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AFRICA IN THEIR WORDS

A Study of Chinese Traders in South Africa, Lesotho, Botswana, Zambia and Angola

Terence McNamee

With Greg Mills, Sebatso Manoeli, Masana Mulaudzi,
Stuart Doran and Emma Chen



Strengthening Africa's economic performance

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About the Author

Dr Terence McNamee is the Deputy Director of the Brenthurst Foundation.

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The Brenthurst Foundation
E Oppenheimer & Son (Pty) Ltd
PO Box 61631, Johannesburg 2000, South Africa
Tel +27-(0)11 274-2096 · Fax +27-(0)11 274-2097
www.thebrenthurstfoundation.org

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Cover photo: *Gallo Images/AFP. The shopkeeper depicted in the photograph was not interviewed for this study.*

Acknowledgements

This project was conceived in 2010 by the Foundation's Director, Greg Mills, following a visit to a general store in Kleinmond*, in South Africa's Western Cape Province. Although the Chinese owner spoke little English, he had clearly built up a successful business, which served as the main outlet in the area for various goods. The experience sparked a number of questions: How had he come to this corner of Africa? What had he done better than his local competitors? Had anyone ever asked *him* what he thought of life and doing business in Africa? It occurred that his answers might reveal as much about Africa's economic challenges as the untold story of the continent's Chinese traders.

For various reasons, a number of organisations and individuals who helped facilitate this research project are not named here, though we are grateful for their assistance. Particular thanks go to Nthakong J-C Masithela, Tristan Pascall, Moipone Malefane and Lehasa Moloji. The research support provided by the Foundation's current and previous Machel Mandela Interns, Sebatso Manoeli and Masana Mulaudzi, was unfailingly excellent and both contributed valuable insights. Vital input was given by Stuart Doran, who undertook and helped devise the initial pilot study that paved the way for this five-country survey.

Above all, the success of this project hinged on the skills and intuition of the translator, Emma Chen. A renowned restaurateur and author, she proved a fearless and spirited companion in each of the 22 interview locations we visited in southern Africa. That only a few individuals refused to participate in this study is testament to her highly-perceptive, deeply humane approach to the task.

Terence McNamee

* This store was not included in this study.

Executive Summary

The 'China in Africa' story brims with ambivalence and ambiguity. Nowhere is this more evident than on the African street. The influx of Chinese products and the proliferation of small Chinese enterprises are affecting ways of life in African towns and cities, but exactly how and to what extent is hotly contested. Their presence has sparked outbreaks of xenophobic violence, led to increased competition with local businesses and prompted calls for tougher regulation and government intervention. They have become the whipping boy for Africa's politicians, merchants and labour unions upset by Beijing's growing ties to the continent. However, Chinese traders have also afforded millions of African consumers the opportunity to purchase a range of goods for the first time. Whilst debate over their impact on Africa's development escalates, they have remained a largely unknown newcomer, scarcely understood and rarely examined.

This study is perhaps the first to investigate and compare the perceptions of Chinese traders in a systematic way, across several African countries. The Brenthurst Foundation conducted nearly 200 in-depth interviews with Chinese traders in five countries in Southern Africa – South Africa, Lesotho, Zambia, Botswana and Angola – between April 2011 and February 2012. This Discussion Paper distils the key findings of the interviews and, supplemented by additional research, considers *inter alia* why Chinese traders have proved so successful in Africa and what their experiences might tell us about the future of Chinese–African relations.

There is no reliable data on how many Chinese citizens are in Africa, although some estimates put the number at over one million. Of those, we know *least* about the Chinese migrants who are making a living as traders in rural areas and urban marketplaces across the length and breadth of the continent. They have forged their own pathways in Africa and are seemingly entirely divorced from the policies often associated with China's African interests. Yet the experiences of traders could weigh heavily on the future of Chinese–African relations, more so than even big business or high politics.

Overwhelmingly, Africans and Chinese meet, interact and explore each other's worlds on the street, at the grassroots level. By restricting our in-depth interviews to this sphere, numerous findings and insights not captured in the wider 'China in Africa' narrative were exposed. At the most general level, this Paper reveals the complex and multi-layered nature of the Chinese presence in Africa, so frequently misrepresented as one great monolith. Although across the five countries examined in this study there are sharp differences in the opinions and perceptions of Chinese traders, it is the striking similarities that are most telling.

Africa is the bottom-rung destination for China's migrants. The continent draws the poorest and least educated of the Chinese diaspora. Nearly all are in Africa because they could not make a living in the pressure-cooker that has become China's job market.

If they had a choice, they would be elsewhere, but only Africa possesses the minimal entry requirements and light regulations that enable Chinese migrants with limited capital and low levels of skills to compete. Still, only a tiny minority intend to make the continent their home. The vast majority of traders long to either return to China or resettle somewhere other than Africa. In one country in our survey, Lesotho, not a single interviewee definitely wished to remain in the country. In part this is due to issues such as rampant corruption, high crime and low quality of life which figured prominently in responses throughout our study. More and more, however, traders have become fearful of the rising tide of resentment amongst locals, fuelled by China's perceived dominance over many sectors of their respective economies. This was especially pronounced in Lesotho, Angola and Zambia, and less so but increasingly in Botswana.

This survey paints a bleak picture of the place of Chinese traders within African societies. Only in South Africa did traders express any sense of belonging or attachment to the country. Almost without exception, Chinese traders seal themselves in cocoons, completely cut off from local communities. Their experience suggests that, at least for now, it is pointless to even speculate on the prospects for deeper integration of Chinese migrants into African society. In some countries, just halting the rise of mutual suspicion and tension could prove a colossal task.

Yet this study also sheds light on the values and mind-set that have enabled Chinese traders to succeed where many others have failed or feared to tread. Their capacity to endure hardships and sacrifices to earn a living, not least long separations from their families, seems inestimable.

Evident throughout our interviews was also their abiding commitment to learning a new profession (only 1 in 5 had experience of trading back in China), often moving from the lowliest position in a workplace to owning a small business; a marked tolerance for risk, forging opportunities where none seemed to exist, where profit margins were minimal and supply chains weak; an ingrained sense that a person is nothing without a job and only hard work will prevent someone else from taking it; and a willingness to compete.

In the view of most Chinese traders, this mind-set is not shared or understood by the Africans who purchase their goods and work in their shops. Instead, traders feel besieged by charges that they are using illicit means to rob and cheat Africans, rather than simply out-compete them. In some countries, ill-will is clearly growing amongst their customers over the (poor) quality of some Chinese goods and shopkeepers' business practices, namely their refusal to respect consumer rights. As the clamour for action against Chinese traders intensifies, they will be less able to sidestep the contentious issues which surround their businesses, especially related to tax, imports and their failure to establish links with local firms and supply chains.

In some Southern African countries more than half of the traders come from just one province, Fujian, home to less than 3 per cent of China's total population. Networks in Fujian have been exceptional in creating opportunities that facilitate greater migration from China to African countries – both legally and illegally – yet Fujianese traders have been the source of considerable tension, not least amongst the wider Chinese migrant community, who are widely critical of their approach to business, if not their character.

Revealingly, traders often reserved their harshest comments for their putative guardians in African countries – Chinese diplomatic and consular officials. Ninety-five per cent of our survey claimed that they had never received assistance of any kind from their respective Chinese embassies. With rare exceptions, the perception of 'Beijing' amongst them was extremely negative.

Should tensions continue to escalate over traders' activities in Africa's towns and cities, it will become harder for China to remain indifferent to their plight. Sooner or later, Beijing will have to define its relationship with Chinese traders in Africa. The large numbers of Chinese migrants living in volatile countries across the world, not least in Africa, could become China's Achilles Heel. The fear is that violence against Chinese migrants abroad could stoke nationalist reactions at home and threaten the country's unity. So the question arises from our study, might China be compelled to involve itself in the internal affairs of unstable or conflict-ridden countries, not least in Africa, to a far greater degree than hitherto? If so, then Chinese traders – the most vulnerable of China's migrants – could find themselves on the frontline of their country's foreign policy rather than the furthest margins.

The formidable obstacles Chinese traders have overcome to earn a living in Africa during the past decade, from insecurity and loneliness to language difficulties and xenophobia, are well documented in this Paper. As for the coming decade, the emergent challenges to their supremacy on the African street are likely to be even more arduous. Prominent among them are changing government policies, new market competitors and shifting dynamics within China. Despite the obvious drawbacks, however, life in Africa still makes *economic* sense for Chinese traders, at least for now. Research suggests that traders in Africa are making about three times what they might theoretically earn in China. That essential difference is where much of the Chinese trader phenomenon in Africa starts and stops.

Yet there is an acute precariousness to their existence in Africa that is not generally felt by Chinese migrants elsewhere. It may stem, in part, from the anxiety evident across Africa over whether the continent can address the manifold challenges that threaten its economic growth, such as high youth unemployment or an unexpected fall in commodity prices. Doubtless it also relates to the lowly place of Africa's Chinese traders in the wider Chinese diaspora: if they don't make it in Africa, they have nowhere else to go.

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in Africa

You will find them in the backstreets and crowded passageways of São Paulo market in downtown Luanda. The chaotic bus station precinct of Lesotho's capital, Maseru, is home to many, too; they are instantly recognisable by the young Basotho with pump-action shotguns who man the entrances. In Lusaka's Kamwala market they are less conspicuous, in part because the traders spend as little time inside them as possible; new legislation has forced them into a hide-and-seek game with Zambian immigration officials. Botswana's second city, Francistown, boasts about 70 of them in a city of less than 100 000. And it is rare for even the smallest farming towns of South Africa's North West Province not to have at least one.

The 'Chinese shop'¹ is the opaque underbelly of China's presence in Africa.

Chinese traders might number in the hundreds of thousands across the continent. Their presence in rural towns and urban centres has sparked outbreaks of xenophobic violence, led to increased competition with local businesses and prompted calls for tougher regulation and government intervention. Yet they are a largely unknown newcomer, scarcely understood and rarely examined.

The experience of small-scale Chinese traders during the past 20 years reveals a wealth of detail and insight that is not captured in the wider 'China in Africa' story that has become so prominent in discussions about the continent. In some Southern African countries more than half of the traders come from just one province, Fujian, located on the south east coast of China and home to less than 3 per cent of China's total population. With rare exceptions, Chinese small business owners have never had contact with the Chinese embassy or officials in the country they operate in; indeed, the near unanimous perception of 'Beijing' amongst them is negative. Most traders are in Africa because there are shrinking opportunities and too much competition in China, yet only a minority wish to make the continent their home; the overwhelming majority long to either return to China or resettle somewhere other than Africa.

The desire to better understand how Chinese migrants perceive and experience 'Africa' was one of the main impetuses behind a major interview-based study by the Brenthurst Foundation. The Foundation conducted nearly 200 interviews with Chinese traders in five countries in Southern Africa – South Africa, Lesotho, Zambia, Botswana and Angola – between April 2011 and February 2012. This Discussion Paper distils the key findings of the interviews and, supplemented by additional research, considers why Chinese traders have proved so successful on the African street and what their experience might tell us about wider Chinese–African relations.

After a brief introduction to the current 'China in Africa' story, the Paper outlines the methodology of the study and highlights several key issues and challenges

The perception of Africa as not only a boundless font of natural resources but a *business opportunity* – a near billion-person market for low-cost Chinese manufactured goods

encountered in the course of this research. Examined next are the key findings of the study, both overall and specific to each country. The Paper ends with some final observations on the future Chinese presence in Africa.

Introduction

The explosive growth of China's engagement with Africa in recent years has generated significant debate amongst policymakers, scholars and business leaders on a number of levels. Two of the most oft-heard questions are: what are the key drivers of Chinese investment in Africa and how is China affecting Africa's development?²

On the first, less contentious question there is a wide consensus that China's macroeconomic priorities are the main spurs to its ever-deepening involvement in Africa, namely its need to access Africa's natural resources to ensure the continuation of its industrialisation and economic development.³ Over the past two decades, China's annual economic growth has averaged 9 per cent. To help power its booming economy, China receives an estimated one third of its oil imports from Africa, although the continent possesses only about a tenth of the world's oil.⁴ Through various loans and 'infrastructure for extraction rights' agreements, China also has tapped the continent's wealth of minerals: Africa holds 95 per cent of the world's reserves of platinum group metals, 90 per cent of its chromite ore reserves, and 85 per cent of its phosphate rock reserves, as well as more than half of its cobalt and one-third of its bauxite.⁵

Trade between China–Africa reached a staggering \$115 billion in 2010, in sharp contrast to the mere \$12.14 million in 1950. The trade has increased at an annual rate of 43.5 per cent.⁶ In 2011, bi-lateral trade soared to \$160 billion according to figures published by Beijing, making China Africa's biggest trade partner.⁷ This trade is relatively balanced, with China's exports to Africa about \$10 billion less than imports.

