

African Traders in Yiwu: Their Trade Networks and Their Role in the Distribution of ‘Made in China’ Products in Africa

by

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Abstract

Driven by trade and investments, the growing relationship between African countries and China beyond the macro-level engagement, which relates to state-to-state interaction, has shown growing interest among individual traders in both Africa and China who seek business opportunities outside of their respective borders. While Africa - China trade has increased over the years, the role played by African and Chinese traders in Africa and China is important and needs special attention. While research on African traders in Guangzhou has been largely conducted, this paper focuses on African traders in Yiwu which has become an economic destination for many traders from different African countries, either established in Yiwu or traveling back and forth from their home countries in Africa. The paper also explores the African traders' trade networks in Yiwu and their role in the distribution of Chinese consumer goods in Africa. It first analyses why Yiwu is becoming a destination for African traders, then highlights the different categories of African traders in Yiwu and discusses the African traders' transnational trade networks and role in the distribution of 'made in China' products in Africa.

Introduction

African transnational trade networks have expanded around the world, with Africa, Europe and the United States serving as the traditional immigration destinations for many Africans. From their home countries in Africa, African traders have established business relations with their family members already settled in those regions. But while the world economy, including industrialisation and entrepreneurship, is shifting to Asia, business interests among Africans are also following in that direction. With globalisation, delocalisation and market liberalisation, new industrial and trade hubs have developed in the Asian cities of Hong Kong, Bangkok, Kuala Lumpur and so on, enabling both manufacturing and sales. These changes in Asia have mobilized African traders in Africa, Europe and the United States to begin sourcing their supplies from those cities, either by directly traveling there or using their networks.

Even though Asia has served as a new trade destination for Africans who travel to or settle in Thailand, Malaysia, Dubai, Hong Kong and so on for business opportunities, the 1997 financial crisis which hit Southeast Asia pushed them to relocate to other countries which could offer better trade deals. Therefore, China, with its industrial boom and the development of its manufacturing bases in Guangdong (which is adjacent to Hong Kong), has caught the attention of many African traders. Many African traders have moved to China to continue their trade between Africa and Asia (Bertoncello and Bredeloup, 2009; Bodomo, 2009a,b).

The abundant manpower and the low cost of production and labour have contributed to offering competitive prices for 'made in China' consumer goods. This has enticed African traders to establish businesses in Guangzhou by opening up trading agencies and facilitating business opportunities between Africa and China and Africans and Chinese. Their presence in Guangzhou has attracted many Africans seeking trade opportunities to China, who then develop or expand their trade networks. Over the years, Guangzhou has noticed the growing arrival of Africans and the city has caught the attention of academics, media experts and Chinese citizens. China has thus become the new 'locus' of the African diaspora. While trade ties have existed between African countries, Europe and the United States for a considerable length of time, today new trade networks have developed between Africa and China and expanded in Chinese and African cities due to growing economic relations between China and African countries. China's modernisation and openness to becoming an economic immigration destination have helped hasten this process.

A number of research articles and media coverage (Li Zhigang et al., 2007; Fowale, 2008; Le Bail, 2009; Bodomo, 2010; Bredeloup, 2012) have been conducted on Africans in Guangzhou where the largest African population in China lives.

However, Yiwu, in eastern China, has become a new destination for African traders due to comprehensive policy reforms by the local officials to transform the city into an international trading hub (Lin Yue, 2006; Bodomo and Ma Enyu, 2010; Cissé, 2013). With production bases around the city, district markets established to enable trade activities within and outside of China and a host of facilities (Customs office, international logistics centre, port, international airport and so on) implemented, Yiwu has attracted traders from all over the world, not least of all African traders. The presence of African traders in the 'world's largest commodities city' has connected African trade networks around the world. Even though they have trade connections with their home countries while in China, some of the African traders in Yiwu also have trade ties with other African trade networks in Africa, Europe, the United States and Asia.

Compared to many African transnational trade networks which were based on ethnicity, country of origin, religious brotherhood and so on, more and more business ties determine the characteristics of business networks among African traders. Nevertheless, there are African communities (Nigerian and Ghanaian communities for instance) in China (Bodomo, 2012). Communities are different from networks in the sense that they bring together people from the same religion, country of origin, ethnic group; etc. They are therefore a source of identity which connects members. The members' country of origin or their ties with a religious brotherhood or an ethnic group create a sense of commitment to the community as a whole. Hence, networks facilitate relationships, interactions, connections and enable information flows and helpful linkages, and contrary to the communities where members are linked by identity, through networks, people don't have much in common except being linked by the same business activities, for instance.

