

Chinese Immigrants in Spain: Historical Development, Entrepreneurship and Current Situation

Lu Li

School of European Languages and Cultures, Zhejiang International Studies University,
Hangzhou 310023, China

Abstract

Spain has a large number of Chinese immigrants. These residents from the distant Asian country are recognized as a hardworking and entrepreneurial community who are almost always perceived as being in a state of “self-exploitation” based mainly on family business ownership. In this study, the Chinese community in Spain is profiled from three aspects: historical development, entrepreneurship and current situation on a basis of an extensive literature reading, official statistics and information collected through interviews with overseas Chinese.

Keywords

Chinese Immigrants; Spain; Immigrant Entrepreneurs.

1. Introduction

Chinese immigrants in Spain have been attracting increasing public attention, with more media exposure in the receiving country. Although this social phenomenon has only become prominent in the last two or three decades, the beginning of the history of Chinese migration to Spain dates back several centuries. According to official statistics, in 2020 the total number of Chinese immigrants in Spain exceeds 230,000. Although there are Chinese communities all over the host county, the majority of the Chinese population lives in the autonomous communities to which Madrid and Barcelona belong. Compared to Hispanic or African immigrants, Chinese immigrants are more likely to be self-employed or employer. Known for the entrepreneurial spirit, the geographical distribution of Chinese community is also closely linked to their economic activities.

2. Brief History of Chinese Immigrants in Spain

Based on relevant historical records, the first Chinese in Spain was brought back from the Far East by Spanish missionaries in 1577. A few years later, in 1585, three Chinese entrepreneurs arrived in Spain via the then Spanish colonies of the Philippines and Mexico. Apart from the arrival of a handful of servants, merchants and novices, it was not until the 20th century that the Chinese began to settle in Spain[1]. According to another source of oral information compiled by Ma Zhuomin, the first Chinese to enter Spain around 1914 to earn a living were Chen Xianting and Wang Tingxiang from Qingtian County, Zhejiang Province[2].

2.1. Qingtianese Traders' Journeys to Europe

Qingtian sellers were already travelling to Europe in order to trade carved stone pieces more than three hundred years ago. As Qingtian stone had enjoyed national fame for centuries as the “mother stone for the seal stamp”, statues carved from Qingtian stone were brought to Europe along with silk, tea and ceramics. At an early period, stone wares were brought to Europe via the Silk Road and were used by the Qingtianese to earn a living. In 1889, they were exhibited

for the first time in Paris, which showed that Qingtian sellers already knew how to use international competitions to increase the popularity of their wares[3].

Together with the Chinese laborers who stayed behind after World War I, the first adventurous merchants from Qingtian laid a solid foundation for their successors. It was these pioneers who guided and helped their relatives and friends to set up businesses in Europe. Consequently, Chinese immigrants in Europe grew rapidly. In the 1930s, there were approximately 20,000 Qingtianese in Europe, of whom 2,000 lived in Paris[4]. Due to intense competition among Chinese salesmen, some of them were moving to other countries in search of opportunities. From the late 1920s until the outbreak of the Spanish Civil War in 1936, there were more than 300 Chinese in Spain. Only a few dozen Chinese remained in Spain during the war, scattered in Madrid, Barcelona and Valencia, and a dozen married local women, thus establishing family ties.

2.2. Chinese Students in Spain

In early 1949, the Jesuit order planned to establish a Catholic university in Anhui Province, China, whose priority was to select outstanding students from among Chinese Catholics to study in Spain. However, the People's Republic of China was founded on October 1st, 1949, and with the change of political climate, the Jesuits' plan did not go ahead. However, the program of training Chinese Catholic missionaries was still ongoing: a first group of six Chinese Catholic students arrived in Spain in 1949 under the provision of the Jesuit order. The Franciscan and Dominican orders also provided support to bring these students to Spain via Hong Kong, Vietnam, and many other places. In the 1950s, more scholarships were offered for Chinese students, through which students from Taiwan came to Spain. In 1954, the Colegio Mayor de San Francisco Javier was created in Madrid, one of the largest residences for Chinese students in the capital, which by 1963 had a capacity of 200 people[5]. It was closed in 1973, the year in which Spain broke off diplomatic relations with Taiwan and recognized the People's Republic of China. But in reality, the flow of students never stopped. Some of them settled and became naturalized, quite a few were ordained priests and others married Spanish women[1].

