

## **Mobility and social capital among Lebanese and Beninese entrepreneurs engaged in transnational trade**

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## **Mobility and social capital among Lebanese and Beninese entrepreneurs engaged in transnational trade**

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This contribution focuses on importers of second-hand cars operating between Brussels, Belgium and Cotonou, Benin. Intensive multi-sited fieldwork reveals important differences in the way Lebanese and Beninese car importers operate in this import-export business and how they circulate between Europe and West Africa. This paper, through a comparative approach, describes and explains those differences.

A first level of explanation is linked to the fact that car importers working in Cotonou come primarily from two different communities. On the one hand, Lebanese car importers operate inside a trade diaspora, never needing to travel because they are able to rely on other Lebanese to send them second-hand cars from Brussels and to collaborate at different levels of the trade chain. On the other hand, native Beninese car importers have the status of cross-border entrepreneurs working in a territory of movement. They must themselves travel to Europe to obtain their second-hand cars, thereby maintaining a double involvement in Europe and West Africa.

A second level of explanation can be found in the evolution of the Euro-African second-hand car import-export business, a trade pioneered by Lebanese entrepreneurs. What began as a fragmented activity became formalised in business hubs, such as Brussels. This centralisation allowed the arrival of new types of car importers, like the Beninese, on the market. However, unlike the Lebanese, these newcomers could not rely on settlements of fellow-countrymen located in multiple business markets and had little level of trust between each other. To this day, they have failed to mobilise the capital necessary to work in the same conditions as the Lebanese.

What distinguishes Lebanese and Beninese second-hand car importers? The analysis shows that it is their ability to recreate trust in a context of high

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uncertainty. This issue of trust has a direct impact on the way both types of importers organise their spatial mobility and operate their business activities.

Keywords: Trade diaspora; transnationalism; territory of movement; cross-border entrepreneurs; trust; second-hand cars; West Africa; Brussels.

Subject classification codes (CREF): DI4100; DI4122; DI4128.

## **Introduction**

Research on human mobility has undergone profound evolutions in the past few decades. Processes such as globalisation, developments in transports, and the increasingly widespread use of information and communication technologies have reinforced pre-existing migratory trends (Levitt *et al.* 2003, p. 569). Those migratory trends have sometimes been described as “new migration” (Bribosia and Rea 2002, Péraldi 2002), due to the fact that the Fordist approach to migration – viewed as a process of immigration and assimilation – could not suffice to describe the diversity of human mobility. Traditional concepts, such as the one of *Diaspora*, have been remobilised and new ones coined in order to describe these new migratory trends. These new concepts emphasise the various links that moving people develop and maintain between their places of origin, passage, and settlement.

After 20 years of intensive theoretical work in this field, several states of the arts have been proposed (Khagram and Levitt 2008, Kivisto and Faist 2010, Levitt and Jaworsky 2007). I am particularly interested by the framework developed by French geographer M. Bruneau (2010). His work is developed around the following question: what are the concepts that best help us understand the links between migrant populations and their places of origin and settlement? To answer this question, Bruneau makes a first distinction between the concepts of *Diaspora* and *transnational spaces*.

Among transnational spaces, he makes a further distinction between a *transnational community* and a *territory of movement*, depending on what the migrants are selling. When people from transnational spaces move to sell their *labour*, they must settle in a receiving country, even if they maintain strong links with their home country. These *transmigrants* (Basch *et al.* 1994) belong to a transnational community and very often have family in the home country to whom they regularly send remittances. On the other hand, when people from transnational spaces move to sell *goods*, they do not need to settle in the countries where they sell their goods, even if they spend extensive time there. These goods' sellers rather can be described as *cross-border entrepreneurs* working in a territory of movement (*territoire circulatoire*) (Tarrus 2001, 2010).

Bruneau's approach has the advantage of reconciling two major branches of migration studies. The first branch, developed mainly in Anglophone literature, focuses on the concept of transnationalism (Faist 2000, Levitt and Glick Schiller 2004, Portes 2001, Portes *et al.* 1999, Vertovec 1999). The second branch, developed by French researchers, centres on the analysis of economic activity in the Mediterranean (Péraldi 2001, 2002, Tarrus 1992, 2002, Schmoll 2011).

The goal of this article is to question Bruneau's categories. This questioning is done through the study of the migratory trends that occur in a transnational business activity: the exportation of second-hand cars from Europe to Africa. By carefully studying the mobility of car importers working between Brussels, Belgium and Cotonou, Benin, different migratory trends can be identified. While Lebanese car importers have developed a supply network based on a trade diaspora, native Beninese car importers have, by contrast, a profile of cross-border entrepreneurs circulating in a territory of movement between various business places. Therefore, this allows me to discuss Bruneau's main categories of Diaspora, transnationalism, and territory of

movement in a single case study: the Euro-African second-hand cars import-export business.

This discussion of human mobility is at the core of this article. However, as studying transnational trade raises specific challenges, I will first start with a section dealing with research methodology. In the second section, I will discuss the different forms of mobility taken by second-hand car importers and the concepts that can best describe them. Starting from an analysis of these different forms of mobility, I will demonstrate in the third section that these differences ultimately result from questions of trust.

