**Chinese entrepreneurial migrants in Ghana: socioeconomic impacts and Ghanaian trader attitudes**

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# ABSTRACT

This article explores the attitudes of Ghanaian traders towards the increasing Chinese influx into local Ghanaian trading spaces. The impacts of Chinese merchants on local Ghanaian traders and in the trading spaces where they conduct their selling activities are also explored. Despite the late entrance of Chinese migrants into local Ghanaian trading spaces relative to the Lebanese, Indian and Nigerian trading communities, the abrupt change in size of the Chinese trading community along with its huge capital and cheap goods have resulted in big impacts in local Ghanaian trading spaces. It is maintained that the relations between Ghanaian traders and Chinese counterparts may be roughly described as complementary, collaborative and competitive. While the Chinese traders impact on trading spaces is seen as good by some Ghanaian traders and landlords it wasn’t perceived as positive by others. Yet, it is argued that these relations are also very nuanced and rooted in the positionality of each Ghanaian trader amidst the Chinese entrepreneurial presence. This article contributes to the relatively less existing literature on the dynamics of South to South movements. It adds to the growing studies on contemporary Chinese emigrations around the globe and the accompanying impacts in host communities.

*Keywords:* Entrepreneurial Migration, Intergroup relations, Chinese merchants, Ghanaian Traders,West Africa

# INTRODUCTION

This article explores socioeconomic impacts of Chinese entrepreneurial migrations to Ghana. Africa has seen a significant increase in Chinese investments and migrations in the past few decades (Chen, Goldstein, Pinaud, & Reisen 2005; Kaplinsky & Morris 2006; Tsikata, Fenny, & Aryeetey 2008). Unlike large-scale direct investments by Chinese multinational corporations and the accompanying professional labor that move along with them, Africa has also seen an increasing wave of individual Chinese entrepreneurial migration at the turn of the 21st century (Haugen & Carling 2005; Liu 2010; Axelsson 2012). Chinese entrepreneurial migrants are largely independent of huge Chinese firms and come to Africa to pursue their own economic interests (Marfaing & Thiel 2011). The proliferating literature on global migrations has focused more on movements from poor regions to developed ones. Such literature pattern does little justification to movements within the South (Bakewell, de Haas, Castles, Vezzoli, & Jónsson 2009) and the ensuing implications. For the developing world, the impacts of China on regions and/or countries in Asia and Latin America have been a focus of attention with relatively little work on Africa. Some studies on Africa have focused on China’s soft power (Amoah 2016), as well as industrial competitiveness and macroeconomic performance with little attention to specific sub-sectors (Jenkins & Edwards 2005; Taylor 2006; [Kaplinsky & Morris 2006, 2008](#_ENREF_72); [Zafar 2007](#_ENREF_144); [Geda, Mosisa & Assefa 2013](#_ENREF_54); [Johnston, Morgan & Wang 2015](#_ENREF_70); [Giovannetti & Sanfilippo 2016](#_ENREF_58); [Adolph, Quince & Prakash 2017](#_ENREF_2)). Relatively few have explored Sino-African relations below the macro-level (Ho 2008; Mohan, Lampert, Tan-Mullins & Chang 2014); Mohan & Lampert 2013; Giese & Thiel 2015) and discussed the social impact on local African communities and markets (Liu 2010). Departing from a micro perspective, this article explores the everyday disposition of indigenous Ghanaian entrepreneurs towards the Chinese presence in local Ghanaian trading spaces. In addition, it explores the attendant impacts of such presence on indigenous Ghanaian traders and the wider socio-economic effects in local trading spaces. Its micro perspective is distinguished by its focus on Sino-African relations beneath the macroeconomic level that is prevalent in the literature. By focusing on relations between individual Ghanaian and Chinese traders in Ghanaian trading communities, it diverts from the numerous studies that have explored the macroeconomic effects of China’s rise on African economies and adds to the relatively less but growing group of studies that examine how Sino-African encounters transpire in the lived realities (Rigg 2007) of individuals in African communities.

Despite the late entrance of Chinese entrepreneurial migrants into trading hubs in Accra as well as their small numbers relative to the Nigerian, Indian and Lebanese communities, they constitute a highly visible section of the trading community in Ghana and continue to increasingly account for a large share of the trading community not only in terms of numbers but in volumes of trade and investments (GSS 2013; IOM 2017).[[1]](#footnote-1) By starting from below (Rigg 2007),[[2]](#footnote-2) this article sheds light on the dynamics of the bourgeoning Chinese presence in a local African trading community. We do this by exploring the following interrelated questions: What is the everyday disposition or attitudes of Ghanaian traders towards the Chinese presence in local trading areas?[[3]](#footnote-3) How does the increasing Chinese presence in local trading areas affect Ghanaian traders, consumers and local trading spaces? Are some indigenes benefiting from the Chinese presence whereas others suffer negative consequences?

This article is based on fieldwork conducted in 2016 in four suburbs within the catchment area popularly referred to as the Central Business District of Accra, the major trading area in the capital city of Ghana. It relies on the realistic group conflict theory to explain the attitudes of Ghanaian traders towards their Chinese counterparts. We however compare this main theory with the contact hypothesis in an attempt to provide complementary as well as contrasting explanation where relevant to make comprehensive sense out of the data. The article is structured into three main sections. The first section explores relevant previous research and sets out the theoretical tenets that will be used in explaining data gathered during fieldwork. The second section discuses contemporary Chinese investment flows to Ghana vis à vis the attitudes and (re)actions of Ghanaian traders towards their Chinese counterparts in local trading spaces in Accra. The last section explores the perceived impacts of Chinese trading activities on Ghanaian trading patterns and communities.

# PREVIOUS RESEARCH

There are at least three categories of studies that are directly or indirectly relevant for our article. In the first category are studies on Chinese economic presence in Africa which contribute to contextualizing our analysis (Mung 2008; Van Dijk 2009; Mohan and Tan-Mullins 2009; Park 2009; among others). Mohan and Tan-Mullins (2009) note that China stepped up its diplomatic and commercial relationship with Africa at the turn of the millennium. The heightening relations coupled with an increase in trade have facilitated a wave of Chinese economic migration to the continent by state-backed construction firms, and private traders who arguably are among the new shapers of African development. They add that while several large-scale Chinese companies operate economically in key sectors, for most Africans, the Chinese presence is manifest by Chinese trading activities in local spaces (Mohan & Tan-Mullins 2009). Dobler (2005) notes that a very common feature across African cities regardless of their diversity, is that they all host at least one Chinese shop since the past few decades. Researchers argue that Chinese shops are at the forefront of new South-South trade relations and are mostly petty entrepreneurs who are at the heart of marketing of cheap Chinese manufactures in Africa (Dobler 2005; Mohan and Tan-Mullins 2009). They trade in products ranging from basic consumables to complex electronic equipment and which are mostly imported from China. They purchase their products directly from Chinese producers which reduces the number of middle men and subsequently the cost of importing (Mung 2008; Park 2009).

The second category include studies and debates that focus on Chinese investments and presence in Ghana (Tsikata et al. 2008; Akyeampong 2011; Amanor 2013). China and Ghana, Tsikata et al. (2008) noted, have entered into several agreements spanning diplomatic and economic cooperation among others. Akyeampong (2011) documents several Chinese constructed projects in Ghana between 2000 and 2008. Per Ghana Investment Promotion Center[[4]](#footnote-4) (GIPC) (2006) statistics, China was the second main source of foreign investment in Ghana after India in 2004. Between 1994 and 2006, the GIPC registered 249 Chinese projects with 19 percent of them in General Trade and 34 percent in Manufacturing. Tsikata et al. (2008), note that the Agricultural and Manufacturing sectors of Ghana received the largest share of Chinese investments followed by General Trade in 2001. Despite a general dip in Chinese investments in 2002, General Trade recorded an increase, making it the second largest after Manufacturing. Again, though the general decrease continued through to 2003, General Trade continued to increase to 15.78 percent relative to 10.25 in 2002. Thus, by 2003, General trade (84%) had overtaken Manufacturing as the largest recipient of Chinese investments. It continued to be the highest host of Chinese investments through to 2006. The primary activity undertaken in this sector is the trading of general goods (Tsikata et al. 2008: 6-9). Tables 1 and 2 show investments from Chines companies to Ghana in the period 2001 to 2006.

