

African Trading Activities in China in Perspective of Sino-African Relations—— Cases Study of Guangzhou and Yiwu

TANO Kouassi Joseph, Prof. SUN Qiu Yun

Abstract—With a great number of Africans pouring into China to make their “gold dream” come true, the communication between China and Africa becomes more and more frequent in recent years. This paper casts an insight into the situation of the African businessmen in Guangzhou and Yiwu, two typical cities in China, analyzing their life, trade and business there, as well as introducing the management pattern in Guangzhou and Yiwu. Such a research aims at facilitating the government’s policy-making process, thus improving the living conditions of the African businessmen in China and ensuring a further development of Sino-Africa relationship.

In recent 10-20 years, with the warming up of the Sino-African economic and trade relations, more and more Chinese walked into Africa and at the same time, more and more Africans arrived in China too. Most of them have the aim of trading, doing business in China, and stay in some southern China cities long or short time. Learned from media reports, Guangzhou, the biggest African community in China main land has an African population of 200-300 thousand, and Yiwu, Zhejiang, has attracted 25-35 thousands African. Till now, the African communities are maturing in the two cities. The phenomenon revealed that the China society after 50 years opening up and reform, has becoming more diversity and more inclusive, which has so far-reaching sense, and the other hand, it indicate the trend of Sino-African relations becoming down step and grass rooting. Along with the appearance of the African communities, the management policies of the migrations and city community are facing new problems and challenges.

Keywords-- African businessmen; trade and business; Guangzhou; Yiwu

1 INTRODUCTION

In recent years, there have been more and more African-funded enterprises in China, and their investment field continues to expand, which suggests an economic prosperity of the African businessmen. The majority of these African businessmen live in some large and medium-sized cities, and Canton, with its “Chocolate City”, which is greatly attractive to them, is their first choice. On the other hand, with its expanding and development, and its growing reputation home and abroad, the “Yiwu International Trade City” becomes the “bright spot” of Sino-African trade. Yiwu also extends the relationship between China and Africa to a wider realm because of its prosperous international trade activities, especially Sino-African business activities. Large scale exchanges of goods and personnel between China and Africa, making both sides know each other better, witnessing the people-to-people contacts which are a more important part of Sino-African relations.

By means of investigating such fields as livelihood, working, residence, social interaction and religion of African businessmen in

Guangzhou and Yiwu, we investigated how they maintain and manifest their identities in Chinese society, a cultural circle quite different from their own cultures, and how they make progress, establish their own group of immigrants in such an unfamiliar society and virtually take root in China and make China their own “home”, and moreover we also experienced the external efforts and internal struggles of this group in the pursuit of above objectives.

The researcher has summarized the former researches on the African businessmen in China and made a two-month field visit and research in Canton and Yiwu, thus collecting a first-hand material of and having a deep look into their trade and living condition in China.

2 METHODOLOGY

The methodology is the field of union between the subject and the research, that is to say a set of methods, techniques, means that the researcher uses to achieve his/her goals. With the aim to benefit from a full gait research and thus collect my most possible data representative, we opt for a qualitative method. Indeed, qualitative method was associated to collect data for this study. A convenience sample of 40 Africans traders was collected through an administrated semi structured interview (27) and participant observation.

Speech analyzes was used to analyze the data and the interviews were used to analyze also the speeches. While books, articles, Journals, theses internet sources among others provided the secondary data.

Indeed, the simultaneous use / joint of one type of methods have the advantage of allowing the integration of all aspects of our object of study. This quality method (qualitative approach) processes will rise in the realization of a research that wants to be supplemented. By following the same length of idea, we favor a mix of both research methods /investigation; the analytical approach is inductive. To properly conduct our field research, we use techniques of data collection such as survey (using guide maintenance), participant observation and semi-structured interview.

3 RESULTS OF THE RESEARCH

3. 1 Overall introduction to the African businessmen in China

African businessmen in China mainly invest in the fields of dynamo, clothes, shoes, cotton swab, mopeds, construction materials, wigs and toys. Most of them run shops, for not many are able to start a Foreign Trade Corporation here. Some of them purchase goods in China and stock with their shops in Africa, and others just trade with other African businessmen from all over the world and treat them as their long-term business partners. When they accumulate enough funds they will expand their business by setting up a factory or company. Here the

researcher makes a brief introduction to the African businessmen in China.