### **Transnational trade and research methodology**

The object of this article is to discuss the migratory patterns of entrepreneurs involved in exporting second-hand cars from Europe to Africa. The results presented here are closely linked to the way the research project has been conducted, taking account of the specific approach required to study a transnational business activity. It is therefore important to carefully describe this research methodology before proceeding with the question of mobility.

### ***To meet the people, follow the cars***

The starting point of this research is the growing visibility of sub-Saharan Africans in the Heyvaert neighbourhood of Brussels. For decades this neighbourhood has been an entry-point into the city for new migrants. Those migrants were mainly Spaniards and North Africans, and until the 1990s, included very few sub-Saharan Africans. Today, many of the neighbourhood's shops offer services specifically dedicated to the sub-

Saharan community: African restaurants, grocery shops with African products, cheap international call shops, and African Pentecostal churches. Moreover, large groups of sub-Saharanans can be found at most intersections of Heyvaert Street. This recent trend leads one to ask: Who are these sub-Saharan Africans? Why are they in this part of Brussels? What migratory patterns are they following?

Starting the research, it quickly became apparent that the presence of sub-Saharan Africans in Brussels is closely linked to the Euro-African second-hand cars import-export trade. Since the end of the 20<sup>th</sup> century, the Heyvaert neighbourhood has become one of the major market places linking the supply of second-hand cars available in Europe to the demand for such cars in Africa. Almost all business spaces in Heyvaert are dedicated to the second-hand car business. Garages that buy and sell second-hand cars have opened close to the few most important consignees, who organise the transfer of second-hand cars to the Port of Antwerp and, from there, to most African countries.

In this picture, the sub-Saharanans are the buyers: transnational entrepreneurs who travel to Europe in order to buy second-hand cars that they will sell back in their home country. They have been coming in increasing numbers since the 1990s when the second-hand car industry settled in the Heyvaert neighbourhood. Sub-Saharanans' visibility has grown as well, as specific shops that cater to African clients have opened and African car importers have developed a habit of staying in groups at major intersections in order to buy cars directly on the street.

This first phase of research completed in Brussels allows us to answer the first two questions. Who are these sub-Saharan Africans? They are second-hand cars importers. Why are they staying in this part of Brussels? They stay in the Heyvaert neighbourhood because it has become one of the primary centres in the Euro-African second-hand car import-export trade. The concentration in a single neighbourhood of all

necessary business intermediaries and of shops that specifically address their needs allow sub-Saharanans to remain in Heyvaert during their stay in Belgium.

The third question regarding mobility, however, is far more difficult to address. The sub-Saharan importers were very reluctant to respond to any query linked to their migratory patterns. Mobility is an essential part of their business. The money they earn stems from their ability to travel to Europe, often in different business centres. However, many African importers have very bad experiences while trying to obtain their business visa. They find the administrative procedure long, expensive, unclear, and unfair. Those experiences generate an important defiance toward any officials, especially those interested in mobility matters. In addition, the Euro-African second-hand car import-export business is, in Brussels, a commercial activity set up by migrants – mainly Lebanese – for other migrants. The only contact most sub-Saharan importers have with white people in the neighbourhood is with the police. In these conditions, it was almost impossible for me, as a white Belgian researcher, to be trusted enough to gain any information directly from the sub-Saharanans during this first phase of research. I conducted many interviews, but only with well-established businessmen who had already been living in Belgium for a long time: mainly Lebanese garage owners and consignees. I needed to find another way to meet sub-Saharan importers. Following the advice of Marcus (1995), I had to “follow the people, follow the things”. This is how I realised that in order to meet the people, I had to follow the cars.

### ***From Brussels to Cotonou and back***

Following the cars led me to Cotonou, Benin, one of the main destinations for second-hand cars transited through Brussels. One can draw an interesting homology between

the status of Brussels, a market place concentrating second-hand cars from all over Europe, and Cotonou, which receives a huge number of cars and redistributes them all over West Africa. For Belgium, the number of cars transiting through Brussels and the Port of Antwerp is far more important than the Belgian second-hand car market. Similarly, only 5% of the cars shipped to Cotonou remain in Benin, confirming the country's role as a "warehouse-state" (Igué and Soulé 1992), which imports products and then re-exports them to neighbouring countries in West Africa. I chose to study these two cities because they have analogous roles as business centres embedded within a larger transnational trade chain.

Between 2008 and 2011, I spent countless hours in the Heyvaert neighbourhood of Brussels in order to directly observe the activity and do semi-directed interviews with the different actors of the second-hand car import-export business. These actors include car importers, the Beninese migrants who come to Brussels to purchase vehicles that are then resold in Benin; garage owners, who buy and sell vehicles; consignees, who organise the transfer of vehicles to the Port of Antwerp; and brokers, who serve as intermediaries between the car importers and the garage owners. In order to best understand the business's functioning and integration in Brussels, I also interviewed many institutional actors, including local politicians, members of non-profit organisations, and police.

