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Globalization from below and transition economies: The case of Chinese
entrepreneurs in post-socialist Belgrade

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Abstract

This thesis will discuss the phenomenon of the relatively new interplay of globalization from below and globalization from above in transition economies in European post-socialist cities by looking at Chinese entrepreneurship practices in Belgrade. Specifically, the thesis explores different ways Chinese entrepreneurs have been succumbing to and/ or resisting different aims of local and state authorities (pressured by international financial institutions and agreements) to regulate and control their activities by imposing banking, formalization and fiscalization to show how globalization from above attempts to shape and suppress globalization from below in Belgrade. I will discuss the state's enabling of Chinese informal entrepreneurship in the beginning phase of transition and compare it with the attempts to control it in later stages with a scope to broaden understanding of complex relations between post-socialist cities and globalizatio

Abstrakt

Diese Dissertation diskutiert das Phänomen des relativ neuen Zusammenspiels von Globalisierung von unten und Globalisierung von oben in Transformationsökonomien in europäischen postsozialistischen Städten anhand von chinesischen Unternehmertumspraktiken in Belgrad. Konkret untersucht die Dissertation verschiedene Arten, wie chinesische Unternehmer verschiedenen Zielen lokaler und staatlicher Behörden (unter dem Druck internationaler Finanzinstitutionen und Vereinbarungen) erliegen und/oder sich dagegen wehren, ihre Aktivitäten zu regulieren und zu kontrollieren, indem sie Bankgeschäfte, Formalisierung und Fiskalisierung auferlegen, um zu zeigen, wie Globalisierung von oben versucht in Belgrad die Globalisierung von unten zu gestalten und zu unterdrücken. Ich werde die Ermöglichung des chinesischen informellen Unternehmertums durch den Staat in der Anfangsphase des Übergangs diskutieren und mit den Versuchen, es in späteren Phasen zu kontrollieren, vergleichen, um das Verständnis der komplexen Beziehungen zwischen postsozialistischen Städten und Globalisierung zu erweitern.

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1. Introduction

This story I am going to tell you is a story of a place that ceased to exist during the storytelling. As I was sitting on my balcony one August night in Belgrade, I saw a thick black smoke spreading in the horizon. A few minutes later I received a message from my informant telling me that the fire started in a restaurant of his friend, a place where we dined together a few days before. The fire devoured one of three buildings of the Chinese market in Belgrade, the focus of my fieldwork. I watched histories, anchors of stability for numerous families and individuals, places of intercultural interactions, a place where tales are told and created, all disappearing up in smoke one summer night.

My thesis explores how the world of Chinese small-scale entrepreneurs working in Belgrade, predominantly located in Chinese market in Blok 70, now partially shattered in fire, intersects with multi-scalar structures of the Serbian government. For this purpose, I relied on theoretical conceptualizations on the relationship of what is defined as globalization from below and globalization from above.

Scholars such as Mathews and Ribeiro argue that globalization from below can be defined as a global phenomenon that represents an aftereffect of leading transformations in global economy, politics, society and technology such as liberalization, privatization, mass international migration and ICT revolution. While globalization from above is led by strong economic and political actors such as multinational corporations and international financial institutions, implying mobility of large amount of capital, globalization from below can be defined as a transnational flow of people and goods that implicate small amounts of capital and (often) informal transactions (Mathews, Ribeiro and Alba Vega 2012).

Globalization from below occurring in European post-socialist cities has not been addressed by scholars. My thesis addresses the phenomenon of relatively new interplay of globalization from below and globalization from above in transition economies in European

post-socialist cities by looking at Chinese entrepreneurship practices in Belgrade, with paying special attention to the Blok 70 shopping center, a distribution hub of cheap, often counterfeit goods imported from China which have represented a significant source of commodities for Serbian families during the first years of transition marked by a considerable decrease of life standard. Specifically, I will be looking at different ways Chinese entrepreneurs have been succumbing to and/ or resisting different aims of local and state authorities (pressured by international financial institutions and agreements) to regulate and control their activities by imposing formalization and fiscalization, in order to show how globalization from above attempts to shape and suppress globalization from below in Belgrade. I will discuss the government's enabling of Chinese informal entrepreneurship in the beginning phase of transition and compare it with the attempts to control it in later stages, in order to broaden understanding of complex relation between post-socialist cities and globalization.

1.1. Research question

The research question guiding this Master's thesis is:

1. In which ways government institutions in Belgrade shape globalization from below manifested in activities of Chinese entrepreneurs and what are the responses and strategies of Chinese migrants to the governments' regulation tactics?

Supporting questions:

1. How has globalization from below evolved through different periods of economic transition in Belgrade?
2. What is the role of international institutions (EU, IMF, WTO, etc) in shaping policies that affect Chinese entrepreneurship in Belgrade?
3. Did decentralization and rescaling of the Serbian government develop sufficiently for local authorities and urban policies to have an autonomous influence on the process of globalization from below in Belgrade?
4. Does the increase of Chinese political influence and economical investments in Belgrade affect and/or intertwine with small-scale Chinese entrepreneurship?

2. Literature review

2.2. Introduction: Defining economic globalization

Globalization and its' economic, political, social and cultural aspects have been widely researched by many scholars coming from various disciplines such as political science, sociology, economics and anthropology. Many definitions accentuate the socio-spatial aspects of globalization, focusing on the 'creation of new and the multiplication of existing social networks and activities that increasingly overcome traditional political, economic, cultural and geographical boundaries' (Steger 2009, 9), as well as 'the expansion and the stretching of social relations, activities and interdependencies', (Steger 2009, 11) and 'intensification and acceleration of social exchanges and activities (Steger 2009, 11).

According to Abélès, Marxist economists were the first group of researchers who accentuated the importance of globalization as a new phenomenon, while defining it as a consequence of domination of the financial sphere over all of the rest of economic activities. According to them, extraordinary mobility of money capital represents the main initiator of processes of globalization. In their view, the origin of globalization stands in changes in modes of production and its organization facilitated by the informational and communicational technology revolution (Abélès 2014).

Today, many authors argue that the processes of globalization are much older, beginning with Columbus's travel to the New World, or even earlier, with Silk Road travels or earliest migrations of the human species (Steger 2009). However, the aforementioned group of Marxist economists believe that even though expansion of market relations and growing internationalization of economy are long-standing processes, the globalized world and its economy we know today are the ramifications of a specific process called neoliberal globalization, which obtained its full expression in the 1990s (Abélès 2014). According to these

economic theorists, the objective of neoliberal globalization was the removal of obstacles of free movement of capital through restriction of role of the state and a maximum increase of market economy flow which allowed financial capital to extract full profit from post-industrial innovations (Abélès 2014). According to aforementioned theorists, the beginning of globalization corresponds to the origins of neoliberalism, which became an official political ideology of the USA by 1980 during Regan's presidency, and in the UK under Margaret Thatcher, who sought a revolution against Keynesianism or Bretton Woods system (Steger 2009). During this time, the notion of globalization became linked to the 'liberation' of national economies around the globe.

According to Steger, the most conspicuous outcomes or developments linked to economic globalization are the internationalization of trade and finance, the expanding power of transnational corporations, and the intensified role of international economic institutions such as International Monetary Fund, the World Bank and the World Trade Organization (Steger 2009). The debt crisis from the 1970s managed by IMF and WB had a pivotal role in appropriation of the Third World in the neoliberal system, whose countries had to succumb to structural adjustment programs recommended by the Washington Consensus in order to obtain the money needed to pay the interest on the debt (Abélès 2014; Steger 2009; Harvey 2005). The adjustments required by Washington Consensus include fiscal discipline, reduction of public expenditure, tax reform, financial and trade liberalization, promotion of foreign direct investment, deregulation of the economy, competitive exchange rates, privatization of state enterprises and protection of property rights. The Washington Consensus represented an important model not only for the incorporation of Third World countries into the global neoliberal system, but it was also a central model for the transformation of previous socialist countries of Eastern and Central Europe (Young 2007).

2.2. Defining globalization from below

The neoliberal globalization described as in the previous chapter is by some scholars called globalization from above, as it is manifested through supranational political organizations,

financial institutions and large multinational companies (Mathews and Vega 2012; Lee 2014). Globalization understood in this way is well documented and researched by many scholars and institutions. However, globalization has another less known side to it, displayed as more inconspicuous or invisible, often defined as globalization from below.

After scanning through literature, I have identified three different usages of the term globalization from below, that tackle three different types of globalization: political (Falk 2000; Tubajon and Zaman 2001), cultural (Yang Ling and Xu Yanrui 2017)¹ and economic (Ribeiro 2006; Mathews and Yang Yang 2012). The papers which define globalization from below form a political standpoint (also called counter-globalization from below) view it as a new grassroots politics of resistance directed towards hegemonic effects of globalization such as privatization, free trade, erosion of welfare state and labor rights.

Economic globalization from below, as a separate but tightly interconnected phenomenon to globalization from above, has become an object of research in the 1990s when it was first mentioned by Alejandro Portes (1997) in the article called *Globalization from Below: The Rise of Transnational Communities* and then Tarrius (2002) in his work *La mondialisation par le bas. Les nouveaux nomades des économies souterraines*. Both authors have emphasized the role of transnational migration movements of people as the main drivers of this less visible type of globalization, most often ‘characterized by informal relations’ (Choplin and Pliez 2015). According to Portes globalization from below is a reaction of working-class people to the globalization of capitalist production, who instead of creating national trade unions or requesting regulated labor standards² often ‘create communities that sit astride political borders and that, in a very real sense, ‘are “neither here nor there” but in both places simultaneously’ (Portes 1997,3). These transnational communities support themselves by participating in economical activities that exploit ‘differentials of advantage created by state boundaries’ (Portes 1997, 3). In the opinion of Portes, the enterprises led by members of these transnational communities are not essentially different from multinational corporations, except they are created on a grassroots level often involving informal activities (Portes 1997). Portes explains this difference further:

¹ I have found only one paper that mentions cultural globalization from below that did not give any new theoretical reflections

² Portes does not imply that these attempts were never made, but that they were not fruitful due to the competitive labor market.

‘This parallel between the strategies of dominant economic actors and immigrant transnational enterprise is only partial, however. Both make extensive use of new technologies and both depend on price and information differences across borders, but while corporations rely primarily on their financial muscle to make such ventures feasible, immigrant entrepreneurs depend entirely on their social capital’(Portes 1997, 9).

In Portes’s endeavor of theorizing globalization from below, transnationalism represents a main defining factor of the phenomenon. According to the author, the appearance of transnational communities is not tightly linked to the individualistic economic aspirations of migrants, but the intrinsic logic of capitalist expansion. The processes of transnational immigration are thus steered by structural requirements of advanced capitalist accumulation as the First World economies need of low-wage labor and multinational capital needs of market expansion on the Global South (Portes 1997).

Other authors define globalization from the below as a ‘transnational flow of people and goods involving relatively small amounts of capital and informal, sometimes quasi-legal or illegal transactions, commonly associated with the developing world’ (Mathews and Vega 2012). In addition, scholars such as Mathews and Ribeiro argue that the globalization from below can be defined as a phenomenon that represents an aftereffect of leading global transformations:

‘Globalization from below has expanded throughout the world in recent years as a consequence of key transformations in the global economy (liberalization and deregulation, particularly China’s), in politics (the growth of liberal democracy, and the collapse of the Soviet Union and the socialist block), in society (the spread of poverty and inequality, and mass international migration), and in technology (the revolution of information technologies and communication’ (Mathews and Vega 2012).

Not many authors have made pure theoretical contributions to the topic of economic globalization from below. Mostly the researchers provided in-depth ethnographies that treat this phenomenon in specific localities, most often cities in the Global South such as Cairo (Pliez 2012), Ciudad del Este (Rabossi 2012) (Riberio 2006), Hong Kong, and Guangzhou (Yang Yang 2012); (Mathews 2007), São Paulo (Telles 2012), Calcutta (Bandyopadhyay 2012), etc. The key topic in papers that treat economic globalization from below is its difference and contested relation to what is known as globalization from above. The globalization from below is in a certain set of papers described as non-hegemonic because its actors and their activities disobey

and challenge what is defined as hegemonic or globalization, epitomized in multinational corporations and actors who perpetuate the domination of neoliberal capitalism (Riberio 2009; Lee 2014).

The globalization from above is in the selected papers mostly equated with the global process of neoliberal globalization with its hegemony reflected in interests of neoliberal agents such as states, international financial and governing institutions, multinational corporations, etc. According to Mathews and Vega (2012), globalization from above is enacted by national states and multinational corporations which seek to restrict and regulate activities related to globalization from below. One example is regulation of selling, distributing, or smuggling counterfeit goods which are often (but not always present) in globalization from below networks:

‘These states and corporations are often under the sway of international financial institutions such as the World Trade Organization (WTO). Since economic liberalization and the signing of trade agreements (NAFTA, Mercosur), governments are pressured to comply with international agreements and to defend the interests of the capital they wish to attract, for example, in providing copyright protections for transnational companies’ (Mathews and Vega 2012, 9).

According to the authors, actors of globalization from above seek to gain a monopoly of economic transactions and the power to dictate its legality and legitimacy (Riberio 2012; Mathews and Vega 2012). The globalization from below is, therefore, often found “under attack” of globalization from above agents who strive to restrict it, destroy it through policing and other repressive actions (Riberio 2009) or transform and regulate it through imposing of banking, fiscalization and formalization (Mathews and Vega 2012).

Riberio describes globalization from below as non-hegemonic, not because it seeks to destroy hegemonic neoliberal capitalism or create some new radical system³, but because its activities are depicted as a threat to the capitalist economic system and its elites. Both globalization from below defined like in the paragraphs above and neoliberal economic system are based on the principle of the free market. Therefore, globalization from below also seeks to avoid state control, similar to the actors of globalization from below such as multinational companies. Mathews argued that the actors of globalization from below are “out-neoliberalizing”

³ According to Riberio this would be counter-hegemonic globalization which is manifested in global grassroots organizations

actors of globalization from above by giving the world a more considerate shape of neoliberalism that evades the laws, but does not destroy the local communities like globalization from above (Mathews and Vega 2012).

A significant number of works accentuate the prominent role of China in globalization from below. According to Mathews and Vega (2012), China has become ‘world’s manufacturing powerhouse’ as a consequence of its profuse and cheap labor, economic reforms, work discipline and integration to WTO. One of the main attributes of Chinese goods is their relatively low price and acceptable quality, which makes them favored in many ‘developing countries’ around the world. The second important factor of China’s pivotal importance in globalization from below lies in flexible laws regarding copy goods (ibid.). According to Lin, counterfeit goods and markets emerged before the economic liberalization of China, when goods of Western brands were not available to China’s consumers due to its strictly regulated and closed economy (Lin 2017). While some authors prescribe the rise of China’s fake goods hyper-production to cultural patterns of traditional Chinese craftsmanship, others link it to Deng Xiaoping’s economic reform and introduction of ‘total market economy’ which catalyzed extensive entrepreneurial activities with a part of them being aimed at production and retail of counterfeit commodities (Lin 2017). Mathews and Vega argue that China creates contemporary globalization by supplying the “developing world”, primarily countries in sub-Saharan Africa, South Asia, and Latin America where the purchasing power the citizens is so low, that they cannot afford most of the commodities that emerge from the regulated production created by globalization from above (Mathews and Vega 2012).

Another topic debated topic is the difference between informal economy and globalization from below. Some authors argue that we should make a distinction between the terms of informal economy and globalization from below, as the notion of informal economy presupposes isolated national economies with their own formal and informal economic sectors, which is due to globalization a long-gone phenomenon in most countries of the world (Mathews and Vega 2012, Lee 2014). Therefore, for these authors globalization from below surpasses nation-states and their informal and formal sectors, as it encompasses almost all societies around the globe and through different mechanisms connects and integrates informal sectors of various countries.

While many authors focus on the transnational aspect of globalization from below, particularly the importance of networks of actors involved in its activities, Choplin and Pliez highlight the importance of the spatial aspect of what they call ‘inconspicuous globalization’. They attempt to understand how spaces and parts of the world traditionally considered peripheral are becoming significant nodes of globalization processes alongside global cities (Chopling and Pliez 2015).

Drawing from the two ‘schools of thought’ of globalization from below, one following Portes’ theorization and the other one reflected in works of Mathews, Vega, and Riberio, I want to emphasize the usefulness of certain aspects of both theorizations. While Portes offers a broad definition of the phenomenon, taking into account different types of transnational entrepreneurship that might or might not have informal aspects to them, the other group defines it slightly narrower, as it primarily focuses on informal aspects of trade of consumer goods with a particular focus on trade of counterfeit goods. However, I find the latter conceptualization of the phenomenon useful as well, as it introduces a broader perspective on how neoliberal actors such as states, international institutions and companies interact with informal aspects of globalization from below. As I am interested in ways different tiers of government shape globalization from below in Belgrade, which often includes elements of informality, I find this conceptualization particularly useful. Finally, the two definitions have more similarities than differences, as both address the rise of transnational (informal) small-scale entrepreneurship, catalyzed by the restructuring of the global economic system and technological improvements in communication and transportation. Therefore, for the purpose of this thesis, I view globalization from below as encompassing all activities occurring with increased flows of transnational small-scale entrepreneurs which often but not always imply different levels of informality.