However, sometimes communities can influence networks and both aspects are intertwined. In this regard, African transnational trade networks, even though originally based on country of origin, religious brotherhood or ethnicity, are shifting from the characteristics of communities where members identify themselves through a common identity. Business or trade networks today are not formed based on traders' linkages with social communities. More and more, in African transnational trade networks, traders are not linked by social kinship ties but rather connected by the business or trade network.

Based on qualitative research through fieldwork conducted in Yiwu between June-July 2012, this paper is centered on the presence of African traders in Yiwu and explores their trade networks and role in the distribution of 'made in China' products in African markets. Interviews and group discussions with African traders (well established traders or entrepreneurs, trade agents and temporarily traveling traders), as well as Chinese managers at logistics companies and banks, were conducted by the author in Yiwu in Wolof, Bambara, French, English and Mandarin.

The City of Yiwu: Drivers for Trade

Following the 1978 economic and industrial reforms in China, entrepreneurship and industrial development have expanded to China's eastern and southern provinces. Growing interests among the Chinese population to set up production bases in those regions correlate with the needs to establish market places. In 1984, as a local government strategy, the development of Yiwu through trade has motivated the city's trade and industry council to create a new market (Lin Yue, 2006). Those changes made Yiwu a world marketplace, and thus Yiwu has risen from a rural area to becoming the world's largest commodities city (Bodomo, 2012).

Located in Zhejiang province in eastern China, Yiwu has during recent years become an essential business crossroads for the world's traders and entrepreneurs. Administratively, Yiwu County was upgraded to a county-level City in 1988. Today the city has caught the eyes of the world, attracting millions of businessmen from all over the world. Even though it is under the jurisdiction of Jinhua, Yiwu is more known than Jinhua within and outside of China and ranges among the most powerful Chinese cities and counties with a remarkable economic strength (Guo Mu, 2010).

Thanks to comprehensive economic reforms (trade liberalisation, private entrepreneurship development and establishment of trade networks and so on) undertaken by Chinese officials, Yiwu is now a 'commodities centre' in China, providing the world's markets with cheap Chinese consumer goods and sustaining China's economic growth based on exports in the past 30 years. Therefore Yiwu has been named as the banner of China's market economy. Industrial hubs with factories in Wenzhou, Qiaotou, Datang and other places around Zhejiang province have developed and supply Yiwu market districts (Lin Yue, 2006).

According to Tim Philipps (2005:59), "the city of Yiwu functions as a sort of 'Wall Street' for the counterfeiting industry, providing a vast marketplace where hundreds of thousands of counterfeit products are openly traded and 2,000 metric tons of fakes change hands daily". In the Yiwu area, there are, in particular, eight large industrial sectors that have developed: socks, shirts, wool, accessories, zippers, toys, key sticks and printing (Ding, 2007). In addition, the availability of a diverse variety of products is one of Yiwu's main advantages to attract traders. There are 300,000-400,000 types of products available in Yiwu (Lin Yue, 2006). Its close location to coastal cities like Hangzhou, Shanghai and Ningbo — the latter hosts the closest port to ship goods from Yiwu — and the development of its transport hub (rail and air transport) to connect to other business cities like Guangzhou, Shenzhen and most recently Hong Kong (from July 2012), keep on driving traders to visit its markets. In these markets, each district is specialised in selling specific products. Therefore more and more foreigners are attracted to engaging in bulk shopping in Yiwu markets for resale in their home countries. During recent years, Yiwu has played an unprecedented role in China's exports which constitute one of the factors of the country's economic growth. The commodities stocked in the 'warehouses' in Yiwu are sold to 215 countries and territories of the world (China Customs, 2009). Yiwu is famous for its small commodities' trade and free markets.

The city is known as the 'small commodities centre' in China with its export markets (国际商贸城/International trade city) ranging from district one to district five in the Futian neighborhood; each of them specialised in distinct commodities. In district 1 there are toys, accessories and handcrafts. In district 2 are hardware, travel items and electronics. In district 3 stationary, sports items and cosmetics are sold. In district 4 there are daily use articles, shoes and socks. District 5 is composed of imported products, bedding and auto-parts.

