On the Edge of Capitalism: African Local States, Chinese Family Firms, and the Transformation of Industrial Labor

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On the Edge of Capitalism:

African Local States, Chinese Family Firms, and the Transformation of Industrial Labor

A dissertation presented

By

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ABSTRACT

This research, a study of capitalism on the frontier, examines Chinese garment production and African women workers in South Africa from the waning years of apartheid to the present. It focuses on Newcastle, a former border town between white South Africa and the black KwaZulu homeland that had been economically important for its coal and steel production since the 1960s. However, the "Asian Strategy" adopted by the Newcastle Town Council in the early 1980s transformed the town into a prominent site of low-wage, labor-intensive, and female-oriented light manufacturing. The established scholarship, while providing useful explanations for the arrival of ethnic Chinese clothing factories and offering valid critiques of South Africa's industrial policies, pays little attention either to Chinese business practices or their long-term impact on Zulu women workers' lives.

The most important finding of this research is that, in response to harsh business and socioeconomic conditions, both the ethnic Chinese industrialists and Zulu women workers creatively utilized and reshaped existing familial arrangements and communal ties. While Newcastle's ethnic Chinese family businesses had been built upon the production partnerships of Chinese male mechanics and female supervisors who leveraged existing family business networks to maximize efficiencies and profits, Zulu women formed female-linked families and participated in informal women's savings clubs to maintain stability as a workforce. This research shows that the production couple and the African female-linked family, albeit profoundly fractured, were essentially capitalist families that not only smoothed the way for

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intensified production, but also facilitated accumulation for both the Chinese entrepreneurs and Zulu workers.

My project points to the ways in which capitalist production transplants, adapts, and refashions its material and cultural forms across the globe. Newcastle's ethnic Chinese family enterprises constituted a distinct industrial diaspora in the history of Africa and represented one of the most flexible forms of manufacturing capitalism worldwide. When relocating to the last frontiers, they employed the most vulnerable workers on the global labor hierarchy. In examining Newcastle's Chinese garment firms and Zulu women's production and reproduction, my research shows the significance of gender, family, and kinship formation to contemporary capitalism's regeneration outside its heartland.

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ACKNOWLEDGMENTS

This dissertation has been seven years in the making. Over the years, many people have contributed directly or indirectly to the project. While responsibility for the arguments presented in the dissertation is my own, the acknowledgments below convey my sincerest gratitude to all who have helped and challenged me in this journey.

To begin, I am more than fortunate having the opportunity to work with Caroline Elkins and Emmanuel Akyeampong as my advisors at Harvard. For someone who has made his academic adventure in an entirely new environment – where scholarly writing privileges a language other than my mother tongue and holds higher criteria of what people consider as good scholarship, I would not have survived without their benevolent protection and attention. Completing a Ph.D. is like running a marathon. At certain conjunctions, I felt less motivated, lost confidence, and made regretful mistakes. Nevertheless, Carrie and Emmanuel's extraordinary support over the years, especially at moments of hardship, is beyond my words of gratitude. For that, I can only repay by becoming a model scholar myself and relaying their exemplary mentorship onto my future students.

I wanted to reiterate my intellectual debt to and friendship with each of my committee members and acknowledge the impact that they each have had on the formulation of this thesis. During her seminars in the early years of my doctoral training, Carrie reminded me, time and time again, of the validity and reliability of oral evidence in historical research. Carrie is also the one who has always encouraged my every single intellectual experiment. Emmanuel is an incredible scholar on a wide variety of topics that include but not limited to gender and social history, medical history, and development studies. Deeply inspired by him, both as his mentee and collaborator on a couple of projects, I began to appreciate the importance of bearing a

humble interdisciplinary mind. Also, I feel so lucky and grateful to be able to work on my dissertation with Nicoli Nattrass, who is not only a remarkable researcher, but a meticulous thesis reader. Nicoli and her partner Jeremy Seekings' voluminous writings on inequality in South Africa are instrumental in my understanding and exploration of various socio-economic challenges facing the rainbow nation. Last but not the least, Yoon Jung Park is a long-time mentor and family friend. On countless occasions, Yoon encouraged me to dig deeper into the local, but at the same time, pushed me to place Newcastle within the broader picture of Chinese migration in Africa, a field that she has helped to establish and where she possesses unmatched expertise.

Over the course of my research and writing, numerous scholars, many of whom I consider my teachers, have offered generous help and kind encouragement. Apart from my committee members, Bill Freund, Ashley Parcells, Meghan Healy-Clancy, and Jean Comaroff have read chapters of this dissertation at different stages and provided invaluable insight. The following is an incomplete list of other scholars from whom I have sought advice or received intellectual inspiration either through face-to-face meetings and seminars or via email correspondence (in alphabetical order): Safia Aidid, Robert Bates, Rudi Batzell, Aaron Bekemeyer, Keith Breckenridge, Catherine Burns, Chambi Chachage, John Comaroff, Romain Dittgen, Harvey Feinberg, Karen Harris, Philip Harrison, Gillian Hart, Mingwei Huang, Mark Hunter, Edward Kerby, Ching Kwan Lee, Anshan Li, Ian Macqueen, Gerhad Mare, Erin Mosely, Shaun Nichols, Laura Phillips, Mircea Raianu, Glenn Robins, Jeremy Seekings, Liat Spiro, Allison Todes, Thembisa Waetjie, Yuan Yao, and Xiang Zhou.

This project would not be possible without generous funding support from a variety of institutions at Harvard and beyond. They include five years of graduate funding provided by the

Finally, this dissertation is inseparable from and means little without the support from my family, who have always stood with me, and, when I coiled over the course, would cheer me up with hugs and jokes, reassuring me of the career path that I had decided to pursue. A significant proportion of this research is about "family." Though I have deep sympathy and admiration for my research subjects, many of whom had displaced traditional familial love, care, and affection in very hostile socioeconomic conditions, I feel fortunate and grateful for the privilege of having a happy and supportive family myself. In this regard, researching and writing a dissertation as such is not only an intellectual adventure, but also a profound self-discovery. From the bottom of my heart, this dissertation is dedicated to Vivian, my wife, and Walker, my son who joined the family in the middle of this project, and of course, to my parents, for their relentless patience and unconditional love.

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INTRODUCTION: AFRICAN WOMEN, CHINESE DIASPORA, AND CAPITALIST PRODUCTION

INTRODUCTION

AFRICAN WOMEN, CHINESE DIASPORA, AND CAPITALIST PRODUCTION

Off the main regional route R34 and onto Allen Street into Newcastle – a city located in northern KwaZulu-Natal Province in South Africa – stands a large welcoming monument in Chinese that gives visitors the false impression of traveling in East Asia (see Figure 1). Indeed, the erection of the landmark in 1995 marked the enormous success of Newcastle's ethnic Chinese industrialists who have made the town their second home on the tip of the African continent.[1] The sponsor of the monument, Charlie Huang, a successful entrepreneur from Taiwan who opened his knitting business in the mid-1980s, rose as the city's deputy mayor in the immediate post-apartheid era and a well-known, albeit controversial, local politician. While the Chinese monument "proclaims the transnational character [of Newcastle]" as an industrial town, the sporadic vandalism of the monument, however, testifies to the complicated tensions resulting from the establishment and expansion of Chinese industries in Newcastle.[2] In one such attack, for instance, the perpetrator left dozens of leaflets with the words: "Every knee shall bow, every tongue confess that Jesus Christ is Lord," a verse from the Book of Romans.[3] While for Huang and his fellow ethnic Chinese industrialists, the monument was apparently meant to symbolize

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[1] I use "ethnic Chinese industrialists" in this dissertation to include migrant entrepreneurs from Taiwan, Hong Kong, and Mainland China (or People's Republic of China). When referring to specific groups, I will specify them, respectively, as Taiwanese, Hong Kongese, and Mainland Chinese (or Mainlanders). In some contexts, I also use "Chinese" to represent all three groups. But the term in this dissertation does not include Chinese South Africans (or South African born Chinese who have lived in South Africa for generations). Although some of Newcastle's ethnic Chinese industrialists are already South African citizens, none of the ethnic Chinese clothing firms in Newcastle are operated by South African born Chinese.

[2] Gillian Hart, *Disabling Globalization: Places of Power in Post-Apartheid South Africa* (Berkeley, CA: University of California Press, 2002), 165.

[3] "Vandals Attack Chinese Symbol of Gratitude," *Newcastle Advertiser*, June 30, 1995.

their gratitude and to suggest an imagined Afro-Asian harmony, for some local residents, it stood

as a constant reminder of foreign domination, industrial exploitation, and racial inequality.

Figure 1. "Newcastle Welcomes You," 2013. Photo by the author.
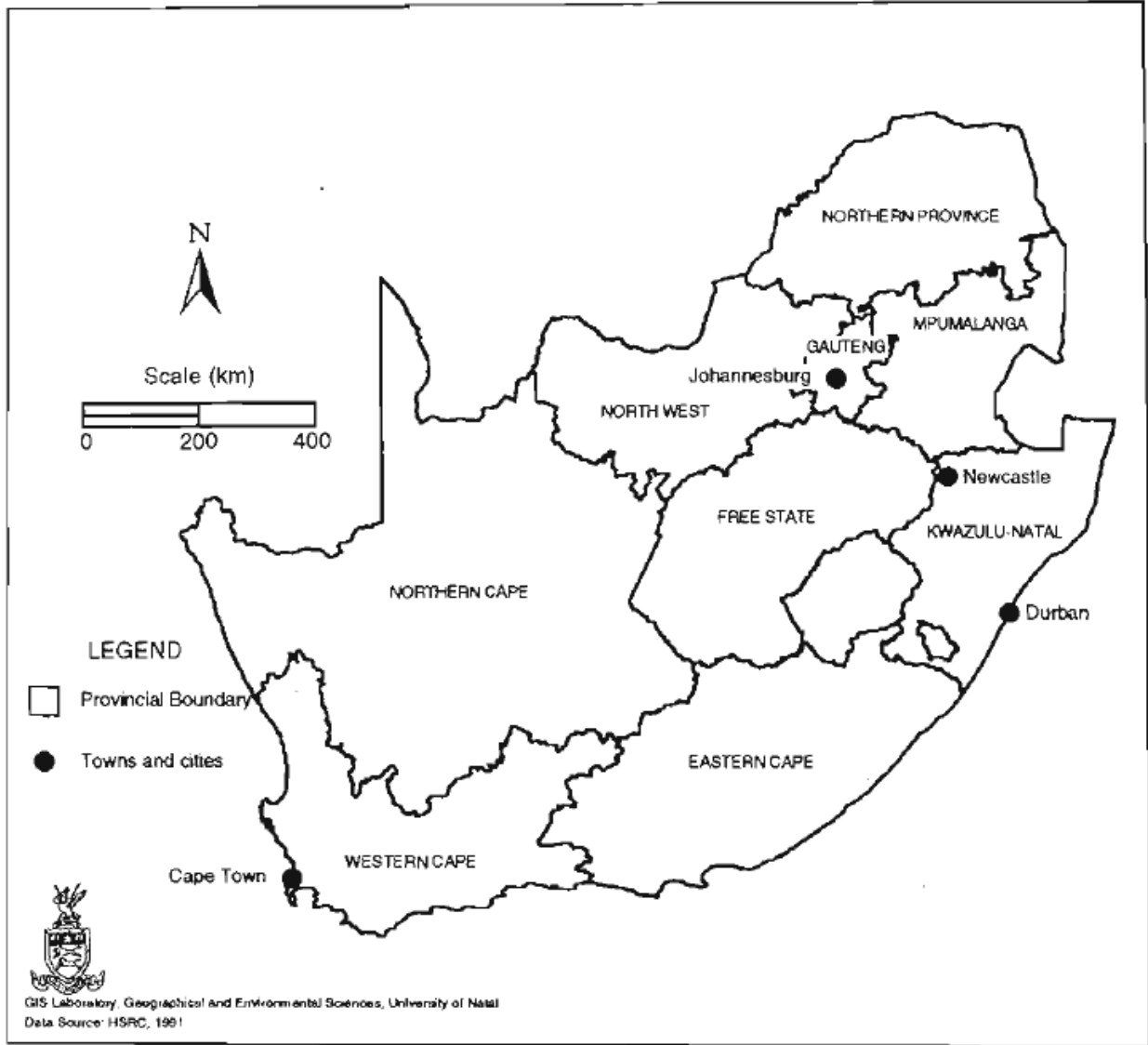
Figure 2. Location of Newcastle within South Africa. Alison Todes, "Restructuring, Migration and Regional Policy in South Africa: The Case of Newcastle" (Ph.D. dissertation, University of KwaZulu-Natal, 1997), 9.

Under apartheid, Newcastle was a model white border town, adjacent to the black

KwaZulu homeland and economically important for its coal and steel production. However, from

the early 1980s, the Newcastle Town Council adopted "the Asian Strategy" to recruit industries

from the Far East, initially from Taiwan and Hong Kong and later from Mainland China as well.[4]

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[4] It seems that Gillian Hart first used the term "the Asian Strategy," see Gillian Hart, "Global Connections: The Rise and Fall of a Taiwanese Production Network on the South African Periphery," Working Paper No.6, Institute for International Studies, University of California, Berkeley, 1996. I cite

This Asian Strategy was meant to be viewed as a local manifestation of apartheid government's industrial decentralization scheme at a time when the apartheid government sought to circumvent international sanction in attracting foreign investment. Newcastle has proven to be one of the most successful localities that had received ethnic Chinese industrialists from East Asia. The growth of ethnic Chinese industries has profoundly transformed Newcastle from a modest place known for its mining and steel plants into a prominent site of low-wage, labor-intensive garment manufacturing, reliant upon Chinese entrepreneurs and African (predominantly female) labor.

After the arrival of its first ethnic Chinese clothing firm from Hong Kong in 1983, Newcastle in 2016 was home to more than a hundred ethnic Chinese garment factories employing between 15,000 and 20,000 African women, mainly Zulu women from neighboring townships. These clothing factories provided close to a third of all jobs in Newcastle.[5] The rapid growth of Newcastle's ethnic Chinese garment firms over a relatively short period has made the town South Africa's clothing mecca. At the same time, due to the country's stringent labor and wage regulations and sometimes militant trade unions, Newcastle also has subsequently become a hotbed of industrial confrontations.

A study of South Africa's industrial decentralization and its long-term socioeconomic impact, this dissertation examines Newcastle's ethnic Chinese garment production and Zulu women workers from the waning years of apartheid to the present.[6] The established scholarship,

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this from Todes, "Restructuring, Migration and Regional Policy in South Africa," 189-90. For more details on Hart's discussion on the Taiwanese production network in Newcastle, see Hart, *Disabling Globalization*, 165-97. However, Todes and Hart did not discuss much on investment from Mainland China, which was a development after their field research (mid-1990s) in the area.

[5] My field interviews suggest ethnic Chinese firms in Newcastle employed between 15,000 and 20,000 workers in early 2016. According to South Africa's 2011 census, 62,968 people were employed in the Newcastle area.

[6] It is worth mentioning that while most of those working in Newcastle's ethnic Chinese clothing factories are Zulu women, I also found a small number of Basotho and Swazi women, including both ethnic Basotho and Swazi South Africans and migrants from Lesotho and Swaziland.

while providing useful explanations for the arrival of ethnic Chinese garment factories and

offering valid critiques of South Africa's industrial policies, pays little attention to either Chinese

business practices or their long-term impact on Zulu factory women's lives.[7] Building upon

previous scholarship and drawing on a combined twelve months of archival and ethnographic

field research in South Africa, this dissertation's most significant finding is that, in response to

difficult business environment and harsh socioeconomic conditions, both the ethnic Chinese

industrialists and Zulu women workers have utilized and reshaped existing familial arrangements

and communal ties.

This project is also a study of capitalism on the frontiers, revealing the ways in which

capitalist production transplants, adapts, and refashions its material and cultural forms across the

globe. Ethnic Chinese family enterprises, which make up the bulk of Chinese clothing firms in

Newcastle, represent one of the most flexible forms of manufacturing capitalism in the world.

When relocating to the last frontier, these ethnic Chinese factories employ the most vulnerable

workers in the global labor hierarchy. In looking carefully at ethnic Chinese family garment

firms and industrial African women's production and reproduction, my research shows the

significance of gender, family, and kinship formation to contemporary capitalism's operation on

the peripheries.

The above Chinese monument inspired this study, as it is a symbol with multiple

meanings. In the most superficial sense, this landmark is a declaration of industrial establishment

by a group of foreign entrepreneurs. It also becomes an explicit political statement, at least as

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[7] Major works include: Hart, *Disabling Globalization*; Lin Song-Huann, "The Relations between the Republic of China and the Republic of South Africa, 1948-1998" (Ph.D. dissertation, University of Pretoria, 2001); Todes, "Restructuring, Migration and Regional Policy in South Africa"; Geoffrey Roger Woods, "Taiwanese Investment in the Homelands of South Africa" (Ph.D. dissertation, Ohio University, 1991); John Pickles and Jeff Woods, "Taiwanese Investment in South Africa," *African Affairs*, 88, 353 (1991): 507-28.

people like Charlie Huang had hoped, to claim their contribution and, subsequently, a sense of belonging to and ownership of their adopted home. At the same time, however, it is also a symbol that generates resentment and tensions, manifested, for instance, in the aforementioned vandalism. Most importantly, the monument's multivocality serves as a perfect window through which we might obtain deeper and more subtle understandings of the broader trends in Chinese investment and African workers, and, as the golden arches in the background of the photo suggest, in the material and cultural operation of capital.

The remaining sections of this introduction summarize the scholarly contribution and historiographical significance of this research in three distinct but interrelated areas. They include, first, African industrial women, second, Chinese diaspora in Africa, and third, late capitalist production. This chapter will end with a brief discussion on research methods and the dissertation's structure.

<u>African Factory Women</u>

A central task of this research project is to probe the socioeconomic impacts of the labor-intensive, female-oriented industrialization path upon which Newcastle embarked three decades ago. To document such transformations, this dissertation is the first major work to examine the working life of black South African female employees in the Chinese factories, which requires that the author not only observe what occurred on the shop floor but also reveal continuities and changes in the workers' lives in their township homes. While this study is embedded in its unique South African historical and sociological contexts, I seek to place it within the broader literature on women's participation in industrial work, both in Africa and beyond. Though this dissertation is not comparative by design, it presents itself as an important node of women's long

encounter with industrial work worldwide. While earlier historical research of factory women mainly looked at female labor in the textile and clothing industries, new studies, many by anthropologists, have emerged in the 1980s and 1990s that investigated the impact of other forms of industrial capitalism on women workers and by extension on their families and communities.[8] By taking up the industrial jobs that had been recently accessible to them, women in industrializing societies subjected themselves to new forms of control by the state, capital, and in many cases the patriarchal order of the family. Industrial discipline, work habit, economic independence and mobility, and working-class culture and consciousness are the major threads emphasized in the existing scholarship.