2.3. Globalization from below and the post-socialist context

Globalization from below has been addressed in many geographical contexts, although mostly in ‘Third World’ countries. Many academics have focused on the globalization from

below processes in African, Asian, and Latin American cities that could be described as places that went through some sort of post-socialist transition (Tastevin 2014; Mainet and Racaud 2014; Lee 2014). In addition, there is a lot of work focusing on Chinese cities which are due to specificities of China's economic and political system created after the market reforms, found under debates of whether they can be considered post-socialist or not⁴ (Belguidoum and Pliez 2014; Mathews, Lin, and Yang 2017). The socialist political systems were not a homogenous, as every socialist country had its own set of characteristics. In the same manner, post-socialism has different manifestations in different countries and regions. For example, Herrschel (2007) argues that 'Second' and 'Third' countries had different experiences socialism and post-socialism and that African, Asian, and Latin American states had different connotations with terms of 'socialism' and 'communism' than those that were held in European socialist states.

However, as I am interested in the European context, I limited my literature review to European post-socialist cities. I could not find any academic writing that uses a framework of globalization from below to explore the activities, networks, and practices of transnational small-scale entrepreneurs in post-socialist cities of Europe, contrary to numerous existing papers that explore a wave of Chinese entrepreneurs coming to Eastern Europe after 1989. In many aspects, the activities of these entrepreneurs are compatible with the definitions of globalization from below. In the next subchapter, I will explore the literature that focuses on post-1989 wave of Chinese migration to countries with transitional economies.

2.3.1. Globalization from below in post-socialist Europe: Chinese migrants and economies of scarcity

The globalization from below in the European post-socialist context is primarily and most intensely manifested in the extensive immigration of Chinese entrepreneurs to the region. Since the first indications of the beginnings of post-socialist transition and liberalization of the markets,

⁴ Some examples of authors who describe China as post-socialist include Wing-Chung Ho (2010) and Zhang (2008).

individuals from many countries such as India, Vietnam, and Turkey tried their luck with business in newly opened Eastern Europe (Marouda 2020; Milutinović 2005).

However, the Chinese entrepreneurs remain the most prominent group. Nonetheless, this enormous presence of Chinese entrepreneurs in post-socialist Eastern Europe and Russia is a part of a much broader phenomenon of Chinese-led globalization. Post-Cold War migration of Chinese citizens to Russia and Eastern Europe has taken place in a period of ‘intense globalization’ (Nyiri 2017, 137) and it shows immense similarities to the Chinese mass migration to Africa, South America, and Southeast Asia all driven by the increasingly expanding Chinese economy. Until 2007, it has been estimated that 200 000 to 400 000 Chinese migrants moved to Russia and approximately 50 000 moved to Eastern Europe, followed by hundreds of thousands of migrants going to various African, Asian, and Central and South American countries. Chinese traders have managed to create nationwide networks of retail and wholesale shops in a vast number of countries in these regions (ibid.). Researchers such as Nyiri (2017), Chang (2011), and Korać (2013) have all noticed the pattern of booms in Chinese migration in countries with unstable economies. Nyiri highlights the examples of Cambodia, Burma, South Africa, and Argentina where UN-supervised election, cash-strapped junta, transition to a post-apartheid system, and currency crisis have been followed by the mass immigration of Chinese citizens. The author describes these countries as ‘transitional economies of scarcity’ (Nyiri 2017, 137), others call it ‘volatile consumer markets’ to describe markets that are ‘underserved by domestic and multinational manufacturers’ and ‘commonly located in post-conflict zones of Africa, Southeast Asia, and Eastern Europe’ (Chang et al. 2011, 1). These countries have been especially attractive to Chinese merchants because of their poor connections with the developed markets of the global economy and gentle immigration restrictions at the time, which enabled a remarkable opportunity for import and trade of cheap Chinese commodities such as clothes, toys, and appliances. Thus, many African countries like Angola, Namibia, and Cape Verde as well as countries of Central and South-Eastern Europe such as Serbia, Hungary, and Romania became frequent destinations of Chinese petty entrepreneurs (Korac 2013).

Some authors describe these petty entrepreneurs who tend to choose underdeveloped markets and transitional economies as ‘new Chinese migrants’ (Nyiri 2017; Chang et. al. 2011). According to the authors, this new type of migrant strongly differs from the archetype of the

Chinese migrant moving to developed regions of Western Europe, North America, and Australia. The authors argue that migrants going to the Western developed countries primarily seek employment in either mainstream or ethnic economy and aim to gain local citizenship, while the ‘new Chinese migrant’ moving to countries of transitional peripheries aims to become a transnational entrepreneur with strong economic dependence on China and immense international mobility (ibid.). Nyiri argues that the new Chinese migrants ‘largely follow the model of a ‘middleman minority’, modified to account for the particular features of 21st century globalization and transnationalism’ (Nyiri 2017, 138). Here capital, labor, and business information are mobilized through ethnic networks in order to provide inaccessible or otherwise expensive services to the local population. The competitiveness of their businesses depends on the maintenance of affordability of their goods and services which often drives them to economic practices and places generally associated with the gray economy such as flea markets and sweatshops (ibid).

The Eastern Europe attracted Chinese migrants due to its specific economic situation caused by rocky beginnings of post-socialist transition, badly functioning retail networks and the grey economy. In the early 1990s Chinese migrants exploited economies of scarcity by searching profitable yet unsupplied market niches which then they would replete with cheap mass-produced commodities made in China. Most often, these migrants, contrary to Chinese immigrants in the West, have already possessed transnational cultural capital and communication channels with Chinese state enterprises that supply them with state-subsidized and low-priced consumer goods (Nyiri 2017). The presence of new Chinese migrants in post-socialist Europe is not permanent, as a new migrant is highly mobile, flexible and depends on transnational distribution networks and will leave the country as soon as the business climate becomes unprofitable (Chang et al 2011). Often, the new Chinese migrants are described as transient migrants who do not profoundly engage with the local culture, making globalization from below in this case almost purely economic phenomenon with scarce political and cultural elements. Generally, China-led globalization (coming from above or below) is often described and criticized for having strictly economic motives (Chang et al 2017). However, my research shows

that this is changing and that both China-led globalizations from above and below are starting to manifest political and cultural aspects.⁵

Aforementioned authors describe the Chinese as the harbingers of globalization in Eastern Europe. This globalization manifested by flows of (illegal) migrants taking advantage of porous borders was coming from below and preceded bilateral agreements and large-scale investments coming with both Chinese and Western globalization from above (Chang et al. 2011).

Milutinovic (2005) argues that Chinese transnational entrepreneurs target countries where economic transition processes are still ongoing as they are completely guided by the opportunities created by the empty space caused by decentralization, privatization, and other neoliberal reforms. The author adds that the Chinese migrants are aware of difficulties and inconveniences coming with transition economies, nevertheless, they are willing to take the risk and persistently create conditions for participation in the supply of uncovered market segments, knowing they would need far more time to achieve approximate economic success in stable economies of Western Europe

3. Contextual setting of the case study

This chapter of my thesis will be divided into two major parts, one focusing on contextualizing the transforming structures of Serbian multi-level governance and the other on contextualizing Chinese migration to Serbia.

⁵ This will be further discussed in the analysis and discussion chapters

3.1. Understanding multi-scalar political structures of post-socialist Serbia

3.1.1. The relation between the supra-national and national scale

To understand how supra-national institutions (IMF, World Bank, WTO and EU institutions) shape globalization from below, firstly we must take a look at how they affect and direct decision-making processes of the national government in Serbia.

Starting with the EU, a supra-national entity that probably has the most influence on Serbia, I must briefly go through the history of the relation of the Serbian national government and EU institutions and explain how has Europeanization has been affecting the changes of structure of Serbian governance. Europeanization in this context refers to the process of joining the EU, implied changes in governance and politics required for synchronization with policies, practices, and values of EU (Bache 2010) and therefore, encompasses the processes of building, diffusing, and institutionalizing EU rules, procedures, political paradigms, common beliefs and norms, and incorporation of those into the logic of domestic discourses, identities, political structures and public strategies (Brujić 2016).

Since 2000, when the autocratic government of Slobodan Milošević was overthrown and the new government was elected, Serbia⁶ started determinately working its way towards joining the EU. Since then, the Serbian government has made numerous required adjustments and changes in its governmental structures, laws, institutional frameworks, policy-making procedures, etc. In order to synchronize the national laws and economic framework with legislation proposed by EU institutions, as pre-conditions to join the union, Serbia has made a series of reforms that have indirectly affected globalization from below (e.g. new tax and fiscal laws, as well as laws concerning the decentralization of government structures).

One of the more important international agreements was The Stabilization and Association Agreement (SAA) from 2013⁷. This agreement gave Serbia the status of an associated country to the EU. The two most important obligations that Serbia undertook by

⁶ Then still officially Federal Republic of Yugoslavia

⁷ The negotiations started in 2005

signing the agreement are the establishment of a free trade zone and the harmonization of legislation with EU laws. The SAA represented a legal basis for improving cooperation between Serbia and the EU in a number of areas such as economic and trade policy, banking, financial control, investment promotion and protection, small and medium enterprises, customs, taxes, regional and local development, public administration, etc⁸.

Since the beginning of the transition, the International Monetary Fund and World Bank, as the main creditors of Serbia, have been imposing many structural adjustments in form of economic reforms that have indirectly affected how the Serbian government shapes and reacts to globalization from below. In 2001, the newly elected government in Serbia launched an IMF and WB-supported economic program intending to ensure a quick transition to a market economy and an integration of the national economy with the global financial markets. They focused on the implementation of structural adjustment programs consisting of strict fiscal and monetary policies, removal of many restrictions on foreign trade and implementation of a set of structural reforms in tax policy, bank restructuring, public administration, judicial system, and many other neoliberal reforms⁹. IMF has since then supported the reform programs through different arrangements and additional structural adjustment credits and loans in many instances (2002, 2009, 2011, 2015, 2018) and through monitoring and directing the reforms in Serbia¹⁰¹¹. One of the main effects these requests for restructuring of the economic system of Serbia had on globalization from below is changes in tax collection, as well as the creation of local self-governments. In 2018 IMF approved a new cooperation program for Serbia which includes structural and institutional reforms with aim ‘to improve the business environment, contributing to a successful EU accession process’¹² by focusing on restructuring state-owned enterprises, financial institutions, public administration and suppression of informal economy.

Acquiring the status of a full member of the World Trade Organization is one of the most important preconditions for joining the European Union. Although in 2004, the government of Serbia has submitted an application for membership, it is still not a member of the WTO. After

⁸<https://www.mei.gov.rs/srp/srbija-i-eu/sporazum-o-stabilizaciji-i-pridruzivanju/>

⁹<https://documents.worldbank.org/en/publication/documents-reports/documentdetail/503841468777972132/serbia-and-montenegro-second-structural-adjustment-credit-project>

¹⁰<https://documents1.worldbank.org/curated/en/382471468304270386/pdf/34756.pdf>

¹¹<https://nbs.rs/en/ciljevi-i-funkcije/medjunarodna-saradnja/mmf/>

¹²<https://nbs.rs/en/ciljevi-i-funkcije/medjunarodna-saradnja/mmf/index.html>

accepting the request in 2005, the General Council of the WTO established a Working Group in charge of Serbia's accession and the obligation to check the level of compliance of the trade policy of Serbia with the rules defined by the WTO. In 2013, the accession process was frozen due to the Law on Genetically Modified Organisms, which was passed in 2009¹³, as well as unfulfilled requirements with trade, commodity reserves, and services (Rabrenović et al. 2020). However, the negotiations between Serbia, the WTO and the EU have significantly increased the level of liberalization of the economic system of Serbia and creation of series of laws in fields of trade, intellectual property, customs, etc (Popovčić-Avrić and Đenić 2011).

3.1.2 The relation between the national and the local scale: Local self-government and specificities of the decentralization of Serbia

During the era of the former Socialist Federal Republic of Yugoslavia, Serbia was highly decentralized with several levels of government, such as provinces, districts, municipalities, and local community councils. In 1996, the autocratic government of Milosevic has created a law that centralized the competencies and property of local self-government units, in an attempt to reduce the effects of defeat in local elections, after the opposition won power in the majority of the big cities (Dašić 2017).

In 2004, the Serbian government designed the Public Administration Reform that would introduce European principles of 'good' governance¹⁴ and achieve decentralization of the system. The strategy was presented as an initiative that would through a transformation of public administration, creation of local self-governments, and application of European principles of regionalization and decentralization, contribute to the well-being of all citizens of Serbia and harmonize existing legislation with EU principles (Dašić 2017).

¹³ Serbia has a zero tolerance policy towards GMO food and WTO has a policy requiring countries not to have any bans of trading with any type of product that is 'not proven to be harmful'.

¹⁴ The quotes are added by the author of the thesis

The Law on Local Self-Government entered in force in 2007¹⁵ and became a legal basis for the regulation of local self-government units. Under the joint initiative of the European Commission and the Council of Europe, the action plans for the period of 2004-2008¹⁶ and 2009-2012¹⁷ were created in order to elaborate the decentralization strategy and implement institutional and legal reforms. However, after the reform measures aimed at decentralization were implemented in areas of interest of the government, primarily public finances, the other aspects of the reform stayed largely neglected (Dačić 2017).

The public administration decentralization reform was never fully realized, meaning local government bodies never truly gained political autonomy. In 2013, the National Council for Decentralization of the Republic of Serbia was dissolved and their activities were suspended, reflecting the government's lack of consistency in the process (Dačić 2017). However, I believe that this inconsistency did not happen by chance, but was reflecting Serbia's corrupt governing party's need for control of governments and institutions at all levels, which they find necessary in order to keep their hegemonic influence. Dačić (2017) argues that from year to year, there is an increasing tendency to centralize local policies. They are created from centers of political parties, with the local officials representing pure executors of the will of their party leaders. The local self-governments rarely have any political autonomy in Serbia, as their officials represent channels of hegemonic influence coming from the headquarters of the leading party. The local officials lack true political agency, as their mandate could be interrupted by voting in the assembly in case of disobedience at any moment. Dačić concludes:

'To divert attention from the increasingly obvious lack of decentralization in the public administration system, the government has often tried to "sell" the principle of deconcentration as the "most efficient" way of decentralizing government, which is, of course, untrue. Deconcentration¹⁸ consists of only one component, and that is getting closer to ordinary citizens by opening so-called

¹⁵ file:///C:/Users/PC/Desktop/lokalni%20nivo/zakon_o_lokalnoj_samoupravi.pdf

¹⁶ <https://www.ivisa.com/visa-blog/coe.org.rs>

¹⁷ https://www.coe.int/sr_RS/web/belgrade/strengthening-local-self-government-in-serbia-phase-2

¹⁸ Deconcentration represent a weakest form of administrative decentralization and it mostly implies assignment of strongly limited independence to lower, usually local representatives of central government (Vučetić and Janičević 2006).

"counters" of state institutions at the local level, which only facilitates access and enables one-way communication with the central level of government' (Dašić 2017)¹⁹.

However, in 2014, The Ministry of Public Administration and Local Self-Government was formed and given the competency of coordinating the administration reform. The Action Plans for the implementation of the strategies followed in 2015-2017 and 2018-2020. The activities of the action plans included improving organizational and functional subsystems of public administration and involved optimizing decentralization, improving public policy management, enhancing public services, improving public finance, inspection reform, greater involvement of citizens in policy-making, greater transparency, etc²⁰. However, nothing essential has yet changed, as most of the local self-governments are ruled by the Serbian Progressive Party²¹ which aggressively aims at holding power at all levels in Serbia and is consequently famous for its lack of transparency and exclusion of citizens from policymaking.

Over the past twenty years, there have been advocates of different ideas about regionalization, but those ideas did not receive wider support (Milosavljević 2012). However, existing administrative districts and regions are not forms of territorial decentralization, as they do not own legal subjectivity or their jurisdiction. Local self-government units in Serbia include municipalities, cities, and the city of Belgrade (Vučetić and Janićević 2006).

The local self-government reform is formally congruent with principles of the European Charter of Local Self-Government, as it is aiming to harmonize the structure of the Serbian government to the trend of multi-level governance or and a general shift to urban governance present in other Western countries and cities since the 1990s (Jouve 2005). However, it seems that in contrast to most European cities, local self-government units in Serbia have not (yet) gained as much financial and political independence. Nevertheless, the process of decentralization has opened up space for non-state actors to be included in the urban governance of Belgrade. Unfortunately, these are predominately the private ones who manage and profit from many public services in Belgrade such as public transportation, water supply and sewerage

¹⁹ The pages of the article are not numbered . The quote is translated by me.