With Yiwu's export volume in rapid growth and its role in China's broader foreign trade during recent years, China's State Council has favored the establishment of a Customs office in Yiwu in order to enable fast commodity clearance. As the world's largest commodities' market, in October 2002, Yiwu benefited from the opening of a Customs branch under Jinhua Customs office through Hangzhou Customs district. In July 2009, a Customs office was opened in Yiwu. Convenient measures were set up to speed up the customs' clearance. Before the opening of the Customs office in Yiwu, the Jinhua Customs office was processing commodities' clearance under its Yiwu branch. According to China Customs (2009), between 2003-2008, customs declarations processed at Jinhua Customs office increased from 21,000 to 277,000 and the number of containers rose from 51,000 to 521,000 TEU (Twenty feet Equivalent Unit), thanks to Yiwu's exports. The market districts are strategically located and close to Yiwu's international logistics center which facilitates the transportation of goods to the port of Ningbo and outside of China through Chinese and international shipping companies.

Yiwu has economically grown with the establishment of its markets and the arrivals of foreigners who show interest in doing business there. Their presence has changed the business pattern in the area and with the rest of the world. As the Times of India explained, "Yiwu, China's small commodity market in Zhejiang province saw a strong growth in trade with India and fellow BRICS countries in 2011 with the quantum touching US\$ 1.03 billion in value terms." (Times of India, 20 February 2012).

Over time, as trade and business grow in Yiwu, the local government has played an important role in improving infrastructure around the city and connecting it to other places, both domestically and internationally. Beyond finding a wide range of products at competitive prices, the world traders were attracted by the facilities put in place which accompany their trade activities. The establishment of a Customs office for customs clearance, an international logistics centre for the transportation of products to the Port of Ningbo, an international banking system with international money transfer services via Western Union, Money Gram and Postal Money Order, as well as the construction of an international airport which connects to major Chinese and international cities, have all contributed to bringing traders from Africa and around the world to Yiwu. Yiwu goes to great lengths to establish conditions that are supportive of Africans and other foreigners who prove themselves over time to be genuine businessmen and women (Bodomo, 2012).

Based on local economic policies to create industries, establish markets and build infrastructure in order to facilitate trade both domestically and internationally, the development of trade in Yiwu as a new destination for trade is different from that of Guangzhou, a city known as a traditional trade city in China's domestic and foreign trade history due to its location in the Pearl River Delta and next to Hong Kong.

While industries and markets around Guangzhou have developed without economic decisions from the local government, in Yiwu strong interests from the government to build industries, markets and infrastructure have driven business and trade. The policy approach by local officials and entrepreneurs to make Yiwu a trade hub in China's domestic and foreign trade has contributed to accommodating foreign traders, including African traders in Yiwu. Yiwu officials are aimed at building the world's largest 'supermarket' for small commodities with supplies to local markets as well as international markets through trade fairs and exhibitions held in the city (Pliez, 2010). Yiwu has been developed purposely by the Chinese authorities as a centre for sourcing commodities (Bodomo, 2009b).

With the facilities developed over the years (port of Ningbo, Customs office, Yiwu international logistics centre, modern transport systems, international banking systems; etc.) , Yiwu keeps on being more attractive for African traders who can source a wide range of products in Yiwu markets supplied by factories specializing in specific products and located in Zhejiang province. Within China itself, Yiwu has become a sourcing market for the rest of the country.

Besides the price competitiveness and the variety of products in Yiwu markets, African traders seem more positive about Yiwu's policies and official regulation to accommodate Africans for trade and business compared to Guangzhou. In this regard, in April 2011, an African trade centre was opened in Yiwu and almost all African countries have been provided space to set up shops in the 5th district of Yiwu's largest commodities market even though most of the shops are run by Chinese (Cissé, 2012). Furthermore, Yiwu local officials are open to foreigners and invite African traders to trade fairs and exhibitions (Interview by the author, June 2012). City bureaucracies actively facilitate the establishment of foreign businesses in the interest of economic development and social well-being (Marfaing and Thiel, 2014). Due to existing tensions between Africans and Chinese citizens in Guangzhou, (i.e. tensions between traders and policemen and the difficult conditions Africans face in renewing their permits) traders have moved to other Chinese cities, including Yiwu.

While in Guangzhou Africans are concentrated in specific areas; mainly Sanyuanli and Xiaobei where they become targets of police controls and assaults, in Yiwu there is no single location where Africans are concentrated to carry out their trade and live. This situation enables them to operate with less difficulty compared to Africans in Guangzhou.

