

Gregor Dobler

**South-South business relations in practice:  
Chinese merchants in Oshikango, Namibia**

(Draft Version, September 2005. Comments welcome.)

*Contact:*

*Gregor Dobler, Institute for Social Anthropology, Universität Basel, Münsterplatz 19, CH-4051 Basel, Switzerland  
gregor.dobler@unibas.ch*

---

Diverse and variable as African cities are, a new common feature has emerged over the last ten years: in every larger African town, there's at least one China shop.<sup>1</sup> Chinese shops are on the forefront of new South-South trade relations, and new business migration from China to Africa is rapidly changing international commodity flows into Africa. Chinese shops are the more important for African consumption as they often do not replace existing businesses, but open up new commodity markets. Low production costs in China, direct imports leading to lower trading margins and low opportunity costs of the traders themselves make Chinese commodities more accessible for customers than many goods traded in more conventional chains of supply.

Scholars have long overlooked the importance of the new China-Africa trade and of Chinese migration to African countries. Only in the last years have new Chinese migrants become a topic of research, and first results from all over Africa suggest a surprising uniformity of migration and business patterns.<sup>2</sup> The effect of Chinese trade on local economies, however – or, in extension, the effect of new South-South trade relations for African countries – has been a matter of controversy. Deborah Bräutigam has argued that Chinese trade networks can ultimately extended to include local economic actors, providing them with access to credit and other important resources. While successful Chinese businessmen move on into other markets, the “flying geese” pattern of industrialisation identified by scholars in South East Asian countries is repeating itself in Africa.<sup>3</sup> Local businessmen all over Africa seem less convinced; they often see Chinese traders as competitors on difficult markets, and claim that import of cheap Chinese commodities is further damaging local production, usually weak enough in the first place. The controversy, obviously, is part of a larger one about market liberalisation or protection of infant industries. But it is also about the benefits and dangers of new forms of globalisation, that interlink Southern countries and form a counter current to old colonial and neo-colonial economic relations.

In the main part of this article, I will give an overview of Chinese trade in Oshikango, a small town on the Namibian-Angolan border. As Oshikango is the best possibility to take advantage of the enormous demand for commodities in the Angolan post-war economy without actually

---

<sup>1</sup> “China Shop” is the term used in Namibia, both by locals and by the traders themselves. I use “China Shop” and “Chinese Shop” indiscriminately here, although one could argue that the two signify different things, as China shop refers to the merchandise, Chinese to the owners. There are, however, no China shops in Namibia that are not owned by Chinese, and virtually all shops owned by Chinese sell the assortment of goods typical for China shops.

<sup>2</sup> See Alden 2005, Bräutigam 2003, Haugen/Carling 2005; for older Chinese-African history, see Anshan 2000, Jinyuan 1984.

<sup>3</sup> Bräutigam 2003.

investing under its adventurous conditions, the town has been booming during the last eight years. Chinese wholesalers are an important part of that boom. The second part of my article will discuss risks and benefits of Chinese trade for the Namibian economy, and assess whether this form of South-South cooperation can generate sustainable growth within Namibia.

## **1. Oshikango and its commodity trade to Angola**

Angola is, in theory, one of the richest countries in Africa. Its oil reserves are estimated to be higher than Kuwait's, and production is sharply increasing after the end of the war in 2002. In summer 2004, Angola produced more than one million barrels of crude per day. Additionally, the country is the world's fifth largest diamond producer, with an estimated market share of 8% of world export value.<sup>4</sup>

In practice, the country is still devastated by war, and the export rents generated by oil and diamonds only benefit a small portion of the population. There is, however, a large backlog demand for commodities. Rebuilding infrastructure, houses and individual lives necessitates a lot of cement, steel, furniture, household appliances and clothing, while the well-connected elite's luxury needs create a booming market for cars, consumer electronics or upmarket liquor.

Bad roads, an all-encompassing need for good connections and unpredictable political and economic conditions led to a shortage of supply in commodities during the late 1990's, especially outside Luanda. Many parts of the country are more easily accessible from its Southern borders than from Luanda. This situation has created enormous market opportunities in Northern Namibia. Especially Oshikango has profited from wholesale trade to Angola. Before the first warehouses opened up in 1996, the town consisted of a few homesteads and a school grouped around an open market. The border post to Angola was dilapidated due to war injuries, and officers camped in a tent nearby. Since then, Oshikango has seen constant and rapid growth, mainly due to its strategic position on the main North-South road in South-Western Africa, linking Angola with Windhoek and Walvish Bay and ultimately with the Southern African ports of Durban and Cape Town. Up to Oshikango, this tar road is in excellent condition. Oshikango warehouses are virtually a part of the Angolan economy, but they function under the much more stable and predictable economic and political conditions in Namibia.

Since 1996, Oshikango has rapidly developed into a booming trade entrepôt. From 1998 to 2003, an ever-increasing demand and high gains easily made up for growing competition between more and more warehouses. Since 2003, markets are growing calmer. Several factors account for this decline: as almost all export business is done in US dollars, while Oshikango traders often pay their commodities in Namibian dollar or rand, the decline of the US dollar to the rand has made imports much more expensive for Angolan traders. In 1998, one US dollar was worth almost 13 Namibian dollars; in 2004, the ratio was 1:5.8. Better road conditions and the establishment of more warehouses in Angola have made in-country alternatives available, while growing regulations both in Namibia and in Angola have made imports more expensive. More and more international firms are investing in Angola; Coca Cola, for example, has built up production

---

<sup>4</sup> According to BCLME program, <http://www.bclme.org/countryprofiles/angola.asp> (October 5, 2005).

facilities in the country, and SAB/Miller has negotiated direct beer exports from Durban to Luanda at reduced tax rates, which led to a decline in beer trade through Oshikango.

In early 2002, Angola introduced import taxes of up to 40 percent. At first, this led to a further increase of trade through Oshikango, as custom's officers in the South were farther away from government control than those in Luanda harbour; since 2004, however, government has charged the British firm *Crown Agents* with the supervision of Oshikango/ Santa Clara border post, which reduced the chances to import commodities cheaply by paying bribes. On the Namibian side, cash transactions worth more than 10.000 US dollars have to be registered with a local bank. That has made incomes more traceable, and tax evasion less easy.<sup>5</sup>

While the golden days of the trade boom seem over, trade opportunities in Oshikango are still better than anywhere else in Namibia. Commodities from all over the world are traded wholesale in large warehouses. Most trade is done offshore, thanks to a special tax regime introduced by the Namibian government to create employment and encourage local production. The most important commodities traded in Oshikango are furniture, beverages, cars, household appliances, consumer electronics and textiles.<sup>6</sup>

## **2. Chinese traders in Oshikango**

The first Chinese business was established in Oshikango in 1999. Its owner had come to Namibia as one of the first Chinese traders in 1993. He already was a wealthy and well-connected businessman when he moved to Oshikango. Since then, an ever growing number of Chinese shops has been established in Oshikango. There are currently twenty two of them, and a new warehouse complex with fifteen new shop facilities to be rented out to Chinese traders is under construction.