While Newcastle's recent round of industrialization followed several of the historical patterns observed elsewhere, the experience of Zulu women workers in Newcastle's ethnic Chinese clothing firms – locally known as *mama mabhodini* – departed from that of their sisters in other industrializing societies in three significant ways.[9] First, the mobilization of female African labor in South Africa was a particularly violent process. While domestic and international migration had supplied the newly established industries with continuous flow of cheap female labor in many countries before, the creation of "surplus" or "discarded" women in South Africa's border townships was a direct consequence of a deliberate apartheid policy –

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[8] Thomas Dublin, *Women at Work: The Transformation of Work and Community in Lowell, Massachusetts, 1826-1860* (New York, NY: Columbia University Press, 1979); Mary Blewett, *Men, Women, and Work: Class, Gender, and Protest in the New England Shoe Industry, 1780—1910* (Urbana, IL: University of Illinois Press, 1988); Aihwa Ong, *Spirits of Resistance and Capitalist Discipline: Factory Women in Malaysia* (Albany, NY: State University of New York, 1987, 2010 edition); Ching Kwan Lee, *Gender and the South China Miracle* (Los Angeles, CA: University of California Press, 1998); Pun Ngai, *Made in China: Women Factory Workers in a Global Workplace* (Durham, NC: Duke University Press, 2005); Ann Farnsworth-Alvear, *Dulcinea in the Factory: Myths, Morals, Men, and Women in Colombia's Industrial Experiment, 1905-1960* (Durham, NC: Duke University Press, 2000).
[9] *Mama mabhodini* is an isiZulu expression meaning "mothers who work at the factories," or "factory mothers." Since most firms in the area are ethnic Chinese clothing firms, this phrase basically refers to women workers in Newcastle's ethnic Chinese firms. For more discussion on this, see Chapters 5.

forced removals.[10] By forcefully resettling a large proportion of the country's black population in crowded rural areas with insufficient land and agricultural resources, the apartheid government attempted to physically remove from white South Africa of what it deemed as "surplus" people to the capitalist economy – "the unproductive, the unemployed, the disabled, and those too young to work."[11] These surplus people were almost entirely black. While thousands of them would never gain access to employment in urban areas, some had access to factory jobs in the border areas because of industrial decentralization.

Apartheid policies such as forced removals and industrial decentralization had significant implications. Unlike other industrializing societies, where migration followed industries to the urban areas, South Africa witnessed a distorted pattern of industrialization, in which, under the auspices of the generous government incentives, manufacturing plants followed the flow of forced migration, turning "fields into factories."[12] While, in places such as Lowell, Massachusetts and Guangdong, China, dorms for women workers constituted a crucial part of modern industrial discipline and a significant site for socialization among the employees, *mama mabhodini* in Newcastle are daily commuters who retreat to their homes in the neighboring townships in the evenings for family comfort and labor reproduction.

Second, the life trajectories of Newcastle's Zulu factory women are drastically different from their counterparts elsewhere. Women in other industrializing societies viewed their factory

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[10] See Laurine Platzky and Cherryl Walker, *The Surplus People: Forced Removals in South Africa* (Johannesburg, SA: Ravan Press, 1985); and Cosmas Desmond, *The Discarded People: An Account of African Resettlement in South Africa* (Harmondsworth, UK: Penguin, 1970).

[11] Platzky and Walker, *The Surplus People*, xxii. It is worth mentioning that forced removals contain a wide range of violent apartheid policies, including resettlement, consolidation, betterment planning, black spot, and influx control. In fact, many of those forcefully removed had had jobs on the farms and in the cities. For explanations of specific policies, see Platzky and Walker, *The Surplus People*, ix-x.

[12] Edward M. Kerby, "The Economics of Isolation, Trade and Investment: Case Studies from Taiwan and Apartheid South Africa" (Ph.D. dissertation, London School of Economics and Political Science, 2016), 70.

jobs as a transitional phase in their lives, usually in their late teens and early twenties – hence the factory girls. In other words, the years spent on the shop floor served as a preparatory stage for female adulthood; many chose less demanding jobs or stayed home as full-time housewives after marriage. However, as this study shows, the majority of *mama mabhodini* worked as machinists for their entire working lives. In part, this was due to the lack of social mobility and professional opportunities for uneducated black women in South Africa. Though the younger female workers that I interviewed during research voiced some degree of optimism about their future careers, the prospect of achieving success beyond their factory jobs does not look promising. The widespread unemployment in the country, in particular among the male population, and the resultant breakdown of the African family and marriage also have had profound effects on women's pursuit of a relatively stable, albeit small, income from the garment factories. *Mama mabhodini*'s extended employment in the low-wage, labor-intensive sectors is, in effect, an unfortunate portrayal of South Africa's socioeconomic predicament over the last three decades.

Third and last, *mama mabhodini* have encountered a particular form of industrial capitalism. Unlike the big mills seen in other industrializing societies, most ethnic Chinese firms in Newcastle are small- and medium-sized family enterprises involved in extremely flexible forms of production. Though there had been several large South African-owned and ethnic Chinese clothing companies in this area, almost all of them were closed by mid-2000s due to a variety of reasons, including rising statutory minimum wages, increased trade union activities, fluctuations of the South Africa currency, and intensified international competition.[13] While

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[13] Glen Robbins, Alison Todes, and Myriam Velia, "Firms at the Crossroads: The Newcastle-Madadeni Clothing Sector and Recommendations on Policy Responses," Research Paper No. 61, School of Development Studies, University of KwaZulu-Natal in Durban, 2004; Nicoli Nattrass and Jeremy Seekings, "Job Destruction in Newcastle: Minimum Wage-setting and Low-wage Employment in the South African Clothing Industry," *Transformation: Critical Perspectives on Southern Africa*, 84, 1 (2014): 1-30; Nicoli Nattrass and Jeremy Seekings, "Institutions, wage differentiation and the structure of

relocating from the Far East to South Africa, Newcastle's ethnic Chinese industrialists carried

with them a particular set of understandings of work norms that had enabled their success in

Asia. However, in a different cultural setting, such practices often present themselves as

exploitative and inappropriate, if not completely illegal. Although this research is concerned with

the socioeconomic dimension of Newcastle's recent industrialization process, it also takes

transcultural contacts or confrontations very seriously. The dissertation contends that

Newcastle's ethnic Chinese garment firms must be understood through two lenses, first by

placing the factories within the global trend of late capitalism characterized by the neoliberal

order and flexible accumulation, and, second, by recognizing Chinese family businesses as a

category with its own cultural registers.[14]

How then do we make sense of *mama mabhodini* in the long historical trajectory of

African women's roles in material production? African societies have always valued women, not

only for their reproductive capacities but more importantly for their productive labor. In pre-

colonial Africa, through the concepts of "rights in persons" and "wealth in people," African

kinship structures consistently appropriated the labor of women.[15] Women found themselves

important in planting agricultural cultures (as opposed to agricultural systems where the plow

was central), pottery and textile works, and gold mining. The fact that most slaves in sub-

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employment in South Africa," in Anthony Black ed., *Towards Employment-Intensive Growth in South Africa* (Cape Town, SA: University of Cape Town Press, 2016), 307-26.

[14] On neoliberalism, I mainly draw from David Harvey. On flexible accumulation, see David Harvey, *The Condition of Postmodernity* (Cambridge, MA: Blackwell Publishers, 1990), 121-200. See also David Harvey, *A Brief History of Neoliberalism* (New York, NY: Oxford University Press, 2005) and *The Enigma of Capital and the Crises of Capitalism* (London, UK: Profile Books, 2010).

[15] See Emmanuel Akyeampong and Hippolyte Fofack, "The Contribution of African Women to Economic Growth and Development: Historical Perspective and Policy Implications," World Bank Policy Research Working Paper No. 6051, April 2012; Suzanne Miers and Igor Kopytoff, *Slavery in Africa: Historical and Anthropological Perspectives* (Madison, WI: University of Wisconsin Press, 1977); and Jane Guyer and Samuel Belinga, "Wealth in People as Wealth in Knowledge," *Journal of African History*, 36, 1 (1995): 91-120.

Saharan Africa were women, a contrast to the male figure in the trans-Atlantic slave trade, is an illustration of the significance of women in labor-intensive production in Africa.[16] While reproduction was also present amongst female slaves, they were so remote from the role of mother that Claude Meillassoux lamented: "femininity lost its sacredness in slavery."[17] The introduction of cash crops and missionary education from the nineteenth century, and colonial policies such as codification of patriarchy and customary law, as well as the operation of the colonial economy, further "reinforced the capture of female labor."[18] As Akyeampong and Fofack remind us, it is not that women in Africa have not always been economically productive but that "they have often not been able to claim the proceeds of their labor."[19]

Women were also largely excluded from the process of industrialization in Africa. It was not until the 1960s that they appeared to industrial capitalists as useful and cheap workers. While historically Europeans tended to perceive African males as problematic laborers, lazy and disobedient, they viewed African women as lesser subjects whose primary values were in social reproduction.[20] When the British and French colonial bureaucrats attempted to stabilize the African workforce in urban areas in the immediate aftermath of the Second World War, they

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[16] Claire Robertson and Martin Klein eds., *Women and Slavery in Africa* (Portsmouth, NH: Heinemann, 1997), 3, 11.

[17] Claude Meillassoux (1997), "Female Slavery," in Claire Robertson and Martin Klein eds., *Women and Slavery in Africa* (Portsmouth, NH: Heinemann, 1997), 49-65.

[18] Akyeampong and Fofack, "The Contribution of African Women to Economic Growth and Development," 1.

[19] Ibid.

[20] From as early as the 15th century and throughout their contacts with African societies, the Europeans had always been preoccupied with the stereotypical concern of the lazy African men. In the case of precolonial West Africa, for example, the stereotype was an indication of "quite high basic living standards" of the Africans who "were not forced by necessity to work for the Europeans in order to earn enough for daily needs." See Klas Rönnbäck, "'The Men Seldom Suffer a Woman to Sit Down': The Historical Development of the Stereotype of the 'Lazy African'," *African Studies*, 73, 2 (2014): 211-27, 225. Also, in the Natal Colony during the 19th century, the disobedience of orders among the Zulu men on the sugar plantations was, in fact, a result from the white settlers' violations or ignorance of the indigenous peasant norms. See Keletso Atkins, *The Moon is Dead! Give us our Money! The Cultural Origins of an African Work Ethic, Natal, South Africa, 1843–1900* (Portsmouth, NH: Heinemann, 1993).

considered African women as the ones who would create "African industrial man."[21] Therefore, in allowing African male workers to bring wives and children into the cities, colonial administrators brought African women under colonial supervision and defined their roles other than mothers and wives as "informal and illegal."[22] African women were not part of the workforce who toiled in railways, mines, ports, or modern factories.

This pattern is particularly prominent in the history of southern Africa. While male patriarchs in Nguni societies had consistently appropriated the proceeds of women's work and controlled their reproduction, the advent of mining capitalism and missionary education beginning in the nineteenth century further marginalized women's socioeconomic positions.[23] Studies of missionary educational institutions in South Africa show that Christian missionaries attempted to transform tribal African girls into proper wives through "industrial education" curricula, a program aimed, not to prepare them for industrial work as the name may mistakenly suggest, but to improve women's competence at domestic affairs.[24] Such educational institutions later became a crucial instrument of social reproduction for both the apartheid government and the homeland ruling elites to facilitate the implementation of separate, and clearly gendered, development – training African girls for feminized professions in both the public and private

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[21] Frederick Cooper, "Industrial Man Goes to Africa," in Lisa Lindsay and Stephan Miescher eds., *Men and Masculinities in Modern Africa* (Portsmouth, NH: Heinemann, 2003), 128-37, 128.

[22] Cooper, "Industrial Man Goes to Africa," 135-36.

[23] For good examples of discussions on the male patriarchs in Nguni societies, see Jeff Guy, "Gender Oppression in Southern Africa's Precapitalist Societies," in Cherryl Walker ed., *Women and Gender in Southern Africa to 1945* (Claremont, SA: David Philip Publishers, 1990), 33-47; John Wright, "Control of Women's Labor in the Zulu Kingdom," in J. B. Peires ed., *Before and After Shaka: Papers in Nguni History* (Grahamstown, SA: Institute of Social and Economic Research of Rhodes University, 1981), 82-100.

[24] Heather Hughes, "A Lighthouse for African Womanhood: Inanada Seminary, 1869-1945," in Cherryl Walker ed., *Women and Gender in Southern Africa to 1945* (Claremont, SA: David Philip Publishers, 1990), 197-220.

sectors.[25] More importantly, the advent of mining capitalism in the late 19th century, upon which

modern South Africa's economy had thereafter centered, profoundly changed the ways in which

the state mobilized labor and how ordinary Africans organized families. Through the migrant

system, mining companies in the urban areas managed to exploit black African males without

granting them family wages, therefore benefiting from "the reverse subsidies" derived from the

rural reserve areas where women through subsistent agricultural activities and domestic work

supported the labor reproduction.[26] It was not until the 1960s that black African women in

southern Africa became principal participants in modern industries. The postwar industrial

expansion, shrinking supply of white women, the numerical and geographical limits on the

availability of the Colored and Indian population had opened doorways for black African

women.[27]

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[25] Meghan Healy-Clancy, *A World of Their Own: A History of South African Women's Education*
(Scottsville, SA: University of KwaZulu-Natal Press, 2013), 120-62.

[26] Harold Wolpe, "Capitalism and Cheap Labor-power in South Africa: From Segregation to Apartheid,"
Economy and Society, 1, 4 (1972): 425-56. For a good account of the socioeconomic impacts of male
migrancy for wage work in southern Africa, see James Ferguson, *The Anti-Politics Machine:
"Development," Depoliticization, and Bureaucratic Power in Lesotho* (Minneapolis, MN: University of
Minnesota Press, 1994), 101-66. In addition, for important challenges to Wolpe's work, see William
Beinart and Saul Dubow, "Introduction: The Historiography of Segregation and Apartheid," in William
Beinart and Saul Dubow eds., *Segregation and Apartheid in Twentieth-Century South Africa* (New York,
NY: Routledge, 1995), 1-24; and Linzi Manicom, "Ruling Relations: Rethinking State and Gender in
South African History," *Journal of African History*, 33, 3 (1992): 441-65. Manicom refuses the notion of
"functional women" (within a given structure), see especially 447-50.

[27] Important works on African women's incorporation into industrial work in South Africa include Iris
Berger, *Threads of Solidarity: Women in South Africa Industry, 1900-1980* (Bloomington, IN: Indiana
University Pres, 1992); Joanne Yawitch, "The Incorporation of African Women into Wage Labor 1950-
1980," *South African Labor Bulletin*, 9, 3 (1984): 82-93; Georgina Jaffee and Collette Caine, "The
Incorporation of African Women into the Industrial Work-Force: Its Implications for the Women's
Question in South Africa," in John Suckling and Landeg White eds., *After Apartheid: Renewal of the
South African Economy* (Heslington, York: Centre for Southern African Studies in association with J.
Currey, Africa World Press, 1988), 90-109; and Amelia Marie Mariotti, "The Incorporation of African
Women into Wage Employment in South Africa 1920-1970" (Ph.D. dissertation, University of
Connecticut, 1979). I used a copy of Mariotti's dissertation from University of North Carolina libraries.

It is within this context that this study stages its scholarly contribution. While previous

works on South Africa's industrial decentralization are concerned with either its political and

economic logics or the reasons for its eventual failure, this dissertation presents it primarily as a

gendered process.[28] This gendered process is a recent phase of a *longue durée* historical pattern

of industrial development in the subcontinent, a process that continues to shape the ways in

which black South African women assign meanings to womanhood, family, and work. As

numerous marketing brochures of the South Africa's official development agencies at the time

illustrated, both Pretoria and the homeland governments had envisioned this new phase of

industrial development as not only labor-intensive but also a strategy to utilize the country's

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[28] On the political (i.e., apartheid policy, South Africa's diplomacy with Taiwan) and economic logics (i.e., incentives, and industries spontaneously moving to places of lower costs) of South Africa's border industries, see Trevor Bell, *Industrial Decentralization in South Africa* (Oxford, UK: Oxford University Press, 1973); Trevor Bell, "The Role of Regional Policy in South Africa," *Journal of Southern African Studies*, 12, 2 (1986): 276-92; Lin Song-Huann, "The Relations between the Republic of China and the Republic of South Africa, 1948-1998" (Ph.D. dissertation, University of Pretoria, 2001); Todes, "Restructuring, Migration and Regional Policy in South Africa"; Woods, "Taiwanese Investment in the Homelands of South Africa"; and Pickles and Woods, "Taiwanese Investment in South Africa." While most scholars agree that both the political and economic logics were crucial, Harrison and Todes suggest that the increase in industrial employment associated with the RIDP would have occurred even without the RIDP, see Philip Harrison and Alison Todes, "The Regional Industrial Development Program for KwaZulu/Natal," report prepared for the Board for Regional Industrial Development, 1996. Gillian Hart's work (*Disabling Globalization*, cited before) also reveals how local politics shaped the trajectories of border industries in different places; more so she points out how in the successfully industrialized regions in East Asia social wage in the form of land ownership and public education and health care functioned to subsidize low wages in the factories. See also Gillian Hart, "Reworking Apartheid Legacies: Global Competition, Gender and Social Wages in South Africa, 1980-2000," Social Policy and Development Program Paper No. 13, United Nations Research Institute for Social Development, 2002. Scholars also worked on the "unintended" aspects of the border industry, see Laurine Platzky, "The Development Impact of South Africa's Industrial Location Policies: An Unforeseen Legacy" (Ph.D. dissertation, the Institute of Social Studies in the Hague, 1995). However, Anne Mager, Leslie Bank, and Mark Hunter are among the very few who examined the gender dimension of border industries, but on an earlier time period, see Anne Mager, "Moving the Fence: Gender in the Ciskei and Border Textile Industry 1945-1986," *Social Dynamics*, 15, 2 (1989): 46-62; Anne Mager, *Gender and the Making of a South African Bantustan: A Social History of the Ciskei 1945-1959* (Portsmouth, NH: Heinemann, 1999), especially 47-67; Leslie Bank, "Angry Men and Working Women: Gender, Violence and Economic Change in Qwaqwa in the 1980s," *African Studies*, 53, 1 (1994), 89-113; and Mark Hunter, *Love in the Time of AIDS: Inequality, Gender, and Rights in South Africa* (Bloomington and Indianapolis, IN: Indiana University Press, 2010), especially 84-104.

untapped black female industrial labor (see Figure 3). This coincided with the decline of the

country's mining industries that had for decades provided employment opportunities for migrant

