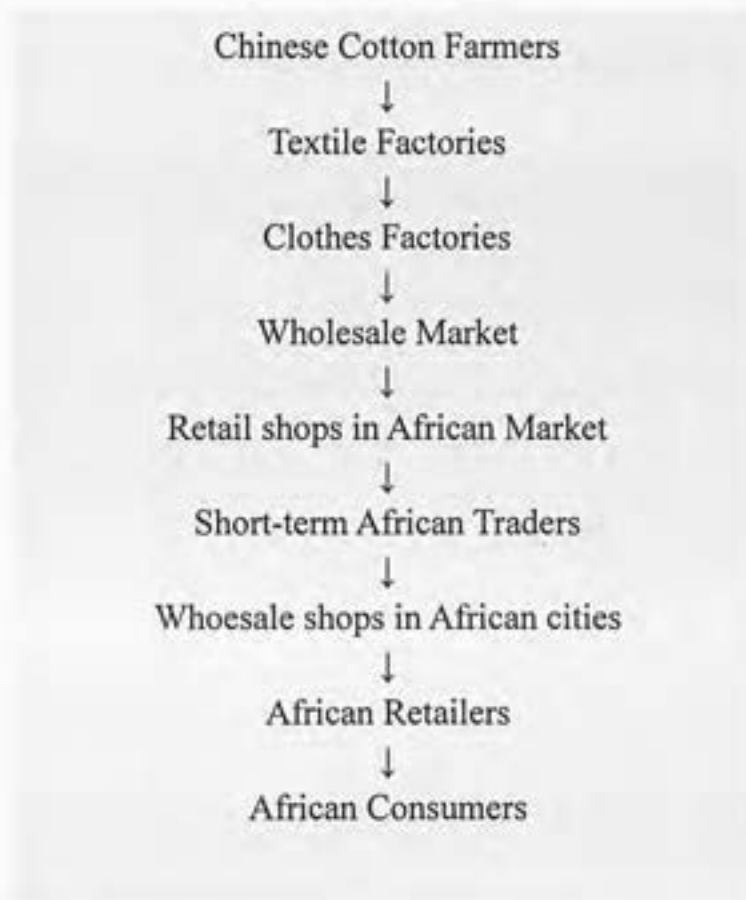


Table 3. The clothing commodity chain of the African market.

The most frequently traded clothes (polo shirts and T-shirts) in the African market are made of cotton. Cotton agriculture is mainly located in northern Chinese provinces, such as Hebei (河北), Henan (河南), Shanxi (山西), Shandong (山東), Hubei (湖北), and Xinjiang (新疆). The cotton farmers sell the cotton to the textile factories, which process the raw material. They develop the cotton into cotton yarn and then weave the cotton yarn into cloth, which is followed by bleaching, dyeing, and printing. The clothing factories in the Yangtze River Delta and Pearl River Delta buy the cloth and apply various fashion designs to it and produce a large quantity of clothes and pants. These clothes stocks are then sold through the outlets at the wholesale markets, like Guangda. The retailers from all over China and Western African

countries come to the wholesale markets and purchase clothes in bulk of various designs. The Africans who have their own stores in Guangzhou then divide the bulk clothing into even smaller shares to sell to short-term African traders, as in the case of the Sanyuanli market. The traders then ship the goods they buy by flight/freight back home, where the goods are sold in their family-run stores or to other African local retailers.

There are four things to be noticed about the industry.

First, there is a tremendous profit margin on a single piece of clothing from when it is produced in the factory until it is purchased at a commercial retailer. Every market participant tries to get into the industrial supply chain to take a share. Clothes traders clearly benefit from buying in and selling out textile goods, but there is also a large subsidiary industry that relies on them, like the underground banking and logistics industries, which all add to the final cost of the piece of clothing. It is amazing how many interest groups can make profit from this process. Even an interpreter can increase the cost of the product. As I accompanied my informants to a wholesale market and helped them with translation, many wholesalers would first ask me “do you charge a commission?” Then I realized that it is very common for an English interpreter to charge a sum of money to the wholesaler, typically 0.5% of the sales price, to help conduct business smoothly. The interpreters determine in large part how well the communication goes between the wholesaler and the African trader. Just by adding more positive adjectives to the translation, an interpreter can influence the

decision-making of the buyer.

Second, any price fluctuation in the upper part of the industrial chain can make a huge difference. In 2010, the price for raw cotton material sharply increased and reached the highest price of the last 15 years. It is reported that cotton prices increased by 20% during the Mid-Autumn Festival in 2010.<sup>38</sup> African traders could pay some 25RMB for a shirt of average workmanship in 2008, but now most shirts cost over 30RMB per piece. The profit loss is huge for traders, as they buy tens of thousands of pieces. A trader told me that since he had only about 20,000RMB, he ended up buying much less than he had come to expect from his experiences a year earlier. He said:

I had to pay much more for each shirt. Do you know what that means to me? I will have to sell at higher prices and people may not buy from me. They will go to shops that offer lower prices because they have cheaper stocks or they have connections with factories. Maybe somewhere the cotton farmers decided not to plant cotton anymore and go to work in the city, but this is bad for me and my clients. Now even the value of the RMB is so high, my money will be gone soon. I need to do something. I must find cheaper sources, or I will go to cheaper countries like India.

Third, fashion matters. It is risky for a trader to purchase large quantities of clothes

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<sup>38</sup> The Mid-Autumn Festival in 2010 was from 22/9 to 24/9. The data is retrieved from [cottonchina.org](http://www.cottonchina.org), on 09/10/2010 at <http://www.cottonchina.org/news/pubzmb.php?articleid=104164&newstime=2010-10-09>.

within a short period, because he may have no buyers at all when fashions in Africa change. Compared to electronics and mobile phones, the clothing business is much more fickle in terms of style. The fashions in the Sanyuanli clothing market change on a weekly basis and sometimes even more quickly. One can simply record the different arrangement of clothes on display on the shop fronts to understand the changing fashions of distant sub-Saharan markets. The clothes sold from China and the African local fashion trends have a mutual influence on each other. An African trader said, "I ask my brothers in Nigeria to tell me what designs are popular there. But sometimes when every trader sells certain kinds of clothes from here, it will form a trend in Nigeria." African shop managers in this sense are better positioned than their Chinese competitors not only because they share a common language with their African clients, but also because they can better understand fashion trends back home. The Chinese shop/factory owners are at a disadvantaged position because they still apply their Chinese aesthetic understanding to the clothing business with Africans. As one Chinese informant said:

I just don't understand the Africans. They have a very different aesthetic standard. They love buying flashy, bright-colored, sharp-contrast designs. Right now everyone wants to buy this one, a men's shirt that draws a baby in straps. Doesn't it look funny? Who wears this in China? I have so many good designs that will be popular here but no African wants to buy from me. But I will keep the stock, because sometimes the style might become popular again in the future.

Fourth, fake products are everywhere. The markets are full of contraband Sony DVD players, HP computers, Adidas shoes, Louis Vuitton bags, and most commonly, contraband clothes (see figure 9). It is easiest to counterfeit brand clothes because all that is required is a similar print.



Figure 9. “Zara Men” and “D&G” shirts sold in a Sanyuanli store.

One should never expect to find, for example, a real Paul Smith shirt in these markets because no real shirt of that brand cost only 30RMB. The traders said that their customers in Africa know very well that these are not authentic brands, but people are still inclined to get these because somehow the “designs” appeared better than those of the lesser known brands.<sup>39</sup> A trader said, “It is better if the brand is printed on an obvious spot of the shirt or shoes to attract attention. The actual design of the shirt doesn’t matter but the brand tag matters. This Zara shirt says ‘made in

<sup>39</sup> Consumers in many places in Africa are more brand conscious of the name tag, rather than the actual design or quality of the clothes or electronics made in China as compared to the original products.

Turkey', but people in my country know it's fake and that it's made in China for this price."

### **Making a Profit in the Trade**

The key to making more money is to expand upstream in the commodity chain. The benefit is most lucrative if an African trader owns a textile factory in Guangzhou, as do a few of the traders I interviewed, and produce products that are sold back in the African market. However, most traders cannot afford the time and money to invest in building factories, so most of them become middlemen. There are three ways in which the African traders can gain more from the market.

#### **i. Moving Closer to the Producer**

To get the cheapest price, it is best for a trader to find a direct connection with textile factories. Other than offering good purchase rates, these factories send out messages to regular clients about new arrivals as well as future price changes. Some of the factories set up an outlet office near the railway station, where wholesalers from inside and outside China come to place orders (see figure 10). Sometimes, the office also gathers a handful of small orders, perhaps of 500 pieces each, or they sell the tail products from the passing season. Once in a while, short-term traders are introduced to these factory offices, where they are able to get better deals than the ones they get in Xiaobei and Sanyuanli. Just by skipping the middlemen in the above African

markets, they can gain some 3 to 10 RMB per shirt, which is a big difference if they place a big order. Again, they will need to learn basic Mandarin or hire an interpreter to communicate with the factory staff.



Figure 10. Wholesalers selling their tail products at outlet shops.

Sometimes the traders travel among major production centers in the Pearl River Delta and further north to do business directly with producers. Among the traders, Shunde (順德) is well known for producing furniture; Foshan (佛山) is known for inexpensive lighting products; Wuhan (武漢) has many building materials; and Wenzhou (溫州) is a good place to get footwear.

To gain more from the industry, a trader can even become a producer himself. Jeff and his Chinese wife pooled some money together with his Nigerian friends and bought a small clothing factory in 2008. Owning their own means of production has two positive implications for their business. First, they are able to adjust the quantity of each production according to the market demand and offer cheaper price than others in

the Sanyuanli market. Second, they can produce patterns of their own designs or counterfeit the newest designs. Jeff's wife said she would travel to Hong Kong from time to time and pick up designs that mainland China did not have.<sup>40</sup> "It is more flexible for us to print unique patterns on our shirts. I tell my husband that we should really get a weaving machine to make our own kinds of cloth. We would be able to make more varieties of texture and more money will come to us," she said.

## **ii. Expanding the Scale and Scope of One's Goods**

As a trader move closer to producers in the commodity chain, he will place larger orders and increase his profit margin, benefiting from the economics of scale. On the other hand, to benefit from the economics of scope, a trader needs to add more varieties to his business. Alfred knew all about this after graduating from business school in Nigeria:

I sell a wide range of things in my shop and I sell some of them a lot. I sell a lot of women's tops and jeans, for example, because my brother in Nigeria has regular clients. My shop in Sanyuanli also sells leather bags, belts, footwear, jewelry, wrist watches, laptops, and computer accessories. With popular items, I have a lot of them in stock because it's cheaper that way. But with less frequently bought items like watches and computer accessories, I buy no more than 5 items.

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<sup>40</sup> To produce more competitive textile products, some traders will purchase newly arrived items from original lesser-known-brand stores, some of which are close to the Guangzhou Railway Station. The clothes are then usually copied in Chinese factories with similar design and of cheaper material.

This way, I can allocate resources better and make my shop look like a really good “supermarket”. When other clients come, they don’t have to leave my shop to find what they want on their shopping lists. If they buy everything in my shop, I give a discount.

It requires careful calculation to properly balance the scale and scope of one’s goods. Knowing the demand well enough, Alfred applies the economics of scale to best-selling items to get optimal price reduction. On the other hand, he applies the economics of scope to other goods to achieve a certain degree of customization. If a trader is very good at calculating this, he will be able to benefit greatly when the market environment is good and also to continue his business when the sales volume for one kind of product drops as a result of fading market interest.

### **iii. Understanding one’s Customers**

Many African traders do not always fully understand their consumer market, especially if they did not have any hands-on experience in the industry through apprenticeship. Traders must know very well what the consumers back in Africa want, which will also determine what the short-term traders buy on their trips to China. Other than fashion trends, they should understand the purchasing power, cultural background, gender differences and consumer behavior of their customers.

I knew a textile trader who did not know English well who bought hundreds of shirts that had the sentence “Sex is not a crime” written on the front. It happened that

he was going to sell to wholesalers from the north of Nigeria where the majority of people were Hausa, an Islamic ethnic group. He would never be able to sell those shirts to the conservative Muslims unless he could find a buyer who knew no better English than he did.

Gender difference is important for consideration as well. Eric introduced me to his consultancy client Colbert, from Cameroon, who spent about 40,000 RMB on men's clothes. When asked why he did not purchase any women's clothes, Colbert said: "The men make the money. The women do not really work, so they haven't got money to shop for clothes. If I buy women's clothes, they cannot sell as well as men's shirts."

Emma, a Ghanaian jewelry businessman, said he used to get gold rings from Guangzhou. "It was cheap to get real gold rings, around 50 US dollars per ring. But it is still too expensive for Africans. Not many people can afford them." He shifted to trade rings and necklaces made of steel and titanium. He paid about 10RMB for each ring and sold them for about 25RMB each back in Ghana. With the money that could only pay for 100 gold rings, he was able to purchase 4,000 rings and gain more profit in a shorter period of time. "Also, the clients like steel rings because steel rings look very cool. See, I myself wear steel rings too. It's in fashion." He showed me the 8 rings on his fingers.