Furthermore, I conducted three extensive fieldwork studies in Cotonou between 2008 and 2010 lasting a total of nine months. By following the cars from Brussels to Cotonou, I was better able to understand how the Euro-African second-hand car import-export business works. Moreover, I was able to make contact with many of the Beninese importers who were, at first, very reluctant to speak with me when I was conducting research in Brussels. This change in attitude is probably due to the change in

the context surrounding our interactions. In Cotonou, the positions were reversed; I was now the foreigner, while the Beninese importers were in a known environment. Feeling safe, they were more confident in speaking about their commercial activities and the informal parts of their business. Some practices, such as buying cars directly from the street or paying baksheesh to accelerate administrative procedures, can cause serious problems in Europe, but are considered fairly normal in West Africa. While speaking about such topics in Cotonou was natural, it would have been impossible in Brussels.

In Cotonou, I spoke with around 40 second-hand cars importers. Very often this meant several preliminary contacts before finding the time and place for an in-depth interview. I recorded and fully transcribed 25 of these interviews. One of the advantages of long-term fieldwork is the ability to do a longitudinal study and to re-interview the same person over several years. Studying a transnational trade chain involved direct observation at different key points. Collaborating with the *Centre Béninois de la Recherche Scientifique et Technique* (CBRST - Beninese Centre for Scientific and Technical Research), I was granted official access to Cotonou Harbour, the *Parc Tampon Unique* (PTU), where disembarked cars are kept for custom clearance before being conveyed to sales parks in Cotonou's outskirts, and the SOBEMAP, the state-run enterprise in charge of handling all cars disembarked in Cotonou Harbour. This access offered me a complete view of the steps through which the cars must pass. I also completed significant work in the sales parks, enormous lots where second-hand cars are sold. There are close to 100 sales parks in the outskirts of Cotonou. I visited many sales parks and completely documented one through direct observation, studying the cartography of the park's spatial organisation, and conducting interviews with the owner and all car importers who use the park.

In addition to the data acquired, the intensive fieldwork conducted in Cotonou allowed me to establish an important level of trust with several second-hand car importers. We conducted longitudinal interviews over the course of several years and kept in touch back in Brussels. These contacts allowed me to discover and document a completely new part of the Heyvaert neighbourhood. While accompanying Beninese entrepreneurs, I was also introduced to other sub-Saharanans and witnessed more informal activities as I was spending time with them in the neighbourhood. Following the cars finally allowed me to truly meet the people and to get a more complete view of the Heyvaert neighbourhood. I was thus able to address my third and last question, regarding the migratory patterns of second-hand car importers. This topic is the object of the next section.

### **Mobility patterns of second-hand cars importers**

From the perspective of migratory patterns, the most interesting actors in the Euro-African second-hand car import-export business are the car importers. They are the people connecting the supply of second-hand cars available in Europe with the demand in Africa. As the link between the two continents, the car importers are the closest to the topic of mobility and therefore at the centre of this research.

Field research in Cotonou revealed two very different profiles of second-hand cars importers. The first is the native Beninese importer, who works in Cotonou but comes on a regular basis to European business hubs such as Brussels in order to buy second-hand cars. This regular coming and going gives the importer a transnational dimension, leading me to discuss the concept of *transmigrants* (Basch *et al.* 1994)

before labelling Beninese importers as *cross-borders entrepreneurs in a territory of circulation* (Tarrus 2001, 2010).

The second type of car importer in Cotonou is Lebanese, who does the same activity as the Beninese car importer, but in a very different way. In fact, Lebanese importers never travel by themselves to get their second-hand cars. They can count on other members of the Lebanese diaspora to send them those directly from the different business places along the trade chain. For this reason, I describe this group as a trade diaspora (Cohen 1971). Between these two types of second-hand cars importers working in Cotonou, their primary difference lies in their mobility patterns.

### ***Beninese importers and the Heyvaert neighbourhood***

Native Beninese importers have been pioneers in the second-hand car import-export business in Cotonou. The earliest arrived in Europe in the 1980s to find second-hand cars to be sold in West Africa. Being a second-hand car importer is not a profession open to anybody. It requires access to international mobility (the ability to obtain a Schengen visa) and enough capital to make the trip worthwhile. These entry barriers have always existed. However, in the 1980s, at least two more difficulties were present. First, in business hubs such as Brussels, the different actors in the second-hand car business were not centralised in a single market place. One had to know the different actors and circulate between them in order to organise the export of cars to Africa. The second difficulty was that only one sales park existed in Cotonou. The venues for exhibiting cars were scarce and required money and contacts to access. Consequently, the Beninese pioneers of the second-hand car import-export business consisted of just a handful of wealthy professionals.

In the 1990s, the second-hand car business moved to the Heyvaert neighbourhood of Brussels. The availability of huge warehouses allowed intermediaries to congregate in Heyvaert, leading to the neighbourhood's current ability to offer, in a single location, all actors necessary for the exportation of second-hand cars. This centralisation enabled more people to buy second-hand cars. Non-professionals, such as African university students at European universities and African relatives visiting family living in Europe, began to use their personal mobility to buy small numbers of second-hand cars. At the same time, the number of professional Beninese car importers increased, especially after 2003, when sales parks moved to the outskirts of Cotonou, resulting in an explosion of available space to exhibit second-hand cars.