African men who found themselves pulled between the urban mining compounds and their rural

homesteads.
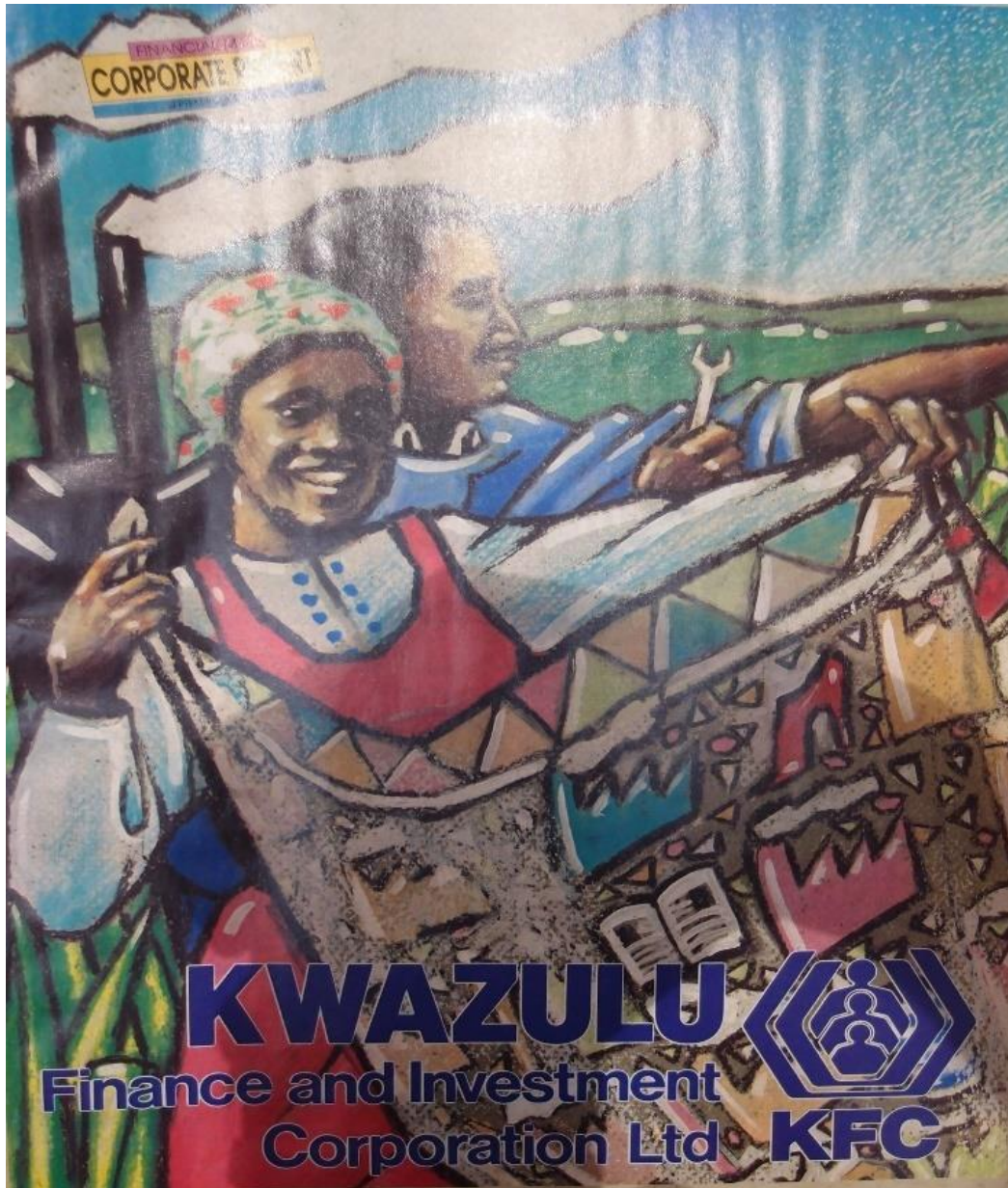
Figure 3. Industrialization of KwaZulu. Buthelezi Museum and Documentation Center
(BMDC), KFC files, Box 1, "KwaZulu Financial and Investment: A Corporate Report,"
supplement to *Financial Mail*, September 8, 1989.

Such transformations led to what many scholars called the decline of the African family from the mid-1970s onward, which reflected the overall economic shortfall of the 1970s and 1980s on the continent.[29] What struck me during my field research is that most of Newcastle's *mama mabhodini* are single mothers.[30] Despite apartheid's end, state policies continue to shape the experiences and everyday strategies of *mama mabhodini*. Though the South African government is aware of the urgency of job creation for its citizens, in the interim, it implements a broad range of social assistance to reduce abject poverty. While empirical studies show the necessity and efficacy of such social assistance programs nationwide, some of the women-oriented social assistance schemes such as the Child Support Grant worked as a social wage for these women workers so that they could stay alive with low factory wages.[31] As a response to the low-wage, labor-intensive, and female-oriented industrialization, Newcastle's Zulu factory women navigated innovative ways to spend their hours on the shop floor, manage savings from

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[29] On "the decline of the African family" from the 1970s, see Hunter, *Love in the Time of AIDS*; Shireen Hassim and Jo Metelerkamp, "Restructuring the Family? The Relevance of the Proposed National Family Program to the Politics of Family in the Natal Region," unpublished paper, Workshop on Regionalism and Restructuring in Natal, University of Natal, Durban, January 28-31, 1988 (This paper is located at the Killie Campbell Library of the University of Natal); and Meghan Healy-Clancy and Jason Hickel eds., *Ekhaya: The Politics of Home in KwaZulu-Natal* (Scottsville, SA: University of KwaZulu-Natal Press, 2014). On Africa's economic shortfall between the mid-1970s to mid-1990s, see Benno J. Ndulu, Stephen A. O'Connell, Robert H. Bates, Paul Collier, and Chukwuma C. Soludo eds., *The Political Economy of Economic Growth in Africa, 1960-2000*, *Volume 1* (New York, NY: Cambridge University Press, 2008), 10, 17. The deteriorating economic climate in Africa during the second half of the 1970s and the 1980s is also a point to which Chapter 1 will return.

[30] Among my interviewees, less than twenty percent of Zulu factory women are married. For more discussion on this, see Chapter 5.

[31] Though there have been various critiques of South Africa's social grants, empirical studies seem to suggest their impact on poverty reduction has been largely positive so far. See Aalia Cassim and Haroon Bhorat, "South Africa's Welfare Success Story II: Poverty-Reducing Social Grants," Brookings Institute, January 27, 2014 (available online at https://www.brookings.edu/blog/africa-in-focus/2014/01/27/south-africas-welfare-success-story-ii-poverty-reducing-social-grants/). Also, a recent research conducted by researchers at the University of Cape Town also suggests that social grants have helped address challenges facing minors in the country, see A. Delany, S. Jehoma, and L. Lake eds., *South African Child Gauge 2016* (Cape Town, SA: Children's Institute at University of Cape Town, 2016).

the meager incomes, and form families and communities that would enable their material and emotional survival.

This research is as much about a survival story as one that showcases their extraordinary ability to achieve accumulation. The literature on gender, sexuality, and accumulation in Africa often deals with women who obtained economic autonomy or success by spinning off domesticity from the home or through liaisons with influential men.[32] Though there were episodes where women involved in trade gained substantial business success independent of men, in most cases women who engaged in domestic service, prostitution, and informal trade such as illicit breweries all leveraged, albeit to varying degrees, their female sexuality.[33] Newcastle's ethnic Chinese clothing factories, on the contrary, offered *mama mabhodini* a different possibility of achieving relative wealth to which black African women had little access before: an accumulative path that does not necessarily command female sexuality and domesticity.

Though wage labor in the industrial world has been a recent development for black African women, factory jobs have provided Newcastle's Zulu women with a stable means of

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[32] Important works on gender, sexuality, and accumulation in Africa include: Emmanuel Akyeampong, *Drink, Power, and Cultural Change: A Social History of Alcohol in Ghana, c. 1800 to Recent Times* (Portsmouth, NH: Heinemann, 1996); Clare C. Robertson, *Sharing the Same Bowl: A Socioeconomic History of Women and Class in Accra, Ghana* (Ann Arbor, MI: The University of Michigan Press, 1990); Janet Bujra, *Serving Class: Masculinity and the Feminization of Domestic Service in Tanzania* (Edinburgh, UK: Edinburgh University Press, 2000); Jean Allman, "Rounding up Spinsters: Gender Chaos and Unmarried Women in Colonial Asante," *Journal of African History*, 37, 2 (1996): 195-214; Ellen Hellmann, *Rooiyard: A Sociological Survey of an Urban Native Slum Yard* (Cape Town, SA: Oxford University Press, 1948); Sean Redding, "Beer Brewing in Umtata: Women, Migrant Labor, and Social Control in a Rural Town," in Jonathan Crush and Charles Ambler eds., *Liquor and Labor in Southern Africa* (Pietermaritzburg, SA: University of Natal Press, 1992), 235-51; and Luise White, *The Comforts of Home: Prostitution in Colonial Nairobi* (Chicago, IL: Chicago University Press, 1990).
[33] For instance, Clare Robertson's classic work shows that while colonialism created space for women to obtain economic autonomy through increased trading opportunities in Ghana, the subsequent independence in the 1950s witnessed the loss of such autonomy, women traders became dependent upon influential men to achieve business success. See Robertson, *Sharing the Same Bowl*, 16-17, 45.

livelihood, and along with it have created distinct ways of socialization and social stratification. Concurrently, what also emerged in the local communities was a new and organic discourse of female respectability that was tied to industrial work, material independence, and sexual orderliness. Considering their status of single mothers, this research highlights that *mama mabhodini* successfully developed a novel understanding of black female respectability that de-centered marriage and transcended traditional notions of sexuality and gender roles. These aspects are all important social transformations that Newcastle's ethnic Chinese garment production helped to produce in the townships.

Chinese Industrial Diaspora in Africa

Newcastle's ethnic Chinese industrialists, however incoherent from within, constitute an ethnically and culturally distinct community. On the one hand, I treat this community on its own terms, examining its composition and evolution within the historical contexts of apartheid and post-apartheid South Africa. On the other hand, to highlight the broader historical significance of ethnic Chinese industrialists in Africa, I place their business establishments and home-making endeavors within Africa's extended history as a hostland for various diasporas.

Before elaborating upon these two interventions, it is necessary to explain and justify my use of the term "diaspora." Derived from ancient Greek, "diaspora" initially had a restricted meaning, referring principally to the dispersal and exile of the Jewish population in history. Though scholars later adopted it to describe the dispersal of other populations, including the Armenians and the people of African descent, the last two or three decades have witnessed

diaspora being used almost as a synonym for migration.[34] While some insist that diaspora should only apply to involuntary migration, others accept it as an ideal and flexible concept for scattered communities in a global age. As Kevin Kenny suggests, even groups who move voluntarily "can engage in diasporic activities abroad…[and] these connections occur when migrants or their descendants in one country continue to involve themselves economically, politically, or culturally in the affairs of their homeland…and involve the idea of return to a homeland, sometimes literally but more often metaphorically."[35] In other words, more scholars today use diaspora as an analytical device to understand the multilayered connectedness and the dynamic world that increased human migration and new forms of settlement create.

Aware of the risk of being too open-ended, I agree with Robin Cohen on his suggestion that a diaspora needs to have two core building blocks – "inflection of homeland" and "ethnic/religious community."[36] Based on this relatively accommodating definition, Cohen further proposes a categorization of five major ideal types of diaspora. They include victim diaspora (Jews, Africans, and Armenians), labor diaspora (indentured Indians and Chinese), imperial diaspora (British), trade diaspora (Lebanese, Chinese, and Indians), and deterritorialized diaspora (Caribbean peoples).[37] It is within this analytic framework that I place Newcastle's ethnic Chinese industrialists, who represent what I call a new and emerging industrial diaspora in Africa.

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[34] For an excellent discussion of the origins of the term and its changing meaning over time, see Kevin Kenny, *Diaspora: A Very Short Introduction* (New York, NY: Oxford University Press, 2013), 1-15, 87-104.

[35] Kenny, *Diaspora*, 14.

[36] Robin Cohen, *Global Diasporas: An Introduction* (New York, NY: Routledge, 2008), second edition, 1-2, 9.

[37] By the "deterritorialized diaspora," Cohen refers to a diaspora that can to some degree be cemented or recreated through the mind, through artefacts and popular culture, and do not hold strongly articulated exclusive territorial claims. See Cohen, *Global Diasporas*, 8, 18.

Treating Newcastle's ethnic Chinese industrialists as a diasporic community on its own terms has a twofold meaning methodologically. First, this research is grounded in the scholarship on overseas Chinese, which occupies a vast literature by itself.[38] Studies of overseas Chinese in the early years, most prominently in Asian American studies and in research done by Chinese-language scholars in East Asia, emphasizes adaptation in host societies, their economic success abroad, contributions and continued links to the homeland, and in the extreme case, their cultural autonomy and resistance to assimilation.[39] Overall, scholars approached the subject as nation-based histories of migration. More recently, as transnationalism and globalization become more popular in academic writing, new approaches to Chinese migration emerge. Among them, a diasporic perspective that traces links, connections, and patterns between the global and the local is the most promising. Both the transnationalism and traditional globalization approaches have their respective limitations. While the transnationalism approach "implies the priority of nation as the basic units being crossed" and does not sufficiently explain "how the construction of distinct national-cultural units and intermingling of people were different aspects of the same global historical processes," the globalization school is divided between the reductionists who insist "global determines local" and the localists who emphasize how local social structures both "appropriate" and are "transformed by" global flows.[40] To adopt a diasporic perspective,

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[38] The space here does not allow me to exhaust the list. However, important works in this field that have inspired my own research include: Gungwu Wang, "Patterns of Chinese Migration in Historical Perspective", in R. J. May and William O'Malley eds., *Observing Change in Asia: Essays in Memory of J.A.C Mackie* (Bathurst, AU: Crawford House Press, 1989), 33-48; Philip Kuhn, *Chinese Among Others: Emigration in Modern Times* (Lanham, MD: Rowman & Littlefield Publishers, 2008); Aihwa Ong, *Flexible Citizenship: The Cultural Logics of Transnationality* (Durham, NC: Duke University Press, 1999); Adam McKeown, *Chinese Migrant Networks and Cultural Change: Peru, Chicago, Hawaii 1900-1936* (Chicago, IL: The University of Chicago Press, 2001); Yoon Jung Park, *A Matter of Honor: Being Chinese in South Africa* (Lanham, MD: Lexington Books/Rowman & Littlefield Publishers, 2009); and Anshan Li, *A History of Overseas Chinese in Africa to 1911* (New York, NY: Diasporic Africa Press, 2012).
[39] McKeown, *Chinese Migrant Networks and Cultural Change*, 2-3.
[40] McKeown, *Chinese Migrant Networks and Cultural Change*, 4-6, 11.

therefore, is to take "global processes into consideration when understanding migration," and center attention upon "the mutually constitutive relationship of individual, institution, and collectivity."[41]

Inspired by the diasporic perspective, this dissertation pays close attention to the global forces and the roles of specific institutions and individuals. Against the backdrop of the Newcastle story was the ushering in of flexible accumulation in global capitalism from the 1970s.[42] As capital began to search for cheaper bases of production (i.e., the frontiers), deindustrialization in the once industrialized parts of the world became common; new and more flexible forms of accumulation also surfaced. While the generous apartheid incentives in the 1980s and 1990s functioned as a strong pull factor for ethnic Chinese garment firms, in Taiwan and Hong Kong, an increasingly saturated domestic market in the 1970s and 1980s was a forceful push factor as well.[43] Also, what had accelerated their relocation outside of East Asia was the quota policy that the United States, the largest garment market at the time, had imposed on imports from Taiwan and Hong Kong in the 1980s. Similar to what Taipei did in the 1980s, the current Mainland Chinese government and some leading economists in China have been promoting the relocation of its manufacturing overcapacity to the developing world, especially to African countries.[44] Like Chinese migration during the nineteenth century when an

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[41] McKeown, *Chinese Migrant Networks and Cultural Change*, 16, 24.

[42] For more discussion on this, again, see Harvey, *The Condition of Postmodernity*, 121-200. See also Harvey, *A Brief History of Neoliberalism*; and Harvey, *The Enigma of Capital and the Crises of Capitalism*.

[43] Pickles and Woods, "Taiwanese Investment in South Africa"; and Lin, "The Relations between the Republic of China and the Republic of South Africa, 1948-1998."

[44] Justin Yifu Lin, a leading Chinese economist, is a strong proponent of this policy. See, for example, Justin Yifu Lin, "From Flying Geese to Leading Dragons: New Opportunities and Strategies for Structural Transformation in Developing Countries," *Global Policy*, 3, 4 (2012): 397-409; 《为投资非洲树立信心》(To Have Confidence in Investing in Africa),《文汇报》, 2013 年 11 月 6 日; and Justin Yifu Lin and Yan Wang, "China-Africa Cooperation in Structural Transformation: Ideas, Opportunities,

industrializing world economy and colonial empires used outward Chinese labor flows as industrial coolies, the larger global forces continued to shape various aspects of contemporary Chinese diasporic activities.

Acknowledging the role of global forces does not mean that I overlook the importance of particular institutions and individuals. Though this research is more interested in the production models that Chinese clothing firms represent in Newcastle, it pays close attention to the apartheid government, development agencies, and the industrial consultants with whom government agencies collaborated in international marketing. Moreover, this dissertation also acknowledges, through life histories of Newcastle's ethnic Chinese industrialists, the crucial roles played by labor recruiting brokerages in China's coastal cities, who provided Newcastle's ethnic Chinese firms with skilled workers and mechanics. These imported employees from Mainland China soon became management staff and production supervisors in the factories, and many eventually opened their own clothing business in Newcastle. Ultimately, instead of depicting Newcastle's ethnic Chinese industrialists as mere subjects shaped by the global forces and institutions, I highlight the agency of these entrepreneurs. As Chapters 2 and 3 reveal in detail, Newcastle's ethnic Chinese entrepreneurs found novel ways of recreating factory, family, and a sense of community in an alien society. Although they came from very diverse backgrounds in East Asia, Newcastle rendered them a shared path toward business success.

Second, in examining Chinese diaspora, the rapidly expanding scholarship on China-Africa is also highly relevant. Though some scholars still have reservations to regard "China-Africa" as a properly defined field of research, it has undoubtedly become one of the fastest growing subfields in many scholarly disciplines, including anthropology, human geography,

and Finances," in Celestin Monga and Justin Yifu Lin eds., *Oxford Handbook of Africa and Economics Volume 2: Policies and Practices* (New York, NY: Oxford University Press, 2015), 792-812.

history, international relations, and development studies.[45] While the literature on China-Africa is extraordinarily diverse, both thematically and methodologically, and proliferates at an accelerating rate, there have been calls for directing analyses more into the community and individual level of the interactions between Chinese and Africans, "particularly from historical and ethnographic perspectives."[46] Monson and Rupp explained that "such historically grounded and ethnographically specific research allows us to analyze engagement between China(s) and Africa(s) as a flexible and emerging process that links two areas of the globe in ways that are both fundamentally rooted in historical processes and unfolding before our eyes."[47] The bulk of this literature in the past was preoccupied with state-to-state engagement between China and Africa, especially the activities of the Chinese state and Chinese state-owned enterprises in the infrastructural and the mining sectors. However, fascinating and promising research that looks at the everyday interactions has begun to emerge, for example, studies on Chinese traders in the marketplace in Africa, China malls in South Africa, Chinese restaurants in major African cities, Chinese farmers in rural African villages, and African students and traders in China.[48] In

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[45] For a critique on "China-Africa" as a knowledge field, see Ching Kwan Lee, "From Rhetorical to Theoretical Agendas in China-Africa Studies," paper presented at the *Conference on Making Sense of the China-Africa Relationship*, Yale University, New Haven, Connecticut, November 18-19, 2013 (available online at http://china-africa.ssrc.org/making-sense-of-the-china-africa-relationship-think-pieces/). Again, since the China-Africa literature has been too vast to offer a comprehensive list, I will mention specific works as necessary.