The Chinese who have come to Oshikango are all more or less recent migrants from China. Some of them have been in other countries before coming to Namibia, but none of them has connections to Chinese families established in Southern Africa for more than twenty years. They are part of the new entrepreneurial migration following Chinese reforms after 1978, especially emigration liberalisation in 1985.<sup>7</sup> I would estimate their number at between 70 and 120, but I have not been able to establish exact figures. While their presence is perceived as a local phenomenon in Oshikango, Chinese entrepreneurs like them have been settling in towns all over the African continent, and indeed all over the world.

Most of the shops in Oshikango are rented from local landlords who constructed the rather nondescript lines of concrete buildings along the main road. They are not specially designed to house Chinese shops, and their layout varies considerably. In general, a Chinese shop in Oshikango consists of a small showroom and a large storehouse. In the showroom, samples of the various goods are lined up in shelves or arranged on cardboard boxes. When he's present, the owner sits or stands behind a counter that usually bars the access to a back office where

---

<sup>5</sup> Still, many warehouses seem to have found ways to circumvent tax payments. The receiver of revenue in Oshakati was suspended in 2005 for allegedly having received taxes of most bonded warehouses in the area in cash and without acquaintances. Such practices were common knowledge in Oshikango in late 2004.

<sup>6</sup> For a description of trade networks, see Dobler 2006.

<sup>7</sup> For an overview of Chinese emigration policy, see Xiang 2003.

computer, fax machine and telephone are placed. In every shop, there are several local aides who speak English and Portuguese and attend to the customers.

The storerooms, some of them attached to the shop, others in extra buildings, are filled under the roof with piles of large cardboard boxes or stacks of mattresses. As a rule, they appear too small for the amount of goods stocked in them; but turnover is high, and when a container is delayed on the way, traders can run out of stock quickly.

Most families live in one or two windowless rooms attached to the shop or the storeroom. Only a few richer traders, and some with a larger family, have a separate house in the backyard or a second story with a family apartment. The others spend their lives in the shop; they eat, drink and sleep in the backrooms, sit outside in the evenings chatting with the neighbours, and generally make the shop their home.

As in all larger Oshikango businesses, both storerooms and shops are guarded 24/7 by armed security guards. These guards, men and women usually between 18 and 25 years old, are employed by five private security companies based in Oshikango. They are equipped with rifles or pistols, and their main role is to discourage petty theft, shoplifting or break-ins. It is improbable that they could prevent any well-organised robbery, but burglary is virtually inexistent. Chinese shops in Oshikango are wholesale duty-free shops. Goods are brought directly from China without officially being imported into Namibia; no Namibian VAT or import duty is paid on them. This complicates trade. On their arrival, goods must be registered with the customs office; when they are sold for export, they have to be officially removed from bond. In the meantime, the amount of stock physically present in the warehouses must correspond to the amount registered in the bond book. As the necessary forms are rather complex, most Chinese are paying clearing agents to deal with all custom formalities. (The forms are filled in and often transferred to the customs office by computer, using a UNESCO program named Asycuda++.)

Even if the day-to-day-work of customs clearance is done by professional agents, good relations to the customs officers are crucial for the shop owners. There are always some discrepancies between the books and the actual stock: documents are filled in wrongly or are lost, the number of boxes in a sealed container varies from the number on the accompanying papers, or the value of articles in road bond<sup>8</sup> surpass the guarantee sum... In all these cases, good relations to the local officers can prevent large fines. Small talk, shared packs of Chinese cigarettes, sometimes a game of pool are very important – as important as larger private payments may be at other times. China shops in Oshikango exclusively sell goods imported from China. While sometimes small quantities are unofficially sold to Namibian customers, Angolan traders are the main buyers. Correspondingly, the stock is oriented towards Angolan consumption and consists of all kinds of cheap consumer goods. The backbone of the trade of most dealers is made up of textiles, shoes, mattresses and electronics; additionally, they sell an array of various commodities ranging from

---

<sup>8</sup> If goods are not exported directly through Oshikango border post, but cross the border elsewhere, they are removed from the stock bond and transferred to the road bond until their final export clearance. As they are no longer physically available as a guarantee against round-tripping, traders have to prove a bank guarantee for their value. If business is thriving, or papers are slow to return, that sum is sometimes insufficient, which freezes further sales.

motorcycles to chamber fountains and from cooking gear to wall clocks (indiscriminately depicting Lourdes Virgins, Mickey Mouse or da Vinci's Last Supper).

All these goods are bought in China by the traders themselves or through a family member in charge of the Chinese side of the business. As Oshikango traders sell large quantities, stable business contacts in China are essential. They ensure supply and make it possible to negotiate better terms. Contrary to many Chinese retail sellers in Africa, Oshikango traders usually do not buy their supply at the huge public wholesale markets, but effect their contracts with bulk suppliers. Larger quantities can be ordered directly at the factory, eliminating in-betweens and increasing the profits. The amounts of goods ordered by traders in Oshikango are very high. One dealer, specialising in electronics, considered an order of 10.000 pocket calculators as a normal amount. "You can order them directly at the factory; if you only want a thousand, you have to pass through a merchant. But 10.000 is not so much; you can always sell them off without losing too much money." Another dealer sold about 200.000 pairs of sport sneakers in 2004 and had approximately 12.000 umbrellas left in his storeroom when he ordered a new batch.

Most orders have to be paid in advance, before they are dispatched in China. When ordered through a Chinese wholesale and export firm, they are shipped FOB to Shanghai or CIF to Durban or Walvis Bay in sealed containers; when bought at a factory or a wholesaler not specialised in export, the trader or his local agent has to organise the paperwork and the shipping himself. The freight papers are faxed to the Oshikango trader and forwarded to the customs office. At least in theory, and often in practice, an official has to be present when the seal is broken, and has to control the contents in order to prevent fraud.

Here's a typical example of a 40-foot-container received by a Chinese trader in Oshikango: 17.088 bottles of perfume, 20.640 umbrellas, 9.600 pairs of shoes and 48.000 belts were shipped by Zhejiang Truelove Trade Co. Ltd. in Yiwu on October 18, 2004. On the transport papers, prices were indicated by boxes. A box containing an average of 94 bottles of perfume cost nine US dollars, the same as a box of 80 umbrellas. A carton of between 24 and 40 pairs of shoes was charged five US dollars, a box of 280 belts eight dollars. All in all, the merchandise was worth 7.329 US dollars in Yiwu, wholesale.<sup>9</sup>

The container was sealed by the Chinese customs and shipped by P&O Nedlloyd from Ningbo to Walvis Bay via Singapore and Cape Town. It arrived in Singapore on the vessel *London Tower* on Oct. 27 and reached Walvis Bay on Nov. 15. In Walvis Bay, it was loaded on a truck that drove to Oshikango in about eleven hours. (The lone driver watched the local hands discharge the container and drove straight back, loading a new consignment in Otjiwarongo.)

Seven local hands were discharging the container in about two hours, watched by the shop owner, his associate, one customs officer, one responsible of the clearing agency and one anthropologist. There were some disputes regarding quantities; all types of boxes were inspected by the officer and compared to the packing list. When the warehouse was so full one could only just squeeze in

---

<sup>9</sup> These factory prices seem incredibly low even for Chinese standards. As the traders do not pay import duties, there is no incentive on their side to understate the value on the invoices. It is possible, however, that the exporters have an interest in underinvoicing in order to get money out of the country: while a low amount is paid in China and goes through their books, a higher amount is paid by the customer in a foreign bank account. I am grateful to Raphie Kaplinsky for pointing out that the prices mentioned on the invoice could indicate a major phenomenon of such transfer pricing.

between stacks of cardboard boxes and plastic bales labelled in Chinese, the officer started counting the whole stock. He had to start over again about five times; finally, he declared that three boxes of belts and nine boxes of umbrellas were missing.