2.3. Migration Wave from Mainland China to Spain

In 1973 Spain established diplomatic relations with the People's Republic of China, marking the reopening of the migration route between mainland China and Spain. Thanks to the reform and opening-up policy, more than half a million people from Zhejiang emigrated to different countries around the world for economic reasons. Many of them came to Spain taking advantage of the migration wave that began in the late 1970s and lasted until the late 1990s.

According to the Qingtian County police station, between 1986 and 2000, more than 100,000 Qingtianese were able to officially leave the country for personal reasons travelling to Europe. Among them, those leaving for Spain contributes to a significant proportion of the total number. With an average of 28.5%, it is found that Spain has been the first destination of Chinese immigrants of Qingtian origin. What is the reason for this phenomenon?

First, the establishment of diplomatic relations between Spain and China in 1973 laid the foundation for a good environment for the survival and development of the Chinese in Spain. Two years later, the death of Franco and the accession of Prince Juan Carlos to the throne accelerated the process of decomposition of the dictatorship and transition to a democratic and constitutional monarchy. In 1978, King Juan Carlos and Queen Sofia visited China and a friendly meeting took place between the King and China's top leader, Deng Xiaoping. Subsequently, bilateral relations were strengthened with high-level visits between the two countries. Chinese restaurants in Spain, which do not compete with local restaurants because of their exotic flavours, are flourishing and expanding at an accelerated pace. Moreover, the Chinese restaurant industry in Spain had not developed sufficiently, whereas in other countries it would reach its saturation point[6]. "Surprised by the scene of seeing the king eating with chopsticks,

Spaniards began to take an interest in Chinese restaurants. Wherever there was a restaurant with its red lantern, people came, and so they became more and more popular”, as Ma Zhuomin, an elderly Chinese immigrant recalls.

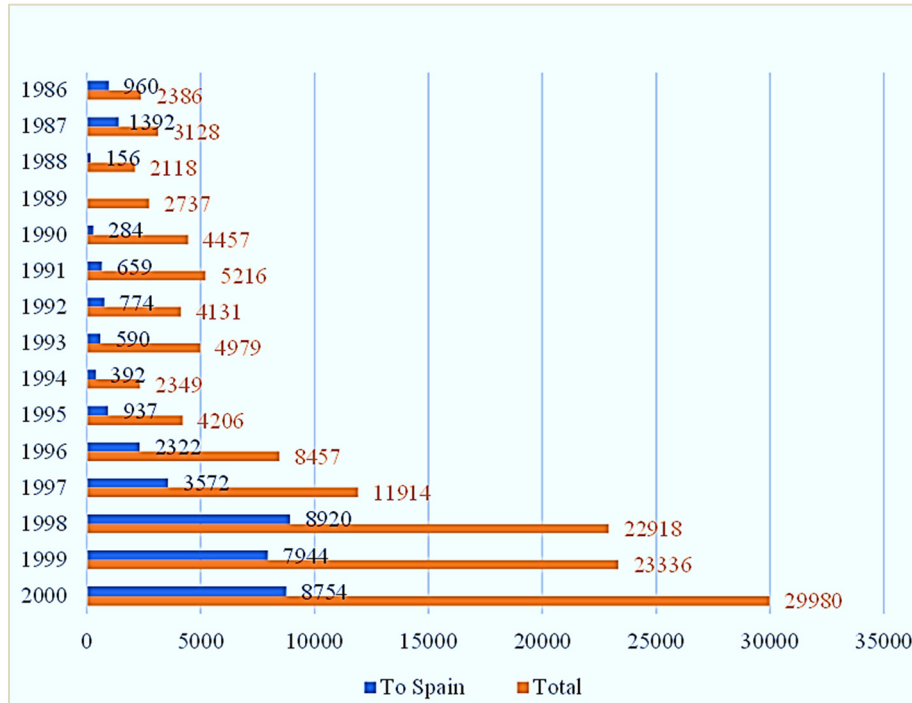


Figure 1. Number of citizens who travel abroad for personal reasons (1986-2000)