[46] Jamie Monson and Stephanie Rupp, "Africa and China: New Engagements, New Research," *African Studies Review*, 56, 1 (2013): 21-44, 22.

[47] Monson and Rupp, "Africa and China," 26.

[48] For works on Africans students and African traders in China, see Adams Bodomo, *Africans in China: A Sociological Study and Its Implications for Africa-China Relations* (Amherst, NY: Cambria Press, 2012); Heidi Haugen, "African Pentecostal Migrants in China: Marginalization and the Alternative Geography of a Mission Theology," *African Studies Review*, 56, 1 (2013): 81-102; and Shanshan Lan, "State Regulation of Undocumented African Migrants in China: A Multi-scalar Analysis," *Journal of Asian and African Studies*, 50, 3 (2015): 289-304. For Chinese traders in Africa, see Yoon Jung Park, "Chinese Migration in Africa," SAIIA Occasional Paper, No. 24, 2009; and Gregor Dobler, "Chinese Shops and the Formation of a Chinese Expatriate Community in Namibia," *China Quarterly*, 199 (2009): 702-27. Also, there are several Ph.D. students in American universities working on, for example, Chinese traders in Tanzania, China malls and restaurants in South Africa. In addition, Howard French's book has discussions on

particular, since such research often takes a deeper look at one particular industry, it offers a shaper analysis of the internal networks among a very diverse group of Chinese or African business people.[49]

While drawing upon this growing scholarship on China-Africa, my project contributes to this expanding literature in two important ways. First, it addresses the conventional tendency of paying attention either to the state-level engagement or to the grassroots migration by highlighting the "middle face" of China-Africa engagement – the small- to medium-sized private enterprises.[50] The economic activities of these private Chinese firms are largely, if not completely, independent of the will of the Chinese state. Moreover, they constitute a dynamic segment in the labor-intensive sector that contributes to job creations in the host societies. Second, while scholars have done sophisticated work on indentured Chinese miners on the Rand in the early twentieth century and the more recent waves of Chinese migration from the late 1990s, my dissertation adds an important but understudied episode of Chinese migration during the apartheid era.[51] Following the excellent example of Jamie Monson's work on the TAZARA

Chinese migrants involving in land purchase and agricultural activities, see Howard French, *China's Second Continent: How a Million Migrants Are Building a New Empire in Africa* (New York, NY: Alfred A. Knopf, 2014).

[49] For a good example on ethnic Chinese business network in Africa with a sectoral focus, see Deborah Brautigam, "Close Encounters: Chinese Business Networks as Industrial Catalysts in Sub-Saharan Africa," *African Affairs*, 102 (2003): 447-67.

[50] Also for the different layers of China-Africa engagement, see Emmanuel Akyeampong and Liang Xu, "The Three Phases/Faces of China in Independent Africa: Re-conceptualizing China-Africa Engagement," in Celestin Monga and Justin Yifu Lin eds., *Oxford Handbook of Africa and Economics Volume 2: Policies and Practices* (Oxford and New York: Oxford University Press, 2015), 762-79.

[51] For works of Chinese miners in South Africa in the early twentieth century, see Rachel Bright, *Chinese Labor in South Africa, 1902-10: Race, Violence, and Global Spectacle* (Hampshire, UK: Palgrave Macmillan, 2013); Tu Huynh, "From Demand for Asiatic Labor to Importation of Indentured Chinese Labor: Race Identity in the Recruitment of Unskilled Labor for South Africa's Gold Mining Industry, 1903-1910," *Journal of Chinese Overseas*, 4, 1 (2008): 51-68; Tu Huynh, "We Are Not a Docile People: Chinese Resistance and Exclusion in the Re-imagining of Whiteness in South Africa, 1903-1910," *Journal of Chinese Overseas*, 9, 3 (2010): 207-12; Peter Richardson, *Chinese Mine Labor in the Transvaal* (London, UK: Macmillan Press, 1982); and Melanie Yap and Dianne Leong Man, *Color, Confusion and Concessions: The History of the Chinese in South Africa* (Hong Kong, CHN: Hong Kong

Railway, my research seeks to show how an apartheid project that was reliant upon ethnic Chinese industrialists has transformed a South African town and the lives and livelihoods of its residents over the past three decades.[52] Invited by the apartheid government to facilitate its industrial decentralization scheme in the early 1980s, ethnic Chinese entrepreneurs and their factories have had long-lasting impacts on local industries, the working class women, and themselves as a diasporic community. To approach the subject from the Chinese diasporic perspective has tremendous strength in investigating such legacies.

The story of Newcastle's ethnic Chinese industrialists also reveals the broader historical processes in which Africa served as a receiving continent to various diasporas. Though apartheid South Africa imposed many restrictions on foreign migrations, the establishment and subsequent uneven growth of ethnic Chinese clothing industries in Newcastle reflects the changing landscape of investment in Africa. On the one hand, industrial infrastructures from the apartheid period continue to serve the productive activities of Newcastle's ethnic Chinese firms, and the former relocation townships nearby continue to provide the industries with cheap black female labor. On the other hand, the new dispensation in South Africa after 1994 and the ever-intensifying international competition also forced Chinese entrepreneurs in Newcastle to employ creative ways of organizing their family businesses.

University Press, 1996). Karen Harris has also been working on the early history of Chinese traders and freemen in South Africa. See, for example, Karen Harris, "Chinese Merchants on the Rand c. 1850-1910," *South African Historical Journal*, 33 (1995): 155-68; and Karen Harris, "Paper Trail: Chasing the Chinese in the Cape, (1904-1933)," *Kronos*, 40, 1 (1995): 133-53. For works of more recent Chinese migration in South Africa, see Park, "Chinese Migration in Africa"; and Philip Harrison, Khangelani Moyo, and Yan Yang, "Strategy and Tactics: Chinese Immigrants and Diasporic Spaces in Johannesburg, South Africa," *Journal of Southern African Studies*, 38, 4 (2013): 899-925. Yap and Man's book (*Color, Confusion and Concessions*) has sections on the Taiwanese industrialists, but very brief.
[52] Jamie Monson, *Africa's Freedom Railway: How a Chinese Development Project Changed Lives and Livelihoods in Tanzania* (Bloomington, IN: Indiana University Press, 2011).

Certain similarities exist between historical, foreign trading diasporas in Africa –

Lebanese in West Africa and South Asians in East Africa – and the ethnic Chinese community in

Newcastle. [53] While there were no direct state-backed components in the origins and subsequent

dispersal of Lebanese and South Asians in Africa, colonial governments eventually came to

adopt Indians and Lebanese as auxiliaries.[54] Likewise, the ethnic Chinese industrialists in South

Africa arrived in the early 1980s under Pretoria's official invitation and, due to their economic

value to the apartheid state, received the so-called "honorary whites" status.[55] In addition, the

internal diversity in terms of places of origins, religions, and other cultural traits is a feature

shared amongst all three diasporas. For instance, Newcastle's ethnic Chinese industrialists came

from places such as Hong Kong, Taiwan, Singapore, and Mainland China, and carried with them

distinctive backgrounds and different approaches toward operating a business.

Nevertheless, certain elements about the Chinese diaspora in Newcastle stand out in

comparison to historical immigrant groups in Africa. The biggest distinction is that unlike

traditional immigrant groups in Africa including earlier waves of Chinese migrations to South

Africa, who served primarily as traders and indentured laborers in history, the Chinese in

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[53] For important historical analyses on South Asians and the Lebanese in Africa, see Abdul Sheriff, *Dhow Cultures of the Indian Ocean: Cosmopolitanism, Commerce, and Islam* (London, UK: Hurst, 2010); Gijsbert Oonk, *The Karimjee Jivanjee Family: Merchant Princes of East Africa 1800-2000* (Amsterdam, Netherlands: Pallas Publications, 2009); Dana A. Seidenberg, *Mercantile Adventurers: The World of East African Asians 1750-1985* (New Delhi, India: New Age International, 1996); Emmanuel K. Akyeampong, "Race, Identity and Citizenship in Black Africa: the Case of the Lebanese in Ghana," *Africa*, 76, 3 (2006): 297–323; and Albert Hourani and Nadim Shehadi eds., *The Lebanese in the World: A Century of Emigration* (London, UK: Centre for Lebanese Studies in association with I.B. Tauris, 1992).
[54] Akyeampong and Xu, "The Three Phases/Faces of China in Independent Africa," 776.
[55] "Honorary Whites" was a treatment that the Japanese had received first in South Africa. Because of their small population, many ethnic Chinese in practice also benefited from this. In the 1980s, since the Taiwanese and Hong Kongese were invited industrialists, they received formal official privileges. On this development, see Osada Masako, *Sanctions and Honorary Whites: Diplomatic Policies and Economic Realities in Relations between Japan and South Africa* (Westport, CT: Greenwood Press, 2002), 145-64.

Newcastle constitute an emerging industrial diaspora.[56] This project shows that apartheid policies, post-apartheid political, social and economic realities, and the agility and creativity of Chinese family businesses are all important contributing factors in the making of such an industrial diaspora. It is true that other diaspora groups in Africa managed to establish industrial family businesses in the twentieth century, for example, the Chandaria family in Kenya and the Gupta family in South Africa. While the colonial governments imported indentured laborers to tap the natural resource endowments in Africa, including minerals and sugar plantations, industrial giants such as Chandaria and Gupta also began their businesses in metal production that exploited Africa's minerals and (predominantly male) labor. What distinguishes Newcastle's ethnic Chinese industrialists is that they came to make use of a distorted form of human resources, the forcefully relocated population in the black homelands, especially black women. While the family, and within it the division of labor by gender and generation, have always been a central platform for organizing business amongst the diasporas, this research, however, documents the multiple and evolving forms of family enterprise among Newcastle's ethnic Chinese, who constitute not only an industrial diaspora but also one in a particular industry – the clothing business.

<u>Edge of Capital</u>

Black African women's incorporation into industrial work and the emergence and growth of industrial Chinese diaspora in Africa both have particular causes and entail distinct trajectories. However, they are intimately intertwined, not only because black African women

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[56] It needs to be pointed out here that the British brought over 60,000 indentured Chinese miners to Johannesburg in the early twentieth century. For two good books on this subject, see Richardson, *Chinese Mine Labor in the Transvaal*; and Bright, *Chinese Labor in South Africa, 1902-10.*

and ethnic Chinese industrialists share the same working space as employees and employers in Newcastle, but also more importantly because they represent two different sides of one single phenomenon that is capitalist production on the frontier. While the history of industrial capitalism has always been a globe-spanning process since its inception, the last forty years witnessed for the first time a phase in which capitalists could cross national boundaries with ease in search of cheaper labor.[57] This is the broader global context in which I situate the story of Newcastle.

The section title, "Edge of Capital," suggests a threefold purpose of this study. First of all, it refers to the distant geographic frontier of the border areas of black KwaZulu homeland, which itself was an invention of apartheid made through political maneuvering and forced relocations of the country's African population. Though the artificial boundaries between the white towns and the former black homelands are no longer legally binding demarcations, the apartheid geography continues to mark the disparate material realities of the two separate worlds. Informal and overcrowded settlements, inadequate public facilities and services, and the lack of employment and development still characterize the country's black townships. Second, the term "edge" also refers to the time frontier of a particular apartheid moment. Although the research scope of this dissertation extends to the present time of post-apartheid South Africa, it starts at a time when South Africa was a pariah state in the international community and was, therefore, isolated from major sources of international capital and industrial investment. Ethnic Chinese industrialists from East Asia were amongst those lured by the apartheid government for these border industry developments. Third and finally, edge also refers to the peripheral nature of my chosen participants. On the one hand, ethnic Chinese small family businesses represent one of

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[57] A brilliant case study on capitalist production's globe-spanning process, see Sven Beckert, *Empire of Cotton: A Global History* (New York, NY: Alfred Knopf, 2014).

the most flexible forms of capitalist enterprises today. They are not the rule makers and they survive at the very low-end segment of global manufacturing. On the other hand, from a historical perspective, black women are on the lowest rung of the labor hierarchy demographically. *Mama mabhodini* are the newest and perhaps the last entrants to modern factories.

In many ways, what took place in Newcastle's Chinese garment factories repeats the old pattern of primitive accumulation that Karl Marx vividly described a century and half ago.[58] As the subsequent chapters show, though to varying degrees, coercion, low wages, violence, and the entrenched inequality between the haves and have-nots are but part of the industrial transformation in Newcastle. For scholars who call for a progressive form of capitalism in Africa (the so-called "African capitalist mode") and, in particular, a simultaneously democratic and developmental state in South Africa, the Newcastle model certainly should not represent South Africa's industrial future.[59] Nevertheless, in reality, it offers a partial glimpse of what industrialization might look like for the majority of the country's poor. On their way to higher levels of industrial development, African countries are likely to receive increasing foreign investment, interact with various alien industrial cultures, and, for the near future at least, experience the path of labor-intensive and low-wage industrialization, which had taken many other countries and regions to achieving significant economic progress.

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[58] Robert Antonio ed., *Marx and Modernity: Key Readings and Commentary* (Malden, MA: Blackwell, 2003), especially "The Secret of Primitive Accumulation," 79-81.
[59] On "African capitalist mode," see David Moore, "Coercion, Consent, and the Construction of Capitalism in Africa: Development Studies, Political Economy, Politics and the Dark Continent," *Transformation: Critical Perspectives on Southern Africa*, 84 (2014): 106-31.
On the democratic and developmental state, see Vishnu Padayachee ed., *The Development Decade: Economic and Social Change in South Africa, 1994-2004* (Cape Town, SA: Human Sciences Research Council Press, 2006).

Through a close examination of the dynamic relationship between family and factory, this dissertation also attempts to advance our understanding of contemporary capitalist operations by revealing new phenomena taking placing in Newcastle's ethnic Chinese garment plants. In particular, I refuse to take an essentialist and static interpretation of family. This research shows how Chinese family businesses reproduce themselves through "production couples" without necessarily involving multi-generational or nuclear family structures.[60] Furthermore, the extent to which existing diasporic social networks are able to incorporate such radical forms such as production couples shows the fluidity of family as a platform for business among the diasporas. It is noteworthy that the centrality of family as a form of organizing business among the diasporas is widely acknowledged.[61] However, the ways in which family gets invented, how ethnic Chinese in Newcastle compressed and reconstituted themselves into new relations that resemble families, and the extent to which the sanctity of these relationships is respected as such are unusual. Equally important, the ways in which Zulu women workers used and reinvented existing forms of familial, kinship, and communal support also reveal to us a nondichotomous relationship between capital and culture, showing how the social and cultural construction of gender and family is inherent to the material workings of capitalist production.

This dissertation forces us to re-theorize capital frontiers. To do so, this research draws insights from four different but interrelated strands of scholarship. First, historical research on

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[60] A production couple refers to a female line supervisor and a male mechanic forming a stable boyfriend-girlfriend relationship, who then spin off from their employers and open their own business. They may each have their own spouses back in China but are publicly recognized as business and sexual partners in Newcastle. For more discussion on this, see Chapter 3. It is worth mentioning here that such partnership is responsible for the rapid proliferation of the CMT (cut, make, and trim) plants in Newcastle over the last ten to fifteen years.

[61] For example, see Ong, *Flexible Citizenship*; Sylvia Junko Yanagisako, *Producing Culture and Capital: Family Firms in Italy* (Princeton, NJ: Princeton University Press, 2002); and Akyeampong, "Race, Identity and Citizenship in Black Africa." Also, for a good discussion on family capitalism, see Geoffrey Jones and Mary Rose, "Family Capitalism," *Business History*, 35, 4 (1993): 1-16.

frontier societies and communities have long suggested the central role of the frontier in shaping and transforming social formation processes and revealing and understanding the character of the established societies.[62] Close-up examination of the frontier, in other words, serves as a key to gaining a deeper knowledge of the larger trends at stake. Second, within the expanding literature on imperial studies in the last ten to fifteen years emerged significant works on the edges of empires where we begin to see the making of particular groups or classes of business elites, cultural collectors, and counter-insurgency military experts.[63] The experiences of Newcastle's ethnic Chinese industrialists and Zulu factory women, with all their particularities, are intimately related to their shared peripheral status in global manufacturing. Though in a general sense both groups were products of the capital frontier, they were also active shapers of that frontier.

The third is a vast literature on globalization.[64] In Africa, the big global capitalist fish often prefers to hop in and hop out of mining compounds and metropolitan urban centers in Africa, engaging in what scholars call "socially-thin" transactions.[65] We have very limited understanding of how those involving relatively small amounts of capital navigate and perform in the age of flexible accumulation.[66] Though there are interesting studies of the low-end

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[62] Frederick Jackson Turner, *The Frontier in American History* (Tucson, AZ: University of Arizona Press, 1986); Igor Kopytoff ed., *The African Frontier: The Reproduction of Traditional African Societies* (Bloomington and Indianapolis, IN: Indiana University Press, 1987), 1-82.

[63] Good exemplar works include: Caroline Elkins, *Imperial Reckoning: The Untold Story of Britain's Gulag in Kenya* (New York, NY: H Holt, 2005); Maya Jasanoff, *Edge of Empire: Lives, Culture, and Conquest in the East, 1750-1850* (New York, NY: Alfred A Knopf, 2005); and John M. Carroll, *Edge of Empires: Chinese Elites and British Colonials in Hong Kong* (Cambridge, MA: Harvard University Press, 2005).

[64] While this is a vast literature, important works that inspire this dissertation include James Ferguson, *Global Shadows: Africa in the Neoliberal World Order* (Durham, NC: Duke University Press, 2006); Gordon Mathews, *Ghetto at the Center of the World: Chungking Mansions, Hong Kong* (Chicago, IL: University of Chicago, 2011); Immanuel Wallerstein, *World-Systems Analysis: An Introduction* (Durham, NC: Duke University Press, 2004); and Jean Comaroff and John Comaroff, *Theory from the South: Or, How Euro-America Is Evolving toward Africa* (Boulder, CO: Paradigm Publishers, 2012). David Harvey's works cited earlier are also important.

[65] Ferguson, *Global Shadows*, 38, 47.

[66] On flexible accumulation, see Harvey, *The Condition of Postmodernity*, 121-200.

globalization that depict the adventures and experiences of small traders who have made their success in the semi-periphery of the capitalist world, scholars are yet to probe into the day and night of the small manufacturers on the frontiers.[67] Newcastle in South Africa offers a particularly concentrated milieu for such an intellectual investigation.

Fourth and last, there is also a regional literature of capitalism on the margins in southern Africa, primarily works done by anthropologists. Recognizing southern Africa as a region in which prominent mining industries dominated past economies, scholars have begun to produce significant research on more marginal sectors, including white border farms and informal economies.[68] While facing the dual predicament of violence and increasing job insecurity at workplaces, black workers responded by either making workplaces as "lifeplaces" that give a degree of stability or resorting to what James Ferguson calls "the declarations of dependence."[69] However, on the one hand, little is done about the precarious working condition in small- to medium-sized manufacturing factories and, especially, how factory women recreate family and community and ascribe meanings to work. On the other hand, scholars often assume an insurmountable gap between the capitalists and the working class, overlooking the commonalities that the two parties share in the course of material and emotional survival.

