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**In the Dragon's Den:
African Traders in Guangzhou 2005-
2008**

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ABSTRACT

A growing literature analyses the strategies of Chinese diasporas in Africa, many of which are involved in the import and distribution of manufactured goods in for example Namibia and Angola (Dobler 2005), Cape Verde (Haugen and Carling 2005), and Senegal (Scheld 2007), identifying the value and limitations of their social capital strategies and their interactions with African urban and political life. In contrast, the counter-flow of African private traders to China has been relatively little studied, yet is part of significant changes in African economies and societies (Lyons and Brown 2009), and creates new interactions in Chinese cities. The commerce in which they have engaged over the few years since the introduction of the 'Open Door' policy and the subsequent rapid rise in bilateral trade has been undertaken through a period of booming international trade; a fuel crisis in 2008; and a world financial crisis in late 2008 and 2009. This article explores the African diaspora in Guangzhou, SE China - one of the major centres in the export of manufactured goods from China to Africa. Drawing on ongoing work by the authors started in 2005, it examines how the Guangzhou-Africa trade has changed over the period; what livelihood strategies have been adopted by migrants at the Guangzhou end of the value chain; and how their perceptions of their migration, of the migrant community, of their host city - and its perceptions of them - changed over time.

INTRODUCTION

Sassen (1991) famously argued that 'global cities', important nodes in international economic networks, become progressively polarized in socioeconomic terms, attracting the world's higher earners - the 'transnational class' (Sklair 1995), while also drawing poor migrants to staff low-paid service jobs. Examining London, on the other hand, Hamnett (1994) challenged Sassen's findings, arguing that global cities also depend upon, and attract a significant local middle class to staff or service corporate investment. Analyses of China's cities today evoke Sassen's polarized model, as rapid change is supported by a large and growing transnational élite and an influx of millions of rural-urban migrants (Wu 2007), although it is clear that a small number of exceptional cities can be identified which correspond more closely to Hamnett's model, for example Shenzhen, where a large migrant population (fewer than 20% of the city's population had Hukou status in 2007), employed in a rapidly growing professional service sector, is reflected in the city's planning, housing and commercial services.

However, in focusing on the impacts of corporate investment, both models neglect key actors in globalization. The new economic opportunities have also been created – and seized - by a multitude of middle-ranking private actors, people who are neither desperately poor nor magnificently wealthy, an internationally mobile population with a profound impact on emerging worldwide markets, and on the cities to which they migrate. "The continuous interaction of capitalism with dispersed ethnic groups ... constitutes one of the critical elements in the evolution

of the global economy" (Kotkin 1992:17). Diasporic communal networks are 'a third tier of inter-regional connections', after world organizations and nation-states (Karim 1998:3).

A growing literature analyses the strategies of Chinese diasporas in Africa, many of which are involved in the import and distribution of manufactured goods in for example Namibia and Angola (Dobler 2005), Cape Verde (Haugen and Carling 2005), and Senegal (Scheld 2007), identifying the value and limitations of their social capital strategies and their interactions with African urban and political life.

At the same time, the engagement of African wholesalers and retailers in the trade in Africa has been examined in some detail, demonstrating the widespread entry into trade of young people in response to falling levels of entry-level capital; the erosion of established social-capital networks upon which entrants' access to a position in local distribution networks became dependent over the period following independence; and the displacement, not only of locally manufactured goods, but also of imports from previously established sources, particularly across Europe (Lyons and Brown 2009).

For African traders at home, social capital is a key determinant of success, providing access to institutions (Lyon and Porter 2007) and space (Brown 2006), reducing transaction costs (Fafchamps et al 2004), facilitating savings (Gugerty 2005) and governing competitive behaviour (Lyons and Snoxell 2005a), particularly among migrants (Kumar and Matsusaka 2004), although specific forms and entry points differ with age, religion and gender (Lyons and Snoxell 2005b). Similarly, Africans who travel abroad to trade form enclaves around which ties coalesce and social capital builds (Amponsen 1996).

Research has shown that the interactions of new diasporas with host societies create distinct imprints on host cities. Migrants typically occupy space 'abandoned' by locals (Noussia and Lyons 2008), for example colonizing public spaces for work (Valenzuela, 2003) or leisure (Armstrong, 1997, 2004). Cultural geographers have conceptualized such processes as expressions of power through space, embodying migrant groups' internal or external politics of representation (Ruggiero, 2001). In this dynamic interaction diasporas may adapt to adopt broader national and religious affiliations (Sinclair and Cunnigham 2007).

In comparison with the attention given to traders in Africa, the counterflow of African private traders to China has been relatively little studied, yet is part of significant changes in African economies and societies (Lyons et al 2008), and creates new interactions in Chinese cities. The trade in which they have engaged over the few years since the introduction of the 'Open Door' policy and other critical initiatives (FCAC 2003, 2007), and the subsequent rapid rise in bilateral trade has been undertaken through a period of booming international trade; a global fuel crisis in 2008; and a world financial crisis in late 2008 and early 2009.