²⁰ https://www.coe.int/sr_RS/web/belgrade/strengthening-local-self-government-in-serbia-phase-2
https://www.coe.int/sr_RS/web/belgrade/strengthening-local-self-government-in-serbia-phase-2

²¹ many believe by stealing votes on local elections

and the city's main landfill, while the voices of the actual civil society often get silenced, leaving a citizens' participation a mere formality. However, I do not intend to praise or glorify the European style of governance as truly democratic, inclusive or fair, but to juxtapose it with the reality of the current neoliberal, yet more authoritarian and deeply corrupt government system in Serbia in order to give a reader to a more comprehensive understanding of specificities of Serbian case.

3.2. Understanding Chinese migration

3.2.1 The new Chinese migrant in Eastern Europe

According to historical sources, the Chinese have been migrating to Russia and other countries of the former Soviet Union as workers and merchants in Imperial Russia, as laborers and soldiers during Russia's wars, as well as students in early periods of the Soviet Union (Nyiri 2017). However, the fall of the Berlin Wall initiated a new significant wave of Chinese migration to Russia and Eastern Europe. Since 1989, the Chinese migrants started migrating as 'petty entrepreneurs' and shuttle traders, or in Nyiri's words (2017), 'harbingers of globalization'. Gradually, the number of shuttle traders increased due to porous borders between China and the Russian Far East, and a simplified process of obtaining passports in China. By using the porous borders and taking on the trans-Siberian railway, shuttle traders penetrated Western parts of Russia, Belarus, Ukraine and Hungary using to advantage visa-free tourism regimes enabled by the 1989 treaties. Exceedingly fast, the Chinese became the largest, increasingly growing and the most mobile and flexible migrant group in the aforementioned region. Hungary and Russia rapidly became the major centers of the new type of Chinese migration (ibid).

Although private entrepreneurship was highly constricted until the end of the Soviet regime, at the end of the 1980s informal trade started blossoming due to an increasing scarcity of consumer goods. Chinese merchants were bringing bags full of clothes, shoes, household items, and chemicals by the train and selling them to locals waiting at the train stations. However, the

general shift from shuttle trade to sedentary and mature forms of business quickly became a trend among the Chinese entrepreneurs who would rapidly obtain a resident status and register their companies. By the early 1990s, it already became impossible to use mere people to transport the increasing number of commodities, which led to a new practice of Chinese entrepreneurs shipping their goods in containers to Eastern Europe by sea, air, and rail (Nyiri 2017).

Between 1989 and 1992, 60 000 Chinese citizens obtained passports in order to go to Eastern Europe and in the same period the number of Chinese in Hungary rose from around zero to around 40 000. However, after 1992, when the Hungarian government re-imposed the visa regime, stopped extending stay permits and arrested many undocumented Chinese migrants, the second wave of migration occurred, mainly in direction of Poland, former Czechoslovakia and Romania. Similarly, the number of Chinese migrants coming to Russia decreased after the re-introduction of the visa regime and specialized immigration checks on land borders in 1993 and 1994 (Nyiri 2017).

One of the main characteristics of new Chinese migrations was the high flexibility and mobility of the migrants. Only a small fraction of migrants stayed in their initial destination for a longer time. Most moved after a few years or months, disappointed with business opportunities and visa-related complications. Nyiri (2017) argues that the main migration flows in the 1990s and early 2000s were:

1. from the Russian Far East to European Russia
2. from Moscow to Hungary, Romania, and the Czech Republic (caused by a drop of local purchasing power and low profits)
3. from Hungary to the Czech Republic, Romania, Yugoslavia, Russia, and the rest of Eastern Europe (the crackdown on Chinese immigration by Hungarian immigration authorities in 1992, increased competition, and introduction of higher customs duties in 1995 made other markets more attractive)
4. from Hungary and the Czech Republic to Germany, Austria, and Italy (migrants moved in pursuit of lower risk wage labor)

As shuttle trade decreased, open-air markets became one of the main hubs of Chinese entrepreneurship, with new markets being made specifically for Chinese goods. These new Chinese markets such as Blok 70 in Belgrade became essential economic centers, wholesale and distribution hubs. In the markets, the Chinese migrants would sell cheap clothing and footwear, later diversified with the introduction of new items such as electric appliances, hardware and household textiles. In addition, these markets served as centers for the social life of Chinese communities and the main places of intercultural encounters of Chinese and local population who come there to purchase the goods or work for the Chinese employers (Nyiri 2017; Chang et al. 2011).

3.2.2. The Chinese entrepreneurs in Serbia

During the times of the Socialist Federal Republic of Yugoslavia (SFRY) Chinese citizens would periodically migrate to Serbian cities for studies or work. Yet since 1996, the migration flow has tremendously intensified. Korać accentuates that academics believe that the Chinese were attracted to Serbia due to various factors such as porous borders, deficient governance, and a high level of corruption within the police and border authorities (Korać 2013).

After the Hungarian government re-enforced the visa regime for Chinese citizens in 1993 and increased the import tariffs in 1995, many Chinese came to Serbia taking advantage of opportunities enabled by a relaxed visa regime introduced in 1996, the scarcity of consumer goods and decrease of purchasing power caused by hyperinflation, economic sanctions, and deindustrialization (Korać 2013). Most Chinese entered the country as tourists, started working as shuttle traders, but eventually opened up stores around Serbia, locally known as Chinese shops, selling mostly clothes, footwear, toys, and household items.

The arrival of Chinese migrants in Serbia is a manifestation of a larger phenomenon of Chinese migration to countries with volatile economies and weakened legal structures with little economic influence of the West. The Chinese who chose Serbia as their destination were

predominately (petty) entrepreneurs, characterized by transnationalism, mobility, and weak intention to build ties with local culture, ready to move on to the next market as soon as the business environment ceases to suit them.

Authors noticed that understanding the origins of this chain migration is complicated: ‘Uncovering the roots of Chinese migration into Serbia is a speculative endeavor; for the phenomenon is enshrouded in myth and obfuscated by statistics’²² (Chang et al 2011, 138). Due to lack of statistical data, as Serbia is often left out from official statistical reports made by EU institutions and because of the often semi-legal nature of immigration, it is hard to precisely estimate the number of Chinese citizens living in Serbia. Both Serbian and foreign media tended to overestimate the number, stating that Serbia hosts from 15 000 to 50 000 Chinese citizens (Milutinović 2005), sometimes going up to 100.000 solely in Belgrade (Tsai 2011). Official data is not to be found in media or the internet and it is possible to obtain it solely through requesting it from the Ministry of Internal Affairs as information of public importance. However, my request to obtain this information was not met, as my emails were ignored and the entrance to the building of the ministry was limited due to the current pandemic. According to my informant who works as a court interpreter, there are currently 10 000 Chinese living in Serbia²³.

According to academic sources, the majority of Chinese migrants in Serbia originated from southeastern provinces of China, mainly the province of Zhejiang and its cities Qingtian and Wenzhou (Korać 2013; Tsai 2011). The Chinese who migrated to Serbia are mostly described as poorly educated workers and peasants. Coming to Serbia in chain migration, Chinese from these provinces mostly work as retail or wholesale shop owners. In addition, a larger group of Chinese immigrants who came from Beijing, places around Shanghai and Northeast of China are described as better educated and as having previous professional experience and stronger social capital in China. After coming to Serbia they typically start working in sectors that require specialized education (Chang et al. 2011). However, during my research, I have managed to meet predominantly Chinese citizens coming from Northern regions, both working in retail and specialized sectors such as translation or NGO work.

²² The intensified migration flows of Chinese citizens coming to Serbia catalyzed occurrence of different myths about the hidden reasons of this phenomenon. The most prominent one says that former Serbian autocratic president Milosevic brought Chinese to Serbian and gave them Serbian citizenship in order to secure votes and stay in power.

²³ Srdjan, interview by author, 2021

In the 2000s, the biggest part of Chinese migrants in Serbia worked as small entrepreneurs who engage in import, retail and wholesale. A smaller group worked as laborers for the Chinese shop owners, or owned restaurants, fast-food shops and grocery stores. The majority of businesses were family-run, sometimes with local employees working as wage workers for a minimum wage or less. A part of the wage workers would work legally, but a bigger part was not and still isn't officially registered (Korać 2013). Many of the entrepreneurs would hire local people optionally to consult and help them manage and operate their companies, primarily court interpreters, lawyers and accountants. However, since a few years ago, conditioned by various factors, such as the introduction of a visa-free regime between Serbia and China, as well the strengthening of the bilateral connections between the two countries, there is a noticeable diversification of the types of jobs and businesses Chinese migrants choose²⁴.

3.2.3. The Chinese in Belgrade: The case of Blok 70 and beyond

The largest Chinese market in the Balkans is located in Belgrade and is known as the Chinese market in Blok 70. This facility, in contrast to other Chinese markets in Eastern Europe is not open-air market but resembles a Western-style shopping mall. In contrast to Western malls, this building is badly maintained and unorganized. Goods and boxes used for storage are often thrown around and left in the hallways of the buildings while the atmosphere is often noisy and chaotic.

Blok 70, where the market is located, is an area of Belgrade's biggest municipality called New Belgrade which today accommodates around 214000 people and lies southwest of the city center of Belgrade, across the Sava River. Almost the whole territory of New Belgrade was a swampy and uninhabited area until 1950s. It was initially envisioned to serve as an administrative center and symbolical representation of the political power of the new socialist Yugoslavia (Jovanović and Ratkaj 2014). However, in the 1950s the focus shifted from administration to housing. New Belgrade officially became a municipality in 1952 (Arandelovic

²⁴ I will elaborate on this in the analysis

and Vukmirovic 2020) and flourished as the biggest area for residential purposes that accommodated most of the increasing numbers of rural to urban and intercity migrants (Jovanović and Ratkaj 2014). The main logic of the development of New Belgrade was planning blocks that functioned as self-sufficient neighborhoods filled with large-sized residential buildings, various services, and a significant amount of green areas and public spaces (ibid.) Block 70, constructed in 1974, which today accommodates 10,000 citizens²⁵ is an area where the Chinese market is located. At the time, New Belgrade predominantly hosted a socialist middle class, with a few elite and working-class neighborhoods, and was often described as a concrete dormitory (Chang et al. 2011; Jovanović and Ratkaj 2014), as most of the workplaces were located in the old town.

However, in the 1990s, New Belgrade has started its radical transformation catalyzed by the introduction of market economy principles. This decade was marked by economic crises, sanctions, and NATO's intervention. The privatization of public dwellings and illegal business construction became strongly present in New Belgrade. Due to a heavy increase in unemployment people started appropriating public spaces either for street trade activities or illegal construction of business premises²⁶ (Jovanovic and Ratkaj 2014; Arandelovic and Vukomirovic 2020). Precisely during this time, the Chinese market in Blok 70 was built. New Belgrade at the time became associated with high levels of the informal economy, as well as criminal activity, which according to certain authors, made a perfect cradle for an inflow of petty Chinese entrepreneurs (Chang et. al 2011, 162).

Today, New Belgrade has changed again both symbolically and physically. Starting with the 2003 Master Plan of Belgrade, central areas of New Belgrade were envisioned as a new business district. Since then, New Belgrade has been receiving huge investments inflows and became a municipality with the highest increase in jobs (Jovanović and Ratkaj 2014). Compared to the old city center, New Belgrade had much more advantages for development as it offered plenty of greenfield and brownfield construction sites, better infrastructure for transport, as well as closeness to the airport and highway. This all led to immense amounts of new investments in

²⁵ [http://www.beograd.rs/index.php?lang=cAt ir&kat=beoinfo&sub=1478302%3f](http://www.beograd.rs/index.php?lang=cAt%20ir&kat=beoinfo&sub=1478302%3f)

²⁶ Most of them were eventually legalized and transformed into permanent stores.

shopping malls, hypermarkets, luxurious apartment buildings and large office complexes (ibid.). New Belgrade has thus become a financial and trade center of Belgrade.

The Chinese market holds down a large physical space in an area popular for investments. It is located across the new, high-priced, prestigious residential and commercial complex and a high-standard shopping mall. Furthermore, an office business park that accommodates the headquarters of multiple multinational companies is a few streets away. Consequently, the land where the Chinese Market was built represents a highly desirable location for potential large construction investment. However, the demolishment of the market is at least for the moment impossible, as it is owned by multiple local and Chinese people, who own specific stores, with no person owning or managing the whole building.²⁷

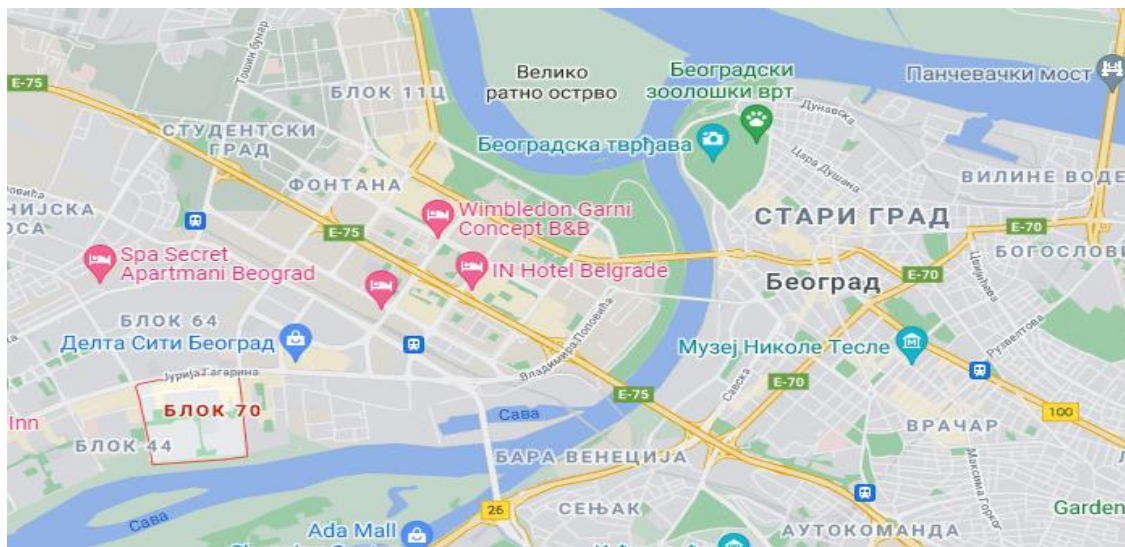


Figure 1. Location of Blok 70-soucre: Google Maps

²⁷ I am adding this footnote, after the fire in Blok 70 completely destroyed one of three buildings of the center on 13th of August. Since then, many Serbian citizens expressed their beliefs that the official story of fire starting as an accident from gas cylinder explosion is a false tale that conceals the truth of Serbian construction mafia setting the fire in order to create a highly profitable brownfield site. The citizens of Belgrade are skeptical due to the fact that this is not the first time that a low-priced market or an old building located in the desirable area has burned down and that a construction of a high-priced residential or commercial building in the same place followed a few years after. Many people believe that ‘first burning, then building’ is a successful recipe for filling the rent gap in places where some sort of legal or technical obstacle prevents investors from buying the property.

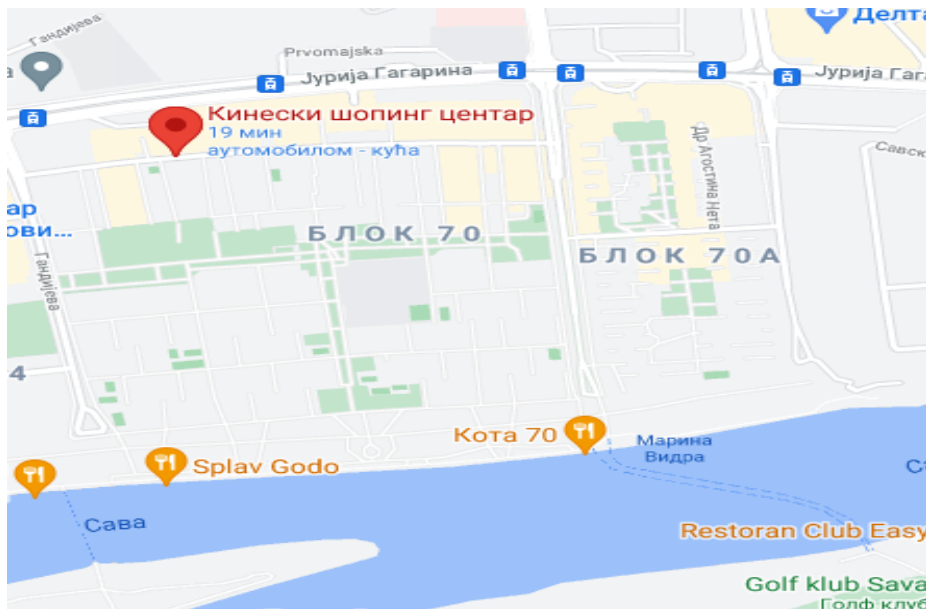


Figure 2.Exact location of the market inside the Blok 70- source: Google Maps



Figure. 3. Surroundings of the Chinese market in Blok 70- Source: Google Earth

According to my informants, the two main buildings of the market were constructed in 1997. The commercial center was built with an idea to host an increasing number of local small entrepreneurs whose rise in numbers was stimulated by the economic crises and restructuring in the 1990s. Nevertheless, local small businesses were rapidly replaced by faster-growing Chinese ones (Korać 2013). The original part of the commercial center consists of two identical warehouse-looking two-store buildings which accommodate various shops, restaurants, cafes, translation and freight companies, hairdressers, and casinos. The outdoor space around the buildings is filled with numerous (informal) street stands where Chinese, Serbian, and Roma people sell goods, mostly food and clothes. Today, the Chinese market accommodates another newer building that was constructed in 2005 by the *Overseas Chinese Chamber of Commerce* which host about 100 stores rented both to Chinese and Serbian shop owners. Currently, the whole complex consists of approximately 450 stores, 350 located in the older, and 100 located in the newer part. Most of the stores²⁸ are rented by Chinese entrepreneurs, while the rest is rented by the local population mostly selling goods imported from Turkey. The locals often work as employees in the stores, either as sales clerks or managers, often illegally, while local translators, lawyers and accountants are engaged optionally. The Chinese entrepreneurs often hire Roma population to work as inventory loaders, often paying them minimum wage or less, and never registering them. The tension between the members of Chinese and Roma ethnic groups is visible as underpaid Roma workers reportedly sometimes steal goods from the owners²⁹ (Chang et al. 2011)

In the first few years the center accommodated a larger amount of stores as the main activity was retail. The center represented an important market at the beginning of the transition, as it offered cheap goods to lower and middle-class families in Belgrade whose purchasing power heavily decreased at the time. However, gradually the main function of the center shifted from retail to wholesale and the center became the main distribution hub of Chinese goods in Serbia, and then the region by supplying stores in Hungary, Bosnia, Romania, Montenegro, etc.