African Traders in Yiwu

While the number of African traders in China started growing in the late 1990s to early 2000s, many Africans, including traders, had already settled in China. In general, southern China has been home to many African traders who ventured to China for business opportunities; either from their home countries or other regions of the world, particularly Europe and the United States and Asian countries following the Asian financial crisis in the late 1990s. In this regard, Guangzhou has been an attractive locale. It is a centre of China's domestic and foreign trade due to its location in the Pearl River Delta (which includes manufacturing hubs in neighbouring cities such as Dongguan, Shenzhen, Foshan etc.) and its proximity to Hong Kong which is another financial and trade centre.

But recently Yiwu has become a trade hub for traders from all over the world, including African traders. Yiwu has developed into an international trade city with the development of a trade centre with all the facilities (market districts, logistics centre, Customs office; etc.). There are over 13,000 merchants from 100 countries and regions residing in Yiwu and dealing with international procurement. Additionally, there are 3,000 foreign enterprises which have set up representative offices in Yiwu and 440,000 foreign traders come and buy every year (Ma Enyu, 2012; Lin Yue, 2006). At Yiwu markets, buyers from Africa and the Middle-East constitute the largest numbers among 180 countries represented (Lin Yue, 2006). In 2006, there were 20,311 registered Africans in Yiwu; in 2009 the number increased to 54, 050 and it is still increasing (Ma Enyu, 2012). A growing number of African traders are attracted by Yiwu because they can find what they want as well as meet the manufacturers directly; thus eliminating the intermediate links and saving costs (Ma Enyu, 2012).

While in the past there were African traders travelling to Yiwu to buy 'made in China' products to resell in their home countries, most of the African traders who settled in Yiwu arrived in the early 2000s. African traders in Yiwu can be categorized into three groups: the entrepreneurs, the trade agents and the temporary traveling traders (Cissé, 2013).

The entrepreneurs have established businesses in Africa, Europe, the United States and Asia. For instance, a Senegalese trader who has been in China for eleven years now, once had businesses in Europe and the United States (Interview by the author, June 2012). The price competitiveness and the wide range of products the Chinese markets offer and the development of Yiwu as an international trade centre have driven them to explore business opportunities within and outside China by reaching customers around the world. They had travelled to China before to participate in trade fairs and place orders for businesses set up elsewhere; hence their awareness of the gradual development and changes which occurred in Yiwu.

Such changes made them open up registered trading companies which are formally managed by qualified staff in trade, logistics, legal matters, accounting; etc. African traders in Yiwu take advantage of the market's aggregation function determined by the proximity between production centres and the market districts and the connection between different aspects of trade: manufacturing, communication, sales and logistics.

However, communication remains a major barrier between African and Chinese traders, with the latter primarily only speaking Chinese and without intermediaries as translators; problems can prevail at various levels of business transaction (Li Zhang, 2008; Keshodkar, 2011). Therefore, to avoid communication issues with their Chinese counterparts and by knowing the importance of Mandarin in doing business in China, African traders learn Mandarin in order to communicate and integrate into Chinese society more easily. Language is an important medium of cultural exchange which easily removes the gap between Chinese and Africans in Yiwu (Ma Enyu, 2012).

With their already existing networks in Africa and elsewhere, and based on orders placed through the issuance of a letter of credit, African traders supply their customers with products. Well established traders use modern information and communication technologies to advance their commercial transactions; in particular orders and financial transfers from their customers in Africa and around the world (Tall, 2004). The international information system they have put into place enables them to inquire about their customers' needs and satisfy them (Bertoncello and Bredeloup, 2009). Transactions are based on incoterms and international trade procedures from the issuance of a letter of credit to the shipment and payment of the order.

Many of these traders have become long-term residents of China (often with a one year renewable visa), often with families; quite a few of them have become very wealthy (Pieke, 2012). As well established traders with well settled businesses, they have developed connections with Yiwu officials and are invited to trade fairs and exhibitions and convene at important business events. Yiwu municipal authorities regularly call on the African businesspeople for their opinions (Bodomo, 2012).

Besides, there are more and more Africans –trade agents– who seize the trade opportunities China offers. Often with a short-term business or tourist visa, they travel to China to operate on the margins and search for business possibilities. They overstay or travel to neighboring Asian polities (Hong Kong, Macau, Thailand, Malaysia and Philippines) which are visa free destinations for citizens from a number of African countries in order to renew their tourist visas to re-enter China. Most of them are intermediaries and facilitate business between Chinese factories, wholesalers and African traders who travel to Yiwu.