This article explores the African diaspora in Guangzhou, SE China - one of the major centres in the export of manufactured goods from China to Africa, concentrating on the period 2005-2008.

The primary aim is to understand the Chinese and African actors in the flow of African traders to Guangzhou, the challenges and opportunities they face, the strategies and alliances on which they draw – and how these are

mediated in, and through, a particular time and place.

Following brief accounts of the research methods and context, the paper address four key questions: what is the scale and character of the African diaspora in Guangzhou; what is the value chain through which the Guangzhou-Africa export trade takes place; What are the links and relationships developed and drawn upon by traders; and what are their – and their hosts' – perceptions of these relationships.

METHODS

The analysis draws on findings from ongoing work by the authors in Guangzhou, a major export centre in the China-Africa trade and, for purposes of contextualization, draws also on findings from Tanzania (2007) and West Africa (Togo and Mali, 2008).

The trade between Guangzhou and SSA was conceptualized as taking place along a value chain. The research has aimed to identify key nodes and links in the chain; and the institutional and policy environments, as well as economic trends, affecting different parts of the chain. On the other hand, it aimed to understand the strategies of individual traders with regard to their location in specific nodes and their development of specific links within the chain.

The research strategy has been to identify key locations in Guangzhou for this trade, identify key actors in the trade, and key influences upon it; and to study these over time and through a combination of methods. Four studies are brought together in this paper.

Between January and May 2006, following a survey of local newspapers such as Guangzhou Daily, eighty questionnaires were distributed to African traders by two teams of research assistants in the area, with the aim of establishing the key locations for African business and housing. Of these, 43 questionnaires were collected. Xiaobei, a community to the north of the central city of Guangzhou, is found to be the location known by almost all interviewees. In fact, a number of local residents also take Xiaobei as the key locations of African diasporas. Sanyuanli, an old community to the north of Guangzhou Railway Station, becomes the second known site. Together, these two sites compose a ring around the main train station of the city, making the whole region along Huangshi Road the focus of African diasporas of Guangzhou (Li et al 2007).

In March 2007 the authors carried out a pilot study among African traders in the two enclaves. Forty seven Africans were interviewed in Guangzhou's Tian Xiu Building (see below), using detailed questionnaires including open and closed questions. The interviews were carried out in French or English as appropriate. They aimed to identify life trajectories, migration trajectories, business type, scope and history, identify experiences in China and understand social capital links. Interviews lasted approximately one hour. Also interviewed were ten Chinese traders and agents. The former were interviewed with the help of translators, using a similar detailed questionnaire; the latter, using a simple interview schedule to determine their background, links with Africans and experiences. The interviews used a schedule and lasted approximately 30 minutes.

A further survey of Ganaan, the symbolic market within Sanyuanli, were carried out in both October 2008 and

April 2009. Ganaan, one of three busy market buildings, has 600 shops selling hundred thousands of clothes, trousers, shoes, and so on to general African traders every day, and was chosen for its large accumulation of trading interactions between Africans and Chinese. A total of 95 African traders together with about 50 Chinese traders were interviewed using a questionnaire. The study aimed to establish whether an ethnic economy had developed, and attempted to understand the interactions between Chinese and Africans.

Finally, in October 2008 the authors carried out a smaller number of in-depth interviews with 29 African traders in both the Tian Xiu Building and Ganaan. The interviews used a shorter questionnaire which focused on a profile of the business, a personal, work and migration history, but also took up a number of qualitative issues which had been raised by interviews in the previous year. These interviews lasted between an hour and an hour and a half, carried out in French or English as appropriate. Thirty detailed interviews were also carried out with Chinese wholesalers working with the Africa trade, which covered, and lasted some thirty minutes. Twenty six Chinese wholesalers, covering business trends, the role of African customers in the business, and relations between Chinese and African business people, were interviewed in Mandarin or Cantonese by bilingual graduate students reporting to the researchers. Finally, ten key-informant interviews were carried out with market managers, municipal and provincial authority officials, and African community leaders. Key-informants were interviewed in English, French or Mandarin by the researchers where relevant.

FINDINGS

1) Guangzhou's African enclaves

During 1995-2005 Guangzhou's service industries (including commerce) rose to almost 60% of the city's GDP (Hu and Kaplan 2001, Xu and Yeh 2003). The official population has increased dramatically from under five million in 1978 to over seven million in 2005 employment (Wu 2001). However, while the large-scale internal migration which is reflected in these figures has been widely studied, the itinerant and migrant population involved in this growth has received little attention (Lyons, Brown and Li 2008).

Guangzhou has been a magnet for foreigners for many years. There are thought to be about 20 million foreigners in China, of whom about a third come to Guangdong. The largest groups are Japanese and Korean, with significant communities of Indians and people from the Middle East. Africans constitute about 20% of the total. From visa and residential lettings data, it is thought that there is an average of about 30,000 Africans in Guangdong at any one time, or whom about 60% of visitors and 80% of residents are based in Guangzhou (KI interview Provincial Government).