²⁸ According to my informant who owns a translation company, 80% of commercial spaces of the center are rented and managed by the Chinese population

²⁹ Marko, interview by author, 2021

However, in 2014 when custom and import tariffs rose dramatically, the commercial center lost its dominant position in the region³⁰.

Even though, the majority of the Chinese migrants in Belgrade work in the commercial center in Blok 70, there is a substantial number working in smaller retail shops scattered around the city. Most of these retail shops obtain supplies from Blok 70 and offer an extensive variety of products, while the shops in the Blok 70 commercial center most often specialize in selling one type of product. However, in recent years there has been an increase in Chinese department stores, which import and sell a vast range of products and since recently do resale for smaller Chinese shops or even shop keepers from Blok 70. Often, one family has multiple businesses, for example owning a shop in Blok 70 and a small Chinese shop in some other location in Belgrade or another town³¹.

4. Methodology and methods

4.1 Methodology: Ethnographic approach

Globalization from below is according to Mathews and Vega best studied not through quantitative data and statistics but ethnography (Mathews and Vega 2012). According to the authors, ethnography is a crucial methodology for gaining a deeper and more nuanced understanding of processes of globalization from below, as this methodology offers us ways to grasp the complexities of dynamics found in less visible communities, networks and spaces.

³⁰ -II-

³¹ Fai, interview by author, 2021

Ethnography is a qualitative research methodology that has a foundation in naturalism and empiricism. It is exploratory in nature and it mostly uses observations, interviews and documentary data to gather evidence and subsequently produce comprehensive reports and analyses of various social phenomena. Ethnography is a methodology that originated from cultural anthropology and it was for a long time used to explore indigenous isolated communities, before it became popular in other scientific disciplines. However, ethnography can as well be seen as a ‘toolbox of methods, which are integrated into a multifaceted methodological approach’ (Reeves et al. 2013, 1367). Globalization from below is often characterized by informality and semi-legal or illegal activities, and therefore, it requires intimate contact of a researcher with its actors. In the next few subchapters, I will briefly elaborate on my experience with ethnographic methods used in my research, as well as the limitation of methodology.

4.2. Methods

4.2.1. (Participant) observation

The main ethnographic method is the participant observation where researchers spend time with a group of people they study while observing and participating in the activities of the group³². Bernard (2006) distinguished three different roles a researcher can take on during fieldwork: complete participant, participant-observer, and complete observer. As a part of my fieldwork, I have visited various business premises in Belgrade owned by Chinese citizens. However, the main focus of my fieldwork was the Blok 70 market where I have spent the most time observing the dynamics of the Chinese entrepreneurial community, firstly disguised as a customer, and later as a student conducting research.

The part of my fieldwork that focused on observation (with participation) was conducted in two phases. The first one happened in August of 2020, and the second one during Jun and July

³² As a previous student of cultural anthropology, I was highly motivated to conduct a ‘proper’ ethnographic research and spend at least month or two (working) in the commercial center, however due to the lack of time for fieldwork that was impossible

of 2021. During the first phase, I have visited the Blok 70 market about 6 times and visited 6 other Chinese shops and department stores scattered around Belgrade. During the visits, I would mostly walk around and directly observe the activities happening in the center for about 5 hours per day. In this phase, my researcher role was most of the time similar to what Bernard describes as the role of complete observer (2006) which involves direct observation, following and observing people, and documenting and recording their behavior, with minimum or no interaction with them.

During the second phase of my fieldwork, I have made 12 visits to Blok 70 and visited another 4 smaller Chinese stores in Belgrade. During this phase, I have managed to meet more people working in the center and (partially) take on the role of a participant observer. This role either describes a researcher who is an insider who documents some aspects of activities happening around them (observing participant) or an outsider who participates in some activities of a group (participating observer) (Bernard 2006). However, the restricted time I had for conducting fieldwork limited me for cultivating strong social bonds with a lot of people who participate in the life of the market therefore from fully engaging in the activities of the community. In this phase of research, I have conducted many open-ended interviews, informal conversations and semi-structured interviews with people working in the market. After I developed a friendship with one Chinese translator, I started participating in the life of the market not only as a customer but as a friend of an insider. The fact that I knew someone who has a lot of connections in the center opened up new opportunities. Side by side with my new friend, I started participating in some social activities of Chinese workers such as eating lunch, drinking tea, helping them doing errands, etc.

As Bernard (2006) puts it, interviews are helpful in learning about attitudes and values as well as ways of self-representation of the researched individuals and groups. However, if we desire to know what people actually do, direct observation (with optional participation) is often necessary. To conclude, ethnographic observation and participation in economic activities in the Chinese centers (picking up goods, bargaining and buying them) and in social life (spending time with workers at restaurants, cafes, etc) were crucial data points that help me interpret specific aspects of certain activities in the center, which information gathered through interviews left ambiguous. An important input was finding out from my own shopping experience that most of

the time shop keepers from the center do not issue fiscal bills, despite some of the contrary claims.

4.2.2. Qualitative interviews

All types of in-depth interviewing share three main characteristics: 1. The researcher is looking for detailed information, experiences, narratives, stories, and examples 2. Questions are open-ended and give freedom to the informant to choose the way they elaborate upon answers 3. Questions that are asked are not fixed but can change depending on the context of the conversation (Rubin and Rubin 2012). According to Bernard (2006), qualitative interviewing can be divided into informal, unstructured, semi-structured, and structured interviewing depending on the amount of control the researcher tries to implement on the informant's responses and could be conducted in several ways such as in person, by phone or online.

During my fieldwork, I have used informal, unstructured, and semi-structured interviews. I have conducted different types of interviews with Chinese and Serbian entrepreneurs, translators, entrepreneurs from the cultural sector, Roma workers from Blok 70, customers, owners and workers at a freight company specialized in goods imported from China and Serbian court interpreters for the Chinese language.

Informal interviewing is specified by a complete lack of control and structure and is predominately a method used at the beginning of participant observation (Bernard). It comes down to the researcher trying to remember and document interesting parts of conversations they had heard during a day of fieldwork. This type of interviewing demands considerable amounts of taking notes and/or remembering details of conversations. I have used informal interviewing during both phases of my research by having informal talks with many workers and customers in Blok 70 center, as well as other Chinese-owned shops in Belgrade.

Unstructured interviews, on the other hand do not involve any degree of deception, as the fact that a person asking questions is conducting research is completely transparent. This type of

interviewing assumes a clear plan of questions or topics for conversations, but it involves a minimum control over the informant's responses, as the main idea of this method is to get interviewees to openly talk about their opinions and experiences at their own pace and terms (Rubin and Rubin 2012). I have used this method while interacting with informants with who I managed to develop a closer connection. Moreover, some of the interviews I conducted with Chinese nationals working in Blok 70 were planned to be conducted as semi-structured, yet ended up being unstructured interviews, as I noticed some of the questions were either too abstract for them to answer with their limited skills in the Serbian language, or too direct for them to be willing to share their opinions. In those cases, I would let my interviewees speak about their experiences in their own terms and sporadically ask them more specific questions.

Semi-structured interviews are based on the use of an interview guide i.e. a list of questions that need to be covered in a specific order. However, even with this type of interviewing, a researcher has an opportunity to improvise, skip or ask additional questions if he estimates that that is needed. According to Bernard (2006), semi-structured interviews are compatible with research dealing with high-level bureaucrats and elite members of a community. In my research I have conducted four semi-structured interviews, two done with Chinese nationals working in the NGO sector, one with a Chinese entrepreneur and one with an official interpreter of the Chinese Chamber of Commerce in Belgrade. I planned to use this method while conducting interviews with officials of several government institutions. However, none of the institutions were willing to assist me in my research process³³. The guide for semi-structured interviews changed according to the profession and language skills of the interviewee, however, the main topics overlapping with all interviews are the following: 1. personal information and profession 2. personal experience with work through time 3. opinions about the history of collective experience of the Chinese community in Serbia 4. relation between Serbian authorities and Chinese entrepreneurs 5. the strategies and responses of the Chinese community to changes of regulations³⁴

³³ The people working in institution were mostly telling me that no one in the institution knows anything particular about the Blok 70 or has any interaction with the Chinese community. However, for several institutions that is definitely not a case, as I will elaborate on in the analysis part.

³⁴ An example of interview guide targeting Chinese migrants working in the Blok 70 as well as a table with interviewee overview can be found in appendices.

4.2.4 Document analysis

One of the prominent methods of qualitative research is documentary analysis which is according to Bower (2009) a systematic procedure for examining documents in both printed and electronic forms. This approach involves reading and examining different types of documents in written form (laws, newspaper articles, public letters, internet posts, survey data, institutional reports, public records, budgets, etc) as well as pictures, maps, sound and visual recordings (Bowen 2009; Rubin and Rubin 2012). Document analysis is mostly focuses on the content of chosen documents. In this type of document analysis, documents are viewed as ‘conduits of communication between, say, a writer and a reader—conduits that contain meaningful messages. Such messages are usually in the form of writing but can engage other formats such as maps, architectural plans, films, and photographs’ (Given 2008, 230).

Document analysis is rarely used as a single method of research, but in combination with other qualitative research methods as a means of triangulation of methods in the study of the same phenomenon. Bower argues that ‘the qualitative researcher is expected to draw upon multiple (at least two) sources of evidence; that is, to seek convergence and corroboration through the use of different data sources and methods. Apart from documents, such sources include interviews, participant or non-participant observation, and physical artifacts’ (Bowen 2009, 28). Using the triangulation of data gathered by different methods, the researcher should decrease the risk of potential biases that sometimes appear in single method studies (ibid).

In my research, I have triangulated document analysis with data gathered by interviews and participant observation. I selected the documents mostly through keyword internet searches and through scanning significant literature. Using the three different methods made me more secure in selecting, examining, evaluating valid data, and drawing conclusions. In addition, I have used official documents issued by the government in order to understand how Serbian authorities shape globalization from below. The documents I analyzed during my research are numerous with some of the examples are laws, newspapers articles, institutional reports, public records, etc. The used documents were crucial in some aspects of my research as they helped me contextualize and understand data I gather through interviews and observation.

4.3. The limits of the methodology

It is necessary to disclose that the methodology and methods used in my thesis research have limitations that might have affected the results. Ethnographic research is always shaped by the research's positionality, gender, ethnicity, class, and other identities that affect how the observed community reacts to their presence and consequently shape what evidence is collected. My positionality as an outsider of the community I was observing, the lack of any Chinese language skills and knowledge about nuances of Chinese traditions, customs and other cultural practices and values, made it difficult for me to fully understand and immerse myself in the dynamics of the social life of the Blok 70 center.

In addition, the fact that many economic activities in the commercial center are informal, or not fully following the law, makes the Chinese community suspicious and distrustful to outsiders trying to gain information about their businesses. Consequently, they often withhold significant information due to suspicions of a researcher being a potential journalist, inspector in civilian clothes or even a spy³⁵.

Furthermore, it is not only the Chinese community that withholds the information, the various Serbian national and local institutions and authorities who affect and shape globalization from below declined or ignored my requests for interviews. In my opinion, Serbian authorities share the mistrust with the Chinese community, probably because of high levels of corruption involved with authorities who have contact with Chinese community, such as tax authorities, police and market inspection officials. Therefore, my research lacks a firsthand perspective of Serbian officials.

Moreover, the documents I have analyzed might also affect my research results. Bowen (2009) argues that the main limitations of document analysis could be pinpointed to insufficient detail, low retrievability, and biased selectivity. The available documents often portray

³⁵ One of my Chinese informants, who went to visit the Blok 70 center with me, told me that many people have asked him if I secretly had any of aforementioned professions.

information that is aligned with certain organizations, institutions, or corporations' interests, and agendas, and selectively withhold the details that do not benefit them.

Ultimately, on 13th August of this year, a big fire destroyed one of three buildings of the Blok 70 commercial center, leaving several hundreds of people without their jobs and shops, including a translator who was supposed to introduce me to a representative of a Chinese Chamber of Commerce. Since the fire outbreak, the whole center has been closed. This incident prevented me from conducting several interviews, including the interview with the aforementioned representative.

3. Analysis

5.1. Local authorities and the globalization from below in Belgrade

In the next chapter, I will try to summarize and elaborate on ways local government and institutions shape globalization from below through three selected periods. More specifically, I will try to identify the laws, policies, and institutions that directly or indirectly shape the activities of Chinese entrepreneurs in Belgrade.

5.1.2. Come save us please! Or tolerance of informality (1997-early 2000s)

As I mentioned before, the first Chinese migrants who came to Serbia³⁶ in the 1990s, mostly worked as shuttle traders but eventually started renting business premises in Blok 70. Nearly all of the economic activities in the Blok 70 at the time were informal, as the shops and

³⁶ Then Federal Republic of Yugoslavia

workers were not registered and the taxes were not regularly paid. However, the autocratic government of Milošević first incentivized and then tolerated these activities, due to the poor economic situation caused by civil wars, international economic sanctions, deindustrialization, increasing unemployment, general economic crisis and instability.

The embargo sanctions shattered Yugoslavia's already decaying industries and caused hyperinflation which pushed many families into poverty (Korać 2013). As supermarket shelves were almost empty, necessities were largely subsidized and distributed to workers through trade unions in state-owned enterprises, bypassing market mechanisms. This ensured that medication, electricity and heating remained lowly priced and accessible, despite being scarce³⁷. In addition to the strong role of the state, the key to the survival of the population in that period was the gray economy. On the grey market, in small undeclared shops and street stalls, many citizens earned an additional, if not principal income by trading petrol, cigarettes or other items smuggled through the wall of sanctions. The government tolerated various forms of street entrepreneurship, as well as gray economic activities at all social levels:

‘At the bottom of the social ladder, such practices serve as a survival mechanism and a specific valve for social discontent. At the height of the existence of a parallel economic system, like leeches living in the state and social sectors, it opened the door for individuals close to regimes to gain enormous wealth through various embezzlements’ (Musić 2013:22)

All of the factors described above, motivated the Yugoslavian government to introduce a relaxed visa regime for Chinese citizens and then tolerate their informal economic activities which included the smuggling of goods, tax avoidance, trafficking of counterfeit goods and other ‘illicit’ activities (Chang et al. 2011). The Belgrade citizens needed to buy clothes, footwear, and other commodities, which were not being imported from other countries due to embargo and were not produced in sufficient quantities due to failing industry. Cheap, low-quality goods imported from China were a quick and easy fix for an intensifying problem that could have contributed to civil unrest (Korać 2013).

I must accentuate that the early Chinese migrant economic activities in Belgrade at the time correspond well with Mathews and Vega's definition of globalization from below as

³⁷ At the time, some market reforms were already implemented, but due to the bad economic situation of the country, the transition was ‘blocked’ (Mušić 2013)

‘transnational flow of people and goods involving relatively small amounts of capital and informal, sometimes quasi-legal or illegal transactions’ (Mathews and Vega 2012, 12). However, as much ethnographic research has shown, globalization from below³⁸ rarely occurs in contexts where the rest of the domestic economic activities are highly formalized. On the contrary, actors of globalization from below mostly search for places and opportunity structures that perfidiously (non-officially) allow them to work in informal ways. Klosterman and Rat coined the term *mixed embeddedness* to explain that migrants choose opportunity structures, markets and political and institutional environments that correspond well with their possibilities and give opportunities for their businesses to grow. They argue that apart from focusing on the supply aspect of ethnic entrepreneurship, we must look at the demand and the matching process between entrepreneurs and the market. Therefore, if we apply this concept to the relationship between Chinese entrepreneurs in Serbia at the time, we can see that the informal economic activities of Chinese entrepreneurs were completely consistent and congruent with the demands of the Serbian market.