Source: Prepared by author with data from *History of Overseas Qingtianese*, by the Book Writing and Editing Committee, 2011: 94. Hangzhou: Zhejiang People's Publishing House.

Second, since its entry into the European Economic Community in the 1980s, Spain has achieved accelerated economic development under good economic prospects. From 1995 to early 2008, before the financial crisis, Spain's economic growth rate was higher than the euro area average (see Figure 2). This has undoubtedly become an important attraction for new immigrants, providing them with a good opportunity to settle, start a business and develop. On the other hand, Spain's immigration policies were less strict than those of other countries.

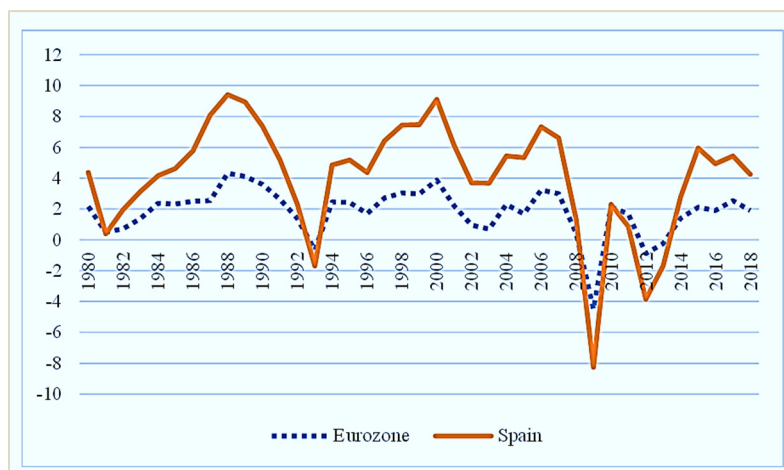


Figure 2. GDP growth in the EU and Spain (1980-2018).

Source: Prepared by author with data from World Bank national accounts and OECD national accounts data files, accessed July 2019 at <https://data.worldbank.org>

The annual census of foreign residents began in 1952. The figures show that the Chinese community has grown steadily, and the biggest increase was in 1986 and 1991. These two years coincided with two processes of regulation of foreign immigrants carried out by the Spanish government. In 1985, the *Law on Foreigners* was passed, which determines the rights and freedoms of foreigners in Spain. This law replaced the previous scattered legislation concerning foreigners and regulated the administration of the entry of immigrants. The first regulation was only partially successful. In 1991 new immigration policies were passed to remedy the recognized shortcomings, which included articles on integration and policies regarding the flow of foreign labor. The Spanish government also established the Directorate General of Migration and the Sub-Directorate General of Immigration. A new regularization process was implemented that incorporated a more flexible approach than the previous one.

A large number of Chinese migrants from Qingtian and Wenzhou, which are considered to have the longest tradition of emigration in China's Zhejiang province, entered Spain on short-stay visas, stating that their reasons for travelling to Europe were for tourism or to visit family or friends. Many undocumented Chinese migrants who were stranded in other European countries also came to Spain to try their luck.

