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إفريقيا وتحديات القرن الواحد والعشرين

**Panel: Questioning an Emerging Multi-Polar World?
The Role of African Networks and Connections
in Shaping the New Global Order**

**DRAFT VERSION
NOT TO BE CITED**

**Clothing business: A participative enquiry into
the Bamako-Conakry-China axis**

*Kiky van Til
African Studies Centre, Leiden*

5 - 9 / 12 / 2011

Rabat Maroc / Morocco

Introduction

This paper is a short outline of an experiment in clothing business that I started in 2005 in Bamako (Mali) and Bobo Dioulasso (Burkina Faso) with a Malian business partner. It may serve a nice example how small African entrepreneurs operate in the national and regional clothes branch, what difficulties they are confronted with and how they respond to that. It may clarify why some of these local entrepreneurs manage to accumulate a capital that enables them to become global players and move into huge international markets such as in China while others not really make profits or even tend to lose their capital.

While I was living in Bobo Dioulasso in Burkina Faso I became very close friends with a Malian woman who had a nephew working in the clothes branch in Bamako. One day I met her nephew and I was intrigued by the world of this uncertain risky business and impressed by his energy and aspirations. He hoped one day to become a big businessman travelling the world to purchase merchandise in China and sell it in a luxury store in Bamako becoming a respected and rich man. This idea seemed rather infeasible compared to the prospects of his daily economic life. but he knew some people who had achieved that ideal.

Asia was already an important producer of clothes, known and used by many countries in the superpowers of Europe and the United States and it evidently also had been discovered by Malian networks of traders. I was curious to understand why some of hundreds of entrepreneurs in Bamako managed to travel as far as China and make their business profitable while many others never passed a level that stayed close to survival. How come that some individuals that started off as really small entrepreneurs become global players in the very complicated game of international trade relations? What were the success factors, and what the failures? Therefore I started this business not only as a participant observer but I was financially and economic involved which made me experience this business profoundly.

Together we developed a plan in which I was responsible for planning, logistics and finance and he was responsible for acquisition, buying and selling. We started to buy in the region and set out to Guinea Conakry which was at that time one of the major wholesale clothing suppliers for Mali and many other countries in West Africa. We hoped to accumulate sufficient capital to broaden our horizon as soon as possible towards Asia.

Our rather successful business which really had potential came to an end mid-2007 when my business partner had decided to go to France and try his luck in Europe and I had to return to Holland later that year due to contract termination. We have never made it to China

Last summer I revisited the Marché Rose in Bamako and found that the clothing business had transformed due to economic and political changes in Guinea Conakry. Recently Conakry has counted themselves out of the clothes (and other) business. Not only due to political instability and violent conflicts but predominantly by new policies by the Guinean government has made their merchandise far too expensive. Malian clothes salesmen have ceased to go to Guinea Conakry to purchase goods. Where do they go now? Since the inter-regional business is full of risk and good relations (with customers, suppliers and customs) are essential to make a business profitable the loss of such an important market as Conakry was has quite some implications. Many are in search for another inter-regional market. They may try their luck in Dakar, Lomé, Cotonou and I even spoke with someone who went to Bangui in Centrafrique. It will take some time before these entrepreneurs will have established new connections to assure a profitable business. Those that were already gone off for China seem to be among the luckiest. They find themselves in the midst of hundreds of demanders among which they and only a few others may be able to supply. Their purchases in China have recently doubled or tripled and they seem to have found their true road of prosperity.

My paper is not finished yet, the introduction is rather an abstract. I include the first sections written about local cloth trade in Bamako and inter-regional cloth trade of with Guinea Conakry. The parts to come consist of:

- the wholesale trade in Burkina Faso where we sold our merchandise to shop owners in Bobo Dioulasso in which I will explain our strategies to make our business such a success and the failures that undermined our business considerably at a certain moment.
 - our decision to buy a shop at the Marché Rose in Bamako starting to combine shop sales and wholesale that we would have better not from an economic point of view..
 - all failures and successes
 - a detailed description of how nowadays the Malian cloth trade networks operate in China (Guangy Zhou).
 - conclusion of how I think Malian trade networks in the clothing business operate in local, regional and global economic world. What are their perceptions on the wider global dimensions of trade. Who fits in and how? To what extent does their participation in large international trade relations change their aspirations? How do those who operate in global networks see their future?
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Freelance agents or intermediaries at the Marché Rose

The whole idea of this business started when I met a Malian agent in clothes sales in 2005 whose name was Maki. He worked at the Marché Rose, a huge market complex in the center of Bamako, Mali. The market complex is composed by various “courts” (*cour* in French). Each court has a chief (*chef du cour* in French) which is the leaseholder of the territory on which the shops have been built. Each shop owner pays about 450 CFA each month to the leaseholder.