### ***Beninese transmigrants?***

Today, many Beninese importers come to Heyvaert to buy second-hand cars. The length and frequency of their visits can vary slightly from one importer to another, but, on average, they come to Brussels two or three times a year for a period between three and six weeks, buying about 15 cars each time. Since their business practice is linked to their mobility, Beninese importers must come and go on a regular basis; some make up to five trips a year and spend more than five months in business hubs such as the Heyvaert neighbourhood of Brussels. This regular coming and going inside a transnational business activity seems to place these Beninese importers in a position close to the one described by the concept of *transmigrant*:

Immigrants who develop and maintain multiple relationships – familial, economic, social, organizational, religious, and political – that span borders we call 'transmigrants'. An essential element of transnationalism is the multiplicity of involvements that transmigrants' sustain in both home and host societies. [...]

Transmigrants take actions, make decisions, and develop subjectivities and identities embedded in networks of relationships that connect them simultaneously to two or more nation-states. (Basch *et al.* 1994, p. 7)

The “transmigrant” concept allows us to describe the fact that Beninese importers are clearly embedded in at least two nation-states. However, this double involvement in home and host societies does not seem as complete for Beninese importers as that described in the definition of transmigrants given by Basch, Glick Schiller & Szanton Blanc. While in Brussels, Beninese importers are completely focused on their business activities. They very often live in the Heyvaert neighbourhood, where all the actors of the Euro-African second-hand car import-export business are concentrated. Never needing to leave the few streets of the neighbourhood during their stays in Brussels, the Beninese importers have hardly any familial, religious or political ties in Belgium. They seem to perceive any activity outside the second-hand cars import-export business as a waste of time and money.

Beninese importers seem to fit the profile of transmigrants, but only at the economic level. Not completely in line with the classical definition of the concept of transmigrants, Beninese second-hand cars importers seem different from those studied by Basch, Glick Schiller and Szanton Blanc. The Beninese car importers are not migrants who have moved to another country while maintaining strong links with their home country. They are rather entrepreneurs whose economic activities lead them to spend extensive time in Belgium. Another concept therefore seems necessary to properly describe these entrepreneurs.

### ***Territory of circulation and cross-border entrepreneurs***

Bruneau (2004, 2010) developed an important framework for organising concepts that

describe the links that migrant populations maintain with their places of origin, passage, and settlement. He first distinguishes between Diasporas and transnational spaces, and within transnational spaces, makes a further distinction between the transnational community and the territory of movement:

The transnational community essentially moves people who are going to 'sell' their labour and send part of their wages back to their community of origin in the form of remittances. Conversely, in the territory of movement, the cross-border entrepreneurs and nomads move with goods they loaded up on in their place of origin to sell in different cities of the host country that they are familiar with. (Bruneau 2010, p. 46)

This distinction between transnational actors selling their labour and those selling goods is a helpful one. The transmigrants defined by Basch, Glick Schiller, and Szanton Blanc (1994) belong to the first group who settle in a host country in order to sell their labour. As previously discussed, Beninese entrepreneurs do not belong to this category. Instead, they seem to be cross-border entrepreneurs who circulate within a territory of movement to sell their goods.

One could argue that Bruneau's text refers to cross-border entrepreneurs who sell goods produced in their home country across the territory of movement, while Beninese importers seem to do the opposite; they circulate within a territory of movement in Europe in order to buy second-hand cars that they then sell in their home country of Benin. However, this apparent difference does not pose a problem in the application of the concept. Going back to the studies that gave rise to concept of cross-border entrepreneurs, research describing migratory patterns in the Mediterranean region, we find numerous examples of economic activity working in both directions without a necessary geographic orientation (Tarrus 1992, Missaoui and Tarrus 2006, Péraldi 2007).

In the research on migratory patterns in the Mediterranean region, particularly between Marseille, France and North Africa, A. Tarrus (1996, 2001, 2010) created the concept of *territory of movement*. The migratory patterns north and south of the Mediterranean are part of a commercial activity taking advantage of the wealth differences between rich and poor countries. Often at the margins of state control, these economic activities arise from the ability to cross borders and circumvent taxation mechanisms. They are constructed along a chain of places – points of passage or way stations – along which the cross-border entrepreneur learns to circulate. The territory of movement describes all the places linked by a common commercial activity.

Bruneau describes the function of these host places for the cross-border entrepreneur:

Their host places are only points of passage or way stations, not places of settlement and integration. The only essential place for them is the one of their origin, whence they leave with their goods; they return regularly, and invest their earnings there. They never actually leave: it is their only base. Their identity is not a diasporic one: it is a 'nomadic identity' based on 'partial and short-lived hybridisation [*métissage*]' acquired in the course of the selling activity through which they socialise. (Bruneau 2010, p. 46)

The specificity of those cross-border entrepreneurs, who circulate among places within a territory of movement without ever integrating in them, helps explain why Beninese importers have integrated so little in Brussels. They establish contacts and learn how to conduct business in Brussels, as well as in other places that belong to the same territory of movement: Hamburg, Germany; Rotterdam, the Netherlands; and Paris, France. However, their homes and their familial, cultural and political ties remain in Cotonou in their home country of Benin. This feature distinguishes them from other transnational actors, such as transmigrants, who, living in a host country in order to sell

their labour, often become far more integrated in their new society. Beninese entrepreneurs can therefore best be described as cross-borders entrepreneurs working in a territory of movement.