They either run their trading agencies or operate informally by receiving commissions from the Chinese factories' owners, wholesalers and logistics companies' managers. They have established transnational business networks and make use of the new opportunities presented to them through the growing Africa-China economic relations (Müller and Wehrhahn, 2013). With their knowledge of the Chinese markets and business networks they have developed with Chinese sellers, factories and companies, they play an important role in fostering business between African traders who temporarily travel to China and Chinese businessmen. They welcome the African traders who travel to Yiwu, arrange their visits to specific markets or factories to place orders or buy products and organise the logistical procedures for the shipment of the products to Africa. They provide different services ranging from accommodation, market tours, warehousing and logistics. Their business relies on trust and long-term relationships with their customers and their Chinese counterparts. Some of them have managed to secure customers from their home countries as well as different African countries.

Even though African traders in this category are operating at the grassroots trade level, they have received a high education and sometimes even earned a university degree (Interview by the author, June 2012). Buying from Chinese factories and wholesalers and reselling in their home countries and other African countries, over time the traders explore other segments of international trade including mainly logistics and money transfers. The money transfer system, even though informal, enables traders to bypass the expensive money transfer costs through formal money transfer companies like Western Union and Money Gram and travel to their home countries without carrying important amounts of money.

Alongside African traders who settled in Yiwu (entrepreneurs and trade agents), more and more Africans regularly travel to China for business purposes. The growing trade relations between African countries and China have encouraged such interests for many African traders to explore the Chinese markets. The African traders in this category are granted a short business visa for a maximum of one month and at times for two to three weeks for their business activities in China. Based on informal connections and trade relations through a family member or friend, they are assisted in China by trade agents. They buy and resell Chinese products in African markets. They either operate as retailers if they own retail businesses or as wholesalers. The products they buy and resell vary from clothing, footwear, hair extensions, decoration items; etc. and are often sold to low-end consumers. Some of the traders have secured a niche market for high-end products (household appliances, electronics, furniture; etc.) for customers with a higher purchasing power.

After Dubai, Hong Kong, Bangkok and Kuala Lumpur which used to be their favorite destinations in Asia, African traders have discovered the Chinese markets due to trade hubs developed in Guangzhou and Yiwu over the time, as well as the establishment of a growing number of Africans in those cities who play a significant role in building trade ties and facilitating business relations between African traders and Chinese businessmen.

Besides, the growing economic relation between China and African countries has enabled a boom in commodities trade as well as services trade which is noticing growing interest from airlines and shipping companies. Those new developments contribute to linking major African and Chinese cities via regular flights and shipping opportunities.

While African traders have recently discovered China, the African traders' transnational trade networks across Africa, Europe, the United States and Asia have long existed and continue to draw attention.

African Traders' Transnational Trade Networks

African traders' transnational trade networks have been originally related to identity with regards to ethnicity, country of origin and religious affiliation. In this regard, the Yoruba and the Mourides across Africa and around the world have drawn curiosity and attention from researchers (Ebin, 1995; Barron, Field and Schuller, 2000; Diouf, 2000; Tall, 2004; Golub and Hansen-Lewis, 2012) to explore African transnational trade networks.

Even though there are other African transnational trade networks (Soninke, Dioula, Igbo; etc.) across Africa and in other regions of the world, in the context of this paper the Yoruba and the Mouride trade networks remain the most important if one considers their regional, international expansion and trade success in different continents. While those trade networks have expanded across Africa and beyond, they are strongly embedded in Senegal and Nigeria where the Mouride and Yoruba traders dominate and control trade activities.

Traditionally known as traders in their host countries (Senegal and Nigeria), the Mouride and Yoruba traders have expanded their trade and business activities across Africa and beyond, through international migration. While the Mourides first targeted urban centres in Senegal to run their trade activities before venturing to regions such as Europe, the United States and Asia through established business and family networks in those regions, the Yoruba have been largely trading in West Africa. Their business success across Africa and beyond is based on transnational social and economic networks strongly linked to domestic networks in their home countries; this drives curiosity among researchers to understand the development of those trade networks within and outside of Africa. Even though established in Africa, Europe, United States and Asia, the Mouride and Yoruba traders maintain strong ties with fellow traders in their home countries through well organised trade structures and supply them with products from their host countries. Respectively linked by religious or kinship ties, the Mourides and Yoruba have enabled traders and businessmen to network and share business ideas, which is a key to their trade success. For instance, the Mourides create networks which span several continents linking together their communities in Europe, America and West Africa as well as maintaining ties with merchants in Dakar (Ebin, 1995).

