

## **Inconspicuous Globalisations Towards a new geography of global trade**

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**Multinationals are not the only actors in the globalised world. Globalisation is also apparent in less visible forms of exchange that take place in spaces usually held as marginal. Armelle Choplin and Olivier Pliez focus our attention on this trade in minor mode.**

Globalisation may manifest itself everywhere, but its actors and spaces often remain in the background. Global trade routes – sea-based more than land-based – have undergone a profound transformation over the past thirty years. At one end of these routes, we celebrate the emergence of one of the new centres, China, which dispatches its manufactured goods across the planet. At the other end, the “Made in China” phenomenon is particularly visible since its recent breakthrough in the “market of the poor”.

However, in between the major supply outlets that have proliferated upstream across Asia and an emerging market of almost two billion consumers downstream, little is known of the ramifications of these routes, the market places they connect, the plurality of actors driving them, the imaginations they awaken, the narratives they spark and the places that define them. This paper analyses the forms of exchange that are less visible than those usually imagined in the context of major corporations and flows of goods. Such an approach requires us to step back from our Western-centred viewpoint and shift our perspective towards spaces that are considered marginal, where now-global trade practices were invented.

### **Yiwu, global wholesale outlet**

Yiwu, August 2012. Summer evenings are hot and humid in this Chinese city, which is well known to wholesalers across the globe. During Ramadan, nightfall and the closure of the city’s exhibition halls drive passersby, mostly men, onto the terraces of the many cafés and restaurants in Yiwu’s Arab quarter to break their fast, relax and catch up. Tens of thousands of them come every year from all over the world in the knowledge that prices are low and there is an overabundant supply of small commodities in stationery, decoration, souvenirs, jewellery, etc. Arcan is one of these traders, a middleman who greets buyers who have come to Yiwu for a few days. He offers his services to help them find the product they are looking for in the maze of exhibition halls and then helps to guarantee that the goods ordered are properly received, packaged, containerised, cleared through customs and shipped to the port indicated by the buyer. There are thousands like him in Yiwu, which is the largest wholesale market in China. Most of them work in a family setting as the local representative for families of traders. Some of them choose to break these exclusive ties and move into the global trading network. Sometimes success is born from failure, as was the case for Arcan and his brother. After finishing school in Antakya, Turkey, they emigrated to Saudi Arabia, working in the hydrocarbon industry for seven years. They saved up some money and decided to open their own restaurant with a loan from their boss. The restaurant did not take off, however, and they

fell into debt. They heard about China, about Yiwu, and about the possibility of making a quick profit in the rapidly expanding market place. Arcan's older brother was the first to go with the aim of buying merchandise, then established himself in trading. Arcan followed him and opened a hair salon – the usual front for middlemen – which gave him the chance to increase his limited contacts. Both brothers married. Their wives, from Turkey, settled in Yiwu with their young children. They planned to remain there until the children started school.

Arcan's friends are also traders, like Nasser, from Lebanon, who joins him on a café terrace. He grew up in Central Africa and was part of the Lebanese diaspora that scattered across the continent. He came to Yiwu to buy merchandise to supply his family's shops in Nigeria, Cameroon and China. There, he met other Lebanese from Latin America and was able to expand his list of contacts. He went to work in Ciudad del Este then Sao Paulo. The difficulties experienced by Arab traders mean that they are forced to diversify. They rely on supply networks based on trust and acquaintance, which were disturbed as a result of the Arab Spring. Nonetheless, Nasser is optimistic because he believes the economic crisis in the West will lead to an increase in sales of the type of low-cost products sold in Yiwu.

Nabil is a South-African buyer working in a rapidly expanding niche market. He is of Indo-Muslim origin and sells home security items. He previously worked as a buyer in the United States but he heard about the dominant position of Muslims in Yiwu. He claimed that by changing his supply source he was now earning in two years what he used to earn in ten.

Arcan, Nasser and Nabil often get together on the terraces of Yiwu cafés and restaurants. They are newcomers in the globalised world of trade. The merchandise they buy is resold to tens of millions of consumers, mostly in the South. They are major players who nevertheless are little-seen in the market found at the base of the pyramid (BoP). This market was long considered unprofitable and limited to countries of the South, but is now up and coming thanks to its demographic weight (4 billion people earning under 3000 USD a year), economic weight (5 trillion USD a year) and flexibility (according to the International Labour Office, 70% of the economy is underground).