The perception of Africa as not only a boundless font of natural resources but a *business opportunity* – a near billion-person market for low-cost Chinese manufactured goods – strengthened with Beijing's decision to initiate the 'going out' (*zou chuqu*, in Mandarin) strategy in 1999. The aim was to help Chinese firms explore investment opportunities abroad and, with government support, open up new markets by establishing either joint ventures or wholly Chinese-owned subsidiaries in various countries. At the time, Beijing's business-oriented approach to the continent contrasted sharply with the dominant portrayal of Africa in the West as a largely humanitarian or security issue. In recent years that reputation has begun

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to whittle away, although the West has struggled to play catch-up with China in trade and investment.

What China's deepening engagement means for Africa's development is hotly contested. For its part, Beijing argues that its Africa policy is predicated on the 'principle of mutual benefit and common development, to develop and exploit rationally [Africa's] resources, with a view to helping African countries translate their advantages in resources to competitive strength, and realise sustainable development.'⁸ In accordance with its frequent boasts of state-sponsored economic cooperation, China's Ministry of Commerce has agreed to help establish several economic and trade cooperation zones on the continent in order to 'help African countries develop industries and expand local employment'.⁹

Critics charge that the proposed special economic zones are in fact 'political investments', which are neo-colonial in nature and directly linked to China's geo-strategic goals. These ambitions are, controversially, *not* constrained by concerns over African countries' governance records. In various international fora and media, Beijing's policy of non-interference in countries' internal affairs and its seemingly 'conditionality-free' aid provokes sharp condemnation, especially vis-à-vis repressive states such as Sudan and Zimbabwe. More recently, China has also attracted the ire of international human rights groups for alleged abuses of African labourers, notably in its mining operations.¹⁰

Suffice to say, the 'China in Africa' story brims with ambivalence and ambiguity. Nowhere is this more evident than on the African street. The influx of Chinese products and the proliferation of small Chinese enterprises are affecting local businesses and ways of life in African towns and cities, but exactly how and to what extent is not yet clear.¹¹ At the most general level, cursory observations suggest that the number of Chinese shops and small businesses has grown substantially in recent years, in some countries very rapidly; the Chinese have displaced some local traders, though how many is difficult to determine; their presence has provoked a backlash in many African communities, but the severity and possible explanations for local reactions is highly variable; and the massive inflow of low-cost Chinese goods – unwanted or surplus products 'dumped' on the African market, say critics – has hurt local manufacturing but also proved a huge boon to poor African consumers.

In the nascent research on the impact of Chinese private enterprises in Africa¹², this study is perhaps the first to examine and compare the perceptions of Chinese traders in a systematic way, across several African countries. Given the manifold challenges encountered in the field work for this Paper, this lacuna is hardly surprising. Yet the research effort pays a rich dividend. While the interviews reinforce some commonly-held beliefs, they also yield fresh insights and expose some old

shibboleths. The resultant Paper suggests that some key assumptions about the future course of Chinese–African relations may need to be reconsidered.

Figure 1: Interviews conducted with Chinese traders in southern Africa



Methodology and Research Challenges

Only a handful of the nearly 200 traders interviewed for this study had ever been the subject of a survey of any kind, and all of them were based in one place, Johannesburg. In none of the other 22 towns and cities where interviews were conducted across the five countries involved in this project could we find traders who had ever been given a questionnaire or asked for their opinions, whether by

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local officials or business persons, researchers or representatives of their respective Chinese missions. Nor had they ever been requested to share details of their operations, other than by local police or immigration officials, which more often than not was merely a pretext to extract a bribe.

Although this may reflect a general disinterest in their views and perspectives, perhaps the most likely reason for the lack of inquiries into traders' views is the sheer complexity of this kind of research. Firstly, there is no reliable data on how many traders are based in a particular area or where they are located. They have forged their own pathways in Africa and are seemingly entirely divorced from China's Africa policies; if any are aware of China's 'going out' strategy, they certainly haven't availed themselves of the government support it apparently entails. None of the governments or business associations (either nationally, regionally or locally) in the five countries covered in this study have captured statistics on the number and location of Chinese traders, or if they have they are not making the data publically available. What is more, officials in at least three of the countries originally slated for this study actively *discouraged* us from undertaking the research.¹³ One can only speculate on the exact reasons for their stance, although one possible explanation is that they believed the project might antagonise Chinese officials inside their country and thus negatively impact their diplomatic or economic relations. If even partly true, their opposition reflects a common misperception of the (disconnected) relationship between traders and 'Beijing'.

The task, then, of identifying the location of individual or clusters of Chinese shops involved various communications with locals on the ground. In cities, generally they were to be found in poorer, densely populated areas. In some centres – notably Johannesburg, Gaborone and Francistown – locating them was straightforward, owing to the well-established concentrations of Chinese shops in particular areas. In other areas where Chinese traders have only recently established themselves, such as parts of greater Luanda, it took considerably longer to pinpoint their location. In the smaller centres that boasted only one or a few shops, typically it would take two or three conversations on the street before a helpful local would point the way to the store. The Zambian capital, Lusaka, proved the most challenging to conduct interviews because traders avoided spending more than a few minutes at a time in their shops. Unlike in other centres in our study, Lusaka's Chinese traders usually left the running of their shops to locals. Most of the traders possessed only 'work permits' rather than 'self-employment permits'¹⁴, which new requirements apparently stipulated were necessary to run a business – *ergo* most of the traders were technically illegal and thus subject to regular checks and/or harassment by immigration and revenue officials. Consequently, many of the interviews

Initially most traders were instantly suspicious of anyone asking them about their business or background

were conducted in the principal nighttime gathering place for Chinese workers and business persons – the city’s main casino. Elsewhere in Zambia, some interviews were hastily undertaken at a Chinese restaurant.

All of the interviews in this study were conducted by the project’s Chinese translator. This was necessary for two or three key reasons. The majority of the traders interviewed spoke either no English or only the minimum necessary to run their business in an English-speaking environment (or Portuguese in a Lusophone environment), although in major centres like Johannesburg and Cape Town some long-established traders spoke excellent English. Initially most traders were, moreover, instantly suspicious of anyone asking them about their business or background. It required an extremely deft introduction by the translator to allay their concerns and explain the nature of the project. Above all, this meant convincing them that the Chinese government was *not* involved in this study (in which case most would not have participated) and that it was an opportunity for ‘their voices to be heard’. This emphasis proved vital in facilitating the interviews and winning their trust.

During the first interviews conducted for this project, the translator carried with her an official letter (translated into Chinese) from a government department in the country concerned, which stated its support for the project and asked for the interviewees’ cooperation in the survey. This elicited a measure of anxiety amongst some of the traders, who feared that their responses might be used against them by the government – so no such letter was used during the remainder of the study.

All the interviews undertaken were anonymous and generally lasted approximately 30 minutes, although on occasion some traders ended up speaking for as long as 90 minutes. None were pre-arranged; even the casino and restaurant interviews were set-up there and then. The interview questionnaire comprised 19 questions, which included basic queries about personal information – age, Chinese province of origin, number of years in Africa – and their businesses, such as the number of Chinese and local employees, the origin of their products and from whom they rented or leased their shop. The more substantive questions asked why they came to Africa; what the main challenges were to their business activities; whether they had experienced crime or corruption; what types of interactions they had had with local officials and their Chinese embassy; and what their views were on life and opportunities in Africa. Their answers reflect their own experiences and perceptions.

Given the complexity and ad-hoc nature of the interview process, the criteria for the interview sample required some flexibility. Nearly all the subjects were traders involved in either general shops, selling a vast array of personal or household items; grocery and convenience stores; or textile and clothing shops.

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Nevertheless, when the opportunity presented itself, interviews were conducted with other types of small scale Chinese businesses, such as tile stores, scrapyards, a glass factory and a small cement plant. Their businesses usually employed less than ten locals although a minority of the sample employed more. Often the interviewee was the principal trader running the business but a significant minority were the Chinese staff, many of whom were related to the business owner. Roughly 30 per cent of the interviewees were women.

In total, 186 in-depth interviews were conducted for this study. As a southern Africa-based foundation, a decision was made to restrict our initial investigation to select countries in the region. The original aim was to conduct a roughly equal number in each of our survey countries, but in the end the final tally of interviews for each country reflects, to some extent, how difficult accessing and identifying the trading locations proved. Consequently, as per the interview map, proportionately fewer interviews were undertaken in Zambia and Angola given the reported number of Chinese working in those countries – although as mentioned above, such figures are highly speculative. To ensure we captured any sharp discrepancy between the views of traders operating in the country's major city and those based in other centres or rural areas, we achieved a geographic spread of interviews across the five states. Needless to say, during the course of the field work we learned of countless individual or clusters of Chinese shops in parts of our survey countries that we did not visit.

The information represented in the tables and graphs below is drawn exclusively from the in-depth interviews. Due to the lack of any reliable data on Chinese trader communities, this type of qualitative sample is the only means to analyse their opinions and attitudes systematically. In each country represented in this study, the number of interviews was sufficient to ensure that most or all of the perceptions that might be important were exposed. To some extent we were constrained by time and the other limitations noted above, but generally the concept of saturation was followed across all five countries – i.e. when the collection of further data did not alter the patterns identified or reveal new themes related to the core issues under examination. Although important inferences can be drawn from the figures in the illustrations, like all qualitative research this study is less about numbers than the richness of the information and insight gained from candid, structured conversations with the people who are the focus of our research.

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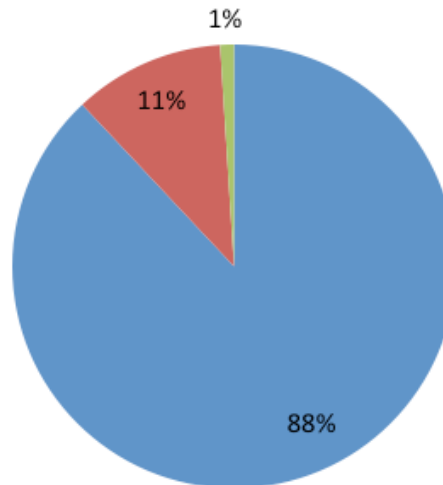
Overall Findings

Push and Pull Factors

For all the various push and pull factors underlying the dramatic rise of the Chinese trader throughout the continent, the fact that it is easier *for them* to make money in Africa than China is the catalytic essence of virtually all their individual stories. Nearly 90 per cent of our interviewees cited it as the main reason for doing business in Africa. Of the remainder who wished to return immediately to China because it was no longer attractive doing business in Africa, most were originally drawn to the continent by the prospect of comparatively better income and opportunities.

Figure 2: What is the main reason Chinese traders are doing business in Africa?

- Easier than China to make money
- No longer attractive, want to close business
- Other - social reasons



The reasons why so many traders struggled to find viable livelihood options in China varied depending on their profession (whether a trader or another), the economic situation in their home province or region, and personal circumstances.

Following China's admission into the World Trade Organisation in 2001, Beijing accelerated the restructuring of its economy, which involved a new emphasis on competitiveness and the employment of skilled workers by the private sector. From the pool of low-skilled labourers who were retrenched in the subsequent downsizing by major companies, a significant number made their way to Africa in search of better economic prospects. This was especially true of the coastal provinces, such

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as Zhejiang and Fujian, which experienced major adjustments in the manufacturing sector.¹⁵ In addition, the state's support of large infrastructure and construction developments in China often displaced Chinese citizens. Some of these internally displaced people (IDPs) made their way to Africa as they were already 'migrants in their own country'.¹⁶

Time and again in our study, traders despaired at the lack of opportunities and intense competition for jobs in China. Among the more educated of our sample, several noted that *even if you finish university, you can't find a job in China*. Of those who were traders or small business owners in China, none could compete any longer in a saturated market increasingly dominated by larger businesses. However, only a minority of interviewees – 21 per cent – had been traders by profession in China. No profession was dominant in our sample, but it included *inter alia* factory or construction workers, farmers, students, mechanics, housewives, teachers and service industry employees. Aside from their employment woes, many migrants were also influenced by complicated personal or family situations.