Even though spread throughout Africa but particularly originating from the Nigerian state of Osun, the Yoruba have developed regional trade via their trade networks across West Africa. Compared to many African traders whose activities have expanded outside of the continent, the Yoruba developed their businesses in West Africa. They have explored business opportunities in other West African countries at an early stage. Based on their place of origin, identity and ethnicity, they promote economic integration. The Yoruba remain at the centre of a large informal international trade network in West Africa facilitated by kinship ties (Igué, 2003). Those who succeed in their business often bring their relatives to assist them or later run their own business.

Based on the religious brotherhood of Mouridism, Mouride traders from Senegal are involved in all segments of trade within and outside of Senegal. They settle in or travel to other African countries, Europe, Asia and America to buy wholesale products to resell both wholesale and retail in Senegal, Europe and North America; hence the formation of international networks (Ebin, 1995). The expansion of African trade networks abroad is related to international migration. The influx of the Mourides to urban centres is fostered by international migration to Europe and the United States particularly with their brotherhood becoming a highly effective international trading group (Golub and Hansen-Lewis, 2012).

Ethnic and social networks are a form of ‘social capital’ (Barron, Field and Schuller, 2000). In addition, religious networks also contribute to economic activities. Kinship groups play a particularly important part in international trade (Rauch, 2001). Both ethnic and religious networks retain important economic functions and shape the possibilities for economic development (Golub and Hansen-Lewis, 2012). In African diaspora trade networks, sharing information and providing mutual information are keys to economic success. Trade networks can also increase the availability of market information essential for trade by helping host- country exporters find buyers and improve their knowledge of the market (Plaza and Ratha, 2011). Transnational trade networks can help manufacturers and wholesalers reach distribution centres based on the relationship they have developed with traders in the same geographical location and beyond; this process facilitates business expansion into new markets. The connection between African traders’ host countries, countries of origin and other places where they have business ties, is important to the expansion of trade and trade networks.

Besides, the presence of trade networks facilitates all aspects of trading activities; particularly for merchants who travel for a short period of time to specific countries to buy products. Once business collaboration is established through trade networks, the traders settled in overseas markets can provide all services needed (order, purchase, payment and shipment) by temporarily travelling traders who at times don’t need to travel abroad for business purposes.

However, in the context of globalisation and interconnectedness of economies, transnational trade networks developed through migration and trade are no longer based on ties between traders of the same country of origin, ethnic group or religion but are rather guided by business activities and economic interactions.

While African traders' transnational trade networks are then often based on traders' country of origin, ethnicity or religion (the Yoruba and Igbo from Nigeria and the Mourides from Senegal), more and more the characteristics of businesses determine the African traders' interconnection within and beyond their respective borders. This new form of establishing trade networks drives economic opportunities and contributes to the expansion and diversification of markets.

African Traders' Trade Networks in Yiwu

Trade networks in Africa are often based on family networks and long-term business relationships between traders from different places. Long-term relationships facilitate the building of the links among traders (Fafchamps, 2001:9). In Chinese city-markets, the same situation prevails when African traders deal with their counterparts temporarily traveling to China, Chinese merchants, factories and logistics companies. Most of the time, trust is the only aspect that links traders and businessmen as almost all transactions are informal, based on the characteristics of many African economies' trade environment. But that trust has developed, based on long-term relationships, through family, business, religious or kinship ties. Traders' ties with communities based on a common identity can influence their business relations through trade networks. Often the transactions between African traders in Yiwu and their customers based in Africa don't rely on formal or legal trade systems (for example contract, payment by check, credit, insurance and so on). Businessmen in Africa conduct business transactions with individuals they can trust (Fafchamps et al., 1995). As Fafchamps (2001:5-6) argues, "business networks in Africa are shown to play a variety of functions (interlinking, facilitation, and sharing of information about prices and market conditions) and to take many shapes (network affiliation, sharing a common religion or ethnicity and so on)". In Yiwu, the African traders' networks are based on the characteristics of businesses and business relations traders have established regardless of their origins. Nevertheless there are communities which developed based on traders' country of origin, ethnicity or religion. Traders from Mauritania for instance have organised themselves in order to better undertake their commercial activities, share information and develop trade relationships (Interviews by the author, June 2012).