**Table 1. Investments from Chinese companies to Ghana ($000)**

|  |  |  |  |
| --- | --- | --- | --- |
| Year | General trade | Manufacturing | Total\* |
| 2001 | 629 | 1,756 | 6,930 |
| 2002 | 754 | 1,971 | 3,130 |
| 2003 | 1,829 | 173 | 2,170 |
| 2004 | 2,304 | 586 | 3,090 |
| 2005 | 10,131 | 7,503 | 17,870 |
| 2006 | 9,267 | 2,256 | 15,201 |

\* These figures are inclusive of Chinese investment into Service, Tourism, Building & Construction, Export Trade, and Agriculture. Source: GIPC in (Tsikata et al., 2008, pp. 6-10).

**Table 2 Chinese share as a percentage of total foreign investments in Ghana (%)**

|  |  |  |  |
| --- | --- | --- | --- |
| Year | General trade | Manufacturing | Total\* |
| 2001 | 3.75 | 18.34 | 7.12 |
| 2002 | 10.25 | 12.14 | 4.8 |
| 2003 | 15.78 | 0.79 | 1.84 |
| 2004 | 13.13 | 2.08 | 1.66 |
| 2005 | 30.23 | 20.12 | 8.85 |
| 2006 | 25.78 | 0.10 | 0.64 |

\* These figures are inclusive of Chinese investment into Service, Tourism, Building & Construction, Export Trade, and Agriculture. Source: GIPC in (Tsikata et al., 2008, pp. 6-10).

The above tables portray that Chinese companies have invested largely in manufacturing and general trade in Ghana between 2000 and 2006. While the share of Chinese investments into manufacturing decreased over the years, it increased in general trade. Tsikata et al. (2008) argued that while it will be difficult to pinpoint precisely the impact of this investment trend on the Ghanaian economy, some benefits and disadvantages are likely. They argued that investment in manufacturing can create jobs and facilitate technological transfer. Conversely, it could displace potential and existing domestic manufacturers. Indirectly, this could lead to disinvestment and relocation of foreign investors who are unable to compete with the Chinese in Ghana, and can scare away potential foreign investors. The increasing investment in general trade, they argued, apart from displacing local traders, could mean less spin-off to the Ghanaian economy as Chinese profits could be whisked abroad (Tsikata et al. 2008).

While the studies above are relevant for our analysis indirectly, the third category of studies is of direct relevance for this article as they discuss relationships between Chinese and Ghanaian traders (Liu 2010; Ajavon 2014). The overarching relationships between Chinese and African traders in trade flows between China and Africa have been discussed largely along complementary, collaborative and competitive lines (Haugen 2011; Obeng 2014). Ajavon (2014) similarly applies the analogy of these relationships to Chinese and Ghanaians trading in local Ghanaian communities. Complementary relationship, she notes, arises where experienced Ghanaian transnational traders are constrained by internal and external factors into partnering their Chinese peers in the local trading spaces. External factors include the stress of importing from China in person while internal factors include difficulties in obtaining a Chinese visa and the competition from Chinese traders. Collaborative relationship constitutes petty traders who do not have the capacity to import from China and therefore buy from Chinese merchants to resell. Shop owners who rent out properties to the Chinese, Ghanaian labor employed by the Chinese and consumers of cheap Chinese goods also fall into this relationship. Competitive relationship connotes members of the Ghana Union of Traders and Association (GUTA)[[5]](#footnote-5) who are skeptical of the Chinese presence and demand their utmost withdrawal from the markets (Ajavon, 2014). Conversely, Liu (2010) in her tri-relational contact model describes the relationships emerging from Chinese presence and goods in Ghanaian trading spaces along the lines of place, goods and people (interpersonal and intergroup).

Several of these studies also discuss concerns about the growing Chinese presence in Ghana (Liu 2010; Axelsson 2012). Liu (2010) suggests that Chinese traders retailing in central Accra appear threatening because of the low-quality items they sell and the fact they do business in a geographical space marked by economic and historical importance in Ghana. Axelsson (2012) adds that instead of characterizing the concerns raised by Africans about the growing Chinese presence as anti-Chinese, taking a closer look at them, might reveal that the complexities of these responses are better couched as contextually mediated constructions and strategies embedded in the places in which they emerge. They also highlight the importance of contextualizing Ghanaian reactions towards Chinese trading activities in the spaces and places where they emerge. Hinged on the above, we explore in which ways the responses towards the Chinese presence in Ghana could be wholly and partially divergent depending on the settings and positions of Ghanaian traders.

# THEORETICAL FRAMEWORK

We believe that the above-mentioned antagonisms may be associated with sociological perspectives on conflicts. The realistic group conflict theory and contact hypothesis provide us useful theoretical lenses for analyzing our empirical data (Coser 1957; Levin & Campbell 1972; Allport 1954). The realistic group conflict theory, according to Levin and Campbell (1972), posits that prejudice and discrimination are frequently underpinned by conflict of interest between groups. Campbell (1965) in Esses et al. (1998) noted that, when group objectives are incompatible, conflict and negative intergroup behaviors are likely to exist. On the contrary, where group goals are compatible, they generate positive intergroup relations. Fundamentally, the theory does not hold that actual competition over resources exist for prejudice to occur between groups. Instead, it is the perception of a competition that results in intergroup conflict (Esses et al. 1998; Rosenstein 2008). Esses et al. (1998) adds that outgroups that are salient and distinctive from one’s own group are more likely to be marked out as potential competitors (Esses et al. 1998; Zarate et al. 2004).

Conversely, the contact hypothesis holds that interaction between groups reduces prejudice between them when optimal conditions are present (Allport 1954; Dixon, Durrheim, & Tredoux 2005; Schiappa, Gregg, & Hewes 2005). These conditions include regular contact, balanced ratio of in-group to out-group members, contact that is free from competition, and contact that involves genuine friendship formation amidst several others (Dixon et al. 2005). Also, Schiappa et al.'s (2005) notes that parasocial contact (human processing of mass-mediated communication), boosts positive parasocial responses and changes in beliefs about attributes of minority groups (Schiappa et al. 2005).

Inspired by these perspectives, we explore whether the attitudes of Ghanaian traders are based on the compatibility and/or incompatibility of their interests with that of Chinese traders. Though the competition that is expected to generate resentment from Ghanaian traders towards the Chinese could be happening based on GIPC data on Chinese investment flows into the Ghanaian trading sector, what is relevant is whether there is the perception of competition from the Chinese or not. We also use the contact theory to explore the disposition of Ghanaian traders who may not have negative perceptions about the Chinese. We determine if development projects constructed by the Chinese in Ghana influence the perceptions of Ghanaian traders in line with the parasocial contact hypothesis. A major critique of these group contact and conflict theories is that several studies on intergroup relations have most often than not equated ingroup favoritism to be in a reciprocal relationship with outgroup negativity (Brewer, 1999). However, as Allport (1954) acknowledged, affiliation to an ingroup does not necessarily lead to hostility towards outgroups. We have addressed the common misinterpretation and critique of these theories by combining the realistic group conflict theory with the contact hypothesis in our analysis. By combining these theories we are able to use one to cater for the shortfall of the other and also fulfill the tenets of theoretical adequacy (Crang & Cook, 2007). Further, we demonstrate what conditions underpin intergroup conflict or harmony that transcend the mere divergence or compatibility of group interests using our empirical data, and highlight the underlying and intersecting class and race relations. Moreover, and despite the distinction between the two theories, their predictions are not incompatible and do complement each other in explaining intergroup relations.

# METHODOLOGY

This article forms part of a larger study conducted in July to August 2016. We combined various qualitative methods and data sources with interviews in exploring our research questions. These included secondary data from the GIPC, participant observation, and exploration of debates in newspapers and other mass media. Combining several forms of purposive sampling we gathered primary and secondary data from Ghanaian traders selling in same areas as the Chinese (primary informants); government authorities – GIPC and the Ministry of Trade on trade and investments in Ghana; as well as representatives of Ghanaian traders – GUTA; and a Sino-African expert who doubles as the Director of the Centre for Asian Studies and a lecturer at the Department of Political Science, all of the University of Ghana (key informants - 5 males and a female) via interviews and textual methods. In total, we interviewed eighteen informants. Our sampling techniques were also informed by gatekeepers who have lived and worked within these communities for decades. Some of these gatekeepers had experience with both Ghanaian shop owners and other immigrant merchants. Further, interviews in initial stages as well as feedback from initial participants informed subsequent choices of research participants via the snowballing technique.