Guangzhou's African visitors are clustered. This reflects both increasing social stratification and segregation of growing Chinese cities (Hu and Kaplan 2001); and the racism and xenophobia still affecting Chinese society (Brady 2003), particularly in relation to Africans (Nyamwama 2004), notably in the housing market (Li *et al* 2007). While foreign élites cluster near the city's new CBD, Ersha Island's former colonial district, and the new high-rise suburb of Panyu (Li *et al* 2007), Africans congregate in poorer areas, convenient for transport to the port and manufacturing centres, and providing cheap accommodation in apartment blocks, hostels and hotels. Two main

concentrations have been identified.

The Tian Xiu building in Xiao Bei Lu, near the Huaisheng Mosque, is a 36-storey building with four storeys of wholesale shops and apartments above. This is the focus for the polyglot close-knit francophone community, mainly from West Africa, facing the common divide of language as few speak English, and French is rarely spoken by the Chinese. As one trader said, "everyone comes here – you can find all the 53 countries of Africa in this building".

In a more run-down area of town near the main station, three buildings on either side of the eight-lane highway of Huangshi Road, provide a large wholesale complex which serves, inter alia, a large proportion of the China-Africa manufactured consumption goods trade. The three buildings are Ganaan (a corruption of Ghana), Tian'en, and No:88. These buildings provide a focus for the loose-knit Nigerian and Anglophone community. Although they meet on Sundays at Sacred Heart Stone House Cathedral, or at weekend football matches, many live around the area and most work there.

2) The growing trade between Guangzhou and Africa

Recent political and economic history has combined to ensure a particularly open manufacturing market in the Pearl River Delta, as a result of the influence both of privatisation and of FDI from Hong Kong, and a dynamic sector of small and medium sized enterprises open to identifying new markets and trade opportunities. Sectors which have particularly benefited from trade liberalisation include the textiles, clothing and small electronics. The impacts of this growing trade, however, are complex and difficult to analyse from published statistics, and there have been few micro-level studies that have examined in either Chinese or African communities in both continents.

Guangzhou (Canton) was the only international port in China for more than 200 years and well-placed to benefit from the opening of China's economy in the late 1970s (Lyons et al 2003). Boosted by the Canton Trade Fair, the city's GDP rose from less than 100 billion RMB in 1994 to above 500 billion RMB in 2005, (equivalent to 20.3% per annum, far above the Chinese city average).

Exports from Guangzhou to Africa has increased rapidly since the introduction of the Open Door policy and grown progressively in parallel with China's strengthening bi-lateral links with a growing number of African countries. Figure 1 clearly shows the steady rise in exports to Africa over the period, and its acceleration after 2003 and again after 2005. Overall, the export volume from Guangzhou alone to African countries grew approximately six-fold over the period, from an annual value of some \$15 M in 1999, to \$100 M per year in 2007.

Broadman (2007) has argued that some 80% of the imports from China to Africa are manufactured consumer goods. It is interesting to see that the predominance of consumer goods in exports from Guangzhou to Africa has steadily increased over the past decade or so. Figure 2 juxtaposes the relatively small, and diminishing volume of food stuffs being exported from Guangzhou to Africa (mainly oil, tea and cereals), with the rising volume of both consumer goods and manufacturing components (eg: electronic parts and cables, electric accumulators, textiles and yarns, ships and containers, steel products, cement and refined petroleum products), and with the

rising volume of manufactured consumer goods (garments, shoes and accessories; personal electronics; bicycles and motorcycles; furniture and household goods). Over the period, the volume of goods which may be used in manufacturing and which were exported from Guangzhou to all African countries grew more than four-fold from some \$8 M in 1999 to \$35 M per year in 2007; while the volume of consumer goods exported rose by a factor of 12 from \$5 M to \$60 M per year. Finally, it is worth emphasizing that the share of consumption goods in this trade has steadily risen and, by 2007, comprised over 65% of the total trade. Figure 3 presents this unsteady but growing trend, showing both the percentage of the trade comprised by each export type, and its value in \$10,000, by year.

Figures 1 and 2 about here

3) Traders and the value chain

The value chain by which these goods reach Africa's markets can be broadly conceptualized in a number of stages, including *wholesale export* and shipping from Guangzhou and the UAE, *wholesale and retail distribution* in African ports and other points of entry; *and further wholesale and retail activities* in African countries and regions some distance away from ports and airports.

This complex chain has multiple nodes and links at every such stage, and Figure 3 attempts to represent this structure, following the methods used by Kaplinsky and Morris (2000). Drawing on the interviews above, Togo and Nigeria have been used as examples of a first point of entry to SSA (eg: Lomé's free port), and a secondary distribution system (eg: led by the Igbo trading community from Nigeria). The African traders in China, who occupy the nodes framed at the left hand end of this diagram, are the main focus of this paper.

How and Why do individual traders occupy the various nodes in this chain and negotiate the links among them? Findings suggest that roles and practices are extremely varied for both sourcing and distribution, and that respondents take on or have links to multiple nodes at every stage of the chain.