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[67] On "the low-end globalization," see Mathews, *Ghetto at the Center of the World*.

[68] For example, see Maxim Bolt, *Zimbabwe's Migrants and South Africa's Border Farms: The Roots of Impermanence* (Cambridge, UK: Cambridge University Press, 2015); Blair Rutherford, *Working on the Margins: Black Workers, White Farmers in Postcolonial Zimbabwe* (London, UK: Zed Books Ltd, 2003); and Tim Gibbs, "Becoming a 'Big Man' in Neo-liberal South Africa: Migrant Masculinities in the Minibus-Taxi Industry," *African Affairs*, 113, 452 (2014): 431-48.

[69] Bolt, *Zimbabwe's Migrants and South Africa's Border Farms*; Maxim Bolt and Dinah Rajak, "Introduction: Labor, Insecurity and Violence in South Africa," *Journal of Southern African Studies*, 42, 5 (2016): 797-813; James Ferguson, "Declarations of Dependence: Labor, Personhood, and Welfare in Southern Africa," *Journal of the Royal Anthropological Institute*, 19, 2 (2013): 223-42; and James Ferguson, *Give a Man a Fish: Reflections on the New Politics of Distribution* (Durham, NC: Duke University Press, 2015).

Therefore, this dissertation allocates equal weight to both the ethnic Chinese industrialists and the Zulu women workers.

Ultimately, what we see in places like Newcastle, rebuts what people like Immanuel Wallerstein have proposed, pointing at the most recent industrial relocation from China to poorer regions as "the end of the road" for modern world capitalist system.[70] In fact, if anything, this dissertation shows that industrial dispeprsion to the last frontiers is not the "end of the road" but capital on the edge of reinventing itself by reshaping factories, families, and communities. And perhaps, in Newcastle, we are witnessing yet only the beginning of another phase of capitalism. As the world celebrates the rise of Africa as a region with the biggest growth potential in the twenty-first century, this research presents a historically and ethnographically grounded case for reflection.[71] As I concluded my field research in 2016, Newcastle's ethnic Chinese clothing factories continued to face organized labor actions and rising statutory minimum wages. If South Africa could achieve the so-called "employment-intensive growth," it would require more effective state support to light manufacturing and a broader base of social accord between the employers and workers.[72] At the end of the day, Newcastle's ethnic Chinese industrialists and their Zulu women workers are in the same boat.

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[70] Immanuel Wallerstein, "End of the Road for Runaway Factories," 2013 (available at: http://iwallerstein.com/road-runaway-factories/). Last accessed on July 15, 2016. For a more thorough discussion on the potential end of capitalism, see also Wolfgang Streeck, *How Will Capitalism End? Essays on a Failing System* (Brooklyn, NY: Verso, 2016), 47-72.

[71] See for example, McKinsey Global Institute, *Lions on the Move: The Progress and Potential of African Economies* (Washington, DC: McKinsey Global Institute, 2010). See also "Africa Rising," *The Economist*, December 3, 2011.

[72] For critiques of the current minimum wage requirement in the clothing sector, see Nattrass and Seekings, "Job Destruction in Newcastle"; Nicoli Nattrass and Jeremy Seekings, "High Minimum Wage Hikes Will Lead to Job Destruction," *BDLive*, December 8, 2015; and Nattrass and Seekings, "Institutions, Wage Differentiation and the Structure of Employment in SA." On the importance of the so-called employment-intensive growth, see Anthony Black ed., *Towards Employment-Intensive Growth in South Africa* (Cape Town, SA: University of Cape Town Press, 2016).

Sources and Methodology

As this dissertation attempts to recover a story of industrialization from three distinctive perspectives of the state, ethnic Chinese industrialists, and Zulu women workers, it mediates among a variety of historical sources. Records from the Newcastle City Record Office in Newcastle and the Buthelezi Museum and Documentation Center in Ulundi are the most critical written documents for this research. I also used printed and archival materials from various archives as important complementary sources on evolving apartheid policies as well as on regional development issues in KwaZulu-Natal. These complementary archives include the Central Archives in Pretoria, the Ulundi Archives Repository in Ulundi, the Natal Room Collection at the Alan Paton Center in Pietermaritzburg, and Government Publications at the University of Cape Town Libraries.[73]

In particular, files at the Newcastle City Record Office offered a unique window onto specifics of the marketing campaign that the Newcastle Town Council launched in the late 1970s. While it is well known to scholars that many local development agencies in South Africa had resorted to the Asian Strategy for investment recruitment during the 1980s under apartheid, this research is the first one to uncover both the actual implementation and the challenges of the Asian Strategy. In doing so, I read and translated the Afrikaans materials at the Newcastle City Record Office that no other researchers had previously utilized. Also, archives at the *Newcastle*

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[73] Though there is no specific reference to some of these archives in the final version of this dissertation, they are very useful materials that have helped me to gain a more complete understanding of issues related to this project. For example, I have found and consulted files (up to the 1970s) about discussion of regional development in KwaZulu in the Central Archives in Pretoria, files on South Africa's political transition in the early 1990s and its potential economic impacts on the Archives Repository in Ulundi, and files on the Inkatha Institute in the Natal Room Collection at the Alan Paton Center in Pietermaritzburg. Since the focus of this dissertation is on the factories and workers, I decided not to include these materials.

Advertiser headquarter in Newcastle contain useful news reports that revealed public perceptions and concerns about local development during the 1980s and 1990s.

To reconstruct the recent past, I have also employed sources that are less common in historical analyses. This dissertation takes on the challenge of writing about contemporary South African rural towns in historical perspective. It relies heavily on interviews and life history narratives as a primary source of evidence. I understand that accounts of experience, especially those recounted in the form of a life story, are in fact reconstructions of the self in the past that serve specific purposes in the present. Therefore, I use personal testimonies from such oral materials to understand experiences and contexts. I also conducted detailed ethnographic observations of the daily operations on the shop floor in Chinese clothing factories. During my field research in South Africa, I completed more than a hundred interviews with former and current government officials, KFC managers, trade union representatives, ethnic Chinese industrialists, and African factory workers.

Though I have two years of training in isiZulu as a graduate student at Harvard, I decided to collaborate with a local isiZulu speaker who grew up and lived in Madadeni as my research assistant.[74] Aware of my own racial and cultural identity, I would first initiate introductory meetings – usually lasting between five and ten minutes – to establish trust with women workers. During such initial conversations, I would seek the prospective interviewee's consent and then agree upon a fixed date when my research assistant and I would come back to conduct a sit-down, two-hour oral history interview in isiZulu (occasionally in Sesotho). We intentionally chose to do such interviews at the interviewees' homes either during after-work hours or on

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[74] My assistant is a Zulu man in his mid-twenties, who went to a local college in Newcastle and, at the time of my research, was unemployed. He was born and raised in Madadeni, knows about the communities, and was a great help for me to establish trust with the locals.

weekends so that they could feel comfortable in a familiar and relaxing environment. Over the

course of my time in Newcastle, I conducted forty-five such interviews, which became

invaluable sources of Zulu factory women's work experience and life trajectories that would

otherwise have been impossible to uncover.[75]

Structure

This dissertation eschews a rigid temporal sequence. I do so partly because the time

frame under examination here is rather recent, namely, from the 1970s to the present. Instead, I

divided the dissertation into thematic chapters that deal respectively with three groups of actors

belonging to the same story: the Newcastle government (Chapter 1), ethnic Chinese industrialists

(Chapters 2 and 3), and black South African female workers (Chapters 4 and 5). Structuring

chapters thematically rather than chronologically allowed all three groups of actors to speak in

their own voices. These three intersecting threads of history constitute a larger and integrated

narrative about global manufacturing.

Chapter 1 begins with a brief introduction of Newcastle as a model white border town

under apartheid and its early history of industrial development. The story really begins in the

second half of the 1970s. At this time, the initial optimistic growth outlook disappeared due to

the parastatal steel producer Iscor's decision not to expand and the nation's general economic

downturn. Drawing from the Newcastle City Record Archives and other archival materials, the

chapter then reconstructs the origins, models, and practices of Newcastle's efforts to promote the

town as an attractive site for new industries. It shows how the Newcastle Town Council took

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[75] While my interviewees are almost entirely Zulu women, I also communicated with a dozen of and
interviewed several Zulu men in the townships. Some of these men also worked in Chinese clothing
factories.

inspiration from domestic and foreign models and experiences in industrial marketing before 1984, when the Council determined to turn to East Asian industrialists. Though Newcastle and its neighboring black township, Madadeni, were treated unfavorably under the Regional Industrial Decentralization Plan (1982-1996) and later within the KwaZulu/Natal regional framework, the Council made the city an attractive destination for many small to medium-sized industrialists, the most prominent among whom were clothing firms owned by ethnic Chinese from East Asia. Instead of perceiving it as a marginal town, members of the Council proclaimed that Newcastle "offers the best of two worlds," which provided, respectively, modern industrial facilities and cheap black workers.[76]

While the Newcastle experience offers a compelling case for developmentalism of the local state, Chapter 1 also showcases the changing relationships between race, production, and geography in South Africa.[77] The creation of black townships and the establishment of Iscor exemplified the older geography of production through which the state and capital had kept the black population separate from but within the reach of white settlement and industries. While Newcastle's rise as a clothing mecca in the 1980s and early 1990s built upon this existing geography, it also modified the pattern by introducing Chinese light-manufacturing capital and relying on the black female labor close by. Whilst regional autonomy became more pronounced in South Africa from the mid-1990s and the provincial government came to the forefront in economic development, the geographical focus shifted away from the border areas to more prominent urban centers and coastal cities, which presented a significant challenge for Newcastle, unable to promote itself as an attractive destination for major foreign investment.

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[76] "Newcastle's Potential Spotlighted," *Newcastle Advertiser*, September 6, 1985.
[77] Recent scholarship has been trying to recapture developmentalism in the South African state. I will cite and discuss important works on this in Chapter 1.

Chapter 2 proceeds to examine Newcastle's ethnic Chinese garment factories and their production models. Notwithstanding the general perception of Chinese factories in South Africa as exploitative sweatshops, scholars and mass media use ethnic Chinese industrialists in a unitary fashion and treat them as a black box due to the lack of access to the community and data. Drawing upon my personal acquaintances with Newcastle's ethnic Chinese industrialists, I unpack this black box by distinguishing among three subgroups of ethnic Chinese firms in town. They include the Hong Kongese exporters, the Taiwanese knitting firms, and the Mainland Chinese CMT (cut, make, and trim) plants. More specifically, I discuss in detail the particular forms of garment production that each subgroup came to represent. In so doing, this chapter, first, counters the notion of the Chinese factory as a homogeneous term and shows that although all three subgroups were family enterprises, they featured different forms of familial arrangements. Second, it reveals that the legacies of apartheid policies, international competition in the clothing production, and the flexibility of Chinese family business made possible the emergence of an industrial Chinese business diaspora in Africa.

Based on the tripartite family-firm categorization, Chapter 3 emphasizes the fragility of Newcastle's ethnic Chinese garment business and documents the flexible strategies that Newcastle's Chinese factories deployed to survive against an increasingly hostile industrial and regulatory environment. In addition to a microscopic investigation of their business operations, this chapter also pays close attention to emerging forms of familial arrangement in ethnic Chinese family enterprises by underscoring the significance of the production-couple partnerships in which Chinese male mechanics and female supervisors spun off from their employers and formed new businesses. Through an examination of the business and cultural logics of such transformations, my analysis rejects an essentialist interpretation of culture and

capitalism and reveals how Chinese business diaspora adaptively used cultural resources to facilitate and refashion material accumulation.

Drawing on oral evidence and ethnographic observation, Chapter 4 reconstructs industrial discipline and Zulu women workers' resistance in Newcastle's Chinese garment factories. The chapter first gives a brief history on the incorporation of black South African women into industrial work and underscores the historical significance of Zulu women's entry into Newcastle's Chinese factories. It then discusses how ethnic Chinese factory owners, frustrated and unable to invoke kinship and communal ties, adopted the dual strategy of discipline through openly coercive measures and the use of Basotho migrants as model workers. Subsequently, it illustrates Zulu women's everyday tactics of defiance in the workplace. Through verbal resistance, work disruption, and the moral economy of factory mothers, Zulu women workers expressed defiance of modern capitalist discipline and defended their autonomy, dignity, and solidarity.

While Chapter 4 focuses on Zulu women workers' experiences on the shop floor, Chapter 5 moves its focus outside of the factory premises and traces changes in their lives and livelihoods in the townships. It shows how, over the last three decades, Zulu women workers managed to reproduce their labor on the daily basis under difficult economic conditions. Like the ethnic Chinese entrepreneurs, industrial Zulu women resorted to similar survival and reproduction strategies by reshaping familial arrangements and nurturing communal support from broader networks. The stabilization of female-linked families and the formation of numerous communal saving clubs (*stokvels*) were the two most prominent approaches that Zulu women workers have adopted. The reproduction of Zulu factory women would not be attainable without their

engagement with other female members within the extended family structure and participation in informal communal institutions.

In addition to the synthesis of arguments presented in earlier chapters, the dissertation concludes by revisiting the central theme of capital on the edge. Using three different Chinese clothing firms that embody three distinct management practices, the concluding chapter recaptures the ways in which capital reinvents itself on industrial frontiers. While both Chinese industrialists and Zulu women found novel forms of familial arrangement to make low-wage manufacturing factories sustainable under difficult circumstances, multiple industrial disciplinary measures and resistance tactics also emerged. What I have tried to show in this dissertation is that by looking at local Afrikaner government officials, ethnic Chinese industrialists, and Zulu women workers, we begin to reveal nuances of both the larger shaping forces and the agency of historical actors. Through their inventiveness, flexibility, and strength, the three sets of characters have proven that they are not passive victims shaped by the larger forces but active shapers of Newcastle as an industrial frontier.

CHAPTER 1: PROMOTING NEWCASTLE

CHAPTER 1
PROMOTING NEWCASTLE

It was September 27, 2015, when I met with Ferdie Alberts for our third and last interview. A veteran industrial promoter in the Newcastle Municipality, Alberts had a cheerful manner and possessed both humor and optimism, which have certainly been assets contributing to his long-time success in recruiting businesses for the town. As our conversation progressed, Alberts, however, expressed his deep frustration about an upcoming mission to China. He said:

> To be honest, I even don't know what to sell to the Chinese under the current circumstances. For things to work here in Newcastle, the previous subsidy, in one form or another, has to come back. Crime rates are high, labor is not cheap any longer, and the trade union is ever more aggressive. How do I convince them [prospective Chinese investors] to come and invest? What's the point for me to go while I know the mission is bound to fail? I really hope that such discussions [on local industrial incentives] will be picked up soon within the government circles.[78]

Apparently, Newcastle loses its attractiveness to foreign investors without incentives, especially now that labor is no longer cheap or unorganized. Alberts also disapproved the lack of commitment among government officials responsible for recruiting investment. On comparing Newcastle's international promotion campaigns of the old days and the present, he added:

> Nowadays, officials going out for investment recruitment regard international travels as glorified holiday trips that they feel entitled to enjoy. Officials today are not committed to doing the actual investment recruitment…even worse, no follow-up actions are taken after such trips.[79]

Alberts' worries about Newcastle losing its appeal as a destination for foreign investment is genuine and broadly shared within the local policy community. His remarks also convey a particular kind of nostalgia, sentiments of disapproval and disappointment of the contemporary social and economic realities in the region. In today's South Africa, there are reasons that give

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[78] Interview with Ferdie Alberts, Newcastle, September 27, 2015.
[79] Ibid.

rise to longings for certain aspects of lives of the apartheid past, even amongst black South

Africans.[80] For people like Alberts, an Afrikaner, referring to the past with appreciation has little

to do with supporting the racial oppression in the old political system. Instead, he speaks of the

"old days" from a developmental angle. The old days, at least from Alberts' perspective, were a

time when the governments (central and local) invested proactively in improving industrial

infrastructure, a time when industrial subsidies worked, and recruitment of foreign investment

was done in a targeted and effective manner, and a time when growth and development seemed

attainable.

Having served in the Newcastle government since the mid-1980s, Alberts is a living

history book of the ebbs and flows of the town's industrial development from the waning years

of apartheid to the present. After working as an assistant to two former officials in charge of

foreign investment recruitment for many years, Alberts now leads the Newcastle Municipality's

Economic Development Unit. He is the capable "China hand" in town, respected widely by his

colleagues in the government as well as by the local community at large. Due to his many years

of interaction with Chinese investors and his numerous trips to East Asia, Alberts could

pronounce Chinese province and city names with decent clarity and precision and could even use

Chinese phrases to protect himself from being pushed to drink at parties with Chinese

businessmen. The rumor extends his abilities: "Ferdie speaks fluent Chinese," several of his

colleagues informed me. Despite exaggerations, Alberts is still to date the go-to person for

Newcastle's ethnic Chinese entrepreneurs. Alberts regards with fondness his unusual and

persistent friendship with this group of Asian industrialists. Perhaps partially intrigued by

researchers like me who came to ask about his past experiences, his retirement plan is to write a

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[80] See, for example, Jacob Dlamini, *Native Nostalgia* (Auckland Park, SA: Jacana, 2009).

book about his Far Eastern travels to document and reflect upon both the victorious and the

unhappy moments in his career.

Indeed, Newcastle's path toward establishing itself as an industrial town and attractive

destination for Chinese investment has been uneven. This chapter draws on the Newcastle City

Record archives and other documental and oral materials to reconstruct the origins, models, and

practices of Newcastle's efforts to promote itself as an attractive site for industrial investment

under apartheid. It delineates four qualitative periods between 1978 and 2016 in terms of

promotion strategies and achievements. The Newcastle Town Council's execution of the Asian

Strategy since 1983 had transformed the town from a place known for its mining and heavy

industries into a prominent site of low-wage, labor-intensive garment manufacturing, reliant

upon ethnic Chinese industrialists and Zulu women.[81] The story being told, however, often

sounds all too triumphant and truncated, treating the Asian linkages less as a historical process.

Therefore, this chapter attempts to contribute to our understanding of this historical

process in three ways. First, it highlights the unevenness of the development journey upon which

Newcastle embarked beginning in the late 1970s. Contrary to the extant scholarship that

emphasizes changes after 1983, it shows the significance of the period between 1978 and 1982,

when Newcastle started to formulate its promotion strategies. Second, it pays close attention to

the decisions and actions taken by key individuals, institutions, and industries that were central to

the making of Newcastle as it is today. It shows from the late 1970s to the mid-1990s, apartheid

policies, local government initiatives, and transnational linkages with global manufacturing

industries made Newcastle a convincing case for the formation of a particular kind of

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[81] Todes, "Restructuring, Migration and Regional Policy in South Africa"; and Hart, *Disabling Globalization*.

developmentalist local state.[82] Third and most important, it shows the changing relationship

between race, production, and geography in South Africa. While Newcastle owed its growth in

the 1970s to the apartheid geography of production, the economic downturn since the second

half of the decade and the increasing international isolation in the 1980s modified that older logic

of production through invitation of foreign industrialists from East Asia and the use of female

black labor. Nevertheless, the lapse of state incentives in the early 1990s and the subsequent

regional restructuring in KwaZulu-Natal made Newcastle less prominent for industrial

investment compared to industrial zones near major cities or ports like Durban and Richards

Bay.

