
**Foreign Migration
to China's City-Markets:
the Case of African Merchants**

Hélène Le Bail

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Introduction

The African population in China is more or less composed of three categories of people: a small number of diplomats, an increasing number of students and a large majority of merchants and entrepreneurs. However the lines that separate these different groups are hazy. Students or diplomats may be involved in the import-export business while entrepreneurs are sometimes appointed to hold consulate responsibilities in those Chinese cities with large national communities and no consulate services.

This paper will focus on the group of African entrepreneurs often called African merchants, since their activities deal mainly with the import and export of manufactured goods. Within the merchant community, there are different types. First, there are the traders who've established trading agencies in China and obtained either a working visa or a long-term residence permit. Secondly, there are the salesmen who can be further differentiated into subgroups: Some go to and fro, between their country and China, their business visa allowing them to stay for up to 3 months; Some know exactly what they are looking for and stay only a few days in China, while some want to canvass the sector and may stay up to one or two months. Merchants are generally a transient population, but another category of salesmen are less mobile: they arrive in China without any real business project, but just with an order from their home country and the address of a friend or a relative. They want to try their luck in the Chinese booming market. They usually overstay their business or tourist visa and stay illegally in China.

Due to the nature of their activity, the African traders and salesmen usually congregate in the two main Chinese wholesale markets which are situated in manufacturing areas: the first one is Guangzhou in the South East Province of Guangdong where the Perle River Delta is known as the world factory; and the second city is Yiwu in the Zhejiang Province where many cities and towns have actively developed their manufacturing sector.

This paper on African entrepreneurs in China is an attempt to counterbalance the current debates on Sino-African relations which tend to only emphasize the increasing presence of the Chinese – and Chinese products – on the African continent. Today, there exists a

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body of ongoing research on the commercial links between China and Africa from both perspectives. On the presence of Chinese merchants in Africa, one can already refer to the works of Yoon Jung Park, and Antoine Kernén and Benoit Vulliet. On the presence of African merchants in China, only a small number of papers have been written, notably by Brigitte Bertoncetto and Sylvie Bredeloup, Adams Bodomo, and Li Zhigang.

The African Entrepreneurs in the Chinese Market-Cities

With the exception of the city of Hong Kong, which still in many ways remains apart from the rest of China, African traders and salesmen gather mainly in two Chinese cities well-known for their wholesale markets and fairs, as well as their strategic position in manufacturing areas.

Guangzhou, a Trading Post

The first place of settlement for the African entrepreneurs is the city of Guangzhou in the Guangdong province. Bertoncello and Bredeloup have proposed an approach centered around “the African trading post” to describe what the Chinese media name “the chocolate city”:

“The African trading post is, in a sense, a remnant of the Greek trading post, in so far as its organization, which is based on an understanding between producer and seller, is first initiated by the foreigner and works in close collaboration with the home country. The African trading post is built, in Guangzhou or in Hong Kong, on the assumption that the African businessmen, who are the beachhead for sub-Saharan immigration, will negotiate their installation with the locals, playing off of the different local, regional and national laws to furnish the markets with goods manufactured in the special economic zones but destined for an African clientele sometimes willing to come in person to buy.” (Bertoncello, Bredeloup, 2008).

Guangzhou, a maritime port in the Pearl River delta, has long been an economic pole for exports. Under the Sui and the Tang dynasties (581-907), trading activities were already significant and the city of Huangpu (now a district of Guangzhou) was the starting point of the maritime Silk Road. During the period of country closure (Ming and Qing dynasty), Guangzhou in the 18th century became the exclusive forum of commercial exchange with foreign countries until the Opium war and the opening of the country to foreign merchants. Later, in 1957, it was also Guangzhou that hosted the Guangzhou Fair, the only place where foreign buyers could contact Chinese manufacturers, and it remained so until the end of the 1970s (Jastrabsky, 166-167). Moreover, in 1980, three of the four initial Special Economic Zones (SEZ) were created in the Guangdong

province: Shenzhen, Zhuhai and Shantou. Since the time of this initiative, the province has been receiving a large share of foreign investments and many of the manufacturers are concentrated there.