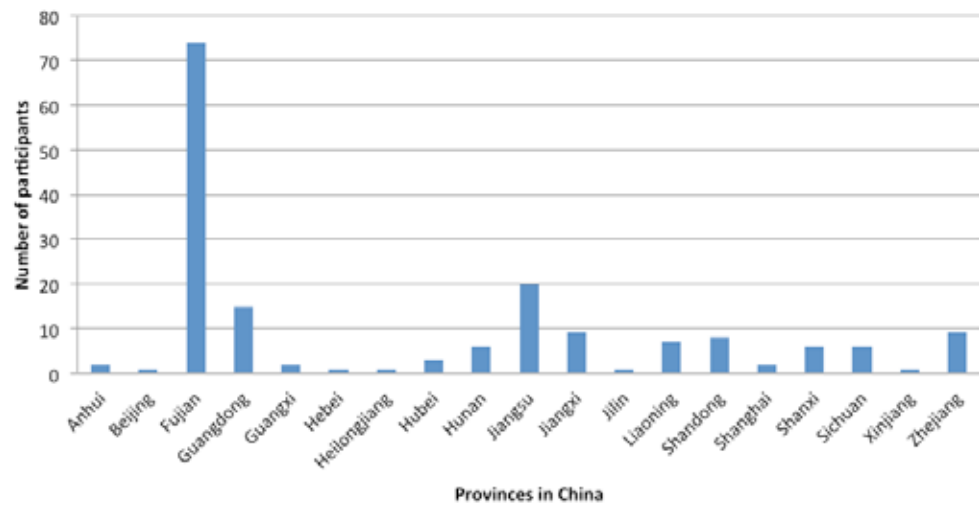
What 'pulled' the new traders to Africa were not, as noted above, state-led initiatives such as the provision of trade zones on the continent, or the Small–Medium Enterprises International Market Development Fund (which ostensibly is geared to helping SMEs explore overseas markets, though few large private firms seem to know about it), although Beijing's loosening of its once-prohibitive emigration policies beginning in the 1990s did enable millions to leave China for the first time. Instead, it was the ineluctable lure of an immense market for low-cost Chinese goods. Unlike markets in Europe or North America, in Africa there were few constraining regulations and minimal entry requirements, so entrepreneurs with limited capital and low levels of skills and education could compete. What's more, Africa represented a virgin market for household goods, apparel and other items that China could produce at very low cost. Where other foreigners would consider the African market insufficiently profitable, the Chinese – for various reasons discussed below – could stick it out in an environment where profit margins were low.

In nearly all cases in our sample, the journey from low-skilled or unemployed worker in China to self-employed trader and small business owner in Africa was made possible via strong family, village or provincial networks. More often than not, in the case of traders, migration is facilitated through these relationships, sometimes with the help of illegal or semi-legal unlicensed employment agencies or even human smugglers known as 'snakeheads'. Sometimes it is just one family member who serves as the pioneer, establishing him/herself as an informal trader in one location before moving upward to become a business owner or wholesaler, in the process drawing other members of his extended family or hometown to the

In no province have the trader networks proved as highly developed or prolific as Fujian

same location, a phenomenon known as chain migration. (From one pioneer in the ‘Chen’ family, there are today 172 members of the same family scattered across Lesotho doing various types of trading.¹⁷) Eventually a support network develops, which may provide basic accommodation and employment guarantees for new entrants. Typically they start off as hawkers or shop workers but they, too, aspire to become self-employed in the same kinds of businesses, and often do. Stories of the relative ease of upward social mobility in Africa resonate powerfully among beleaguered communities back in China.

Figure 3: Places of origin of Chinese traders in southern Africa

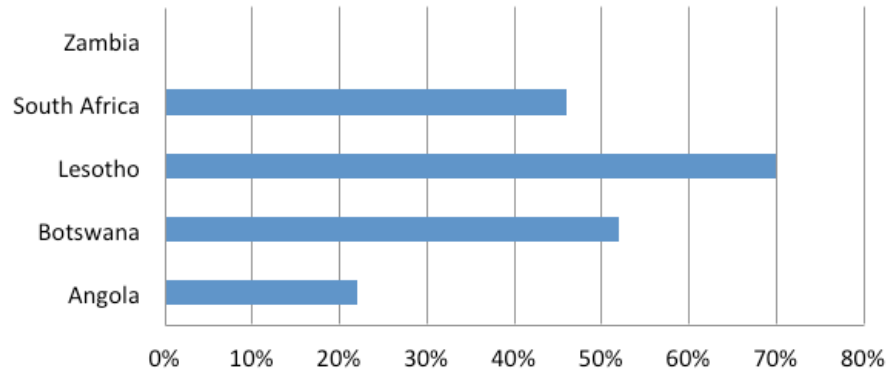


Fujian

In no province have the trader networks proved as highly developed or prolific as Fujian (or ‘FJ’). Nearly half of the traders in South Africa interviewed for this study were from Fujian, slightly more than half in Botswana and almost three-quarters in Lesotho. It is impossible to consider the ‘Chinese trader’ phenomenon in Africa without some discussion of FJ, the character of the Fujianese people and the often negative perceptions of them held by other Chinese.

Located on the coast across from Taiwan and home to about 35 million people (roughly 2.7 per cent of China’s total population), FJ is by some estimates the largest source of overseas Chinese, some one-fourth of the entire diaspora, living in more than 90 countries. The greatest concentrations are in Southeast Asia, although a significant number have recently established themselves in Africa.¹⁸ Prior to 1990 emigration from FJ was the preserve of the better educated, male urban dwellers. But as the barriers to leaving China lessened, the rural and working

Figure 4: Percentage of Chinese traders from Fujian Province in each country



the responses of FJ traders suggest that concerns over status and other societal pressures were just as important as economic pressures – crudely put, you were ‘not a man unless you went overseas’

class Fujianese began to form the bulk of the exodus to various parts of the world, driven partly by diminishing opportunities at home. Aside from the loss of jobs in the manufacturing sector, agrarian reforms in China created a vast surplus of workers no longer needed in the agriculture industry; and the commercialisation of the fishing industry, coupled with the sharp rise in diesel prices, made it unprofitable for many of the province’s fishermen.¹⁹

FJ networks have been exceptional in creating opportunities that facilitate greater migration from China to African countries – both legally and illegally. In part, communities in FJ encourage emigration for economic reasons. Whether the money is borrowed for traveling abroad or for start-up capital, the economic debt has both economic and social dividends. A saying in Fujian Province captures this sentiment, *the more people go abroad, the easier to borrow money*.²⁰ Some of the economic dividends include the high rates of remittances that FJ receives. Many believe this flow of money is responsible for FJ’s newfound economic vitality and the major infrastructure developments undertaken in recent years. (There is a widespread perception that Beijing has not invested in the province due to its proximity to Taiwan, which theoretically makes FJ a potential battleground should the island and the mainland ever go to war.) The remittances serve as a means of establishing and deepening the migration networks, and reaffirming the incentives for those in the place of origin to migrate overseas.

Gracia Lui-Farrer, whose work focuses on undocumented Fujianese in Japan, explains Fujian migration as debt-driven migration, and network support for emigrants who overstay their visas.²¹ She explains migrations through the reciprocity-oriented culture that informs the Fujian ethical framework. In the case of Africa, the responses of FJ traders suggest that concerns over status and other

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societal pressures were just as important as economic pressures – crudely put, you were *not a man unless you went overseas*. The social meaning of moving abroad in Fujian communities has changed from being seen as the privileged exploits of the few to a search for status and a means of survival for the many.

What in particular about the Fujianese character might enable them to gain a strong foothold in such challenging environments as Africa requires further research, although their conduct suggests, at the very least, a highly competitive and territorial nature, which can be glimpsed in their habit of including 'Fu', denoting the first character of Fujian, on their shop signs. Fujian is comprised predominantly of Han Chinese although it is also home to numerous dialects and nearly 50 ethnic groups who live in very compact, tight-knit communities, which may go some way to explaining the power and resilience of their support networks abroad.

The Fujianese character was much commented upon by non-Fujianese traders interviewed in our study – and often negatively. FJ traders have a reputation for hard work but also ruthlessness and, in some cases, criminality. Our sample suggested that their response to the arrival of other Chinese in their 'territories' is generally hostile, and sometimes violent. According to one Francistown trader from Jiangsu, *the FJ people here are not educated, and they like to fight ... some of them even try to get 'protection fees' from me, saying they will be responsible for the security of my shop*. Yet intra-Fujianese rivalry is also fierce, with extended family or town-based networks competing against one another. As one Lesotho trader bemoaned, *when the Fujianese are angry they use a stick to beat each other ... [so the police think] the Chinese are prone to violence and are uncivilised*.

Intra-network solidarity and cohesiveness may be particularly strong amongst the Fujianese, although across the numerous Chinese trader communities – whether drawn from Jiangsu, Zhejiang, Guangdong or other major migrant-producing provinces – all can be said to associate almost exclusively with their 'own', usually along common dialects. *When there is only one Chinese person, it is a Chinese dragon*, remarked one trader from Jiangsu, [but] *when there are many Chinese people, they are worms* – a famous idiom that suggested that the Chinese as a whole don't work well as a team. It also true that common among all traders is a pronounced 'survival' mentality: the job is *everything*. Indeed, from the interviews in all five countries numerous other qualities reveal themselves time and again, so much so that they form what could broadly be described as a 'shared value system' among traders.

Shared Values

Any discussion of 'values' is highly subjective given the disparate and complex nature of any societal grouping, let alone the multidialectic, regionally diverse

A number of traders spoke variously on the same theme: *we do everything for the next generation*

community that are Chinese traders. None the less, the interviews reveal a number of distinct similarities along three lines: personal aspirations; attitudes to life and work; and perceptions of Africa and Africans.

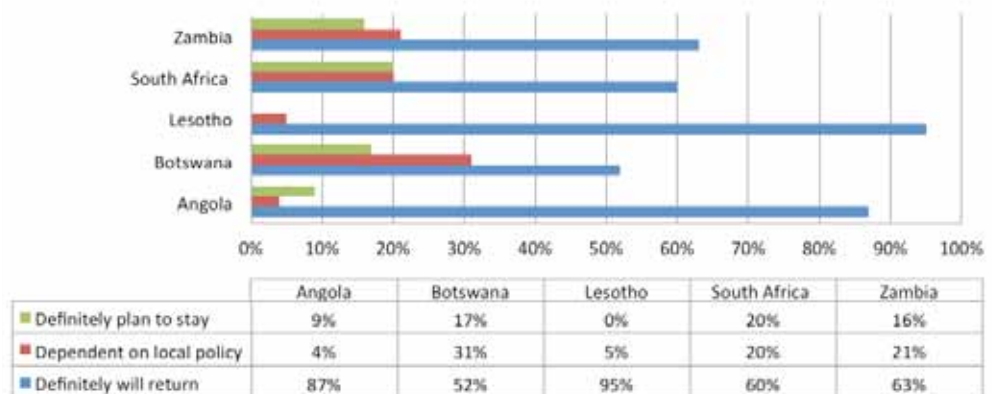
Speculating on the motives for the recent waves of Chinese migration to Zambia, Solange Guo Chateland suggests that they can be understood as a means

to secure a family lineage (real or imagined): in other words, how best to ensure the longevity of the family line, either as the prolongation or the segmentation from one's older generation (*lao yi bei*). Settling in Zambia is neither the objective nor the final destination for many of these people. Their stint in Africa – which may last several generations – is just one part of the long, arduous and unpredictable journey of a family lifeline.²²

In our study, traders were invariably driven to make money in order to either (in the case of males) support a wife, or a child's education back home; or in the case of single traders, to make enough money to return to China and purchase a flat, without which they would be unable to find a wife and start a family. In general, the Chinese, as was often remarked, are *slaves for their children*. A number of traders spoke variously on the same theme: *we do everything for the next generation*.

On the whole, our sample suggested that a strong majority of traders definitely intended to return home, and in two cases the figures were 87 and 95 per cent respectively; in no country did more than 20 per cent of traders indicate that they definitely planned to stay in Africa. That said, it was the aim of many Chinese in their late 40s and 50s to establish a 'backdoor' in another, non-African country in

Figure 5: How many Chinese traders plan to return to China?



Chinese traders
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shops to cut costs

case something unforeseen happens in China. They are the generation that experienced the Cultural Revolution and thus were, perhaps unsurprisingly, less sanguine about China's future than younger Chinese traders.

Lost in the avalanche of stories and commentary on the Chinese 'invasion' is that Africa is the bottom-rung destination for China's migrants. In fact, it is the continent *least* settled by overseas Chinese.²³ Africa draws the migrants who are generally the poorest and least educated. Zambia's Vice President, Guy Scott, recently quipped that

One gets the impression that the Chinese are a jolly smart people, who will be sending a man to the moon, but those are not the guys we've got. They are a lot more rough and ready. They are people who have difficulty getting work back in China.²⁴

He might have added that nearly all traders would, if they had a choice, be somewhere *other* than Africa. Of the traders who were parents, only a tiny fraction had their children with them; most said they would never bring their children to Africa on account of the poor education and, secondly, medical care. In our study only one interviewee had come to Africa from a more 'advanced' country (Greece, perhaps tellingly). Yet as noted above, the market entry requirements and so on elsewhere are too prohibitive for most, if not all, of the subjects in our study.