The different regulation processes, also known as amnesties for undocumented migrants, seek to address the high demand for labour that accompanies economic development, thus providing an opportunity for the legalisation of Chinese entering Spain without permission. In the first regularisation, out of a total of 1192 applications submitted by Chinese with irregular status, 845 were approved, accounting for 2.2% of all approved applications. Until the end of 1991, around 8,000 Chinese living in Spain had no legal authorisation. In the second regularisation, 4219 applications of Chinese origin were approved, accounting for 4% of the total. With subsequent regulations, more and more Chinese immigrants have been granted residence permits. In 1995, several hundred applications from Chinese immigrants were approved and in 2000, 5.8% of all approved applications were submitted by citizens of Chinese origin[2].

3. Characteristics of the Chinese Community in Spain

From the 1950s and 1960s, when only a few hundred Chinese lived in Spain, to the formation of a community of more than 220,000 people in 2020, the gradually growing Chinese community shows the following characteristics.

3.1. Young Immigrants vs. Aging Population

Spain is a country with a high rate of ageing. Official statistics[7] show that the Spanish population over the age of 65 already accounted for 19.4% of the total population, while the working population aged between 15 and 64 only accounts for 66.1%, and those under the age of 14 for 14.6%. The age distribution of the foreign population is very different from that of Spain. However, the Chinese population resident in Spain represents a young and vibrant community. According to the Ministry of Labor, Migration and Social Security, only 2.4% of the Chinese population in Spain was aged 65 and over, while the working population aged between 15 and 64 accounted for 72.7%, and children under 14 accounted for 24.8%.

Another demographic concept of great importance is the total dependency ratio, a term used to express the ratio of the dependent population to the active population (aged 15-64) in a country. The dependency ratio can be divided into two sub-concepts: (1) the child and youth dependency ratio, which calculates the percentage of the child and youth population, aged 0-14 years, in the working population; (2) the old-age dependency ratio, a measure used to gauge the potential need for social support of the population of older adults aged 65 and over, by the working-age population.

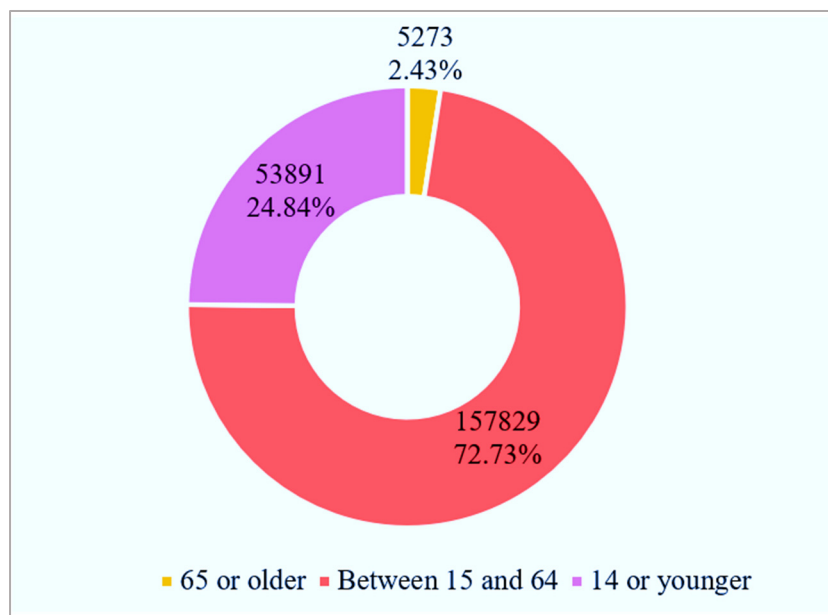


Figure 3. Age distribution of Chinese immigrants

Source: Prepared by author with data from National Institute of Statistics, Foreign population by age. Accessed July 2019 at https://www.ine.es/prensa/padron_prensa.

Population ageing is profound and has important consequences and implications for all facets of human life. As the number of elderly people is steadily increasing, the problems associated with the high dependency ratio of the ageing population may be greater in relation to the high child/youth dependency ratio. Compared to the Spanish population, the total demographic dependency ratio of the Chinese population is lower at 14%, and the dependency ratio of the ageing population is only 3%, which is one tenth of the corresponding ratio of the Spanish population.