### ***Lebanese car importers in Cotonou***

Lebanese communities have a long and well-documented history in West Africa (Khuri 1965, Hourani and Shedani 1992, Beuving 2007). The involvement of Lebanese entrepreneurs in the second-hand car market in Cotonou has even been the subject of an article by Beuving (2006). Lebanese second-hand car importers conduct their business in a slightly different way from their Beninese counterparts. No Lebanese importers in Cotonou travel to Europe to buy their second-hand cars. They can instead count on fellow Lebanese living in different business places along the trade chain to send the cars directly to Cotonou. With no need to travel for business, their mobility is rather used for visiting family in Lebanon.

On the subject of mobility, Lebanese and Beninese second-hand cars importers in Cotonou have slightly different profiles. While most Beninese importers themselves travel to Europe several times a year, Lebanese importers never need to travel and can instead remain in Cotonou. How are the Lebanese car importers able to work this way? The answer lies in the presence of an important Lebanese diaspora spread around the world and strongly rooted in most centres of the second-hand car import-export business.

### ***Brussels' Lebanese diaspora***

The second-hand car import-export business in Brussels has a slightly different impact

on the mobility of Lebanese and Beninese entrepreneurs. While Beninese importers come and go on a regular basis but remain concentrated in a tiny part of the city, Lebanese importers from Cotonou never travel to Brussels. They instead rely on a strong, well-established Lebanese diaspora in Brussels.

The Brussels' Lebanese diaspora existed before the second-hand car import-export business. The first Lebanese in the city were university students, primarily from the Maronite Christian elite. A second wave arrived fleeing the Lebanese civil war (1975 - 1990). While settling in Brussels, they maintained strong links with Lebanon and other Lebanese scattered around the world. Those connections became important tools in finding and setting up new business activities.

The Lebanese were among the first to recognise the African demand for second-hand cars and the potential of this market. Their extensive network of contacts allowed them to connect information regarding prices paid in Africa for certain models of cars to their retail prices on the main European second-hand car market. In Brussels, they seized this economic opportunity by becoming the first to offer a complete solution for the transportation of cars to the main African harbours. Lebanese entrepreneurs occupied the position of consignee: an intermediary between the ship owner – from whom he buys in advance pre-determined cargo space – and car importers, to whom he sells individual spaces for each car. The consignee is thus responsible for the transport of the car from its purchase place (Brussels) to its destination (Cotonou). He also manages the car's storage in Brussels and its transportation to the Port of Antwerp to be loaded in the cargo leaving for West Africa.

The Lebanese were therefore pioneers in the exportation of second-hand cars from Brussels to Africa. Progressively, more Lebanese people entered the activity. Not all of them were major consignees; some simply had a tiny exhibition lot with no more

than half a dozen second-hand cars. However, this activity became an important economic opportunity for Brussels' Lebanese diaspora.

Now that the involvement of Lebanese in the second-hand car business has been assessed, it is important to discuss their integration, as a community, in a city such as Brussels. Many Lebanese in Brussels own their houses and businesses. Some of them belong to a second-generation born and educated in Belgium and who have acquired Belgian nationality. Even if they maintain links with Lebanon, they also strongly integrate in Brussels in a way that contrasts with the situation described for Beninese importers.

### ***Lebanese as a trade diaspora***

Brussels' Lebanese diaspora has so far been discussed mainly regarding its economic activity. I would like to go further in describing it as a trade diaspora. The first definition of this concept goes back to A. Cohen (1971). Cohen describes a trade diaspora as a community that takes advantage of its network of belonging to address technical challenges linked to a common commercial activity. This is precisely what Lebanese do in the Euro-African second-hand car import-export business. This business presents several challenges: it is a complex trade chain involving numerous intermediaries; there is no institutional guarantee of the economic exchange; there is no centralised information regarding car prices; and it is very difficult to assess the general condition of a second-hand car, especially by distance.

Working as a trade diaspora allows Lebanese car importers to overcome these difficulties. The absence of centralised price information can be addressed by the presence of an extended Lebanese network around the world. A Lebanese importer

seeing a demand for a specific model of cars in Cotonou can call other Lebanese living in all the major business places of the trade chain until he finds the best price. The other problems point to a dilution of responsibility along the trade chain and a difficulty in guaranteeing the terms of the exchange. When you are a car importer in Cotonou, how can you be sure that the second-hand car you see in the picture is in good condition? Is it really the car that will be sent to you once you have paid for it - if your business partner sends a car at all? What can you do if such a problem occurs? Who can you call to get your money back? These questions describe real and concrete situations. They point ultimately to the issue of trust.

### **Trust and transnational trade**

The previous discussion about human mobility in the Euro-African second-hand car import-export business revealed two very different profiles of car importers. Lebanese car importers never travel thanks to the well-integrated Lebanese diaspora in Brussels, while Beninese importers travel to Belgium on a regular basis. I would like to propose the following hypothesis: what distinguishes these two profiles of car importers is, ultimately, a question of trust.