In 2007, over half the African traders interviewed had lived in the city (62.2%) on a semi-permanent or permanent basis ('residents' in Figure 3 and Table 1), most, for at least a year (90.2% had been in the city for over a year). Of the traders interviewed in 2008 only four admitted openly to living permanently in Guangzhou although, with increasingly invasive policing at the interview sites, the eleven respondents who refused to answer that question may safely be assumed to be resident in the city as well, bringing the total to 52%. Those traders resident in Guangzhou (node 22) take on a mix of activities, including exporting goods to their own wholesale or retail businesses (nodes 33;42); exporting goods to contacts elsewhere (node 60); and providing agency, shipping and introductory services for visiting African business people (node 13).

The second group of respondents ('visitors') live in any of some 30 African cities – Figure 3 highlights Lomé - and come to Guangzhou to source goods direct for their businesses (node 23). In a small number of cases, such

respondents were actually African émigrés to the US or Europe, who maintain an import business in Africa, as well as sourcing goods to be distributed in the US or EU where they live or have relatives who can act as distributors (not shown in Fig. 3). These traders too carry out their sourcing in a wide range of ways, buying directly from factories or from market wholesalers in Guangzhou (nodes 0; 11; 13); purchasing on their own account only or for traders at home who have placed orders with them prior to departure – thus defraying the costs of travel; and using Guangzhou as a main source of goods in a certain price and quality range, while sourcing elsewhere in China, elsewhere in Guangdong, or abroad, particularly in the UAE, for higher-quality higher-price goods.

Distribution strategies are also multiple. Virtually all respondents act both as wholesalers and retailers; and many have deliberately set out to make their distribution networks as diverse as possible, generally building on social capital, particularly family, village or ethnic networks, as well as on other advantages. The diversification of distribution networks can also lead to product diversification. In the following discussion names have been changed to ensure confidentiality.

Table 1 about here

For example Moussa, a 28-year old trader from the Alayen brotherhood, lived in Dakar and was interviewed in 2007. Moussa first visited Guangzhou in 2002, and when interviewed was visiting four to six times a year (node 23 in Figure 3), staying 5-7 weeks to source his goods and oversee delivery and shipping. Shipping by container (groupage), he sent ladies' garments to his uncle in the central, Touba Sandaga market in Dakar, who operated his shop as both a retail outlet (node 33) and as a wholesaler to stalls and hawkers selling in Sandaga and other Dakar markets such as Marché HLM (nodes 41, 52). At the same time Moussa bought and supervised quality and shipping of bedroom furniture and bedroom suites to uncles who own furniture shops in Spain (Barcelona), and Italy (Florence) (node 60). In effect, Moussa could be said to occupy node 23 in two different value chains, one describing furniture, the other, garments

Like Moussa, Issa is a 'visitor' and comes from Burkina Fasso four to six times a year for two weeks. He imports goods from China to Ouedraggo, where he has a shop, as well as from the US, where a brother is living. At each visit he fills two small containers, sourcing direct from Guangzhou outlets, but also from nearby Shenzhen and from Beijing. In the Ouedraggo shop (in other words, occupying a role in BF equivalent to node 33 in Fig 3) the goods are sold to local customers (node 51), to local retailers (node 42) and to retailers from the provinces who come into Ouedraggo to buy their stock (node 41).

Figure 3 about here

Interestingly too, the occupation of nodes and links on the multiple chain is fluid, representing opportunities, barriers, and the initiative and vision necessary to take such decisions.

One strategy is to change the sourcing point. Many respondents previously sourced in other countries before settling in Guangzhou. Monde, the first of four wives, has been traveling to buy stock for all four wives'

businesses for twenty one years. Initially she traveled to African countries, e.g. Nigeria and Togo, then started traveling to Dubai, later to Bangkok, and, in the past five years, only to Guangzhou. She travels here every eight weeks for two weeks, doing a great deal of comparative shopping before making her selection and buying her goods. Rather than pay for shipping, she carries the goods with her by air. Between them, the wives have supported twenty five children. At the other end of the scale, Kaorane, 'well connected through a compatriot network' to outlets in France, Germany and Italy has been a 'resident' in a series of countries. *'I traded for years in Thailand, but then that went down; I moved to Hong Kong but that became expensive. Anyway, all the manufacturing is here, so I have now moved to Guangzhou and opened a company here.'*

Another strategy is to diversify between import and petty manufacturing. Emmanuel from Port Harcourt in Nigeria has *'been in business a long time. I have a factory that manufactures sports clothes, but started coming here to buy about 10 years ago. I come frequently and stay about 30 days each time so that I can order goods from factory. We cannot compete on quality with the Chinese because we do not have industrial sewing machines. So I sell the imports – they are my 'A' grade stock – and manufacture imitations in my workshop. The quality is less, so they are my 'B' grade stock and poorer people buy them.'*