- The kinds of the Africans
- Four kinds of African people in China

There are almost four kinds of Africans in China. They are Businessmen, students, performing actors of musical and dance art, and diplomats. The people of first kind are the maximum, and Guangzhou and Yiwu are the primary place where Africans stay. The students are the second big group, scatter in many cities, where there have many universities. Beijing, Shanghai, Tianjin, Chongqing, Guangzhou, Wuhan and many other cities open their arms welcome these African students. Among these students, some study by the support of Chinese government scholarship, while many come to China to study by themselves. With the announcement of adding the number of Chinese governmental scholarship on the fourth FOCAC in 2009, the Africans students will grow more. One phenomenon is there come out many Chinese language schools in Yiwu and Guangzhou because of the developing economic relations between China and Africa, most of the students are African Businessmen.

From our interview, we can see many African students become businessmen after they finished their study, some even do business for others or their family during their study time. You can assist has a re conversion as a businessman. One Ivorian came to China in 1980's, and studied Management in Guangzhou Chinese university, after he got his degree, he did not go back to his home country but became an interpreter for Chinese companies in African and he become an African boss, after some years, he accumulated his saving and opened a commerce company in Guangzhou. Many students have the same dream to step on the land of China, because doing business earn money quickly and they have the language superiority on doing business with Chinese.

- Two kinds of African businessmen

For the African Businessmen, there are two kinds, traveler businessmen and businessmen who stay in China. As to the traveler businessmen, they come to China regularly and purchase some kinds of fixed goods. Because of the cost of travel, they come to China twice a year commonly. They do business with Chinese sellers, or go to the markets to look for goods. Some have their fixed partners, while some changing often. One businessman from Mali comes to Guangzhou twice a year, buying motorbikes accessories from a Chinese seller, after they began their first trade in 2005. Some traveler businessmen have come to China for many times began their trade in 1990's, while some are only new comers. They are new businessmen or just changed from west to China markets.

One Nigerian called Obina came to Yiwu for the first time in this year, dealing a trade dispute with a Chinese company. He lived in England for many years, went to his home country, Nigeria, last year, wanted to live there when he thought he is old. He began his lock business last two years and buy locks from a Chinese company in Jiangsu province on internet. The first deal was good, while the second had some disputes, so he came to Yiwu to look for one Ghanaian for some help after seeking help from Nigeria embassy in Beijing. He stayed in Yiwu and Jiangsu for three weeks, resolved his disputes and returned to Nigeria after shopping some things in Yiwu market. Now many traveler businessmen come to China through friends they know, their friends prepare for their visit beforehand, book the room and send to them the invitation letter they need, show them markets or companies they are looking for.

(1) Nation distribution

The majority of the African businessmen come from West Africa. The reasons are as follows: on the one hand, as the most populated country in Africa, Nigeria is located in West Africa and the Nigerian businessmen in Guangzhou has amount to 15 thousand (Li Peng Tao,

2010 P. 55).. On the other hand, the students from West Africa are much more than those from other African countries. Many West African students choose to stay in China after they graduate, which attract more West Africans to study or do business in China.

(2) Age

The majority of African businessmen in China are aged 25 to 40, either young or middle-aged, which is the golden period of work and study.

(3) Gender

Among the African businessmen in China (particularly Guangzhou and Yiwu), men are much more than women. It is because that in African families which are engaged in trades, women are mainly responsible for running the shop and taking care of their families while men purchasing goods from afar. Sometime women also go to other places to purchase goods, but such a case is seldom.

(4) Education background

It is the common sense in Africa that only those who do poorly in their study choose to do business. However, according to this research result, the reality is totally different: more than 40% of the recipients (African businessmen in Guangzhou and Yiwu) have received a higher education. Such a situation results from the fact that most of them have already received higher education in their hometown and had a relatively good job. But as their salary cannot meet their needs in their daily life, they have to try their chance in other countries. There are also quite a large number of African students in China, who, after graduation and armed with good Chinese language ability, achieve much in doing business in China.