This counting has its own logic. It is quite obvious that the results are unreliable and irreproducible. When a thousand new boxes containing different quantities of a given commodity are added to the stock of a cramped warehouse and packed haphazardly in stacks that often collapse into each other, even the most sincere counting is error-prone. But far from being a defect, this unreliability is the essence of counting. It creates a venue of power for the customs officer, who can officially stick to the rules, while officiously bending them at his discretion. Similarly, while an officer does not really have the choice whether to do his duty or not, he can very efficiently make business life difficult for individual traders by treating their papers just a little bit slower than necessary. These margins of manoeuvre are the reason why good relations to the customs officers are paying off for traders and clearing agents – and why they are investing a lot of time, and sometimes money, into them.

Once the goods are in the storeroom and the customs formalities dealt with, the dealers sort through the new stock and unpack new items for display in the shop. Sometimes, these new commodities come as real innovations and draw a lot of comment. On one evening, we spent two hours assembling a Hollywood swing, trying to reconcile the pictograms on its Chinese-English manual with the parts we found in the package. When we had managed to assemble it, we placed it outside the shop, and took turns lazily sitting in it, congratulating the owner to its comfort and talking to passers-by who stopped and had a look. On a larger scale, the import of the first Chinese motorcycles (the only motorcycles to be bought in Oshikango) made the local news two years ago and attracted crowds for some days. Most new commodities, however, are merely a variation of older ones and pass more or less unnoticed.

In the shops, the dealers attach price tags to the samples. These price tags often mention the unit price in Namibian dollars and the price of a box in US dollars. The traders obviously prefer to sell wholesale, not only for the larger turnover, but also because every transaction, large or small, necessitates the same paperwork. But still, most of them sell individual items, too. “These small customers often are a nuisance, but a customer is a customer, no matter what he buys, and we have to be polite and do business with him”, as one dealer put it.<sup>10</sup>

Profit rates are high. A carton of 30 shoes can be sold for 100 US dollars, which seems cheap if one doesn't compare it to the Chinese factory prices of about 5 US dollars. For cheaper goods, transport usually doubles the cost, so gross profit rates (before rents, wages, taxes and other costs) can still reach 90 percent of the selling price – if invoices show the actual prices, which may at least be doubtful in some cases (see footnote 9).

All goods are sold for cash. Some of the largest warehouses in Oshikango sell on credit to a chosen elite of Angolan customers – often army officers or well-connected international businesspeople –, but I've never seen a Chinese trader accepting a credit transaction. Neither cheques or bank transfers nor credit cards are used for payments. All larger amounts are paid in US dollars; Angola's official currency is the Kwanza, but since war times, wholesale trade is based

---

<sup>10</sup> As many statements I cite regard business matters, I prefer not to disclose the traders' identities.

on US dollars. The money is collected in safes and transported to one of the two local bank branches once a week in the blinded van of a security service.

Except for Saturday afternoons and Sundays, shops open from eight o'clock in the morning to six or seven o'clock in the evening. As the border post opens and closes at the same times, sellers could not profit from longer opening hours, anyway. Apart from the owner and its family, there are usually four to six people continuously working in a Chinese shop – one or two security guards doubling in as sales assistants, real sales assistants, and store hands fetching the goods from the storeroom. Customers choose from the samples, make a mental note of the desired quantities and ask for prices. Larger deals are negotiated with the owner, who types quantities and amounts in a calculating machine. As many trader's Portuguese is limited, they usually show the resulting numbers to the customers, who protest and ask for a reduction. Most deals – especially the larger ones – are concluded quickly and professionally. After the goods are paid for and loaded, the seller deals with the export formalities and sends the papers to the border to be stamped.

Oshikango is the ending point of Chinese trade networks. This is an important difference to most of the world's China shops: in Oshikango, these shops are the links between two different trade networks. Retail trade of Chinese goods in Angola is taking place outside of Chinese shops; they are sold along many other commodities in the "normal" retail trade. The end users often do not know that they are buying Chinese commodities. For Chinese commodity trade in Africa, this is an important step towards trade normalisation: retail sale of cheap Chinese goods emancipates itself from the successful, but restricted ghetto of special shops owned by Chinese migrants, while these migrants move into the more lucrative and more influential position of wholesale traders. This transformation is enhanced by the special circumstances in Angola, that create an unusual demand for wholesale trade in Oshikango. It is by no means clear whether all Chinese traders will be able to hold their position once the situation in Angola is stabilising. But all over Africa, the moving up of migrants from retail business to wholesale trade – and the move of their commodities from "ethnic" shops to mainstream retail trade – will indicate a new stage in Chinese-African trade relations.

A common metaphor when describing expatriate communities, especially minority entrepreneurs, is the network. Many diasporic communities are perceived as close-knit small-scale societies, bound together by common background, shared experiences and similar living conditions. The common background, all-enticing group control and often the need to cope with an unfriendly environment in the host society lead to high levels of inter-group trust and to successful cooperation. Both facilitate business cooperation and give minority entrepreneurs economic advantages over the less organised host societies.

This image is only partially true for Chinese traders in Oshikango. First, the different families come from very different places. They do not form an organised group, and many of them don't know each other, even if they are living in the same town. One family comes from the Russian border, one from the Mekong near Laos, another from Shanghai and a fourth from the South. They speak different dialects and eat different food; even the climates in their hometowns differ. Snow falls heavily in the Northern winters, while the Southerners know tropical rainforests and the damp heat of the monsoon months. Their social backgrounds are as diverse as their origins.

Some come from poor rural families, some used to be magistrates, and one young man from Shanghai who has made his MBA at Beijing University Business School looks down on his neighbours as “uneducated peasants”.

Chain migration is important, though. Most of the “core migrants” – those that came first, later inducing other family members to come and work in their shops – have heard from friends or relatives about business opportunities in Namibia. But the first move was made from above. After bilateral agreements between China and Namibia, Chinese authorities advertised business opportunities in Namibia in newspapers and magazines. The pioneers in the early 1990s all seem to have heard of Namibia in this way. As a consequence, Chinese chain migration to Namibia started in many different places, and migration chains were mostly restricted to family members. Ties that do exist between different families were a consequence of, not a reason for migration.

This implies that the different Chinese shop owners came to Namibia as competitors, not as business partners or friends – a fact that surely limits inter-community business cooperation. Instead of an ethnic business network, there is a multitude of parallel threads linking Namibia and China, plus some small clusters of shop owners in close relation to each others. Accordingly, access to credit, know-how or trade opportunities among Chinese traders within Namibia is primarily organised through kinship, not through nationality.