Maki operated as one of a few freelance agents for a shop owner in the Sabougnouma court. The Sabougnouma court is predominantly composed by clothing shops, although you may occasionally find a shop selling spare parts for example. Generally speaking, you might find here men’s clothes (jeans, shirts and t-shirts), women’s clothes (jeans, skirts, dresses and tops) and shoes.

He got this job through family connections. His cousin grew up with one of his distant cousins named Damis. Maki, Damis and their cousin knew each other since they were very young. The paternal family of Maki had lived originally in Kinieba, a town southwest of Mali. Although Maki’s father had moved to Segou and later to Bamako, a part of the family still remained in Kinieba. Damis knew a friend whose eldest brother owned a shop at the Marché Rose. They also came from Kinieba and had known the entire family of Maki’s father. Thus through family connections and confidence in each other Maki got the job.

Although theoretically everyone may start selling clothes for a shop, it is not easy to find connections that do have enough confidence to send a newcomer off with a pile of jeans or to leave him unattended in the shop. These jobs are often created through family or other existing close relationships.

The major task of these agents is to get customers to the shop before they go somewhere else. Thus Maki tried to bring customers to the shop or moved around with items in search of buyers. The ways the revenues are distributed vary according to agreements with the shop owner. There are examples that a day’s gaining consists of a part in the days revenues and includes a free meal and commuting costs. It may also consist only of a part in the revenues and that meals and transport is for own account.

In Maki’s case, all revenues through sales from the shop’s items were distributed among the owner and the agents at work. The shop owner decided whether they would receive 20, 25 or 30% of the benefits depending on the amount sold, the purchase value, etcetera and probably his mood of the day. These, somewhat unclear remuneration arrangements sometimes led to disagreements. Although in the beginning Maki received travel costs and a dinner, by the

time I met him in 2005, this policy had already changed to a slightly higher compensation but food and transport had been excluded.

Apart from what was sold in their shop Maki did have his own clientele to whom he sold including a network of suppliers. In those cases he agreed upon a sum of money with the supplier of the items but what he managed to get above that price was for him. So when he agreed with a supplier that a certain garment must yield at least 4000 CFA and he would find a customer to pay him 6000 CFA, he would have gained an additional 2000 CFA¹.

To gain their money these agents need very good relations in the market. Apart knowing all about the stock in their own shop it is in their advantage to know which clothes and for which price items are sold by neighboring shops. In cases when their shop may not meet the demand, they might be able to get it elsewhere. They are more successful when they react quickly to demands by potential customers and come up with the required item before others do. For all business outside the shop the principle applies: whatever sum you receive more than the sum agreed upon with the supplier is yours.

What these freelance salesmen earn each month varies largely, depending on the number of regular customers one has (in or outside the shop), one's particular commercial and social capacities to create sustainable networks of customers and suppliers, the period of the month or the year and a good deal of luck.

In months of special celebrations, for example el Eid, Tabaski and New Year's Eve, much more is turned over than in "regular" months while the periods following these events are relatively calm. By the end of each month before the (civil service) salaries are paid out is also a period of weak business. When the salaries have been paid the turnovers tend to rise.

Maki had days in which he earned nothing at all although he had to pay his transport by taxi or sotrama (public transport mini-bus). Some other (rare) lucky days he might earn more than 100.000 CFA, but roughly he might earn between 25.000 and 100.000 a month.