(5) Chinese language ability

Generally, African businessmen in China are not able to speak Chinese, thus having difficulty in holding trade talks with Chinese businessmen. The most frequently used language is English, followed by French and Spanish, which fosters the prosperity of translation industry, where

many people work as a part-time translator. These translators, either Chinese or African students, master English and Chinese at least, and most of them can also speak French. When encountered with a client with a large order, the businessmen will employ a translator and price their service by the hour. In other times, the businessmen can deal with their trade by themselves. They can communicate with their clients in simple Chinese or English phrases, through body language or using calculators.

3.2 TRADING ACTIVITIES OF AFRICAN BUSINESS IN CHINA: CASES STUDY OF GUANGZHOU AND YIWU

(1) Trading Activities in Guangzhou

In Guangzhou, the African businessmen mainly run shops selling clothes, shoes and wigs. The sizes of their shops are different, but most of them are not very big. In Canton, in the touffor Chinese Southerner, the Africans feel more at ease than in hard China of North. How much are they on the whole in the country? Impossible to find official statistics. The estimates vary between 20.000 and 100.000 people, even much more. They are distributed in the clothes markets such as Jinan, Tangqi, Tian'en and Yulong, and the Sino-Africa trade markets such as Tianxiu, Xiushan and Hengsheng, the most famous being Jianan Trade Market and Yuxiu Market.

Jianan Trade Market is located in No.94 Guangyuanxi Road and is the center of trade markets within 1km. As a large number of African businessmen choose to sell or purchase goods here, it is also being called "Chocolate City" by Guangzhou's. It has three floors. Shops on the 2nd and the 3rd floors are relatively small and the prices are low. The shop keepers only make benefits through large sale volumes. Shops on the 1st floor are bigger and there are also many MNCs. Many Africans rent shops from the Chinese and register in the name of them, so as to get rid of some unnecessary troubles and additional tax. As they should pay

rents to their Chinese landlords, their business are in fact not independent of the Chinese. Their main clients are also Africans, who purchase clothes which are fit to the Africans, with quantities raging from dozens of to several sacks of clothes.

Tianxiu Market is located in No.300 Ring Road in Yuexiu District and consists of 3 buildings, each with 34 floors. Building A and C are trade and living buildings and Building B is commercial office building with shops in the 1st to the 5th floors, selling clothes, fabrics, leather, home appliances and so on. Up from the 5th floor are all commercial offices. The members of the management office told us that in 2007, 70% of the total offices were run by businessmen from Africa and the Middle East. Even though influenced by the financial crisis now, the African businessmen still constitute the majority here. In the restaurants, the chicken's yassa supplant the raviolis, while Chinese saleswomen smile behind cases of pirate DVD of African movies. The travel agencies make publicity for flights towards Lagos or Addis Ababa. Often abstract, this transcontinental economy goes rather well.

The workshop of the world has its "Mr. Africa". On Canton, in the south of China, Emma Ojukwu naturally imposed itself like the principal intermediary between the greatest African community of the country and the local authorities. Because he is the owner of the Association of the Nigerians of China, African nationality the most represented. And because its networks, in the Chinese administration and the police force, make that many other Africans, including French-speaking people, come to strike with his door when a "muddle" points its nose.

According to Emma Ojukwu, the Nigerians would be 3.000 or 4.000 around Canton, and more than 7.000 in all China. Certain estimates are much higher. Its telephones jump without stop. Here, it is a question of helping a compatriot whose visa expired and who does not have any more a Yuan out of pocket. There, of an appointment with Criminal

Department to regulate a thornier case. "Of course, the problems increase at the same time as the African population, says it. Only one African stopped for drug trafficking, that sees himself and a bad image gives us (Bodomo and Ma, 2010).

In fact, in "small Africa", name given to the district of Canton where the African diasporas concentrated, of the police cars station with each corner of street. A few weeks ago, of the hundreds of Africans attacked a police station after two Nigerians had been wounded while jumping by a window to escape a raid. The Chinese authorities pay attention however not to be acted too hard, by preoccupation with an image with respect to this so important continent from now on. The great subject remains that of the visas. "The Chinese authorities promised to us new more flexible regulations for soon", ensures Emma Ojukwu.

The majority of the African businessmen belong to some community and every community has its leader. These "leaders", or "chairmen", are relatively elderly, well-educated, and have made such achievements in their business that they are relied by the community members. Free of political interference, these communities are just organizations where the members can communicate and exchange information. And if there is some contradiction or dispute between the businessmen and their clients, they would rather turn to their community than to the local police for help.