Chinese are only one of several national minorities in Oshikango trade. The other main minority groups are Pakistani, who control the second-hand car market, and Portuguese from colonial families having moved from Angola to Namibia in 1974/75. The three groups are very different as to networking. In case of the Portuguese, there’s a core of established rich businesspeople who trust each other to a very high degree (locally styled “Portuguese mafia”), but ethnic solidarity does not necessarily extend beyond the borders of that in-group, and new-comers are blocked from the market. Pakistani traders are well-organised, and both global and local ethnic trade networks are an essential resource for new-comers (at least for those with some credentials), but the level of trust and cooperation between competitors is lower than among the core Portuguese. Chinese traders are socially connected to each other and try to live on good terms with everybody, but these social networks do not usually stretch into business. Shop owners cooperate on a private level and sometimes at the margins of business, but they keep important business information to themselves. They lend tools to each other or share their opinion about a dubious customer, but nobody would reveal the contact to a cheaper supplier, and nobody would ask. Everybody is blaming competition for falling prices, but (much to the dismay of the Beijing MBA), there are no price-agreements between the different shops. Most of the traders feel they cannot talk to their competitors about price policy, supplier prices or profit rates, information that is kept strictly within the family. Similarly, good relations to an immigration officer can be shared, while contacts to customs officers are only used for the ends of one’s own shop.

The core of both social and business networks is the family. As far as I know, every shop owner in Oshikango has some family member in Namibia. It is very rare that a single person migrates to Namibia. Those who come on their own – without a family member as first contact – move there as a couple, often with children. Once a couple has successfully established their shop and need help with the growing business, they employ family members from China. These assistants are usually young single men who want to establish a business later on, and learn the trade in the

shop of their older relatives. In some cases, a brother or sister moves to Namibia with his or her own family and takes over a shop for the owner who's expanding into another town or a different branch; in other cases, different family members have closely related businesses on their own account.

I cannot sum up the situation of the younger aides better than Jiao Jian, a very eager and friendly young businessman who works in his uncle's shop, did one evening. We were talking in the room he shared with his uncle, eating oranges his aunt had made him peel and slice for the visitor. CNN was running on the DSTV set. "I always watch Chinese TV and CNN, to know the exchange rates.", Jiao Jian told me. "I don't understand them because they talk so fast, but I can read the rates. I watch a lot of TV, or play computer games.

Three years ago, I didn't want to come here. But things change. I'm 23 now, I'm no longer a child. I have to earn money, for my family, for my parents. In China, to do business, it is difficult. You don't have no money, and your parents have no power. There are other difficulties, but these are the main ones. In China, you always need to have a relative or a friend in the government. There are so many regulations. Here, it is different. If you have money, it is okay.

I like to start my own business, but I have to learn first and earn money. I don't know everything yet. For example, I don't know my uncle's suppliers in China. I have to learn. In China, so many people like to do business. Because, it's a way to make money. If you have an appointment, working for government, you don't earn so much. (But me, may be I prefer something stable. Business goes up and down...)

Here in Oshikango, I can save a lot of money. I don't spend anything. My uncle provides for food, housing – even if I want to spend, I don't know where. I don't go anywhere. My uncle always is telling me: you are not at home here, you are in a foreign country, it is not like home, you have to be careful. But in general, Namibian people are OK. It is not like elsewhere, they don't usually fight.

I don't hear from my parents very often. By email – but they do not write very often, because my uncle may think that I don't like it here. They tell me just to work and not to worry about them. If I ask, there's always everything fine. They wouldn't tell me if there was a problem. But I would hear from others.

I phoned my girlfriend yesterday, she said: Come back, I miss you. But I said, no, I can't. I have to earn money. I miss her, too.

My uncle goes to China often, maybe every three months, to get new stock. We have our agent, but still... I would like to go to China, maybe next year, but I can't ask my uncle. He has to ask me. Otherwise, he may think I don't like to work for him, and maybe he will tell me to go and don't come back."

Family businesses are organised among patriarchal lines, and working in and for the shop is central to the families' lives. Among the younger, however, there are some signs of malcontents with that state of affairs. When I asked the son of a successful businessman whether he planned to open up a shop of his own, he replied: "No, or, well, maybe later. I've been in Namibia for six years now; that is enough. It's good to earn money, but sometimes I wish I could earn 1.000 dollars in China, instead of 5.000 here. I've got friends in China, we go to pubs to sing Karaoke, go to bars, in discotheques, chat a lot... here, there is nothing. I will stay here for some more

time, and then, I will travel for one year or two. Go to Europe and America and spend all the money. When you're 35 or 40, you are old – there's still enough time to work then." A young woman who just finished her grammar school in Windhoek told me she always quarrelled with her parents. "They think I am lazy and don't know anything else then pleasure. Me, I think they work too much. What is the point of working your whole life and never enjoying yourself? No, I don't want to own a shop. I want to have fix working hours, and enough time left for my friends and myself."

Like Jiao Jian, most of the Chinese in Oshikango don't go out very often. The young men sometimes spend some hours in bars, playing pool or losing some money in gambling machines, but they do not stay out long. They come for the game, not for drinks or talk, and they leave the place when the game is over. More often, they spend the evenings among themselves, sitting in front of their shops with the neighbours and chatting. A group of women always took a walk when the air cooled down at sunset, slowly strolling through a town that seemed to be their own. When a consignment of footballs arrived, some young men started to play football on a large public square between two warehouses. They were soon joined by local youngsters, playing bare-footed, and by security guards in heavy boots, pistols still strapped at their belts.

Strangely, many Chinese seem more at home in Oshikango than most local people. They do not especially like the town, and they always stress they are only there for business. Still, they seem content and relaxed. They do not seek integration into the local community, but they do not feel excluded, neither: they like being what they are. They are proud of China, their old, huge and powerful country, and proud to be businessmen. (Some of them obviously liked me, but the fact that nobody in my family was a businessman, and that at 33 I had no better plans than to pursue a career as state employee, be it at a university, was a serious blotch on my image.)

While only some of the Chinese living in Oshikango have lived in other countries before, most of them envisage moving on to another place later. The pioneer trader asked me if Switzerland was a nice place to live after retirement (and he can surely afford it), but most of the traders are younger and do not look for nice places, but for places where business is good. They see themselves as living on the fringes of markets, earning the fruits of their own initiative, and they know that their success continues to attract others, while the special situation of Oshikango changes with the reconstruction in Angola. So they are prepared to move on when trade in Oshikango is no longer lucrative. "It may go on for some years, but even today, profits have gone down. There are too many of us here, and Angolans are not buying so much any longer. Competition cuts the prices. Business is still okay, but it is no longer what it used to be." All of them have been thinking about moving to Angola, but they mostly regard it as too risky at this stage.

### **3. Chinese in Namibia and their role in the local economy: South-South cooperation?**

The presence of so many Chinese traders in Oshikango cannot be understood without reference to the structural conditions and political strategies behind it. The traders themselves have come to Oshikango for private reasons – they were looking for possibilities to better their own lives.

But why do they have the possibility to come to Namibia, and how is their presence linked to the world politics and economics at large?