### ***The Euro-African second-hand car import-export business and the lack of institutional-based trust***

The Euro-African second-hand car import-export business is an economic activity that suffers from a lack of institutional-based trust (Zucker 1986). Between its place of origin and Cotonou, a vehicle passes through multiple steps and numerous hands. Each one of these steps represents a risk for the vehicle to be damaged or for its parts to be

stolen or replaced. Each intermediary also poses a potential risk of betrayal. There are therefore multiple occasions to be conned in this complex trade and very few official guarantees against these risks. These inherent risks result from the fact that the business exchanges occur beyond the zones of state control and beyond regulatory authorities' ability to enforce the respect of words exchanged between business partners at each step of the trade chain.

In these conditions, it is very likely that one of the business partners will, in fact, fool the other, or that the fear of being misled will prevent the economic activity from taking place (Gambetta 2000). To allow the economic exchange to occur, it is necessary to replace the lack of institutional-based trust in the Euro-African second-hand car import-export business with other forms of trusts. This requirement applies to both types of cars importers in Cotonou. However, as I will demonstrate, they establish trust in different ways. Lebanese car importers attain enforceable trust by working inside the Lebanese community (Portes 2010). This kind of enforceable trust seems very difficult to create among Beninese partners, who prefer to mobilise interpersonal trust.

### ***Lebanese importers and enforceable trust***

Through recourse to relationship-based trust (Péraldi 2007), Lebanese car importers can compensate for the lack of institutional-based trust in the Euro-African second-hand car import-export business. Where institutional-based trust is lacking, Lebanese importers can recreate powerful relationship-based trust within their ethnic community. Lebanese second-hand car importers mainly work with other Lebanese. Able to mobilise Lebanese intermediaries at each step of the trade, they rely on a kind of Lebanese sub-network inside the Euro-African second-hand car import-export business.

A young Lebanese garage owner in Brussels, head of a business founded by his father, clearly explains how the Lebanese second-hand car network is bound within the ethnic community:

You know, the Lebanese community, like other Eastern communities, has a clannish way of working where reputation matters a lot. People really have their names and their reputations at stake in this market and they greatly value them. You have to know that many vehicles can change hands without any money being exchanged because we really work on trust. [...] It's enough for one Lebanese to be had by somebody for all Lebanese to know about it. So you can't trick each Lebanese one time. If one Lebanese is had, a thousand other Lebanese know about it. You can lose your reputation very quickly. It works like that. So trust exists and is directly linked to people's reputation regarding the way they behave in this business. (Brussels, 3 October 2007)<sup>2</sup>

The link that binds the Lebanese entrepreneurs is honour. When Lebanese business partners make agreements, they are bound by honour to comply with them. If they do not, the news will spread quickly amongst the Lebanese community. Not only will someone who breaks an agreement no longer be trusted as an economic partner, but also his loss of honour can go beyond economic matters to reach his family or even his village of origin in Lebanon. This notion of honour thus places strong pressure from the community and allows Lebanese partners to create trust with each other. In this case, it consists of a specific kind of trust that A. Portes describes as enforceable trust: “*trust* exists in this situation precisely because obligations are *enforceable*, not through recourse to law or violence but through the sanctioning power of the community” (2010, p. 34, original emphasis).

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<sup>2</sup>All quotes come from interviews originally conducted in French. Translations by the author.

The enforceable trust between Lebanese partners allows them to confront the main uncertainties of the Euro-African second-hand car import-export business. Lebanese importers respond to challenge of working with a large number of intermediaries in the trade chain by doing business only with other Lebanese. Each of these intermediaries is situated; i.e. as member of the extended family, by links between families, or by a common place of origin. This means that they are connected by a relational dimension and bound by honour, allowing Lebanese importers to trust the numerous business partners they must work with. Regarding the other major uncertainty, the risks associated with the numerous steps of the trade chain, the best response seems to be to maintain direct control over each step. Working inside the Lebanese sub-network allows Lebanese entrepreneurs to ensure that vehicles circulate safely between each step of the trade chain. Moreover, car importers do not need to themselves travel. They can remain in Cotonou and delegate the vehicles' circulation to trusted Lebanese partners.

In sum, recourse to honour allows Lebanese to create enforceable trust inside a Lebanese sub-network within the Euro-African second-hand car import-export business. In addition to offering numerous guarantees along the trade chain, this trust also allows Lebanese car importers to remain in Cotonou without needing to travel to Brussels to buy their cars. They can instead count on the Lebanese trade diaspora to safely export the cars to West Africa.

### ***Beninese importers and interpersonal trust***

Beninese second-hand cars importers offer a very different picture. Unlike Lebanese, they cannot rely on a strong Beninese community living abroad. They also lack the

ability to create trust between business partners. This difficulty to create trust leads Beninese importers to control each step of the trade chain by themselves. In the absence of institutional-based trust within the Euro-African second-hand car import-export business, Beninese importers also depend on relation-based trust, but at the interpersonal level. They minimise the amount of trust placed in intermediaries by being present at and personally supervising each step of the trade chain, thus guaranteeing the economic transaction. Beninese importers must therefore travel themselves to obtain their second-hand cars. What can explain these difficulties in establishing trust? Going back to the interviews conducted with Beninese car importers, at least three possible explanations appear.