The Province of Guangdong is the core of the Chinese manufacturing industry and represents more than 30 % of annual national exports. One third of exports are concluded during the well-known Guangzhou Fair which is held twice a year. While most foreign visitors of the Guangzhou Fair come mainly from developed countries, there is also, alongside it, a year-round market which is dominated by lower-income countries, namely African. In order to meet the demand from abroad, many Africans have settled down in Guangzhou and opened their own Trading agencies.

According to the Ministry of Public Security, a total of 30,819 foreign residents are living in Guangdong Province, 70 % of whom are in the two cities of Guangzhou and Shenzhen. The Public Security Bureau of the city of Guangzhou reported in 2006 18,000 long-term foreign residents in Guangzhou: 6 % from Africa, 6 % from Middle East, 55 % from Europe or America, 34 % from Asia (and others)¹. In other words, African long-term residents were estimated up to 1,080 in 2006. They comprise of students and employees of international companies, but most of them are free-lancers and entrepreneurs with a working visa. The number of African residents, including illegal residents, is usually said to be around 20,000 people. Most of them arrived with a business visa or a tourist visa and overstayed them. China, a country of emigration, now finds itself also confronted to illegal immigration on its territory. But compared to these foreign residents, the short-term visitors are much more numerous.

There exist no official statistics by nationality, but the estimates always assume Malians to be the largest nationality. The number of Malian residents was estimated by the Malian Embassy a few years ago to be about 400 people (it is the number of regular residents). Nigerians, whatever their legal (or illegal) status, are estimated at somewhere between five and seven thousand in Guangzhou. Both the Malian and Nigerian communities largely dominate the African population in Guangzhou, as well as the trading market. There exists only a few trading agencies held by foreigners from other areas, even if the African population is more and more diversified and all the countries now have representatives in Guangzhou.

In Guangzhou, African residents and visitors mainly gather in two areas along the ring road. The first is situated around the central railway station where are dispatched most of the wholesale markets:

¹ “廣州警方重點加強對穗外國人的管理” (“Guangzhou Police reinforce its control on foreign population”), *Hong Kong China News Agency*, 14 December 2006, available at: <http://www.hkcna.hk/doc/2006/2006-12-14/3809.html>

clothing, shoes, leather and cosmetics. Showrooms and warehouses have tended to multiply throughout the Baiyun district, all the way up to the north towards the airport. In this area, the Canaan building is well-known for its many African trading agencies. The second area is known as the “Xiaobei lu” area, in the Yuexiu district along the main circle line (Li, 2007: 9). Many business buildings are used mainly by African traders, the most famous one being the Tianxiu building. These two areas reflect the tacit divide between African entrepreneurs: most of the Africans working around the central railway station come from English-speaking countries, while the ones in Xiaobei lu are French-speaking. A survey done in 2007 showed that, in the area of Xiaobei, most of the African traders came from the following seven countries: Mali, Togo, the Gambia, Guinea, Ghana, Senegal and Congo. Only Ghana and the Gambia are English-speaking countries but they also share African languages with the other ones (Li, 2007:14). Nigeria is notably absent from the list even though they are one of the main nationalities among Africans in Guangzhou. In fact the African business area around the station is dominated by Nigerians and there exists a strong division between Francophones and Anglophones in Guangzhou.

Yiwu: an International Wholesale Market

Yiwu is located 380 km to Shanghai (2 hours by train) and 250 km to Ningbo port, which are the two main Chinese ports in terms of the traffic of goods, and the first and the fifth ports in terms of container traffic.

As a specialised market, i.e. a wholesale market located in an industrial cluster, the city offers low prices with goods sent directly from the factories. In fact buyers can easily visit the thousands of factories located around the city. There are in particular eight large industrial sectors that have developed in the Yiwu area: socks, shirts, wool, accessories, zippers, toys, key sticks and printing (Ding, 2007, 9). Furthermore, given the success of the market, a large number of producers from other cities of Zhejiang, but also from others provinces in China, have relocated their showrooms to Yiwu. One of the main advantages of Yiwu today is the wide range of products that can be found. The numbers vary depending on the source, but most suggest there are between 300,000 and 400,000 kinds of products available in Yiwu. Its three different markets and business streets house more than 50,000 booths.² Low prices come hand-in-hand with

² Information from the Yiwu Commodity City, available at: <http://www.yiwuchina.org/info/Yiwu-intro/Yiwuintro.html>.