This observation of Klosterman and Rat corresponds to the perspectives of many of my informants who describe this generally economically unfavorable period as time full of opportunities and economic abundance. One of them recalled the following:

‘I decided to come 24 years ago, because of the good economic situation. I thought I could make money here and decided to sell bags because everyone needs them. The business and the market were very good in the early years. Now the economy and political situation are not as good as they were’³⁹.

To conclude, the first phase in the relation between Chinese entrepreneurs and the government spanned from their first arrivals in the early 1990s until the beginning of the implementation of the reforms demanded by EU, IMF and WB, which demanded a complete formalization or eradication of informal economic activities. In this period, marked by informal economic activities in Belgrade, local⁴⁰ and the national government firstly incentivized by relaxing the visa regime for the Chinese citizens and then tolerated the globalization from below

³⁸As defined by Mathews and Vega (2012)

³⁹ Fai, interview with the author, 2021

⁴⁰ Local government did not have any autonomy due to law from 1996, when the government centralized and 1996, the government of former president has created a law which centralized the competencies and property of local self-government units. Therefore, local government at the time represented the pure extension of national government of autocratic regime of Milošević.

manifested in transnational informal ventures of Chinese entrepreneurs as a supplying strategy during the hardships in the 1990s in Serbia (Chang et. al. 2011).

5.1. 2. *Reforms, reforms and more reforms!* or putting pressure on informality (the early 2000s-2010s)

The overthrowing of the autocratic regime of Milošević and the election of a new government that nourished the ideas of Western-style democracy, free market and accession to the EU brought many political, economic and societal changes that reshaped globalization from below in Belgrade. At the time of Milošević's regime, the transition has already started, as privatization processes and liberalization of the market were carried out simultaneously with a political centralization reform aimed at the creation of strong political institutions with sufficient authority to carry out the desired neoliberal reforms (Mušić 2013). The private enterprises were already flourishing and taxes were collected through reformed Yugoslavian institutions such as Social Accounting Service. However, as a newly elected government dedicated to a full transition to Western-style market economy and electoral democracy came to power a series of structural and economic reforms were implemented. These reforms were targeting laws that were not compatible with the laws and values of the EU and other significant international institutions.

As Mathew and Alba argue that actors of globalization from above such as international governing and financial institutions and multinational corporations aim to control activities related to globalization from below mostly through pushing national governments to regulate them either through repressive actions such as policing or through imposing of banking, fiscalization, and formalization (Mathews and Vega 2012). All of the above have been imposed on globalization from below in Belgrade. Of course, the changes of laws and economic reforms do not target Chinese entrepreneurs *per se* but aim to formalize and suppress all of the informal economic activities (at least officially). In the next three paragraphs, I will explain how reforms that focused on fiscalization, banking, and formalization have been implemented in Serbia.

As a pre-condition for accession to European Union, the Serbian government had to introduce a series of laws that would restructure previous administrative and economic systems,

such as the law on tax procedure and tax administration (2002)⁴¹, the law on value-added tax (2004)⁴² and the law about fiscal cash registers (2004)⁴³ to synchronize the laws and trade procedures with the rest of European countries. Before the introduction of VAT and fiscal registers, the procedure of collecting taxes was allegedly more prone to embezzlement. The official reasoning for the introduction of these laws is among other things, that they are an efficient way of fighting the gray economy⁴⁴.

Before, the reforms, Social Accounting Service ⁴⁵ had legal independence as a regulatory mechanism for payment operations in the FR Yugoslavia. After 2000 when Serbia embarked on the path of transition from the socialist way to the capitalist way of managing the economy, the intention of the legislators to abolish the institution in its entirety emerged. The legislators decided to completely transfer payment operations to banks, leading to the adaptation of the new Law on Payment Operations in 2003 after closing the aforementioned institution. With this new law⁴⁶ all legal entities that own or manage private enterprises had to open a gyro account to keep funds and make payments through that account, as all payment operations were transferred to commercial banks. This law was accompanied by a new Law on Banks⁴⁷ in 2005 which enabled a complete reform of the banking system in Serbia, supported by IMF and World Bank as a way of harmonizing banking laws with European Union directives and principles of The Basel Committee on Banking Supervision (Zdravković 2006).

At the same time the reforms focused on formalization were being implemented. For example, in 2004, the Business Registers Agency was established. The creation of the agency was assisted by the Swedish Government, the World Bank and the United States Agency for International Development and accompanied by a new Law on Registration of Business Entities⁴⁸ in the same year. In 2005, the Republic of Serbia began officially implementing reforms in the area of business registration and pushing unregistered businesses to formalize.

⁴¹ https://www.paragraf.rs/propisi/zakon_o_poreskom_postupku_i_poreskoj_administraciji.html

⁴² <https://www.paragraf.rs/propisi/zakon-o-porezu-na-dodatu-vrednost.html>

⁴³ https://www.paragraf.rs/propisi/zakon_o_fiskalnim_kasama.html

⁴⁴ <https://www.purs.gov.rs/sr/fizicka-lica/pdv/opste-o-pdvu.html>

⁴⁵ During the 1990s the institution changed names a few times, but the structure and role of the institution stayed the same

⁴⁶ https://www.paragraf.rs/propisi/zakon_o_platnom_prometu.html

⁴⁷ https://www.paragraf.rs/propisi/zakon_o_bankama.html

⁴⁸ <https://www.apr.gov.rs/o-agenciji.1902.html>

Another way in which globalization from below is shaped is the way the import and selling of counterfeit goods are regulated. In the 1990s and early 2000s, the market in Blok 70 was overflowed with goods copying international high-end brands. However, today, walking around the market, one can see only negligible quantities of counterfeit goods. The global flows of counterfeit goods are controlled by series of international agreements such as The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) from 1994 signed by all members of WTO and Anti-Counterfeiting Trade Agreement (ACTA) from 2011. Within the EU, in 2004, the Directive on the Protection of Intellectual Property Rights 2004/48 was adopted by the European Parliament and the European Council. Most of these international agreements or their solutions have been implemented in the legal system of Serbia, with the particular importance of the TRIPS agreement which has been implemented through the Law on Special Powers in the Protection of Intellectual Property Rights⁴⁹ (2006). The enforcement of these laws is executed through both custom police and market inspection. The Custom Administration and their Department for Intellectual Property Protection founded in 2004 is trained to recognize counterfeit goods and disable their further flow, while the market inspection conducts supervision and control of the turnover of such goods in stores and markets (Perinčić 2017).

In the last few paragraphs, I identified specific law changes that have affected the approach of local government towards globalization from below. As I have shown, many reforms backed by international institutions such as IMF, WB and EU institutions, have pushed reforms that accelerated privatization, liberalization, strengthening of private property rights and on the other hand insisted on the regulation of activities comprehended as a potential threat to the system such as informal economy. However, the policies that affect globalization from below in Belgrade are mostly created under influence of aforementioned international entities on the national and enacted through authorities of the local level.

From data that I have gathered during my fieldwork, local self-government (both on the city level and municipality level) has little or no influence on the Chinese entrepreneurial community in Belgrade in terms of the creation of policies that directly affected them. For example, the officials of both the City Administration and City Municipality of New Belgrade

⁴⁹https://www.paragraf.rs/propisi/zakon_o_posebnim_ovlascenjima_radi_efikasne_zastite_prava_intelektualne_svojine.html

when asked to give me their perspective on the topic stated that their institution has nothing to do with the Blok 70 center as it is not in their jurisdiction⁵⁰. However, the authorities of municipality and city level often serve as extensions of authorities of national level and enforce the laws and policies made by state-level government. This is a primary, though limited way local government shapes globalization from below in Belgrade. For example, Tax Administration is one of the quintessential institutions affecting globalization from below, as it controls if private enterprises are abiding by the laws on company registration, VAT, etc. This institution works under the jurisdiction of the Ministry of Finance and represents one of its administrative bodies, along with Customs Bureau.⁵¹ The Tax Administration Headquarters work on the national level, in which Tax Police Sector, Sector for Tax Law Affairs and Coordination, Control Sector and others operate.⁵² The Tax Police Sector regularly regulates trade of goods and services in the gray economy, while The Sector for Control is in charge of performing operational control activities and determining the tax liability of a person who performs an unregistered activity. However, the Tax Administration supervises the branches of the Tax Administration that operate at the municipality level. For example, the branch of Tax Administration of New Belgrade is part of the City Municipality of New Belgrade. The branches are in charge of control of tax returns, unregistered economic activities and inspecting the work and law abiding of enterprises located in the area of the municipality. The police of the New Belgrade branch of Tax Administration is the institution that has the most contact with the Chinese entrepreneurs from Blok 70, as the inspectors often visit the center to control the activities.

As I already mentioned, local government and authorities affect and shape globalization from below primarily as extension and executive authority of legislative power of national level. Therefore, there are several institutions at the local level that shape globalization processes in Belgrade, or more specifically affect lives and businesses of Chinese entrepreneurs from the Blok 70:

1. At municipal level: a) Police station of New Belgrade (which is an extension of Ministry of Internal Affairs); b) Tax Administration of New Belgrade (which is an extension of Tax

⁵⁰They could not direct me to any institution that represents some sort of stakeholder.

⁵¹ <https://www.purs.gov.rs/o-nama/Informator.html>

⁵² <https://www.purs.gov.rs/o-nama/Informator.html>

- Administration at the national level, which is under the jurisdiction of Ministry of Finance) c) New Belgrade branch of Republic fund of Health Insurance
2. At the city level: a) Traffic police (which is an extension of Ministry of Internal Affairs) b) The Pension and Disability Insurance Fund in Belgrade (which is the branch of the insurance fund of the republic level) c) Secretariat for Communal Militia Affairs ⁵³ d) Custom Administration (which is centralized and hierarchically organized at the central, regional and local levels) f) the Market Inspection Department of Belgrade (which is an extension of the Sector for Market Inspection of Ministry of Trade, Tourism and Telecommunications)
 3. National level institutions with their head offices in Belgrade: 1) Business Registers Agency

The Law on Foreigners (2008)⁵⁴ and Law on the Prohibition of Discrimination (2009)⁵⁵ *de jure* put Chinese citizens under the same laws as Serbian native citizens. In addition, Chinese-owned enterprises are registered as domestic companies, which, consequently puts the Chinese entrepreneurs into contact and under influence of mostly the same institutions as native businessmen. Therefore, Chinese entrepreneurs have contact with Business Registers Agency where they register their companies, NGOs and associations, register their employees, change the company names, statutes, etc. Furthermore, they have contact with The Pension and Disability Insurance Fund where they pay pension insurance, Tax Administration where they report taxes, Police stations where they extend their residence permit, work permits and obtain ID cards for foreigners, etc.

However, as Chang (2011) and myself have noticed, the Chinese migrants heavily complain about intense corruption of tax, custom and traffic police. Even though the economic and administrative system in Serbia went through numerous reforms that aimed at decreasing tax violations and synchronization of tax laws with the EU's VAT system, many smaller entrepreneurs including most of Chinese businessmen from Blok 70 keep regularly violating the

⁵³This institution was formed by decision on the City Administration of the City of Belgrade in 2010. The Secretariat for Communal Militia Affairs performs the tasks prescribed by the Law on Communal Militia and other regulations adopted by the Assembly of the City of Belgrade, on the territory of all 17 city municipalities. It is the only authority that does not represent the extension of national authorities.

⁵⁴ https://www.paragraf.rs/propisi/zakon_o_strancima.html

⁵⁵ https://www.paragraf.rs/propisi/zakon_o_zabrani_diskriminacije.html

laws by not issuing fiscal bills, not declaring the imported goods, not registering their employees or in some cases not even registering their companies. During my fieldwork, I have purchased in 12 stores in Blok 70 commercial center and was given only one fiscal bill (at the grocery store that sells Chinese food products). Furthermore, I have talked to and purchased from many sellers who sell their goods from unregistered street stalls in the courtyard outside of the building. As Chinese entrepreneurs in Blok 70 keep ignoring the changes brought by the reforms, tax police often targets this community and check if the fiscal bills are given to the customers. Monetary penalties and temporary closure of the stores should be legal consequences of VAT tax violation. However, dependent on the level of ‘honorability’ of the tax police, as many of my informants confirmed, bribery is often an easy solution to the problem:

‘Chinese guys here generally follow the laws. Yes, it is a fact that they look for opportunities not to issue the fiscal bills to customers. But, the Tax Administration controls them heavily. You can see shops closing every month. But it is easily solved, if you know what I mean’⁵⁶ and ‘I have seen this story so many times, the officials of tax authorities go to the shops and just come and pick the clothes and other goods they like and say that they don’t need to pay because they are the tax police. Then they threaten that if the shopkeeper makes them pay, they will check the whole paperwork and find a reason to fine them’⁵⁷.

5.1.3 *Xi Jinping is our brother!* or can the strengthening of Chinese-Serbian bilateral relations save the Blok 70?(2010s-ongoing)

In 2009, the Chinese and Serbian governments have signed the Joint Statement of Establishing a Strategic Partnership, which was a turning point in the gradual strengthening of bilateral relations of the two countries (Dimitrijević 2018). Since the signing of the Strategic Partnership, the Serbian government has refrained from harmonization with any EU policy declarations that might affect China. In addition, the Serbian and Chinese governments have

⁵⁶ Marko, interview by author, 2021

⁵⁷ Ping, interview by author, 2021

cooperated in multilateral settings, primarily in the '17 + 1 initiative' which aimed to enable China to build closer relations with the countries of Central and Eastern Europe in the context of 'One Belt, One Road' project. The historical peak in relations between the two countries has been reached in 2016 when the Comprehensive Strategic Partnership was signed. The Sino-Serbian strategic partnership contributed to the conclusion of a series of agreements on joint projects in the field of energy, transport, agriculture, telecommunications, finance, scientific and cultural exchange (Dimitirijević 2018). By signing this document, Serbia has reaffirmed its position to China as one of the key pillars of its foreign policy and made support for China's initiative "One Belt, One Road" official. The development in political Sino-Serbian relations catalyzed cooperation in the economic cultural sector as well. The intensification of economic relations between these countries started with the Strategic Partnership in 2009, followed by numerous signed contracts for the construction of infrastructure projects⁵⁸. These projects are often represented as investments by Serbia media and government, however, they are in fact loans. According to the Public Debt Administration, Serbia currently has slightly less than 1.1 billion Euros in debt to China, which, amounted to 2.31 percent of Serbia's GDP. Similarly, trade between the two countries has shown an upward trend in the last ten years. According to the latest data from the Statistical Office of the Republic of Serbia, the total annual value of trade in goods between the two countries was close to \$ 3 billion in 2019⁵⁹.

The strategic Sino-Serbian partnership has a significant impact on the cultural sector. For example, in 2006 the Confucius Institute in Belgrade was founded as the main institution for the promotion of Chinese culture and language. The construction of the new Chinese Cultural Center envisioned as a platform for upgrading of cultural and economic collaboration between the two countries, has been finished this year and the official opening is planned in the next few months. In addition, in 2017, Serbia and China introduced a visa-free regime for the citizens which resulted in increased tourist flows between the two countries⁶⁰.

⁵⁸ These for example include renovation of power plant Kostolac B, construction of a new bridge in Belgrade, modernization of railway, etc.

⁵⁹<https://cep.org.rs/wp-content/uploads/2020/04/Kinesko-srpski-odnosi-%E2%80%93-%C5%A1ta-smo-nau%C4%8Dili-iz-krize-COVID19-1.pdf>

⁶⁰<https://www.danas.rs/bbc-news-serbian/sta-zove-80-000-kineza-u-srbiju-gde-mogu-da-slikam-selfi/>

The strengthening of Sino-Serbian relations has translated in many ways on the local scale of Belgrade and into the everyday life of the Chinese community in Serbia. In spatial terms, we can witness how this alleged friendship between the countries manifests itself in tangible ways as we observe the insertion of subtle political symbols into the urban fabric of Belgrade, with some examples being the erection of a monument of Confucius in front of the Chinese Cultural Center, naming a new square in Belgrade a ‘Sino-Serbian Friendship Square’ and street in Belgrade a ‘Confucius Street’. In addition, the intensification of the bilateral relations influenced an increasing inflow of large-scale Chinese businessmen and investors in Belgrade. Furthermore, the intensification of bilateral relations is accompanied by constant statements of Serbian national and local politicians about how China and its president Xi Jinping represent main allays of Serbia. For example, both mayor and deputy mayor of Belgrade have in many instances accentuated the importance of Sino-Serbian friendship or how they often call it: brotherhood⁶¹. While the deputy mayor of Belgrade⁶² and Serbian president both study Chinese and have made public statements in the Chinese language as a way of ‘expressing gratitude’ towards China. The Serbian president often refers to Xi Jinping as his brother⁶³.