Our primary informants comprised twelve male (4) and female (8) traders between the ages of 28 and 65 who hailed from different parts of Ghana but were living in the capital city. Most of them averaged between the ages of 35 and 45 with a few older than 45 and likewise few younger than 35. They sold items ranging from footwear to clothing, sewing materials, cleaning materials and electricals in four neighboring trading areas popularly known as Zongo Lane, Rawlings Park/China House, Okaishie and Kantamanto. Of these, four sold footwear and bags, three traded in electricals, and one each sold clothing and footwear, underwear and clothing, cleaning equipment, jewelry, and sowing materials respectively. Five of them conducted their trading activities in the Zongo Lane area, three were based at Rawlings Park, and two each at Kantamanto and Okaishie respectively. We sampled our primary informants from different trading sectors as regards the wares that they sold so as to avoid bias in gauging the attitudes/perceptions of Ghanaian traders towards the Chinese merchants. In addition to avoiding bias, the diversity of our primary informants across how long they have traded in these communities (some have been trading in these areas for as thirty years and others as recent as two to three years), their modes of sales (some were wholesalers only, some retailers only, and others combined both) the kinds of goods they sold and the very four different locations themselves endowed the study with rich variety in exploring in-depth attitudes towards Chinese entrepreneurial migrants.

Further, the communities above and correspondinly the traders selling in these localities were intentionally sampled as field sites and primary informants because throughout Ghana and especially in the capital city, these communities host the highest concentration of Chinese merchants in any particular geographical location. Thus, throughout the country, these four locations had the highest visibility of Chinese trading activities and more so in the Zongo Lane and China House areas. Further, these four communities also had the highest concentration of other immigrant groups trading in the country. These field sites therefore endowed the study with data from participants who at least possessed a better comparative sense in indigenous attitudes towards Chinese merchants as well as the socio-economic impacts from the Chinese influx, given that they all traded in the same communities as Chinese and other immigrant traders.

Our interviews were fully anonymized and the huge population in these trading spaces makes it impossible to identify these informants. During interview sessions which ranged between 20 minutes and one and a half hours, they were encouraged to narrate their perceptions and attitudes towards their Chinese counterparts. They also described the changes that have occurred in their trading activities over the years prior to the Chinese influx and the aftermath thereof. They were urged to comment on how they have been impacted by the Chinese influx. For our six key informants, we deployed unstructured interview methods given the nature of institutions they worked for and their diverse portfolios. This allowed them to give ‘new’ insights into Sino-Ghanaian relations in local trading areas.

Initial data analysis, influenced our latter choices of research participants and forms of gathering data. It was evident after the first series of interviews that moving beyond semi-structured to unstructured interviews will give our primary informants the opportunity to assert what they find relevant in their relationship with the Chinese. As the relevant codes such as the distinction between ‘individual’ and ‘group’ conflicts, the seeming lack of assertiveness from the local government, and a proper definition of ‘market’ emerged, the latter stages of analysis focused on exploring the interconnection between individual attitudes and group rhetoric vis a vis the concerns of local authorities in a complex web of Sino-Ghana relations. In addition to interviews, we acquired statistics on registered Chinese investment flows into Ghana from 2000 to 2015 from the GIPC to comprehend the contemporary trend of Chinese investment flows into the Ghanaian economy.

Further, our observations conducted before, during, and after interview sessions as well as over the course of the fieldwork period were recorded in the form of notes. These comprised scouting the trading communities to observe the nationalities of shop owners within the trading areas, inquiring of the prices of goods in shops owned by Ghanaian traders as well as that owned by immigrant entrepreneurs, and observing the generic scene as trading activities were ongoing in the communities. Some of these observations were done routinely during the fieldwork period and others were conducted simultaneously during interview sessions with the primary informants. These observations assisted in raising supplementary queries about unexpected events by inputting the observed experiences into latter interviews, this time using an unstructured approach to allow participants more room to tell their experiences. Thus, for our purposes, the utility of the observation method in this study was not mutually exclusive as Kearns (2000, p. 243) emphasized.

We triangulated Ghanaian traders’ and some key informants’ interview data with participant observation in the trading communities. In addition to triangulating these observations with primary data gathered from our informants, we compared the observations with not only the first author’s rich historical knowledge and experience of the communities in question, having grown within these trading communities himself but also with gatekeepers’ knowledge of the trading communities. Some of the gatekeepers had worked with both Ghanaian and Chinese entrepreneurs historically, and have worked within these trading communities over decades. The combined prowess of interviews, observations, gatekeepers’ insights as well as the author’s first hand knowledge enabled us to gauge traders’ perception with the socioeconomic impacts of the Chinese influx into the trading communities. Additionally, we exercised reflexivity throughout the course of fieldwork, enabling us to inculcate ambiguous issues from previous interviews into new interviews with latter participants for clarification and to generate new knowledge.

To add to the aforementioned measures in enhancing the theoretical and analytical rigour of our findings, the first author’s insider perspective to the study given his upbringings in the community was complemented by the outsider perspective of the second author who is a well-established scholar within the field of migration and ethnicity. Both insider and outsider perspective have advantages and disadvantages (Kusow 2003; Carling, Erdal & Ezzati 2014). Combining the two researchers’ different position to the field and triangulating our interpretations of the data we were able to achieve advantages of insider perspective and outsider perspective by using the strengths of each perspectives to offset the weaknesses of the other. Insider perspective drawback of being too familiar with the culture to raise provocative questions or being inherently biased were offset by outsider perspective strength of curiosity with the unfamiliar and being seen as non-affiliated with groups and thus enhancing more information gathering. This balancing of strengths and weaknesses complemented the rich insight of the insider perspective through easy access, ability to raise more meaningful questions, interpret non-verbal signals and the ability to assert a more authentic understanding of the study (Merriam, Johnson-Bailey, Lee, Kee, Ntseane, & Muhamad 2001).

# CHINESE FDI TO GHANA AND RELATIONS BETWEEN CHINESE MERCHANTS AND LOCAL TRADERS

Our analysis of available statistics provides us with valuable insights on how foreign direct investments (FDI) at the macro-level is intertwined with attitudes between host community members and nationals of FDI source countries at the micro-community level. We infer from GIPC data that Chinese investments in Ghana have undergone significant transformation recently. We divide the first one and half decade since the year 2000 (2000 to 2015) into two periods, and compare the nature of contemporary (2008 to 2015) flows to the past half (2000 to 2007). Table 3 shows Chinese registered projects from 2000 to 2007 across various Ghanaian economic sectors while Table 4 depicts similar data for 2008 to 2015.

**Table 3 GIPC Chinese Registered Projects across Sectors from 2000 to 2007**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Year** | **Sector Breakdown\*** | | | | | | | | |  | |
|  | **General Trade**  **$000** | **Manufacturing**  **$000** | **Building & Construction**  **$000** | **Services**  **$000** | **Agric.**  **$000** | **Tourism**  **$000** | **Export Trade**  **$000** | **Liaison**  **$000** | **Total\***  **$000** | |
| **2000** | 1,118 | 2,667 | ̶ | 567 | ̶ | 119 | ̶ | ̶ | **4,471** | |
| **2001** | 629 | 1211 | ̶ | ̶ | 4,150 | 127 | 90 | ̶ | **6,207** | |
| **2002** | 754 | 1,427 | ̶ | 178 | 51 | 52 | ̶ | ̶ | **2,462** | |
| **2003** | 1,003 | 134 | 200 | 74 | ̶ | 82 | ̶ | ̶ | **1,493** | |
| **2004** | 2,287 | 286 | ̶ | 127 | ̶ | 53 | 20 | ̶ | **2,773** | |
| **2005** | 9,631 | 6,557 | ̶ | 101 | ̶ | 95 | 19 | ̶ | **16,403** | |
| **2006** | 7,128 | 1,642 | 1,274 | 1,050 | ̶ | 556 | 503 | ̶ | **12,153** | |
| **2007** | 12,858 | 137,045 | 1,500 | 426 | 240 | 638 | ̶ | ̶ | **152,707** | |
| **Total\*** | **35,408** | **150,969** | **2,974** | **2,523** | **4,441** | **1,722** | **632** | **̶** | **198,669** | |