(2) Trading Activities in Yiwu

The former "Yiwu Small Commodity Market" has long developed into the "Yiwu International Trade City". It is reported that in 2009, the Africans who registered to do business in Yiwu totaled 54 thousands, and in 2010 the residential African dealers in Yiwu amounted to 405 (Lin Yue, 2006 p.187). The majority of them come from North African countries such as Egypt, Sudan and Mali. Only a few come from South

Africa. The commodities are mainly cosmetic, accessory, fabric, metal fittings, articles of daily use, home appliance and so on, and the articles of daily use is particularly popular among the African businessmen.

With a size of more than 1800 *mu* (about 120.6 hectares), the Yiwu International Trade City is located in the modern Chou Zhou Road, adjacent to the International Logistics Center, the Bingeing Market and Jiangdong Shipping Market, which facilitates the transportation and distribution of the goods. In the east is the Customs House of Yiwu, which is open to any consultation about seaborne trade. It cost nearly 10 billion to build the City, which consists of five districts, each having its distinct commodities. In District 1 there are toys, accessories and handicrafts. In District 2 are hardware, luggages and suitcases and electronic products. In District 3 stationeries, sports products and cosmetics are sold, while in District 4 articles in daily use and shoes and socks are sold. Importing products, beddings and auto parts are to be found in District 5. There are more than 6000 stalls and over 10 thousand businessmen in each district. It is safe to say that everything you need can be found here. Moreover, with the low price of the commodities, it has attracted businessmen all over the world.

The African Commodities Exhibition Center on the first floor of District 5 is of great distinction. The first floor of District 5 is a place of importing products from over 100 countries. Among them there are nearly 20 stalls of African distinction, selling products from Senegal, Congo, Nigeria, and Tunisia etc., including diamonds, crystals, necklaces, ornaments (mask, carpets etc.) and so on. Many of them are relatively expensive for they are transported from their hometowns. However, only 7 of these stalls are run by local Africans, while the rest are run by the Chinese. Their customers are from all over the world, among them Chinese being the most.

Most African stall keepers have relatives who have already run business in China, some having their own clothes factory, for example.

When their business develops, these relatives get them to China to open a shop or stall, and have their commodities sold in these shops or stalls. If there is a big order, the customers can get the commodities directly from the factory. Many Chinese people like to buy African products here. However, their business is not as good as people think. Except schools or museums, they don't have many stable customer sources.

In the Yiwu International Trade City, different product demands of the African businessmen can be met. With numberless trading opportunities, the foreign trade industry attracts these Africans much. Seldom of them are simply engaged in manual work. Some Africans in Yiwu become aware of the importance of Chinese to their work and life and go to learn Chinese in the nearby colleges or training institutions. If they have no time, they will let get families to learn it. The management system in Yiwu is sounder than that in Guangzhou. The contradiction or dispute is generally solved by the security department rather than any business community. If it can't be solved, they will turn to the judicial authority for help. Therefore, the rights of African businessmen are well secured in Yiwu.

(3) A comparison between the trade activities of African businessmen in Guangzhou and Yiwu.

•Common grounds

Both in Guangzhou and Yiwu, the sizes of shops run by the Africans are not very big and very few of them have made a great achievement in their business. The majority of them live a tough life. In recent years, African businessmen in these two places are not just engaged in some simple trade activities, but also run their own foreign trade companies or logistics companies. Some also have a subsidiary business such as restaurant and bar, or have a sideline occupation like actors and pub singers. Their business covers a larger number of fields and a great variety of trade forms are.

•Differences

i. Commodities

The African businessmen in Guangzhou run shops of all kinds and their product are mainly "made in China", such as the Chinese clothes, shoes and socks. There are almost dozens of shops or stalls run by the Africans in each of the Trade City in Guangzhou. While in Yiwu, the products are mainly those of African distinction, such as African necklace, masks and handicrafts. Moreover, there are only 7 stalls run by the Africans, much fewer than those in Guangzhou.

ii. Customer resources

In Guangzhou, the customers are mainly Africans who purchase cheap commodities to sell in their hometown. On the contrary, customers in Yiwu are mainly Chinese who buy African products to decorate their home or present them to others as jewels, handbag of the women, make-up, lipsticks, and clothing of the children, shoes of the women.