Among the main products are: imitation jewelry and hair ornament market, about 7000 booths, socks and stockings, about 3000 booths, stationery market, about 3000 booths, bags and suitcase market, about 2000 booths.

the mediocre quality of the products and these mostly targets low income level buyers, especially from the Middle East and Africa (Yue Lin, p191). Among the main foreign exporters of products from Yiwu, the UAE and Saudi Arabia are ranked first and seventh (Pliez, p 9) and, as we will see later, the nationals from these countries often export to many different countries in the area.

According to the Foreign Affairs Bureau of the city, there are more than 2 300 foreign representative offices, i.e. trading agencies, in Yiwu, but many more foreign traders live in Yiwu permanently. From January to April 2009, 2 496 foreigners were given the residence permit. Furthermore, the number of foreign salesmen coming for a few days or for up to 1 to 3 months is increasing every year: in 2008, more than 350,000 people from abroad visited Yiwu. For the first semester of 2009 (January to April), Yiwu had already received 96,356 people from abroad. In April, 30,027 people from abroad were staying in Yiwu including 27,892 foreigners and more than 2,000 overseas Chinese, among whom, some 12,000 were residents.³ We should note here that the total population of Yiwu is around 2 million, of which more than 700,000 are local residents, and more than 1 million are people from other parts of China (most of them migrant workers).

There are no official statistics of the foreign residents by nationality. It is well-known that the foreign residents, especially the ones who have trading agencies, are from the Middle-East. The largest nationality represented is Yemen. Among the Sub-Saharan Africans, most of the residents come from Ethiopia, Angola, Mali, Nigeria or Senegal.

In Yiwu, the phenomenon of visible residential concentration only relates to people from the Middle-East: in this case, in the central part of the city, afar the new market. There are many Muslim restaurants and even a mosque. The established traders usually have their office not too far from the market, but there are few concentrations except for a few business buildings.

Yiwu and Guangzhou are the two main destinations for the African entrepreneurs today and in both cities there are certain typical profiles of migrants. While the migrant experience consists of a diversity of narratives, there are two conventional figures that often emerge from these stories: the student-turned-entrepreneur and the nomadic merchant.

³ Interview at the City Hall in Yiwu, 11 May 2009, and information from the China Commodity City Website, available at: <http://en.onccc.com/news/10100603/41700.html>

The Actors: the Student and the Veteran Merchant

The Student Turned Entrepreneur

Some of the African entrepreneurs arrived as students in the 1980s or 1990s, usually with a Chinese scholarship, under some general program of development assistance or cooperation and would later act as “middle-men” or intermediaries in business thanks to their command of the Chinese language. After graduating from a Chinese university, some decided to stay in China and open their own agencies. This was the case for A. who arrived in 1996 as a student at the Beijing foreign languages university:

“I first spent a year studying the language before entering the agricultural university of Guangzhou. I left for China with the intent of training in agronomy. That year we were six scholarship-recipients from Benin, two in agronomy, two in medicine, one in civil engineering, I can't remember the last one. I began to work before the end of my studies; I took up odd jobs to make some money. A Tunisian friend offered me a job as an interpreter for the Guangzhou market. He introduced me to the Niger Agency to escort groups of buyers.”⁴

Even before graduating from University, A. found a job. He had the opportunity to work as an interpreter during the Guangzhou commercial Fair for a trading company held by an entrepreneur from Niger. His work was appreciated and he was hired by the trading agency as an intermediary for buyers from Africa. The agency then sent him to Niger for a mission to supervise the delivery of construction materials for a hotel. However, at the end of the mission he had not received his return ticket to China and managed to go to Ivory Coast (his second nationality from his mother side) where he endured six months of administrative and procedural delays before finally going back to China. In Ivory Coast he met with a merchant woman who wanted to import from China and she became his first client when he opened his own agency soon after his return to China.

⁴ Interview conducted in Guangzhou, 5 May 2009.