The most important factor is obviously China's economic growth. There is no other country in the world where such large amounts of commodities can be produced as cheaply as in China. Unaffected by the economists' debate on whether India's bottom-up or China's top-down approach to capitalism will prove more successful in the end, Chinese manufacturing industries expand in an unprecedented way. They profit from a combination of very low wages, high foreign investment leading to increasingly good technological infrastructure and technical know-how, high domestic demand and rising export opportunities. In 2001, 50 percent of all cameras, 30 percent of all air conditioners and 25 percent of all washing machines were manufactured in China.<sup>11</sup>

While China's African trade is still comparatively low, it is rapidly growing. Bilateral trade was worth 28 billion US dollars in 2004 and was expected by the Chinese government to rise by 56% in 2005. Trade between China and Namibia has risen 52 percent between 2002 and 2004, to reach about 75 million US dollars in 2004 – a rather tiny sum, but still an important factor given the traditional reliance of Namibia on imports from South Africa. The rates of growth will probably not decline in the next years, and rise steeply if the free trade agreement negotiated between the Southern African Customs Union and China comes into existence. Opposition against this agreement has intensified in Southern Africa after the end of the WTO Agreement on Textiles and Clothing on December 31, 2004. This international agreement had allowed countries to impose import quotas for clothing and textile imports. The USA and the EU had placed quotas on Chinese textile imports. When the agreement ended in 2004, textile industries in many African countries that had benefited from preferential access to US American markets through AGOA had to close down under the double shock of cheaper imports from China and fiercer competition on the American market. When tariffs on clothing and textiles were removed, there was no financial reason left to keep up slightly costlier production facilities in Africa.<sup>12</sup>

In Namibia as in many countries, new Chinese migrants play an important role in the market expansion of Chinese manufactured goods. In a way, their economic role for the extension of commodity chains is comparable to that of itinerant traders in European history. Historically, those traders provided the link between specialised production areas in need for larger sales, and groups of potential consumers distant from existing outlets. Itinerant traders were able to bridge the gap between producers and consumers mainly because of lower investments, lower prices of commodities manufactured in specialised production, and a multiplication of customers through travelling. In providing access to new goods, they were crucial for the spreading of new consumption habits, and paved the way for new chains of distribution.

Much the same applies to the new Chinese migrant entrepreneurs. Cheap mass production in China is a precondition of their trade, but cheap production alone does not necessarily help to enter new markets. Chinese traders provide access to new markets for the producers, and access to new and cheaper commodities for the consumers. They are very efficient in opening up new

---

<sup>11</sup> [www.worldbank.org/transitionnewsletter/octnovdec02/pgs4-6.htm](http://www.worldbank.org/transitionnewsletter/octnovdec02/pgs4-6.htm) (Oct 14, 2005).

<sup>12</sup> On the influence of ATC's end on the large Windhoek factory of Ramatex Namibia see Herbert Jauch's article in *New Era*, April 8 2005, online at <http://www.newera.com.na/archives.php?id=6447> (14.10.2005).

markets. Incentives to search for new markets are high, as being the first in a lucrative place pays very well.

The traders' initiative is one of the best resources of the Chinese export economy, and one of the main assets for the producers. Totally free of charge, it provides producers with market access, new chains of distribution and information about new opportunities and consumer wishes. The producers share the profits, but neither the risks nor the costs. They remain free to negotiate larger deals with local distributors once a market has been tested without risking to cannibalise their profits. The traders, on the other hand, profit from cheap supply that gives them a sure way of earning money, and from the geographical and cultural distance between producers and consumers that makes them exclusive.

A crucial point in this system, however, is political acceptance of Chinese traders and trade. Again like itinerant traders in 18<sup>th</sup> century Europe, they are often accused of realising high gains while doing great damage to the local economy. Local producers can rarely compete with Chinese prices; the profits from the trade are often transferred and reinvested in China, not in the local economies. When they mix with xenophobic tendencies, these accusations can lead to serious problems for Chinese migrants. They depend on the goodwill of the authorities of their host countries for their businesses.

In Namibia, as elsewhere in Africa, this goodwill is very much influenced by political contacts between both countries. Good relations between Chinese and Namibian governments pay off for the expatriate traders, and China has been very efficient in securing Namibian political friendship. The two countries are linked by old ties from the days of anti-imperialistic struggle. Sam Nujoma, Namibia's founding president and still president of the ruling party, was invited by Beijing as early as 1964, when Mao's regime looked for allies among the liberation movements in Southern Africa.<sup>13</sup> Swapo was officially allied to Moscow and never really changed sides to stand with China, but as there was no rival Namibian liberation movement China could have backed instead, relations remained good.<sup>14</sup> Later, China supported Namibia's case against South African occupation in the UN Security Council, while sending military instructors to train Swapo's PLAN combatants in Tanzania. In March 1990, it was one of the first countries to establish diplomatic relations with the newly independent state. Still today, Swapo party sees China as a natural ally, and as a partner in the struggle for economic independence from neo-colonialism.

Over the years, Sam Nujoma visited China twelve times, often accompanied by important trade delegations. Jiang Zemin came to Namibia in 1996, and other high representatives of both countries exchange visits on a regular basis. On all these occasions, both sides have stressed mutual friendship and the common struggle for a more just world system, often mentioning stronger South-South ties as a means to improve African lives. As He Shijing, Chinese Chargé d'Affaires to Namibia, put it: "We both faced a common task and struggle against imperialism, but now have a similar one which is for the economic development of our countries."<sup>15</sup>

---

<sup>13</sup> Appolus 2004.

<sup>14</sup> For a detailed analysis, see Taylor 1998.

<sup>15</sup> New Era, June 16 2003. The statement was made on the occasion of a donation of 30.000 US dollars to Swapo party by the Chinese Communist Party, earmarked for printing and distributing party materials.

This language of solidarity is not without self-interest. Chinese economic development needs both resource security and export markets for manufactured goods, and Africa can provide both. Growing industries and a higher level of private consumption in China increase the need for imported raw materials. In recent years, Chinese state-owned oil companies have invested heavily in Sudan, Angola, Algeria, Gabon<sup>16</sup> and recently in Namibia.<sup>17</sup> As a counterweight to increasing resource imports, the value of Chinese exports to Africa has risen from 1.5 billion US dollars in 1993 to 5.9 billion in 2001 and 10.1 billion in 2003.<sup>18</sup> Both imports and exports are backed by China's strong political presence.

In Namibia, a large variety of prominent public contracts went to Chinese companies – from a shipment of four diesel locomotives and 30 oil tanks for the enlargement of Namibia's railways<sup>19</sup> to a joint venture in fish processing or the recent oil investments mentioned above. The most striking examples of Chinese involvement in the Namibian economy can probably be found in the construction industry. Chinese contractors have had a share in many large public contracts. China Jiangsu International Namibia Ltd. was responsible for the construction of the Supreme Court in Windhoek (1994 to 1997), the New Police and Prison Training College in Windhoek (1996-1997) and the new Magistrate's Court in Katatura (1997 to 1999). China Beijing Corporation for International Economic Co-operation built 102 houses in Katima Mulilo in 1999, funded through a interest-free loan from the Chinese government. In 2002, the private Chinese firm New Era Investment built a luxury hotel in Walvis Bay.

The most prominent instance of a public contract awarded to Chinese-owned firms is the new State House under construction outside Windhoek. Like the Heroes Acre, the new National Monument, State House is mainly built by North Korean companies. After the Chinese government donated 55 million Namibian dollars to its construction in 2002 (“with no strings attached”, as a spokesman of the Namibian government told the press) a Chinese company was given a share in the project without a public tender. In May 2005, another generous grant by the Chinese government for the building of the new State House was announced, but its amount was not unveiled.