The bulk of the goods purchased for the shops in Bamako came from Guinea Conakry or China. For Malian entrepreneurs Guinea Conakry, a neighboring country south of Mali with a large port in the capital Conakry was the nearest place to buy innovative clothes from abroad. Here, the richer businessmen from Conakry received collies brought in by shipped containers with new produced clothes from China or rejected stock produced for the American or European market. The newly produced clothes in China could vary in quality. Sometimes identical items (same color, same print) could arrive in various qualities whereby

¹ The CFA Franc used to be linked to the French Franc and nowadays still has a fixed value of 1 Euro = 655,957 CFA.

the quality of the fabric used and the finishing of the clothing were determinant for the labels "original" and "non-original". As been mentioned, also clothes of fine quality produced in China commissioned by expensive labels (for example G-Star, Diesel) but rejected because of defects (varying from rips, discolorations or flaws/weaving errors. These "stock" items were supposed to be destroyed before leaving the factories as a protective measure for the expensive brands but found their way anyhow to the cheaper markets in West Africa (and probably elsewhere too). The latter type of clothes is called "stock" and is highly in demand and therefore relatively expensive (although very cheap compared to western prices). Of these clothes there was often only one of a kind or just a couples of the same model available, which made them more expensive.

Maki had been working in this business already 5 years when I met him in the summer of 2005. He had an extended customer's network, a large shop owner's network, good developed social en commercial capacities and really an up-to-date knowledge of men's and women's fashion trends. And he had ambitions...

His dream was to end up buying goods in China like some of his colleagues, but to start with, he would like to have enough capital to go to Conakry and buy goods to sell to shop owners at the Marché Rose in Bamako. He had sufficient friends who would lend him a helping hand on his first trip and he believed to have a sufficient extensive network to sell his goods in just a few days, which would leave him with a considerable benefit in a short period of time.

Purchasing in Guinea Conakry

We started the business in October 2005. Maki took for the first time a taxi to Conakry. The taxi stand is at the Place de la Guinea at Djikoroni in Bamako. The cars have no fixed departure times but leave when they have sufficient passengers. They are all Peugeots with two rear seats that transport nine to ten passengers excluding the driver. According to the number of passengers the car would normally transport 3 or 4 too many for the seats available. Next to the driver two people are installed at the front seat. The first rear seat will take four people and the second another three. Occasionally a tenth person will be hidden in the trunk. This passenger will be removed every time the car has to cross a police or customs post and pass the border on foot. Each passenger pays 21.000 CFA to get to Conakry. The itinerary Bamako-Kankan-Faranah-Mamou-Kindia-Conakry is 1371 km and takes between 20 to 25 hours. Don't underestimate such travels: by sitting packed down for such a long

time, the blood circulation in the legs stagnates, buttocks become stiff and the lower back starts to ache. Already after 10 hours the whole body hurts terribly!

Maki was introduced to one of at least three guesthouses that hosted particularly Malian businessmen. The guesthouse had four rooms and a courtyard that took 200 to 300 lodgers. Every morning each guest paid 20.000 Guinean Francs (which was at the time about 2500 CFA=about 3,80 Euro) including dinner. The owner of the guesthouse had four wives who were in charge of the cooking services.

Upon arrival Maki hid the purchase capital that could be up to three million CFA, in his underpants and passed the night completely dressed. First thing to do the next morning was changing money into Guinea Francs². The exchange took place at small exchange offices in town or money changers along the roadsides. The commission that banks charged made official exchanges not interesting. With an amount of money that could be up to 10 to 15 million Guinea Francs (literally a travel bag full of bills!) he would go to the Marché Madina. The Madina market is probably one of the biggest markets in West Africa situated at 9° 32' 32" N and 13° 40' 2" W which is about 1 km from the city center. Whatever you might think of is for sale at Madina market and the clothing department is highly concentrated which makes it a most efficient place to make purchases.

When entering for the first time such a huge market, not knowing the shops, the shop owners, and the prices you would not succeed very well without an intermediary to help you out. These intermediaries met their clients in the guesthouses for Malians. So from being an agent himself Maki had to make use during his first trip(s) from business agents who guided him to the most interesting shops and helped negotiating. In reward these intermediaries received a small fee from Maki for their help and they received remuneration from the shop owners where they took Maki to do business. Later on when his network started to develop and he even managed to speak a little of the local language Susu he did not make use of the intermediaries anymore. After a day of business which could easily take the entire day until sunset, the purchases were left in the shops labeled with name and type of merchandise to be collected on the day of departure by a team of professionals who took care of the packaging and transport by cart to the taxi station³.

When Maki returned to the guesthouse he would first sit down with his host to calculate the remainder of the money together. The host stuck a piece of paper with name and amount on

² The exchange rate at the time was between 7.6 and 8: 5000 CFA was exchanged for 38.000 to 40.000 Guinea Francs. Today the exchange rate has risen to 14.1.