\* All figures represent direct investment flows (FDI). Source: Ghana Investment Promotion Center

**Table 4 GIPC Chinese Registered Projects across Sectors from 2008 to 2015**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Year** | **Sector Breakdown\*** | | | | | | | |  |
|  | **General Trade**  **$000** | **Manufacturing**  **$000** | **Building & Construction**  **$000** | **Services**  **$000** | **Agric.**  **$000** | **Tourism**  **$000** | **Export Trade**  **$000** | **Liaison**  **$000** | **Total\***  **$000** |
| **2008** | 7,296 | 2,114 | 43 | 1,745 | ̶ | 394 | ̶ | ̶ | **11,592** |
| **2009** | 6,771 | 8,595 | 1,667 | 3,248 | ̶ | 2,199 | ̶ | 50 | **22,530** |
| **2010** | 10,506 | 7,788 | 64,410 | 10,254 | 895 | 132 | 1,290 | ̶ | **95,275** |
| **2011** | 13,076 | 69,303 | 19,475 | 12,347 | 172 | 1,254 | 1,110 | 9,176 | **125,913** |
| **2012** | 16,969 | 3,147 | 2,206 | 6,768 | ̶ | 845 | 910 | ̶ | **30,845** |
| **2013** | 21,296 | 11,294 | 118,451 | 5,678 | ̶ | 1,865 | 5,343 | 900 | **164,827** |
| **2014** | 1,038 | 1,111,357 | ̶ | 499,647 | ̶ | 1,848 | ̶ | ̶ | **1,613,890** |
| **2015** | 11,390 | 67,122 | 94,687 | 3,609 | ̶ | ̶ | 57 | 265 | **177,130** |
| **Total\*** | **88,342** | **1,280,720** | **300,939** | **543,296** | **1,067** | **8,537** | **8,710** | **10,391** | **2,242,002** |

\* All figures represent direct investment flows (FDI). Source: Ghana Investment Promotion Center

From Tables 3 and 4, Chinese investment flows to Ghana have increased recently since the mid-late 2000’s (2008 to 2015) relative to the early 2000’s (2000 to 2007). The total value of Chinese registered projects with the GIPC was $4,471,000 in 2001. A decade and a half on (2015), it stood at $177,130,000 representing more than a forty-fold increase. Also, total Chinese investments increased from $198,669,000 in the first half period to $2,242,002,000 at the end of the second half representing over a 1000%. Except for Agriculture which saw a dip at the end of the second half period relative to the end of the first half, all other sectors saw an increase. Also, Services, and Building and Construction had surpassed General Trade in sum as the second and third largest recipient in the second period respectively. The Liaison sector also did not only emerge as a significant destination for Chinese investments from 2008 to 2015 relative to the first half period, but also surpassed Agriculture, Export Trade and Tourism by the end of the second half period. Our exploration of micro Sino-Ghana relations is embedded within the wider ambit of a huge increase in Chinese investments in Ghana over the past decade.

General Trade, as Tsikata et al. (2008) noted, had overtaken Manufacturing as the largest recipient of Chinese investments since 2003 and continued to do so up to 2006, the last year considered by Tsikata et al. (2008). Our recent analysis indicates that by the end of 2015, Manufacturing had regained its position as the largest recipient. However, General Trade received a steady flow with not so sharp increases and decreases since 2007 up to 2015 except for 2014 in which it saw a huge dip and unlike Manufacturing which was erratic. The mean average of Chinese registered projects from 2007 to 2015 in General Trade was $11,244,000 between a lowest value of $1,038,000 and a highest of $21,296,000. For the same period, the mean average in Manufacturing was $157,529,000 between as low as $2,114,000 and as high as $1,111,357,000. Emphatically, flows to General Trade were on a more or less ‘steady’ level from 2007 to 2015 though Manufacturing had overtaken it as the largest host of Chinese investments. It is in light of the more ‘steady and regular’ flows of Chinese investments to the General Trade sector since the mid-2000’s that the attitudes and perceptions of Ghanaian traders towards Chinese entrepreneurial migrants are explored.

In addition to the steady inflows of Chinese investments into the General Trade sector, we observed within the trading communities and especially in the Zongo Lane and China House/Rawlings Parks areas, a rapid surge in the number of Chinese traders over the years. While the traders dominating one road stretch of Zongo Lane for instance were Ghanaian shop owners a decade ago, during fieldwork we observed that the Chinese now dominated that road stretch for instance with only a few Ghanaian shops. This steady increase in Chinese investments based on GIPC data is therefore coupled with a corresponding increase in physical Chinese presence in the trading communities. Our observation of the increase in the Chinese presence in the trading communities were further confirmed by our gatekeepers, our primary informants and some key informants including an official who used to be part of a government task force that monitored and sanctioned trading activities in the field sites.

Our general impression is that trading patterns in the local spaces complicate ‘strict’ categorization of relationships between Ghanaian and Chinese traders. It was noted that the Chinese sell their goods at the same price to large capital holders (transnational traders) and small capital holders (those grouped by Ajavon as being in a collaborative relationship with the Chinese). The petty traders instead of buying from big capital holders to resell, now have equal access to goods from Chinese merchants. This creates competitive relationships for the big capital ‘complementary’ trader on two levels. First, they now compete with the Chinese for similar caliber of customers (petty traders). This is highlighted in the words of a trader who fits Ajavon’s complementary frame:

I will go to Chinese and buy ten to twenty boxes of goods, and then they (Chinese) give me the same price as petty traders (mostly women), maybe ten of them who will gather money and go and buy one box. Instead of the women buying from me, the Chinese sell that one box to those ten people at the same price they sold to me. [Footwear trader, male adult, Zongo Lane Street, close to UTC)

Second, petty traders now have access to goods at the same price as big capital traders and therefore they both compete for final consumers. As one adult male footwear trader in the Zongo Lane suburb decried: ‘the competition has doubled, because now I am competing with the Chinese, I am competing with the women ... Instead of the women buying from me, they buy from the Chinese directly. I buy more boxes from them (Chinese), they (women) go and buy one box at the same amount …’ These perspectives fit Ajavon’s typology, yet the designation of ‘competitive’ and ‘complementary’ relationships do not express all the nuances in Sino-Ghana trade relations in local Ghanaian spaces especially when examined in isolation. Ajavon’s ‘competitive’ relationship connotes a loose term for traders who detest the Chinese presence regardless of whether any form of commercial relationship exists between them and the Chinese. A relationship that comes close to a truly ‘competitive’ one should be Ghanaian traders who import goods that are also imported by the Chinese, and do not buy from the Chinese to resell. We note such relationship in the words of a wholesaler with three decades’ experience:

We are importers, so … we don't buy from them (Chinese) … we import from … Thailand, Turkey, and China … We (Ghanaians and Chinese traders) are all wholesalers … but they (Chinese) have huge capital, so … their goods … a little bit cheaper than ours … they are our competitors but they have some advantage over us. [Bags and footwear trader, female adult, Zongo Lane]

Thus, though ‘strict’ categorizations offer simplicity in describing aspects of Ghana-China micro level interactions, they do not highlight the complexity involved in the interactions and relations between Ghanaian and Chinese traders. It is only by partially selecting elements from the categories that the nuances of Sino-Ghana trader relations become evident. The quotes above indicate that a Ghanaian trader could be in a complementary relation with Chinese traders but still suffer ‘new’ competition from others classified as collaborators due to Chinese caliber of trading in the local spaces.

The relations/nuances not expressed by ‘strict’ categories are further highlighted by traders ‘collaborating’ with the Chinese who bemoan Chinese selling of goods to final consumers and therefore also face ‘competition’ from the Chinese. In the words of a ‘collaborative’ Ghanaian shoe retailer (adult male) in the Zongo lane area: ‘Even we buy some of the items from them (Chinese) on credit before we are able to sell and also make some income … What is worrying is that, the Chinese are supposed to be wholesalers and we are retailers, but if you dig deeper you will find out that they also retail just like us’. The above retailer who is ‘collaborator’ to Chinese merchants is also suffering competition from the Chinese way of trading. This indicates that some Ghanaian traders can simultaneously be in more than one category of Sino-Ghanaian relations.