A third strategy, common among the young, bachelor males is to arrive in Guangzhou with very little money, look for 'bargains' and ship home goods with more formal 'visitor' traders, who carry them back to SSA as a favour. As James from Mali explained: *"We Africans, we start with nothing - not like you people who come with enough money for 2 weeks living. We have to start earning immediately"*. And as Touré explained: *'You need private money, but if you start small-small you can make a profit'*. Once profits accumulate, they can be reinvested in larger volumes and higher-value goods and, eventually, shipment can be put on a business footing, initially in groupage – shared containers – and eventually ordering full containers. While attempting to 'grow' the business, young traders use the local knowledge they gain to offer their services as 'agents' to newer traders (node 13). Through home or family contacts, or through meeting people at the Tian Xiu Building or at hotels frequented by African arrivals, or even, to preempt competition, by loitering at the railway station or airport, they introduce themselves to newcomers, offering introductions to factories, secretarial services, shippers, and so on – as well as to hotels, restaurants, markets and mosque or church.

A fourth strategy resulting in fluidity is the change in status from 'visitor' to 'resident' or from 'resident' to 'visitor'. New traders discover very quickly the importance of close supervision for quality control. Amadou, an engineer from E Africa who now owns a computer shop at home said *'I am lucky, because I am an engineer and I know all the tests'*. However, for the poorer young men, although *'Guangzhou is very expensive, it costs twice as much to live as in Accra'* (James, Ghana). Living in Guangzhou is still the less expensive option: *'It is cheaper to live [in Guanzhou] than to travel'* (Amadou, Senegal).

Many traders residing in Guangzhou aspire to go home. It is reportedly difficult to establish a family in Guangzhou, because of problems of visas and lack of appropriate schooling. Thus among young men, the aspiration is often to save enough to establish a business 'back home', build a house, and marry. At that point,

they plan to travel here to source goods as 'visitors'.

Finally, some people aspire and plan to move out of the chain altogether. In some cases, people live in Guangzhou as residents to save up the money to retire in Africa, or to move into another occupation. Yaya, currently supplying shops in Congo Brazzaville, grew up on a rice farm in Sokolo, Mali, before moving to Brazzaville where, over a period of ten years, he opened two shops. When war caused the businesses to fail in 1996, he arrived in Guangzhou. He has already sent home to Mali enough money for land and is now continuing his work as an exporter long enough to buy farm machinery. Sacko, also Malian, will stay in Guangzhou a maximum of five more years. He has already paid for land and is working to buy livestock and machinery.

4) The changing trading environment

Sections 2 and 3 above identified the massive export of manufactured consumer goods from Guangzhou to Africa and the diverse and fluid strategies adopted by African entrepreneurs to maximize locally their opportunities from a complex value chain. This dynamic system has operated in a shifting context. Several inter-related trends emerged from interviews as profoundly important in affecting trader decisions, including the growing saturation of African markets with Chinese imports, the recent global fuel crisis, the Olympics in China, and the current global financial crisis.

The African presence in Guangzhou is a byproduct of China's increasing openness to trade, launched with the Open Door policy in 1979, and strengthened through China's accession to the World Trade Organisation. Interest in Africa has developed from the need for access to resources to fuel China's industrial expansion, particularly oil and other raw materials: the identification of new commercial markets – for example Chinese construction companies have won major contracts in the region (Kaplinsky *et al* 2006, Broadman 2007), and the development of bilateral relations to underpin China's emergence as a world power (FCOAC 2003,2007).

Increasing competition and saturation of the market in Africa, where purchasing power is limited, has resulted in falling profits and more casualties in the trade. Competition among suppliers at all levels has become intense and has been accompanied by relatively little product innovation or diversification, and both wholesale and retail prices have fallen appreciably over the past five years or so (Lyons and Brown 2009). At the same time, factory-gate and wholesale prices in China have risen with inflation (KI interviews).

The global financial and fuel crises of 2008 also had a significant impact on the urban poor (Brown 2009). Although there is as yet scant published data on the impact of these crises on African urban poverty, recent publications by advocacy groups suggest that the poor are affected directly and indirectly through a range of mechanisms. In particular, it is interesting to note that street-traders interviewed in ten countries, 65% of street-traders interviewed reported a drop in profits and turnover (Chen *et al* 2009 in Brown 2009), suggesting that the trade which is the subject of this study has necessarily been heavily affected. Of the African traders interviewed in 2008, most (16) reported a decline in profits, and only one reported that his business was stable. Exchange rate fluctuations were also a significant problem, as one trader said, *'the drop in the Euro has meant that profits have fallen for example from 12 M CFA to 7M CFA'*, and another that *'the currency value can drop between*

arrival of the goods and payment of the order'. As one said, 'I have to change into \$ and then into RMB, losing out every time. Using another currency would not help.

The outcome in Guangzhou for traders in all nodes on the value chain, including both 'resident' and 'visitor' African traders in Guangzhou (as well as their Chinese suppliers!) has been a fall in profits. Two key informants independently confirmed that 'a few years ago the profit margin was over 10%. Now 3% is lucky!' (KI interviews community leaders, 2008).