D. is working in the agency of his brother who opened the first export company in Beijing:

“My brother arrived in the eighties when he was twenty, as the recipient of a Chinese government scholarship. He was very poor and took up odd jobs as an interpreter for tourists and businessmen. He was one of the rare people who could speak both Chinese and English. He saw that the Chinese market was picking up speed and he started his own company just after having obtained his degree. At the time, it was the only foreign export company in Beijing. He was exporting clothing at the time.”⁵

D.'s brother was among the first foreigners to settle down in Yiwu. Today, he is extremely rich and returned to Beijing with his Chinese wife. His two younger brothers are in charge of the company.

The Africans who arrived in China as students and later stayed and launched their own businesses are a minority amongst the entrepreneurs of African nationality. The majority of the traders in China arrived after having started a business in their home country or in a third country.

The Merchants Networks

The settlement of African entrepreneurs in China is one facet of a more vast commercial strategy which lets them move their activities from country to country to seize opportunity. Guangzhou and Yiwu is sometimes just a stop-over, more or less, before moving to other markets (some already speak of India). The emergence of trading posts in China occurs in parallel with the appearance of other trading posts in the Middle East or in Asia. Some of these have already experienced their golden age (like Bangkok) while others have managed to consolidate a key role in the network of international wholesale markets (like Dubai).

Africans arrived progressively in China. Many first spent some time in Dubai where they could purchase some Asian goods. Within the Persian Gulf, Dubai is one of the most prominent commercial areas for good transit and re-exports. Under a policy launched by Cheikh Rachid in the 1950s, Dubai developed into a redistribution center for the neighbors' areas, but it also attracted people from the former soviet republics and from African countries.⁶ In the nineties, Dubai offered well-stocked and cheap warehouses. It is still very lucrative, thanks to its merchant networks and its excellent

⁵ Interview conducted in Yiwu, 11 May 2009.

⁶ See Marc Lavergne (2002), « Dubaï ou la métropolisation incomplète », *Cahiers de la Méditerranée*, vol. 64, pp. 257-296 ; Roland Marchal (1997), « Dubaï: le développement d'une cité entrepôt dans le Golfe », *Les études du CERI*, June.

infrastructures and connections with the rest of the world. Today Dubai is a stopover for buyers between China and Africa. Except for a few African cities like Johannesburg or Harare, most African countries have no direct flight to China. They may have to go through another African country, through Europe or through Dubai which has become the preferred route to China. Buyers stopping there can patiently develop their commercial networks and to complete their purchases before going back home. Travelers may also just want to stay in the airport, where the duty-free area is considered one of the most attractive in the world. Dubai airport is still developing quickly and is aiming to become the world's largest airport in a few years.⁷

Many of the African entrepreneurs in Guangzhou already spent some time in another Asian country, more often in Bangkok or Kuala Lumpur. Some of them arrived for the commerce of gems. The stones were imported in Thailand to be transformed. These merchants sometimes settled down in South-East Asia and converted their activities into more lucrative businesses (Bertoncello, Bredeloup, 2008). Bangkok was an important wholesale textile market for Africans during the 1980s and 1990s. It was a country more open than its neighbors but the financial crises in 1997 compelled foreign merchants to take the next step.

Hong Kong is another key place for African merchants on the road to China. When South-East Asian countries were stricken by the financial crises, many African traders moved to Hong Kong. The city offers first-rate financial services and is at the doorstep of the Guangdong Province. Hong Kong also has excellent transportation services: a large part of Chinese production still transit through Hong Kong in spite of increasing competition from Shanghai in this sector. Since it is easier to get an entry permit to Hong Kong than to China, it is a suitable platform for organizing trips to China. The conditions for entry into the trading profession are very strict in Hong Kong and not many Africans have been able to open an agency. Today only about ten Sub-Saharan Africans have opened a trading agency in Hong Kong (Bertoncello, 2009). HK remains a point of transition from where it is possible to develop a network, to complete purchases and to manage the administrative procedures: visa, currency exchange, etc.