A Model Apartheid Border Town (pre-1978 period)

Newcastle, now the largest town in northern KwaZulu-Natal Province, is situated in the

picturesque foothills of the famous Drakensberg Mountains along the Ncandu River. It is an area

where the Zulu people lived for centuries before the British settlers in Natal named it Number II

Post Halt for traveling carriages in the late 1840s. In 1863, Dr. Sutherland, then the Surveyor-

General to the Natal Government, proposed that "the neighborhood of the township" be called

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[82] Developmental state as an analytic term was propagated by Chalmers Johnson's classic work on Japan,
see Chalmers Johnson, *MITI and the Japanese Miracle* (Stanford, CA: Stanford University Press, 1982).
South Africanist scholars have showed growing interest in developmental state over the past decade.
Among them, Bill Freund is the most notable. See Bill Freund, "A Ghost From the Past: The South
African Developmental State of the 1940s," *Transformation: Critical Perspectives on Southern Africa*,
81/82, 1 (2013): 85-114; Padayachee *The Development Decade*; Bill Freund, "South Africa: A
Development State," paper presentation at Economic History/Development Studies, University of
KwaZulu-Natal, Durban, 2006 (available at
http://ccs.ukzn.ac.za/files/freund%20developmental%20state.pdf); and Bill Freund, "South Africa: A
New Nation-State in a Globalising Era," *Transformation*, 56, 1 (2004): 41-52. For a useful theoretical
reflection of a more regional focus, see Ben Fine and Colin Stoneman, "Introduction: State and
Development," *Journal of Southern African Studies*, 22, 1 (1996): 5-26.

"Newcastle" after the Secretary of State for the Colonies, the Duke of Newcastle.[83] It was an interesting coincidence that, like the Newcastle in northern England, South Africa's Newcastle also has large deposits of coal.[84] The discovery of the mineral endowment in the 1880s gave a significant boost to Newcastle's early development as an important industrial town in the region. In 1918, J. K. Eaton established the Newcastle Iron and Steel Works, which African Metals Corporation (Amcor) later purchased in 1937.[85] Amcor was the town's largest industry for the next three decades. This first round of raw material-based industrialization produced slow but steady growth in Newcastle until the late 1960s.

After the National Party took power in South Africa in 1948, apartheid laws and executive actions proliferated.[86] One crucial executive action was the relocation programs for the country's African population, also known as forced removals. The relocation programs were part of a policy of deliberate dispossession of the black people in the country. Under the relocation programs, blacks were forced to move out of white areas either into impoverished, overcrowded, rural regions (the ten Bantustans) or to small separate group areas in the cities. The process was one in which many blacks were not only stripped of their land but also of their South African citizenship. Because there were no homeland areas in northern Natal, the South African Development Trust had to purchase from nearby white farms large tracts of land for the relocation of black people removed from nearby areas in northern Natal.[87] As a result of such purchases, Madadeni and Osizweni, the two black townships adjoining Newcastle, were

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[83] Newcastle Government Brochure, *Historic Newcastle*, 4. Publication date unknown.
[84] Hence the English idiom, "Carry Coals to Newcastle." See Jeffrey Herbst and Greg Mills, *How South Africa Works and Must Do Better* (Johannesburg, SA: Pan Macmillan, 2015), 102.
[85] Newcastle Government Brochure, *Historic Newcastle*, 7.
[86] For discussion on specific laws and regulations, see Leonard Thompson, *A History of South Africa* (New Haven, CT: Yale University Press, third edition, 2001), 190-95.
[87] The South African Development Trust was established in 1936 with legal authorization to acquire land for black settlements.

established in 1961.[88] The two townships later became part of the KwaZulu homeland in 1970.

The idea was that Newcastle, as a border town, could utilize low-wage black workers who

commuted daily from their homes in the black KwaZulu homeland to the white area.

The 1970s marked Newcastle's first golden era of rapid growth. Though Newcastle in the

1960s was already on a steady development path, the real momentum for growth came in May

1969, when Iscor, the parastatal steel maker, announced the establishment of its third steel

producing plant in the outskirts of the town. In that announcement, the general manager of Iscor

promised that construction of the plant would be in production by 1972 and that a next great

extension would take place by 1984, followed by an even bigger plant by 1995.[89] The manager

cited good industrial infrastructure and the history of cast-iron making as two significant local

advantages, which made Newcastle their final choice.[90] Equally important was the political

consideration of creating jobs for black Africans relocated to this area. The apartheid government

established black homelands, in part, to stem the tide of blacks moving to major cities. In fact, it

was noteworthy that over fifty percent of workers at Iscor's plant in Newcastle were blacks.[91]

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[88] Alison Todes, "Newcastle: The Development of a Model Apartheid Town and Beyond," *South African Geographical Journal*, 83, 1 (2001): 69-77, 70.

[89] Newcastle City Record Archives (hereafter NCRA), Eiendomstransaksies en Serwitute Vervreemding van Eiendome Bemarking van Nywerheidspersele (hereafter ESVEBN), 14/4/48, Volume 2, "Debatte van die Volksraad," May 16, 1969.

[90] Ibid.

[91] Alison Todes' interviews in the 1990s show that Richards Bay was a favorite site for Iscor among the financial community at the time. But there was greater availability of African labor in Newcastle. See Todes, "Restructuring, Migration and Regional Policy in South Africa," 180.
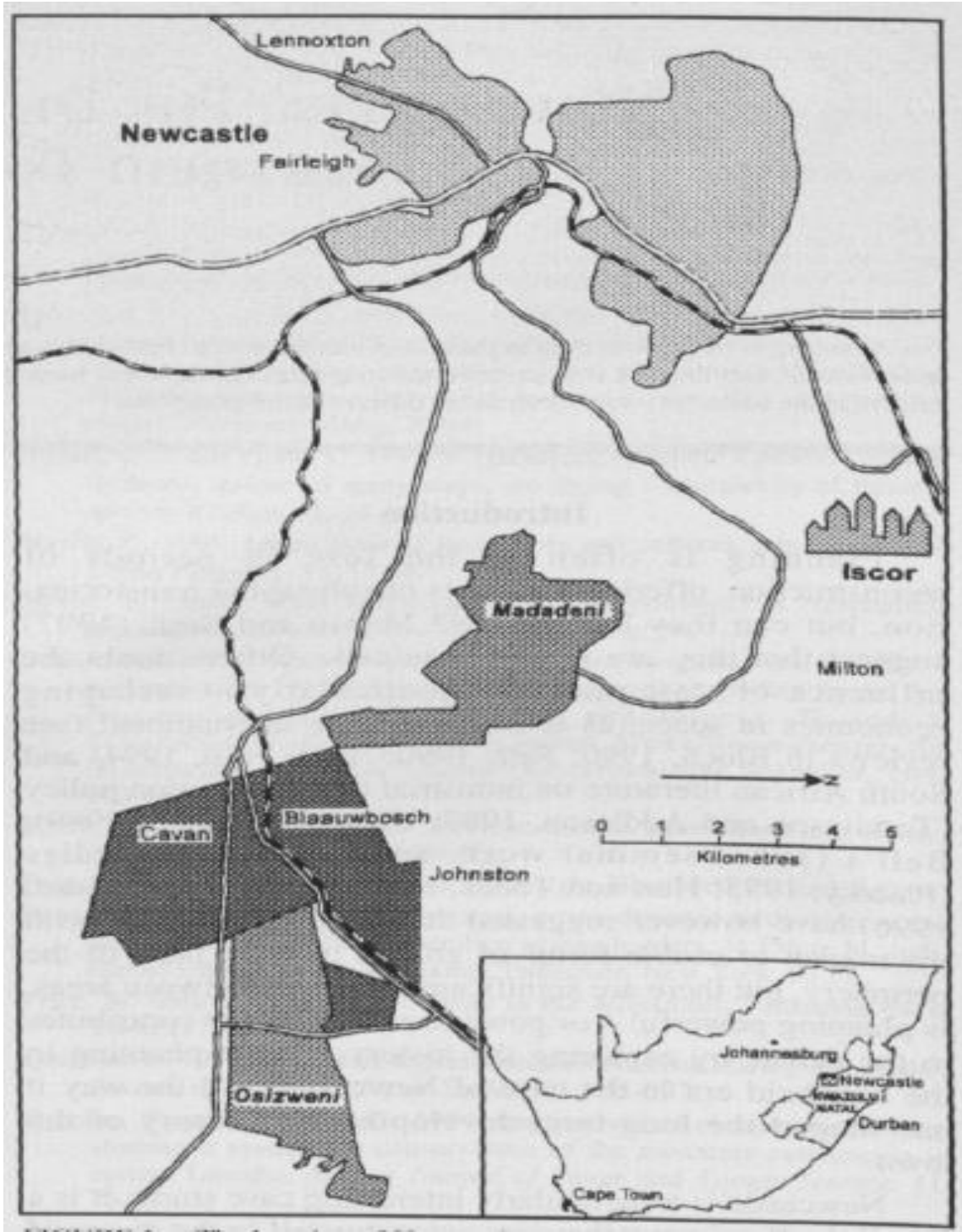
Figure 4. Newcastle and its neighboring townships. Todes, "Newcastle," 70.

The Iscor plant, and its planned second- and third-phase expansions injected unprecedented optimism into the town's growth trajectory. According to the steel producer's 1971 projection, its establishment in Newcastle would require 1,980 houses for its white employees and managers by 1975, and more than 3,000 by 1980.[92] As one 1976 letter from Iscor's staff manager to the Newcastle Town Clerk indicates, the company employed 8,766 workers in 1974 (whites 3,660; blacks 4,708; Indians 398), and it would increase to 15,148 by 1980 (whites 6,276; blacks 8,036; Indians 836).[93] The white population in Newcastle (the town) grew rapidly from around 6,000 in 1972 to 21,000 in 1974. Over the decade, the combined population of Newcastle and its black townships increased from 46,805 in 1970 to 243,483 in 1980.[94] As Iscor brought over more Afrikaners into its white workforce, Newcastle quickly changed from a predominately English white settlement to an Afrikaans-speaking town.[95]

The arrival of Iscor heralded a bright future for Newcastle. In anticipation of the growth and the remaining phases of development at Iscor, the Newcastle Town Council, with the support of the Industrial Development Corporation (the government-owned national development finance institution), upgraded the industrial and residential infrastructure of the town. The rapidly increasing population demanded essential services as well as amenities that were integral to modern urban life. Over the decade, the Newcastle Town Council expended substantial resources to improve and modernize essential services such as water, electricity, and sewerage. The Town Council planned and built, among other things, several shopping centers, a major bus terminus,

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[92] NCRA, ESVEBN 14/4/48, Volume 2, "Establishment of Third Iscor Works at Newcastle," letter to the Provincial Secretary in Pietermaritzburg (Natal) from Iscor headquarters (J. P. Cotzee, General Manager), May 13, 1971.
[93] NCRA, ESVEBN 14/4/48, Volume 2, letter from staff manager of Iscor to Newcastle's town clerk, January 28, 1976.
[94] Todes, "Restructuring, Migration and Regional Policy in South Africa," 175-178.
[95] Todes, "Restructuring, Migration and Regional Policy in South Africa," 183.

modern facilities at the airport; in addition, they also started a major scheme in 1978 to develop the Central Business District in the town.[96]

Newcastle in the 1970s was, in many ways, a "model apartheid town."[97] Notwithstanding its booming industries, Newcastle was also exemplary of apartheid spatial engineering, with carefully demarcated zones for whites, Indians, and colored residents respectively, and, of course, with a source of cheap labor in the nearby black relocation townships.[98] According to the apartheid town planners, while Madadeni was meant to accommodate African petty bourgeoisie (nurses, teachers, government employees, and the entrepreneurial class) with larger houses and better facilities, Osizweni as a "sub-economic township" targeted people relocated from the neighboring areas with mostly "fletcraft" huts and tin-roof structures.[99] Right next to the two townships was Blaaubosch (including Blaaswbosch, Cavan, and Johnston in Figure 4), which was the freehold land within the KwaZulu homeland for those wanting to maintain a rural base to raise cattle and plant crops on a small scale. Studies show that removals in this region and relocation of black population to Madadeni and Osizweni were amongst the most thorough in the country.[100]

In many ways, greater Newcastle (the town and its neighboring black townships) at the time was a showpiece of apartheid development as envisioned and actualized by the apartheid designers and administrators in Pretoria. Scholars have long pointed out the intricate relations

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[96] NCRA, ESVEBN 14/4/48, Volume 3, "The Meaning of Regional Development with the Accent on People's Needs, Wants and Aspirations," dates unknown (probably in March 1983).
[97] Todes, "Newcastle," 69.
[98] See Figure 4, Lennoxton was for the Indian population and Fairleigh for the colored people.
[99] Todes, "Newcastle," 71.
[100] Hart, *Disabling Globalization*, 112; and Todes, "Restructuring, Migration and Regional Policy in South Africa," 304-14.

between race, production, and geography in southern Africa.[101] For the black population, migrant labor system marked a spatial separation between the mine and the home. While cities and towns came to be identified as white and productive spaces, there were always disenfranchised blacks close by, either in the form of seasonal migrants or commuter workforce.[102] The relationship between Newcastle and its township builds on this longstanding logic of production geography. However, apartheid South Africa in the 1960s and 1970s took it to new levels by creating townships and industries in the border regions.

<u>The Model Town in Search of "Models" (1978-1982)</u>

Though scholarly writings depict Newcastle as a model apartheid town, the Newcastle Town Council under apartheid never boasted of itself as a "model" in its official documents. Under apartheid, the Newcastle Town Council understood its city's circumstances quite differently; the council were desperately searching for development models. It was especially so in the 1970s and 1980s, when the very foundation for the above mentioned optimistic growth projection had been shattered and the future of the town uncertain. It was only in the post-apartheid era that the city managers adopted "model city" in its 1995 slogan, "Opportunities for all, Newcastle, the Model City," as a vision to stimulate further growth.[103]

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[101] See Jonathan Crush, Alan Jeeves, and David Yudelman, *South Africa's Labor Empire: A History of Black Migrancy to the Gold Mines* (Boulder, CO: Westview Press, 1991); William Worger, *South Africa's City of Diamonds: Mine Workers and Monopoly Capitalism in Kimberley, 1867-1895* (New Haven, CT: Yale University Press, 1987); and Frederick Johnstone, *Class, Race and Gold* (London, UK: Routledge and K. Paul, 1976)

[102] Some of the peripheral mining operations were located close to the labor supply. See, for example, Jonathan Crush, "Tin, Time, and Space in the Valley of Heaven," *Transactions of the Institute of British Geographers*, 13, 2 (1988): 211-21, 211-12.

[103] NCRA, ESVEBN 14/4/48, Volume 15, "Newcastle," dates unknown (probably in July 1995).

In 1978, Iscor announced that it would not continue with its second-phase expansion. Iscor's decision was by no means an isolated incident. The general economic downturn of the mid-1970s and the subsequent slump of the world market for steel precipitated Iscor's cancellation of expansion.[104] The OPEC oil crises in 1973 and 1979, the rapid drop in commodity prices, and the collapse of credit networks in the 1980s coincided with what scholars called "Africa's sharpest shortfall" during the twenty-year period from 1974 to 1994.[105] The 1980s, in particular, was "the lost decade" for Africa.[106] Iscor's decision to halt expansion was part of a larger continental economic reverse at the time.

Iscor's announcement was devastating for Newcastle, leaving the town with a well-built, yet largely underutilized infrastructure. In 1970, for instance, because of the prospects of Iscor, the Newcastle Town Council upgraded a major industrial area, Extension 11, with 55 factory premises. In the following years, the Council invested R2 million to establish another industrial area, Extension 32, with a further 47 sites.[107] Iscor's 1978 announcement brought the development of Newcastle's industrial areas to a halt; it also forced the Council to realize that "the mere presence of an Iscor was not a great stimulant enough for further industrial development."[108] The Council had to find ways to sell its vacant industrial premises. Council members concluded: "all that is humanly possible must, therefore, be done to sell industrial

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[104] Ibid.
[105] See Ndulu et al eds., *The Political Economy of Economic Growth in Africa*, 10, 17.
[106] Some scholars even call the entire post-independence period as Africa's "lost decades." If so, the 1980s clearly stood out as the most devastating. See Robert H. Bates, John H. Coatsworth, and Jeffrey G. Williamson, "Lost Decades: Postindependence Performance in Latin America and Africa," *The Journal of Economic History*, 67, 4 (2007): 917-43.
[107] Extension 11 and Extension 32 are now parts of the Riverside Industrial Area in Newcastle. See NCRA, ESVEBN 14/4/48, Volume 1, "Bemarking van Nywerheidspersele," dates unknown (probably in November 1978).
[108] Ibid.

stands, not only to recover costs of developing such premises but also to bring about growth and development."[109]

Newcastle Town Clerk Len de Wet and the Acting Town Clerk Chris le Roux, under the leadership of Mayor Hennie Briel, acted promptly to seek professional advice. In 1978, they invited an industrial promotion expert, Dr. Izak Botha, from Senbank, then the largest merchant bank in the country, to give opinions on how to attract new industries. Botha emphasized that at the core of attracting new industry was the communication of "relevant, objective information about the area to interested industries."[110] He cited, among other studies, *Attracting New Industry*, a development promotion guide edited by the United States Department of Commerce in 1970. According to the brochure:

> A businessman seeking information on which to base an important investment wants facts. He will be influenced favorably by the certainties in the picture…[L]ocal factors that give greatest rise to questions from serious industrial inquiries are: population and labor force; transportation and communication facilities; industrial power, fuel and water; description of industrial sites and buildings; raw materials; public services; government and local finances; taxes; living conditions (housing, recreation, shopping, medical facilities); business climate.

Botha's way forward suggested the Newcastle Town Council prepare accurate and genuine information in printed form, using efficient channels such as advertisements, newspaper articles, as well as letters, and to send materials to potential investors. Such publications and advertisements needed to be prompt and factual and serve only to stir up initial interest, which would then pique interest and lead to potential businesses.