We triangulated the above examples and others which highlight the complexity of relations with our observations in the trading spaces and further with interviews of some hawkers in the trading spaces. We observed that some Ghanaian hawkers, for instance, buy footwear in smaller quantities from Chinese merchants in the Zongo Lane area, and end up sitting in front of shops or other spaces within the same trading community to sell in pairs to persons passing by. This was confirmed in the words of a young Ghanaian female footwear hawker in the UTC area: ‘The Chinese presence benefits us as we are able to contribute and buy some footwear from the Chinese and sell right here’ Thus, within the same trading space, Chinese merchants sell in big quantities to Ghanaian traders with shops and to Ghanaian hawkers parading wares within the field site. The Ghanaian shop owner who ideally will have been in a ‘collaborative’ relationship with the Chinese merchants thus also faces competition from Ghanaian hawkers as they all have access to the source of goods, thus Chinese merchants in the trading spaces.

The relationships between Ghanaians and Chinese nationals trading in local spaces is therefore a complex web which partly informs the perception and attitudes Ghanaian traders have towards Chinese entrepreneurial migrants. As will be demonstrated in the next pages, how some Ghanaian traders uniquely relate to Chinese merchants and which sometimes cut across the categories culminates in varying perceptions about Chinese merchants and their trading activities.

### Personal fears and/or threats towards indigenous Ghanaian trading livelihoods

As already noted, increased presence of Chinese traders raised concerns among local traders (Liu (2010; Axelsson 2012). Burns and Gimpel (2000) note that individual economic fears have a direct influence on attitudes regardless of indirect impacts they may have through others’ racial prejudices. We identified negative perceptions about Chinese traders informed by the personal fear or feelings of threat by individual Ghanaian traders from Chinese trading activities. These personal fears were largely underpinned by the negative impacts Ghanaian traders believed the activities of their Chinese peers were having on them. One such negative perception is that the Chinese duplicate goods sold by Ghanaian traders and sell them cheaply in the same trading spaces. As a Ghanaian trader who has sold in varying trading spaces lamented:

We … import shoes. For instance, the shoe we bring is 50 cedis… But you will realize with time, the Chinese will go and duplicate the shoe and be selling it for 10 cedis … there are a lot of differences. But our customers think they are the same… When you bring a new product, just give them (Chinese) at most three months, they will duplicate it and bring it … at cheap prices. [Bags and footwear trader, young female, Zongo Lane]

Ghanaian wholesalers also held personal economic fears over Chinese sales in smaller quantities to petty traders which are partly influenced by their understanding of the GIPC Act.[[6]](#footnote-6) One such trader noted:

They (Chinese) don't have to compete with us in retailing... But if the Chinese will be selling to the (petty traders) in 1 or 2 dozen, then it means the ladies will not be coming to us and that is our problem … if they (Chinese) stick to wholesaling … we don't mind … But you will find out that … they are selling in smaller quantities. [Clothing and underwear trader, male adult, Okaishie]

The above fears reflect how these Ghanaian traders are negatively impacted by Chinese activities in the trading spaces. For these traders, sales has slowed down in the wake of the Chinese presence. In the words of a two-decade experienced Ghanaian selling footwear:

… In the past when the Chinese were not here in their numbers, we were selling a lot. Before you come to open the shop, people would have queued up… waiting for you... At first, you open the shop latest by 4 am... If you come and open in the morning these days, you are just worrying yourself ... Even by 10 am, nobody will come to your shop to buy... Sales has gone down a lot … [Bags and footwear trader, female adult, Zongo Lane]

Our observations during trading activities over the fieldwork period confirmed some of the personal fears and threats, some primary informants raised about the activities of Chinese trading activities. On the duplication of goods for instance, we took notice of products that looked similar but were sold cheaply by some traders who procured products from the Chinese and expensively by some Ghanaian traders. The latter group confirmed this observation by asking us to compare examples of products they had in their shops with those being sold by the hawkers. Our checks revealed great price and quality differences in theirs from those sold by hawkers and petty traders who sourced goods from the Chinese merchants in the trading community. We further triangulated this fear by conferring with some of the petty traders/hawkers. In the works a young female petty trader: ‘when we see a ‘new’ particular footwear that is selling a lot on the market, we take a sample of the product to the Chinese. In a few months’ time, the Chinese will bring a similar type of footwear but at reduced price and quality’. The fear emanating from Chinese sales in smaller quantities was also confirmed by some of the hawkers as indicated in the preceding section.

Intense competition amongst the Chinese themselves also propels further competitive reduction in prices making it difficult for Ghanaian traders to sell their wares. The dip in sales, has reduced profits for these traders and culminated in the collapse of some Ghanaian owned shops. It is arguable that the Chinese presence therefore poses actual competition in accord with the realistic group conflict theory as noted by Quillian (1995) though Quillian used objective economic indicators. A primary informant bemoaned Chinese trading activities as follows:

… At first, you will go abroad and import things and bring it here. The profit margin was ok. But now the Chinese, have brought the items here and they sell it cheaply… Even… when they bring goods and they realize that their fellow Chinese have brought similar goods, they reduce the price of theirs. Then those who brought theirs maybe a week ago will also reduce theirs, meaning when you have bought items from them to resell… you will be incurring continuous losses… I had four shops. Today… it’s left with two. [Footwear trader, male adult, Zongo Lane]

Haugen and Carling (2005) have similarly documented ‘price wars’ among the Chinese in Cape Verde albeit such fierce price competition culminated in a drop in the profits of Chinese traders themselves. Lyons and Brown (2010) also captured how Chinese trading activities are perceived to be collapsing indigenous shops across the CFA (African Financial Community) region due to Chinese competition.

These accounts are in harmony with Lancee and Pardos-Prado (2013) delineation of the realistic group conflict theory that socio-economically vulnerable members of the host community are more likely to perceive immigrants, herein Chinese merchants negatively due to a perceived competition over economic benefits. Informants’ vulnerability is highlighted in the sense that their trading activities have been negatively affected in the wake of the Chinese influx. Further, and in conformity with the realistic group conflict theory as noted by Esses et al. (1998), their close proximity to Chinese traders worsens rather than improves their perceptions due to the perceived competition.

### The brighter tale: Ghanaian traders in no commercial relationship with Chinese

Despite the negative perceptions largely held by Ghanaian traders who perceive the Chinese as competition, we also met others who had positive perceptions. Here, we have identified at least two categories of locals who actually meant that they gained from the Chinese presence. In the first category are those who got indirectly employed due to the Chinese presence. In the words of an experienced Ghanaian female adult selling sowing materials in the Chinahouse/Rawlings Park area: ‘… The Chinese presence doesn't spoil anything of mine … Their (Chinese) items are cheap… the women are able to buy some and resell so that they can also get something to buy food… They have provided a lot of jobs to Ghanaians, if the Chinese were not present, the hardship will be more’. These jobs are indirect in that, hawkers, mostly women are not employed directly by the Chinese merchants but take advantage of their cheap goods to earn some income. This evoke positive attitudes towards the Chinese which are amplified by the high unemployment levels in Ghana.

In the second category are Ghanaian traders who were content with Chinese trading activities because their presence in local trading spaces bustled activities. Comparing field sites across time, they noted that the Chinese influx has made trading spaces relatively busier. As a male adult dealer in electricals in the Zongo Lane suburb noted: ‘… Their presence makes this place busier than before… because people are always coming for their goods… you see people going up and down …it wasn't like this before, but now the Chinese presence has made here than most streets in Accra’. The Chinese presence does not pose a threat to this trader and instead, may be boosting the sale of his electricals.