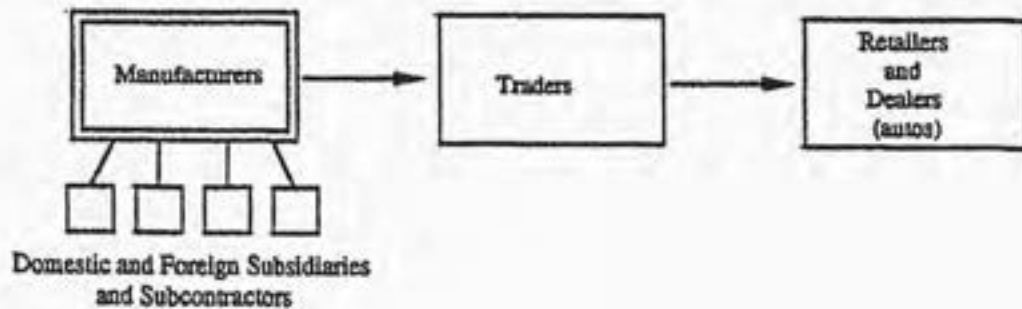
## **Conclusion**

The book *Commodity Chains and Global Capitalism* (Gereffi et al 1994) describes the various inputs involved in producing a finished commodity for the final market: raw materials, intermediate products, labor, transportation, and distribution as well as marketing. Extending the chain from one country to another, global commodity chains (GCC) are influenced by both economic agents and government policies of both the exporting country and importing country (Gereffi 1994).

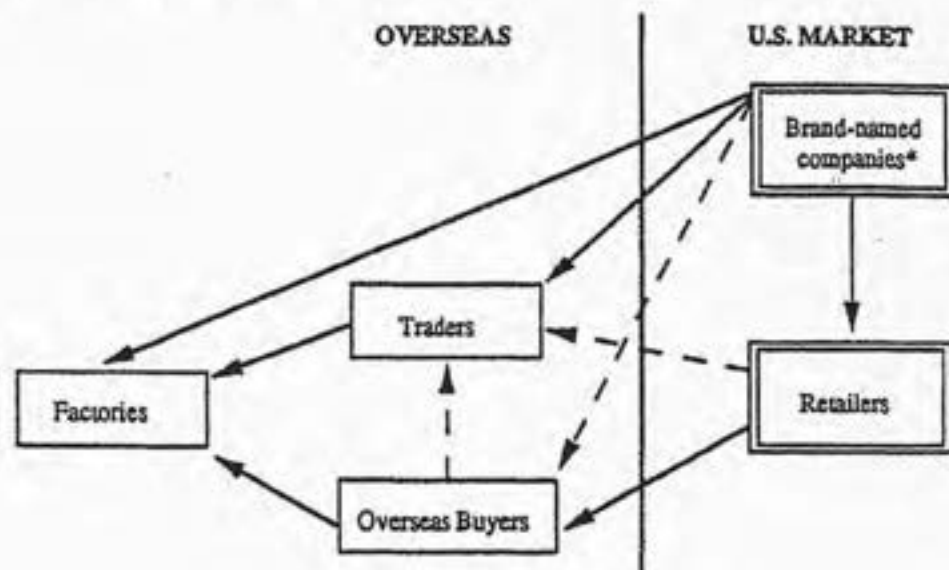
There are generally two modes of global commodity chain: producer-driven chain (PDC) and buyer-driven chain (BDC), as Gereffi illustrates in the following Figure 11. The Organization of PDCs and BDCs (Gereffi 1994: 98). PDCs mainly focus on technologically concentrated products and are based in the upper part of the commodity chain, benefiting mostly from the economies of scale. The BDCs, producing many apparel goods, are driven by the lower part of the commodity chain and benefit from the economies of scope, being more flexible. The participants of the industry either benefit from investing in mass-production technology or investing in designs and brands, all of which are considered “higher-order” advantages, compared to the unstable “lower-order” advantages such as cheap labor.

## The Organization of Producer-Driven and Buyer-Driven Global Commodity Chains

- 1) **Producer-driven Commodity Chains**  
(Industries such as automobiles, computers, aircraft, and electrical machinery)



- 2) **Buyer-driven Commodity Chains**  
(Industries such as garments, footwear, toys, and housewares)



\*These design-oriented, national brand companies, such as Nike, Reebok, Liz Claiborne, and Mattel Toys, typically own no factories. Some, like The Gap and The Limited, have their own retail outlets that only sell private label products.

Note: Solid arrows are primary relationships; dashed arrows are secondary relationships.

Figure 11. Two modes of global commodity chains (Gereffi 1994: 98)

Global commodity chain between China and Africa rely entirely on the lower-order advantages: on exploiting Chinese cheap labor and cheap raw materials. A small percentage of investment is made in improving technological components or

fashion designs. The China-Africa commodity chain as reflected in Guangzhou, as illustrated in table 3 in page 43, shares something in common with PDCs in terms of its structure, in which the producers decide on making what kind of products. On the other hand, the African traders are probably the most important participants in organizing the trade. Most African traders actively respond to the fashion back home by picking the particular designs of “tail products” that may become popular fashion back home. They pick samples of clothes/electronics designed by first-world countries and mass produce them in China in order to send them back home.

The overall picture of the global commodity chain in Guangzhou thus look a bit twisted. The GCCs described by Gereffi are mainly corporate controlled, but generally production and marketing in China is not corporate controlled. In fact, it would not be possible if it were corporate controlled, because the counterfeit goods would be prohibited to be traded internationally and the firms would have to pay for expensive law suits from original brand firms. The goods in Sanyuanli and other markets can only be handled informally, through an underground system. The goods are transported through private logistics companies that help avoid customs checks. The off-the-book payments to manufacturers are transferred through underground banks. With the absence of the rule of law in the area of intellectual property, China is an ideal neoliberal market for the mass production of fake goods.

African traders must consider whether the local economic and political environment in Guangzhou is suitable for long-term investment. A single police raid

or customs check can ruin one's investment plan at the snap of a finger. As I will be arguing in the next chapter, the traders are quite adaptive with these business principles in order to survive the foreigner-unfriendly environment in China. In chapter three I will describe the street-smart entrepreneurship of the African traders in south China.

### Chapter 3 Street-Smart Entrepreneurship

“Money is the priority here,” a trader said. “You need to be smart and aware of those who approach you. They always want a piece of you. You need to make sure you get something from them too.” To become a successful entrepreneur, an African trader has to become street-smart while doing business in China.

The stories of African traders in China, more often than not, involve contesting legal boundaries both in China and Africa. As mentioned in the previous chapter, many traders overstay their visas in order to have more time to do business. To avoid showing their passports to the authorities, they use underground banks in Guangzhou. In the case of textile trade to Nigeria, importing Chinese-made clothes is forbidden, but the majority of Igbo traders are in the clothing business and almost everyone finds ways to smuggle the goods back. In the African market, everyone is aware of the semi-legality of their activities and that they need to look for other means to build up their credibility profile while at the same time deceiving their way to prosperity. This chapter describes the survival tactics of the African traders in China: what makes them succeed or fail at their business, what the obstacles are for their activities, how they view the overall trade, and whether it is beneficial or harmful to their customers back home.

## Networking

The first key to success is networking. As is the case for business in general, the success of African traders in China depends on trustworthy networks and credible employees. Knowing the right people, a trader can find coveted products, and can learn which factory to contact, how to find the cheapest cargo service, who to share a freight container with and so on. Many African traders first came to China together with friends who had prior experience doing business in China, or at least they had talked to such people. Cliff, who used to be a soccer player in Nigeria, told me how he found his way to becoming a trader through these networks (I quote from my fieldnotes):

Cliff was enthusiastic about playing football and played for a club back in Imo, Nigeria from his early adulthood. The job was not well paid and he, like his peers, wanted to go to Europe or North America to play professionally. Some friends in the club shared stories of making money in China, but he thought it was too far from home. Later his soccer team went to Singapore to play and he lived there for a few months. Cliff worked as a part-time laborer at the port where he again saw containers of Chinese manufactured goods and decided that it would be good for him to go to China. He talked to sailors and friends who went to China many times and built up a few contacts; then he flew to Hong Kong where he met more friends, with whom he traveled to Guangzhou in 2005. He stayed in a friend's house at night and worked as a laborer at a Nigerian logistics shop

during the day. In two years, he was able to open his own cargo firm as well, using his connections at the container companies and ports. Now Cliff hires new laborers for his firm and has opened a warehouse in Nigeria where his family sells his goods.

Traders who have excellent social skills often have similar stories to Cliff's. It is common that traders pick a business pseudonym for them to use in networking with each other. While a few people continue to use their real African name, for example Elele or Chike, many more traders socialize with an English name like Cliff, James, or Mike. Among Nigerian male traders, the names Williams and Emma are very popular.<sup>41</sup> In general, their English pseudonyms can hide their identity from police and also makes it easier for Chinese business partners to remember who they are.

Networks in China can be bought through "consultancy" services, often advertized on the name cards of African shop managers. Eric is one of the many African business consultants in China. When the economy is in a lull, Eric turns to offering consultancy services for newcomers. In the summer trade season, many short-term traders come to China and Eric is often busy picking up his "friends" from the airport or train station to show them around Guangzhou. He offers information on sourcing and in case his clients need to leave China before the goods are ready, he will help with quality checks and shipment. Eric said consultancy brings in most of his income during the summer. "I gain from charging for services and also from the

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<sup>41</sup> Emma is a common African male name.

Chinese factories. They know very well that they need to pay me a percentage of commission. If they don't, I will not bring them business next time. After all, competition is fierce.” After a while, the African clients will set up a long-distance business relationship with the Chinese factories and employ trustworthy connections, like Eric, to handle their sourcing.

Kinsmen and relatives are important for networking too. Among some African traders, the very fact that they come from the same ethnic group or village will unite them in a foreign land. Jeff knows which African shop managers in Tangqi are from the same neighborhood where he comes from. They maintain a good friendship with each other and share clients. Another trader, Dean, told me how he found a job working with members of his own ethnic group in Guangzhou.

I am from the Chike tribe in southern Nigeria. When I was still there, someone told me that there was good business in India, China, and Dubai. He said China had the cheapest goods in the whole world, so I picked here to come to. But it wasn't easy. I tried to trade electronics and necklaces in 2008, but I lost money in those. I decided to turn to the clothing business because it's cheap and easy to manage. At the same time, I met my current business partner who is from my tribe. It was a coincidence, because Chike is not really a large tribe. It has about a thousand people and the chance to meet one of my people here is very small. We both know about our village and some people back home, so it brings us trust and the will to make money together.

Family members and relatives are often crucial human resources to handle the goods that traders send back to Africa. The main responsibilities for their family members are to store and distribute goods. Many African traders in China have shops in their home countries where they support a network of relatives through trade. Part of the profit margin is used to pay relatives and expenses such as shop rent, which is easily manageable because the cost of living in West Africa is comparatively cheap.

Jeff, for example, hires his sister's family to run his Nigerian business. Jeff's older sister and her husband were unemployed for a long time at home. When Jeff earned enough money to open a shop in Nigeria, he asked his sister's family to run it. Every month, he sends clothes by freight for them to sell. They communicate with each other by phone to decide which kind of clothes to trade next. Jeff said that since he was able to feed people in his extended family, he is now "a family hero". On several occasions, Jeff welcomed his cousins who came to Guangzhou to trade for a short period of time. Jeff helped them by providing business information and even accommodation. He said, "I like going back home for Christmas. I am able to feed myself, my wife, and my sisters and brothers. I am a rich man back home and have a good name."

There are gender differences for the kinds of networks that traders build. Family business is common in the African markets both in China and West Africa, but men are generally expected to earn their own living in the long run. The implication is that for a male trader like Jeff, he is fine with helping out his sister's family, but he does not have long-term business bonds with his brothers, male cousins, and even friends.

Among Nigerian traders, the concept of brotherhood is a strategic one and does not necessarily imply blood ties. Jeff calls his cousins and friends his “brothers”. Cliff calls all his male clients his “brothers”.<sup>42</sup> When an African trader bargains with another African, they sometimes say things like “It’s the lowest price already. Why should I lie to you, my brother?” The usage of the term “brother” is often a strategy to smooth out business deals. While the traders do have a sense of providing when they use their family network to do business, they expect male kinsmen to manage their own independent business. A trader told me, “When an Igbo trader first comes to Guangzhou, he can temporarily work with another man to gain capital. But we don’t rely on that forever.”

Female African traders, being a minority among the African diaspora community in China, have a somewhat different strategy than their male peers. The female traders are usually married women in their late 30s or 40s and generally have better economic backgrounds than the male traders. The women usually rely on family networks or friends to do business.<sup>43</sup> Before they arrive in China, they have plans about where to go and whom to visit in China. Apart from their familiar contacts, the female traders seldom communicate with or place their trust in anyone else. This is the main reason why I was not able to interview many female traders. In Nigeria, the wives and sisters

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<sup>42</sup> However, sometimes the usage of “brother” may be of Christian origin. Cliff and some of the traders are highly religious, so they would call the other friends “brother” or “sister”.