This intensification shapes globalization from below in Belgrade in several ways. Firstly, there has been a significant increase in associations focused on the amelioration of cultural, educational, tourist, sport, medical and business exchange between China and Serbia, which are most often founded by the second generation of Chinese migrants. Going through the database of the Business Registers Agency of Serbia⁶⁴, I found around 20 associations that work with different aspects of exchange between the two countries. All of them were founded after 2009 when the intensification of Sino-Serbian bilateral relations begun. Some of the examples include those formally focused more on cultural and educational exchange: such as the *Chinese Serbian Association for Cultural Exchange*, some include words like trade and business in their names, such as *Chinese Serbian Association for Trade, Economic and Cultural Exchange*. Certain associations allude to the ‘One Belt, One Road’ or otherwise known as ‘New Silk Road’ initiative, with an example being *Serbian-Chinese Association Belt and Road*.

⁶¹<http://www.beograd.rs/lat/beoinfo/1757438-gradonacelnik-radojicic-iza-prijateljstva-kine-i-srbije-stoji-proslost-sadasnjost-i-buducnost/>

⁶² <https://rs.n1info.com/vesti/vesic-se-na-kineskom-jeziku-obratio-citaocima-u-kini/>

⁶³<https://www.telegraf.rs/vesti/politika/3166143-mediji-u-kini-prenosili-vucicevo-obracanje-i-apel-kineskom-predsedniku-za-pomoc>

⁶⁴<https://www.apr.gov.rs/%D0%BF%D1%80%D0%B5%D1%82%D1%80%D0%B0%D0%B3%D0%B5.1843.html>

It is important to note that legal representatives of all these associations are Chinese citizens, while they sometimes hire a Serbian person to help them. All of the associations are registered as non-governmental and non-profit organizations that describe themselves in official descriptions of their associations⁶⁵ as organizations aimed at promoting friendship between China and Serbia and further encouragement of cultural, artistic, educational, political and other forms of collaboration between the countries. According to my informant, a Chinese woman who works in one of these associations, most of the people working in these organizations are either better educated Chinese entrepreneurs or more often their children. The founders and members of these associations often lived in Belgrade, spent some time working in China where they built connections and returned to establish these organizations. These Chinese migrants are truly transnational, as they have political connections and strong social capital in both of the countries. Even though these organizations represent themselves as non-profit, by the words of my informants, they often view them pure businesses. They have managed to recognize the business opportunities created by the intensification of bilateral relations and to make ways to commodify and profit from them⁶⁶.

For example, one of my informants who works in *Serbian-Chinese Association Belt and Road and China-Europe Silk Road Culture Exchange and Cooperation Organization (CESRCECO)* affirmed that the organization mostly collaborates with medium to large scale Chinese and Serbian businessmen who are trying to find ways into the other country's market and for example launch a product. She mentioned organizing cultural activities and artist exchange as a minor project⁶⁷. Similarly, another informant who is a founder of *Association for Educational Exchange between China and Serbia*, which organizes different types of educational and educational exchanges such as summer schools, professors exchange programs, workshops, and film festivals, talks about his organization as his profitable business⁶⁸.

As I mentioned, these types of new cultural entrepreneurs have more developed transnational social and cultural capital on which they rely for their earnings. For example, they have connections in educational and cultural institutions and universities in different cities in

⁶⁵ I gather this information going through official statutes of the associations that are available in the online database of Business Registers Agency of Serbia

⁶⁶ Ping, interview by author, 2021; Min, interview by author, 2021

⁶⁷ Min, interview by author, 2021

⁶⁸ Ping, interview by author, 2021

both countries. Often they have stronger political connections and influence and regularly collaborate with political institutions in Serbia and China. For example, my informant who works in CESRCECO stated that her organization cooperates with ministries of culture, finance, trade and economy, universities, language institutions, embassies, private companies and other actors from both countries.

According to my informants, the first generation of Chinese entrepreneurs, who managed to earn and secure larger sums of money through their businesses, most often invested significant amounts of resources into their children's education and send them to universities mostly in China. These children with higher social and cultural capital than their parents, sometimes choose to come back to Serbia and use their transnational connections to create NGOs. Leaning in political discourses about the friendship of two countries, they found the way to construct the self-representation narratives about their organizations as politically and culturally important, take advantage of their transnational connections and push the political institutions of both countries to recognize them as important political actors. A quote from one interview with someone working in CESRCECO describes this well:

'Sometimes the governments help us, they finance our projects. But it depends on the type of activity if it has a political framework or only a commercial one. If the activity makes sense at the political level, they have to finance the project at least partially. Of course, the commercial sponsors give much more money'⁶⁹.

These organizations could be understood as manifestations of globalization from below as well, except they represent a new version with a political and cultural upgrade to the general economic base of this phenomenon. In a similar matter, as petty merchants who recognized the opportunities coming with economic aspects of globalization and liberalizations of markets, the founders of these organizations noticed political changes that opened new windows of opportunities. In contrast to informal activities coming from globalization from below, the local and national government is more than happy to contribute to these associations.

It is a different question if these changes in bilateral relations have changed the way local and national governments communicate with Chinese entrepreneurs from the Blok 70. When

⁶⁹ Ming, interview by author, 2021

asked if they have noticed any changes in the ways authorities approach the business owners from Blok 70, most of my informants would argue that nothing changed, as the ‘more friendly’ atmosphere between the two countries didn’t trickle down to small-scale entrepreneurs. However, most of them believe that the strengthening of bilateral relations had a positive influence on businesses in Blok 70 as citizens in Serbia started to prefer Chinese products. One of my informants noticed:

‘I think the friendship between the governments affects the small entrepreneurs positively, for example when Serbian people see that China invests a lot in Serbia, they will maybe choose to buy stuff in Chinese shops instead of, for example, Zara⁷⁰’.

However, two of my informants believe the stronger dependence of Serbian on China enabled many entrepreneurs with better political connections to ‘do as they please’. One of my informants argued that the Serbian government is pressured to turn a blind eye to many embezzlements and ‘problems Chinese make in Belgrade’. He concluded: ‘Since Vučić and Xi Jinping⁷¹ are close, you can basically do anything you want. For example, in Surčin, where the Chinese have a lot of houses, none of their buildings have construction permits. Also they never pay taxes here’⁷².

I cannot confirm if this information is true, however, more evidence points that the intensification of Sino-Serbian relations had positive effects on small-scale entrepreneurs. The informant who works as the court interpreter for the Chinese language told me that since 2009, every time the tax administration started intensifying the control over Chinese shops in Blok 70, members of Overseas Chinese Chamber of Commerce, who have stronger political connections and economic power would put pressure on the Chinese embassy in Belgrade to negotiate with Serbian government to relax the control measures. According to him, the Serbian government values the Chinese embassy as a strategic partner, but it is torn between the pressure of keeping good diplomatic relations with the embassy and the pressure of the public to regulate the

⁷⁰ Zhang, interview by author, 2021

⁷¹ Those are the Serbian and Chinese presidents.

⁷² Bao, interview with author, 2021.

informal activities of Chinese entrepreneurs, which according to public represent unfair competition to local entrepreneurs⁷³.

However, as I have mentioned before, on the 13th of August 2021, a third of the commercial center has burnt to the ground and 150 entrepreneurs have lost their businesses, with all of their goods gone. Many of the entrepreneurs hope they will get some kind of financial help from either government and that the governments will help with the reconstruction of the building. There has been no official statement from the local or national authorities in Serbia. Whether or not the power of strong bilateral relations will finally officially trickle down to Blok 70 or not, we are yet to witness in the next months.

⁷³Srdjan, interview with author, 2021

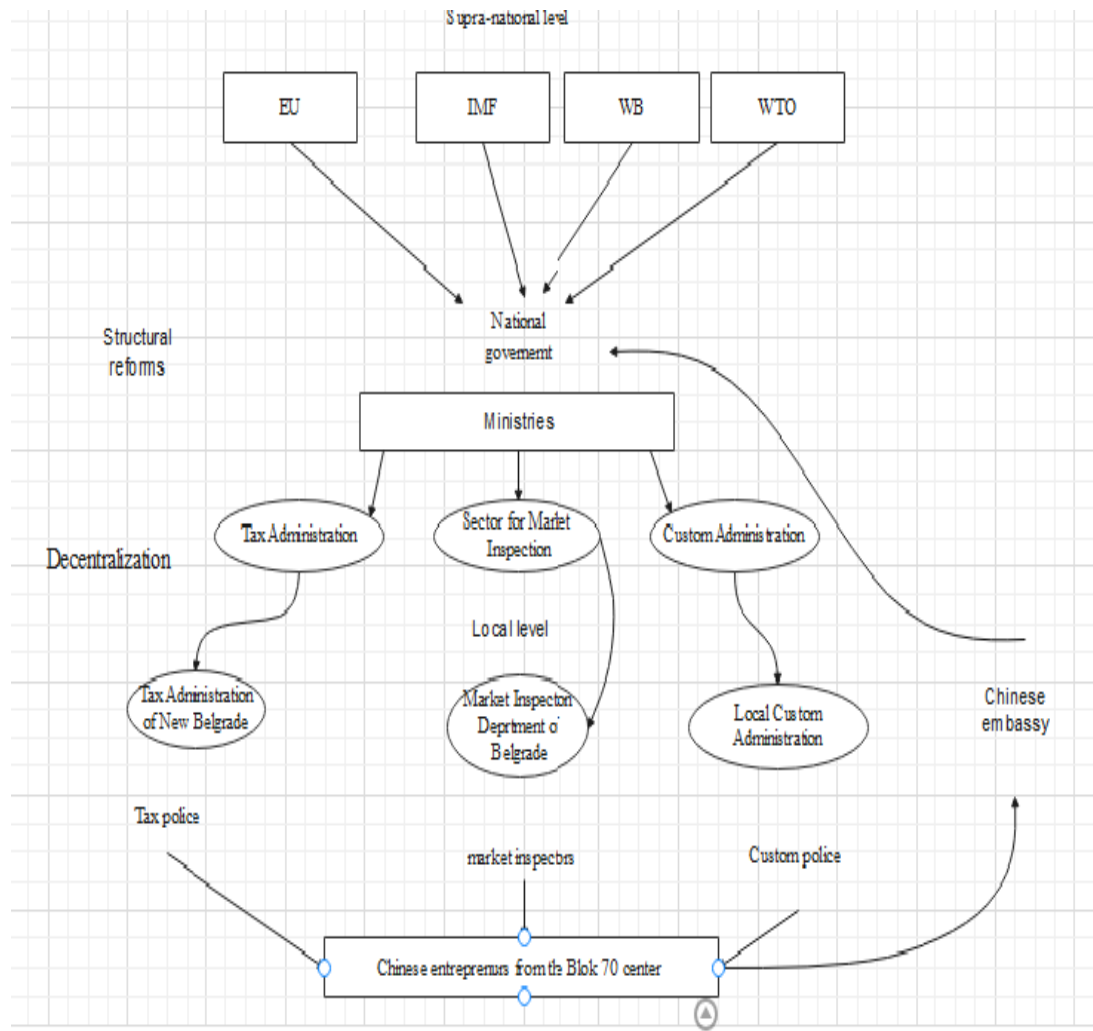


Figure 4. A simplified visual representation of regulation of globalization from below in the Blok 70 market – source: made by author

5.2. The responses and strategies of the Chinese entrepreneurs

In the next few subchapters I will describe and elaborate on my finding concerning the reactions of Chinese entrepreneurs in Belgrade to different pressures of government. I will explain different strategies Chinese entrepreneurs have come up with in order to financially survive in the changing political climate of Belgrade. More specifically, I am looking at how have the entrepreneurs dealt with the effects of structural and economic reforms and the governments' efforts to push formalization and fiscalization on Chinese businesses.

5.2.1. *In defense of informality* or embracing the corrupt system

One of my informants noticed: 'Connections and money can do everything in Belgrade. If you know the right people, you are good'⁷⁴

While many Chinese entrepreneurs have difficulties accepting the rules of the game, many Chinese entrepreneurs, mostly the ones owning shops in Blok 70, accepted, if not happily welcomed them. As I mentioned before, Chinese entrepreneurs are under the microscope of different officials coming from tax, market inspection and custom police. Many Chinese entrepreneurs believe the laws are discriminatorily enforced on them, however, some of my informants stated that they understand that the laws must be applied to everyone, including the Chinese, but also noticed that there are ways to circumvent the laws:

'The rules are the rules. The law says everyone has to pay the taxes, so the Chinese sellers should not expect they will be treated differently. But also, you know in Blok 70, if you give some money to the police they will not bug you for sure'⁷⁵.

⁷⁴ Bao, interview with author, 2021

When asked what is an usual amount of the bribe, my informants did not give unified answers. The answers ranged from 100 to 500 €, with some of the informants stating that some pay a certain amount on monthly basis to ‘their guy’ in Tax Administration:

‘I know for a fact that people here in Blok 70 don’t pay taxes. Have you seen anyone giving fiscal bills? Probably not. That is because anytime the inspection guys come, they would make a deal with the Chinese asking for example 500€ every. And then they vouch that nobody would bother them again’⁷⁶.

The relationship between customs officials, market inspectors and Chinese shopkeepers is similar. According to my informant who works in a freight company in Blok 70, most of the entrepreneurs from the center declare about 10% of all the goods they import and sell. Bribery is the main mechanism of securing that undeclared goods arrive from China to the shops in Blok 70 without getting taxed. However, customs officials would sometimes block the clearance of goods both in ports in Croatia, Greece and Slovenia or at the Serbian borders, if the bribe is not paid to the right person. Certainly, there are some representatives of the police, who do not ask for or tolerate bribery⁷⁷.

However, the corruption and propensity for using bribes as a business strategy in Serbia do not represent isolated incidents reserved for the Chinese community, but a systemic problem. According to the report prepared by UNODC Statistics and Surveys Section (SASS) and Statistical Office of the Republic of Serbia from 2011, annually on average 13.7% of Serbian citizens (18-64 old) have direct or indirect exposure to experiences involving bribery with a public official, while 9,3% actually pay at least one bribe per year with most of them paying bribes once in every 10 weeks. More than half of bribes are offered by the citizens to the officials with 39% of them being paid to police officers⁷⁸. Since 2011, various initiatives, reforms and policies for reducing corruption were implemented by the government and financially supported by the EU⁷⁹. However, from my everyday experience, these reforms have not affected the normalized presence of bribery in the everyday life of citizens in Belgrade.

⁷⁵ Zhang, interview with author, 2021

⁷⁶ Bao, interview by author, 2021

⁷⁷ Nikola, interview by author, 2021

⁷⁸ https://www.unodc.org/documents/data-and-analysis/statistics/corruption/Serbia_corruption_report_web.pdf

⁷⁹ <https://www.protivkorupcije.rs/eng/view.php?id=73>

The Chinese entrepreneurs who stayed to work in Serbia, understand that bribery and embracement of the corrupt system of Serbia represent a profitable business strategy. Most of them recognize that instead of completely formalizing all aspects of their business, sticking with informality (at least some aspect of it) and relying on mechanisms such as cultivating connections in tax institutions and bribery make their businesses more lucrative. Of course, there is a risk of a visit of a more ‘honorable’ inspector. However, risking paying fines and penalties occasionally or even risking of the temporary closing of their business premises for some of them is estimated as more lucrative.

5.2.2. *They are not risking!* or accepting the formalization

However, not all Chinese entrepreneurs find the risk of informality cost-effective. Certain entrepreneurs from the Blok 70 who managed to develop their businesses to a higher level, often choose to play by the official rules, declare all of the imported goods, register their workers, issue fiscal bills and pay all the taxes. They do not represent a majority of the community, however this low percentage of entrepreneurs who fully conform to the laws, most often either own bigger wholesale companies situated in the Blok 70 or own several businesses. For example, some of the entrepreneurs who started in the Blok 70 eventually opened up medium to large-sized department stores scattered around Belgrade and other cities in Serbia. One of the entrepreneurs from the Blok 70 opened a chain of department stores with two of them being located in central Belgrade and occupying multi-floor buildings. These department stores, in contrast to most of the shops in Blok 70 which specialized in selling one type of product, for example, underwear or shoes, offer the widest range of products, including footwear, clothes, makeup, school supplies, house items, etc. Some of the owners of these department stores have managed to develop their businesses to supplying other smaller stores across Serbia including some shops in Blok 70.

According to the Plan Plus website, there are around 30 department stores and more than double smaller shops exclusively selling goods imported from China in Belgrade⁸⁰. From my experience with buying in Chinese-owned companies, outside of Blok 70 in all of the bigger shops and department stores fiscal bills are regularly issued. My informant who works as a translator noticed that often Chinese entrepreneurs from Blok 70 who managed to accumulate enough capital and decided to grow their businesses outside the center, comply with fiscal and tax laws regularly, as the risk coming with economic informality is too high:

‘There are the exceptions to the general rule of Chinese not issuing fiscal bills. I personally know some of them who do it 10 times more than the Serbian shop owners. That is because they are trying to do everything by the law. Those who own a big department store, or more of them, they issue a fiscal bill for every transaction. They are not risking it, their space lease price is enormous. They have huge costs and 30 to 50 workers. If they close their store for a month, they are gone. The loss is a few dozen thousands of Euros’⁸¹.

