Strategy and Tactics: Chinese Immigrants and Diasporic Spaces in Johannesburg, South Africa

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Introduction

- Within the broad aegis of de Certeau’s work, we engage the historical and contemporary spaces of the Chinese diaspora in Johannesburg.
- We describe a highly differentiated grouping of migrants that deploys varying tactics over time and across space (e.g. clustering & dispersal; invisibility & cultural marking).
- We show how tactics respond not only to the host society but also to other competition and threats from other Chinese and also how some Chinese exercise strategy through their influential position within powerful Chinese-South African alliances.
Introduction

• There is a complex intersection between migrants and the host society, with power exercised in both directions, and interplay of strategy and tactics amongst migrants themselves.

• The article argues that a framework of strategy and tactics could usefully be situated within a broader conception that places domination and resistance to domination within an evolving field of relationships that cannot be contained within a distinction between migrants and host communities.
We respond to a new wave of the “yellow peril” with an empirically grounded account of the Chinese diaspora.
Literature as context

- A **spatial turn** in the South African migrant literature (Crush & McDonald, 2000; Landau, 2006; Vearey, 2010; Vidal, 2010)

- An **international literature** on the spaces of the Chinese diaspora
  - From “Chinatown” to “Ethnoburb” (Li, 1997)
  - Writing on entrepreneurial clusters in Africa (e.g. Laribee, 2008)

- An **incipient South African literature** on Chinese space (Dittgen, 2011, on wholesale trade; and some spatial reference in a recent wave of literature on Chinese immigrants (e.g. Huynh et al. 2010; Harris 2007; Park 2006, 2008)
The Mix: Origins of Chinese Migrants in South Africa

Indentured Chinese labour 1903-1907

Large investors from coastal cities - 90s & 2000s

Large numbers from Fujian 2000s

Taiwanese 1980s

Migrants leave Hong Kong mid-90s

Cantonese migrants – late 19th C
“A Plate of Loose Sand”

1. Spaces of memory
2. New Chinatown (Cyrildene)
3. Ethnoburb
4. Chinese malls
5. Decentred spaces
6. Spaces of Chinese FDI
Overview of Chinese Space in Johannesburg

- Sandton
- Old Chinatown
- Ellis Park
- Crown Mine
- Dong Qu
1. Spaces of Memory
Spaces of Memory Obliterated

• 60 000 indentured labourers (1902 to 1910) remembered when the occasional unmarked grave is uncovered

• 1000 Chinese in Sophiatown, 5500 in Fietas, and also a scattering of Chinese in Kliptown (with a school) removed with Group Areas
Spaces of Memory Romanticised

- Commissioner Street (‘Malaiken’) has been celebrated as Johannesburg’s first Chinatown
- It was a hub of local (Cantonese) Chinese culture but the designation of this area as a Chinese Precinct or Group Area was always resisted
- JDA Chinatown upgrade in 2010 (with cultural markers) but no acknowledgment of the dark side of Chinatown history.
Spaces of Memory: Transition

• In the early 90s, anti-Chinese rioting in Lesotho led to the arrival of the first mainland Chinese in Johannesburg

• They lived clustered in two or three buildings in Hillbrow (e.g. Shanghai Mansions) and traded informally on the streets of the inner city

• With access to cheap imported goods they were entrepreneurially successful, establishing small shops

• With the spike in crime in 1994 they left en masse, moving to Ellis Park and Cyrildene
Indentured workers responded to the oppressive controls of the mining compounds with a variety of tactics and succeeded in creating a world of their own in these alien confined.

The primary survival tactic of the migrants from Guangdong was to avoid open conflict with authorities, and develop a profile as a ‘quiet, separate and law abiding community’.

Spatially, they dispersed to be close to low income markets as the migrants were petty entrepreneurs and enforced clustering was resisted.

From the 1970s as Chinese moved up the social ladder they dispersed into white Group Areas, beginning with working class suburbs in the east of the city.
2. New Chinatown
New Chinatown

- A crime wave drove Chinese business and residence out of the inner city in the mid-1990s.
- At the same time the Jewish community were leaving the relatively secure suburb of Cyrildene.
- The catalyst for the new cluster was the relocation of a noodle bar from Yeoville in the mid-1990s but there was a history of Chinese presence in the eastern suburbs.
Chinatown images
Chinatown images
Chinatown images
New Chinatown

• The gateway for new Chinese (and other Asian) immigrants
• A cluster, not a community
• Some joint identity formation in relation to crime
• Recent attempts to build a further sense of identity with the Arch and Chinese New Year festivities
• A complex relationship to existing communities – initial resistance, now reluctant acceptance
3. “Donqu Ethnoburb”
“Ethnoburb”