<sup>43</sup> There are also many African female sex workers, especially in the Xiaobei district. According to my informants, the majority of them are of Islamic background and work as individuals. As a Chinese, I did not find a chance to talk to any of them.

of the African traders often help with the family business of selling Chinese-made products.

### **Playing Tricks and Avoiding Fraud**

Playing tricks and avoiding getting cheated are the mainstays of street-smart entrepreneurs. “I prefer to call it business management,” a trader said. “I have studied in business school before. Many big companies cheat by getting away with not paying some taxes, or underpaying the employees, or exaggerating profits to increase stock value. We cheat in similar ways.” African traders “manage the business” in a down-to-earth style: freeloading bus rides, falsely reporting their goods at customs, pretending to be short of money while bargaining, and delaying picking up goods so that they could use the supply factory for temporary storage. This small-time chicanery does not jeopardize social order or economic well-being, so it is more or less accepted.

The most impressive act of everyday trickery I have seen so far is how many traders manage to take free rides on public transportation. The Guangzhou public bus uses an electronic reader to deduct fare value from a city transportation card which can be purchased at convenience stores. None of my informants use the card, even though it is used by most bus-riding local Chinese. Many told me they used cash instead, but later one told me, “No, you don’t need a stupid card. Just imitate the

beep sound with a whistle. The driver won't notice." He demonstrated to me how to pretend to be holding a card while emitting a whistle that sounds exactly like the reader machine. Similarly, in the metro station near Sanyuanli, I have seen Africans swiftly slipping through the ticket gate before it closed as the person in front had paid.

Of course, there are also some serious violations of the rules of the market and Chinese laws. These are cases of fraud which, unlike everyday tricks, are harmful to the order of the market. During my three months of fieldwork, I have heard of and seen more than 10 serious fraud cases, in which several traders lost their entire fortunes. The troublemakers are often Chinese businessmen rather than Africans. It is not my intention to indicate that the African traders are more moral than the Chinese. The Africans are at a much more disadvantageous position to cheat on the Chinese, which is determined by how the deals are made and the institutional power. The Chinese factories would only manufacture the ordered goods when the African traders have paid for the deposit. The goods are handed to the buyers when the remaining price is paid. Some Chinese dealers disappear after charging for the deposit or they make the goods with cheaper materials. On the other hand, it is harder for African traders to cheat in this process.

When the African traders gather and talk, sharing the experience of avoiding various market frauds is a common topic. In one case, it is said that a Chinese auto parts company sent a shipment of bricks instead of engines after receiving payment

for the order. In another case, a Chinese clothing factory sent badly dyed clothes which lost their colors after being washed. Whichever African trader one approaches in China, he can usually tell you a story of how he was cheated by a Chinese businessman.

The first day I went to Sanyuanli, I talked to a trader named James, who came from Ghana and had just lost tens of thousands of US dollars in a fraud case. He had a hostile attitude toward every Chinese man and woman around him. Mistaking me as a journalist, he urged me to call the Chinese factory where he lost his money and report on it:

I paid 30% of the total payment to place the order of cable lugs. They showed me very nice samples but later gave me very cheap quality products. Now they want me to pay the remaining 70%. They are insane! I paid another large sum of money to a Chinese lawyer with the intention of filing a lawsuit. But this lawyer talked to the police and came to me saying that there was nothing he could do! When I went to the police, they just laughed at me! How disrespectful! I have never been so humiliated before! There is no rule of law in China. I cannot trust the factories, the lawyers, or the policemen of China! What can I do now? I will not be able to sell the cables for money. And I still need to pay off the loans.

Chinese people really like to cheat. I have been to many other countries, like France and Germany, but I never saw a group of people who like cheating

customers this much. I can say that if there are 20 Chinese, 18 of them are cheaters.

In the following week, I helped James by persistently calling the factory for which James had the phone number. The call connected only one time, at which point I explained the situation in Chinese to the manager. I was told not to stick my nose into his business and that I should not help the Africans. Several days later, the phone number was no longer in service and James could no longer find representatives of that factory. The Chinese police would not take his case seriously and soon when his visa expired, the problem would be out of sight. There are apparently many cases like this one. Before James left for Ghana, he vowed never to come back to China again.

One of the important reasons why short-term African traders buy goods from other Africans in China is trust. I have not heard of cases of fraud between African traders. Sometimes there are fights between two African traders while bargaining, but even this is rare. In the African markets, several respected African traders act as mediators to solve disputes among Africans or between Africans and Chinese, usually in English and Mandarin. Tony, working in the Tangqi market, is one such mediator. In front of his chest hangs a plastic badge on which is written “peace keeper”.<sup>44</sup> Besides owning a logistics company, he coaches a local African soccer team and when he became better known, he was given the volunteer position of

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<sup>44</sup> There were three peace keepers in Sanyuanli in total. I estimate that there are about 500 traders in the Suanyuanli market on a normal weekday, so each peace keeper is responsible for well over 100 traders.

keeping the market peaceful in Sanyuanli by common consensus.

In late July, there was a fist fight between two Nigerians in Tangqi: one was a short-term trader and the other a shopkeeper. The trader accused the shop keeper of stealing some of his goods and selling them in his store, and the latter denied the allegations. Tony the “peace keeper” came, separated the two, and asked them to explain themselves in detail. It turned out that the problem was again putatively caused by a Chinese person. Previously the trader bought the clothes for US \$5,000 and sent them to a nearby Chinese cargo company. He must have been followed by someone on his way to the warehouse, where the thief, who was suspected to be Chinese,<sup>45</sup> took the goods and resold them to this Nigerian shop keeper in Guangda. As the trader walked past the store, he saw the identifying markings on the packaging. In the end, Tony solved the problem by asking the trader to pay compensation to get his clothes back, because it was his “fault” for choosing that cargo company and his “bad luck” for being followed. He warned all the traders of two things: first, do not cause trouble and fight in the market, since it will attract the police and cause problems for people without documents; and second, be aware of the Chinese people around them and do not let their guard down.

Cheating is so frequent in China that the local government put up posters saying “It is illegal to cheat others in business. Do not follow female strangers on the street because you could get robbed or they may be prostitutes. It is illegal to change

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<sup>45</sup> It was unlikely that the thief was an African, or else he would have been noticed by the warehouse staff.

money privately and you should go to the bank to do so.” The irony is that such illegal activities, often organized by Chinese, can be seen everywhere in the African markets.

It is not my intention to say that the Africans are all law-abiding migrants in China. Among other offense, African traders have been arrested for smuggling products made from endangered species, such as hippo’s teeth, into China.<sup>46</sup> There are also drug dealers from Africa bringing marijuana to Wuhan,<sup>47</sup> or smuggling heroin to Guangzhou by hiding the drug in their intestines.<sup>48</sup> Some informants said that there used to be African drug dealers on a foot bridge in Sanyuanli, but now there are few, because “clothes and jewelry are a better and more secure business”.

In the African markets, the traders are often religious believers and many do not even spend extra money on smoking. They save every penny to invest in business and take advantage of every opportunity possible, but most of them know well enough not to cross the line into fraud. Still, knowing about how the locals cheat in China is essential for every smart African trader.

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<sup>46</sup> See <http://www.customs.gov.cn:82/gate/big5/www.customs.gov.cn/publish/portal0/tab39267/info239379.htm>, accessed 28 October 2010.

<sup>47</sup> See <http://www.customs.gov.cn/publish/portal0/tab509/info237652.htm>, accessed 28 October 2010.

<sup>48</sup> See [http://www.gov.cn/gzdt/2006-09/12/content\\_385280.htm](http://www.gov.cn/gzdt/2006-09/12/content_385280.htm), accessed 28 October 2010.

## Dealing with Chinese Local Politics

The African traders, especially the ones who operate a business in China, have to deal with local Chinese market managers, security guards, and the police. If they are not savvy enough to pay off these people, they will often be harassed and fined. Sometimes it is necessary to grin and bear all kinds of trivial rules made by the Chinese managers.

A poster (in both Chinese and English) on the wall of a Sanyuanli market read:

“NOTICE! NOTICE!! NOTICE!!!

NO FIGHTING (FINE – 5000RMB)

NO ILLEGAL STANDING (FINE – 100RMB)

NO SMOKING IN THE PLAZA (FINE – 100RMB)

NO SMOKING OF INDIAN HERBS (FINE – 5000RMB)”<sup>49</sup>

The notice was issued by the Chinese marketplace manager and was posted all over the plaza warning African shop managers not to create disturbances in the trade environment. I was puzzled by the second line and wondered what defined “illegal standing”. An African explained, “I guess the manager doesn’t want us to hang around the public areas, like the lobby and the area in front of the building. We Africans like to do that, but the manager thinks it is unsightly. I think they just want our money.”

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<sup>49</sup> By “Indian herbs” the sign is referring to hash, or marijuana.

Indeed, many of African traders like to hang out in the public area where they can talk to each other or their friends who are walking by. In different market buildings, various rules are made to maintain the “good image” of the market. However, these rules often become alternative means for the Chinese managers to make money from the fines.

The open hours for Tangqi are 9 a.m. to 7 p.m. The Tangqi managers made it a rule last year to fine the shops that opened 30 minutes late by 50 RMB, because it presented a bad image if the building looked empty. Many African shop managers have had to pay several hundred yuan per month as a result of this new policy. The policy especially put African shop managers at a disadvantage, because most African shops are owned and run by one or two people. They need to rush to the Guangda market (30 minutes away by bus) or to even further wholesale markets to stock up on inventory early in the morning, so they are sometimes late because of heavy traffic or difficult transactions at the wholesale market. The Chinese shops in Tangqi, on the other hand, do not have this problem, because either the shops are linked to factories or they provide services, such as money exchange and telecommunications. As a result, the penalty on tardiness puts the African shop managers at a disadvantage.

It is common for African shop managers to buy food for or give pocket money to the Chinese security guards at the market. Although the security guards only earn around 1200 RMB per month, they seem to make a small fortune from “contributions” from the Africans. An African shop manager explained why they bribed the security guards:

They (the security guards) treat me better if I buy them something. Sometimes they even come to me and ask for 50RMB for dining out. If I pay, they won't be so strict with rules and fines. Another thing is that if I pay them, they will let me know when the police are coming to this building. I don't like them at all. They don't go to the Chinese shops to ask for money, but they come to us because they know Africans have visa problems.

In late July 2010, another African protest took place in Tangqi (see figure 12). It was one of many demonstrations that were not reported after the July 2009 incident.<sup>50</sup> A group of undercover police ran into Tangqi and several other market buildings nearby to arrest traders with expired visas. With the help of a market security guard, they caught a Nigerian man, beat him up, and sent him to detention. All the African shop managers were outraged at the corrupt security unit and the police. The security only helped the police but not the trader, probably because they were offered a suitable price for doing so. To protest, they closed their shops and stood in the corridors chanting loudly. The "peace maker" urged market managers to meet to resolve the issue as soon as possible. He said, "Our people try to do business here and we never get involved with drug problems or other crimes. The market should be a peaceful place for trading and the security should ensure that. Why did they sell us out? Why do the police only target Africans but not also other foreigners in China?" The ordeal ended as the traders organized among themselves and

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<sup>50</sup> The African protest in July 2009 was regarded as an negative report, so similar news of foreigners' protest afterward were censored, and never appeared in the news.

negotiated with the manager, who eventually dismissed the head of the security unit. They also reached an agreement to fine shops for opening after 10 a.m. instead of 9:30 a.m.



Figure 12. African traders protesting by closing their business and chanting in front of their shops.

It is difficult for African traders to deal with the Chinese police. An African trader whose visa has expired has different strategies for dealing with the police, based on different conditions of their encounter. To avoid such an encounter, some African laborers and traders stay in their apartments during the working hours of the police station. Cliff, who has overstayed his visa for over a year now, either stays at home during the day or keeps moving from one place to another when he needs to do business. One can also bribe the security guards to signal when the police come. It is essential for every trader to know where to escape to when the police are sighted.

Some traders who are new hide in one of the African shops, but the police check passports shop by shop. Several traders have been arrested as a result.

Once checked by a policeman (see figure 13), an African trader will look for opportunities to escape the punishment. Jeff said,

If it is one police in mufti (an undercover police officer), I can pay him several thousand RMB and he will let me go. When doing this, you need to be very discreet. I once knew a person who was already sent to the police station, about to be sent back to Africa. The policeman gave this guy his phone back and asked him if he had 10,000 RMB and a passport. The guy was clever and immediately called his friend to send him the money and a fake passport. The policeman took the passport and money and just let this guy go. But of course, if there are many policemen there, it is impossible to make these arrangements.



Figure 13. A “foreigner assistance” police office in Xiaobei,

where the traders are taken in to check their passports.