Though South Africa's central government was the primary player in encouraging industries to relocate to the so-called border regions near or inside the concentrated black areas, from at least the late 1950s, Pretoria also stressed local governments' responsibilities. It was

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[109] Ibid.
[110] Ibid.

especially so in the late 1970s when South Africa struggled with a stagnant economy. Within the

central government's scheme of regional development, as one government instruction brochure

states, the local government "bears the basic responsibility for the development of its area, either

on its own initiative or to integrate with, and complement, the plans of the authorities at a higher

level."[111] While the central government would provide the financial instruments for expanding

industries and funds for infrastructure construction, the local governments took charge of the

maintenance of infrastructure, services, and industrial estates, and most importantly, the

marketing of local facilities and attracting new industries. As prescribed in the same guide, local

government was tasked with studying different types of industries and pursuing small industries

that were both growing and labor intensive. It goes on to state:

> Far too many [industrial development organizations and local governments] are tempted
> to print glossy-paper brochures, buy big-space advertisements in newspapers and
> magazines with large circulations, make full-color movies, or launch industrial tours
> before they have tackled the basic job of identifying and evaluating what their areas can
> offer expanding industry and commerce…[The] advantages of small industries are that:
> 1) capital required being modest, losses caused by mistaken investment or production
> decision are less serious; 2) the developing of subcontracting relationship between larger
> industries in the modern regions and smaller industries in the developing areas with large
> surpluses of black labor is possible.[112]

Under such guidance from the central government, many local governments were, in fact, in

competition with one another to attract industries.

The Newcastle Town Council not only sought expert advice and government guidance

from a higher level, but it also went out looking for models, foreign and domestic, to emulate

success. The two international models that the Town Council considered were Puerto Rico and

Philadelphia. In July 1978, through Botha's mail correspondence with Alberto Esteves, Deputy

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[111] NCRA, ESVEBN 14/4/48, Volume 1, "A Brief Guide to Local Industrialization Policy," September
14, 1978.
[112] Ibid.

Director of Economic Development Administration of the Commonwealth of Puerto Rico, the

Newcastle Town Council gained some perspective on Puerto Rico's effective marketing

strategies. According to Esteves, "only Puerto Rico can offer qualifying industrial firms duty-

free entry into the USA market, a complete exemption from all USA taxes, and almost complete

exemption from local taxes."[113] A "made in the US" label and "skilled, educated, hardworking

people," along with all the facilities and preferential taxation policies made Puerto Rico the

"ideal second home for American business."[114] Since the mid-1950s, Puerto Rico had

successfully attracted more than 2,000 American and foreign manufacturing firms. Newcastle

learned from Puerto Rico and employed marketing strategies that simultaneously highlighted its

first- and third-world privileges.

Another international model that drew the Town Council's attention was Philadelphia.

During the 1970s, Philadelphia also underwent painful transformations as its old steel and heavy

industries had declined. A *Fortune* magazine article in June 1977, "the New Philadelphia Story,"

caught the eyes of members of the Newcastle Town Council.[115] A significant part of the New

Philadelphia story was the role of the Philadelphia Economic Development Corporation.

According to the *Fortune* magazine report, the Philadelphia Economic Development

Corporation, which was regarded as "the most successful" development corporation in the

United States, undertook a major three-year marketing and advertising program to attract new

business to industrial parks that had been left underutilized as the city lost its old industries.[116]

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[113] NCRA, ESVEBN 14/4/48, Volume 1, letter from deputy director of Economic Development Administration, Alberto Esteves, based in Europe to Izak Botha (Senbank), July 25, 1978.
[114] NCRA, ESVEBN 14/4/48, Volume 1, an advertisement pamphlet titled "Skilled, educated, hardworking people are only one reason Puerto Rico is the ideal second home for American business. Now consider 17 other good reasons," dates unknown.
[115] NCRA, ESVEBN 14/4/48, Volume 1, "1300 acres of industrial parks, within the city, as low as $3,500 an acre," *Fortune*, June 1977.
[116] Ibid.

The lessons learned from Philadelphia included: adopting a corporate mindset, bringing together financial advisors, city officials, and the business community, and advertising industrial facilities and city lifestyles. The Newcastle Town Council hoped to transform the town to become the New Philadelphia of South Africa.

While international models served to inform Newcastle government officials of the benefits of effective marketing campaigns, domestic models gave Newcastle government officials a much more direct sense about the specifics of the *modus operandi*. Council members paid close attention to various localities, which were also actively promoting themselves. For example, they studied how Pietermaritzburg marketed itself as "the most established border area" that could offer not only "high-quality labor" but also "leisure pleasure."[117] They examined the Venda Industrial Park, an industrial estate within the Venda homeland that catered principally to the "Reef Industrialists" (from Gauteng) and presented the Park as their potential nearby base for "farm-out" production activities.[118] Among all the domestic models that the Council investigated, Kimberley's was the most influential.

Mining drove the Kimberly's economy ever since the discovery of diamonds in 1868. In the 1970s, however, it was also in search of new momentum for industrial growth. Kimberley had been declared an industrial growth point in 1969 – thirteen years before Newcastle received the same status in 1982. Over subsequent years, the Kimberley Town Council attempted to attracted potential industrialists to open factories in the town but initially met with limited success. The main reasons, the Kimberley Town Council summarized, were that "most industrialists did not know clearly about the advantages they could gain in establishing their

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[117] NCRA, ESVEBN 14/4/48, Volume 1, "The Beauty of Pietermarizburg for Industry," dates unknown.
[118] Venda was one of the ten homelands under apartheid. Farm-out here meant subcontracting or outsourcing. See NCRA, ESVEBN 14/4/48, Volume 1, "Opportunity to Farm-out Production Activities to the Venda Industrial Park," February 1976.

business in Kimberley."[119] To help council members and the prospective investors better understand the business climate in Kimberley, the Council hired a consulting firm, P. E. Consultants. The consultants' investigation, however, yielded few results as visits from various industrialist groups did not generate real outcomes.[120] The De Beers Mining Co. had been a critical engine for Kimberley's economy and the regional economy of the Northern Cape. Though Harry Oppenheimer announced in 1974 that De Beers would stay in operation for another 12 years, the general decline of the mining industries was self-evident. Under the leadership of Mayor Ronnie Browser, Kimberley launched a major campaign to win new industries for the depressed town. In 1978, the Kimberley Town Council decided, after having approached several industrial consulting firms, to work with Industrial Consulting Engineers and Developers of South Africa, a large Johannesburg-based industrial consulting firm, on a consistent and long-term basis in its campaign to recruit new industry. With a three-year R120,000 contract, the Kimberley Town Council opened an office in Johannesburg as its base to collaborate with the consultants to actively market Kimberley.[121]

Though it was clear that labor-intensive operations were Kimberley's favorable targets, any manufacturing business was welcome. City Public Relations Officer Coen Nolte said, "we need manufacturers in things like clothing, furniture, and food processing," but he also added, "anybody can call us."[122] Mayor Ronnie Browser also told the *Financial Mail*, a major national business magazine in South Africa, "Without De Beers, there is no other industry to speak of…we need manufacturing. We were designated a priority growth point eight years ago, but that

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[119] NCRA, ESVEBN 14/4/48, Volume 1, letter from Kimberley's public relations officer (C. B. Nolte) to Newcastle Town Clerk (Len de Wet), "Nywerheidskonsultante," November 10, 1978.
[120] Ibid.
[121] NCRA, ESVEBN 14/4/48, Volume 1, "Industrial Growth Kimberly on the Move," *Financial Mail*, 1978 (dates unknown).
[122] Ibid.

hasn't brought one factory here…the whole industrial infrastructure is waiting, and there are no labor problems." He further indicated that he "will grab virtually any business that could help to fill the remaining of the Kimdustrial estate."[123] The city also offered to pay for feasibility studies, legal fees, and all the red-tape costs on behalf of the companies. The Kimberley Town Council decided to draw up what it called "a corporate plan," form an "action committee" that included local bodies such as Rotary, Afrikaanse Sakekamer (the Afrikaner Chamber) and Chamber of Industries, and declared 1978 an "industrial year."[124]

What interested Newcastle most was Kimberley Town Council's working relationship with industrial consultants. After reading the 1978 *Financial Mail* report, the Newcastle Town Council reached out to its counterpart in Kimberley, asking for specifics regarding hiring industrial consultants. In the case of promoting Kimberley, Industrial Consulting Engineers and Developers had been responsible for attracting prospective industrialists from major cities to invest in Kimberley and assisting local industrialists in obtaining concessions and other benefits that were available to them from the central government to enable them to expand their business.[125] In retrospect, Kimberley never regained its past glory, and few would insist that the Kimberley experience was a great story of triumph. Nevertheless, the industrial promotion strategies that the Kimberley Town Council adopted certainly had the potential to succeed, and at least, Newcastle certainly learned from those tactics.

Having examined both international and domestic models, the Newcastle Town Council finally decided, in July 1978, to begin its own official campaign to promote the town and its

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[123] Ibid.

[124] NCRA, ESVEBN 14/4/48, Volume 1, "Growth of Industry in Kimberley," appendix to the letter by Kimberley's public relations officer (C. B. Nolte) to Newcastle Town Clerk (Len de Wet), November 10, 1978.

[125] NCRA, ESVEBN 14/4/48, Volume 1, letter from Kimberley's public relations officer (C. B. Nolte) to Newcastle Town Clerk (Len de Wet), "Nywerheidskonsultante," November 10, 1978.

industrial premises. They formed a marketing committee comprised of the mayor, chairman of

the finance committee, town clerk, and town secretary (later administrative manager/secretary).

During this early stage (1978-1982) of their marketing campaign, the Council's actions

concentrated on South Africa's domestic market and entailed an advertising campaign and

invitations to the important private sector and government officials to visit Newcastle. In the

meantime, the Council also attempted to strengthen contacts with foreign embassies in South

Africa and South African foreign missions abroad.

More specifically, the Council employed three major methods in its promotion practices.

First, on behalf of the Council, Town Clerk Len de Wet and Acting Town Clerk Chris le Roux,

proactively wrote hundreds of introductory letters to major industrialists in the country as well as

South African embassies overseas. Over five years, the Council sent out introductory letters to at

least 106 companies or institutions.[126] The town clerk would start each letter introducing himself

and explaining where he obtained the recipient's contact details (usually from major magazines,

newspapers, and other publicity materials, or by word of mouth), and then included basic

information on Newcastle and its industrial facilities. In December 1978 alone, the Council, at

the recommendation of the Secretary of Commerce and Consumer Affairs, contacted at least 22

South African embassies and consulates overseas with a letter titled "Development of Newcastle

(South Africa): Marketing of Industrial Stands."[127] It requested the embassies distribute the

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[126] NCRA, ESVEBN 14/4/48, Volume 2, "Publicity to Newcastle as Industrial Development Point and its Potential for Industrial Establishment," August 17, 1982.
[127] They included: Argentina, Australia, Austria, Belgium, Brazil, Canada, France, Germany, Hong Kong, Iran, Israel, Italy, Japan, The Netherland, Peru, Portugal, Rhodesia, Spain, Sweden, Switserland, USA, and UK. NCRA, ESVEBN 14/4/48, Volume 1, "Development of Newcastle (South Africa): Marketing of Industrial Stands," December 15, 1978.

information to business communities in their respective host countries. Also, in 1979, the

Council sent similar letters to at least 42 domestic companies.[128]

Second, the Council began to invest in its promotion materials. It purchased

advertisements in national and regional news media as well as in major trade journals with

comprehensive information about the town's industrial potential. The Council followed Botha's

instructions about including factual details. For example, in one such advertisement, the Town

Council highlighted its 548-acre, 70-lot industrial space; its convenient rail service; the town's

competitive housing prices; and its excellent hospitals and schools.[129] It also reached out to

marketing firms to design more efficient advertisements with persuasive illustrations. One

outcome from such pursuits in 1982 was a poster of a Newcastle-centric world designed by

Gnews, a marketing agency.[130] Figure 5 captures Newcastle's promotion strategy, which is

reminiscent of Puerto Rico's campaign in Europe. Instead of identifying itself as a border town,

the Council envisioned a Newcastle-centric world and placed the town as the middle point

between Johannesburg and Durban (two peripheral references in the picture). It highlighted

Newcastle's excellent infrastructure, the abundance of cheap labor nearby, and modern facilities

including fancy shops, great schools, and recreational amenities. Newcastle was fashioned into

an industrial town "in the middle of everything."[131]

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[128] NCRA, ESVEBN 14/4/48, Volume 1, letters and company list.
[129] NCRA, ESVEBN 14/4/48, Volume 1, "Marketing of Industrial Stands: Newcastle: South Africa," *South African Business News and Export Offers*, April 1979, No. 43.
[130] NCRA, ESVEBN 14/4/48, Volume 2, letter to R. Asiroglu, the Marketing Workshop Ltd in Bryanston from Administrative Manager Chris Le Roux, "Newcastle Advertisement for Decentralization Publication," November 18, 1982.
[131] Ibid.

Figure 5. "Newcastle in the Middle of Everything." NCRA, ESVEBN 14/4/48, Volume 2.

Third, the Council started to explore potential collaborations with industrial consultants.

The Kimberley experience had educated Newcastle's council members about the potential

benefits of working with such professionals. In early 1983, the Council invited Koasta Babich,

managing director of the Industrial Consulting Engineers and Developers, the same consulting

firm that the Kimberley Town Council had used. In his post-trip letter to the Council, Babich emphasized taking care of existing industries as Newcastle's first and foremost task. In Kimberley, for example, Babich found that "only one industrialist out of approximately 25 researched, was enjoying the maximum decentralization allowances available."[132] It was unclear why the Council never hired the Industrial Consulting Engineers and Developers. Nevertheless, leveraging the service and expertise of professional industrial consultants became a core promotion strategy for Newcastle government officials in the following decade.

Though Newcastle's promotion strategy over this period (1978-1982) never produced a dazzling scoreboard as some had expected, it did generate some modest growth and injected some hope for the town's industrial future. During this period, two large companies moved to Newcastle: Karbochem, the synthetic rubber maker that belongs to Sentrachem, with R400 million investment and Trump Clothing, a subsidiary of the Trubok Group, South Africa's clothing empire, with R3.5 million investment.[133] Unfortunately, in 1982, Newcastle also lost a potential major industry, a Sarmcol factory, to Richards Bay. Sarmcol had calculated that electricity and water rates in Newcastle "[were] 25 percent higher than the rates generally paid in Howick (where the company's main production factory was based) and Richards Bay."[134] Despite the loss, by the end of 1982 Newcastle had two major heavy industries, namely Iscor and Karbochem, together with four large clothing firms (Veka, Bestform, Corsair, and Trump Clothing); this placed Newcastle's economy on a sound basis and signaled a positive growth trajectory. More importantly, the marketing strategies that the Newcastle Town Council had

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[132] NCRA, ESVEBN 14/4/48, Volume 3, letter from Kosta Babich to Newcastle Municipality, "Decentralization of Industry of Newcastle."
[133] NCRA, ESVEBN 14/4/48, Volume 2, "Publicity to Newcastle as Industrial Development Point and its Potential for Industrial Establishment," August 17, 1982.
[134] NCRA, ESVEBN 14/4/48, Volume 2, "Expansion of Sarmcol."

begun to master, the corporate mindset, a sharper awareness of potential international investors, and the determination to collaborate with industrial consultants would position Newcastle well when investment incentives became available.

Newcastle Meets the Far East (1983-1987)

The year of 1982 marked an important turning point in South Africa's regional development policy. To make the relocation programs and black homelands work, the apartheid government implemented also a parallel scheme known as the border industry program, which dated back to 1960.[135] By the late 1960s, it had already become apparent that border area development was not spilling over into the former homelands, so the apartheid government decided to allow white capital into the homelands on an "agency basis" from 1968, and more freely from 1971.[136] The Board of Decentralization of Industry (or Decentralization Board) was the institutional entity that Pretoria created to carry out the policy.[137] From that point, industrial decentralization received special attention in the general economic development of the homelands. Nevertheless, due to the failure to generate enough employment in designated areas,

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[135] In response to the Tomlinson Commission Report of 1955, which suggested that the government should establish industries inside the reserves, the apartheid government published the White Paper of 1956 on the Tomlinson Commission Report. While Tomlinson Commission Report suggested to establish industries inside the reserves, the government decided to establish industries in the border areas. Four years later, in 1960, the government formed the Permanent Committee for the Location of Industry and Development of Border Areas to execute the border industry program. Bell, *Industrial Decentralization in South Africa*, 26. For more details of the Tomlinson Commission report, see Commission for the Socio-Economic Development of the Bantu Areas within the Union of South Africa, *Summary of the Report of the Commission for the Socio-Economic Development of the Bantu Areas within the Union of South Africa* (Pretoria, SA: Government Printer, 1955).
[136] Agency basis meant that white industrialists operating in the bantu areas could not acquire fixed property rights or rights to permanent residence in those areas. The idea was that white industrialists would, for a limited period, operate businesses and industries, which would then be taken over by trained and skilled black. See Bell, *Industrial Decentralization in South Africa*, 233.
[137] The Permanent Committee for the Location of Industry and Development of Border Areas, created by the government in 1960, was renamed the Board of Decentralization of Industry in 1971.

the apartheid government in April 1982 launched a new Regional Industrial Development Plan (RIDP), which placed greater emphasis on job creation in the homelands and the development regions.[138]

This new regional development program divided South Africa into nine major regions, among which was Natal and KwaZulu, where Newcastle and its neighboring black townships were situated, forming Region E. The most important aspect of the new RIDP was its generous incentives for industries that were willing to relocate to designated areas. Generally speaking, black areas within the homelands would receive a higher level of industrial incentives than white border towns. For industries established in Newcastle, available incentives included (1) 50% rebate of rail transport costs on outgoing goods produced in Newcastle, (2) relocation costs up to R500,000, (3) 5% tender preferences for industries in the area, (4) 125% of training costs for tax purposes; (5) monthly maximum wage subsidies of R80 each worker (or up to 80% of the total wages) in labor-intensive industries over a period of seven years, (6) 45% rental subsidy over a period of ten years, and (7) 50% housing subsidy for staff and management members.[139] Also, Newcastle's industries could apply for financing of up to one-third of its capital requirement at competitive interest rates.

In 1983, the Corporation of Economic Development (CED) decided to appropriate R500,000 to develop an industrial estate in Madadeni, twelve kilometers away from Newcastle.[140] This proved to be quite significant for Newcastle. The KwaZulu Development

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[138] For a more detailed discussion on the different stages of border industry policy/industrial decentralization policy, see Ernst & Young, "Evaluation of the Regional Industrial Development Program," Ernst & Young, 1996, 5-7 (consulted at University of Cape Town Libraries).

[139] NCRA, ESVEBN 14/4/48, Volume 4, "Industrial Development: Newcastle," dates unknown (around end of 1984).

[140] Note that CED (1977-1983) was the successor of the Bantu Investment Corporation (BIC, 1959-1976), a major development finance institution for border industries. NCRA, ESVEBN 14/4/48, Volume 3, "Interview with the Minister of Co-operation and Development in Cape Town on February 24, 1983."

Corporation (KDC), a branch of CED for the KwaZulu region, oversaw the day-to-day

management of this new industrial estate. The following year, as CED was phased out, it

transferred its industrial assets within the KwaZulu territory, exceeding R150 million in value, to

the KDC, which was renamed the KwaZulu Finance and Investment Corporation (KFC).[141] Since

the Madadeni Industrial Estate was on the KwaZulu side, it qualified for a more generous

incentive package than Newcastle. For example, one major difference was that companies on the

estate were eligible for a maximum R105 monthly wage subsidy per worker or up to 95% of the

total wages (R80 or up to 80% in Newcastle).[142] Consequently, the Newcastle Town Council

complained that "the difference is of such a magnitude that calculations show that a small

company establishing in Madadeni and employing 150 people is better off by R1 million in cash

incentives over a seven-year period than would be the case if it had established in Newcastle."[143]

The Newcastle Town Council complained about its disadvantageous position at a major

joint meeting between the KwaZulu government and the Council in early 1986. There, the

Newcastle Town Council raised two disadvantages of Newcastle under the RIDP policy. The

meeting memorandum started by stressing the urgency of job creation in the sub-region (i.e.