³ Depending on the quantity of the merchandise the price for packing might range from 15.000 GF to 30.000 GF (1875 CFA to almost 4000 CFA); the price for renting a cart between 8.000 and 20.000 GF (1000 CFA to nearly 2500 CFA); and the transporters of the collies between 100.000 GF and 300.000 GF (13.000 CFA to almost 40.000 CFA).

it and deposited it in the vault. Usually, one purchasing trip took him one day of travelling to get to Conakry, two days of business at the market and a rather unpredictable period to travel back home.

Going home was unmistakably the most stressful element of the entire enterprise. It already started with the hassle to get away from the taxi station in Conakry. Maki, pleased with and excited about his purchases, had usually already contacted some of his buyers and was eager to return as soon as possible. Concerns such as whether he would find his favorite driver, or another who would drive save but fast, without too many stops along the road, driving a car which was more or less in good condition and a good seat in the car to make the harsh trip less unbearable, put him in advance on edge. It was then very annoying when he found too many passengers for the available cars or worse: when he could not find enough co-passengers to share a taxi with.

But also when all went relatively well, very often the departure had been preceded by quarrels and wrangling between drivers, passengers and carriers. A ticket Conakry-Bamako cost 110.000 GF (about 14.500 CFA) but for the luggage a supplement was paid to carriers. Since the charging of luggage was done by professional carriers, there were always conflicts of interests. The interest of the taxi driver was to transport the maximum number of paying passengers, while all passengers wanted to leave with their considerable collies of merchandise and the carriers wanted to put as much luggage as possible. Only a small part could go in the trunk but the bulk was tied to the roof of the car which made the vehicle not only overburdened but also totally out of balance.

Although the itinerary taken gets around the highlands as possible but the road still takes many hills up en down. Due to the heavy weight the way back takes much longer than the way to go, sometimes up to 48 hours. Maki used to say: "Each trip has its own fortune". Among the fortunes he encountered we may count: broken wheel arches, locked wheel, broken brakes (just when going down the hill on a winding road!), an attack by looters, and innumerable punctures. Although the punctures seem to be least of the troubles, they were rather risky due to the often irresponsible velocity compared to the load. Moreover, the difficulty to have the tire fixed under the load of the car and in remote areas took sometimes more than a day to solve the problem.

The last phase of the trip is crossing the border with the merchandise. The first stop is at the Guinean side of the border at Kouroumalé where at customs the luggage is checked and transition costs are paid. These costs were almost negligible and ranged from 1000 to 4000

CFA or one or two jeans. The real customs clearance took place in Mali in twofold. First at the border where the value of the merchandise was estimated and only in case of doubts all items were counted piece by piece. The clearance might be up to 60.000 CFA. The second customs clearance took place at Bamako territory in Sebenikoro. Here, since it is at the same time the destination for the taxis, all collies are unloaded and counted by the customs officers. At the Sebenikoro customs office, the costs were negotiable and having good connections made the difference between doing good and bad business. The prices were often exorbitant and if they forced you to pay (sometimes up to 200.000 CFA) the business would run on loss. Maki would preferably make a few phone calls to some friendly officers to announce his arrival and try his chances for the better. The more customs officers you knew the more chance you had that they would be satisfied with a sort of hush money (an amount between 40.000 to 60.000 CFA) to share with their colleagues. In that case the customs would let you go without a receipt. In order to fill the state coffers the customs were sometimes obliged to produce receipts and preferably with significant amounts.

Wholesale in Bobo Dioulasso

In Bobo Dioulasso we started business relations with about seven luxury clothing stores that we provided with our merchandise. Due to an old conflict between Burkinabé and Guineans, it was not attractive for people having a Burkinabé passport to go to Guinea. They would suffer many annoyances at the borders and at police stops. For them the trip to Conakry would turn out too expensive.

One of Maki's strongest points was that he followed each trend in fashion and had an excellent feeling for quality of the fabric. Every time he managed to come up with the latest fashion items of very good quality which would be difficult for the store owners to find even in Bamako or Ouagadougou for such competitive prices. Soon we delivered in all luxury stores that existed in Bobo Dioulasso at that time. A few were specialized in women's clothes, others in men's clothes and some sold both. Although Maki had been working in a shop exclusively for men, in Bobo women's garments became his specialty.