In the worst case scenario when an African visa-overstayer is arrested, he will have to pay a fine of 5,000 RMB and also buy his flight ticket home. It is then impossible for him to come back through Chinese customs again. I was told that some traders will use their relatives' passports to come back again, because the customs staff in China cannot recognize the difference between the person in front of them and the person in the passport photo. Some traders managed to enroll in local universities in China so that they can apply for a one-year student visa, which the customs would not reject. In a more unusual case, one Nigerian shop manager bought a "world passport", claiming he had the right to enter and remain in any and every country of the world.<sup>51</sup> However, many of his friends considered him "crazy" and that "he thought about the document problem too much", that he is a social deviant.

Still, every trader with an expired visa has planned for the day he is caught by the police. In the corner of Jack's logistics shop is a pile of luggage, which I first thought were goods to send back to Africa. The luggage pile remained there for months without being sent and I asked why it was still there. Jack said that it contained personal items of some friends of his, which would be sent back home if they were arrested. They also seek help from the Nigerian Association, which is a chamber of commerce organized by some influential Nigerian traders.

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<sup>51</sup> This man had obviously never actually showed his "world passport" to the Chinese police before. If he had, his fake document would not have been taken seriously.

### **Morality: “What I Do is Good for Africa”**

In some African countries, the population of Chinese migrants is much larger than the African population of China.<sup>52</sup> Some Chinese business returnees from Africa tell of business opportunities to be had everywhere on the continent.<sup>53</sup> It is said that a Chinese businessman can become a millionaire just by bringing a soya milk machine and selling drinks in Africa. “But we are coming to China too,” a trader said, “We bring the goods from China to Africa to compete with the Chinese in my country.” It is becoming a no-holds-barred competition in which the traders either have to lower the selling price or trade alternative goods that are not sold by Chinese in their home countries.

Both the Chinese and African traders travel back and forth between the two continents to take advantage of the golden opportunities of selling Chinese goods to African consumers. The “Made in China” label is now so well-known in Africa as being cheap and of low quality that some traders have even started to import shirts labeled as made in other countries from Chinese factories. Fake labels are easy and cheap to make (see figure 14). There are copy Zara shirts “made in Turkey”, Sony TV sets “made in Japan”, Gucci bags “made in Italy”, even African wax prints “made in Kenya”, but all really made in China. If the West Africa of the 1980s failed to

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<sup>52</sup> In Zambia alone, there are about 30,000 Chinese residents (Ashe and Schüller 2008:30). For more statistics about the Chinese population in African countries, see Van Dijk (2009: 13).

<sup>53</sup> There are extensive Chinese business networks and investment in Sub-Saharan African countries. See Bräutigam (2003) who discusses Chinese entrepreneurs in Mauritius and Nigeria.

industrialize because of bad governance, today it is even harder for the African manufacturers to produce competitive goods because “we can never produce goods cheaper than the Chinese now”, according to a trader.



Figure 14. “Panasonic” labels to be put on contraband electronics.

However, these traders, as a rule, do not see themselves as undermining the industrialization of their home countries. Quite the opposite, they believe that they are doing good things for their fellow countrymen. There are two main justifications they provide.

Firstly, they say that the factories in many West African countries are not able to produce goods that meet the needs of the people. Problems with corruption plague the public service sector and manufacturing businesses alike. A trader said that the government of Nigeria sets unrealistically high quality standards for its factories, which make it impossible to lower production costs to competitive levels. Most

traders believe that the cause for this policy is corruption, in which the government elevates the cost of production so that it can benefit from the additional tax revenue. The result is that legitimately produced local products become too expensive to sell to the average consumer. At the same time, because contraband production has to operate below the radar, factories in Nigeria cannot take advantage of the economies of scale in the same way that Chinese factories do. Although Nigeria made the gesture of prohibiting textile imports in 2002, it did not enforce the law when Chinese clothes continued to flood in the country. A trader commented, "That's because the politicians are more interested in the oil business than anything else. There is much more money in that industry."

In his book *A Culture of Corruption: Everyday Deception and Popular Discontent in Nigeria*, Daniel Smith (2007) described all kinds of corruption in Nigerian life, from daily favoritism, to NGO scams, to government corruption. He discusses how the "culture of corruption" is one in which ordinary Nigerians are both participants and victims (Smith 2007: 225). In particular, the "419" scam is discussed in this book, which is a type of fraud in which the perpetrator sends emails/letters to people, promising large sums of money in exchange for an advance payment.<sup>54</sup> Smith (2007: 20) argued that the 419 concept could be applied to multiple spheres of corruption in Nigeria: for example in the oil industry, the government of Nigeria deliberately kept the major oil refineries from functioning (and at the same time

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<sup>54</sup> The name 419 refers to an article of the Nigerian criminal code dealing with fraud.

contracted various companies to repair the refineries) as a means to control petroleum imports and exports, which meant that the Nigerian government created an illusion of functionality through the act of deceiving its people. A major part of Nigeria's failure to achieve industrialization has to do with this government mentality, Smith argues.

Secondly, traders describe how Chinese goods are welcome in Africa because they are regarded as having the best value. At the price that people are willing to pay, Chinese goods are of relatively good quality compared to other products. The prices and quality of commodities in West Africa are often polarized: there are the very expensive European imports which are of very high quality, and there are also the cheap second-hand imports or locally-made shoddy goods. Chinese-made products often fit between the above two choices – they are not too expensive and at the same time are better in quality than the merchandise at the lower end of the spectrum.

Before China became the major textile exporter to Africa, sub-Saharan African countries were among the largest importers of second-hand clothing from Europe and the US (Hanson 1999: 347). Hanson (1999) investigated the selling of *salaula*, used clothes from the U.S., the U.K., Germany, and the Netherlands, to satisfy the needs of Zambians in the mid-1980s and the 1990s. Sourced by major charitable organizations, this cast-off clothing and other goods, like auto parts, were affordable items for local middle class people, who had an increasing desire to consume Western commodities (Hanson 1999:352).



Figure 15. A Ghanaian man with a German shovel loader, which he could not afford to import, so this photo was sent to his African consultant in China for a similar model.

Indeed, some sub-Saharan countries like Nigeria, Cameroon, and Ghana, have become more developed through their involvement in global markets, and middle-class consumers have started to demand goods that are not second hand. I interviewed Atta, the representative of the Ghanaian Association in Guangzhou on this issue. He said:

The people of my country are tired of dumped goods, the second hand stuff. Africans can afford to buy better products at a reasonable price range. We are no longer poor people begging for things that other people don't want. China provides an assortment of choices for brand new products. What I do to bring in more Chinese goods is good for Africa. I am proud of what I do.

## **Conclusion**

The African traders are street-smart petty entrepreneurs, who utilize relatively small amounts of capital, as well as human networks, and their own street-smart in dealing with local politics to attempt to make a fortune, or at least a living. They are able to achieve this because in an age of globalization, they have access to affordable means of transportation, communication and technological advancement. Better opportunities to make money are available to these Africans since they can now travel half a world away, to China's "world factory" in the Pearl River Delta and profit in the trade of cheap goods.

Like small-scale carpet producers in Nepal (O'Neill 2005), garment manufacturers in Mexico (Rothstein 2005), and Hong Kong small investors in mainland China (Smart and Smart 2005), the African traders in China can also be seen as petty capitalists: they "regularly operate in the ambiguous boundaries between capital and labor, cooperation and exploitation, family and economy, tradition and modernity, friends and competitors" (Smart and Smart 2005: 1). Both in the markets of south China and back in their home countries, the traders incorporate friends, family members, and business connections into their entrepreneurship. Traders cooperate in exploiting the urban facilities in Guangzhou, and at the same time they cooperate against Chinese fraud and police harassment. Personal trust is the foundation underlying the working order of the market, as can be seen in business consultancy services and networking. The breach of such trust can potentially lead to

market disorder, which is what happens after police raids or after the Chinese managers or African themselves engage in fraud.

Individual entrepreneurs were the norm for centuries before the emergence of the industrial revolution; but today too, in much of the developing world, individual traders remain an important conduit between buyers and producers. This is especially true between China and Africa, where the African traders are today's Arabs on the new "silk road", with cotton or synthetic clothes instead of silk, and freight services in place of camels. The Africans face contemporary challenges such as police raids, intellectual property laws, trade restrictions, and new kinds of business fraud and abuse. Their flexible strategies of entrepreneurship often seem to clash with the policies and laws of the Chinese government. However, the problem is that the Chinese government itself seems conflicted about how it should approach these traders – on the one hand, it is keenly interested in profiting from the orders placed by these traders; on the other hand, China does not want the image of having a ghetto in its "world factory". The following chapter will further explore the daily lives, cross cultural relationships, and religious lives of the African traders, in order to obtain a better understanding of the difficulties that the African traders experience in China.

## Chapter 4 A Bittersweet Relationship with China

Some African traders said that they were amazed by the modern infrastructure and excellent prices and products in the markets of China. One of them said, "I like the streets and the many shops. I like Chinese food, especially *suancaiyu* (fish with Sichuan pickles, 酸菜魚). I like the girls, who look very beautiful here...but it's not my place." Attracted by the modern urban landscape and the abundant commodities of Chinese cities, the traders are also keenly aware of the racist attitudes directed at them, originating not just from the local Chinese community but also from the local government. As mentioned earlier, the majority of the African traders in China do not wish to settle down in China, as opposed to African migrants in New York and Paris who go to great lengths to gain permanent residency (MacGaffey & Bazenguissa-Ganga 2000; Stroller 2002). One can argue that this is because Guangzhou, though a well developed city in China, is not yet comparable to New York and Paris in terms of per capita income and public facilities. Still, by settling down in Guangzhou, as a few do, they find themselves having access to much better medical care compared to what they would have in West Africa. Nonetheless, many African informants repeatedly claimed that they would not stay in China because of the racism, visa problems, and oppression.

This chapter discusses the bittersweet life of African traders in Guangzhou. I discuss the topic from three angles: relations with the local community, cross-cultural

relationships with Chinese women, and religious activities.

### **Living in the Chinese Community**

While a few wealthy African traders can afford to rent or purchase nice apartments in places like Huangshilu (黄石路),<sup>55</sup> the majority of traders share much cheaper apartments at Huangqi (黄岐) (see figure 16), also commonly referred to as Nanhai (南海) among Africans. Huangqi, though belonging to Foshan city, is only about 20 minutes by bus from Sanyuanli and Xiaobei. Inexpensive rent and infrequent police raids are the main attractions for Africans.

Rent in Huangqi can be as cheap as 500 RMB per month, compared to Guangzhou apartments which are often above 1,000 RMB per month. Before 2010, it was said that there was less police harassment in Huangqi. A trader said, “The police in Foshan were more relaxed. They didn’t check so often like the Guangzhou police do. Sometimes even when they checked, they weren’t strict.” The political atmosphere shifted as the Asian Games approached and Foshan police conducted raids in the Huangqi areas with increasing frequency,<sup>56</sup> arresting visa-overstayers. Now perhaps being administratively merged into Guangzhou,<sup>57</sup> Foshan aims to clean itself up and present

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<sup>55</sup> Huangshilu and Huangshi are all in the Foshan Area, as indicated in figure 2.

<sup>56</sup> The Asian Games, also called Asiad, is a sports event held every four years among athletes from all Asian countries. The 2010 games were held in Guangzhou in November. The Chinese government has increasing interests in holding international events to refine its global image and to enhance its international influence.

<sup>57</sup> While it is rumored among Guangzhou residents that Foshan is being merged into Guangzhou. In January 2011, the Guangzhou authorities claimed there was no such plan. Instead, they said they sought to increase the “integration of infrastructure,

a good image, following the example of Guangzhou.

From the perspective of African residents, life in a Chinese community such as Huangqi is quite challenging. Most traders never get to know their Chinese neighbors or landlords. They are often annoyed at and discriminated against by the Chinese community. Charlie, a 30-year-old Nigerian who operates a logistics shop, told his story about an unpleasant experience living in Huangqi:

My previous landlord was just evil. I paid my rent on time every month but she wanted more money. She knew I had visa problems, so she threatened to report me to the police. I was afraid and so I gave her more each time. She also demanded that I pay 5 to 10 RMB to her each time I went back to my apartment. If I didn't pay, she would cut the electricity supply of my apartment. Somehow she thought I deserved all this maltreatment. I am a human being too!

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industries, urban-rural planning, environmental protection and basic public services in the delta region". What this actually means remains to be seen. See [http://www.chinadaily.com.cn/china/2011-01/29/content\\_11937008.htm](http://www.chinadaily.com.cn/china/2011-01/29/content_11937008.htm).



Figure 16. Most traders live behind this commercial street in the Huangqi area.

The Chinese residents nearby generally do not want to talk to the African migrants or even sit next to them on the bus. The few exceptions are often small children and outgoing security guards at the apartment complexes. I talked to several Chinese who were xenophobic towards Africans; they told me, “I think the Africans are dangerous and they often smell bad from a distance”, or “They have impolite behavior and do not fit here”, or “I heard many bad things they did and I just don’t want to interact with them”.<sup>58</sup> Being well aware of these common stereotypes, most African traders said they blamed it on the pervasive ignorance of foreign cultures among the Chinese. Some said that the stereotypes of Africans came from American movies and dramas; many Chinese associate the African race with shady residential areas, verbal profanity, and crime. “Chinese people should travel outside of China,” a trader said, “They

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<sup>58</sup> More blatant comments can be found in various Chinese online forums, such as the comments following a popular post called “Guangzhou Black People must go away!” at [http://club.china.com/data/thread/1011/2717/86/76/7\\_1.html](http://club.china.com/data/thread/1011/2717/86/76/7_1.html).

should see different kinds of people and cultures. Not all black people are bad guys, just like not all Chinese are thieves. I think Chinese people are too naïve in their judgment.”