In all these instances, local players like the CIF (Construction Industry Federation) have claimed that Chinese firms profited from preferential treatment in the allocation of tenders. It is, of course, difficult to weigh the amount of influence politics have had on specific transactions. When a Chinese firm is awarded a public tender, its offer may simply have been the best one available,<sup>20</sup> and grumbles from local competitors may result from sheer frustration.

---

<sup>16</sup> For details see Alden 2005, 148f.

<sup>17</sup> In early 2005, China Shine H F, a state-owned Chinese company, has bought 70 percent of the Irish firm Circle Oil Plc's Northern Namibian oil reconnaissance licence (Financial Times, London Edition, January 28, 2005, p.25). China Shine expects investments of over 1 billion US dollars, and both partners claimed that this was the begin of a long-term strategic partnership ([http://www.circleoil.com/site/news/press\\_release28012005.htm](http://www.circleoil.com/site/news/press_release28012005.htm), October 14, 2005). Drilling was supposed to start in late 2005, involving some 2000 people on the ground (<http://archives.tcm.ie/businesspost/2005/03/20/story3314.asp> ; October 14, 2005).

<sup>18</sup> Data from OECD statistics, [www.oecd.org](http://www.oecd.org)

<sup>19</sup> *The Namibian*, July 27, 2004.

<sup>20</sup> Lyman (2005: 5) stresses that Chinese state-owned firms are often instructed to place low tenders, without regard for profits, as political connections leading to further investment opportunities are more important than short-term gains.

Smaller investments like the many Chinese shops all over the country have found less media coverage, but there are many voices denouncing Chinese traders as capitalist profiteers selling cheap junk to poor Namibians, further weakening the country's economy by exporting the resulting gains to China.<sup>21</sup> Placing bilateral relations in a framework of South-South solidarity is a means for both Chinese and Namibian government to counter such tendencies. China has developed some virtuosity in symbolic actions and rhetoric to that avail.<sup>22</sup> To cite just one example: When Sam Nujoma came to his last official visit in Beijing in July 2004, he was presented with the first copy of a Chinese translation of his autobiography – an occasion for both sides to remember the days of anti-imperialist struggle and to revive the ties of solidarity. Chinese Premier Wen Jiabao “stressed that the western colonial rule is an important root cause for poverty and backwardness of Africa, which have not yet been eradicated even today”, while Nujoma said “that South-South cooperation is becoming more important against the present situations, adding that he believes China will, as always, continue supporting efforts made by the African Union to promote peace and development in Africa.”<sup>23</sup>

It would of course be naïve to take these official statements at face value, but economic realities show that the political backing of Chinese investments in Namibia is really working. South-South rhetoric is of course not the only reason for Namibian goodwill towards China, but its effects should not be underestimated, neither. China's policy of solidarity with Namibia before independence has done a lot to brighten China's image in Namibia and to open up the country for Chinese investments. After independence, Nujoma saw in China an alternative to further Western influence, and invited Chinese entrepreneurs to come and help reconstructing the country's economy.

Today, Chinese investments in Namibia are routinely placed by the officials in a larger framework of South-South globalisation. New ties between Southern countries are supposed to replace, or at least complement, old North-South ties, thereby giving Southern countries new options and establishing a more just and more polycentric world system.

These new South-South ties do exist, and they have definitely started to make policy makers in the Western metropolises uneasy. Many statements in the recent hearing in a US Senate commission on China's Global Influence resonate fears to lose control of international politics to China.<sup>24</sup> What if Western conditionality for aid does no longer work in oil-rich countries, as China is detaching economic cooperation from political conditions? How can the West deal with China's growing share in international commodity flows? That fact that such questions are increasingly being asked in Washington, New York or Brussels shows that South-South relations really are changing the world, and are making new options available to African countries. But

---

<sup>21</sup> Perhaps the most prominent voice against Chinese shops in Namibia is the editor of the *Namibian Economist*, Daniel Steinmann. In most other Namibian media, anti-Chinese sentiments do mainly appear in letters to the editors.

<sup>22</sup> In other African countries, such as Sudan, DRC, Zimbabwe or Angola, China has made clear that its investments do not come with political conditionalities. China's deputy foreign minister, Zhou Wenzhong, told an interviewer “Business is business. We try to separate politics from business.... You [the West] have tried to impose a market economy and multiparty democracy on these countries which are not ready for it. We are also against embargoes, which you have tried to use against us.” (Lyman 2005: 2).

<sup>23</sup> Cited after the official website of the Chinese Foreign Office: [www.fmprc.gov.cn/eng/wjw/zzjg/gjlb/3049/3051/t144062.htm](http://www.fmprc.gov.cn/eng/wjw/zzjg/gjlb/3049/3051/t144062.htm) (October 14, 2005).

<sup>24</sup> [http://www.uscc.gov/hearings/2005hearings/written\\_testimonies/05\\_07\\_21\\_22wrts](http://www.uscc.gov/hearings/2005hearings/written_testimonies/05_07_21_22wrts) (October 14, 2005)

does it really matter to Africa whether the more powerful economic partners come from the South or from the North?

As regards Namibia, Reinhard Kössler has recently brushed away the notion that South-South relations are in any significant way different from North-South in a short way: "It's capitalism, stupid!"<sup>25</sup> Of course, regional cooperation between equal partners can make a big difference for their economies, and history has made dependence from China much more attractive for many African countries than dependence from Europe or the United States. But Chinese investments, like German, Brazilian or South African, function according to the rules of the market. They are neither more nor less benign than Northern investments. South-South relations thus are not an alternative form of globalisation, but an essential part of it. So, if one leaves aside the South-South rhetoric, what are the benefits of Chinese investments in Namibia for the Namibian economy? Do they contribute to local development in Namibia, or are they only benefiting Chinese traders and producers?

Using the examples of Mauritius and Nigeria, Deborah Bräutigam has argued that Chinese business networks can provide important inputs for successful export-oriented industrialisation when local business people can link up with them. In Mauritius, she sees a repetition of the "flying geese" pattern often observed in South-east Asia, "whereby a more developed trading partner begins by producing goods at home and exporting, then moves into direct production in a less-developed foreign country, providing a stimulus for investment by example, and by joint ventures, and finally moves on, bought out by local entrepreneurs, who then take over the lead."<sup>26</sup>

Here's another variant of beneficial South-South cooperation, one that relies less on solidarity and more on well-understood self interest. Bräutigam certainly describes a reality, and her interpretation is based on well documented case studies. But how is the situation like in Namibia? To what degree can Chinese traders and their business relations be expected to benefit the local economy by investing in joint-ventures or in local production capacities?

This is an important and controversial topic in Namibian economic policy. If you ask local businesspeople, most of them will tell you that Chinese investments do more harm than good. According to them, China shops are an unfair competition both for Namibian traders and for Southern African producers. They claim that the money Chinese earn is not invested in Namibia, but transferred to China as savings or as investment in larger stocks.