A new geography of globalisation is taking shape. Its routes and spaces, and the places that underpin them, go beyond the North-South divide. They reflect the growth of commercial trade between regions that were previously marginalised in world trade.

### **From bottom-up globalisations to discreet globalisations?**

The distinction between two globalisation processes first became established in the 2000s. Alejandro Portes (1999) popularised the term “globalisation from below”. In his view,

[...] what common people have done in response to the process of globalization is to create communities that sit astride political borders and that, in a very real sense, are “neither here nor there” but in both places simultaneously. The economic activities that sustain these communities are grounded precisely on the differentials of advantage created by state boundaries. In this respect, they are no different from the large global corporations, except that these enterprises emerge at the grassroots level and its activities are often informal.

A. Portes' programmatic analyses echo A. Tarrus' research (2002) on the Mediterranean from the same period. He contextualises “globalisation from below” and identifies in North African communities “veritable networks of nomadic entrepreneurs [...] [who drive] an underground global economy [...] where the government [...] least expects it: in

territories it does not control and cannot manage”. For both these researchers, transnational communities are the ones driving this other globalisation: Latin Americans on the one hand, North Africans on the other, faced with the part of the North to which they are emigrating, be it the United States or Western Europe. From this, they have helped to create dense spaces that incorporate a series of human, material, economic and symbolic exchanges based on their knowledge of these two separate spaces.

In the 2000s, the globalisation of supply routes intensified: around the Mediterranean, researchers explored the expansion of the transnational space towards the East (Péraldi, 2001), where Istanbul and then Dubai were becoming powerful globalised market places. Dubai is a particularly striking symbol of the period in which the trade routes of the Mediterranean, the Middle East, East Africa and Eastern Europe converged and interweaved.

Unlike in the past, these exchanges are not limited to areas established during colonial and post-colonial periods. The shift from regional contexts (Caribbean and Mexico/United States; North Africa/France) towards that of globalised trade leads us to examine the development of social and spatial frameworks of exchange in new terms.

### **What are the scales of interpretation?**

As transnational trade routes lengthen, the factors influencing this new globalisation grow more diverse. The opening of the world markets following the collapse of the USSR, the generalisation of free trade rules and the increasing volume of counterfeit goods boosted global trade in the 1990s. The events of 9/11 also had a significant impact, making China and India the new regular supply source for Muslim traders. The scale of the economic crisis of 2008, the lack of job prospects in the North, the role of trade diasporas and the growing exploration of new consumer markets have all helped to increase these South-South flows. More recently, the Arab uprisings and the border strategies implemented around China, Europe and the United States, which have closed, opened or redirected routes for migrant entrepreneurs, have also become factors that are having an impact on the terms of trade.

The growing presence of China on this global map of transnational trade comes as no surprise: actors and observers of globalisation now talk of the rebirth of the Silk Road, the rise of Chinafrica and the increasing influence of BRICSA in the world economy. Some, like B. Simpfendorfer (2009) have highlighted the transformation of the geopolitical context in the post-9/11 world to explain how an expanding Arab world is turning away from the West to rediscover China. Institutions such as the World Bank (Broadman 2007) see the Silk Road between Africa, China and India as a new economic frontier.

A new, global scale of analysis is thus under construction. And yet, governments are still major actors, both boosting and slowing the development of transnational trade. Gustavo Lins Ribeiro (2009) speaks of “a non-hegemonic globalization not because its agents intend to destroy global capitalism or to install some kind of radical alternative to the prevailing order. They are non-hegemonic because their activities defy the economic establishment everywhere on the local, regional, national, international and transnational levels.” In this context, the logic of governance becomes more complex.

### **Networks and routes**

The idea of trade routes originated in an economic notion that is now considered classic: “the global value chain” (Gereffi, Korzeniewicz, 1994) which, from the supply of raw materials to consumption via production and distribution, forms a network of connections linking all the

stages of manufacturing up to the final sale of a product. And yet, this kind of approach is not always relevant when dealing with the “world’s other economies” (Mathews et al. 2012).