3.2. Entrepreneurs: Qingtianese and Wenzhounese

The regional origin of Chinese immigrants in Spain is diverse. Although there are no official figures, it is estimated that more than 60% originate from the Chinese province of Zhejiang, with a particular concentration of those from the village of Qintian. Mostly peasants, they are not highly educated. The Qingtianese, who have benefited from the amnesties mentioned above, which have allowed them to regularize their situation, and with the help of their relatives and fellow countrymen, obtain residence permits and get jobs in companies managed and run by family groups or fellow countrymen.

The Chinese immigrant community has consolidated its position as the leading group of self-employed foreigners in Spain. According to the Ministry of Labor, Migration and Social Security, in 2018, 102,605 foreigners of Chinese origin paid Social Security contributions. Of these, 54,829 are affiliated to the RETA (Special Regime for Self-Employed Workers). In other words, 53% of the affiliated Chinese have registered as self-employed workers. If the total Chinese population is considered, of the 215,970 Chinese registered in Spain, according to figures from 2018, one in four Chinese immigrants is self-employed, which is a higher proportion than the rest of the foreign self-employed.

What is the reason for the high proportion of self-employed among new Chinese immigrants in Spain? Especially after the international economic crisis of 2008, the number of Chinese self-employed has increased against the trend of all other groups of workers.

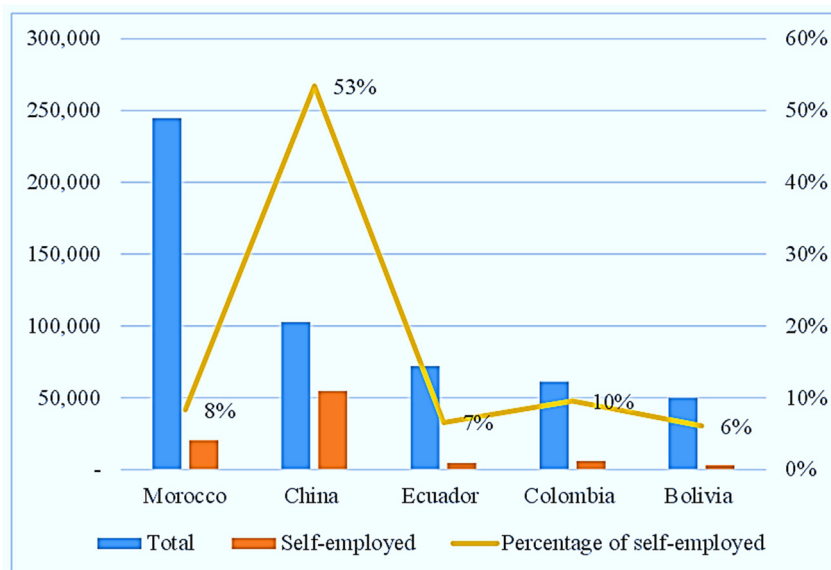


Figure 4. Foreign workers affiliated to Social Security: the most numerous by country of nationality and percentage of self-employed workers

Source: Prepared by author with data from National Institute of Statistics and Ministry of Labor. Accessed July 2019 at

<https://www.mapa.gob.es/es/estadistica/temas/publicaciones/anuario-de-estadistica>.

One of the reasons for this phenomenon is that most Chinese cross-border migrants, because of their entrepreneurial spirit, aspire to be “bosses” by setting up their own business rather than working for others, which is considered a key sign of success abroad, as they have left their hometown in search of fortune and greater opportunities and aspire to return to China one day with wealth and social recognition. They are entrepreneurs by nature; when they decide to emigrate, they do so to set up a company and generate employment.

What is more, many of their countrymen have been pioneers and have set a successful example in the Chinese catering, textile industry and in the import-export sector. On the other hand, it is well known that the Chinese people are characterized by solidarity and mutual help. The family is the backbone: they protect each other and lend money to each other. The previous existence of friendship networks also supports them by facilitating help to newcomers in setting up a business.