How Africa's Chinese traders succeed in an environment where most foreigners fear to tread is not, of course, solely due to their willingness to accept low profit margins. Their capacity to endure hardship and tolerate conditions that would deter even the most intrepid Western entrepreneur is nothing short of legendary. Chinese traders have been known to sleep four or six to a room in extremely humble dwellings, or live in their shops to cut costs. Their hours will vary depending on the business, but generally the ethos is to work *all day, 365 days a year*. For the most part they have little or no social lives and mingle only among their co-migrant groups. Their one non-negotiable is food: invariably even the smallest trader communities have at least one Chinese cook in their midst, even if sourcing food and cooking supplies sometimes proves difficult.

The Director General for China's Department for African Affairs, Lu Shaye, explained recently why large Chinese corporations were so competitive, yet his observation also speaks to the mindset and priorities conveyed by numerous traders in our interviews: 'China spends on average 95 per cent of the money on the project and on the recipient countries, while the West may spend 80 per cent on their own staff.'²⁵

Chinese traders
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and small towns

His remark goes to the heart of one of the Chinese traders' principal grievances: they believe they are widely misperceived by local populations. *Everybody sees the Chinese making money and they are getting upset about it but they don't see how hard we work, 365 days a year*, said one Gaborone trader. *I believe we provide more work opportunities*, a clothing trader in South Africa's Western Cape asserted, *we also change their lives. When I first came here, black and coloured people didn't dress nicely and cheap Chinese products solved their issues – they now need to spend less money on clothing so they can spend their money on other things*. Among locals the view of the Chinese in Lesotho, lamented a trader from FJ, *is that we are here to rob them*.

Chinese traders are a significant employer of locals in cities and small towns, ranging in our study from an average of 8 in Lesotho and Angola to a low of 2 in South Africa. Indeed, our survey puts another dent in the myth, which has proved stubbornly persistent in many African communities, that Chinese firms only employ fellow Chinese workers. Traders employed on average more locals than Chinese in each of our countries. There is little evidence, however, that such employment has helped to narrow the cultural divide – or the 'values gap' – between Chinese and Africans. For instance, what the Chinese see as a virtue – frugality – is largely perceived by their staff and employees as stinginess, or often worse. Social mingling between Chinese and Africans is exceptionally rare and marriage all but inconceivable. Chinese women, who comprised a significant minority of our sample, generally are dismissive of African men. Terms used to describe them included 'sexist', 'lazy', and 'disregardful of their children'. In contrast, Chinese men, in their view, had no hang ups about doing work which some African men would consider 'beneath them'.

In terms of their respective approaches to work, one trader from Sichuan spoke for many when he remarked that *Africans are never in a hurry, they don't save, the day after pay day nobody comes to work. No planning*. Paradoxically, the fact that Africans, in many traders' views, 'binge spend', i.e. spend everything they have, is good for their businesses. In general, our sample was highly critical of their African employees' work ethic. They also routinely described them (and their customers) as untrustworthy. This was especially pronounced in Zambia, where many traders feared the consequences of leaving their shops to local staff.

As ever, such perceptions are intimately linked to the environments in which they are born, in this case typically the most deprived and least advantaged parts of African communities, which often exist only just above the survival threshold. By and large, it is these communities which play host to and support trader activity. And there were also important exceptions that could be observed across all five countries in this study, where efforts to build-up relationships between traders

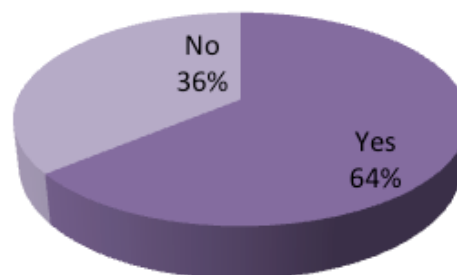
Talk of corruption involving Chinese traders is almost always linked with language

and their African employees were plainly evident. Generally, however, the traders believe that their ways are profoundly at odds with local values and attitudes.

Corruption, Crime and Coping

One of the widely-assumed advantages Chinese traders have over other potential competitors on the African street is that they are more adept at handling corruption. They have no expectation that Africa will be corruption-free; indeed many cited corruption experienced in China as a good training ground for Africa. Yet in most of the countries examined here, the Chinese trader community has been overwhelmed by the scale of police and/or official corruption. Across our sample 64 per cent said corruption was a 'serious problem', although that number would be considerably higher if the interviews in Botswana and the Cape Town area were excluded. In both Zambia and Angola the figure topped 90 per cent, whilst in Lesotho it was nearly 80 per cent.

Figure 6: Is police and/or official corruption a serious problem?



The nature and severity of the corruption varied considerably, from relatively mild harassment by local police seeking small bribes or food to major, systemic abuses by customs or immigration officials who solicited large fines for real or concocted transgressions. Tellingly, numerous traders blamed their fellow Chinese migrants for encouraging corruption. In the words of a general store trader in Lusaka, *partly it's the fault of the Chinese, we like to use money to get rid of trouble*. In Luanda, a trader from Guangxi was even more to the point: *the Chinese culture of solving problems by money makes them [police and immigration officials] believe that we have money*.

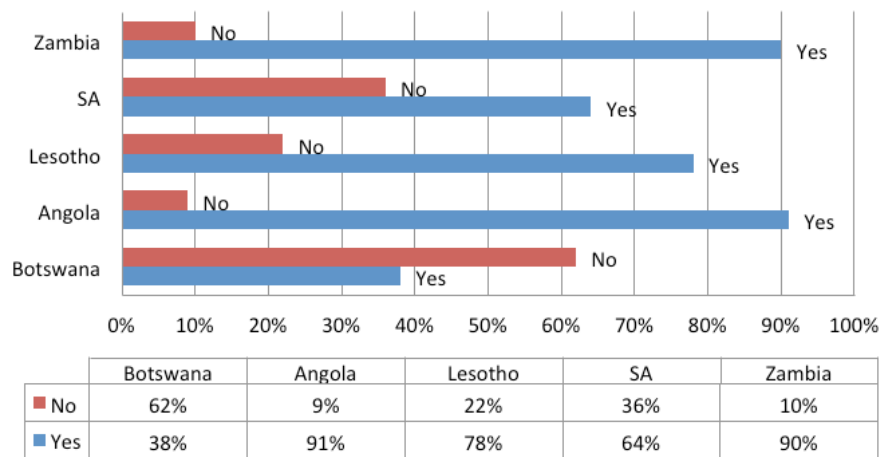
Talk of corruption involving Chinese traders is almost always linked with language: due to the poor English (or Portuguese, in the case of Angola) of most traders, they are apt to readily pay bribes because they have little means of either expressing their grievances or interrogating the reasons for a demand for payment.

language proved a significant obstacle for Chinese traders, especially when they fell victim to crime

At the same time, it seems clear that their poor English is routinely exploited by corrupt police or officials who, as consequence, believe they can act with impunity. A Chinese idiom heard more than once during our interviews was, *if you give something very bitter to a mute person, they cannot express their suffering*, meaning that some traders can only be quiet because they can't express themselves as they would wish.

About half of all traders in our study cited language as a major problem experienced in the course of their business activities. In Lesotho, the Chinese interviewed in many of the smaller centres spoke passable Sesotho (which they would simply refer to as the 'local language'), a further illustration of their adaptability to different environments. More often, however, language proved a significant obstacle for Chinese traders, especially when they fell victim to crime. Other than Botswana, crime and insecurity was a major concern. A Lesotho trader summed up a wider sense of helplessness in the face of the police's apparent failure to protect them or investigate crimes against them: *Our language is not good and we don't know the law. The blacks will always protect their own.*

Figure 7: Percentage of traders who said corruption was a serious problem



Variations in crime perceptions amongst Chinese traders are elaborated upon in the country sections below, but generally their limited English compounds a broader impression that they have no status in the societies in which they operate and thus, in effect, no human rights. As most traders feel they are being singled out for robberies, they rarely venture out in the evenings. Even during the daytime, however, traders are often targeted because it is assumed they walk around with lots of cash. Several interviewees spoke of Chinese traders having experienced random violent

Several interviewees noted that initially they were embraced by locals, who relished the opportunity to purchase affordable clothing, electronic products and other items for the first time

attacks, which they believed stemmed from anti-Chinese sentiments (xenophobia). Each incident amplifies perceptions of crime amongst the tight-knit Chinese communities and networks. In several interview locations, we heard the same expression from traders: *we live like we are holding our hearts in our hands*. In most places in Africa, in other words, they live in continual fear.

Doing Business

At least some of the anger directed towards Chinese traders in Africa comes from local traders, some of whom have been pushed out of the market because they can no longer compete against low-cost Chinese goods. In some centres, ill-will also appears to be growing amongst customers over the (poor) quality of some Chinese goods and shopkeepers' business practices, namely their (lack of a) return policy.

From the Chinese perspective, such resentment is born of misunderstanding and ignorance. As one Francistown merchant from Fujian explained, *the Chinese have lower profit and price margins, with little after-sale service, that is why the Chinese have a bad name ... as opposed to locals and Indians who have higher profit and lower sale, and much after-sales repair*. According to a trader in Stellenbosch, *locals believe that Chinese goods are rubbish, but we sell our goods so cheap and it's because they can never be returned. I can never return my goods to my wholesalers*.

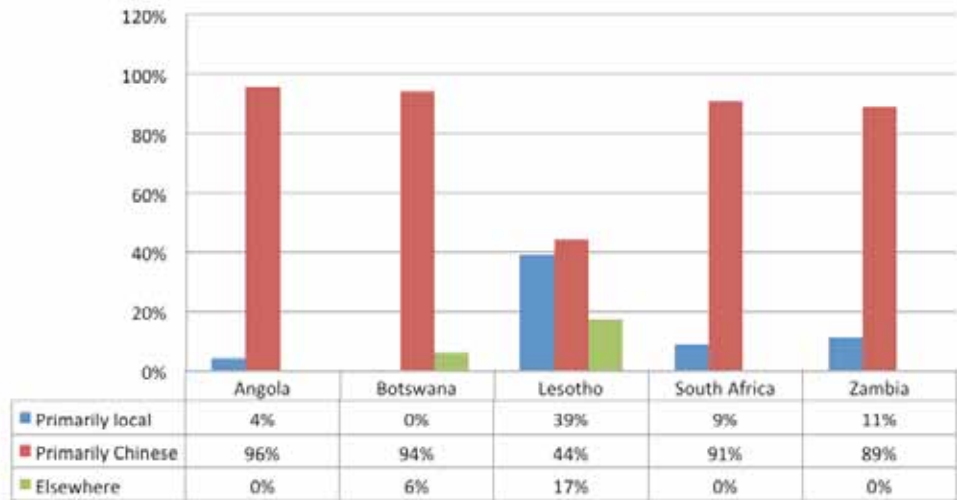
Several interviewees noted that initially they were embraced by locals, who relished the opportunity to purchase affordable clothing, electronic products and other items for the first time. But more recently a perception has crystallised that Chinese products are inferior and no longer to be trusted. The derogatory term 'Fong Kong', which implies that Chinese goods are cheap imitations, entered the local lexicon in South Africa in the 1990s²⁶ but elsewhere it is a more recent phenomenon. *The locals used to be friendly*, said one clothing merchant in Botswana, *now they call me 'china, china' and I resent it*. One trader in Kitwe remarked that *because they sell goods so cheap, the locals resent them ... the year before the shop was attacked because our prices are a threat to the local market*.

The bitterness of some Chinese is heightened by the fact that Chinese wholesalers are frequently key to local retailers' activity, as they serve as an important link in supply chains: African traders purchase low-cost Chinese goods and then sell them on elsewhere. Moreover, increasing numbers of African traders travel to parts of China such as Guangzhou and Shenzhen to acquire Chinese products. None of them, certainly, could claim the Chinese have unfair advantages on the African street.

In Johannesburg's bustling CBD you will find street vendors from Zimbabwe or Zambia selling pairs of Chinese-made socks for 5 Rand (60 US cents) each.

traders across all five countries in our study were generally reluctant to disclose exactly how their particular supply chains function

Figure 8: Origin of goods sold by Chinese traders



They will have purchased the socks in packets of four for 10 Rand from the nearby Africa Mall, where Somali, Eritrean and Ethiopian retailers supply the street trade. They will have sourced the packets from the Chinese wholesalers at the city’s China Mall, for as little as 5 Rand each.