- The first example of a Chinese “ethnoburb” in South Africa
- A very low key but considerable Chinese presence
- Chinese in gated communities with business mainly in non-traditional activities scattered across shopping and business precincts
- Location relative to O.R Tambo and to high quality private schools, but also close to the visible Chinese clusters in Cyrildene and Bruma
4. China Malls
China Malls

• Around twenty mainly large wholesale and retail malls owned by Chinese across Jo’burg (e.g. Dragon City, China Mart, China Mall, China Plaza)

• Spatially concentrated along Main Reef Road in the mining belt and especially in Crown City

• They offer a wide range of very low priced products imported directly from China

• They are a mix of owner-occupied malls, rented spaces and co-operatives

• New spatial patterns are emerging as the malls combine residential accommodation (e.g. China Mall and Afrifocus)
<table>
<thead>
<tr>
<th>Rank</th>
<th>Mall Name</th>
<th>Year</th>
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<tbody>
<tr>
<td>1</td>
<td>China City (Ellis Park)</td>
<td>1995</td>
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<td>2</td>
<td>Oriental City (Bruma)</td>
<td>1998</td>
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<td>3</td>
<td>China Mart (Crown Mine)</td>
<td>1999</td>
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<td>4</td>
<td>Dragon City (Fordsburg)</td>
<td>2000</td>
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<td>5</td>
<td>Wenzhou City (Fordsburg)</td>
<td>2003</td>
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<td>6</td>
<td>Ormonde China Mall</td>
<td>2004</td>
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<td>7</td>
<td>China Mall (Main Reef Rd.)</td>
<td>2006</td>
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<td>8</td>
<td>China Shopping Centre (C.M.)</td>
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<td>9</td>
<td>Gold reef Wholesale (C.M.)</td>
<td>2009</td>
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<td>10</td>
<td>Afrifocus Centre (C.M.)</td>
<td>2010</td>
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<td>11</td>
<td>China Plaza (Highgate Main Reef Rd.)</td>
<td>2010</td>
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<td>12</td>
<td>China Shopping Centre II – Yiwu (C.M.)</td>
<td>2010</td>
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<td>13</td>
<td>China Mart II (C.M.)</td>
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<td>14</td>
<td>China City Mall (Westgate)</td>
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<td>15</td>
<td>Bruma Market (Bruma)</td>
<td>2011</td>
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<td>16</td>
<td>Stellar Wholesale Mall (C.M.)</td>
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<td>17</td>
<td>Dragon City VI (Fordsburg)</td>
<td>2011</td>
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<td>18</td>
<td>China Goldcrown Mall (C.M.)</td>
<td>2011</td>
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The growing Chinese cluster around Crown City

- 1999-2006
- 2006-2011 newly built or extension
1995 - China Mall at Ellis Park

The crime wave in the Inner City prompted several hundred Chinese traders in the inner city to move to a site near Ellis Park which had been developed by a newly arrived Chinese entrepreneur
1999 - China Mart in Crown City

The owner of the Ellis Park mall raised rents and so a collective of about one hundred traders bought a warehouse in Crown City and established China Mart
Early 2000s - Bruma

A Chinese entrepreneur purchases buildings alongside Bruma Lake and creates Oriental City. Later Asian City is also established at Bruma.
2003 - China Mall established along Main Reef Road

Chinese entrepreneur, closely linked to the ANC, purchases a fire-damaged Macro and establishes the most dynamic of the malls
Containers shipped directly to the mall

The Chinese malls are ultra-competitive with their access to high bulk, low cost goods from the Chinese mainland. Competition between the growing number of Chinese traders is however extreme and the sustainability of the trading model is questionable.
Cultural markers as a marketing device?

Almost all the malls use the term ‘China’ or related terms such as ‘Dragon’ and most use cultural symbols – e.g. the Chinese lanterns in China Mall
Dragon City in Fordsburg includes an informal section

Blankets are sold under corrugated iron on a corner of the Dragon City site – Dragon City, together with the other malls, offer growing competition to Indian traders, including those in Oriental Plaza
The China Mall at Ormonde is one of the smaller centres

Dragon City in Fordsburg and China Mart on Main Reef Road are the most dynamic centres. Some centres are struggling – for example, the mall in Ormonde which gained a bad reputation for counterfeit goods
2010 - Highgate Shopping Centre become China Plaza

The politically connected owner of China Mall bought out Highgate and refurbished it as China plaza
2010 – China Mart II at Crown City

The second phase of China Mart (1999) is six-storey high, facilitated with 120 shops, 120 warehouses, and 400 parking units.
Security is a major concern for Chinese traders

Criminals and corrupt police officers frequently target Chinese migrants. This notice warns Chinese that they may be followed by criminals.
A new spatial arrangement emerges as China Mall incorporates residential accommodation

Workers and businesspeople are housed together in a six-storey residential building immediately adjacent to the mall.
2010 – The Afrifocus development in Crown City extends this new spatial pattern
A third Chinatown developing at Crown City?