5.2.3. *Let’s flee this place!* or big wave of Chinese emigration

Despite the fact that many Chinese entrepreneurs find ways to sustain their business through using bribery as an entrepreneurial strategy and some of them successfully expanding their businesses and accepting the changes that came with the reforms, a large number of Chinese entrepreneurs who came in the late 1990s and early 2000s decided to leave Serbia, rarely to go back to China but to find more profitable markets mostly in other Eastern European, African or South American countries.

According to some researchers of activities of ‘new Chinese migrants’ such as Nyiri (2017) the presence of Chinese ‘petty’ entrepreneurs is not permanent. These migrants are more mobile and flexible than the ‘regular’ migrants going to the Western countries looking for wage jobs. The ‘new Chinese migrants’ search for economies of scarcity where their low-quality and

⁸⁰<https://www.planplus.rs/adresar/beograd/kineske-prodavnice/2>

I am not familiar with the accuracy of this website, it is possible that some of these shops have been closed.

⁸¹Srdjan, interview by author, 2021

cheap products can sell easily. According to the authors, the moment the business climate of the country becomes unsuitable, the entrepreneurs move on to the next volatile market:

‘As people whose business strategies and family lives are ‘settled in mobility (Morokvasic 2004) and embedded in transnational and translocal connections, temporariness and flexibility are central to their mode of operation. While they are setting up and developing (small) trading businesses in Serbia, through their transnational connections and activities in China, they are also continuously monitoring and exploring trading opportunities in other transitory places and less developed economies, lacking access to global markets’(Korać 2013, 258).

Since 2011⁸², increased media coverage about Chinese citizens leaving Serbia en masse has been present. According to the data of the Ministry of Internal Affairs in 2013 about 15,000 citizens of China lived on the territory of Serbia. However, that number has been apparently constantly falling as it was estimated by the Association of Chinese Businessmen in Serbia that by the middle of 2015 that number has been halved⁸³. According to my informants who work in Blok 70, the biggest wave of emigration happened in 2018 to new markets in Poland, Romania, Bulgaria, Bosnia and Herzegovina, Uruguay, Brazil, Chile and some African countries. Most often, Chinese citizens plan the moves in smaller groups of relatives and/or friends and strategically plan to re-conceptualize their businesses while relying on each other’s support in the process. There are several push factors that affected the occurrence of mass emigration of Chinese from Serbia. The first one is the obvious decrease in the profitability of their businesses caused by attempts of government institutions to introduce them into legal business flows. As one of my informants stated, the informality of their businesses enabled them to earn enough to justify staying in Belgrade:

‘We earned much more when we were selling on the streets a long time ago. Now the politics have changed and people in Serbia do not earn a lot of money, while the cost of living is getting higher every year. We had to raise our prices to pay for the taxes and everything and Serbian people do not have money to pay for it’⁸⁴

⁸² <https://www.slobodnaevropa.org/a/24385324.html>

⁸³ <https://www.bizlife.rs/79572-zasto-kinezi-masovno-napustaju-srbiju/>

⁸⁴ Fai, interview by author, 2021

Allegedly the increase in prices of goods imported from China did not happen by the force of the ‘invisible hand’ of the free-market but was caused by a specific customs policy. According to my informant, who owns a freight company, in 2014 the custom tax for goods imported from China increased by 300% of the previous tax rate⁸⁵. He believes this happened under the influence of ‘big players such as EU’ and speculates that the pressure on the Serbian government to create this policy must have been tremendous, as even the Chinese Embassy expressed discontent and tried to interfere with the policy change. He explained that before 2014, the commercial center in Blok 70 was the most important wholesale market of Chinese goods in the region and merchants from Romania, Hungary, Montenegro and Bosnia, and Herzegovina regularly came to Belgrade to stock up on goods, as the prices of commodities were the cheapest in the whole region. As stated by him, the merchants now supply their stores from centers in Hungary, Italy and Turkey. His argument on why this policy must have been pushed by the ‘big players’ of globalization from above, is that the Serbian government gained nothing through this policy except a financial loss: ‘Since then the number of shipping containers coming to Blok 70 from China reduced for 50%, which means loss of amounts of VAT tax, custom taxes, and so on’⁸⁶.

This change of custom policy aimed at the goods imported from China triggered a wave of emigration of Chinese entrepreneurs and pushed the entrepreneurs who stayed to raise the prices of their goods. The increase in prices did not match the general decrease of purchasing power of Serbian citizens, which again made the business less lucrative as fewer people would choose to buy from the Chinese shops. The increased competition on the market did not help as more and more local citizens choose to shop in Western chain stores during the sales such as Zara or H&M, where they would find trendier clothes for the same price⁸⁷.

Currently, speculations that the new wave of Chinese emigration is behind the corner are present in the Chinese community. Recently, the prices of shipping containers coming to China have risen abruptly, caused both by the pandemic and the Suez Canal blockage. According to my

⁸⁵ I could not find the official data about this policy change, however many of my informants have mentioned the increase of the tax rate. The increase of tax rate has been talked about in media. Example: <https://www.politika.rs/sr/clanak/324360/Ekonomija/Kineze-ne-tera-carina-vec-profit>

⁸⁶ Marko, interview with author, 2021

⁸⁷ <https://www.politika.rs/sr/clanak/324360/Ekonomija/Kineze-ne-tera-carina-vec-profit>

aforementioned informant from the freight company, the cost of one the shipping container arriving from China to Serbia with all prices included was around 5000 Euros until 5 months ago when the price rose to 17000 Euros. In addition, a big part of Blok 70 center burned down recently, leaving hundreds of people without jobs. The goods of most of the entrepreneurs are gone and everything they built in Serbia went up in flames, pushing many of them to consider moving back to China.

5.2.4. *The Chinese stick together!* or organizing and lobbying

The strategies and reactions of Chinese entrepreneurs described in the last three subchapters are mostly individual or made by smaller groups as in case of moving to the countries with more lucrative markets. However, collective strategies of push back against the government pressures have also been present. As my informant put it: ‘the Chinese stick together’⁸⁸. The strategies include uniting and creation of business associations, chambers of commerce and other organizations that serve as places of unification and transformation of individual social capital, political connections, and influence into collective ones. By using advantages of collective fields of unified resources, the Chinese entrepreneurs manage to lobby and persuade Chinese diplomatic mission in Belgrade to push the Serbian government to loosen up the pressure that has been put on the Chinese entrepreneurs.

My informant who works as an official translator for several Chinese associations told me that the Chinese working in Belgrade often create different associations which operate on the principle of membership and gather entrepreneurs coming from the same province or city of China with some examples being *Association of Wenzhou Citizens in Serbia* and *Association of Hu Zhou Citizens in Serbia*. The members regularly collaborate, meet and send reports to the embassy. The informant explained to me that these organizations serve as main lobbying groups, besides two existing Chinese chambers of commerce in Belgrade which serve as main mediators between the local Chinese population and the Chinese embassy. According to him, the

⁸⁸ Fen, interview by author, 2021.

representatives of the chambers of commerce speak Serbian very well and have good connections with Serbian officials⁸⁹.

These associations serve as main representative bodies of interests of Chinese entrepreneurs from Blok 70 and have shown themselves as effective lobbyist forces on several occasions when the Serbian government has placed intense pressure on the Chinese entrepreneurs from the Blok 70. One of the examples an informant told me about is that whenever there is some kind of bigger problem related to import of goods at the customs, certain associations would lobby at the embassy or the consulate which would then contact the customs officials and solve the problem. To give a more specific example, according to the informant, the Chinese merchants most often do not have a proof of the value of goods imported from China, which results in Serbian customs estimating the value themselves, sometimes overestimating it dramatically. In these cases a lobbying chains occur. Firstly, the Chinese merchants contact one of the chambers of commerce, who then lobby at the embassy, who then either lobby at the customs, or lobby in some other governmental institutions who then solve the problem at the customs⁹⁰.

Another usual example that has reoccurred multiple times⁹¹ implies lobbying against intensified control of the tax police. Sometimes pressured by the increasing media coverage on the informality of Chinese businesses in Serbia and local entrepreneurs unsatisfied by uneven treatment, the Tax Administration announces an intensified control of Chinese businesses which is followed by either strike and/or protest of entrepreneurs from Blok 70 or a temporary shutting of shops under various excuses such as sick leaves. My informant describes the intensified control operations in this manner:

‘A few years ago, there was a big police crackdown against the people working here. They brought 2 or 3 busses full of tax policemen from the central. That was purposely done, that was a crackdown. The Chinese went to the embassy, and the embassy reacted and asked about what the problem was. The tax police said that the Chinese don’t issue fiscal bills and so on. The embassy said that is not the way to deal with it. If you get a notice that one or two shops do not issue bills, you cannot organize a

⁸⁹ Srdjan, interview by author, 2021

⁹⁰ Marko, interview by author, 2021

⁹¹ For example, 2005, 2013, 2014, 2015 and probably more

full-on crackdown. That is classic discrimination. Then the negotiations happened. And the police would not do that again and the Chinese will issue the bills more frequently’⁹²

This scenario repeated multiple times, with the last time (I’ve heard about) being in 2015. In 2013⁹³, 2014⁹⁴ and 2015⁹⁵, when these scenarios reoccurred, the media would publish an article saying that the Tax Administration and the Chinese Embassy have started a joint campaign with the aim of integrating Chinese entrepreneurs into the legal business flows. However, even the media has recognized that every time few months after the campaign ends, things get back the way they were.⁹⁶

5.2.5. *New opportunities*: tourism, internet, NGOs and more

In recent years a diversification of types of businesses the Chinese citizens choose has been present. The diversification has been caused both by push and pull factors⁹⁷, push factors being the decrease of profitability of ‘traditional’ businesses Chinese citizens do in Serbia such as wholesale, retail, translation, restaurant keeping, which was partially caused by the changes of local political climate and pressure put on informality and pull factor being an occurrence of new opportunities caused mostly by the intensification of Sino-Serbian bilateral relations. Therefore, many of the Chinese citizens have chosen to try building a career outside of the typical set of businesses.

The biggest new opportunity, at least before the pandemic was the tourism sector. Since the abolition of the visa regime in 2017, the inflow of Chinese tourists to Serbia has risen about

⁹²Srdjan, interview by author, 2021

⁹³ <https://balkans.aljazeera.net/news/balkan/2013/11/21/kinezi-zatvorili-prodavnice-zbog-poreznika>

⁹⁴ <https://www.srbijadanas.com/clanak/kinezi-i-dalje-duguju-milione-evra-za-porez-19-07-2014>

⁹⁵ https://www.b92.net/biz/vesti/srbija.php?yyyy=2015&mm=02&dd=24&nav_id=961417

⁹⁶ https://www.b92.net/biz/vesti/srbija.php?yyyy=2015&mm=02&dd=24&nav_id=961417

⁹⁷ Push and pull factors are termed mostly used to describe reasons a person or a group moves from one country to another. However, in this case I use this terminology to describe factors that have motivated Chinese citizens to move from one to other type of business.

15 times since 2011⁹⁸. Since 2017 after the establishment of the first agency focused specifically on an exchange of tourists between China and Serbia many smaller similar tourist agencies have occurred in Belgrade. Often they are owned and managed by people who have worked in Blok 70 as shopkeepers. Many of the Chinese in Serbia recognized the profitability of new opportunities in the tourist sector and decided to exploit the opportunities in accordance with their competencies, capabilities, knowledge, financial resources, etc. Apart from opening registered tourist agencies, Chinese citizens would offer different services through WeChat⁹⁹ to Chinese tourists, such as providing accommodation, being a local tour guide or a personal driver. One of my informants claimed that the new possibilities arising in the tourism sector attracted a new smaller wave of Chinese immigrants who often decide to run their businesses illegally:

‘Because the Chinese people do not need visas to stay in Serbia, they often now stay here illegally to start their own business. I personally know a lot of people who came from different Chinese provinces who came to Serbia, rented an apartment and converted it into some type of hostel for Chinese tourists. They do not have a working or a temporary residence permit¹⁰⁰’.

In addition, better assimilated Chinese migrants have been offering guided tours around Serbia to Chinese entrepreneurs working in Belgrade. Many of my informants accentuated that Chinese entrepreneurs in Belgrade used to never travel or take vacations¹⁰¹ until a few years ago when they started traveling mostly around Serbia and Montenegro. One of my informants who was writing a sort of travel blog about Serbia on WeChat to introduce his acquaintances and friends in China to Serbian culture was surprised when he figured that it is mostly Chinese living in Serbia that follow his account. After he realized that ‘some Chinese do not even know where the city center is’¹⁰² and that many of them ‘lived for 5 to 10 years in Serbia without knowing the country had beautiful and interesting places to visit’ (ibid), he decided to take this to his advantage and gather a team of people to organize tours around Serbia every two weeks for more than a year.

However, the pandemic has brought stagnation if not devastation to most of these businesses, which resulted in Chinese entrepreneurs closing their agencies and going back to

⁹⁸ <https://www.danas.rs/ekonomija/kineski-turisti-u-srbiji-trose-po-150-evra-dnevno/>

⁹⁹ WeChat is a Chinese social media app,

¹⁰⁰ Ping, interview by author, 2021

¹⁰¹ Except once a year when they go back to China

¹⁰² Ping, interview by author, 2021

selling goods in Blok 70. One of the Chinese merchants from Blok 70 stated: ‘I used to own a nice tourist agency. It was going well until Corona started. I had to close it and come back to the block to work for my family. I sell shoes now’¹⁰³.

The other diversifications of ‘traditional jobs’ Chinese migrants do in Serbia include reliance on various internet platforms and social media. As the costs of owning a Chinese shop increased exceedingly due to an increase in shipping and custom taxes, as well as increased pressure to pay VAT taxes and formalize, many Chinese entrepreneurs decided to move their business online. My informant told me that many entrepreneurs from the Blok 70 (mostly the ones doing wholesale) decided to stop renting stores and instead rent warehouses with cheaper rent or even stock their goods at garages of their homes¹⁰⁴. They would make online catalogs of their goods and ship the goods to their clients. By relying on the internet, instead of offline selling, the Chinese entrepreneurs make their businesses more lucrative by cutting expenses of rent and by avoiding tax officials and paying regular bribes. Sometimes, the Chinese entrepreneurs use social media, predominantly Instagram for starting a side business. For example, one of my informants, a daughter of a couple who owns a store in Blok 70 who works as a translator, opened an online store on Instagram where she sells bags. She argued that Instagram offers good marketing options, and shows commodities to a wider range of people, who would otherwise probably never visit the offline shops¹⁰⁵.

Furthermore, another diversification encompasses extending the number of Chinese citizens starting to work in the NGO sector. As I already elaborated about the increasing number of NGOs focused on cultural, educational and other forms of exchange between Serbia and China the analysis, I will refer from re-explaining it in this chapter. However, I must accentuate that other types of NGOs led by Chinese citizens have also been expanding. Some of the examples include *Association of Chinese Students and Scholars in Serbia*, *Association for Development of Chinese Medicine in Serbia* and *Sino-Serbian Association for Women and Children*. However, I did not manage to get in touch with any of the representatives of these organizations in order to deduce any further conclusions.

¹⁰³ Li, interview by author, 2021

¹⁰⁴ Zhang, interview by author, 2021

¹⁰⁵ Fen, interview by author, 2021

All of the three diversifications mentioned above (tourism, internet selling and NGOs) are frequent paths Chinese migrants have been taking. There has been a collective tendency to start new businesses in these sectors. However, I have stumbled upon a few individual interesting examples. I have no evidence if these types of jobs are isolated cases, or occur more frequently. I detected that certain Chinese migrants in Serbia have been incorporated into the police system in Serbia, both formally and informally. Formal incorporation of the Chinese into the police force in Belgrade happened in 2019 when joint patrols of Chinese and Serbian police officers have been created with an aim to ‘make tourist stays of Chinese in Serbia easier and more secure experience’¹⁰⁶ However, most of my informants believe these joint patrols only have exclusively performative function of showcasing the ‘high’ level of inclusion of Chinese citizens¹⁰⁷ in Serbian society. The informal case of integration of Chinese citizens into the police force relates to one of my informants who occasionally gets informally hired by the Criminal Police Directorate to translate from Chinese to Serbian language in case a detained person being interrogated is Chinese. Instead of hiring an official court translator during interrogations, the police officers ‘hire’ the informant for a much lower price and pay him with the bribe money. My informant in return gets connections in high police ranks, which he sometimes capitalizes on by ‘selling’ the connections to other businessmen. One of the examples includes a director of a Chinese factory in another city in Serbia who was supposed to have a business trip in regularly congested Belgrade. My informant procured him with the escort of police car for 200 Euros, which enabled him to get around Belgrade much quicker¹⁰⁸.