iii. Business model

In Guangzhou, most African businessmen cooperate with others in their business, that is, rent a shop which is registered in the name of the Chinese shop keepers, or work as agents to seek customer resource for Chinese companies. In Yiwu, however, the African businessmen have the same right with the Chinese. They run their own shops in the name of themselves and sell the commodities of their relatives' factory rather than rent shops from the Chinese. In the majority of villages in Zhejiang, there are full of Zhejiang industrial and commercial groups called "grass-roots Zhejiang businessmen". Zhejiang has a long mercantile tradition and its local business is quite prospering. During the past 30 years, its unique tradition of private and open economy has promoted the formation of various forms of development modes as "grass-roots

economy", "private economy" and "county economy", such as the "Wenzhou Mode", "Yiwu Mode", "Dongyang Mode" and so on. These modes are similar but not identical, becoming a strong driving force promoting "Native Zhejiang" towards "Urban Zhejiang (Fei Xiaotong and LuoHnaxian, 1988, p8)." Due to its special role as the International Trade City; Yiwu becomes a special participant and witness of transformation of contemporary China-Africa relations, playing a positive role in promoting the form and structure transformation of Sino-African relations.

iv. Management system

In Guangzhou there is no management organization for the African businessmen, who generally deal with disputes or contradiction through their communities for they think it is troublesome to seek to the local police. In contrast, there is a systematic management in Yiwu. Every floor of every district has its own security department and the Africans have the same rights with the Chinese.

3.3 FACTORS THAT HINDERS THE TRADING ACTIVITIES OF AFRICAN BUSINESS IN CHINA

(1) The industrial transfer in Pearl River Delta

In recent years, the cost of land, labor force, resources and environmental protection in the Pearl River Delta has been increasing sharply, which not only adds cost to the operation of the enterprises, but also set a "development bottleneck" to the small commodity industry. Therefore, some enterprises in this region have to move to the less developed areas such as the South East Asia or the central or western regions in China so as to save costs and seek new commodity resources and opportunities. Among them are also many African companies, which suggest a decline of the "African Zone" in Guangzhou.

The successful development of China-Africa relations achieved the strategic goal of China diplomacy at that time; China broke the blockade from hostile forces in the international arena and returned to the international community and became a permanent member of the United Nations, thus becoming the spokesman and protector for the interests of developing countries; and China's international status got unprecedented upgrade.

(2) The improvement of the investment environment in Africa

In the context of constructing the harmonious world, many African countries now have a stable political environment and achieve much in economic development, which posts a favorable investment environment. According to the report of the United Nations Conference on Trade and Development on Sept. 25th, 2008, the foreign direct investment funds in Africa has again hit a record high in 2007. The research suggests that the main reason for most Africans doing business in China is to accumulate funds. Therefore, as soon as their funds are accumulated, they will return to their own countries to set up companies or factories. In conclusion, with the improvement of the investment in Africa and the setup of the infrastructure system, more and more Africans are willing to return home after the accumulate fund in China. At the same time, the governments also encourage their people to invest in their own countries by promulgating some favorable policies. There is no doubt that the African nations will largely reduce their dependence on China, the decline of the "African Zone" in Guangzhou being just an example in point.

(3) Government's policy decisions and recommendations

As the most important trade city in China and a modern metropolis in South East Asia, Guangzhou is a world-class manufactory centre with commodities of high quality and low price, which attracts the African businessmen to invest here. However, as the development of urbanization, the operating costs increase quickly, which largely reduces the profits of the African businessmen. Thus the total volume of trade in the African Zone contribute only a little to the economy in Guangzhou. In some fields, low value-added goods and their transportation through non-formal channels of trade even hinder sustainable economic development in Guangzhou.

Therefore, the Guangzhou government has introduced some measures to let the market play a leading role and make use of the opportunity of the industrial upgrading in Pearl River Delta to replace the industries of low level and low added-value in the African Zone with other manufacturing industry, thus establishing a modern industrial system which perfectly complements the modern metropolis. These decisions and recommendations has, to some extent, cast an effect on the trade level of the African Zone and reduced the Africans enthusiasm of investing in China.

