

Chinese migrants in Africa as new agents of development

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Migration from China to Africa has intensified of late on the back of initiatives by the Chinese government. Despite being a significant issue there has been neither a systematic review of this trend nor an attempt to assess the economic, social and political impacts of it. This paper has two main aims. First, to review the disparate, secondary literature on this phenomenon. Second, to identify gaps in knowledge and set out an agenda for future research.

Migration to Africa from China and the Chinese diaspora has existed for at least 500 years, but has accelerated in the past five years as new business opportunities (Nyiri 2006). Calculating diasporic numbers is almost impossible, but "The Xinhua press agency recently estimated there were at least 750,000 Chinese working or living for extended periods on the continent" (French and Polgreen 2007). Table 1 gives some estimates from various sources.

Table 1: Estimates for Chinese in selected African countries

| Country | 1963 (Source: Chang 1968) | 2001 (Source: Ohio U. Database, cited in Sautman 2006) | Estimate for 200X (Source: Sautman 2006) |
|--------------|---------------------------------|--|---|
| South Africa | 5105 | 30000* | 100000-300000 (2004-2006) |
| Mauritius | 23266 | 35000 (for year 1990)** | 30000 (2005) |
| Sudan | N/A | 45 | 5000-10,000 (2004-2005)*** |
| Lesotho | N/A | 1000 | 5000 (2005) |
| Ghana | N/A | 500 | 6000 (2004) |
| Liberia | 27 | 120 | 600 (2006) |
| Nigeria | 2 | 2000 | 50000 (2005)**** |
| Algeria | N/A | 2000 | 8000 (2003) |
| Zimbabwe | 303 | 300 | 10000 (2005) |

* Poston et al (1994) put the number in 1993 at 36,000

** Poston et al (1994)

*** Abdalla Ali (2007) puts the number in 2004 at 24,000

**** Alden (2007) puts the number in 2006 at 100,000

Given that the motivations for Chinese migration are primarily economic it is necessary to analyse the organisation of Chinese businesses operating in Africa. Two broad types of firms – large state-influenced and semi-private firms and privately-owned SMEs – constitute the majority of current investment. Chinese aid and investment has seen a rapid inflow of Chinese former SOEs entering African countries in key sectors such as oil and mineral exploration, transport infrastructure, construction, telecommunications, and agro-processing. At present it is estimated that around 800 Chinese state companies are

involved in African countries (CCS 2007). Smaller scale private firms generally lack any government backing. As a result of this recent arrival, very few firms are well integrated with the domestic economy compared to Indian or European firms (Broadman 2007).

From the start of migration in the 19th Century Chinese traders have been involved in cheap consumer goods. These firms tend to rely on family labour (Haugen and Carling 2005). Although much of this activity is recent, many firms are facing serious competition and declining profits (Dobler 2005). Some have diversified into other services such as restaurants or small-scale manufacturing. Arising out of diversification strategies and partly as a legacy of the cold war aid programmes Chinese migrants are also involved in a range of services. This is mainly in restaurants and medicine (Hsu 2007).

The Chinese presence in manufacturing has mainly been in labour intensive sectors. But the recent focus on China in Africa has largely been stimulated by China's assertive acquisition of natural resources. It is undoubtedly true that China's voracious demand for energy has led it to seek new oil supplies and so has entered a phase of 'oil diplomacy' with many Chinese aid personnel coming to Africa. Another major growth sector for Chinese SOEs and private firms is in engineering and construction, which are generally labour-intensive activities. Like mining companies these firms often bring low cost labour from China although the perception that they only employ Chinese labour is misleading.

The dynamism and impact of diaspora communities are shaped to a large degree by the government policies in the African countries of settlement. Given that these different trajectories unfold contextually the most general issue for future research is *the need for systematic case studies examining the same issues across countries and localities*. In many localities Chinese traders are already experiencing profit squeezes, so we need to *analyse the ownership patterns of Chinese trading firms and identify emergent business strategies*. Crucially, as Nyiri (2006) observes we need to know much more about African responses to Chinese migration. Too much analysis is based on selective and speculative accounts. It is vital to *understand how are ordinary Africans responding to the increasingly commonplace presence of Chinese migrants?* Moreover we need to assess how African business and labour organisations are reacting to Chinese competition and whether there is any evidence of African politicians politicising the Chinese presence.

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