All these activities are concentrated in the well-known Chungking Mansions. In the Tsim Sha Tsui commercial district of Kowloon, the Chungking Mansions accommodate shops, offices and guest houses used by immigrants and visitors mainly from Africa, South Asia and the Middle East (Bodomo, 2006: 445). A documentary made at the end of 1988 baptized the building "The Tower of Babel" for it was a multicultural area in the city of Hong Kong. Bodomo, the main investigator of a survey conducted in 2005, indicated that more

⁷ "Second quarter set to be better than first - Dubai Airports official", *Gulfnews.com.*, available at: <http://www.gulfnews.com/business/Aviation/10312474.html>

than half of the residents of the mansions originated from Sub-Saharan countries. More than half of the Africans were from Ghana, followed by Nigeria (19%), Congo and Kenya (7% each) and Guinea, South Africa and Tanzania (4% each) (Bodomo, 2006: 450). Similar to the African merchants in Guangzhou who were described earlier, the population living in the Chungking mansions are often characterized as a low-level income group with no schooling, but the same survey showed that in reality the population is diversified: 27% of the respondents had a college degree and 67% a secondary school degree (Bodomo, 2006: 452).

Many of the Malian and Nigerian entrepreneurs who are now settled in Guangzhou have also worked previously in other Asian cities like Bangkok, Kuala Lumpur or Jakarta. They sometimes have tried to establish in Hong Kong. Yiwu which developed more recently and is considered a less expensive market than Guangzhou, also welcomed entrepreneurs who came from Guangzhou or who opened a branch of their agency in Yiwu.

Mustafa spent four years in Bangkok before coming to Guangzhou. His journey to China wasn't planned. After 15 years in the Senegalese Army, he retired with the project of migrating to Australia, where he would receive training in aviation and work. He made a first step in Bangkok in order to obtain a visa at the Australian Embassy there. While waiting for his visa, he started working for Malian, Senegalese and Guinean merchants and eventually abandoned his original plan. When the export activity from Thailand slowed down, he decided to make a trip to China like many other entrepreneurs in Bangkok. He realized that prices on the Guangzhou markets were half that in Thailand for the exact same product. One month later, with a friend from Mali, he moved to Guangzhou.⁸

The different ways in which entrepreneurs settle down in China may also be illustrated by the case of Abudu. Abudu started with two clothes shops in Casablanca. To find the goods, he first started to travel to Spain. He realized that the products were imported and decided to go to Dubai. From there, he noticed that a ticket to Hong Kong was inexpensive and decided to go there and canvass. He first went to Shenzhen and Shanghai where people recommended he check out Yiwu. After 4 or 5 trips, he decided to settle down in Yiwu. At the beginning he focused on his own sector: fabrics for traditional Moroccan clothes. Gradually he agreed to act as an intermediary for buyers from abroad.⁹

Bertoncello and Bredeloup give another illustrative example of the African merchant itinerary. K from Mali arrived in Guangzhou in 2000. As a child he had traveled in Africa: he first sold cigarettes in Bamako then later worked in the textile business in Cameroun and

⁸ Interview conducted in Guangzhou, 6 May 2009.

⁹ Interview conducted in Yiwu, 11 May 2009.

Gabon and in the gems business in Tanzania and Madagascar. The gems' barter introduced him to import-export activities in different countries, including Thailand and Malaysia. In 2000, he decided to relocate his activities to Guangzhou and closed his offices in Bangkok and Jakarta. D.'s agency is now exporting all kinds of manufactured products (Bertoncello, Bredeloup, 2007: 99-100).

The traders who settled down in China have often made stopovers in different market-cities prior to their settlement in China. This is also the case for the buyers, who often do tours in several countries to make their purchases before going back home: some may go to the different Asian markets, make a stop in Dubai and even sometimes go to some European country for some other products. The interconnections between the different city-markets are illustrated by the fact in June 2009 that the Dubai Exhibition offered to expose the Yiwu Fair. It is the first attempt at an overseas exhibition of Yiwu Fair, with more than 260 enterprises having already signed up.¹⁰

¹⁰ Information available at *ChinaCommodityCity.com*: <http://en.onccc.com/x2/index.html>

The Activities

The Trading Agencies

The opening of an agency requires the establishment of an import-export company in one's home country or in a third country that has been recognized by the Chinese embassy. Financial conditions are also important; the entrepreneur has to prove his or her investment capacity.¹¹ There exist different types of agencies. Some only offer services as an intermediary for buyers coming from abroad with a business visa. Others also have their own export activities.