In this mega development, the ground floor is for retail, the first floor for storage and the second floor for residence.
2012 – Bruma Flea Market purchased by Chinese and most recent development in progress
Around Bruma one of the first openly Chinese residential developments in construction
Joburg becomes the centre of a national network of Chinese wholesale & retail

The poster advertises the new China Mall recently opened in Durban. Other major malls opening in Cape Town, Centurion, and provide wholesale support to Chinese retail across southern Africa
5. Decentred Space
Decentred Space

• Clustering is not a “natural” preference – “if we find opportunities we will move”
• Dispersal happens in response to
• intra-Chinese conflict and to the extreme levels of business competition in the enclaves.
• There are at least 50 Chinese restaurants, 20 traditional medicine
• and wellness facilities, and 10 Chinese supermarkets outside the clusters, with some Chinese business presence in at least 28 suburbs, often in shopping malls.
6. Spaces of Chinese FDI
THE SPACE OF STATE-DIRECTED FDI - SANDTON

Two Phases to this engagement:

1. 1998-2007: investment in small- and medium-sized industrial enterprise coordinated by the Shanghai municipal government and largely focused in KZN

2. 2007-present: large-scale SOE investment coordinated by the PRC State Council and focused in the mining and financial sectors

• Since 2007 Johannesburg (and especially Sandton) has become a gateway for Chinese investment into Africa.
Sandton rises

• 2007 – China-Africa Development Fund established to support Chinese companies in entering the African market (office in Sandton)

• 2007 - Industrial and Commercial Bank of China (ICBC) buys a 20% (R37 billion) equity stake in Standard Bank

• 2009 – R500 mill Sinosteel headquarters in Sandton

• 2010 – The China Railway Group forms a partnership with a local developer for the construction of the Sandton Skye development and negotiates high speed rail deal

• 2010-12 – Other major Chinese banks enter Sandton
Back to Strategy and Tactics

• The post-1990 story of Chinese residence in Johannesburg is highly revealing of the **tangled terrain of strategy and tactics**.

• Spatial practices in Johannesburg are a consequence of the strategies of the South African state, and the behaviour and attitudes of the host community, but also of the tactics of Chinese in response to each other, and of the strategies of the Chinese state.
A complex relationship between Chinese and SA State

- **Some tension over the past decade** around Chinese success and BEE but **this has declined** with the active courting of state investment, the BRICs relationship and politico-economic web tying Chinese entrepreneurs and SA politicians/ business players.

- **At local level a more ambiguous relationship** – The small entrepreneurs are in a tricky position as they are an easy object of persecution; The initially slow progression in the relationship between the Chinese community and the City Council reflected the complexities of host society attitudes to the Chinese presence.

- **Strategies of the Chinese State Council** played out in JHB through the actions of SOEs locating mainly in Sandton.
Ambivalence of host community to the Chinese

- Low-income consumers generally welcome the cheap goods supplied by Chinese entrepreneurs, and Chinese communities have mainly not been the target of xenophobic attacks.

- But allegations of racism by Chinese and negative stereotyping of Chinese; also overriding concern of Chinese with local crime.

- There has been local resistance from (mainly white) communities in places like Cyrildene.

- Tactics of both enclaving and assimilation.
Intra-Chinese conflict

• A complex **mix of conflict, competition and collaboration**.

• Mutual support through **tight networks**, based on family and village as an adaptive tactic (120 associations)

• **Varying degrees of tension and suspicion** between polyglots of sub-communities (e.g. fear of Fujian migrants)

• **Extreme business competition** in context of low margins
Conclusion

• The literature reveals how the more powerful and the less powerful together shape the production of space in an ongoing interaction with the other.

• The powerful and the weak do not correlate simply to host community vs migrants

• Chinese deploy tactics in relation to host state and community but also in relation to each other

• Some Chinese are also in a dominant position relative to host community or are tied to the host community through political and business networks

• The Chinese state also exercises agency in Johannesburg through its SOEs

• There is a far more complex field of social relations (Bourdieu)
Conclusion

• This complexity is revealed spatially

• The strategies of the Chinese state include investment in the South African banking sector as a gateway into parts of Africa – Sandton becomes the favoured spatial location

• Small entrepreneurs clustering in large malls and in Cyrildene with a strong China brand but invisibility in home life

• Ultimately, however, dispersal serves the objectives of entrepreneurs facing extreme competition and this is happening at a national scale and also in the city.