The Chinese also do not like to eat with the Africans out of fear of getting diseases from using the restaurant cutlery. There is a rumor that one can get HIV just by eating with the same utensil that the Africans have used. Take-out meal boxes are very popular among the traders. In Sanyuanli, dozens of Chinese restaurants sell take-out lunch/dinner sets by phone order, and the Africans are happy to avoid the trouble of attracting attention in Chinese restaurants.

Indeed, with the exception of the Chinese who are partners of Africans, it is hard to find any Chinese dining at African restaurants both in Sanyuanli and Xiaobei. As I had brought some Chinese friends to eat West African food several times, traders at nearby tables often gave positive comments to us, “Whoa, Chinese eating African food. That’s good!” Once, a Cameroonian woman joyfully asked if she could sit with us and she sat down, ordered her own dish, and started talking about how to cook African food. The restaurants, owned by African traders and Brazilians, are staffed with Filipina workers. Most Chinese do not speak English well enough to serve and they are afraid of catching diseases in the restaurant. “The Filipinas are much better at working with Africans,” a trader said.

Many African traders also hire Filipinas as domestic helpers in their apartments. No Chinese domestic helper would take such a job for fear of violence and rape. The

demand for domestic work in the African community in China is huge, because many male traders feel that they do not have the time or ability to do housekeeping, daily chores, and cooking. Since 2008, some agencies have been transporting Filipino women into mainland China where they work illegally as domestic helpers and many Africans hire them on monthly contracts.<sup>59</sup> I have seen several Africans with Filipina partners, living together with their offspring. Though known as “Filipino wives”, these Filipino women often do not have valid visas and could not register for marriage.

### **Romance between African Traders and Chinese Women**

It is not rare to find cross-cultural relationships between the traders and Chinese women, but such companionship often comes not only with romance but with an endless barrage of problems. One can argue that every love relationship has a bittersweet nature, but among my informants there is a clear pattern of social pressure and institutional discrimination that they all have to endure. This section explains how, within the Chinese community, it is a widely held stigma for Chinese women to have black boyfriends or husbands, how tremendous social pressure and institutional barriers are cast upon these women and their African partners, and how the traders and their partners cope with these difficulties. It should be noted here that all cases presented here are between African men and Chinese women, because

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<sup>59</sup> Individual citizens are legally blocked from employing foreigners in China. See <http://www.gov.cn/banshi/wjrs/zhjy.htm>.

neither I nor my informants have any knowledge of any Chinese men with African girlfriends or wives.

“Why and how did they fall in love? Africans and Chinese are so different!” Many people asked me this, soon after they knew I had friends who had African boyfriends or husbands. This is always a difficult question to answer, because the idea of love has the connotation of subjective feelings that different individuals feel in different contexts. However, here I will illustrate, from a more general perspective, several common motivations for African men to become involved with Chinese women, and for Chinese women to find African partners.

First, there is physical attraction. Like most romantic relationships, they first become involved because of physical attraction, but according to my Chinese informants, what distinguishes African men from Chinese men is the way they express their affection. “He was very passionate about talking to me and I must say he had a sweet mouth! He invited me to dinners and told me he really liked my looks, my smile, my demeanor....No Chinese guy says anything like that to me,” a Chinese woman said. Indeed, the African traders are generally much more liberal in pursuing partners than Chinese men. Chinese women working in African markets near railway stations, being mostly domestic migrants themselves from other parts of China, are disconnected from their former social networks at home and spend most of their waking hours at their work place. They complain that it takes too much time for Chinese men to approach them and ask them out for a date, not mentioning their long

wait for the first hug/kiss. On the other hand, the African clients they met during work are more “to the point” and, according to one of my informants, “act just like the male protagonists in romantic dramas”.

In the markets and night clubs, the African traders express their interest in Chinese women by simply telling them, “You look beautiful. Can you give me your number?” The women will then receive relentless phone calls asking them for a date. Some traders gather a list of cell phone numbers and send love texts by group message. Some well-off traders even ask for a woman's bank account number so that they can deposit money to her for spending, which is considered to be a way of showing love. I myself received these interesting messages and poems that clearly the African men had put much thought into. However, most love messages have two characteristics in common: they are often copied from the internet and the names of the women never appear in texts.

Second, the traders believe that by having Chinese wives they can obtain a longer duration for their Chinese visas. No African trader I have spoken to would admit this (reciting that “it is only because of love that we stay together”), but the visa issue is certainly an important factor behind African-Chinese marriages in Guangzhou. I know several couples who got married after knowing each other for no more than a year. A Chinese woman said,

My boyfriend is from Nigeria. We liked each other a lot and he was very caring.

We didn't want to be apart, so we got married soon. When we married, he could

also get a visa to stay longer with me and to do business. It is both for love and convenience. But the marriage was sort of too early and I had not even dared to tell my parents or hold a wedding ceremony. I used to have a Guangzhou boyfriend but even he was not suitable according to my mother, because she couldn't stand his Cantonese accent. I guess it is ok because the most important thing is for us to stay together.

For the African traders, having a Chinese wife or girlfriend is a sign of high social status. It demonstrates that they are well-off enough to support partners and they have someone to do the housework and cooking in this foreign land. Wealthier traders bring back their Chinese wives and tour their hometowns in West Africa, where their relatives admire their success at business and romance.

However, having an African husband or boyfriend does not give Chinese women any superior social status. On the contrary, it is often seen as shameful, a matter of “marrying down”. Most of the unmarried Chinese women and some of the married ones do not dare to tell their family that they have African partners. For those who do introduce their boyfriend to their family, the responses they receive are consistently discouraging. “I told my elder sister about my boyfriend first. She was shocked and said she did not think it would be a good idea for me to stay with a black man. My parents would never permit me to marry him. She told me to break up with him as soon as possible and date a Chinese guy. I was really upset and I never mentioned it again to her or my parents,” a young woman told me. Another woman said,

I showed my mother a picture of my boyfriend on my cell phone and only introduced him as my buddy. She did not say anything, but the next day she secretly hid my passport and *hukou* (household registration book) so that I would not be able to register marriage with him or run away to Africa with him. At that time I finally knew she was deeply against my association with an African man.

Without support from family or friends who stigmatize Africans, some of the Chinese women have formed their own social support group. They have an exclusive online QQ group called “African beauties” (非洲麗人群),<sup>60</sup> in which membership is only conferred after verification of whether the new member 1) is a Chinese female, and 2) has an African partner, preferably an African husband. They tend to refuse those with merely African boyfriends, because the relationships are often fragile enough to stir anxiety in the group. My friend Mary, who has had a Nigerian boyfriend for over two years, is one of the “lucky ones” accepted in the “African beauties” group. She said that the peers in the group have very close relations and organize regular social gatherings, where they mostly share happy stories about their African spouses, but “sometimes they also mention unhappy things like being looked down upon or being stigmatized, and someone would always say ‘that is always part of our toilsome cross-cultural relationship, so just live with it.’”

Occasionally, the “African beauties” talk about negative examples set by people

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<sup>60</sup> QQ is the most popular online social application on the mainland, where people contact each other and post news through instant messages, blogs, games, and chat rooms. The “African Beauties” QQ group is an exclusive chat-room, so it cannot be accessed by the public.

they know and share ideas about how to avoid negativity in their relationships. Mary told me one story that had been a heated subject of debate in August 2010:

A girl named Wendy who had always been silent in the group suddenly asked for the phone number for the Nigerian Embassy in Beijing. We helped her find the number and asked what had happened. It turned out that her husband went missing after she gave birth to his child a year ago. At first, she thought he would come back to China as soon as he received the money he was owed. However, recently Wendy tried to call him again only to find out that the number was no longer in use. Some people in the QQ group immediately told her that the Nigerian embassy would not be able to help her and the only way to find him was if she knew her husband's family address and contacts. Some people suggested broadcasting a missing person report through the media, but then others said that the African media did not reach many people in Nigeria and the Chinese media would only arouse more enmity toward African-Chinese couples. The Chinese media would only conclude that "this is another stupid woman that well deserved the scam". In the end, there was no resolution for this poor girl. Wendy simply disappeared from our group.

I remember one woman who said she also knew a friend whose boyfriend disappeared right after she was pregnant. Then another person in the group wrote, "I am so immune to this kind of sad story now that I lack the ability to

sympathize”. It seems that this kind of thing happens often.

The Chinese women tell each other to be aware of several things about their potential African spouses in order to avoid “relationship fraud”. Mary herself had been careful enough to double check her boyfriend first, even though she had always regarded him to be “special” compared to other cunning Nigerians. Firstly, it is important to figure out the real identity of the African man, especially his name, age, and family background. Many African traders use the passports of their relatives, who have a clean immigration record and also are usually older, because the Chinese customs officials are more likely to believe they are wealthy businessmen and let them through. A Chinese female partner needs to reach out to the trader’s social networks, especially his family, to find out his real identity. She should also check if the man has a wife in his country, because polygamy is still common in sub-Saharan Africa. Secondly, it is crucial to find out the man’s economic capacity. There are quite a few African traders who find Chinese girlfriends to gain access to free housing and meals. I was told that some traders have multiple Chinese girlfriends, who pay for their various living expenses without knowing they are being cheated. Finding a rich husband is not a high priority for these women, because if it was, many would not find African partners. As one woman said:

When we got married, my husband only paid 2888 RMB as bride price and I felt I was losing a lot of face. My parents said, “Although we are not selling our

daughter, this is still a ridiculously cheap bride price.” My husband and I worked very hard in business together to start to save a modest sum of money. I used to dream he would buy us an apartment in Guangzhou, but then most of the pennies we saved were used to support his extended family back in Nigeria. Even if he had the money here, he would rather invest the money in business rather than buying an apartment. [Sigh]. I knew it would be a tough life if I married an African. It's okay, because money is not the reason why I married.

The African traders also see different aspirations in life between them and their Chinese partners. “For me, the reason I came to China is to do business. For her, it is important to be accepted by her family. I want to socialize with her friends and relatives too, but I know I will never be completely accepted,” a trader said. Racism in the Chinese community is the main obstacle, even for an African who has already lived with his Chinese wife for years. Jeff and his wife Xu have been married for two years, but Jeff is still not fully accepted as a member of Xu's family despite the fact he can speak fluent Mandarin and has been very nice to Xu. When Xu became pregnant in the summer of 2010, Jeff talked to me for a long time about his future plans. He asked for my help to send his wife to Hong Kong to give birth.

Some of my friends sent their wives to Hong Kong for child delivery. It will be expensive, maybe costing more than 10,000 RMB in the private hospitals there, but I want our child to be born as a Hong Kong citizen and grow up in a

non-racist environment. My child will not be struggling as I am right now. After the child becomes a Hong Kong citizen, my wife and I will be Hong Kong citizens too. We can all go there to live if we make enough.

My wife now is trying to make our child less black by drinking a lot of milk rather than Coca Cola. She wants our child to have skin like hers so that he will suffer less from discrimination.

After being married to a Chinese woman for two years, Jeff still has to renew his L visa (sponsored visitor visa) every year to stay in China. At one time, the immigration officer suspected he had a history of illegal residence in China and Jeff had to bring all his past passports to prove he had not over stayed any visas. He knew well that if he did not prove it, he would find his visa terminated, as was the case for some of his Nigerian friends. China's immigration policy allows the foreign spouse of Chinese citizens to obtain permanent residency in China after five years of marriage, during which the foreign spouse renews their one-year L visa five consecutive times. However, none of the African-Chinese couples I know have achieved that, either due to discontinuity of the visa renewal process or the couples' leaving the country to reside in West Africa.

Mary, who was proposed to by her Nigerian boyfriend, is thinking twice about the marriage. We had a conversation about a news report on a mixed-race child called Lou Jing (婁婧) (see figure 17), who has a Chinese mother and an African-American

father. Though born and raised as a typical Shanghai girl and having given a good stage performance, she suffered from widespread racism from her audience and the online community when she went on a TV singing contest.<sup>61</sup>



Figure 17. Loujing standing with her mother in a Shanghai TV show

(Source: <http://www.voc.com.cn/article/200909/200909011631228434.html>).

Mary said, “I am not sure Chinese people are ready to accept cross-cultural relationships. Even the government is not ready to set laws to protect us or ensure that we have normal lives. Furthermore, I do not want my future children to have a complicated life like Lou Jing. This is why I didn’t say yes to my boyfriend’s proposal right away.” Later I learned that Mary eventually decided to break up with her boyfriend because she saw “no practical future” with him.