Trader accounts suggest that increasing numbers of young Africans undertake other work in China. Examples include people who arrived with a fixed-term contract to teach English (Dore, John), and came to Guangzhou's wholesale centers at weekends to buy small quantities and ship them home periodically with friends. Relatives then carry out the retailing at home. Spoken of more pessimistically of the fate of young men who fail to establish a viable business. Such men live hand to mouth and subsist on odd-jobs provided by successful merchants.

Chinese officials regard this growing group with concern. Official unease is reflected in an article posted in Danwei (Humes 2008), a not-for-profit news and media web-site, which analyzed the deletions made in the text of an article on the African community in Guangzhou (Zatt 2007) in the course of its translation from English to Chinese for the digest, Cankao Xiaoxi. Humes argues that the missing quotes highlighted the difficulties for Africans of doing business in Guangzhou (*"Festa Sengago [a Rwandan trader]...moved from Dubai two years to cut out the middlemen, but says being closer to his suppliers hasn't made his life much easier. For one thing, Chinese businessmen have ventured into Rwanda. With links to factories on the mainland, many undersell him at every turn..."*). Quotes on the positive roles played by Africans were also cut (*"For many westerners in China, every day is a contest. They just want to get money and leave. But Africans want to give, too," he [Seringe Bamba Fall, a Senegalese trader] says. "Westerners are quick to judge who is right or wrong. We'd rather work till we get it right. This is how you make peace; this is what changes the heart."*).

Thus has developed the major present concern of respondents in the 2008 interviews, the difficulty of obtaining visas. In 2007 traders reported that 'residency' visas used to be issued for two years, but were then only being issued for a year. Renewal was uncertain, and if denied traders would have to leave at very short notice. Visitors visas were reportedly issued for only one or two months, meaning the trader had to go to Hong Kong for a visa renewal. Out of 47 respondents in March 2007, five identified a tightening up of visa issues. One admitted having overstayed his visa, in order not to risk being excluded once he had gone to Hong Kong to apply for its renewal, and another, long-term resident, explained that 'resident' visas had been heavily reduced from 1-2 year permits to 6-month permits.

In 2008, there had been a tightening of visa regulations following the Beijing Olympics, which had not been lifted. The researchers found several people without residency who had been in Guangzhou for longer than visitor visas would normally allow. Of 23 respondents who identified problems in their trade with China, eight explicitly named visa restrictions as their first concern. Five others refused to speak about their visa status, the implication being that they had overstayed their visa. Indeed, one had been visited in his flat by the police only days earlier.

There are reportedly a number of young Africans in jail, mostly for visa infringements (KI interview).

Chinese merchants reported that African customers have become more insistent in their bargaining. They reported that African customers would bargain down the unit price on the basis of a large order, then insist that the lower price be honoured for a smaller order, or take goods on credit which was not repaid (Chinese trader interviews, Ganaan). Some Chinese wholesalers have a niche market (for example wigs and hair extensions) but traders working in the saturated garments sector are inclined to be more flexible (interviews, Ganaan) and have adapted their practices to try to reflect the changing pressures on the trade. In Ganaan, market authorities noted that African-owned shops become social centers and attract passing trade, and therefore lowered the rents charged to African merchants (Zatt 2008).

In 2007 many identified the advantages as Africans trading in China. Some spoke of the stimulation of a multinational environment or of the excitement of international trade and travel – for example for one trader his most memorable experience was getting on a plane for the first time. Several liked the opportunity to compete with Chinese traders in Africa; and two wanted to learn Cantonese. For others, positive perceptions of China as a trading partner and, more importantly, as a place to be and do business, are inextricably linked with negative perceptions of Europe: . *"I like the place because I'm free. In Europe people first consider us to be poor and looking for help when they see Africans until they get to know you. Here they give you more respect, they think you have come to buy and there is no prejudice" while another said "People in Guinea are mostly Sunni Muslims (double check), we respect women. We were colonized with Bible and the Koran..., but Europeans still do not respect us".*

By October 2008, the perceptions expressed by 29 traders and four key informants were very different. Of the twelve respondents who answered the question: *'Have you made any Chinese friends?'*, only two respondents appeared to have positive feelings toward the place, one describing the *'cosmopolitan environment'*, the other saying more broadly *'what you find here, everything is nice'*.. However, ten respondents described China as a hostile environment. Some expressed the perception that the Chinese dislike foreigners (11 respondents): *'I like the prices but hate the hostility of the Chinese'* (Michael, Ghana); *'Although I suppose Africans are one of the biggest customers, Chinese don't like them, they're not friendly'* (Osy, Nigeria). *'I like China for business, but hate the Chinese – hate their mentality. I don't understand these people. I've had lots of rough things with them, and they don't like foreigners'* (John, Nairobi). Others emphasise tensions in business transactions: *'Some Chinese can be very adamant – difficult to do business with'*.. One trader said bitterly *'It's all about money in China. I've never seen people eager for money like Chinese people'*. The attitude is perhaps best summed up by one trader, who said: *'I don't like it [but] didn't come here to enjoy myself... Je travaille ici pour revenir chez moi'*.