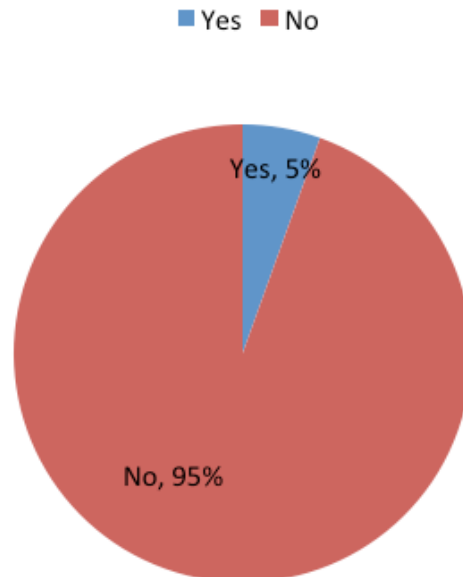
For the most part Chinese traders sell Chinese products, although Lesotho is a notable exception. Other than discussing the origin of their goods, however, traders across all five countries in our study were generally reluctant to disclose exactly how their particular supply chains function. Some traders sourced their goods direct from China, others used wholesalers based in their country of operations, and some from outside South Africa would source their goods directly from China Mall or Oriental Plaza in Johannesburg. Nearly all operated on a cash-only basis and a significant number did not pay tax.

A few of the interviewees were prepared to discuss the issue of tax and customs, even though it was clearly a highly sensitive subject. Although perceptions of corruption varied sharply across the five countries, in terms of the container fees paid by wholesalers and retailers there was a firm view that it was not feasible to go through ‘official channels’: widespread corruption forced *everyone* to pay fixed rates per containers to ‘middlemen’ in order to facilitate their passage through Customs. Should a trader decide to pay all the correct taxes, VAT and so on, their businesses would collapse because it is not, in their estimation, a level playing field. Even if they wished to do conduct their business on a strictly legal basis (as many said they would) they are not able to, in their minds; consequently, they usually avoid banking or declaring their profits, recording the goods they have imported, and so on.

Unexpectedly, they often reserved their harshest comments for their putative guardians in African countries – Chinese diplomatic and consular officials

As a female clothing trader in Johannesburg explained, *because you are not able to import anything legally, you are forced not to obey the law, it is the environment, and if I could bring some products in legally, why would I not do it? But customs are so corrupt; they let other people bring their goods through corruption, thus forcing everyone to do the same in order to compete.* On the same note, a luggage shop owner remarked that *no business is 100 per cent legal, even white people's chain stores, their goods also come from some place illegal.* Another wholesaler in Johannesburg acknowledged that *paying tax is the responsibility of every individual, but it is something that the Chinese do not do.*

Figure 9: 'Have you ever received any assistance (e.g. consular/immigration) from the Chinese Embassy?'



Beijing: Distant and Disinterested

The issue of tax evasion perpetuates and reinforces other practices that impact Chinese trader activity, particularly the 'bribe culture' – the overriding sense that all problems can be resolved by money. Traders continually protested in our study that, other than their immediate family or network, they cannot rely on anyone in local societies to protect their interests; even lawyers are generally viewed as a waste of time.

Unexpectedly, they often reserved their harshest comments for their putative guardians in African countries – Chinese diplomatic and consular officials. Ninety-five per cent of our survey claimed that they had never received assistance of any kind from their respective Chinese embassies. The anger expressed by a Luandan

Rather than losing a job, the Chinese will do it as long as they can cover their overheads

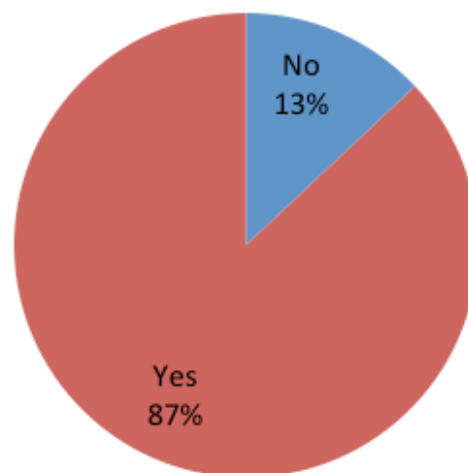
merchant was typical: *there are more than 300 000 Chinese here, yet the embassy only work half a day a week in dealing with Chinese matters ... they completely do not help us. They are nicer to the Angolans.* A clothing trader in Maseru was more caustic: *the embassy here only knows how to eat rice, they never help us Chinese, they are totally useless.* The embassy's response to several who complained of ill-treatment or unlawful arrest was that *we cannot intervene in the internal affairs of another country.* At least they are consistent, some might say.

Increasing Competition

One of the key dynamics affecting Chinese trader communities is the recent emergence of new competitors. Depending on the centre and country, typically it is either newly-arrived Chinese, Vietnamese or Somalis, although other groups such as Pakistanis, Turks, Indians and Lebanese, as well as small numbers of Congolese, Ethiopians, Ghanaians, Nigerians and Malians, were all mentioned as part of an increasingly competitive marketplace for Chinese traders in Africa.

For most of our sample, the incomes to be made in Africa – when compared to their perceived opportunities and earning power back in China – were still sufficient to make it worthwhile to continue trading, even if none would be drawn on exactly how much they were earning. The overwhelming majority of our study said that profit margins were narrowing, however. *It's not the same as before,* a trader in the Cape Town area complained, *this whole area is full of Somalis, they also get goods from the same place and so there is a lot of competition ... one refugee status permit can be used by ten people...because they don't even run a proper business, the [Somalis] can aim for a much lower profit margin.* In Luanda's São Paulo district several Chinese

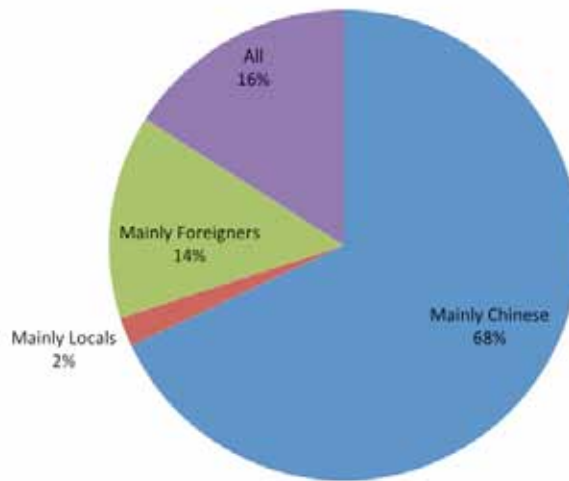
Figure 10: 'Is business becoming more competitive?'



Had the Chinese become victims of their own success?

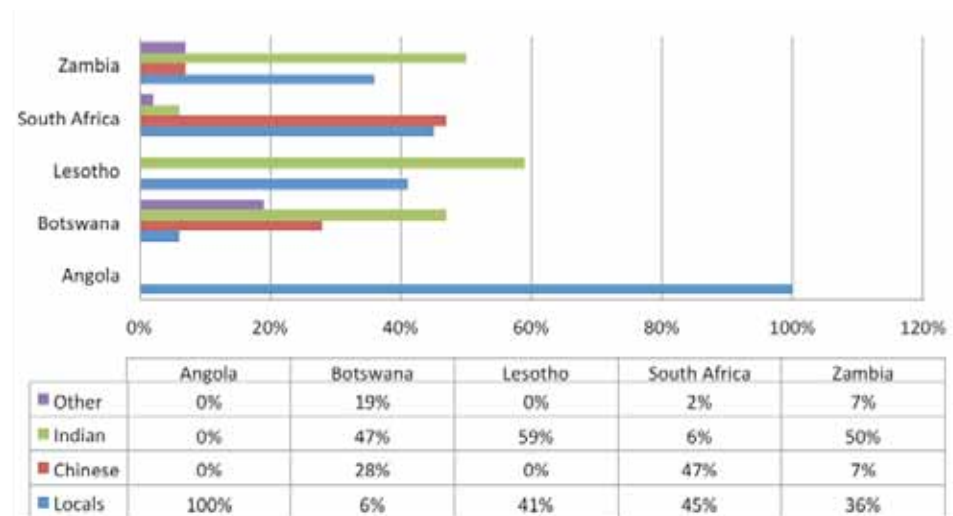
shopkeepers rued the loss of business to new traders from Vietnam. They paid less wages to their staff and were undercutting the Chinese on price, although at least for now the Vietnamese businesses, such as textile and garment shops, catered to a more niche market.

Figure 11: 'With whom do you compete?'



The larger question raised by our interviews was whether the various markets were nearing, or had reached, saturation point. Had the Chinese become victims of their own success? In Gaborone, for instance, more than 80 per cent of traders said that business had become more competitive, mainly because other Chinese were

Figure 12: From whom do Chinese traders rent?



The Chinese population in South Africa is marked by various cleavages and some tensions

making life much more difficult. They regularly decried the ferociously competitive Chinese approach to business, which regularly descended into the type of price wars not typically seen among other groups. As one trader noted, the Chinese are different from foreigners, who are less negotiable on price. Rather than losing a job, the Chinese will do it as long as they can cover their overheads: *everybody competes, competes on prices. It is almost like a vicious circle – that the tender price is lower and lower ... Locals and foreigners look at how much profit their companies need ... The Chinese look at how many people there are in the company – I need to guarantee their food, their accommodation, their wages. So I need to get the business. The Chinese want to keep the company operating, maybe not to make money, but just to keep the company operating.*

Only in South Africa do Chinese own their own shops or rent from other Chinese in significant numbers. In Botswana the figure was around one quarter, in Zambia less than one in ten. None of their business premises in Angola or Lesotho were Chinese-owned. Notably, about half of the traders in Lesotho, Zambia and Botswana rented from Indians, a telling figure which speaks to their own, largely under-appreciated role in African economies. The issue of ownership and fixed assets is one of several key issues that are sure to influence the long-term plans of Chinese traders in each of our survey countries.

Key Country Findings

South Africa

South Africa is the only country in our study with a longstanding Chinese community. From the first migrants in the 1870s the population rose steadily over the decades to number around 10 000 by 1980.²⁷ The Apartheid regime's strong ties with Taiwan paved the way for Taiwanese entrepreneurs to come and establish restaurants, firms and small businesses in towns and cities. From a high of 40 000, by 1994 the number of Taiwanese dwindled to about 20 000. Since then, post-Apartheid South Africa has welcomed up to 200 000 migrants from the People's Republic of China and Hong Kong.

The Chinese population in South Africa is marked by various cleavages and some tensions, particularly along the divide that separates the latest Chinese immigrants who are often perceived as 'illegal' and the established South African Chinese, especially the middle class from Hong Kong and Taiwan, who have citizenship.²⁸ This diverse community includes a few prominent Chinese South Africans who sit in the country's parliament, the majority who occupy the factory, merchandise

The principal target of their ire was the city's Metropolitan Police

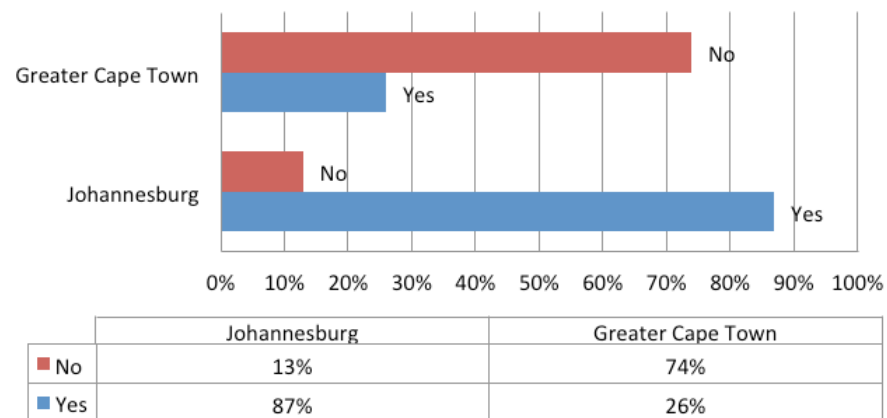
and import–export industries, and a minority of the new arrivals who are allegedly involved in clandestine transnational crime syndicates.²⁹

Chinese traders in South Africa were the most settled community of the five countries in our study, with nearly 60 per cent having been resident for more than five years, more than half of which had lived in the country for more than ten years. South Africa is the only country with traders of more than 20 years continuous residence.