The services proposed to foreign buyers include guidance, interpretation and bargaining with Chinese factory bosses and other Chinese sellers, grouping and packing in warehouses, transportation in containers by shipping companies or by air-cargo, customs clearance. Some of the agencies may also propose delivery services in the country of reception or even accommodation for the buyers coming from abroad (they set up dormitories or small inns in the business buildings. Agencies usually have plenty of small-scale clients and they group their goods together in order to fill containers for the same destination).

There exist agencies of different size. Most of them are usually small companies with 2 or 3 employees in the office and 5 to 10 employees in the warehouse (with at least one compatriot to supervise, while most of the employees are Chinese). In the case of D., he had one of the eldest and more profitable companies in Yiwu, 30 employees were working in the office and 50 in the warehouses (they send an average of 30 containers a day). In addition, many independent traders are working in more informal conditions. They may borrow or even share a desk inside another company and in return for the use of the office they may use the services of the host company. Inside a trading agency, the relationships between the workers are intricate: some are employees, but many others have links with the boss that resemble patronage.

¹¹ See Muriel Devey: « Afrique : confidences des hommes d'affaires africains oeuvrant en Chine », *AllAfrica.com*, 5 April 2008: <http://fr.allafrica.com/stories/200804050086.html> [consulted on June 22nd, 2008].

Some African traders do not bother with the external aspect of their offices, they work in old and crowded buildings like the Taoci building in the Xiaobei lu area of Guangzhou. Even D. who enjoys flourishing activities (see above) only has a 60 meter square office with cheap furniture. Some others prefer to provide their clients with a spacious, modern or even luxurious environment. Some of the offices in Tianxiu building in Guangzhou are larger than 150 m² with comfortable sofas and internet. In this kind of offices hundred of goods are displayed for the buyer (exhibition is no need in Yiwu since the market is in the city center and open all the year long).

Most of the traders who have been established for a few years in China are pretty successful in their business even if they would stress the fact that profits are very irregular. M. with an agency of about twenty employees, estimates his profit at about 200 to 300,000 RMB by year. D., at the head of one of the biggest agencies in Yiwu, even refused to give the average amount of the profits, arguing that it is beyond belief. Its profits are so astronomical that local authorities would become very suspicious if they ever heard about it. It is said that through their agency, about 7 million RMB transit every day. While most of smaller agencies complete the transactions with cash, the biggest ones who supervise the faster exchanges of money only work via bank transfers.

Sino-African Business Difficulties

Difficulties encountered by African traders are due as much to African partners as to the Chinese ones. The pace of transactions is often fast and the trader finds himself between foreign buyers and Chinese manufacturers or sellers. Transaction difficulties may come from both sides: the hesitation of Chinese sellers to bargain or to deliver the goods before he's received payment, and efforts by foreign buyers to delay payment. Traders usually require that payment be made before the container leaves China. Most of the salesmen follow their goods from the factory to the warehouse to be certain of what is sent home and to avoid being misled. It has occurred that traders had to unload containers when buyers left China without paying.

Most of the lost money is lost in Africa which is the reason why A., whom we interviewed in Guangzhou, plans to have his brother take in charge of the office in Guangzhou while he'll go back to Côte d'Ivoire to supervise the arrival and distribution of items.¹² The difficulty lies in managing proper distribution channels and debt recovery. Traders in China would prefer clients that fill up a whole container and receive it on arrival. When the container is shared by several clients, it is then necessary to organize the distribution upon

¹² Interview conducted in Guangzhou, 5 May 2009.

arrival and the trader's risks increase. Besides, when the buyers obtains a credit, it is sometimes extremely difficult to sue someone for unpaid sums of money. The judicial system in many African countries is still not very efficient and the plaintiff in China is far away. Thus African entrepreneurs often appeal to their national representatives in China to solve such problems. African countries usually have only one Embassy in Beijing. They appoint someone in the community in other cities to be in charge of consulate affairs. A. holds such an appointment for Côte d'Ivoire, S. Barry is the representative in Guangzhou for Guinea, O. Emma is the one for Nigeria, and Dioncounda Diawara is the President of the Conseil des Maliens in China. All of them have a trading company, they arrived more than ten years ago, and now enjoy a settled life. They mainly handle visa procedures and sort out the residency issues for their compatriots, but they also can act as an intermediary for unpaid debts or any kind of dispute within the community.