#### *Difficulties in sharing decision-making power*

When questioned on the source of this lack of trust, Beninese importers cited several reasons. First, they said that many Beninese entrepreneurs have difficulties in sharing decision-making power. Mr O., a second-hand car importer in Cotonou for more than 20 years, explains this well:

This weakness comes from the psycho-sociology of the Beninese man, the African, particularly Yoruba, for whom individualism is very strong and who always feels mistrustful of others. We do not trust each other. [...] I could almost speak of a cultural heritage. You understand? Everyone wants to initiate his own activity. Everyone wants to be the boss of his own microcosm. Me, the little executive director in my microcosm, what am I worth if I inject my earnings in a bigger company that becomes multinational? Even if the returns, the stock dividends allow me to be larger than in my microcosm, I would prefer to stay by myself. That's how it is! (Cotonou, 22 June 2010)

This tendency to prefer being the “executive director of a one-man society” than share the decision-making power with someone else makes it very difficult to construct complex supply networks. Most Beninese importers prefer to work by themselves, even if it means missing greater economic opportunities. They must therefore travel to obtain their second-hand cars.

#### *Difficulties in hiring family members*

A second reason that Beninese car importers tend to work alone is linked to the difficulties in recruiting members of their own family. Recruiting family members can be a good way to guarantee a high level of trust among employees. However, numerous cases of conning, jealousy, and misappropriation have been reported among family members working together in the second-hand cars business. Mr O. worked for a time with his nephew. He is now very reluctant to engage in such a practice:

You see, the family is too much of a crutch in Africa. When you have some success, whether you wanted it or not, you are obliged to help a nephew, or a cousin, or a relative, basically anyone who stands there and does nothing. So, you give him a little job, so that he can enjoy some of the fruits, but unfortunately, this always ends badly. What happens is that people cannot differentiate family ties from work ties. There is always confusion in peoples' heads: because I am his relative, I am allowed to do things that I cannot do with my boss. What's more, he can't even be fired. Because, when you are a man of principles, as I am, at some point you pound the table to make him leave. But it's hard to take. You're accused of arrogance, of all things, that you take yourself too seriously because you made it. You're this, you're that. So, sometimes there are family problems, to a point where some people don't speak with you anymore and seek, through occult paths, to hurt you, to make you fall back. (Beninese car importer, Cotonou, 30 June 2010)

The term “occult paths” refers to voodoo. This magico-religious practice is pervasive in Benin.

In Benin, as in many African countries, power, strength, and wealth are generally perceived as the success of magico-religious practices. Having power is never innocent: it is obtained, strengthened, and maintained with the help of occult forces. [...] Accession to an enviable status, to a higher hierarchical position, is necessarily gained at the expense of someone else, whom you must mistrust and from whose actions you must protect yourself. (Kadya Tall 1995, p. 195-6)<sup>3</sup>

In the sorcery view of society, one person's success is necessarily linked to someone else's failure. Success creates jealousy and resentment that can lead to magical practices aimed at recreating balance that are often directed toward extended family members. This proximity between voodoo and family makes it difficult to hire relatives as employees.

#### *Difficulties in maintaining long-term partnerships*

Finally, even when business partnerships do take place, they rarely last in the long run. People see the Euro-African second-hand car export business as an activity where someone can become rich overnight. If this was true at the beginning, it is absolutely not the case anymore. In a comparison with the American gold rush, Beuving (2004) describes the vivid imaginary for quick fortune still held by cars importers. Today, one of the only ways to make quick money is to con a business partner, and numerous cases have been reported of good collaborations ending with one of the partners disappearing with the money. The case of Mr K. serves as a representative example. Mr. K worked as

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<sup>3</sup>Translation by the author.

a mechanic on a project for the Belgian Technical Cooperation (CTB). At the end of the project, as he had developed good relationships with the staff, the project manager suggested that he send second-hand trucks from Belgium. Having no experience in this field, Mr K. partnered with a friend who had an import licence, but the partnership did not last long.

The Beninese man is a guy who does not have that ability to work in a partnership. The Beninese cannot work in a cooperative because he has trust issues. At a given moment, when there is some success, the other wants to monopolise everything. The other wants to own everything and it turns into legal problems. Well, to avoid this, we work on our own with the means we have. At first, I worked with a friend and we both found ourselves unemployed. So, I told him, 'well, you can't be unemployed, we'll work together, and that way you'll earn a little something to feed your family.' At that time, I had not yet created my company, but he had an import license and owned a company. So, we ordered everything through his company. Then, when the time came, since it was his name on the header, he took all the money and left. (Cotonou, 30 June 2010)

The three difficulties discussed here refer to the challenges in creating trust among Beninese entrepreneurs in the second-hand car import-export business. Beninese importers face a situation in which it is very difficult to create partnerships that would allow them to realise economies of scale, enter new areas of the second-hand car business, or set up complex supply networks. Institutional challenges are combined with difficulties in hiring family members as employees. Even when partnerships do occur, they rarely last in the long-run and often result in cases of duplicity. These various elements make trust difficult to establish among Beninese importers. Therefore, in most cases, they are able to create only interpersonal trust to replace the lack of institutional-based trust in the Euro-African second-hand car import-export business. Being present at each step of a trade chain is an effective way to minimise the trust to be placed in

intermediaries. Faced with the large number of intermediaries in the Euro-African second-hand car import-export business, and without the ability to rely on notions such as honour, as in the Lebanese community, Beninese importers must be personally involved in their business interactions. This involvement requires travelling on a regular basis to accompany the cars.