4 CONCLUSION AND DISCUSSION

Since the Reform and Opening-up, the Sino-African relationship has been tightened day by day through constant communication and frequent trade. In particular, the Sino-African Think-tank Forum in Hangzhou has fostered the cooperation to a new level, making China more attractive to the African businessmen. There is no doubt that Sino-African cooperation has reached a high level and will have a prosperous future, which can be reflected in the fact that so many Africans has started out in the two typical Chinese cities – Guangzhou and Yiwu.

In Guangzhou, the presence of a large number of African businessmen puts forward higher requirements on its government. The

visa issue is just an example in point. The visa given by the Chinese governments to different African businessmen are of different expiration time, some are as long as half a year, while others only one month, which brings about much trouble to these businessmen. However, the determination of the length of time follows no legal documents but only the officers' subjective judgment. Therefore, the government should establish and develop a sound visa regime and provide the Africans with better service to reduce the related trouble as much as possible.

With its unparallel number and size of commodity production and its broad customer base, Yiwu is the most suitable place for doing commodity business. Of course, in many aspects, Yiwu should draw on the experience of Guangzhou, for example, in dealing with trade disputes, expanding commercial scale and diversifying its development. On the other hand, Guangzhou should learn from Yiwu in personnel management and personal service. Only through comparing and summing up the experience and deficiencies can we find the way to a bright future of the two cities.

REFERENCES

- [1]<http://www.worldbank.org/>
- [2] Marc Aicardi of Saint-Paul., (2004). "China and Africa, between engagement and interest", *African Geopolitics*, n° , 14.
- [3] Gilles Guiheux, (2007). "Historical Sociology of the markets the large one of Yiwu (province of Zhejiang)", Communication EHESS, Worlds employers' and territories, Paris.
- [4] Valerie Niquet, (2006). "African strategy of China", *foreign Politics*, n° 2, p. 361-374.
- [5] Adams Bodomo, (2010). *China-Africa relationship in global time: the role of African traders in China* [J]. *African Diaspora*, 2010(8):23-30.
- [6] Olivier Fold, (2007). "Of his 'id in Yiwu, the invisible of the Egyptian tradesmen and migrant territories", Séminaire CEPED: "International Mobilities, migrations: social and territorial impacts" ..
- [7] LinYue.Yi Wu,(2006). *le carrefour du made in China* [J].*Outre-Terre*, P.15 :187.
- [8] Isidore Okpewho, (2009) *The New African Diaspora*, Indiana University Press.

- [9] Edith Bruder, (2003). *The Black Jews of Africa: History, religion and identity*, Oxford University Press.
- [10] Adama Gaye, (2006). *China-Africa: the dragon and the ostrich*, Paris, Harmattan.
- [11] Ma, L. J. C. and B. Xiang (1998). Native place, migration and the emergence of peasant enclaves in Beijing. *The China Quarterly* **155**: 546-581.
- [12] Ma, Q. (2006). *Spirit Community of Flow — Guangzhou's Muslim Research under the Anthropology Perspective*. Beijing, China Social Science Press.
- [13] Adams Bodomo and Grace Ma, (2012). We Are What We Eat: Food in the Process of Community Formation and Identity Shaping among African Traders in Guangzhou and Yiwu.
- [14] Bodomo, A.B. (2007) 'An Emerging African-Chinese Community in Hong Kong: The Case of Tsim Sha Tsui's Chungking Mansions,' in: Kwesi Kwaa Prah (ed.) *Afro-Chinese Relations: Past, Present and Future*. Cape Town, South Africa. Cape Town, the Centre for Advanced Studies in African Societies, pp. 367-389.
- [15] Bodomo, Adams, B. and Roberval Silva (2012) 'Language matters: The role of linguistic identity in the growth of the Lusophone African community in Macau.' *African Studies*. 71 (1): 71-90.
- [15] Adams B. Bodomo, "Farming and Linguistic Parallels Between Africa and Clouded: the Box off Nap West African and Southern Chinese Societies", paper read At the third roundtable discussion on African studies, University of Hong Kong, May 25, 2006.
- [16] Bodomo, A.B., and Grace Ma (2010) 'From Guangzhou to Yiwu: Emerging facets of the Africandiaspora in China.' *International Journal of African Renaissance Studies*. 5 (2): 283-289.
- [18] Adams Bodomo and Grace Ma. (2010) "Africans in Yiwu: China's largest commodities city", *Pambazuka*, 06, 03, issue 484.