The connection between business networks and community is therefore important among African traders. The case of the religious brotherhood of the Mourides, Yoruba or Igbo traders respectively in Senegal, Nigeria and around the world can be cited as examples. McDade and Spring (2005:17) state: “the new generation of African entrepreneurs are business globalists who organised business enterprise networks consisting of national, regional and pan-African organisations”. Social networks predominate in the facilitation of the first international trading trip the traders made (Afolayan, 2011:8). Albeit competing, African traders often operate with each other.

In Yiwu, an organisation that gathers African traders has been created. The organisation brings together traders and entrepreneurs from various African countries. It defends their interests, facilitates their trade and business activities and improves communication with Yiwu local officials and business communities who have already built ties with some well-established African entrepreneurs (Interviews by the author, June 2012). Such associations or organisations assist newcomers in their basic needs right after their arrival. In addition, in their trading activities, they are assisted by members of the networks in making contacts with trading partners, providing trade connections and locate factories around Yiwu. African traders’ social and business networks are developing in China particularly in Guangzhou and Yiwu where the presence of African traders is becoming more and more important compared to Hong Kong.

The number of African traders in Hong Kong is declining due to the booming trade in Guangzhou which offers more business opportunities related to Chinese factories’ production capacity and price competitiveness for Chinese products. With the decline of trade, the relevance of Hong Kong for African traders has also waned (Marfaing and Thiel, 2014). But it is also important to mention that visa regulations introduced have discouraged African traders establishing businesses in Hong Kong, particularly Ghanaian, Nigerian and Senegalese traders.

Furthermore, as Afolayan (2011:8) argues: “trade networks comprise international trade partners, import and export agencies, friends, self-sponsored relatives/family members, e-commerce, chambers of commerce and lastly masters/mentors”.

African traders in China help each other to make business connections and they reach out to others for advice and assistance. They spread their economic activities into China and support exports of Chinese consumer goods to mass markets through transnational trade networks between African markets and manufacturing bases and wholesale markets in China (Müller and Wehrhahn, 2013).

Established in China, African traders create multiple connections between African and Chinese markets, businessmen, companies and economies; hence the transnational business networks. For instance, in order to establish business networks with traders in other African countries, a well-established Senegalese trader in Yiwu has hired other African employees regardless of their country of origin, religion, ethnicity (interview by the author, June 2012). African traders in China develop numerous economic relations that cross national state borders and ethnic divisions and thus establish new forms of socio-economic organisation that allow a widened perspective on concepts of transnational entrepreneurship (Müller and Wehrhahn, 2013).

Role of African Traders in the Distribution of ‘Made In China’ Products in Africa

Today, major African cities host a large number of Chinese shops (for instance R5 shops in South African cities) owned by Chinese traders. Through their networks in China, these Chinese traders bring in cheap consumer goods affordable to many Africans. Alongside the Chinese traders, more and more African traders traveling to China or living and owning trade businesses in China’s city-markets (Guangzhou and Yiwu) play a non-negligible role in making Chinese goods available in African markets. One of the author’s interviewees at Yiwu international logistics centre stated that Africans at Yiwu international trade city constitute 40% of the foreign traders (Interviews by the author, June 2012). African traders travel to China where they purchase large volumes of a variety of Chinese consumer goods which they resell in their home country and other countries. The goods are often channeled through logistics and shipping companies to reach different urban markets in Africa. In some cases, traders bring back the goods themselves in large trunks and suitcases (Golub and Hansen-Lewis, 2012). Mathews (2011) highlights the way African traders who travel to Hong Kong (Chungking Mansions) bring knock off Chinese products back to their country in their travel bags and suitcases for resale. This is how trade works in China’s export markets between foreign traders and the rest world.

With a better knowledge of their home markets and consumers’ needs, African traders supply various African markets with ‘made in China’ products. Through Chinese and international logistics and shipping companies in Yiwu, which provide services to different African countries, they ship the products to different African ports via the port of Ningbo. A Chinese logistics company manager mentioned that before the Arab Spring, 30 to 40 containers (40 feet) a week were sent to Africa through its office (Interviews by the author, June 2012).

The containers are filled with consumer goods (clothing, footwear, accessories, garments, stationery, furniture, construction material and so on) purchased at Yiwu market, transported to the port of Ningbo where 98% of the products from Yiwu transit before reaching Africa and other continents (Interviews by the author, June 2012). While some African traders have the means to acquire and pay for entire containers, others do groupings by buying or sharing cubic meters in a container (Cissé, 2013).