## **Conclusion**

The discussion of car importers in the Euro-African second-hand car import-export business leads to a descriptions of two fairly different profiles. Although the two types of importers are engaged in the same commercial activity, they have very different methods of creating trust, collaborating with partners, setting up supply networks, and organising their mobility.

I showed that Lebanese were pioneers in the Euro-African second-hand car import-export business in Brussels. They were the first to offer an integrated solution for people wanting to send second-hand cars to Africa. They achieved this service thanks to their capacity to create enforceable trust between business partners among the Lebanese diaspora already living in Brussels. Their business developed into a sub-network of Lebanese intermediaries within the Euro-African second-hand car import-export business.

Most native Beninese car importers competing with Lebanese importers in Cotonou have failed to set up the same kind of supply networks. Their first difficulty arises from the lack of a strong Beninese community already living in Brussels. Beninese communities are not settled in multiple locations, as the Lebanese. A second difficulty, which I discussed at length, is the lack of trust between Beninese partners.

The difficulties in establishing trust place them in a situation where it is very difficult to create supply networks and even more difficult to maintain them. The result is a tendency to control personally each step of the trade chain, which requires travelling on a regular basis and working on a smaller scale. Another consequence of the trust difficulties is the incapacity to create a Beninese sub-network that could control each step of the trade chain. Some of the most successful Beninese importers manage to control two or three steps of the trade chain, for example by combining car importation with owning a car sales park in Cotonou. However, they are never able to control all the steps and remain dependant on intermediaries for activities such as vehicle registration or shipping.

This lack of trust can therefore represent a comparative disadvantage in the market, as illustrated by B. Rubbers in his study of entrepreneurial activity in Katanga (Democratic Republic of Congo):

Yet personal trust is of crucial importance in a context marked by the ineffectiveness of legal rules and the instability of economic flows. When institutions are not able to control opportunist behaviour and when trade is subject to many risks, those who have trustworthy partners are better protected from cheating and loss. They can get reliable information, go into partnership, grant or receive credits, and delegate responsibilities to their employees. In case of dispute, they can also come to an amicable agreement. On the other hand, those who trade in an environment of suspicion are forced to work alone and to engage in on-the-spot forms of exchange. They depend on their own capital and must control all operations themselves. With their partners, they must check every deal and, in case of default, start legal proceedings without having any guarantee about the outcome. Such transaction costs consequently put them in an unfavourable position in the market. (Rubbers 2009, p. 624)

Ultimately, the differences between Lebanese and Beninese second-hand car importers can be summed up as an unequal capacity to mobilise capital. Belonging to a

trade diaspora opens Lebanese importers up to a wide range of capital that includes information, contacts, enforceable trust, and secure supply networks. Most Beninese car importers lack access to such capital. Not only does the issue of trust introduce differences in the way car importers compete in the Euro-African second-hand car import-export business, but it also determines the way they react to new opportunity structures. This point can be illustrated by the recent emergence of a new second-hand car supply network in the United States.

Although this network was almost non-existent at the turn of the twenty-first century, more than a third of the cars reaching Cotonou since 2008 now come from the United States (Conseil National des Chargeurs du Bénin (CNCB) 2009). In 2008, a fair share of the Lebanese importers working in Cotonou had some of their cars shipped from the United States. At the same time, only a handful of Beninese importers were doing the same. Confronted with an important change in the opportunity structure, in this case the opening of a new supply network, it appears that Lebanese importers were quicker to react and reap benefits from the new situation thanks to the flexibility of the Lebanese supply network. Confronted with a new commercial opportunity, Lebanese importers can mobilise their extended network of contacts to find a member of the Lebanese diaspora in the United States. This contact can send him second-hand cars directly or act as an intermediary for another exporter. In most cases, this will allow the Lebanese importer working in Cotonou to make a first order of second-hand cars from the United States. If everything works fine and is mutually-beneficial, the orders multiply and a partnership will develop. In such a situation, a new supply network will have been created; all this by telephone, without movement, and with minimal risks. Working inside a trade diaspora such as that of the Lebanese therefore offers great flexibility and allows for adjusting fairly quickly to new commercial opportunities.

Most Beninese importers base their economic activities on social contacts they personally develop in different business places. In these conditions, seizing a new opportunity generally requires travelling personally in order to try set up a new network of acquaintances. This can be a difficult bet, especially if there is no Beninese community already present. Another difficulty in entering the American second-hand car market comes from the fact that most second-hand cars are sold through auctions that are open only to professionals with American retail licenses. It is therefore far more difficult to enter the American car market than the European, which is open to anybody and often concentrated in a single place. This can explain why Lebanese importers have been more quickly able to take advantage of the American supply networks than their Beninese counterparts.

More generally, this example highlights the flexibility and adaptability of a trade network, such as the Lebanese diaspora, to new opportunity structures. Beninese second-hand car importers have far more difficulties in accessing capital than Lebanese importers in the same commercial activity. Even though they are in the same business, as this paper has shown, Lebanese and Beninese car importers work, trust, adapt, and move in rather different ways. This study furthermore illustrates the interest and nuances of concepts developed to describe new forms of human mobility.

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