However, it is worth mentioning that the obsession to set up food, textile, or bazaar businesses in a relatively short period of time places them under the harsh reality of self-exploitation with overtime and overwork and the strong pressure of debts incurred to open a shop and buy on credit. Adaptation to the Spanish culture is therefore slow and difficult because they leave the training and integration elements in the background. Among the 54,829 self-employed Chinese workers, the vast majority are considered small entrepreneurs who open small food and textile shops, above all. However, grocery stores have gradually given way to fashion shops and bazaar establishments.

It is a known tradition among the Chinese diaspora to open Chinese restaurants all over the world. As for Chinese entrepreneurs in Spain, although they are no exception, they are more dynamic to a certain extent in running traditional bars. Spain stands out from other EU countries in terms of the number of bars per inhabitant. There are 101,397 bars in Spain and on average, there are 2.8 bars per 1,000 inhabitants[8]. The most popular times to go to the bars are from 10am to 1pm, 40%, and from 7pm to 9pm, 34%. Bars are a symbol of Spanish culture, from ham to music to football, and the quintessential meeting point, very pleasant and useful for strengthening social ties. Young people also meet frequently to do the bar crawl but

are reluctant to run a bar because of the long hours and hard work. This encourages bar businesses and attracts Chinese entrepreneurs, especially those with a small amount of accumulated savings. Many have invested in taking over bars originally run by Spaniards.

Spain’s business environment also contributes to the significant presence of Chinese self-employed workers. As can be seen in Figure 5, 94% of Chinese workers affiliated to Social Security are concentrated in the service sector, working in restaurants, bars and retail businesses. What these economic activities have in common is the low start-up capital required for opening and the suitability for family businesses.

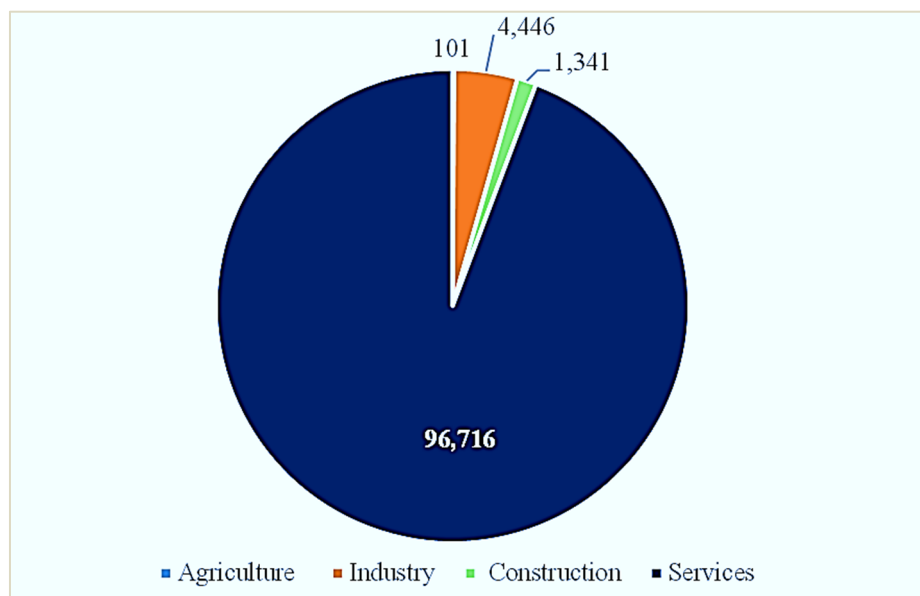


Figure 5. Chinese workers registered with Social Security, by sector of activity.

Source: Prepared by author with data collected from foreign workers affiliated to Social Security in labor registration, Advance of the Yearbook of Statistics 2018, Ministry of Labor, Migration and Social Security.