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<sup>61</sup> See “Can a Mixed-Race Contestant Become a Chinese Idol?” at <http://www.time.com/time/world/article/0,8599,1925589,00.html> accessed 24 November 2010. In 2011, a rumor spread among Chinese netizens that Lou Jing’s mother was pregnant because she had an extramarital affair with Lou Jing’s biological father, who was an African student at the time. See [http://bbs.tiexue.net/post2\\_3836454\\_1.html](http://bbs.tiexue.net/post2_3836454_1.html).

Jeff's child, a baby boy, was born in a private hospital in Sham Shui Po (深水埗) in Hong Kong in early November, 2010. I saw the baby in the delivery room and immediately informed Jeff, who was working in his clothes shop back in Sanyuanli. He was thrilled at the news. For him, having his child born in Hong Kong is a way to break out of his life in Guangzhou. It is a middle ground between Nigeria and mainland China, where hopefully he and his wife and baby will be able to live in a society "free of racial discrimination".

### **A Religious Life under the Control of China**

"We are not like the African-Americans in the movies who hurt others or indulge themselves. Most of us have faith in God and we are very religious," a trader said. The collective religious activities of African traders are usually carried out in three kinds of places of worship: officially recognized places of worship, underground churches, and autonomous prayers in the marketplace. The first category applies more to Islam and Catholicism, while the other two categories apply to Protestantism.

China's state discourse towards religion is the main factor behind the different practices of these religions. Islam and Christianity, as practiced by the traders, are under the control of the Chinese authorities. The registered church/mosque activities are each led by its religious association, which is regulated by Party officials through the discourse of the "Three Self Movement": self-support, self-government, self-propaganda, through which the religious groups are cut off from the potential

“imperialism of the West” (Potter 2003: 329; Human Rights Watch 1997: 13; Goldman 1986: 149).<sup>62</sup>

The African markets of Sanyuanli and Xiaobei are largely divided according to religion. The Xiaobei African community is mostly composed of Muslims, many of whom attend Friday prayer Jumu`ah at a historic Mosque called Xiaodongying (小東營) (see figure 19) which is within the Xiaobei district. Supervised by the Guangzhou Islamic Association, the mosque welcomes hundreds of Muslim believers every week. The Sanyuanli market on the other hand is Christian-based. The Catholics mostly go to the Cathedral of the Sacred Heart (see figure 18), also known as Shishi Cathedral (Shishi tianzhu jiaotang 石室天主教堂), which holds English Mass every Sunday at three thirty. With a capacity of two thousands seats, the church receives so many followers that many Africans and other Catholics have to stand outside the hall to listen to the Mass.

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<sup>62</sup> The “Three Self” policy applies to all religions in China. In Catholicism, for example, the CCPA (Chinese Catholic Patriotic Association) is intended to unite all Catholics in China under the leadership of the Party and government. Organizations such as this exist for every other major religion, specifying the relationship between individual churches and the Chinese government.

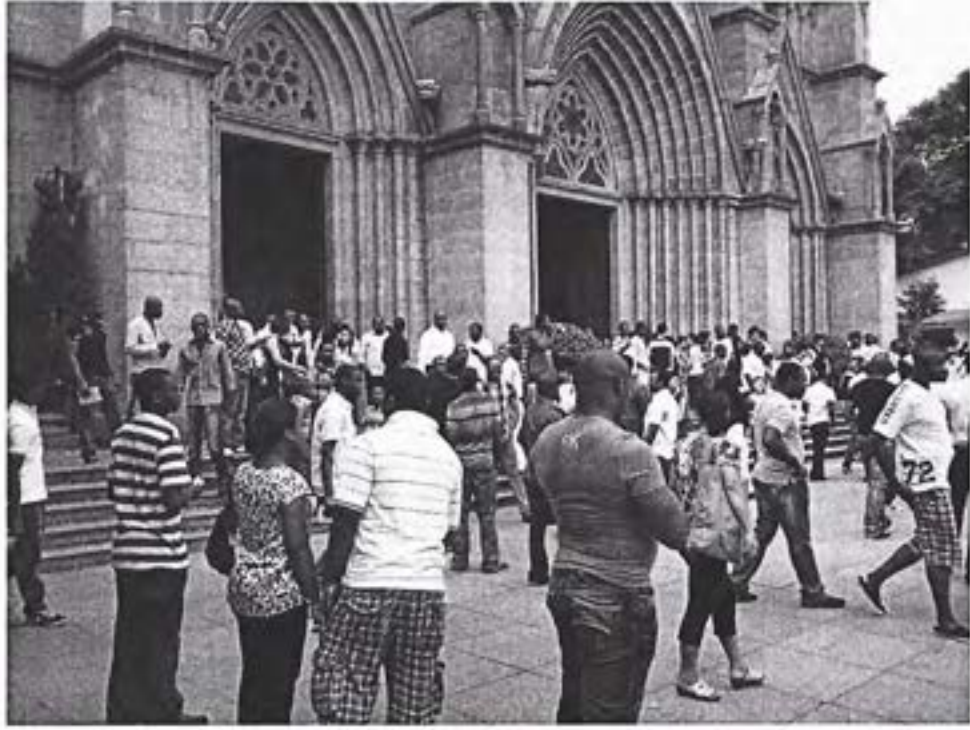


Figure 18. A scene after the Sunday Mass at the Shishi Catholic Church.

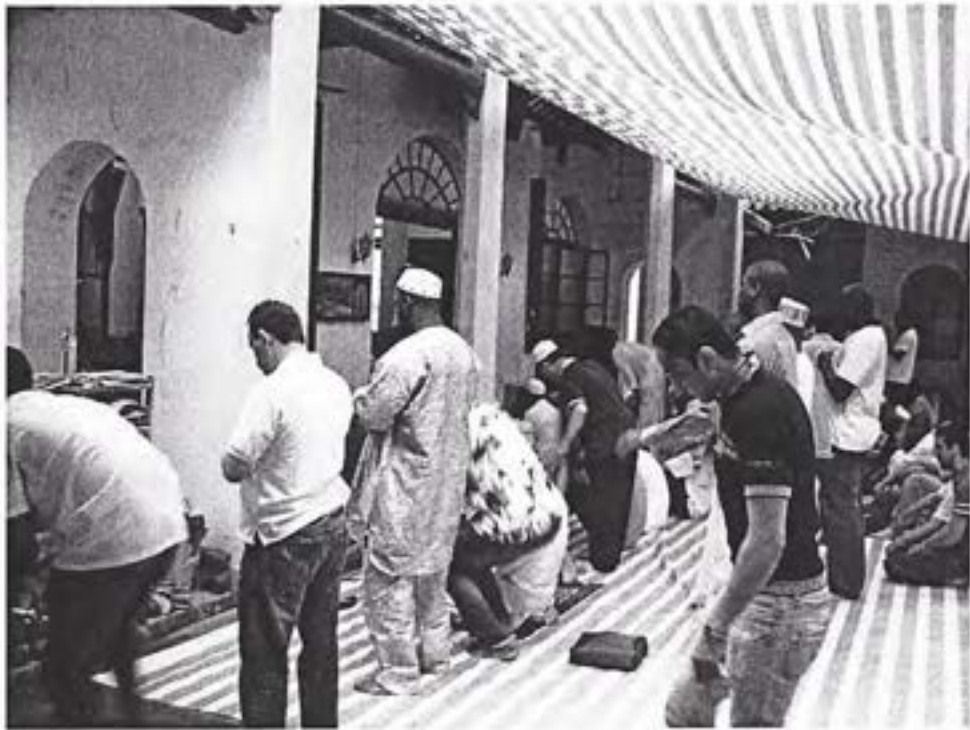


Figure 19. A Friday prayer at the Xiaodongying Mosque.

The Protestant churches, on the other hand, are often not regulated by the Protestant Association and thus are less controlled by the Chinese government; this is probably because the Protestant Churches function with more autonomy from one congregation to another, unlike the Catholic Church, whose centrally organized and

commissioned missionary activities of the past have run counter to the Chinese Communist Party's interests (Potter 2003: 330). In mainland China, there are a large number of underground/unofficial churches that are not registered as state religious associations, but are observed or even at times raided by local governments. The emergence of these unofficial churches occurred during the Cultural Revolution and these churches have expanded from the cities to rural areas in China (Hunter and Chan 1993: 83).

The underground Protestant churches that African traders attend (see figure 20) especially antagonize the Chinese government, because the government sees them as representing foreign religion and supporting the foreign migrant communities in China. It should be noted that most of the underground churches in Guangzhou are known by and under surveillance of the authorities, but they are "underground" in the sense that they are not officially registered and sometimes are raided for their illegal operation. The Royal Victory Church International is such religious network serving a large number of Nigerian traders in Guangzhou, Dongguan, and Yiwu.<sup>63</sup> Michael Daniel, the Nigerian pastor of the church, is now prohibited from entering mainland China and thus does most of his missionary work in Hong Kong. However, the underground churches he founded in mainland China now hold thousands of followers, most them African traders doing business in China.

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<sup>63</sup> The main objective of Royal Victory International is "to take care of Nigerians who are away from home and train same for their missionary Fulfillment; to evangelize and develop the land where God has put us". See their website <http://www.wenze.com/royalvictory.htm>



Figure 20. An underground church located on the second floor of a market building.

Cliff is one of the many church volunteers among the long-term traders. One Sunday morning, he took me to his place of service, a 20-minute bus ride from Sanyuanli. The church was on the second floor of a roughly-built building in an auto parts market. The entrance of the church was a rusty security door with a small crucifix poster. As we walked upstairs, I found its interior well-decorated and filled with about a hundred Nigerian followers, mostly men, but also some women with their children. The sermon was conducted first in English and later in the Igbo language with African music, during which there was spontaneous dancing and praying. The Christians were also asked to share their stories and reflect on their biblical meaning. More often than not, the contents of their stories and prayers were related to the difficulties they encountered in China. A Nigerian man stood up and told his story about how the Bible helped him overcome offenses from the Chinese:

I went to a phone shop and wanted to buy mobile phones. The Chinese lady [female shop assistant] was very rude to me. I thought to myself, “why should I buy phones from you when you are so rude to me?” But later I believed that love could help me get over it. We talked about the father forgiving his sinful son in Luke 15 last week, so I thought again. I finally bought phones from her.

Another Nigerian man also shared his story of dealing with the police:

My wife and I were driving on the road. After some time, the police stopped our car and asked us to pull over. In China, it is unusual to ask a car to pull over. So at that time I prayed to God that this policeman would let us go. And then the police just waved to us and let us go. Glory be to God!

Other than being a religious prayer room, the underground church is also an important place for socializing among the traders and their families in China. After the service, people chatted with each other and networked with potential business partners. The African women and children used the opportunity to socialize with friends. The church also organizes soccer games, which have become an important leisure activity among the traders. The preacher told me they had planned to build an English school for the children of the traders, but the project soon proved impossible because they were not able to get permission from the Chinese government to buy land or build structures.

Showing up at the church regularly enhances the credibility and social status of

an African trader. It is a virtue to openly express one's faith in God, which is especially helpful to one's business in the African markets, because it makes one appear sincere and trustworthy. It increases the traders' social capital: I noticed that almost all the name cards (see figure 21) from the African traders and shop managers have one or two religious sentences or a picture of the cross or Jesus Christ. Mottos printed on the cards include sayings such as "God is perfection," "The lord is my strength," or "In God I trust." Even the names of the African shops are often religious, like "God's Mercy Merchandise," "Blessed Shop," or "God's Glory Shop."



Office Address:   
No.130 Guang Yuan Xi Rd, Guang Zhou, China.  
地址：广州市广园西路130号

*Motto: The Lord is My Shepherd*

Figure 21. A trader's name card with a Christian motto.

It is believed that, through praying and expressing one's faith, the traders can achieve greater wealth and overcome challenges. Inside the Tangqi building, a daily prayer service has been conducted since January 2009 by a Nigerian shop manager named Tom. The time he started the prayer service coincided with economic crisis and increasing police raids. Indeed, the traders who operate businesses for a long period in China find religion a way to release stress and strengthen bonds with each

other. Tom, being one of these traders, invites his Nigerian neighbors in the markets to join him to pray to God on a daily basis. The prayers, compared to the underground church services, are more personalized and contextualized in their everyday business and living context. "With God as my guidance, I will be able to manage my business well," Tom explained, depicting the positive function of the communion. "Chinese police are raiding us every day and we feel insecure. Some people hide in their homes and don't come out. If they only hide in their homes, not doing business, they will turn to crime. But now with prayer, people will do what they are supposed to do. No crimes. This keeps the peace here."

At one prayer, Tom called to God with his eyes closed, "Help us revive our business. We need protection from you. Hallelujah, you are our defense. You are our strength. You are our power." The speech was echoed among the crowd of 15 Nigerians around Tom, who held hands with each other with their eyes shut. Then Tom shared his story.

The police came into this very building and arrested people. The police took some people and my pregnant wife was kicked in the stomach. We all saw these things happen and it was terrible. I said to myself I needed strength to be away from all this trouble and I prayed. Later I took my wife to the hospital to check and she and the baby were OK. Thank you, Hallelujah! Glory to our God! Let us all pray! God, please help us get the documents [visa]! Help us have peace in the market. You are our only God, even here in China.