Our South African sample revealed a number of intriguing paradoxes. On the one hand, the interview subjects in Johannesburg were nearly unanimous in citing crime and corruption as their biggest concerns. The principal target of their ire was the city's Metropolitan Police. Nearly all of our Johannesburg subjects had experienced numerous run-ins with the police, especially on the city's roads, where they felt most exposed. Harassment and demands for payment by traffic cops had become so routine that they tried to avoid driving where possible, and if they did they would carry as little money as possible. The fear of Johannesburg extended well beyond the city's perimeter, as evidenced by the remarks of a Lichtenburg trader who sourced his goods from China Mart: *every time when I am approaching Joburg, I start to worry, I breathe normally again when I am driving out...the police look at our number plate and know we are not local and are coming to fetch goods, you can't hide it. I am always holding my heart in my mouth.*

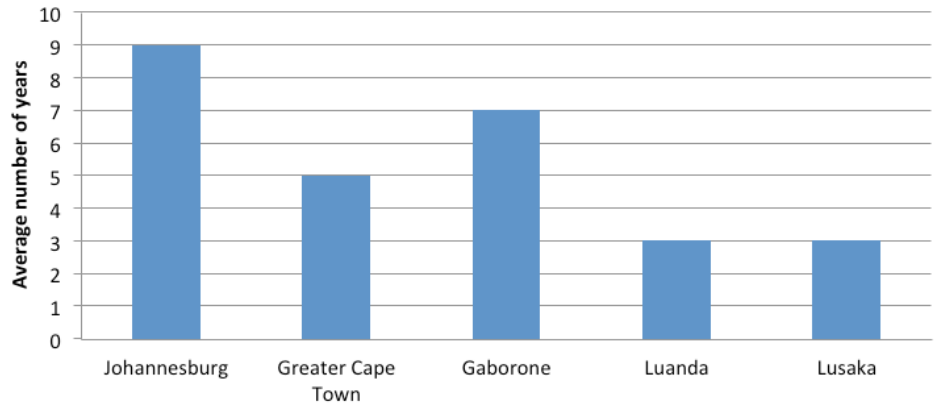
In sharp contrast, just 26 per cent of our interview subjects in the Cape Town area cited corruption as a serious problem. This compares to 87 per cent in Johannesburg. Crime was a major concern in both centres, although generally traders in Cape Town perceived the issue as a problem of petty theft rather than a threat to their safety.

Figure 13: 'Is corruption a serious problem?' Comparing Johannesburg and Cape Town



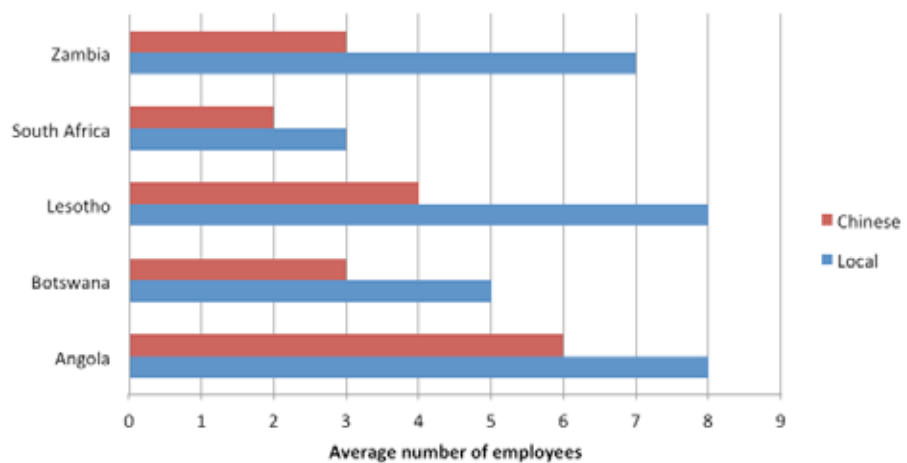
Johannesburg is the major hub of Chinese wholesaler activity in Southern Africa

Figure 14: Comparing how long Chinese traders have lived in select cities



Somewhat surprisingly, then, traders in Johannesburg had lived in the city for an average of 9 years, longer than any other major centre we examined. South Africa also had the highest number of respondents who definitely planned to stay in the country, even if the number was still relatively low, 20 per cent. Explaining her reasons for making Johannesburg her home, a female underwear trader quipped: *The place you fought a battle is the place where your home is.* Doubtless her and other Chinese traders’ decision to remain, despite the serious drawbacks, is that Johannesburg is the major hub of Chinese wholesaler activity in Southern Africa and a dynamic commercial centre where there are still significant profits to be made.

Figure 15: Comparing the number of Chinese and locals employed by Chinese traders



things remain
better for Chinese
traders in Botswana
than in most – and
perhaps all – other
African countries

Traders in South Africa on average employed the least number of locals, three. Of them, many were not in fact South African but other Africans, particularly Zimbabweans, which many traders indicated a preference for on account of either their education or reliability. Intra-Chinese competition was stiffest in Johannesburg, whereas in the Cape and North West Province several interviewees noted that their profit margins had been squeezed in the past few years by new traders on the scene, especially Somalis.

Botswana

Chinese migrants first arrived in Botswana in the 1980s to work on large-scale construction projects – hospitals, government offices, urban sewage systems – undertaken by Chinese state-owned enterprises.³⁰ Traders followed in the 1990s and by the end of the 2000s their numbers reached several thousand, scattered throughout the country. They constitute by far the largest group of self-employed permit-holders in the country.

For nearly two decades relations between China and Botswana prospered on the back of numerous Chinese investments in the country. China also won many friends in Botswana through their numerous charity works, funding of HIV/AIDS patients' care and joint cultural programmes, which indirectly probably helped ease the transition into various parts of the country for traders.³¹ Initially, the new arrivals were seen as taking a largely complementary approach to local traders' activities.³² They were particularly welcomed by rural dwellers who relished the opportunity to buy various goods and foodstuffs for the first time.

At one level, things remain better for Chinese traders in Botswana than in most – and perhaps all – other African countries: perceptions of corruption were by far the lowest in Botswana, with 38 per cent saying it was a serious problem; concerns over crime were also significantly lower than the other survey countries, with just 22 per cent citing it as a major problem; and quality of life in Botswana ranked the same as in South Africa, with only 13 per cent indicating that it was a major problem.

What made traders in Botswana increasingly uneasy was the apparent shift from an accommodating approach by government to an antagonistic, even hostile attitude to small-scale Chinese businesses. Some believe they are scapegoats for a wider change in attitude nationally, which has more to do with politicians and local businessmen stoking up resentment over the dominance of Chinese companies in the construction business, which has pushed many Botswana out of the industry. Several interview subjects contrasted the style of former President Festus Mogae, whom they believed was pro-Chinese, with the policies of the current President,

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on local policy

Ian Khama. This helps explain why more than 30 per cent of interviewees said their decision on whether or not to return to China was dependent on local policy.

Their main concerns boiled down to a piece of legislation that would effectively bar current Chinese small businesses in the clothing sector, which is apparently reserved for indigenous Batswana, from renewing their operating licences. They would still be permitted to apply for visas and work permits but would have no business ownership rights, therefore rendering their shops illegal. In the period since our last interviews were conducted in Botswana in September 2011, Chinese clothing traders have indeed been unable to renew their licenses and apparently been given an unspecified period to finish off their existing stocks and then vacate the sector. Several traders in Francistown indicated that once their stocks are finished they will return to China.³³

Lesotho

The first migration of Chinese to Lesotho was from Taiwan in the 1970s. Later, Taiwanese investors capitalised on the Kingdom's boom in the textile industry – aided substantially after 2000 by the US Africa Growth and Opportunity Act (AGOA), which gave certain low-income countries preferential trade arrangements to export to the US market duty free – and facilitated the migration of managers and skilled workers from both Taiwan and mainland China.³⁴ While the number of factories declined in the mid-2000s, the migration of Chinese traders to Lesotho increased. In 2008 Chinese comprised just under 1 per cent of Lesotho's 2 million people by one estimate,³⁵ although given the presence of Chinese in almost every village or town today – running clothing shops, supermarkets, petrol stations, internet cafes and so on – it is likely substantially greater than 20 000.

Of all the Chinese trader communities in our survey, those operating in the remote, barely-accessible outposts of the mountain Kingdom illuminate most starkly the qualities on which their success in Africa rests. What stands out in our survey is their adaptability in speaking a local African language; their ability to flourish in the most isolated and deprived communities, where they experience poor quality of life; their perseverance despite extremely high perceptions of crime (the highest in our survey, 90 per cent said it was a major problem) and corruption (78 per cent said it was a major problem); and their ability to carve out a comparative advantage where presumably they could be disadvantaged, in this case sourcing their goods: less than half were sourced from China, the majority were either 'local' (in this case, primarily South African) or sourced from somewhere other than China.

locals had a lot to learn from the Chinese in terms of skills, hard work and business know-how

Revealingly, not a single trader interviewed said they definitely planned to stay in Lesotho, the only group in our survey where no respondents intended to make their current place of business their home. In part this is due to issues such as high crime, poor education and low quality of life. More and more, however, traders have become fearful of the rising tide of resentment amongst Basotho, fuelled by China's perceived dominance over many sectors of Lesotho's economy. This fear had prompted many traders to increase security at their shops, even if the heavily-armed and highly visible young locals they employed were often more for deterrent effect than actual protection.

Lesotho is the only country in our survey where local opinions of Chinese traders were solicited, although it was done only in passing rather than systematically. The brief conversations revealed a mixed picture. The first subject, outside the capital Maseru, railed against Chinese traders, accusing them *inter alia* of ill-treatment of their Basotho staff. He also spoke variously of larger Chinese companies which had sole distributor agreements in Lesotho with other Chinese businessmen, which disadvantaged local firms; in doing so, he revealed how dynamics involving China and Lesotho at government-to-government level doubtless influenced general attitudes toward the Chinese operating at the micro-level.

The second subject in Butha Buthe shared an anecdote involving Chinese supermarkets. Whether fact or fiction, it is *exemplum par excellence* of stories that can severely undermine relations between communities once they take hold. He said that the Chinese routinely sell what they market as a '2kg chicken' but is in fact less weight; the shopkeepers are accused of tampering with the chicken by removing some of the meat and then somehow resealing the bag. We were not able to ascertain how widespread the allegation was in Butha Buthe, or elsewhere, but clearly rumours of this nature feed negative perceptions of Chinese business practices.

The last subject in Teyateyaneng painted a sharply contrasting portrait of Chinese traders. Having worked in a Chinese-run textile factory for nine years, he eventually started his own clothing store with his wife, selling local hand-made traditional clothes and modern clothing that he would source from Johannesburg. Although he had encountered numerous challenges in running his business, he found the work satisfying. The Chinese presence in Lesotho was, in his view, positive; what needed to change was the Basotho mindset, which greatly impeded entrepreneurship. He noted that locals had a lot to learn from the Chinese in terms of skills, hard work and business know-how.

the average length of time traders had been in Angola was two years

Angola

Angolan–Chinese relations began during the Cold War but only took off in the 1990s when Beijing’s hunger for Angola’s oil put the relationship on a whole different plane.³⁶ Today Angola is a central pillar in China’s Africa strategy and its largest trading partner on the continent. The two countries have signed numerous trade and cooperation agreements, and China has played a leading role in the country’s post-war construction boom.³⁷ Statistics from 2007 indicate that there were at least 22 000 Chinese migrants with visas in Angola³⁸, although current estimates put the total number of Chinese in the country anywhere from 100 000 to 300 000. The high estimates are accounted for by the large number of Chinese workers who are contracted on large-scale construction works.