Another important obstacle is customs clearance. On the Chinese side, they can discover unexpected fees on the exported goods, or even some containers can be stopped for unknown reasons. Good relations with the shipping companies, the dock administration and the local authorities can obviously facilitate customs clearance. But for African traders, the customs clearance is even more complicated at the arrival. Some countries have issued very restrictive trade policies: high tariffs, a long list of prohibited import items and specific licensing requirements for restricted products. Nigeria for one conducts such a policy. High tariff on textile for instance greatly affects the competitiveness of Chinese products.¹³ Furthermore, other charges can also be a real burden on the importer (inspection fee, port service fee, etc.). In Nigeria, importers also face long clearance procedures. Due to the 100-percent-on-arrival inspections, unloading is often delayed for weeks or even months. In such a context, Chinese importers often complain that they are the target of arbitrary evaluations by inspection agencies and that they encounter more obstacles than other traders. In fact, African traders also complain a great deal about the clearance procedure on arrival. A. emphasized in his interview how unpredictable were clearance procedures in Côte d'Ivoire because of the corruption and embezzlement.

Networks and Family Business

Most of these merchants have their activities based on national networks. M. mainly works for Senegalese clients; he only has a few

¹³ See Edwin Daniel-Ikhuoria: "Nigeria-China Trade: Impact on the Nigerian People", available on the the National Association of Nigerian Traders's Website at: <http://www.nants.org> [consulted on June 3, 2009].

clients from Gambia, Gabon or Mali. A. who grew up in Benin but also has the Ivory Coast nationality, works almost exclusively with this last country. Abudu, from Morocco, works mainly for Moroccans (in Morocco but also in European countries like Spain, Italy, Germany), he also has some other clients from Arab or Muslim countries like Algeria, Saudi Arabia or Sudan. For the more established and larger companies, the spectrum of clients is wider. D., who's from Ethiopia, has now clients everywhere in the world. The Malians may also work for a broad range of nationalities, probably because Malian merchants are traditionally settled in many different African countries.

Very often, the agencies are family businesses. For both the Chinese and Africans, even though the agencies are mostly established by individuals, their wives Chinese or African, are very involved. Moreover, when the business broadens, the entrepreneur will often invite family-members to join the company. D.'s company was launched by his older brother. Foregoing his plan to pursue his studies in New Zealand or in Australia, D. had to join his brother in China who needed help to manage his company and wanted it to stay in the hands of the family. Today three of the brothers are involved. The older one does not work anymore with them but has delegated all the managerial tasks to his brothers. Still he remains the only owner of the company. All the living expenses of the brothers are covered by the company but they do not receive a formal salary or have stakes in the company. The use of family ties favors an informal type of governance. In the case of A., he asked his younger brother to come to China and get trained, and promised after five years that he might be willing to let him manage the agency in Guangzhou, when he would go back to the Côte d'Ivoire.

Transformation and Strategies: Complementarities or Competition Between Chinese and Africans Merchants?

Most of the Africans started their business in China in textile exports. Today the range of exported goods is extremely wide: electronic appliances, DVD, mobile phones. Another sector that flourished lately is interior decorating and furniture. In that sector, the number of women buyers is noticeable: at least from the African West Coast, they are a majority of the short-stay entrants with a business visa.

African traders have also diversified their commercial strategies in order to meet the Chinese competition. Chinese people also developed import activities in African countries and the impact of their business is evident for the African traders in China.

A. at first only exported textiles. Between 2003 and 2004, he established a joint-venture with a Chinese associate for the Ivory Coast market; they produced clothes for orders of up to six or seven

thousand items. At that time he covered about 90 % of the imported textile market in Abidjan. In 2005 he opened another company for bags (producing many counterfeit items, but also some original models). It was also a joint-venture with 150 employees. In fact most of the African traders who arrived in the eighties and nineties started with exports of clothes, bags and shoes. A. explained how he adapted his business to the new competition. When he experienced a rapid decrease in profits, he developed a strategy he called “end of line” (surplus). He started canvassing the factories in Guangdong to ask if they had some surplus of clothes, shoes, fabrics that remained from previous orders. He bought these unsold surpluses at very low prices; since it helped the factories rid themselves of these extra products. Today the Chinese factories even contact him to offer their “end-of-line”. On this kind of market, the Chinese salesmen are not competitive, according to A., because they have difficulty gauging the tastes of African buyers. Buyers are harder to please than before and sellers can be stuck with unsold products.