Another type of (informal) business I have encountered is a job of a fixer or ‘a guy who gets things done’. A Chinese citizen and a son of a couple who runs a shop in Blok 70, owns a phantom firm formally operating as a tourist agency. However, his factual job consists of working as a fixer primarily for big Chinese investors and directors managing factories, mines and infrastructural constructions in Serbia. As a person who has been living for 20 years in Belgrade, he owns more knowledge about ‘how things work in Serbia’ and connections than recently arrived big Chinese businessmen and managers. Therefore, he facilitates different

¹⁰⁶ <https://rs.n1info.com/vesti/a526753-zajednicke-patrole-srpske-i-kineske-policije-u-beogradu/> and <https://www.rts.rs/page/stories/sr/story/125/drustvo/3664947/kineski-policaici-u-patroli-sa-srpskim.html>

¹⁰⁷ for example: Bao, interview by the author, 2021

¹⁰⁸ Personal communication, 2021

services for the ‘the Chinese big fish’ including preparing necessary documents, work permits and facilitating connections in the police and other institutions¹⁰⁹.

4. Discussion and Conclusion

6.1. Discussing the results

In the last chapter I systemized, presented and elaborated on the findings of my research gathered by interviews, participant observation and document analysis. In this section, I will link the results with the initial research question and definitions explored in the literature review and further discuss some noteworthy aspects of the findings. This thesis aimed at answering following research question:

In which ways does the local government in Belgrade shape globalization from below manifested in activities of Chinese entrepreneurs and what are the responses and strategies of these entrepreneurs to the government’s regulation tactics? The main research question was envisioned to be answered through elaborating on the supporting questions (see introduction), that tackle evolution of globalization from below through time, the role of international institutions in shaping significant policies, the level of decentralization of government in Serbia and the recently enhanced influence of China on Serbian politics.

The ways local government has been shaping activities of Chinese entrepreneurs in Belgrade have been changing through periods of post-socialist transition. During the first way of transitional changes in the 1990s, the informal activities were subtly incentivized and tolerated, while after the government change in 2000, the same informal activities were attacked as inappropriate for a country soon to become an EU member. However, until today the governments’ relation to informal aspects of Chinese entrepreneurship has been ambivalent, at the same time officially trying to suppress them and discreetly ignore their presence.

¹⁰⁹ -II-

The first wave of 1990s in Yugoslavia were a period marked by rising unemployment, scarcity of goods, gray economy and ‘criminalization of economic life and society as a whole’ (Mijatović 2005,13). This was the period of first wave of Chinese entrepreneurs arriving to Serbia, incentivized by the policy of the relaxation of visa regime in 1996 and opportunities arising with Yugoslavian *violate consumer market* or how Nyirir (2017) described it *transitional economy of scarcity*. In this period, the local governments did not have political autonomy. However, authorities in Belgrade were generally tolerating informal economic activities of the Chinese entrepreneurs, as gray economy was normalized as a survival strategy of everyday citizens. As Yugoslavia was most of the time of 1990s under some sort of embargo¹¹⁰, the government ignored previously signed international agreements considering copy goods and intellectual rights¹¹¹ and tolerated a high presence of counterfeit goods coming from China.

The second period starting with early 2000s was marked by the changes in policy towards globalization from below, at least its informal aspects. The influence of international institutions intensified and pushed a series of structural reforms, with the biggest pressure coming from the EU. These reforms targeted, amongst other things, the way government relates to certain aspects of globalization from below. Particularly, informality and presence of counterfeit goods were marked as potentially threatening to the economic system, and thus many reforms were created in order to suppress their presence. Since 2000, EU has heavily conditioned Serbian government to decentralize the system, which resulted in re-establishment of local self-government units. However, as some authors argue (Dašić 2017) the conducted decentralization did not enable local self-governments to gain political autonomy, as only the administrative decentralization i.e. deconcentration was realized. The information I gathered through interviews, literature and document analysis does not indicate that any specific policies created on either city or municipality level shape globalization from below. However, the officials of local governments do shape globalization from below by enforcing laws created on the national level.

I believe it is important to go back to Mathew’s and Vega’s argument on how globalization from above aims to regulate globalization from below. According to the authors, actors of globalization from above seek to gain a monopoly of economic transactions and the

¹¹⁰ firstly under UN sanctions (1992-1995), and then UN, EU and USA sanctions (1998-1999)

¹¹¹ Examples: the Bern Convention, The Universal Copyright Convention, etc.

power to dictate its legality and legitimacy and pressure governments to protect large capital (Riberio 2012; Mathews and Vega 2012). Consequently, pressured state actors aim to restrict globalization from below either through repressive measures such as police control or through softer regulations by imposing banking, fiscalization, and formalization. I found this particularly true for the context of Belgrade. Since the various institutions decentralized, their branches on local levels have been delegated with enforcement of fiscal, company and trade laws on territories under their jurisdiction. This made the local officials of tax police, market inspectors and custom police liable to regularly shape globalization from below by enforcing the laws in the Blok 70 and other spaces of Chinese entrepreneurship.

In the current moment informal aspects of economic activities of Chinese entrepreneurs located in the Blok 70 represent micro-level battlefield of ‘systemic rivals’¹¹² i.e. China and EU. On one hand, Serbian government is conditioned by the EU institution and its partners such as IMF and WB to implemented structural changes to regulate a high percentage of informal economic transactions present in Serbia. On the other hand, since signing the Strategic Partnership in 2009, Serbian government has made a series of deliberate decisions and policies that prioritized straightening of bilateral relations with China over the harmonization with EU’s declarations¹¹³. The way local authorities treat informal activities of Chinese entrepreneurs definitely does not represent a significant debate between Chinese and Serbian government, however this prioritization of China as a strategic partner translates to the micro level as well. Even though Serbian government officially aims to eradicate informal economic activities, it also value Chinese embassy as a strategic partner enough to succumb under the pressure of the lobbying chains and disregard the informality present in the Blok 70. Therefore, the regulation of activities of Chinese entrepreneurs in Belgrade becomes one of intersection points of conflicted interests two rising ‘superpowers’¹¹⁴ on a micro scale.

The second half of my research question focuses on reactions and strategies of Chinese entrepreneurs to governments’ regulation tactics. As I elaborated in my analysis, Chinese entrepreneurs from the Blok 70 (and beyond) have developed series of individual and group

¹¹² European Commission called China a systemic rival first time in 2019. Available at: <https://www.neweurope.eu/article/brussels-officially-labels-china-a-systemic-rival/>

¹¹³ <https://cep.org.rs/publications/uskladjivanje-srbije-sa-deklaracijama-eu-o-kini/>

¹¹⁴ The debate if China and EU are superpowers is still ongoing. Mostly they are considered potential superpowers.

tactics to cope with pressures coming from the government. Those include moving to other countries with more suitable markets, accepting formalization and expanding businesses in ‘licit’ ways, diversification of entrepreneurial sectors, organizing, lobbying and probably the most prominent one: using bribery as a business strategy.

The acceptance of corruption and use of bribery as a entrepreneurial strategy that keeps business informal and profitable has been a trend in Chinese communities in other post-socialist countries such Hungary and Romania (Nagy 2011). In post-socialist societies of CCE corruption can be seen structural transitional phenomenon that was institutionalized and ‘embedded in the power relations of society’ (Hiah 2020, 878). For example, Serbia and Romania both suffer from immense corruption in local governments. The origin stories of Chinese entrepreneurs in both countries follow a similar logic of seeking economies of scarcity and relying on a mix of informality and bribery to secure profit. Hiah argues that informal economy implies two types of activities, illegal activities that break the laws and a-legal activities that are not regulated by laws. During the first years of post-socialist transition many activities were a-legal, as they were not yet covered by the existing laws. However, as the transition evolved new laws transformed the a-legal activities into illegal ones. The Chinese entrepreneurs in both countries did not manage to rapidly re-arrange their businesses to adapt them to changes in legislative and social rules. Both countries were pushed by international institutions to implement anti-corruption and anti tax avoidance programs. These affected Chinese migrants working in wholesale markets in a similar ways, by making them targets of the coordinated anti tax evasion actions. In 2015, tax authorities organized nationally coordinated ‘Operation Crystal’¹¹⁵ across Romanian cities and carried out enforcement actions of in-depth control in the wholesale markets (ibid.). Similar operations, but enforced on a smaller scale, were performed in Belgrade, multiple years in a row¹¹⁶. It is noteworthy to compare how the Chinese communities responded to these operations in Romanian and Serbian context. As I have explained before, Chinese entrepreneurs working in the Blok 70 have several times managed to organize, catalyze lobbying chains and pressure the embassy to use its political connections to negotiate for relaxation of the strict control of tax and custom officials. On the other hand, Hiah portrayed how Chinese Embassy does not represent a

¹¹⁵ This operation was carried out at many wholesale markets across the country. Markets in Serbia are targeted in a more arbitrary way.

¹¹⁶ For more information take a look at the chapter 5.

strong ally for Chinese petty entrepreneurs in Romania. Instead of having political support from the embassy, members of Chinese community in Romania are pressured by the diplomatic mission to fully formalize and abide by the laws (Hiah 2020).

A potential element, that separates Romanian and Serbian case, could be the bilateral relations these countries have with China. While Serbia prioritizes China as a main strategic partner, Romania has made series of decisions that prioritized US and EU¹¹⁷. Therefore, the embassy in Belgrade, as a more valued institution than one in Bucharest, has a greater agency and capacity to mobilize its political capital and clandestinely lobby for a better treatment of Chinese entrepreneurs by the local officials. Even though the trajectories and histories of Chinese community in post-socialist countries of CEE might resemble each other, the story of the community in Belgrade might represent a diverging case in the future.

The strengthening of the Sino-Serbian bilateral relationship also contributed to Chinese globalizing influence developing cultural and political aspects accompanying the economic base. Certain authors such as Michel and Beuret (2009) argue that Chinese-led globalization is ‘defined exclusively by its economic component’ (Chang et al, 2011:3). However, by examining the case of Serbia, we can deduce that Chinese-led globalization from above has cultural and political aspects as well, just expressed in different ways than the globalizing influences coming from the West. The actors of globalization from below or Chinese migrants recognized possibilities coming with these cultural changes, and found ways to advantage from them by creating different NGOs focused at cultural, educational and other forms of exchange between the two countries. This new type of actors, correspond better with Porte’s (1997) description of globalization from below, than the one offered from Mathews and Vega (2012). These actors are truly transnational entrepreneurs who support themselves by participating in economical activities that exploit ‘differentials of advantage created by state boundaries’ (Portes 1997, 3). Most of these cultural entrepreneurs go back and forth between Belgrade and China building their political connections, social capital and creating profitable opportunities in both countries. However, Portes, who wrote about globalization from below in 1990s, views global working class as the main actor of the phenomenon. On the other hand, the actors I just described are mostly children of working-class migrants who managed to develop their businesses enough to

¹¹⁷ <https://www.politico.eu/article/romania-recoils-from-china-aggressive-diplomacy/>

invest in their children's higher education. Nevertheless, I conclude that Chinese cultural entrepreneurs represent a new type of actors of ever-evolving and adapting phenomenon of globalization from below that has since the 1990s following the historical, cultural and political global changes, expended and diversified in numerous manners we are yet to explore.

6.2. Concluding thoughts

By using ethnographic approach, this research aimed at exploring the complex relationship between Chinese entrepreneurs and local government in Belgrade. To understand this relation, conceptualizations of globalization from below have been used as theoretical guideline. The research question guiding the thesis aimed to answer the following: In which ways government institutions in Belgrade shape globalization from below manifested in activities of Chinese entrepreneurs and what are the responses and strategies of Chinese migrants to the governments' regulation tactics?

Through out the thesis, I have shown that due to the partial decentralization, local self-governments in Belgrade do not have sufficient political autonomy to create independent policies that shape globalization from below. The data I gathered indicates that local self-government units of Belgrade and New Belgrade do not interact with the Chinese community. However, local level represents an important regulator of informal aspects of Chinese businesses as the local branches of institutions of state-level government enforce the significant anti tax-evasion laws. The strategies (of resistance) of the Chinese community vary, including different individual and group tactics such as moving to other countries, accepting formalization, using bribery as a business strategy, diversification of entrepreneurial sectors and organizing and lobbying.

The limitations of the research are reflected in an outsider positionality of the author, lack of first hand opinions and statements of officials from significant institutions as well as lack of time for conducting an ethnographic fieldwork for a longer period of time.

The fire accident that happened in the Blok 70 is at the moment still under investigation, with more and more people suspecting the true causes of incident. The future of the destroyed

part of the commercial center is still unknown. Following the development of the case, the ways in which the shopkeepers organize and respond to the crisis, as well as responses of both of Serbian and Chinese government could represent a material for further research. In addition, the new research material could be generated in the coming years as further development of Sino-Serbian bilateral relations might potentially frame Chinese globalization from below in Belgrade as a divergent case compared to other post-socialist cities of CEE with history of Chinese emigration.

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Appendices

Appendix 1: Table of figures

Figure1. Location of the Blok 70 in -source: Google Maps

Figure 2. Exact Location of the market inside the Blok 70-source: Google Maps

Figure 3.Surroundings of the Chinese market in Blok 70- Source: Google Earth

Figure 4.A simplified visual representation of regulation of globalization from below in the Blok 70 market – source: made by author

Appendix 2: Table of interviews

Interviewee	Nationality	Profession	Gender	Type of interview	Interview number
Bao	Chinese	Translator	M	Unstructured x2; Multiple informal conversations	1
Ai	Chinese	Owner of a restaurant in Blok 70 center	F	Unstructured	2
Li	Chinese	Seller from Blok 70 and a former owner of tourist agency	M	Unstructured	3
Zhang	Chinese	Owner of a store in Blok 70	M	Unstructured	4
Marko	Serbian	Owner of a freight company located in	M	Unstructured	5

		Blok 70 center			
Nikola	Serbian	Worker at the freight company located in Blok 70	M	Informal	6
Srdjan	Serbian	Translator and a court interpreter for Chinese language	M	Unstructured	7
Milan	Serbian	An official translator for Overseas Chinese Chamber of Commerce and other Chinese associations	M	Semi-structured	8
Fen	Chinese	Translator and a owner of an online shop	F	Semi-structured	9
Ping	Chinese	Founder of a NGO	M	Semi-structured	10
Min	Chinese	Worker in a NGO	F	Semi-structured and unstructured	11
Fai	Chinese	Owner of a store in Blok 70	M	Unstructured	12
Jana	Serbian	Owner of a store in Blok 70	F	Unstructured	13
Sinan	Roma	(informal) worker in Blok 70	M	Informal	14
Ya	Chinese	Owner of a phantom firm	M	Informal	15
Shu	Chinese	Owner of a store in Blok 70	F	Informal	16

Ting	Chinese	Worker in a store	F	Informal	17
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Appendix 3: An example of used interview guide

1st theme: Personal information

-name

-age

- occupation

2nd theme: Motivations for migration and the process of settling down

When did you arrive to Serbia?

Why did you choose to move?

What made you choose Belgrade as your destination?

Which province are you originally from?

Can you say something about you process of settling here?

How did you plan your move to Serbia?,

How did you obtain your visa and working permit? Was it a complicated process?

Did you ever have problems obtaining documents here? Was it hard to get around the bureaucracy when you moved?

3th theme: starting and managing the business

How did you start your business?

Did you work in Serbia before starting your business?

What did you do in China before moving here?

Did your family or friends help you financially or somehow else in the process?

How did you choose what will your business focus on? How did you choose what type of products you will sell?

How do you obtain the goods you sell? Who do you buy the goods from?

How do you decide on the price the good you sell?

How do you manage the transportation and import of goods?

Do you do retail or wholesale? Why?

Who are your main customers?

How many employees do you have? What are the nationalities of your employees?

Did you ever work with Serbian and Roma people? How was your experience with them? Who do you prefer to work with?

4th theme: business climate in Belgrade

What do you think about life and business opportunities in Serbia? Do you plan to stay here or move somewhere else?

Do you think the business climate and opportunities here are changing for better or worse? How exactly?

Did you change your business strategies or the type of products you sell? Why?

In which ways has the Blok 70 center changed since you came here?

Do you think that Belgrade's local politics affect Chinese entrepreneurs in any way?

Do you think that the strong political friendship of China and Serbia has in any ways affected small-scale Chinese entrepreneurs?

5th theme: The Blok 70 and the local officials

With which local institutions do Chinese entrepreneurs generally have a contact with?

Did you or anyone working here have problems with local authorities in a way that they interfere with your business?

How often does tax police and market inspection come to the center? How do they act when they do?

Did you register your business right away or later in the process?

Is there a lot of people here who did not register their businesses? Do they often have problems with the authority officials?

Do you think people working here can pay all the taxes and formally run their firm and still make a profit?

What do you think is a good way of making the business profitable?

Do you have anything to add (or a story to tell) that will help me better understand the Chinese entrepreneurship in Belgrade?

Appendix 4: The photos of the Blok 70 market

The entrance to the old part of the commercial center ¹¹⁹



¹¹⁹ All photos were taken by the author of this thesis

The new building of the commercial center



The parking lot in front of the center where the goods are being unloaded



Street seller





Unloading the goods



Detail from inside of a shop

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