SUMMARY AND CONCLUSIONS

Three main questions were posed in the introduction: what is the scale and character of the African diaspora in Guangzhou; what is the value chain through which the Guangzhou-Africa export trade takes place; and from a

political-economy perspective, what is the impact of current economic context on the Guangzhou-Africa trade, and traders.

At the time of writing, it has not been possible to obtain data either from the IMF Direction of Trade Statistics or from the City of Guangzhou which reflect the trade levels for 2008. Therefore it has not been possible to reflect statistically any changes in the trade between Guangzhou and Africa during the recent global downturn and during the preceding fuel crisis. Publications in the press, however, suggest that demand for Chinese-manufactured goods has fallen worldwide and that this trend is certain to reach Africa. Interviews summarized above suggest that the volume of trade has been affected by the current economic climate, which has accelerated the difficulties already experienced as a result of growing competition. Findings also suggest that these combined trends have had a number of implications for the African diaspora and for its relation with the host city.

The impact in Africa of saturation has been observed amongst both Chinese trader communities, for example in Cape Verde (Haugen and Carling 2005), and African traders, for example in Tanzania (Lyons and Msoka 2009) and west Africa (Lyons and Brown 2009). Findings in these places showed that traders who had made large investments – or had inherited them – were often reluctant to take the initiative to change their sources of goods or market niche – even when the latter had become competitive to the point of being loss-making. Interestingly, although this has not been discussed in the present article, the present research showed that the Chinese trading society in Guangzhou was fairly stable, with wholesalers adhering to sourcing and distribution practices and remaining within their product ‘comfort zone’. Other occupations, such as ‘secretaries’ or translators, are also specialized and stable.

In contrast, the interviews summarized above with traders in Guangzhou have demonstrated a determined entrepreneurialism in response to market saturation at home and global events such as the fuel crisis and financial crisis. These involve frequent review of a trader’s position on the value chain and attempts to innovate and improve. Many Africans rely on and rebuild as necessarily their social capital networks, drawing on networks of family, kin or countrymen, exporting small quantities through friends, by groupage and finally by container.

Lack of confidence in trading and difficulties of communicating with Chinese trading partners has meant that a presence in Guangzhou is essential to negotiate purchases and check goods, and the considerable personal cost for this largely bachelor community is testimony to traders’ determination and entrepreneurialism. Nevertheless, it is clear that these trends have affected both. Interviews held with traders towards the end of 2008, in contrast with those held in early 2007, show increased pressure and insecurity and falling optimism.

Also notable is the volatility of this complex trade. In 2007, the majority of traders interviewed had been trading in Guangzhou for relatively short periods of time; there had clearly been a dramatic increase in the trade between 2003 and 2008. Yet, many people interviewed used to source in Europe, Thailand, Malaysia or Hong Kong, and with little financial or economic security, they would seek other sources if the risks of trading in Guangzhou become too high. Another aspect of this volatility – especially in the context of shrinking profit

margins – is the relentless search for diversification, requiring a combination of trust relationships, inventiveness and flexibility, which allow both short-cuts in the chain and multiple outlets for any activity.

Turning now to migrant-host relations, findings suggest that the colonization of space by Africans in Guangzhou has been an interesting departure from established patterns. First, the spaces they occupy have not been 'abandoned' by hosts as in many European cities (e.g. Noussia and Lyons 2009), but attract many Chinese to work and trade, providing, in effect, a lively interface between host and migrant communities. Although many Chinese had to overcome trepidation to do so, they actively chose to engage with this migrant group. Second, the extent to which they have become a powerful presence for either work or leisure (Armstrong 2004, Valenzuela 2003) is actively curtailed by the state. Policing of visas and public behavior ensure that their influence on the use of space and on behaviour patterns within it are minimized.

Finally, for the host society in Guangzhou, the opening to and pursuit of foreign trade and close relations with Africa has brought cultural and social change into the lives of many thousands of ordinary Chinese merchants who are engaged in the business directly or indirectly. These changes are welcomed by many Chinese as an inevitable face of 'the new China', but are still treated as a cause for concern by authorities who see them as threatening to an orderly society. At the same time, there appear to be no parallel tensions with the Japanese or Korean diasporic communities in the city. This suggests that it may well be the presence of the African communities which most sharply cause Chinese society to confront the cultural and social contradictions inherent in the Open Doors Policy. In parallel, the growing awareness by African traders of their own 'otherness' in China derives both from personal experiences of negotiation with Chinese colleagues and from a sense diminishing horizons imposed by the state.