Figure 16: Length of time Chinese traders have lived in each country

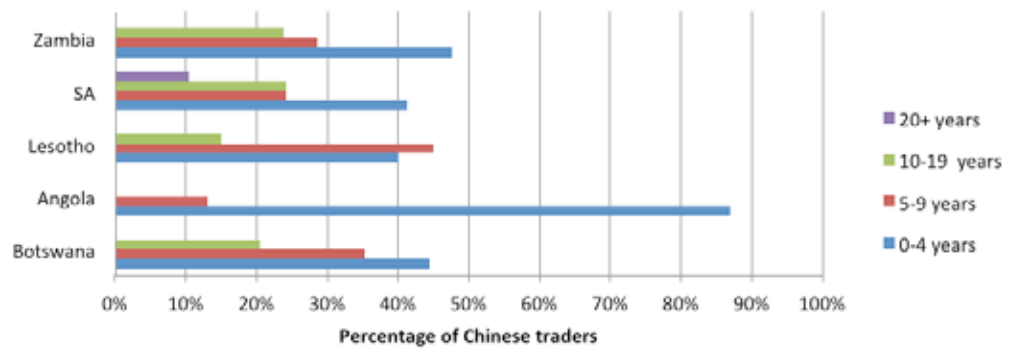
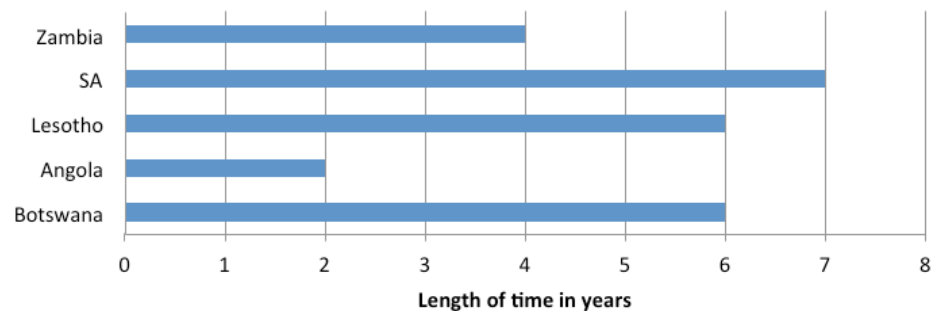


Figure 17: Average length of time Chinese traders have lived in each country



A minority of these workers have stayed on to try their luck as merchants, though most traders are new arrivals from China. In our survey the average length of time traders had been in Angola was two years, half as long as the next lowest figure for

Robberies and attacks on Chinese traders and workers in Angola have been widely reported in recent years

traders elsewhere, which was four years in Zambia. Although estimates suggest that Chinese migrants earn up to three times more in Angola than in China, our survey revealed strong disincentives for traders to remain in the country for long periods.³⁹

Angola scored the highest in our survey on perceptions of corruption and second highest on crime. Almost without exception, traders bristled at the scale of police corruption. *There are many security issues*, said a general trader in the Benfica area of Luanda, *but the police are worse than the bandits*. Another in São Paulo market said, *when I see the police, it is like I am seeing a ghost – I have to run and hide*. In their eyes, government officials were no better, according to a trader from Zhejiang, who also decried his embassy's inaction: *the Angolan government departments extort money from us, they threaten us to say that we will be arrested. Why are they so unfriendly to us? They say we will be arrested. It is because the Chinese government has never interfered*.

Robberies and attacks on Chinese traders and workers in Angola have been widely reported in recent years⁴⁰, and in our survey several respondents spoke of colleagues being robbed or killed, especially when in transit. Once again, traders who had been victimised by crime felt utterly helpless in the face of indifference from Angolan authorities and their own embassy. Language, too, proved a barrier to seeking redress, as many felt their rudimentary Portuguese was wantonly exploited by officials. As in Botswana, many observed a change in attitudes amongst locals. Where once the Chinese were hailed for helping Angola recover from war, a few widely-reported incidents – particularly the collapse in 2010 of part of a hospital built by the Chinese⁴¹ – have fomented anti-Chinese sentiments.

Traders interviewed in the coastal cities of Lobito and Benguela, in central Angola, were generally less negative than their counterparts in Luanda – though all noted that as more traders have moved south from the capital, crime has steadily worsened. Eighty-seven per cent of our Angolan sample definitely planned to return to China. As in Lesotho, crime, education and medical care were cited as key reasons why they would neither settle or bring their partners (wives or husbands) or children to Angola. One female merchant from Fujian noted that in her time in the clothing business in Luanda she had *never* seen a Chinese child. If anything, her bleak observation is testimony to the priorities and plans of the country's Chinese traders.

Zambia

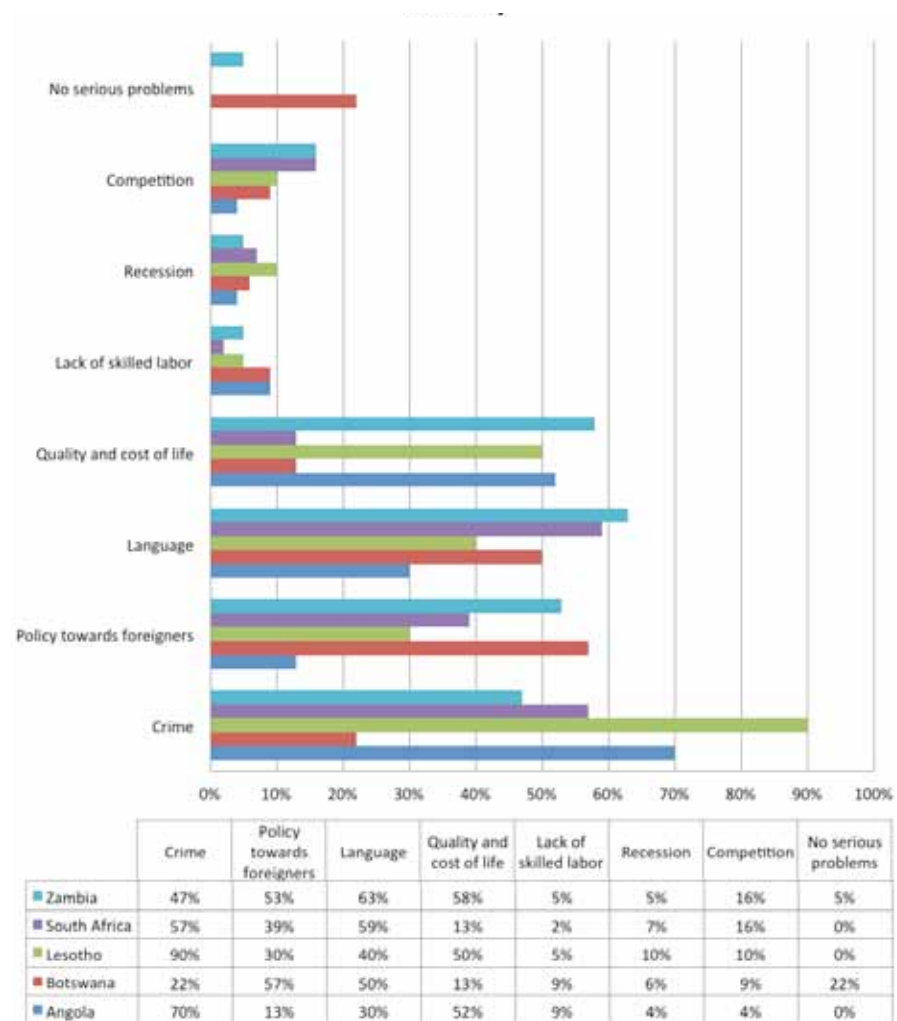
The Chinese migrant presence in Zambia, which dates from the arrival of labourers in the 1970s and later mine workers, famously became an election issue in 2006. Current President Michael Sata, then an opposition candidate, fiercely criticised

By 2009, the cumulative amount of investment was estimated to be \$1.2 billion

Chinese businesses for exploiting Zambian workers and said he didn't want China turning the country into a 'dumping ground' for their human beings. The previous year 46 Zambian miners died in an accident at Chambishi, a copper mine owned by Chinese investors.

The subsequent popular backlash during the 2006 election resulted in numerous shops being vandalised and several Chinese traders being attacked. By October 2011, President Sata appeared to perform an about-face, hosting a luncheon at the Chinese Embassy in honour of the Chinese community in Zambia.⁴² His gesture was at least in part testament to the key role of China in the country's economy. By 2009, the cumulative amount of investment was estimated to be \$1.2 billion, with the creation of 25 000 jobs for Zambian workers.

Figure 18: Major problems Chinese traders experience in each country



Perceptions of corruption were very high in Zambia, with 90 per cent citing it as a major problem

Data on the number of Chinese in Zambia varies widely, as elsewhere, although some put the figure in Lusaka alone at 20 000. As in Botswana, Chinese traders in Zambia were concerned about new legislation that would make owning their businesses prohibitively difficult. They were also highly suspicious of local authorities, and as a result rarely spent more than five minutes at a time in their shops. Perceptions of corruption were very high, with 90 per cent citing it as a major problem. Critically, Chinese migrants remain concerned that local hostility of the kind witnessed in 2006 could easily be rekindled. Such fears were especially pronounced among traders since they are not afforded the various protections given to employees of large Chinese state-owned enterprises, who reside in secure compounds and are more directly linked (via their companies) to the diplomatic power wielded by Beijing.

Despite the obvious drawbacks, which were broadly similar to those experienced in Angola and Lesotho, for most traders life in Zambia still made *economic* sense, at least for now. As in Angola, research suggests that traders are making about three times what they might theoretically earn in China.⁴³ That essential difference is where much of the Chinese trader phenomenon in Africa starts and stops.

Conclusions

This interview-based research project has sought to capture the evolving China–Africa relationship at the grassroots level – on the streets and in the marketplaces of Africa’s towns and cities. Overwhelmingly, this is where Africans and Chinese meet, interact and experience each other’s worlds.

Through a detailed qualitative study of the backgrounds and opinions of Chinese traders in five Southern African countries, this Paper has probed a number of largely unexamined issues that impact relations between Chinese migrants and local African communities. This relationship is dynamic and follows variable patterns in each country. Nevertheless, the interview responses suggest that important shifts are underway across the region, if not the continent. These changes do not auger well for Chinese–African relations, at least on the African street.

The deterioration evident in all five of our survey countries is due, in part, to misunderstandings held by both Chinese migrants and locals. In systematically examining the ways and perceptions of Chinese traders, this study sheds light on the more pernicious stereotypes and practices that have damaged this relationship in recent years. The nearly 200 interviews raise other, arguably less tractable issues that, too, will shape the future course of Chinese–African relations. Importantly, however, the survey findings also yield insights into the complex and multi-layered

The clash of values between traders and local communities routinely came to a head over certain business practices

Chinese presence in Africa, so frequently misrepresented as one great monolith. And they suggest several powerful factors that have enabled Chinese traders to succeed commercially in the most testing environments; in doing so, they pose a number of stark questions for their African counterparts.

In considering what our study might portend for the future Chinese presence in Africa, a number of final observations are worth highlighting.

Chinese Ways, African Ways

Identifying the qualities that have enabled Chinese traders to succeed where many others have failed or feared to tread in some ways speaks to more universal notions of the immigrant work ethos, which over centuries has underpinned the success of countless migrant communities who have left their homelands in search of opportunities elsewhere. That said, the capacity of Chinese traders to endure hardships and sacrifices to earn a living, not least long separations from their families, seems almost inestimable. Evident throughout our interviews was also their abiding commitment to learning a new profession, often moving from the bottom rung of a workplace to owning a small business; a marked tolerance for risk, forging opportunities where none seemed to exist, where profit margins were minimal and supply chains weak; an ingrained sense that *a person is nothing without a job*, and only hard work will prevent someone else from taking it; and a willingness to compete.

In our study the vast majority of traders said competition was increasing, yet only about 10 per cent, averaged across all five countries, cited competition as a 'major problem', compared to more than 50 per cent for issues like crime, language and so on. Africa is still relatively better when contrasted to the pressure-cooker of China's job market that they had experienced. In such highly competitive environments, certain behaviours and instincts become embedded. To survive in China meant leaving China; Africa was the *only* option via which they could support themselves and often their families, for all the personal suffering that entailed.

In the view of most Chinese traders interviewed for this study, this mind-set is not shared or understood by the African communities that purchase their goods and work in their shops. As noted earlier, the trader community feels besieged by malevolent charges that they are using illicit means to rob and cheat Africans, rather than simply out-compete them. As one FJ clothing retailer in Maseru despaired, *foreigners who go to visit China are treated as guests, but we visiting foreign countries are seen as a threat. Making a living overseas is very hard.*

The clash of values between traders and local communities routinely came to a head over certain business practices. Although Chinese traders provided livelihood options for many low-skilled Africans, there was an overriding sense that they paid

Based on our survey, traders are largely ignorant of the rights of consumers

locals the barest minimum wages. This was generally viewed by traders as acceptable, and necessary to remain competitive. The absence of a return policy was also a source of mutual antipathy. The traders' profit margins were such that few felt they could build a policy into their businesses if they wished to continue selling inexpensive products. Indeed, many were incredulous that their customers could demand a replacement given how little they paid for the original.

Based on our survey, traders are largely ignorant of the rights of consumers. To guard against wider and deeper alienation of their customer base, they may need to adjust their practices in this and, perhaps, other respects. The first step for many will be simply having a stated return policy. Conceivably, this might also improve their chances of redress when they engage the police over disputes with customers, although most of our interview subjects would doubtless scoff at that assertion.