Although the Chinese community has always preferred self-employment since the post-crisis years, what has changed are the sectors they choose. Just five years ago, grocery shops and “todo a 100” stores were at the top of the businesses chosen by the Chinese, according to the latest Permanent Observatory of Immigration, corresponding to June 2018, with a year-on-year growth of 3.9%. Today, wholesale business, franchising and professional activities are the top three most desirable niche markets. Wholesaling and franchising generate added value to the businesses of their precursors, while many consultancy firms specializing in advising the self-employed and small and medium-sized enterprises wishing to export or internationalize in their country of origin, China, have been set up, which could be conducive to enriching Sino-Spanish relations in the real economy.

With the process of European Union integration, new economic opportunities arise in Spain, where a relatively lax import and export policy applies. A large number of non-EU goods enter Spain and are transported to other European countries. Since the 21st century, the export of Chinese goods to Spain has increased considerably.

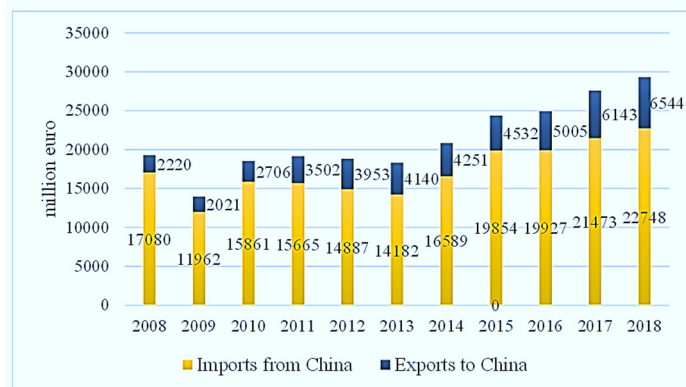


Figure 6. Spain's imports and exports with China (2008-2018)

Source: Prepared by author with data from the Datosmacro website. Accessed July 2019 at <https://datosmacro.expansion.com/comercio/exportaciones/espana>.

China is Spain’s largest trading partner outside the EU. In 2017, the total value of Chinese imports to Spain exceeded 20 billion euros for the first time. Meanwhile, the total value of Spanish merchandise exports to China has been increasing since 2010. The opening of the regular railway line called Yixinou accelerates the trade exchange between Spain and China. A considerable amount of goods from China are sold wholesale by Chinese entrepreneurs living in Spain, owning wholesale warehouses that are clustered in industrial parks such as Cobo Calleja located in Fuenlabrada, Madrid. Chinese wholesale circles of different sizes have successively been formed and are distributed in Elche, Malaga, Seville, Granada, Barcelona, Valencia and Bilbao, among other cities.

3.3. Geographical Distribution Closely Related to Economic Activities

As the hotel business is the first profession of Chinese immigrants in Spain, the evolution of Chinese restaurants is closely linked to the development of the Spanish tourist industry. This link is reflected in the changing character of the geographical settlement of the Chinese community. The main impetus came in the 1970s, with the arrival of Chinese from the UK, the Netherlands and France, who originated in Hong Kong, Guangdong and Zhejiang. As the number of Chinese restaurants in these European countries reached saturation point, the strategy was to open new Chinese restaurants along the coast and on the Spanish islands where European tourists frequented.

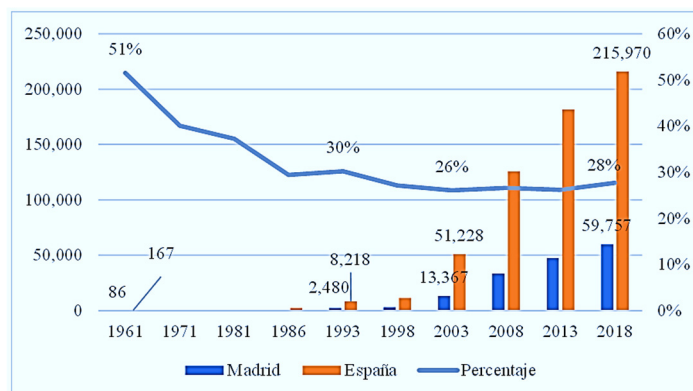


Figure 7. Chinese in Madrid and the gradual reduction of the percentage compared to the Chinese population in Spain (1961-2018)