## Conclusion

Considerable tension exists between the African traders and the Chinese government. The traders are attracted by the lucrative business opportunities in China, but they are also troubled by its hostile political and social environment. It is especially difficult for those involved in romantic relationships with Chinese women and many African-Chinese couples have to face intense social pressure. The situation is even more difficult when business is undermined by police harassment and economic downturn. The desire to seek religious salvation grows ever stronger at such times for many African traders.

It is not my intention to question China's immigration policies, because managing immigration is an important issue that must be resolved in any country. This is true even for developed nations, such as Canada, the United States, the United Kingdom, and most of Western Europe. *Controlling Immigration: A Global Perspective* (Cornelius et al 1994: 3) argues that developed countries are becoming more and more alike in terms of the policies they use to control unauthorized migrants and refugees, but at the same time these countries also face a similar problem of social hostility towards migrants in general, regardless of legal status. This is especially the case after September 11 (Alba & Nee 2005; Koopmans 2005). Only thirty years since Deng Xiaoping economic reforms, China still has a long way to go in terms of refining its judicial and administrative systems, and dealing with an increasing population of

foreign residents. Still defining itself as a non-immigrant nation,<sup>64</sup> China distinguishes itself from Western countries like the U.S. and Canada by its relatively strict immigration policies. The process of China opening up in terms of immigration is slow, but compared to the complete shutdown of the border in the Revolutionary period, it is now allowing foreign investors and laborers to enter the country at an unprecedented rate.

For African traders, China's immigration policies and also its conservative social view toward foreigners are the main drawbacks for them to stay in China or to return for business. As one trader told me, "I came to China for business, but if there are better options where I can be respected, I will leave." It will undermine the long-term prospects for Chinese businesses if traders continue to be treated badly, taken advantage of, and defrauded. In keeping with the prevailing practices of the contraband industry in China, many small-time Chinese businessmen prioritize short-term benefits over sustainability. As another trader said, "I think China is still like a baby that needs to learn many things. It will grow and become more experienced in the future, maybe it will become like America. But right now it still has a long way to go."

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<sup>64</sup> The ethnic profile of the People's Republic of China includes 91.6% Han Chinese and 8.4% minority populations, many of which are also defined as Chinese (Hoddie 2008: 304).

## **Chapter 5 Conclusion: The Larger Significance of this Trade**

This thesis has discussed in detail the structure of the African markets in Guangzhou and the organization of their relevant trade. I have described the small West African middlemen, who participate in the China-Africa trade of clothing, accessories, electronics, building materials, and machines. Most of these products are counterfeits or inexpensive goods produced by Chinese private factories. Taking the clothing industry as an example, I have also explained the commodity chain which connect Chinese cotton farmers and small clothing factories to the African middle and lower class consumers in West Africa. African traders are active middlemen trying to make a profit in this trade. In order to become successful, many of them need to acquire 1) economic capital by borrowing money from relatives or earning it through hard work, 2) social capital obtained through networking, and 3) cultural capital obtained through apprenticeship or other training. It is also important for the African traders to know how to deal with Chinese police, since many of them overstay their visas in order to complete their transactions in China. In China where the social and political environment is harsh for African migrants, the traders lead a bittersweet life, which is reflected in their cross-cultural relationship with Chinese woman and, for those who are Protestant Christians, their religious activities in underground churches.

The study on the African traders in Guangzhou shows how African traders, however poor they may be, can be active agents who choose to pursue upward

mobility, even if it involves traveling half a world away and taking legal risks. Although such activities are disapproved by the state, the trade, at least in the case of African markets in Guangzhou, is beneficial to both Chinese and African traders. It provides not only job opportunities and business for Chinese factory owners and shop assistants, but also inexpensive and functional products for many Nigerian, Ghanaian, Cameroon, and Togolese people, who could not afford to buy the more expensive imports from Europe or elsewhere. This is essentially the positive side of globalization from below, where resources, information, and ideas connect people from relatively lower socio-economic backgrounds from poorer countries in Africa to countries that manufacture the goods they seek to buy. In this respect, I call, in this concluding chapter, for looser border controls and visa regulations, which is also what most African traders seek. I also address the political dimension of trading diasporas and the concept of the informal economy, an analysis based on my previous ethnographic chapters.

### **Migration and the Nation-State in the Age of Globalization**

Human migration has been a common phenomenon for thousands of years; migrants can be travelers, traders, or settlers. According to Stephen Castles (2002: 1143), there are mainly two categories of migration models: 1) the settler model, in which the migrants eventually integrate themselves into the socio-economic composition of the host society, over one or more generations, and 2) the temporary migration model, in

which the migrants stay in the host society for a limited period and maintain affiliation with their home country. Neither of the two models is new in history. However, the intensification of transnational flow of material and information in the age of globalization has changed the context for migration. As Cohen discusses,

In an age of globalization, the world is being organized vertically by nation-states and regions, but horizontally by an overlapping, permeable, multiple system of interactions. This system creates communities not of place but of interest, based on shared opinions and beliefs, tastes, ethnicities (where these are trans-state), religions (again, where these are trans-state), cuisine, the consumption of medicines (Western and complementary), lifestyles, fashion, music, etc. (Cohen 1996: 517)

Indeed, human population is no longer defined by the boundaries of nation-states to such an extent that, in the last few decades, many Western countries have changed their citizenship rules from citizenship through descent towards citizenship through birth in the territory or through residence (Castles 2002: 1162). With significant increase in the quantity and fluidity of populations living in different territories from their country of origin, it is no longer adequate to view nation-states as exclusively functioning bodies. While it was not typically necessary for people to migrate in the past, it is becoming more and more of a common practice for people today to cross borders to make their livings. Castles himself imagines the first half of the twenty-first century to be the time for “baby-farming”, in which people of the less

developed world (who suffer from exclusion from mainstream economic globalization) will flow into developed countries, by exporting labor and babies (Castles 2001: 1163).<sup>65</sup>

Diaspora, which was first used to describe Jewish migrants around the world, now expands its reference to many other transnational ethnic groups today, who are actively (rather than passively) seeking opportunities abroad (Cohen 1996). For the settler model, an example can be found among the vast overseas Chinese communities. The Chinese diaspora successfully built “an organizational alternative” in the form of Chinatowns outside the category of nation-state (Cohen 1996: 517). Though Chinatowns are no longer considered ethnic enclaves of overseas Chinese, they used to be second homes, a “China away from China” where many Chinese traders belonged. Today, overseas Chinese provide not only labor for their host countries but also are important source of foreign currency and financial support for their homeland. In an investigation of the patterns of Chinese diaspora over the globe, Poston et al (1994) discussed four patterns of the Chinese migration in the last two centuries – *Huashang* (Chinese traders), *Huagong* (Chinese coolies), *Huaqiao* (Chinese sojourners), and *Huayi* (those of Chinese descent). *Huashang* has been the predominant mode of migration for those of the Chinese diaspora (ibid). Chinese traders, in whatever environment they were in, often developed family businesses with the characteristics of “paternalism, personalism, opportunism, flexibility, even

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<sup>65</sup> The outflow of population from less developed countries to developed countries is becoming more and more obvious. See figures of net migration rate at <https://www.cia.gov/library/publications/the-world-factbook/fields/2112.html>.

to very large scale” (Redding 1993: 3).

Both the African traders and Chinese businessmen (most of whom are migrants from outside Guangzhou) depicted in this thesis transcend the boundaries of the nation-state, organizing a trade that is international and market-led. Migration is an important factor of success, because they can find better economic prospects by traveling outside their places of origin. This is especially the case with many African traders, who need to look for better products outside their home countries. Even though trade items such as clothing are forbidden in some African countries, they still pursue those.

### **The Informal Economy in China and Sub-Saharan Africa**

This thesis is also linked to the study of informal economy in the world. The informal economy, also known as the shadow economy, the underground economy, and the second economy, is a more and more apparent phenomenon (as there are increasing state controls) and a way of work for many people in today’s world. As opposed to the formal economy, the informal economy is defined as the transaction of goods or services outside national economic calculation, often for three reasons: 1) one avoids registering activities for international customs calculations; 2) the transactions go unreported because of practical problems; 3) the added value is not discovered (Schneider & Enste 2003: 9). Some economic anthropologists also refer to the informal economy as an “anti-economy” (Halperin & Sturdevant 1990: 324), either deviating from the mainstream economy (breaking the rules of the mainstream)

or operating in parallel to the mainstream economy (such as street vending and small household businesses). By these definitions, the structure and model of the informal economy in different countries is invariably dependent on the laws and regulations of given countries. The activities, which we call the informal economy today such as street vendors and small household entrepreneurs, have persisted throughout human history. The labeling of “underground” or “informal” is a result of some traders only contingently complying with laws (Morales 2007: 266). As a result, a strong correlation can be found between government economic policy and the size of the national informal economy.

The informal sectors of most countries of the world are growing larger in an age of globalization, which is especially true in developing countries where a greater part of people’s economic activities is hidden from any official record. Schneider (2003: 29-42) analyzed the size of the shadow economy among 76 countries across different continents and found that the percentage of the shadow economy in a national GNP is more than 30% in Africa, Latin America, and most of Asia, while OECD countries have the lowest percentage at 12%.<sup>66</sup> Schneider (2003: 190) concluded that failing economic policies of a country proved to be the most prominent causes of the strong increase in the informal economy – such policies include tax hikes and population control. In OECD countries where economies enjoy more freedoms and less socio-economic suppression, fewer people work within the hidden side of the

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<sup>66</sup> OECD countries refer to countries belonging to the Organization for Economic Co-operation and Development, which includes most developed countries in the world.

economy, although some of course still do.

China and sub-Saharan African countries have a large proportion of their economies in the shadow economy. The traditional economy was a common way of life for people in imperial China and was revived again after the Economic Reform, but only then did it become informal because the Chinese state defined what was legal or illegal. In the post-reform era, the informal economy has been an important contributor to the Chinese economic miracle since the 1980's in Guangzhou, Wenzhou, Xiamen, Beijing, Qingdao, and Jinan and elsewhere (Hsu 2009:6). In most sub-Saharan African countries, the informal economy is one of the major ways to deal with poverty and is an important source of employment for young people (Lachaud 1990).

The African markets of Sanyuanli and Xiaobei link the informal economy of China and sub-Saharan Africa in the larger context of globalization. With cross-continental flight and freight transportation and currency exchange, the African traders of these markets are able to extend the scale and scope of their petty entrepreneurship. To their families back in Africa, they may be seen as heroic breadwinners and, if they bring back a Chinese wife, capable men. It is the fastest road to success for many Nigerian men, who may spend their teenage years as apprentices or have a college degree that did not lead to well paid jobs back home. The Chinese business people in the Guangzhou African markets also benefit from the informal economy, by operating their private factories and producing cheap

counterfeit electronics and brand name clothes. Both the African traders and the Chinese businessmen, similar to what Ribeiro (2009; 2006) has discussed, create a transfrontier social space where the lower and middle classes of their societies can make their livings and move upwards. They blur the borders of not only the nation-state, but also, within the state, the border between legality and illegality. Let me now address what the macroscopic implications and moralities of the informal economy in the international economic environment may be.

### **Morality and the Informal Economy**

On the macroscopic level, the existence of the informal economy inevitably leads to several negative consequences: 1) the tax revenue of the country is reduced; 2) national socio-economic data such as the GNP is distorted and it may be difficult to establish efficient public policies; 3) unfair price competition may be created in which legitimate businesses, carrying higher costs, may be undermined (Bajada & Schneider 2005: 3-5). Undoubtedly, globalized informal economies, such as those of Sanyuanli and Xiaobei, lead to all three negative consequences. However, at least in the case of China-Africa informal trade, the first two consequences do not seem to be causing much particular harm to China or sub-Saharan Africa. These states do not rely primarily on tax revenues from small businesses or individual traders, but mainly gain funding by monopolizing/state-run major economic lifelines such as natural resources or national telecommunications. Moreover, the established public

policies of their governments are far less efficient in comparison to how the markets regulate themselves in an almost laissez-faire style. At times when there is no police harassment in the Guangzhou African markets, the traders and the surrounding communities are able to integrate into and benefit from the Pearl River Delta economic zone and further, the global economy.

Regarding unfair price competition, one crucial aspect of the African markets in China is their evasion of intellectual property rights, which may harm the companies who deal in authentic products. Within China, there is a growing resentment among foreign companies in China that not only their copyright but also manufacturing technologies are now being systematically infringed upon by China's prevailing piracy and local ventures (Reuters 2010). The fear for these companies is that the counterfeits will steal their market share in the global market and they will suffer financial losses. Nonetheless, as one examines the range of products sold in the Guangzhou African markets and the targeted consumer groups, such doubts can be largely dispelled. Many consumers in sub-Saharan Africa cannot afford to actually buy authentic Nokia mobile phones, Sony DVD players, or Adidas shoes, I am told, so it is very unlikely that the Africa-China counterfeit trade will steal the market shares of these corporations. On the other hand, such trade benefits the large populations of Nigeria, Kenya, Ghana and so on, who are now able to catch up with the world; as my informants said, "What I do is good for Africa".