According to previous research on migrations and interethnic contacts, the basis for conflicts and cooperation may be related to intersection of race, class, gender and religion (Ng 2005; Dankwah & Amoah 2018). It is clear that opposing economic interests and the fact that Chinese were visible (skin color differences) non-African migrants contributed to perceptions of them as intruders. However, some of these perceptions were blurred or reduced in the cases where Ghanaian traders had compatible interests. They might be directly or indirectly related to the field of trade. Indeed, our steady observations during fieldwork confirmed the busyness of the trading spaces compared to a decade ago. As we noted, the ‘new’ thing that was obvious in the now bustling trading spaces was the increasing presence of Chinese shops, occupying spaces that hitherto were occupied by Ghanaian shops. This observation was confirmed by a young male electricals trader in the Zongo Lane area who noted that his father, a landlord, has rented out most of his trading spaces to the Chinese because the Chinese are able to offer higher rent prices. He added that even the shop on the right of theirs used to part of their electricals shop, but his father handed that over to the Chinese and reserved only one of the shopping spaces for their electricals business.

The replacement of Ghanaian shop owners by Chinese merchants was similarly observed in trading spaces like Arena, all within the Central Business District of Accra. A decade ago, all the shops close to the Arena station were owned and run by Ghanaians. During fieldwork, we observed and confirmed that several shops near the bus station are now owned by the Chinese. Thus, in the now relatively busier spaces of the trading communities, one obvious change over the years was the increase in Chinese run shops, some of whom supplanted Ghanaians who used to rent these trading spaces. The alluding of the busier spaces to the Chinese presence is further augmented by our observation of the busy nature in the buying and offloading of goods from container trucks by the Chinese run shops. A gatekeeper with over two decades’ livelihood in Zongo Lane, similarly alluded the busier spaces to the Chinese presence.

While cheap Chinese goods constituted a threat for some Ghanaian traders, it generated positive perception in consumers and traders selling goods not known to be sold by the Chinese. Thus, the unique position of some Ghanaian traders, namely, those not involved in any kind of trading relationship with the Chinese has a determining effect on the kind of perceptions they have about Chinese merchants. Regardless of their level of capital, they see the Chinese in a positive light. For them, cheap Chinese goods afford Ghanaian consumers increased purchasing power. A trader who sells electricals expressed her delight in the following:

They (Chinese) are selling their items, I am also selling mine. I have seen that… their shoes are cheap… if you have something (money) small and you are able to buy some, I feel that is good in itself… at first, shoes were very expensive, but now if you are not rich, you have what you can buy per your standard… … When they come here. I receive them very well. At times, I even call them my brothers… and I laugh with them because he's coming to buy something from me … [Electricals trader, female adult, Rawlings Park]

In addition to the absence of a competitive threat from the Chinese, the above trader has personal friendly relations with the Chinese in the local trading spaces. Drawing on Dixon et al (2005) optimal contact strategy, we may argue that conditions necessary for positive attitudes towards outgroups, namely, contact that is free from competition, regular and frequent contact, and contact that involves genuine friendship formation culminate in the positive perception she has about the Chinese. Consistent also with Esses et al. instrumental model of group conflict, we add that the absence of a perception of competition from the Chinese entrepreneurial migrants, along with her proximity to them in the local trading areas seems to facilitate positive perceptions rather than negative attitudes.

### Chinese daunting prowess: the macro-group (‘we’/GUTA) perception

Although we found local traders that hold positive attitudes toward Chinese traders, the general impression is that negative attitudes against the Chinese dominate the local debates, including the sentiments of the Ghana Union of Traders and Association (GUTA). In this section, we focus primarily on the perspectives of GUTA traders and officials. These traders decried Chinese trading activities as minimizing the resources available for them. Here, they do not only personify their sentiments about the Chinese, but also bemoan how their activities are detrimental to the group interest of Ghanaian traders. First, Chinese entrepreneurial migrants are perceived to repatriate profits made from selling in local spaces. An experienced male footwear dealer in the Zongo Lane community who trades with the Chinese and should be happy per ‘collaborative’ relationship bemoaned profit repatriation in the following words: ‘… The Chinese are hindering the progress of the country... After selling their goods, they immediately transfer the money to their country… how will… the government benefit from their activities? … Instead of trading… they should do mass production’. Rooted in his positionality and complicated relationship with the Chinese, this trader rather expresses negative sentiments. This is because despite the ‘collaboration’, Chinese sales in smaller quantities creates a competitive relationship between him and the Chinese for petty traders. The profit repatriation he decries mirrors the interest of his group at the macro and national level, herein GUTA and Ghana. As a GUTA official lamented:

When they (Chinese) sell, and are repatriating not just their profits but the whole money back, you find out that there is pressure… if the two of you go to the exchange market… at a point, you the 35% (interest rate in Ghana) will have a cut- off point in which you cannot go further but with the 5% (Chinese interest rate) he can… And… if the supply cannot meet the demand that is where you find the cedi depreciating at that faster rate…

In addition to profit repatriation, the Chinese are perceived to sell not just cheap but inferior goods. Sub-standard Chinese goods are prevalent across several African countries. Corkin, Burke, and Davies (2008) for example talk about the smaller markets of Sierra Leone whereas Mbachu (2006) cites Nigeria, where authorities have gone to the extent of shutting down malls. Mass media is also ripe with cheap Chinese inferior goods on the continent. Osahon (2013) for instance, published this on a reputable Ghanaian news website: ‘Their (Chinese) stabilizers, radios, electric bulbs, food blenders, fans, pressing irons, explode, two cases out of three, the first time they are switched on for use. The one that passes first-time use test, lasts for only a couple of weeks’.[[7]](#footnote-7)

Ghanaian traders also perceive their Chinese counterparts to have enormous advantages over them. First, positive macroeconomic indicators of the Chinese economy are perceived to afford Chinese entrepreneurial migrants advantages over Ghanaian traders. This is exacerbated by less favorable macro-economic indicators in Ghana. As a GUTA official bewailed:

If you are running a hundred-meter hurdle… the Chinese… has already overtaken you… Because of the macroeconomic indicators (in China) there, interest rate, exchange rate… Ghana seems to be very high than theirs… so they can cut down the prices and people will start trooping, buying items that are not of good quality.

Indeed, it is obvious the generic advantages of the Chinese economy over the Ghanaian one affords Chinese merchants a competitive edge over Ghanaian merchants. The low interest rates in China which affords Chinese merchants advantages is further augmented by the direct links Chinese traders in Africa have to production facilities in China which is clearly entrenched in the literature (Cissé 2013; Gu, Zhang, Vaz, & Mukwereza 2016). The external support afforded Chinese entrepreneurial migrants herein cheap loans (low interest rates) and their specialty in selling shoes increases the Ghanaian traders’ perception of competition. This is because Chinese merchants are similar to Ghanaian shoe traders on relevant dimensions (selling shoes) and this evokes competitive feelings. In addition to cheap loans, Chinese merchants are, according to the local traders endowed with huge capital which help them to outcompete the local traders. In the words of a Ghanaian male adult footwear trader within the Zongo Lane vicinity: ‘It’s worrying… because of their… huge capital… if you go to China right now and you are buying… goods, the more you buy the lesser the price, so if the Chinese can bring 30 containers, and you sell the same goods. You know… theirs will be at cheaper cost’. The huge capital advantage for Chinese merchants is buttressed by the fact that even for immigrants to engage in a trading enterprise in Ghana, they ought to meet a minimum capital requirement of 1,000,000 USD as required by the GIPC Act. It is therefore resounding that Chinese merchants trading in Ghanaians spaces have bigger financial muscle and therefore their physical presence in Ghanaian trading spaces evoking perceptions of threat among Ghanaian traders.

A GUTA official also blamed Ghanaian authorities for their lackadaisical attitude in ensuring that Chinese entrepreneurs are not present in markets which per the GIPC Act are reserved for Ghanaians. ‘I don't know whether they (Ghana government) are taking moneys from China and for that matter they don't want to catch them... But after all, if you are taking loans, they will be paid back by us, the taxpayers... government should not relinquish its responsibilities…’. Here, news about Chinese government extension of loans to Ghana undermined rather than improved the perception about the Chinese due to the competition perceived to be emanating from Chinese merchants in the trading spaces. Thus, we may argue that were there is perceived competition, positive parasocial contact does not improve intergroup relations.