In these cases, the notion of a route becomes vaguer, but it also provides a better understanding of the reticular dimension of trade in terms of its lability and lack of visibility, paving the way for thing-following studies (Hulme, 2015). Researchers focus on a portion of the chain or indeed the whole process, choosing everyday items such as t-shirts (Rivoli, 2005) or flip-flops, which they follow from the site where the raw materials are extracted right up to the consumers (Knowles, 2014), or jeans, which they track from the transaction market to local markets (Pliez, 2007). By “following the route” (Choplin, Lombard, 2010), one gains a more detailed insight into the interactions between several spaces with their well-defined functions (culture, clothing manufacture, business) which allow a market to develop and expand on a global scale (Koray, Caliskan, 2010). It is also possible to deconstruct the usual clichés (North versus South, from producer to consumer) and focus on “a complex chain of actors of the alternative approaches to recycling economies”.

### **Subordinate urbanisation, the breeding ground for unseen globalisations**

Research into “global cities” (Sassen, 1991) has shown Western bias that has long excluded cities in the South from research into global trade networks. A million miles from New York, Tokyo and London, however, this discreet globalisation depends on a whole series of cities that are more or less (un)known: Shanghai, Dubai and Mumbai play a pivotal role in this new geography of international trade, visited by elites, traders and migrants from the four corners of the globe and standing as postmodern symbols of the success of some of the emerging countries. These cities require us to de-Westernise our way of understanding the world (Choplin, 2012). Apart from a limited number of major metropolises that have captured the world’s attention, the fact that the invisible majority of city-dwellers live in secondary cities is rarely mentioned (Hilgers, 2014). Defined by UN Habitat as urban spaces of between 100,000 and 500,000 inhabitants, these cities are increasingly incorporating market places, generally at the people’s instigation.

Yiwu and Sao Paulo (Peralva, Telles, 2015) are now places of innovation when it comes to commercial urbanism. They act as laboratories in which multiple logics intertwine, often in opposition to one another: “from above”, the logic of institutional actors, both public and private, and “from below”, that of transnational entrepreneurs. This warehouse function has long been visible in places where it was once almost exclusive, in gateway cities such as Dubai in the United Arab Emirates, Ciudad del Este in Paraguay and Tripoli between North Africa and the Sahel. Thirty kilometres from Setif (Algeria), a “Dubai souk” has sprung up at a crossroads at the heart of the social housing development of El Eulma. It is an important wholesale market for many retailers in Algeria, Morocco and Tunisia as well as for the Algerian communities of Europe. The market is organised by type of goods sold, with most of them originating in China. In the surrounding area stand buildings under construction. Other recently erected buildings are still empty, a reflection of financial investments and objects of long-term speculation.

Closely linked to the influence of globalisation, new forms of architecture have also appeared in private homes. Villas shaped like Chinese pagodas are now dotted across the urban landscape and symbolise the success experienced by the Algerian traders who have “done” China. This warehouse function usually only lasts for a short period because it develops in a context which is favourable to trade but easily undermined.

Even so, the market models designed there have now spread across the globe, from North to South, in the wake of increased trade flows. In Europe, they can be found close to strategic sites: a perfect example is the CIFA Fashion Business Centre in Aubervilliers, on the outskirts of Paris, which brings together over 250 wholesalers, mostly Asian, in ready-to-wear fashion, shoes and accessories. Prato, on the outskirts of Florence, Italy, and Fuenlabrada near Madrid, Spain are further examples of the new generation of urban wholesale markets that are no longer limited to neighbouring economies. The opening of railway lines for transporting merchandise between cities in Europe and China (Chongqing–Duisburg (2011), Chengdu–Lodz (2012), Zhengzhou–Hamburg 2013), Suzhou–Warsaw (2014), Yiwu–Madrid (2014) and Wuhan–Vénissieux Saint-Priest (2016) demonstrates the increasingly powerful role of multi-modal trade.

Discreet globalisations are labile and inventive, revealing the extent to which trade now knows no limits. Locating these market places across the planet can be a veritable paper chase (Mortenbock, Mooshammer, 2015). They may be private sales shows organised by individuals, warehouses in rural markets, malls or exhibition centres for wholesale items. Whether they are restricted, known to a specific association of traders or located in the interstices of large cities, they are nonetheless nodes of global networks that structure spaces with an intensity that never ceases to amaze for its breadth and the diversity of its forms.

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