Source: Prepared by author with data from National Institute of Statistics, Main population series from 1998 to 2018, accessed July 2019 at <https://www.ine.es/jaxi/Tabla.htm?path=/t20/e245/p08/l0/&file=03005.px>, and from Antolín (1998) for data prior to 1998.

Before the 1980s, a small number of Chinese were concentrated mainly in the cities of Madrid, Barcelona and Valencia. In the 1980s, Spain joined the European Economic Community and there were consequent changes in the eating habits of Spaniards due to improved living conditions. The Chinese took advantage of these changes and gradually established themselves in every province of Spain. From the same decade onwards, when a large number of new Chinese immigrants entered Spain, the distribution of Chinese expanded rapidly, and even in many remote villages in Spain, Chinese can be seen with their small businesses.

As for Madrid, the absolute population of Chinese in the city in 1993 was almost 30 times higher than in 1961 and in 2018 it is 24 times higher than in 1993. Meanwhile, the proportion of Chinese residents in Madrid was falling in relation to the total Chinese population in Spain, from 51% in 1961 to 30% in 1993 (see Figure 7). Since then, Chinese residents in the capital constitute a relatively stable percentage, between 25% and 28%, of the total Chinese population in Spain. Although the Chinese colony is spread throughout Spain and more and more Chinese live in small and medium-sized cities, Madrid is the Spanish city where the Chinese community has always been and will remain for a long time the largest.

4. Conclusion

Although Chinese immigration to Spain has a long history, the largest wave of immigration began in the 1980s thanks to China's open-up policy. After Spain's accession to the European Union, the Chinese community began to spread from the central cities of Madrid and Barcelona to the islands and coastal areas where tourism is well developed, stimulated by the large demand for consumption in catering. Despite the economic crisis, the Chinese community in Spain has been growing gradually. Young and energetic, more than 94% of Chinese immigrants work in the service sector, and the percentage of self-employed far exceeds that of immigrant groups from other countries. With the new generation of Chinese immigrants growing up, working, and starting businesses in Spain, the economic and cultural exchanges between China and Spain will see more opportunities.

Acknowledgments

Center for Overseas Chinese Studies of Zhejiang International Studies University.

References

- [1] J. B. Antolín: The Chinese in Spain. In *The Chinese in Europe*. (Palgrave Macmillan, UK, 1998), p. 211-237.
- [2] M. H. Li: (2016). Analysis of the Chinese Community in Spain. *Overseas Chinese History Studies*, (2016), No.2, p.10-21.
- [3] T. Lü: A Study of the Overseas Qingtian Community During the Historical Period of the Republic of China. (Ph.D., Jilin University, China 2013), p.29-72.
- [4] T.F. Zou: The Qingtian People in France. In *Taofen's Collected Works Vol. 2* (Beijing: Life, Reading, New Knowledge, China, 1955), p. 82.
- [5] G. Nieto: *La Inmigración China en España: una Comunidad Ligada a su Nación*.(Los libros de la Catarata, Spain, 2007).
- [6] F. N. Pieke: Immigration et Entreprenariat: les Chinois aux Pays-Bas. *Revue Européenne Des Migrations Internationales*, (1992), Vol.8, No.3, p.33-50.
- [7] National Institute of Statistics. Press Section. *Statistics of the Continuous Register*. (Spain, 2020). Information on https://www.ine.es/prensa/padron_prensa.htm.
- [8] Spanish Hotel and Catering Federation. Information on <https://www.hosteleriadigital.es/wp-content/plugins/download-attachments/includes/download.php?id=5991>.