In sum of the second section, whereas strong anti-Chinese sentiments have been documented in some African states as in Negi's (2008) Zambia, this study argues that sentiments towards Chinese in Ghana are rooted in one’s peculiar position marked by the nature of Chinese activities in specific geographical spaces as well as news about Chinese activities on media platforms. Perceptions are mixed and highlighted in the fact that our informants spewed positive and negative Chinese sentiments concurrently. This is captured amply in the following words of a Ghanaian trader:

It depends on the kind of business or what the person sells. For instance, some of them who sell Chinese shoes, when they need one extension, they will definitely come to me. But for me as an electricals seller, when the Chinese come and they want to sell electricals, we don't want them to also do the retailing. [Electricals trader, female adult, Rawlings Park]

Figure 1 provides a tabular summarized representation of the Ghanaian perceptions about Chinese entrepreneurial migrants discussed above. For Ghanaian traders selling goods similarly sold by the Chinese, and who have huge capital, Chinese duplication of goods is perceived as inimical to their livelihoods. Similarly, the cheap goods of the Chinese and their ‘indiscriminate’ way of selling in smaller quantities pose a threat. While the aforementioned evoked negative perceptions in huge capital traders, they triggered positive perceptions in traders with less capital who buy from the Chinese to resell. Indeed, Chinese duplication of goods were aided by some Ghanaian traders under the small capital category. For traders selling goods that the Chinese are not popularly known for selling, sentiments were mixed. While some perceived the aforementioned positively, others thought they were bad. This category of outsider traders did not demand the utmost withdrawal of Chinese merchants but instead called for their activities to be streamlined. Furthermore, and despite the varying perceptions among individual traders, they expressed negative sentiments about perceived profit repatriation, economic advantages and the inferior goods of Chinese entrepreneurial migrants. Not only GUTA officials expressed such negative sentiments, but our follow ups with individual traders revealed that these sentiments were expressed at the individual level too. Commensurate with the realistic group conflict theory, these sentiments indicate that protection is not only sought individually but also at the group level.

**Figure 1 Perceptions towards Chinese Merchants in Local Ghanaian Trading Spaces**

|  |  |  |  |
| --- | --- | --- | --- |
| **PERCEPTIONS ABOUT CHINESE MERCHANTS**  **Individual Level** | **GHANAIAN TRADERS’ SENTIMENTS** | | |
| **INSIDER\*** | | **OUTSIDER\*\*** |
| **Big Capital** | **Small Capital** |
| Duplication of Goods | Negative | Positive | ̶ |
| Cheap Goods | Negative | Positive | Positive |
| ‘Indiscriminate’ Selling | Negative | Positive | Positive/Negative |
| Increasing Chinese migrants’ influx | Negative | Positive | Positive/Negative |
| **Group ‘GUTA’ Level / The ‘We’ Perception** |  | | |
| Profit Repatriation | Negative | | |
| Capital Flight |
| Inferior Goods |
| Chinese Advantages |
| Cheap Loans |
| Huge Capital |
| Government Support |

\*Ghanaian traders selling goods that are similarly sold by the Chinese

\*\*Ghanaian traders selling goods that the Chinese are not popularly known for selling

# IMPACTS ON GHANAIAN TRADING PATTERNS AND TRADING SPACES

Chinese presence has multiple impacts on Ghanaian trading patterns and trading spaces. While cheap Chinese goods afford consumers increased purchasing power and indirect jobs, they have the effect of displacing imports from other countries and therefore the traders who import such goods. Several of our informants noted that goods mostly imported from Togo for sale in local trading areas are no longer coming in huge quantities in the wake of the Chinese influx. As one of them, a young female footwear trader at Kantamanto argued: The Chinese goods are cheap, so people don't buy the Ghanaian and Togolese made goods … With the arrival of the Chinese, goods coming from Togo reduced... The Togolese goods are superior in quality to the Chinese but the Chinese goods are cheap’. Jenkins and Edwards (2006) showed that preliminary statistics on Chinese exports to Africa in 2003 suggested that increased Chinese exports have been at the expense of other countries’ exports to Africa. It seems however that Chinese imports to Ghana have not only displaced imports from non-African countries but also within the continent itself. The displacing effect has also been noted by Marfaing and Thiel (2011) who argued that interest groups in Senegal and Ghana that are dissatisfied with the Chinese presence in local trading communities are complaining because Chinese entrepreneurial migrants are increasingly flocking into a field that has been mastered by indigenous traders for a long time, namely the import of cheap consumables from Asia into West Africa. Per our analysis, Chinese entrepreneurial migrants are therefore at the heart of the displacing effect of Chinese imports to Africa, both within and outside the continent.

The Chinese influx has also amended trading profiles of Ghanaian merchants in myriad ways. Some Ghanaian importers/wholesalers have now been constrained into selling in smaller quantities as wholesaling is no longer profitable due to cheap Chinese goods available in large quantities in the markets. An affected Ghanaian male adult footwear wholesaler in Zongo Lane noted as follows: ‘Previously, we import to do wholesaling, but now we are not importing, we are not doing wholesale trade... The Chinese have forced us to go into retailing’. Other traders have been ‘coerced’ into selling inferior goods. For them, it will be great disservice to sell quality goods as they are relatively expensive and consumers are not willing to buy. In the words of a clothing trader:

The Chinese will bring in very inferior goods… they can sell it at any amount. If I sell mine 1 cedi, they will sell theirs … 40 pesewas… And many people don’t have much money, so they take advantage of buying Chinese goods. It is a disadvantage on my side to sell something quality… So, I also have to sell inferior goods in order to stay in business. [Clothing and footwear trader, Okaishie]

Indeed, Ghanaian traders have undergone a change in their socio-economic positions over time along with the increasing Chinese influx. It is thus not surprising that for these traders, the Chinese are the competition, and therefore their presence unwanted in the trading spaces.

All our informants acknowledged that increasing Chinese influx has resulted in busier trading spaces. While this was good for some Ghanaian traders as noted earlier, it wasn’t positive for others. The surge in rent prices in prime trading locations has been alluded to the Chinese influx. Chinese entrepreneurial migrants are willing to pay more than twice the normal price for renting shops and this has triggered an increase in rent prices. The words of trader who has been selling cleaning equipment for more than a decade paints the picture:

Because of the Chinese, now the rent for stores has increased… These days, for instance… the landlords do not rent out to Ghanaians... for instance a Ghanaian will want to rent a shop for 5 years for 50,000. When the Chinese comes, he will say that… he will double it… to a 100,000… so the store owner will give it to the Chinese. [Cleaning equipment trader, adult female, Kantamanto]

The realistic group conflict theory and the contact hypothesis provides explanatory inference on how Ghanaians who have a stake as far as renting shops is concerned will differently perceive the Chinese impact on rent prices. In harmony with the contact hypothesis, we argue that Chinese entrepreneurs’ contact with Ghanaian landlords is free from competition, hence these landlords will be pleased with the Chinese presence. For these landlords, the Chinese trooping into the trading spaces connotes higher demand for stores which culminates in an increase in rent prices. On the other hand, Ghanaian traders who rent shops are negatively impacted by the rent price increase. In line with the instrumental model of group conflict, we argue that increase in rent prices due to high Chinese demand presents resource stress for Ghanaian merchants.This is highlighted in the scenario that higher rent prices mean Ghanaian traders will be unable to rent shops or renew their tenancy at the end of rent contracts. Resource stress coupled with the salience of a potentially competitive out-group, herein Chinese entrepreneurial migrants culminates in a perceived competition for resources and hence the Chinese presence not desirable for Ghanaian merchants.

In ascertaining the impacts of the Chinese presence, we triangulated our interviews with the Ghanaian traders with our observations during the fieldwork along with a comparative lens to a decade ago hinged on the first author’s insiders perspective. The data from the primary traders used in gauging the impacts are hinged on real-life experiences of these traders, some of whom who have been trading in the field sites for as long as three decades. Moreover, we subjected information from the traders to verifiability by crosschecking the assertions made by big capital Ghanaian traders selling in shops with poor Ghanaian vendors trading on table-tops or in front of the stalls in the trading communities. Some of the big capital Ghanaian traders’ assertions matched with those of the petty traders who acknowledged the roles they played in the Chinese impacts such as sending samples of superior quality goods to the Chinese merchants for duplication at lower prices. Our findings of the Chinese willingness to pay higher rent prices culminating in the collapse of Ghanaian shop owners who could not renew their tenancy based on interviews with the Ghanaian traders for instance were triangulated by interviewing a landlord and our observation of the supplanting of stalls that used to be rented by Ghanaians now under the tenancy of Chinese merchants. In addition to the rigour in cross-checking our interview data, the second author’s strength of expertise in migration and ethnicity were used to check against any biases in the first author’s insider perspective and therefore enabled our analysis to utilize the strength of both perspectives.