Chinese traders in Oshikango know of these charges and react to them in several ways. They often emphasise the number of jobs they provide for Namibians: "I employ nine people, and I am serious about it. You know, Namibia is a backward country, and education here is not very good. People don't have much money. Maybe the children of the people working with me will get a better education." Furthermore, they insist that they, as opposed to most Namibians, are paying taxes and spending money in the country – giving work to transport businesses, clearing agencies or bank clerks. By investing a lot of money into their own shops, they are making Oshikango attractive for Angolan customers who will buy in other shops, too.

---

<sup>25</sup> Kössler 2005.

<sup>26</sup> Bräutigam 2003: 455. For the "flying geese" pattern, see Kojima 2000.

As far as I can see, however, only one Chinese trader in Oshikango has invested larger sums in Namibian firms outside his own shop – significantly, he was the first to come there, and is probably the richest today. He started his business in Windhoek in 1993, attracted by an article in a Chinese business magazine that praised opportunities in Namibia. In 1996, he left his Windhoek business in the hands of a family member and moved to Oshikango with his wife and two sons. He is said to have invested in several Namibian firms in Windhoek, and he is currently constructing a new warehouse block for fifteen new shops in Oshikango.

There are some other examples of successful Chinese-Namibian joint ventures, mostly in import-export or retail business, but none of those I am aware of includes industrial production. As regards Chinese traders in Oshikango, there are several reasons why they have not yet invested in production facilities. The most important reason is, of course, that buying shoes or t-shirts in China is cheaper than producing them in Namibia. But there are some domains in which sustainable industrial production seems possible in Oshikango. There is a Namibian factory of roof sheeting, and recently Pakistani investors have opened up a plastic factory. Some car dealers, Pakistani as well, have experimented with a workshop converting right-hand into left-hand drive vehicles for the Angolan market, but it has closed down again. These firms are working under the advantageous conditions of an export-processing zone, and other small-scale production facilities would be possible.<sup>27</sup> But as long as Chinese traders can earn more by investing their money in trade by diversifying the products they offer, incentives for investments in production are low. Trade in Oshikango can absorb quite a lot of investment before the comparative utility of an investment in other sectors is higher.

Traders who move to Oshikango are usually no wealthy investors, but have either borrowed most of their starting capital from relatives or gained enough money in another country to finance their new establishment. In the first years, they are paying back credits and gradually extending and diversifying their stocks. They have not had enough time to develop into venture capitalists, and, very probably, they will not have that time in future, neither. The trade boom in Oshikango seems to be over, while ever new China shops are opening up. Over short or long, the more successful traders who have the capital and the connections to start a new business somewhere else will move away. Their shops will either be closed down or taken over by newcomers, just like the shops in Vietnam or Nairobi some of them had owned before coming to Namibia. As knowledge of Chinese and the capability to act successfully in the Chinese market are essential for their business, it is improbable that the shops will be taken over by Namibians when they feel it is time to move on.

Due to market dynamism and fast growing competition (and, paradoxically, to high profit rates), China shops on the fringes of new markets are often not durable enough to develop into seed crystals of industrial investment. In Oshikango, only the first comers have had a chance to

---

<sup>27</sup> As far as one can judge by now, the Export Processing Zone in Oshikango has been a failure. A huge EPZ park financed by the Development Fund of European Communities and directed by the parastatal Offshore Development Company was inaugurated in 1999 by President Nujoma. It was meant to attract investors and to build up production sites, but today most of the buildings serve as warehouses or storerooms. The only manufacturing firm left on the premises is still assembling imported furniture, but its manager talks of shutting down in the near future. ODC managers lay the blame on Angolan import duties introduced in 2003. Locals talk of mismanagement, favouritism and highly bureaucratic procedures.

develop their business to the point of diversification and investment in other sectors. Only they can, perhaps, be the leading geese. The others will rather remain business nomads – grazing their cattle as long as herbage lasts before moving on to greener pastures elsewhere.

Still, some of the older Chinese traders in Oshikango would be interested in investing in joint ventures or build up production facilities. But they see many difficulties. “Well, if I found something viable, of course I would invest. It is good to diversify. But how can I know whom to trust? There are so many connections I don’t know anything of, and you never know who turns out to be a fraud. Who is going to protect my interests against a Namibian? And I am not even sure I can stay here!”, as one trader told me.

The main problem when linking to Namibian business networks is risk control. Investing in Namibia is less problematic in this regard than investing in Angola, for example, but nevertheless, business relations within the country can be very intransparent to outsiders. Political connections are crucial for building up any larger new business, especially under EPZ regime. As long as they rely on themselves and on their extended family for investment and management, Chinese entrepreneurs are in control, and can judge investment risks to a reasonable degree.<sup>28</sup> Not only the access of African businessmen to Chinese networks is problematic, but also Chinese access to African networks. This may be one of the main factors for the success of Sino-Mauritians spelled out by Deborah Bräutigam. Chinese families have been living in the country for centuries. They were able to develop their businesses from retail shops into production companies over several generations, and they are generally not planning to leave Mauritius. While they have firm links to overseas Chinese networks, they know the rules of the game in Mauritius and are well-connected on the island.

Chinese traders in Oshikango, and in many other places in Africa, are still newcomers, not connected to the old Chinese communities in Southern Africa. Apart from a few exceptions – mostly the earliest arrivals – , they seem to be a new type of globalised minority entrepreneurs: not “guests who are staying” and forming stable diasporic communities, but independent businessmen moving on with their shops when better opportunities arise. They do not have the time to diversify their businesses, nor to develop the deep connections to local networks that are necessary for successful cooperation. Their own business connections are adapted to mobility: instead of close-knitted local networks difficult to disengage from, they rely on small family clusters connected to Chinese partners by parallel threads. If they decide to move on, they may lose their local social networks, but they keep the essence of their business connections.

---

<sup>28</sup> A problem I cannot deal with here are illicit business networks. Over the last five to ten years, some Chinese based in Windhoek have tried to establish criminal networks. Chinese citizens have been tried for heroin trade, murder, armed robbery, abduction and cigarette contraband, among others. Their doings sporadically surfaced in the media at spectacular occasions, like a shoot-out with automatic rifles at a Chinese restaurant or an armed assault at the posh Windhoek Country Club. It is not yet clear how successful this “Chinese Mafia” really is, and to what degree their attempts to create a market for their own protection among Chinese businessmen have been. Neither is it clear how accurate and far-reaching current charges against many Chinese businessmen for buying hard currencies on the black market – i.e., money laundering – will turn out to be. The main question, however, is whether these criminal networks have been successfully linking to the local political elite. Some facts seem to hint to political influence – trials have often been very slow, while as early as 2001, Special Field Force police participated in an assault on the not-yet-alleged mafia king-pin Yu Yin. He was attacked outside a nightclub by the night club bouncers with basketball bats and members of SFF with AK47s; the official reason for the assault was that he had repeatedly parked his car in the wrong place.

In this article, I have described business practices and business connections of Chinese wholesale traders in Oshikango. While they are creating some jobs, provide access to cheap commodities and can sometimes motivate local businesspeople-to-be by their example, tangible benefits of their investments for the Namibian economy are small. Links to local businesspeople, joint-ventures and investments in export oriented production are more or less negligible today, and it is improbable that they will develop in the near future. Policy changes encouraging investments of benefits within the country, and increasing transparency of Namibian political and economic networks could do some good, but they will not prevent traders from moving into more lucrative markets.