Some other African traders, like Abudu, also feels the Chinese competition is not that significant because the African traders know the consumer in their host country better and are able to adapt the supply to the expectations and tastes of the consumers. Abudu spent half of his time on the road all across China. He visits all kinds of factories, sometimes very small ones in the countryside or even home workshops of craftsmen. He looks for new products and does not hesitate to buy goods of quality in small amounts when he is sure that it will be sold abroad. He believes he understands what can be sold abroad better than the Chinese traders.

However, some traders like M. are much more pessimistic. For years he enjoyed strong profit margins because he would buy products directly from the producer in China. Today, the Chinese sellers established in Senegal also buy directly in China and sometimes obtain even better prices than him. He believes the number of African trading agencies in China will decrease due to the growing presence of Chinese in African countries doing business. For the researcher A. Bodomo it is not likely that the number of African traders will decrease as long as commercial exchange develops between China and Africa even if, beginning last year, the local government started to tighten their control over African entrepreneurs.

Conclusion: African Entrepreneurs and Chinese Society: Transformation and Resistance

The African community is still far from well-accepted even if their Chinese neighbours have become accustomed to their presence. The Chinese media have spread negative stereotype of the African residents, associating them with the notion of “three illegal” (三非) : illegal entry, illegal residence and illegal work (非法入境, 非法居留, 非法就业). It is probably amongst Africans that the greater number of illegal residents and workers can be found, but the tendency is often to typecast the whole community under that negative image.

The presence of illegal immigrants has been tolerated for many years, but in the last year they have become the target of stricter policies. The toughening of measures to arrest the illegal residents started six months before the opening of the Olympic Games and has been maintained since. It not only targets African people, but any foreigner working or living illegally in China and also Chinese rural migrants (especially in Beijing), but the case of the Africans was more mediatised. Last august it was said that 3000 Nigerians were imprisoned, some of them suffered maltreatment, the number of deaths in the prisons that are covered-up is also preoccupying. What is widely known is that those African who died trying to escape the police, did so out of fear of being physically abused.¹⁴

The involvement of Africans in the drug traffic is also a factor of stigmatization of the whole black population especially in Guangzhou. Corruption in the province and the absence of strict laws have allowed the province to become a hub for the drug traffic in the south of China. The drug traffic networks in Guangzhou are very intricate and involve many different nationalities. Apart from the local Chinese, people from the Middle East and Central Asia (Afghans, Iranians, Pakistanis), from South America, and from West Africa are involved. Between December 2007 and June 2008, more than 300 Africans were arrested for narcotic trafficking. They are involved in

¹⁴ “Nigeria: 3,000 Nigerians Rot in Chinese Prisons”, *Daily Champion*, 11 August 2008, on AllAfrica Global Media, available at: <http://allafrica.com/stories/200808111254.html>

the traffic of cannabis from West Africa and South Africa. Lately they have been confronted with the competition of cheaper cannabis from Thailand. Some of the African dealers also take part in the traffic of cocaine from South American. While many recent articles have described the African dealers, they are usually known as retailers, working with bigger dealers of other nationalities (Central Asia for the cannabis or the heroine, Colombia for cocaine or Chinese for synthetic drugs) (Baudrimont, 2008).

Still, some Chinese academic works provide a more positive analysis of the African presence in China. They insist on the role of the African residents in the process of globalization of the Chinese cities. In fact in Guangzhou or Yiwu, the African and Middle-East population is quite visible and has changed the landscape of the streets. The number of mixed marriages is increasing, along with the number of multi-cultural families living in China. Indeed some of the African residents are well integrated in the host society. However, China is still far from promoting the idea of opening itself up to foreigners and integrating them into society.

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