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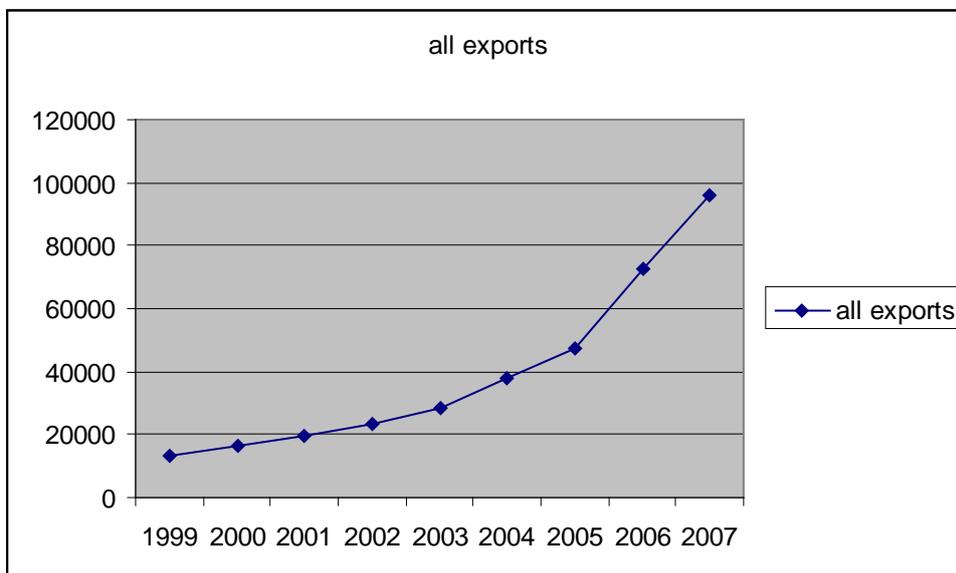
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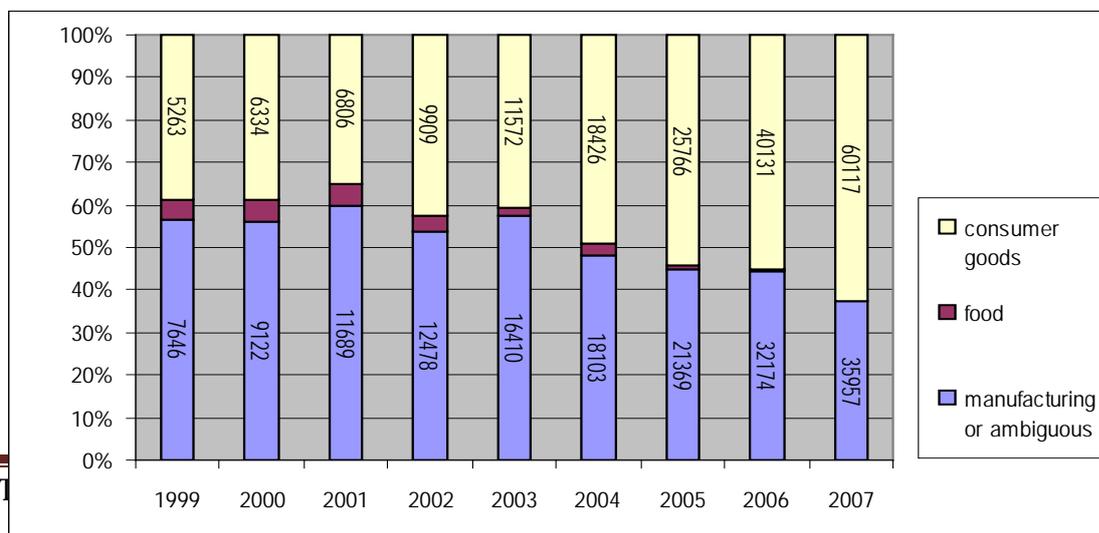
TABLES AND FIGURES

Figure 1: Total exports Guangzhou to African Countries (\$10,000), 1999-2007



Source: Municipality of Guangzhou trade figures 1999-2008

Figure 2: Share of the export trade from Guangzhou to Africa comprised by consumer goods, goods for manufacturing use and food-stuffs (% and \$10,000)



Source: Municipality of Guangzhou trade figures 1999-2008

Table 1: African traders in Guangzhou

	2007 (N=45)		2008 (N=29)	
	N	%	N	%
GENERAL PROFILE				
men	36	80.0%	29	64.4%
mean age	38.6		35.1	
age range	23 - 50		23 - 48	
married	22	48.9%	16	64.0%
with children	21	46.7%	15	51.7%
RESIDENTS	28	62.2%	4	13.8%
refused to answer	-		11	37.9%
has lived in GZ over a year	26	92.9%	2	50.0%
acts as wholesaler	2	7.1%	2	50.0%
acts as agent or shipper	6	21.4%	4	100.0%
VISITORS	17	37.8%	14	31.1%
visits more than twice a year	10	58.8%	7	50.0%
first visit more than two years ago	8	47.1%	4	28.6%
lives in Europe or NA	3	17.6%	1	7.1%
SOURCING				
sources in other countries	4	8.9%	8	27.6%
sourced elsewhere previously	25	55.6%		0.0%
DISTRIBUTION				
mixes retail and wholesale	27	60.0%	25	86.2%
sells only in African	27	60.0%	29	100.0%
sells only in own country	23	51.1%	14	48.3%

Source: Trader interviews

Figure 3: Value chain for export/import of Chinese-manufactured consumer goods to W Africa