From an individual perspectives, Chinese traders in Oshikango are creative pioneers trying to escape the constraints of an overly bureaucratic society and seeking new opportunities in what they regard as remote corners of the world. They are friendly, well-meaning people, humane and humorous, engaged in their profession with a lot of initiative and energy. From a larger perspective, however, their engagement is part of a shift in world wide economic exploitation. Even when they come with a friendly face and are accompanied by a rhetoric of solidarity, new South-South trade relations are part of the old system, not the start of a new one. While sometimes attenuating old dependencies, they are creating new ones, which, by all probability, are not going to be more benign.

References cited

- Alden, Chris* (2005): China in Africa. *Survival* 47/3: 147-164.
- Anshan, Li* (2000): A History of Chinese Overseas in Africa. Beijing: Chinese Overseas Publishing House.
- Appolus, Emil* (2004): Reminiscences of Times Gone By. In: *New Era*, December 3, 2004.
- Aryeetey, Ernest et al eds.* (2003): Asia and Africa in the Global Economy. Tokyo, New York, Paris: The United Nations University Press.
- Bräutigam, Deborah* (2003): Close Encounters: Chinese Business Networks as industrial catalysts in sub-Saharan Africa. *African Affairs* 102: 447-467.
- Bräutigam, Deborah /Li Lu* (1983): Doing Well by Doing Good/ How 7 Chinese Firms Have Won Nearly \$1.4 Billion in International Construction Contracts. In: *The China Business Review*, Vol. 10/2: 57-58.
- Dobler, Gregor* (2006): The way to consumption. International commodity flows and trade networks in Oshikango, Namibia. Unpublished.
- Günther, Stephan* (2005): Ein altbekannter Teufelskreis. Chinas Dominanz im Süd-Süd-Handel erzeugt neue Abhängigkeiten. *Iz3w* 287 (September 2005): 25-27.
- Harris, Karen Leigh*: Scattered and Silent Sources: Researching the Overseas Chinese in South Africa. Unpublished Conference Paper.
- Hart, Gillian* (1996): Global Connections: The rise and fall of a Taiwanese production network on the Southern African periphery. Berkeley: Institute of International Studies.
- Haugen, Heide O./ Jorgen Carling* (2005): On the edge of the Chinese diaspora: The surge of Baihuo business in an African city. In: *Ethnic and Racial Studies*, 28/4: 639-662.
- Jinyuan, Gao* (1984): China and Africa: The Development of Relations over Many Centuries. In: *African Affairs* 83: 241-250.
- Kößler, Reinhart* (2005): It's capitalism, stupid! Die Wirklichkeit der Süd-Süd-Kooperation. In: *iz3w* 287 (September 2005), 18-21.
- Kojima, Kiroshi* (2000): The "flying geese" model of Asian economic development: origin, extensions, and regional policy implications. In: *Journal of Asian Economics* 11/4: 375-401.
- Lyman, Princeton* (2005): China's Rising Role in Africa. Presentation to the US-China Commission July 21, 2005.  
[http://www.uscc.gov/hearings/2005hearings/written\\_testimonies/05\\_07\\_21\\_22wrts/lyman\\_princeton\\_wrts.pdf](http://www.uscc.gov/hearings/2005hearings/written_testimonies/05_07_21_22wrts/lyman_princeton_wrts.pdf) (October 14, 2005).
- Payne, Richard J./ Veney, Cassandra R.* (1998): China's Post-Cold War African Policy. In: *Asian Survey*, Vol. 38/9: 867-879.
- Shinn, David H.* (2005): China's Approach to East, North and the Horn of Africa. Testimony before the U.S.-China Economic and Security Review Commission 'China's Global Influence: Objectives and Strategies'. July 21, 2005.  
[http://www.uscc.gov/hearings/2005hearings/written\\_testimonies/05\\_07\\_21\\_22wrts/shinn\\_david\\_wrts.pdf](http://www.uscc.gov/hearings/2005hearings/written_testimonies/05_07_21_22wrts/shinn_david_wrts.pdf) (October 14, 2005).

*Taylor, Ian* (1997): China and SWAPO: The role of the People's Republic in Namibia's liberation and post-independence relations. In: *The South African Journal of International Affairs*. 5/1: 110-122.

*Wong, Loong* (2003): Belonging and diaspora: The Chinese and the Internet  
In: *First Monday* 8/ 4.

*Xiang, Biao* (2003): Emigration from China: a sending country perspective. In: *International Migration*, 41/3: 21-48.

Prominent Chinese business people, politicians, academics and officials were interviewed over a series of visits to countries of the region, including Malaysia, Indonesia, Myanmar (formerly Burma), Thailand, Singapore, Taiwan and Hong Kong, in the latter half of 1994 and early 1995. 196 x EXECUTIVE SUMMARY AND OVERVIEW Overseas Chinese business entrepreneurs are at the very heart of East Asia's economic boom.<sup>1</sup> Though relatively few in number, they are economically pre- eminent, and are one of the main forces driving the dynamic growth that characterises the region as a whole, and many of the economies in it. Today, many sectors of South-East Asia's food trade, for example, are still largely in the hands of Teochiu speakers. Foreign investment and Western business interests in the People's Republic of China (PRC) have accelerated rapidly in recent years. When Western and Chinese managers are brought together in new enterprises, they must understand how to accommodate cultural differences in behaviour and often must adapt to unfamiliar value systems. This study examines the apparent evolution in work values among [Show full abstract] young Chinese managers in Shanghai over a 2 1/2-year period that spans the June 1989 Tiananmen Square incident. South-South business relations in practice: Chinese merchants in Oshikango, Namibia. January 2005. Gregor Dobler. China is South Africa's biggest trading partner and 2018 marks the 20th anniversary of diplomatic relations between South Africa and China. Chinese foreign direct investment (FDI) into South Africa reached USD 15.2bn in 2017, or 19% of total FDI,<sup>2</sup> making the country the second-largest recipient of Chinese FDI in sub-Saharan Africa after Nigeria.<sup>3</sup> One of the most significant Chinese investments in South Africa was the Industrial & Commercial Bank of China (ICBC)'s acquisition of a 20% stake in. 11 Japanese transnational production networks and ethnic Chinese business networks in East Asia: linkages and regional integration KIT G.MACHADO. 1 10 25. 52. In this way, the practices of Chinese business groups can be understood as merging the need to accommodate still-prevalent personalistic social relations in Southeast Asia with the strictures and opportunities presented by the current phase of international capitalism. Contradictions of small-scale Chinese businesses and the myths of 'Confucian familism'. Two of our studies focus on small-scale Chinese businesses, a sphere which has been conspicuously under-represented in the literature. 'South-South business relations in practice: Chinese merchants in Oshikango, Namibia.' Draft. Institute of Development Studies, University of Sussex. ...>Google Scholar. Chinese commodity imports in Ghana and Senegal: demystifying Chinese business strength in urban West Africa.' Berlin: German Institute of Global and Area Studies Working Papers No. 180.Google Scholar. Mbachu, D. 2006. 'Nigerian resources: changing the playing field,' South African Journal of International Affairs 13, 1: 77-82.CrossRef Google Scholar. Merriam, S.B., Johnson-Bailey, J., Lee, M.Y., Kee, Y., Ntseane, G. & Muhamad, M.. 2001.