The following figure summarizes the major impacts of the Chinese entrepreneurial influx explored above:

***Figure 2 Impacts of Chinese Entrepreneurial Influx into the Central Business District.***

**Satisfied Landlords**

**Reduced Sales**

**Higher Rent Prices**

**Aggrieved Trader Tenants**

**Impacts of Chinese Entrepreneurial Activities**

**Indirect Jobs**

**Collapse of Local Shops**

**Dip in Profits**

Figure 2 indicates that Chinese entrepreneurial activities in Accra exert two major direct impacts namely displacing local traders and heightening the spate of activities in local spaces, thus busier trading areas. The general impression is that Ghanaian traders would have different experience of Chinese entrepreneurs depending on their position within the hierarchy of local trading spaces. However, it is difficult to identify a general trend, as both the well-established wealthy local traders and poor street sellers may face compatible and conflicting impacts of Chinese presence. Busy local trading spaces further trigger indirect jobs as hawkers who buy from the Chinese are able to resell their wares along the major trading streets of Accra due to crowdedness of the areas. Indeed, we observed that some of the women buy from the Chinese merchants just to sit in front of both Ghanaian and Chinese shops along the streets to sell their goods. Busier trading spaces have also led to an increase in rent prices of shops in the trading areas. Higher rent prices present good news for Ghanaian landlords owning buildings within the area but pose an enormous challenge for Ghanaians traders who will have to renew the rent of their shops. The displacing of local traders due to Chinese entrepreneurial influx along with cheap Chinese goods, have largely culminated in a reduction of sales for Ghanaian traders selling goods that are similarly sold by the Chinese. The larger impact of displacing culminates in reduced sales which is linked to a dip in profits of Ghanaian merchants. Persistent dip in profits has resulted in the collapse of some Ghanaian shops as evidenced by some of our informants.

# CONCLUSION

Inspired by the proliferating literature on the impact of China’s bourgeoning growth and influence on other parts of the globe, this study sought to capture micro Sino-Ghanaian relations by exploring the attitudes of indigenous Ghanaian traders towards Chinese entrepreneurial migrants trading in local Ghanaian spaces. We also explored the impacts Chinese merchants are perceived to have on these spaces and on indigenous traders. We observed the relationships between Ghanaian traders and their Chinese counterparts identified by previous studies, and our findings are in line with most of these studies. However, we argued that though strict categorizations of relationships between Ghanaian traders and their Chinese counterparts provide simplicity in describing such relationships, they do not express the nuances involved in such relationships. Our analysis show that Ghanaian traders could simultaneously be in more than one category of relationships and that the relationships are not clear cut in all scenarios. Ghanaian and Chinese traders are involved in relationships which can only be explained by partially selecting elements from the categories. It is maintained that the perception of Ghanaian traders towards Chinese entrepreneurial migrants are dependent on the peculiar position of each trader amidst the activities of Chinese merchants.

Without doubt, the increasing Chinese entrepreneurial migrant flows is exerting huge impacts on Ghanaian trading spaces. Positively, the cheap goods of Chinese merchants enhance the purchasing power of average African consumers which is acknowledged especially both by consumers and traders selling goods not known to be sold by the Chinese. Cheap Chinese goods also indirectly trigger employment for women with little capital. On the other hand, the cheap goods are perceived as concurrently inferior relative to local products and products from other countries making African communities a dumping ground for sub-standard goods. Cheap Chinese goods have also meant that goods coming from neighboring Togo and other countries have been displaced alongside the Ghanaians who import them. Chinese trading activities seem to make parts of the Central Business District of Accra busier relative to the past. However, some local traders experienced that this has also culminated in a general decline in sales. The dip in sales has contributed to low-profit margins and the eventual collapse of some Ghanaian shops. The Chinese clamoring for shops in the Central Business District in Accra have also shot up the prices of renting stores in the Central Business District in general. Summarily, while Chinese trading activities have been good for some Ghanaian traders, same can’t be said for others, most of whom who sell goods that the Chinese have now come to dominate in selling.

Thus, the general impression is that perceptions about Chinese migrants are shaped by the existence or absence of a perceived threat from Chinese trading activities towards the livelihoods of Ghanaian traders. Further, these perceptions are also influenced by intersecting race and class relations highlighted in visible skin color difference and higher capital strength of the Chinese merchants relative to the Ghanaian traders. However, these intersecting relations that informed negative intergroup attitudes were blurred where group interests were in harmony. Increased vulnerability over time also partly influenced negative sentiments about Chinese merchants. We noted that where there were conditions necessary for positive relations between outgroups and in-groups, Ghanaian traders perceived their Chinese colleagues in a good way in line with the contact hypothesis. Conversely, in settings where such conditions were absent or taking place in the opposite direction, negative perceptions about Chinese merchants were evoked. Ghanaian perceptions about Chinese merchants were also influenced by the mass media, their understanding of the GIPC Act and the larger position of their group, herein, the Ghana Union of Traders Association. Overall, while some Ghanaians perceive Chinese presence and activities negatively and therefore their presence unwanted in local trading communities, other were without doubt satisfied to the extent that some Ghanaian traders wished for increased Chinese entrepreneurial immigration into local trading communities. There were also those whose perceptions about Chinese merchants are neither exclusively positive nor negative and are rather nuanced. Rather than a dislike for the continuous Chinese entrepreneurial migrant inflows, they preferred that policies be put in place and implemented accordingly for local African societies to capture the benefits out of Chinese inflows.

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1. see <https://www.oecd.org/countries/ghana/46733734.pdf> [↑](#footnote-ref-1)
2. Starting from below is synonymous to a micro perspective that begins with individuals and groups as the unit of analysis in an attempt to emphasize the lived realities of relations that transpire at the state-to-state level. [↑](#footnote-ref-2)
3. Local trading areas in this article refers to communities largely dominated by indigenous Ghanaian traders that bears the semblance of a market square and are unlike modern malls. Rather than traders selling in stalls like a market they sell in well-built shops. These areas are also largely dominated by trading activities, an example being the area popularly referred to as the Central Business District of Accra. [↑](#footnote-ref-3)
4. GIPC is the government authority body responsible for promoting investments in Ghana [↑](#footnote-ref-4)
5. GUTA is a larger body that comprises subsets of groups of traders and artisans. Historically, they have demonstrated against foreigners’ presence in trading spaces in the country and have argued vehemently against retail activities by foreigners in a bid to protect the interests of their members. [↑](#footnote-ref-5)
6. The GIPC 2013 Act reserves a list of business activities for Ghanaians and Ghanaian owned-enterprises only. For a full list of these activities, please refer to paragraph 27 of the Act. Further, it allows foreign participation in other business activities not listed in Paragraph 27 and pursuant to the foreigners meeting certain capital requirements – refer to Paragraph 28 for a list of the requirements. However, it permits foreigners to engage in trading activities if they invest a minimum of 1,000,000USD and employ 20 Ghanaians. As we observed during fieldwork and upon conferring with the GIPC and Trade ministry officials, we found out that there were contestations on interpretations of certain portions of the Act. This notwithstanding and for our purposes, some traders interpreted the GIPC Act to mean that foreigners are not allowed to sell in the trading areas and especially via retailing. Though the Act strictly forbids foreigners from markets it does not necessarily bar them from engaging in trading per se. The challenges that cropped up therefore included what the proper definition of a market was and therefore whether the trading areas (field sites) of these study constituted a market or not. For our purposes, what is relevant and informed these negative perceptions about the Chinese merchants is that some Ghanaian traders interpreted the Act to mean that foreigners are not allowed to trade in the trading spaces they find themselves and especially they ought not to retail their goods. [↑](#footnote-ref-6)
7. See <https://www.modernghana.com/news/449389/1/china-has-taken-over-african-domestic-economies-an.html> [↑](#footnote-ref-7)