There are many benefits to the larger society that comes from the informal

economy. Although seen as preferable, formal business and employment are not able to secure or improve the livelihood of everyone in society. As a result, the informal economy serves as an alternative for people in poverty or those who lose their jobs during the process of de-industrialization (Portes et al 1989: 301). Informal finance provides opportunities for small and medium-sized enterprises, compensating for the lack of similar services in the formal economy, and informal finance often becomes more efficient than formal institutions (Li 2009). Moreover, informal economic activities encourage further economic competition, which keeps inflation low and reduces pressure on wages (Harding & Jenkins 1989). Keeping the economy healthy and people in jobs, the size of the so-called “dangerous class” (the lower economic classes of a society) will also be reduced and the social environment becomes more harmonious (Falk 1999).

Wealth distribution across the world is far from being fair today. In countries in sub-Saharan Africa, common people are punished for the failings of their governments. Although many traders depicted in this study are from middle-class background, many of them will soon fail if they stick to their fluctuating and corrupt domestic markets, since those markets are often manipulated by their governments in various ways, as we have seen. Coming to the Guangzhou markets is a window to a better future for many African traders. The same hope is there for numerous Chinese migrants who are working in the African markets or in small private factories, who do not have much hope finding employment in the formal economy with their limited educational

background and barely any useful *guanxi* (human network) in the city. As the unemployment rate shoots up even further due to the 2007-2010 financial crisis, the Chinese state might learn to relax its restrictions upon its growing informal economy.

In the case of Guangzhou's African markets:

- Both domestic and foreign migrant workers/traders need freer business and settlement permits (visa, hukou) from the state. Police harassment of the African markets should also be eliminated.
- Currency controls should also be reduced. Money exchange and transfer services need to be more conveniently available for small entrepreneurs and foreign traders.
- A better enforcement of law is needed to protect basic individual rights such as ownership of one's property. Behavior such as robbery and stealing should be stopped regardless of the nationality, race, and class of the victims or the offender.
- People need to be allowed to pursue proper religious and spiritual fulfillment. Churchgoing and related social activities should not be restricted or punished by the state, which may be an ideal situation that cannot be realized.

### **Two Tales of a City**

In the Chinese government's view, the current stage of development, which is export-driven, cheap, and labor-intensive, is just a transitional phase. Its goal is to rapidly change its economic growth model into one that is based on domestic

consumption, high technological development, and more efficient energy utilization.<sup>67</sup> As a leading economic center, Guangzhou sought to become a top-ranking global city by building a Science City to provide constant innovation, a University Town to produce new generations of talented employees, and a face-lifting project to present a modern urban image before the 2010 Asian Games took place. Guangzhou, like many other booming cities in China, intends to become more and more “modernized” until it is a world-class city like New York and London. On the other hand, cities such as Guangzhou inevitably have to face the problem of the other side of their staging of modernity: the other untold tale, which is that of their shadow economy. It is a tale that mutually exists with the mainstream discourse, and together they create the success of the metropolis.

The best comparison here with the case of Guangzhou is Hong Kong. Within one and a half a centuries, Hong Kong managed to progress from a fishing town to an international financial center; over the past forty years, it shrank its secondary manufacture and shifting to a service-driven economy. On the other hand, the city also went through a process of occupational and income polarization, where there has been a constant inflow of migrant labors and an increasing wealth gap: the city has becomes “dual city” (Chiu & Lui 2004). Now the city has an underground economy that supports a population of low-income residents, mainland migrants, and asylum seeker, while on the other hand Hong Kong is also an international financial centre

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<sup>67</sup> See Xinhua news “Economic growth model shift to benefit China and the world”, accessed on 11 January 2011 at [http://news.xinhuanet.com/english2010/indepth/2010-03/15/c\\_13211798.htm](http://news.xinhuanet.com/english2010/indepth/2010-03/15/c_13211798.htm).

supporting a large middle-class population. Both globalization from below (one that expands the geography and scale of the informal economy) and globalization from above (one that connects Hong Kong's formal economy to the world) have developed at the same time. It may be that the Hong Kong miracle would not have happened with only one of these processes in operation.

The same process of transformation into a dual city happened to New York in the 1980s, during which the area experienced tremendous growth and economic achievement and also a substantial income gap. The city became dominated by two opposing forces – a well-defined upper managerial and professional group and a remaining fragmented (by race, ethnicity, and occupation.) and peripheral population, which led to economic, cultural, and political polarization (Mollenkopf & Castells 1991). New York turned into a dual city, in which the two groups are differentiated by whether members have access to sources of wealth and upward mobility or only have a sense of helplessness in the economy (ibid: 410). In essence, such things as city restructuring or face-lifting projects are other social processes of class formation in the context of globalization, which originally should have led to easier flow of capital and wider spread of resources, but is somehow blocked by local state policies and invented social boundaries.

The African traders in south China reflect a social reaction to socio-economic polarization. Each of them is self-motivated to pursue a better life by perpetuating globalization from below. These traders struggle to break through boundaries,

whether political, racial, or social, in order to gain access to resources and wealth. As has been described in this thesis, it is a bittersweet process. While they are able to adopt street-smart strategies to overcome various obstacles, they also face state and social condemnation. As a result, most African traders do not plan to settle down in the hostile environment in China. At least for now, China is able to attract the traders to migrate back every few months for its good business opportunities. For now, “going to China” is still a golden opportunity to many young apprentices back in Africa.

However, twenty years from now, it could be that the business in the Guangzhou African markets will have died out. Firstly, the number of Chinese wholesalers and retailers in Nigeria, South Africa, Ghana, and Cameroon is increasing. Compared to the African traders, some of these Chinese traders are directly affiliated to factories back in China, so they easily gain an advantage in price. Secondly, the future of international trade in China is becoming more uncertain with the Chinese currency revaluation and rising labor costs. As I demonstrated in chapter two, this can have quite a negative impact on business profits for many foreign traders who come to Guangzhou. It is likely that these African traders may then travel to other cheaper production centers such as Vietnam, Thailand, and Malaysia.

This study depicts the stories of individual West African traders who travel to South China to purchase goods; it also discusses the larger economic and social background of the trade. Transnational trading is becoming more and more

significant in an age of globalization, not just as a matter of international corporations, but also of individual lower and middle class traders. This thesis has also discussed how the efforts of these traders may be frustrated by state controls. How their economic activities may be further affected has yet to be seen in the future.

## Epilogue

After the Asian Games, the Guangzhou government enacted the “double attack” policy to crack down on infringement of intellectual property and forged commodities. In early 2011, 198 shops in the Xiaobei African markets were closed down and the Guangzhou Deputy Mayor himself led a team to close down the whole China-African Tradegate building (see figure 22).<sup>68</sup> The Bureau of Foreign Trade and Economic Cooperation of Guangzhou Municipality was called into action to rigorously review the official visa documents of African passport holders. My informants in Sanyuanli also had to report more frequent police raids in the markets. However, African traders and markets still remain.



Figure 22. The China-Africa Tradegate in Xiaobei, which was closed down.

<sup>68</sup> Refer to the Xinhua news report in Chinese, titled “Guangzhou Regulates its African Expo Markets and Closes Down Almost 200 Shops”, at [http://news.xinhuanet.com/politics/2011-04/02/c\\_121263581.htm](http://news.xinhuanet.com/politics/2011-04/02/c_121263581.htm).

With dire economic circumstances even further discouraging the African markets, in 2011, the profit margins for the African traders reached new lows and continues to fall, due particularly to the rising price of cotton, employees' wages, and RMB valuation. The traders are looking for business opportunities in other industries and in other Southeast Asian markets.

After the 2011 Chinese New Year, Cliff decided to go back to Nigeria and not to return to China for a long time. He said, "I need to pick up my life again, which means I will marry an African woman of my faith. My business will not end, because I will still continue other business back home. By then, I can make money and have a life at the same time." Cliff was not concerned that it would be difficult to re-enter China after over-staying his business visa for years, because he might go to a different country next time.

The business of Mary's company in Guangzhou African market has been receiving fewer clients compared to before. She decided to pursue her career in Shandong Province, where there is a booming export-led market. Since she had work experience dealing with foreign customers, she could easily find a job there.

Most of my key informants have found their way out of Guangzhou, but there are also some of my friends like Jeff who have chosen to stay. Jeff and his Chinese wife, like other African traders, are faring worse this year than last as well. Fortunately, they are suffering less compared to other traders because 1) they purchased their shop, so they do not need to pay monthly rent; 2) Jeff holds a spouse

visa in China and thus has no need for concern about police checks. Now that they have a baby to raise, they are looking for other business opportunities. A greater variety of goods are now being sold at their clothes shop, such as slippers, belts, steel chains, baby clothes, and hats. Jeff said, "We might also move to Shenzhen where there is more and more business. Since our child is a Hong Kong citizen, we can visit Hong Kong and maybe trade between the borders. I am truly lucky compared to my friends here."

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**Appendix: List of Interviewed Informants**

<b>Pseudonym</b>	<b>Nationality</b>	<b>Age</b>	<b>Gender</b>	<b>Year of Arrival in China</b>	<b>Industry</b>	<b>Identity</b>
Oscar	Nigeria	32	M	2007	Clothes	Buyer
Owen	Nigeria	32	M	2007	Clothes	Buyer
Mr. Wong	China	30	M	2009	Clothes	Shop owner
Mrs. Wong	China	26	F	2009	Clothes	Shop owner
Jeff	Nigeria	24	M	2007	Clothes	Shop owner
Xu	China	26	F	2007	Clothes	Shop owner
Cliff	Nigeria	35	M	2005	Clothes	Shop owner
Mary	China	23	F	2003	Solar products, audio sets	Employee
Iraeyi	Nigeria	26	M	2008	Solar products, audio sets	Shareholder
James	Ghana	29	M	2009	Cable logs	Buyer
Sam	Congo	28	M	2009	Clothes, shoes	Buyer
Edie	Nigeria	27	M	2009	Clothes, perfume	Buyer
Peter	China	23	M	2008	African food	Shop owner
Prince	Nigeria	25	M	2008	Clothes	Shop owner
Daniel	Togo	24	M	2008	Clothes	Employee
Qiqi	China	24	F	2008	Clothes	Employee
KC	Nigeria	26	M	2008	Clothes	Employee
Jamez	Nigeria	30	M	2005	Underground Bank	Employee
Tony	Nigeria	27	M	2009	Underground Bank	Employee
Agbo	Nigeria	28	M	2007	Clothes, bags, watches, laptops, jewelry	Shop owner
Chinos	Nigeria	28	M	2007	Logistic service	Shop owner
Lola	Nigeria	27	F	2009	NA	Student
Sunday	Nigeria	27	M	2007	Electronics, clothes	Buyer
Tom	Nigeria	28	M	2007	Logistic service	Shop owner

<b>Pseudonym</b>	<b>Nationality</b>	<b>Age</b>	<b>Gender</b>	<b>Year of Arrivial in China</b>	<b>Traded Items</b>	<b>Identity</b>
<b>Izu</b>	Nigeria	29	M	2008	Furniture	Shop owner
<b>Mike</b>	Nigeria	NA	M	2009	Logistic service	Shop owner
<b>Q</b>	Nigeria	31	M	2008	Clothes, DVD s	Shop owner
<b>IK</b>	Nigeria	30	M	2009	Clothes	Shop owner
<b>Sarah</b>	China	23	F	2009	Clothes	Shop owner
<b>Tommy</b>	Nigeria	34	M	2007	Logistic service	Shop owner
<b>Chris</b>	Nigeria	25	M	2009	Logistic service	Employee
<b>Victor</b>	Benin	NA	M	2009	Audio sets	Buyer
<b>Michelle</b>	China	23	F	2007	Jeans	Shop owner
<b>Stelli</b>	Nigeria	26	M	2008	Clothes	Buyer
<b>Earl</b>	South Africa	24	M	2009	Logistic service	Shop owner
<b>Edison</b>	Nigeria	27	M	2008	Jewelry	Buyer
<b>Thomas</b>	Nigeria	31	M	2005	Clothes	Shop owner
<b>Chizzy</b>	Nigeria	27	F	2005	Clothes	Shop owner
<b>Stanley</b>	Nigeria	NA	M	2009	Glasses	Buyer
<b>Emma</b>	Nigeria	26	M	2008	Jewelry	Shop owner
<b>Abo</b>	Nigeria	NA	M	2009	Underground Bank	Employee
<b>Obi</b>	Nigeria	NA	M	2008	Clothes	Shop owner
<b>Ebbe</b>	Nigeria	30	M	2008	Clothes	Employee
<b>Sandra</b>	Cameroon	24	F	2008	NA	Teacher
<b>Chuks</b>	Nigeria	NA	M	2009	Clothes, machete	Buyer
<b>Eric</b>	Nigeria	29	M	2007	Clothes	Shop owner
<b>William</b>	Cameroon	29	M	2008	Clothes	Shop owner
<b>Carl</b>	Nigeria	NA	M	2008	Clothes, shoes	Shop owner



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