The duration of the shipping depends on the destination country of the containers and the quality of the carrier company. For instance, containers shipped via Evergreen to South Africa from Ningbo reach the port of Durban in 19 days while containers shipped to West, East and Central Africa need 30 days and 60 days to North Africa. It is relevant to mention that there is also air freight. But African traders are more involved in the bulk purchase (huge quantity and heavy weight) and usually don't target this mode of transport. The African traders' knowledge of the international logistics chain and its different segments while trading thus makes available a wide range of Chinese products in Africa (Cissé, 2013).

Either traveling back and forth from their home countries to China or settled in Yiwu, African traders have expanded their distribution markets for Chinese consumer goods across the continent based on trade networks beyond their national borders.

African traders have secured niche markets in Africa for 'made in China' goods. Products shipped to Africa are often sold to wholesalers in different African markets. Those wholesalers supply retail traders who are in the informal trade sector. With the flows of Chinese imports to African countries, many young people, particularly vendors or peddlers, have found business opportunities to support themselves and families (Cissé, 2013).

Besides, some of the African traders established in China have their own shops – in their home countries – which are often run by their family members and which they supply with Chinese consumer goods. Like the Chinese shops in Africa, those shops often operate as wholesale as well as retail. Products are not only limited to clothing and footwear but also comprise of household equipment, furniture, construction material, etc. and target different customers with different purchasing power.

Conclusion

International migration has enabled millions of people to seek opportunities beyond their respective national borders. Therefore a number of studies have been conducted to explore the motives and the drivers of such phenomenon.

Beyond the common questions related to the motivations and drivers of economic immigration, this paper has focused on African traders in Yiwu, eastern China, their trade networks and their role in the distribution of Chinese consumer goods in African markets. In the growing Africa-China trade relationship, many Africans travel to China, with some subsequently settling down in the country, which even though is not an immigration country has become an economic immigration destination for people from all over the world and for various purposes.

While Africans have settled in Europe and United States as their traditional destinations, today in the context of economic globalisation and interconnectedness of economies, new places in Asia have attracted African traders. Delocalisation and industrial development, which enable the manufacturing of products at lower costs of production and labour compared to Europe, have played an important role in driving businessmen to new manufacturing bases and market places in Asia. Countries like Thailand and Malaysia were previously the main bases for African traders. But the 1997 financial crisis has been a push factor for them to look for new opportunities within Asia in order to pursue their trade activities with their networks in Africa.

African trade networks have been expanded to many regions of the world, thus creating curiosity and drawing attention among academics, media and host country populations to study and understand the African traders' business networks. In the past, African transnational trade networks were based on social, religious, ethnic and kinship ties. African traders' trade networks have developed in Africa, Europe, United States, and Asia due to the mobility and arrival of Africans in those regions for business purposes; thus connecting their home and host countries.

The case of the Yoruba traders across West Africa and the Mourides in Africa, Europe, North America, and Asia shows that trade activities through trade networks were based on kinship ties. This determines the complex trading strategies developed in the informal rather than formal trade sector. With international migration which enables the establishment of African traders in other regions of the world, and the close ties maintained with their counterparts in their home countries while trading abroad, they have expanded their trade networks by connecting their host and home country markets. The movements of people and the business connections between traders and markets have shaped trade networks.

More and more, business interests based on the type of business, connects traders around the world. The Mouride and Yoruba trade networks have been the most successful ones respectively due to their expansion respectively to Europe and United States and across West Africa. Based on religious brotherhood for the Mourides and place of origin, identity and ethnicity for the Yoruba, those two African trade networks have largely contributed to the study and understanding of African diaspora social and business networks.

Today while social networks based on kinship ties play a role in the formation of communities, trade networks are more driven by the characteristics of businesses run by different traders. More and more business and trade activities link African traders regardless of their country of origin, religion, ethnicity and so on. This situation enables them to expand their activities and diversify their networks beyond their home countries' markets.

Established in China, African traders have developed business ties with other traders around the world. Therefore they contribute to the availability of Chinese products in African as well as other markets. Either operating in formal or informal international trade systems, they manage to connect African traders, Chinese manufacturers and wholesalers; thus establishing transnational business networks. They play an important role in China's exports to Africa and shape the business environment in Africa-China relations.

This paper is one of the few focusing on African traders in Yiwu in general and their trade networks in particular. It has sought to unpack the drivers of business networks in the context of globalisation and international business and relate to the role of those traders in the distribution of 'Made in China' consumer goods in Africa. The work could contribute to migration studies with a focus on international migration, trade networks, diaspora and communities.

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