Chinese traders will also need to confront growing perceptions that their 'Fong Kong' merchandise is not worth the price, however low. The negative publicity in some countries has been strident enough for Beijing to respond. Ghanaian journalists were told by Xie Yajing from China's Commerce Ministry that China's 'embassies would be ordered to report any complaints about substandard products and to inform the ministry so that it could sanction the companies concerned.'⁴⁵ Even if their words ring hollow, it does suggest that Beijing is concerned that further erosion of the 'China brand' could have far-reaching consequences. Conversely, however, some have argued that the furore over 'Fong-Kong' is in fact a concoction of African governments and business people who are attempting to dent the reputation of Chinese traders because they cannot compete with them; thus for locals who relish affordable clothing and goods, it is a non-issue. To be sure, although fake Chinese-made goods, 'bootleg' DVDs and so on, remain a staple of Africa's (and other continents') markets, new Chinese brands such as ZTE and Huawei are building their own reputations and trust with African customers.⁴⁵

Can the good times last?

The formidable obstacles Chinese traders have overcome to earn a living in Africa during the past decade, from insecurity and loneliness to language difficulties and xenophobia, are well documented in this Paper. As for the coming decade, the emergent challenges to their supremacy on the African street are likely to be even more arduous. Prominent among them are changing government policies, new market competitors and shifting dynamics within China.

With their increasingly visible presence in Africa's towns and cities, Chinese traders have become the whipping boy for Africa's politicians, merchants, consumers and unions angered by the effects of Beijing's growing ties to the continent.

Our survey painted
a bleak picture of
the place of Chinese
traders within
African societies

They become targets of popular discontent even when it springs directly from the activities of large Chinese-owned enterprises. This discontent has no doubt added to calls in many African countries to enforce stricter regulations on Chinese shop-owners. Thus far, many countries have been slow to act, although the recent moves in Botswana to restrict the business operations of clothing firms run by foreigners (read Chinese) bodes ill for many of the traders interviewed for this study. Some analysts have argued that new policies in Botswana, and similar legislation in Ethiopia and Ghana, are designed to stem the flow of cheap Chinese goods and purge Chinese traders from certain sectors of the economy that government has earmarked for local firms. Governments reject claims that such policies are part of a wider indigenisation strategy and instead emphasise the importance of new investment and economic activity that aids local development.

As the clamour for action against Chinese traders intensifies, they will be less able to sidestep the contentious issues which surround their businesses, especially related to tax, imports and their failure (in most countries) to establish links with local firms and supply chains. Although a recent lawsuit involving hundreds of local shopkeepers in Uganda, who petitioned government to impose stiffer regulations on Chinese traders, failed, it is surely a sign of things to come.

Will tighter regulatory frameworks make Africa a much less attractive place for Chinese traders to do business, perhaps even mark the demise of the 'Chinese shop'? Or will the qualities exemplified by unemployed factory workers and farmers from Fujian to Xinjiang, who succeeded as traders in the continent's remotest villages and toughest neighbourhoods, see them through the new legislation and enable them to continue to thrive?

Those qualities will be tested by the emergence of new competitors, such as Vietnamese and Somali traders who bring with them their own strengths and approaches to business. At the bottom of the market, such as in the informal settlements and urban townships of South Africa, the Somalis may already have a stranglehold. Yet perhaps the more pressing question is whether the Chinese have over-saturated the market with their own. In countries like Lesotho and Botswana, as opportunities narrowed in the larger centres Chinese traders penetrated deeper and deeper into rural areas. It is unclear whether there is any more room for expansion. In the largest cities, such as Johannesburg, some traders spoke of the never-ending stockpile of goods that they couldn't unload, which meant they were generating very little profit. They feared that one day it would all catch up on them. An apt Chinese idiom says that *when you are riding a tiger, you cannot get off because it is so dangerous, so all you do is hang on.*

Chinese traders are
changing the face of
streets in towns and
cities throughout
the world

Our survey painted a bleak picture of the place of Chinese traders within African societies. Only in South Africa did traders express any sense of belonging or attachment to the country. Overwhelmingly, Chinese traders sealed themselves in cocoons, completely cut off from the local community. It is typical of the Chinese diaspora everywhere to restrict their social lives to people from their own regions and provinces. Rarely do they make significant inroads into other cultures and communities. Yet what distinguished our survey was the acute fear, anxiety and distrust that dominated so many of their lives. Many despaired about their quality of life in Africa and nearly all longed for the day they could return to China. Nowhere within the global Chinese diaspora are migrants seemingly less keen to settle than in Africa.

The experience of traders suggests that, at least for now, it is pointless to even speculate on the prospects for deeper integration of Chinese migrants into African society. In some countries, just halting the rise of mutual suspicion and tension could prove a colossal task.

Should tensions continue to escalate, it will become harder for Beijing to ignore developments on the African street. Sooner or later, China will have to define its relationship with Chinese traders in Africa. The government's apparent indifference to traders' wellbeing stands in sharp contrast to its response to Chinese nationals caught up in Libya's civil war in 2011. In just over a week, Beijing evacuated more than 35 000 of its citizens, some of whom had come under attack by anti-Gaddafi rebels. They had been working on major oil and infrastructure projects funded by Chinese-owned companies. On one level, the swiftly-executed evacuation was a spectacular success, which suggested that when abroad Chinese workers could count on Beijing to protect them in times of crisis. At the same time, the operation laid bare its potential Achilles Heel: the large numbers of Chinese migrants living in volatile countries. The fear is that violence against Chinese migrants abroad could stoke nationalist reactions at home and threaten the country's unity. So the question arises, is Beijing's policy of non-interference sustainable? Might China be compelled to involve itself in the internal affairs of unstable or conflict-ridden countries, not least in Africa, to a far greater degree than hitherto?⁴⁶ If so, then Chinese traders – the most vulnerable of China's migrants – could occasionally find themselves on the frontline of their country's foreign policy rather than the furthest margins.

For the time being, however, traders feel disillusioned and abandoned. There is a sad poetry to their predicament, in that they are prepared to sacrifice everything for their children but their own 'parents' – the term used by several of our

Many analysts assume that the Chinese trader phenomenon in Africa will continue on a cyclical path

interviewees to describe the Chinese embassy – seem unwilling to lift a finger for them. *Our embassy does nothing*, seethed a trader from Guangdong, *it hurts me very much. How come the Vietnamese are more respected than the Chinese? Because their embassy is stronger. Our Chinese parents should understand our situation, our government should demand more of the ambassador.*

Chinese traders are changing the face of streets in towns and cities throughout the world. At the Saara market in the centre of Rio de Janeiro you will find more than 40 Chinese shops, whereas a decade ago there were just two or three. Chinese traders in Brazil or any other country will have their own aspirations and concerns, and there is no reason to assume that they like their respective embassies any more than their counterparts in Africa. Yet there is an acute precariousness to their existence in Africa that is not generally felt by Chinese migrants elsewhere. It may stem in part from the anxiety evident across Africa over whether the continent can address the manifold challenges that threaten its economic growth, such as high youth unemployment or an unexpected fall in commodity prices. Doubtless it also relates to the lowly place of Africa's Chinese traders in the wider Chinese diaspora: if they don't make it in Africa, they have nowhere else to go.

Many analysts assume that the Chinese trader phenomenon in Africa will continue on a cyclical path, with the current crop of traders who long for home simply being replaced by other migrants, willing to endure similar hardships to earn the incomes that are so difficult to attain in China. It is an open question, however, whether the networks and structures that have expedited the flow of migrants to Africa will remain as potent in the coming decades. The legacy of China's one-child policy on the size of family groupings and the long-term effect of the separations families of traders endure is sure to impact the migrations to Africa, although exactly how is difficult to predict. It is also unclear if heightened perceptions of crime, corruption and hostility towards Chinese will eventually start to dissuade potential migrants from seeking their fortunes in Africa, even amongst China's least advantaged.

What is certain is that the words and experiences of Chinese traders paint a sobering portrait of the continent in which they have become such an inescapable presence.

Endnotes

- 1 'Chinese shop' in this context include general stores, food shops and supermarkets, clothing and textile shops, internet cafes, and other speciality stores that deal in items such as tiles, building supplies, machine parts, etc.
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- 6 Meredith Lepore, 'China's Trade with Africa just Exploded to \$115 Billion' *Business Insider*, 27 December 2010, http://articles.businessinsider.com/2010-12-27/markets/30018090_1_trade-relationship-china-africa-trade-cooperation, accessed on 16 March 2012.
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- 10 Human Rights Watch report, "'You'll be fired if you refuse": Labor Abuses in Zambia's Chinese state-owned Copper Mines', 3 November 2011.
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- 13 At the outset of the project we sent the research proposal to specific government departments in several southern African countries in the hope that they could provide data on Chinese small businesses within their territories.
- 14 Most of the interview subjects said they were being unfairly discriminated against (compared, for example, to Indians or Pakistanis) in the issuance of self-employment permits, although it is possible that in some cases language difficulties hindered their ability to complete the necessary application to change their permit status.
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- 16 Spring and Jiao, *Op cit.*, p. 58.
- 17 'Lesotho meets China: The Chinese are everywhere', *The Economist*, 5 August 2010. The Chens were not interviewed for this study.
- 18 G. Zhu, 'A Probe into reasons for international migration in Fujian Province', *Population Science* (Vol. 2, No. 2, 1990,).
- 19 Gracia Liu-Farrer, 'Debt, Networks and Reciprocity: Undocumented Migration from Fujian to Japan', *The Asia-Pacific Journal: Japan Focus*, 28 June 2010.
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- 28 Mohan and Tan-Mullins, *Op cit.*, p. 593. See also the memoir by Darryl Accone, *All under heaven: The story of a Chinese family in South Africa* (Cape Town: David Phillip, 2004), which sheds light on the sociological aspects of the Chinese experience in South Africa.
- 29 Wilhelm, *Op cit.*, p. 363.
- 30 Trywell Kalusopa, '5.8 Chinese Investments in Botswana', *Chinese Investments in Africa: A Labour Perspective*, eds Anthony Yaw Baah and Herbert Jauch (African Labour Research Network: 2009), pp. 126, 130.
- 31 From as early as 1991, the two countries developed a framework for cultural exchange, and the Chinese government established a scholarship programme for Botswana students to study in China. *Ibid.*, p. 125.
- 32 *Ibid.*, p. 143.
- 33 See *Botswana Guardian*, 10 February 2012 <http://www.botswanaguardian.co.bw/newsdetails.php?nid=3378&cat=BG%20News>, accessed on 3 April 2012. Although the bulk of this article largely accords with what clothing traders told us about the possible consequences of the legislation, the report also notes that 'scores of perplexed Chinese business owners in Francistown said they are ready to go back to China as soon as their stock finishes while others are *waiting for the Chinese government to relocate them to other countries*' (emphasis mine). In neither Botswana nor any other country in our survey did any trader suggest that assistance of this nature from Beijing was even conceivable.
- 34 Jim Cobbe, 'Lesotho: Will the Enclave Empty?', Country Profiles, *Migration Information Source*, September 2004, <http://www.migrationinformation.org/Profiles/display.cfm?ID=248> accessed on 15 March 2012.
- 35 See www.marketplace.org/topics/world/chinese-businesses-rile-lesotho-locals+&ccd=1&chl=en &ct=clnk&gl=za.
- 36 Ana Cristina Alves, 'The Oil Factor in Sino-Angolan Relations at the Start of the 21st Century', *South African Journal for International Affairs*, Occasional Paper 55, February 2010, pp. 10–11.
- 37 Shelly Zhao, 'The Geopolitics of China-African Oil', *China Briefing*, 13 April 2011, <<http://www.china-briefing.com/news/2011/04/13/the-geopolitics-of-china-african-oil.html>> accessed 13 March 2012.
- 38 See Mohan and Tan-Mullins, *Op cit.*, p. 590.
- 39 Marco Puccia, 'China in Africa: Part II (Angola Video)', Marco Puccia.com, 29 August 2009, <<http://www.marcopuccia.com/2009/08/china-in-africa-part-ii-angola-video/>> accessed in 13 March 2012.

- 40 *People's Daily Online*, 'Crimes against Chinese expatriates rising drastically in Angola', 10 November 2009, <<http://english.people.com.cn/90001/90776/90883/6809380.html>> accessed on 15 March 2012.
- 41 Rafael Marques, 'The New Imperialism: China in Angola', *World Affairs Journal* (March/April 2011).
- 42 *Ministry of Foreign Affairs of the People's Republic of China English Portal*, 'President Sata Hosts a Luncheon in Honor of the Chinese Community in Zambia', 30 October 2011, <http://www.fmprc.gov.cn/eng/wjb/zwjg/zwbd/t871996.htm> accessed on 14 March 2012.
- 43 Tsai, *Op cit.*
- 44 See 'Trading Places', *Africa-Asia Confidential* (Vol. 5, No. 5, March 2012).
- 45 *Ibid.*
- 46 David Pilling, 'Lying low no longer an option for Beijing', *Financial Times*, 2 March 2011.