Newcastle and the townships). The population of the sub-region had increased from 61,577 in

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[141] Buthelezi Museum and Documentation Center (hereafter BMDC), KFC files, Box 4, KDC, *The Developer*, April 1984, No. 11, 1. Please note that CED's function had since the beginning of 1984 been taken by regional development corporations (such as KFC), and the Small Business Development Corporation, through development finance/loans from the Development Bank of Southern Africa.
[142] Other subsidies for industries in Madadeni included: 50% rebate of transport; 70% of rental subsidy; 50% of housing subsidy; R600,000 of relocation allowance; and training grant. See BMDC, KFC files, Box 6, "Industry in KwaZulu."
[143] Of course, the R1 million is a rough calculation. For example, if the actual worker's monthly wage was R110.5 (95% would be R105), industrialists in Madadeni only needed to pay R5.5, while Newcastle's firms needed to pay R30.5. Over a seven-year period, a company employing 150 workers in needed to pay R315,000 more in wages. Also, there were 20% difference in rental subsidy, 5% difference in transport rebate rate, and R100,000 difference in relocation allowance between industries in Madadeni and those in Newcastle. NCRA, ESVEBN 14/4/48, Volume 7, "Action Program as Decided by Meeting Held on 10 February 1986."

1970 to 226,800 in 1985, which by conservative estimates would increase to nearly 400,000 in the following 15 years; the sub-region would be in desperate need of 95,000 additional jobs over the period.[144] However, things did not work to benefit Newcastle. On the one hand, Newcastle qualified for a lower level of industrial wage subsidies, as mentioned above. On the other hand, Madadeni was the least developed of all KwaZulu's townships and its industrial estate was the smallest among KFC's three major industrial estates (the other two being Ezakhenzi outside of Ladysmith and Isithebe next to Durban). Between 1983 when the Madadeni industrial estate was established and early 1986, the South African government invested R640,000 in Madadeni to build industrial facilities. In comparison, the Ezakheni Industrial Estate, established in the same year had received R23 million over the same period.[145] The Isithebe Industrial Estate was the largest. The memorandum of this 1986 joint meeting further revealed that the Development Bank of South Africa, the major development finance institution for industrial decentralization, had reached an agreement with KFC in 1984 which stipulated that KFC would "not proceed with further development in Madadeni industrial area without due consideration to the availability of industrial land in the Newcastle/Madadeni/Osizweni sub-region."[146] This meant that Madadeni would only receive development finance for its industrial estate after expanding industries had exhausted the possible options in Newcastle. In other words, and quite ironically, Newcastle's relatively well-developed industrial premises had become a factor restricting further development of Madadeni's industrial estate. Therefore, the Newcastle Town Council called for the collaboration between Newcastle and KFC in the employment of recruiting agents, joint marketing, and participation in overseas missions. It also demanded that the Ministry of Trade

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[144] Ibid.
[145] Ibid.
[146] Ibid.

and Industry increase the level of incentives in Newcastle to the same level of those applied in Madadeni until 75% of the sites in Extension 32 were allocated to potential industrialists.[147]

Newcastle's lower level of industrial incentives relative to neighboring Madadeni and KFC's inability to develop Madadeni's industrial area presented two major challenges for the development of the sub-region. Therefore, the Newcastle Town Council adopted a strategy to collaborate closely with the CED and later the KFC in its marketing of the town and of the sub-region. In 1983, the Newcastle government began to host delegations from Taiwan that the CED had invited to visit the country's various industrial areas.[148] City records indicate that in 1983 the CED also brought Belgian and Israeli industrialists to Newcastle. Only the Taiwanese visitors showed interest. Later that same year, Amigo International Textile became Newcastle's first Asian firm.

Amigo International Textile was a subsidiary of the Hong Kongese clothing company, Tak Sing Alliance Ltd. Its owner, K. C. Ma, a successful businessman, was an acquaintance of I-Cheng Loh, who at the time worked for the Taiwanese Foreign Services and had served as Taiwanese Ambassador to South Africa between 1990 and 1997.[149] During Ma's attendance at a South African (CED) promotion function in Taiwan, Loh gave him a "blue book" with information on investment opportunities in South Africa. In February 1983, Ma sent Nikki Kwan, one of his managers, to participate in a Taiwanese business delegation in response to an invitation from the CED. Kwan's initial decision was to set up a factory in Isithebe. However, a tour of Newcastle and Madadeni left Kwan deeply impressed by the area's high-quality

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[147] Ibid.
[148] "Taiwanese Visitors Look at Investment Scope," *Newcastle Advertiser*, March 18, 1983. In fact, the first Taiwanese industrial group (two industrialists) to Newcastle was in August 1982, but they were invited by a private company, see "Taiwanese Visitors to Town," *Newcastle Advertiser*, August 20, 1982.
[149] "The ROC Ambassadors/Representatives to the RSA, 1976-1998," quoted in Lin, "The Relations between the Republic of China and the Republic of South Africa, 1948-1998," 351.

infrastructure. During this time, labor unrest erupted in Isithebe. Kwan and Ma had wanted to quickly set up a production base to begin manufacturing jeans for their American clients; the slow progress of factory construction in Isithebe was the last straw. She decided instead to open the factory in Madadeni.

Immediately, Kwan and the Newcastle Town Council reached an agreement for Amigo to temporarily rent a 2,000 square-meter premise on Stephenson Street in the Newcastle Riverside Industrial Area while the target factory for the firm was being built in Madadeni. Kwan and her team imported machinery and equipment from Hong Kong in May 1983, along with 17 Chinese mechanics from Hong Kong. Production kicked off in July.[150] At the time, Amigo was considered one of KDC's largest foreign operations. A year later, after moving to its new plant, a 10,000 square-meter premise in Madadeni, Amigo was producing 8,000 denim jean units per day; at its peak, it employed over 1,800 workers.[151] The establishment of Amigo in the sub-region was a vivid example of successful collaboration between the Newcastle Town Council and the KDC. Ma and Kwan also became two critical figures in the Council's Asian Strategy.

In March 1984, the Council began sending representatives to Europe and Asia on promotion trips. Between March 20 and April 17 in 1984, Town Clerk Len de Wet and Administrative Manager Chris le Roux visited Hong Kong, Taiwan, Belgium, and Holland to meet with industrialists. By early 1984, a second Hong Kongese company McCalls – another fashion clothing firm – established a factory in Newcastle. With the help of Ma, De Wet and Le Roux visited Tak Sing and McCalls' factories in Hong Kong and had a meeting with another 25 potential industrialists. In Taiwan, Schalk Coetzee of the Alkhan Industrial Consultants helped

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[150] Interview with Nikki Kwan, Newcastle, August 10, 2015.
[151] BMDC, KFC files, Box 5, "KwaZulu Finance and Investment Corporation: A Corporate Report," August 22, 1986, 28, 31.

arrange meetings and events. In Taipei, De Wet and Le Roux met with 12 industrialists, seven of whom had "serious and positive interests to invest in Newcastle."[152]

Alkhan Industrial Consultants was a Johannesburg-based industrial consulting firm that had a long working relationship with the CED on international marketing. It had an office in Taipei and had accumulated "good knowledge and contacts from the old time" and established "connections with the [East Asian] governments and other institutions."[153] De Wet and Le Roux were informed that after they had left, KFC also planned a visit to Taipei for industrial marketing. De Wet and Le Roux were very positive that "other towns will also exploit the potential that the Taiwan market offers," suggesting in their post-trip report that "Newcastle therefore certainly has to retain the advantage [in the East Asian market]."[154] Newcastle officially hired Alkhan in August 1983 and collaborated with the firm on marketing in Asia (especially in Taiwan) until 1993.

In Belgium and Holland, the Newcastle Town Council worked with Plant Location International (PLI), a Brussels firm, which the Council appointed in May 1983 for its marketing in Europe.[155] In Europe, De Wet and Le Roux met with at least 26 entrepreneurs and about ten of them were reportedly "positively interested."[156] In their post-trip report, De Wet and Le Roux also presented a comprehensive analysis on the state of the European economy:

> The economic climate [in Europe] is very favorable, and the only factor that an enterprise would compel to relocate is about the loan costs and in some cases the deficiency of the appropriate labor…Rental of industrial areas is much lower than in Newcastle. It is thus a

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[152] NCRA, ESVEBN 14/4/48, Volume 4, "Besoek aan Buiteland om Investering in Newcastle te Bevorder," dates unknow (probably early June or May 1984).
[153] Ibid.
[154] Ibid.
[155] "Burgemeester praat oor hoogtepunte," *Newcastle Advertiser*, September 9, 1983.
[156] NCRA, ESVEBN 14/4/48, Volume 4, "Besoek aan Buiteland om Investering in Newcastle te Bevorder," dates unknow (probably early June or May 1984).

more difficult task/job to raise their interest in investing in Newcastle. Also, the firms already enjoy a good market share in Europe.[157]

Apparently, the prospect of recruiting European firms did not look promising. Shortly thereafter, in 1985, the Council ceased its cooperation with the Belgian firm, citing "political reasons," referring to broadening economic sanctions imposed on South Africa by major Western countries at the time.[158] However, during a visit to Newcastle in June 1984, a representative from PLI admitted that: "European industrialists are reluctant to expand their operations to foreign countries and would only do so if the incentives offered were exceptional."[159] It is probably safe to suggest that even had there been no "political reasons," Newcastle and PLA would still have a difficult time finding suitable industries willing to relocate to the town.

Unlike the pessimistic tone about marketing Newcastle in Europe, the report's segments on Hong Kong and Taiwan were more heartening. Of Hong Kong, De Wet and Le Roux thought that the uncertain political situation created "a favorable climate for the relocation of industries to other countries, especially to South Africa because of its advantages that Decentralization offers."[160] They noticed that several Hong Kong-based business giants had anounced that they would move their headquarters out of the island. As for Taiwan, De Wet and Le Roux's optimism was based mainly on analyses of Taiwan's foreign trade relations. They concluded that: "the most important factor pushing Taiwanese factories to relocate [outside of Taiwan] is the fact that many factories had the United States as their outstanding market, which imposes quotas on their products...With favorable trade relations between the Republic of South Africa and Taiwan, South Africa [was perceived by these companies] as a potential and important place

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[157] Ibid.
[158] NCRA, ESVEBN 14/4/48, Volume 12, "Memorandum: Bemarking 1982 tot hede," November 5, 1991.
[159] "New Textile Factory to Open Here," *Newcastle Advertiser*, June 15, 1984.
[160] Ibid.

[to establish factories]."[161] The trip convinced Newcastle government officials to rely on the Asian Strategy.

Working closely with the CED and later the KFC and relying on industrial consultants for international marketing helped Newcastle to reap good results. Between 1983 and 1985, Newcastle Town Council spent R170,000 on domestic and international marketing.[162] Over the five years between 1983 and 1987, eleven industries established themselves in Newcastle with a total investment of over R45 million, which created 2,850 work opportunities.[163] At the same time on the Madadeni Industrial Estate, the KFC had completed nine factory units whose occupants included several Asian firms such as Amigo International Textile and Formosa Knitting, which the Newcastle Town Council had helped recruit.[164] Editors of *Attracting New Industry*, the industrial promotion guide that the United States Department of Commerce distributed and the Newcastle Town Council seriously studied in the late 1970s, warned its readers: "[T]ime is the most important ingredient. Economic development is a long, arduous process…even once a corporation is interested in a new location, it may take from one to three years or even longer to iron out the details."[165] With the right strategy and having done on-site overseas promotions, Newcastle was waiting for its efforts to come to fruition. It did not take long for their time to arrive.

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[161] Ibid.
[162] NCRA, ESVEBN 14/4/48, Volume 4, "Creation of Work Opportunities in Newcastle, Madadeni and Osizweni," dates unknown (probably mid/late 1985).
[163] NCRA, ESVEBN 14/4/48, Volume 4, a letter by De Wet to an industrial developer, "Industrial Park Development."
[164] Formosa was the first Taiwanese clothing firm established in this area. See "New Textile Factory to Open Here," *Newcastle Advertiser*, June 15, 1984. Please note that the author of this news report mistakenly thought Amigo was from Taiwan and considered Formosa Knitting as the second Taiwanese factory.
[165] NCRA, ESVEBN 14/4/48, Volume 1, "Bemarking van nywerheidspersele."

<u>An Industrial Giant and Clothing Mecca (1988-1992)</u>

After Newcastle Town Council's first trip to East Asia, Formosa Knitting, a subsidiary of

its parent company the Longhaul Enterprise Company in Taiwan, became the first Taiwanese

firm to establish itself in the Newcastle sub-region (in Madadeni) in December 1984.[166] Though

several industrialists in Taiwan and Hong Kong had expressed interest in Newcastle during and

after that first trip, it was not until 1988 that Newcastle began to witness a rapid influx of East

Asian industries. A significant boost for this increase in foreign investment was due to Mayor

Imker Botha's trip to Taiwan in March 1988. During his stay in Taipei, Botha and Le Roux

collaborated with Alkhan International Consultants to organize seminars and meet with potential

investors. Upon his return, Botha praised the Taiwanese people as "intelligent and clever

businessmen" who had "a keen understanding of South Africa's problems" but were not deterred

from investing in the country.[167] He also realized that one of the main attractions of South Africa

for Taiwanese businesses was the existence of the Financial Rand and that other countries were

also "wooing the Taiwanese businessmen."[168] At those meetings in Taipei, five Taiwanese

industrialists expressed immediate interest in establishing manufacturing operations in

Newcastle, mainly companies in clothing, knitting, shoe making, and plastic production.

One of these Taiwanese companies that Newcastle attracted was Ascendo Knitwear. Its

owner, Charlie Huang, later became Newcastle's city councilor and deputy mayor. Though a

controversial figure due to his fickle political loyalties – switching from the Inkatha Free Party to

the African National Congress (ANC) in the early 2000s – he played an instrumental role in

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[166] "New Textile Factory to Open Here," *Newcastle Advertiser*, June 15, 1984.

[167] "Mayor Returns with the 'Goods'," *Newcastle Advertiser*, March 25, 1988.

[168] Ibid. Financial Rand was a preferential/discount exchange rate policy that the apartheid government offered to foreign investors.

building Newcastle's ethnic Chinese community and nurturing connections with government officials and business circles in East Asia. Huang set up Ascendo Knitwear in Newcastle in July 1988, employing more than 400 workers by early 1989.[169] Later in 1989, he opened a second knitting firm, Apollo Industrial, employing another 400 workers.[170] Two years later, Huang's reputation was under severe attack after the media and unions reported that his wife, Judith Huang, had allegedly used an electric prod to shock female workers as a measure to prevent them from stealing manufactured jerseys. For most of the 1990s and early 2000s, nevertheless, Huang's factories were some of the largest Taiwanese establishments, and he had become the most prominent leader of the ethnic Chinese community in town.

This period (1988-1992) was clearly the harvest season for Newcastle Town Council's vigorous marketing campaigns. Between 1987 and early 1995, at least 90 factories were established in Newcastle, with a capital investment over R110 million and the creation of close to 10,000 new jobs.[171] "If the minimum wage of these employees is taken at R300 per month," the Council reasoned, "then R3 million per month is paid out in salaries."[172] Given that one wage earner might need to support up to five or six dependents, these jobs had a tremendous multiplier effect on the local community. Among the 90 newly established factories, 70 were ethnic Chinese firms, which accounted for 85% of private sector investment. From 1987 to 1992, in particular, at least one ethnic Chinese company per month was established in Newcastle. The Council attributed the success to five factors: (1) word-of-mouth advertising amongst the Taiwanese, (2) the RIDP wage incentives, (3) US quotas and uncertain political futures in Hong

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[169] "30 Jobs to 500 in Nine Months with 500 More Planned," *Newcastle Advertiser*, March 16, 1989.
[170] "Mayor Opens Factory," *Newcastle Advertiser*, May 25, 1989. See also "Tortured, Claim Workers," *Sunday Times*, August 4, 1991.
[171] NCRA, ESVEBN 14/4/48, Volume 15, "Industrial Marketing," April 18, 1995.
[172] Ibid.

Kong, (4) low start-up costs, and (5) Newcastle's growing ethnic Chinese community.[173] By 1995, Newcastle's ethnic Chinese population had exceeded 1,500, making the town increasingly attractive to future Chinese investors.

An important contributing factor and also a result of this booming period was Newcastle Town Council's growing networks with various industrial consultants. Previously, the Council had only worked with two industrial consulting firms officially, namely, the Alkhan Industrial Consultants for marketing in East Asia and Plant Location International in Europe. While the Council discontinued its collaboration with Plant Location International, it appointed four new consultants during this period. They were (1) Investment Opportunities Trust, (2) Ogima Consultants, (3) Top South Africa Investment Consultants, and (4) King World International Development Corporation.[174] Except for Investment Opportunities Trust, which was responsible for recruiting industries in Europe, the other three were targeting East Asia.

Nikki Kwan was the owner of Ogima Consultants, whose name is the reverse spelling of her former employer Amigo. After stepping down from the manager's position at Amigo, Kwan occasionally worked as an interpreter for the Newcastle Town Council before becoming its contracted consultant on September 1, 1990. While based in Newcastle, Kwan made use of her longstanding connections with East Asia to attract Hong Kongese businessmen. Even before her formal appointment, Kwan had brought a Hong Kongese diamond cutting firm to town. Together with Ma, Kwan had facilitated the Council's various trips to East Asia. By the end of 1994, Ogima had successfully helped set up five more factories in Newcastle, with three additional

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[173] NCRA, ESVEBN 14/4/48, Volume 15, "Newcastle," dates unknown (probably in August 1995).
[174] The Town Council also worked briefly with Greyling van der Hoff en Genote in 1988, which did not establish any factories in Newcastle. See NCRA, ESVEBN 14/4/48, Volume 12, "Memorandum: Bemarking 1982 tot hede," November 5, 1991.

applications pending.[175] Top South Africa Investment Consultants was the Council's sole agent in Hong Kong and also its representative in Macau and Mainland China. Appointed on July 1 in 1993, Top South Africa Investment Consultants had not successfully secured any industries in Newcastle, but like Investment Opportunities Trust in Europe they did have several interested clients.[176] Catherine Tong, the owner of King World International Development Corporation, was the Council's sole agent in Taiwan. A former employee of a Taiwanese company in Newcastle, Tong became the Council's full-time consultant on July 1, 1993 to undertake the marketing of the town's residential properties in Taiwan.

While the newly appointed consultants showed some promise in their work, Alkhan was the most successful. Since 1983, Alkhan, while representing Newcastle Town Council in Taiwan, managed to relocate 36 factories to Newcastle, surpassing all its peers by a respectable margin.[177] However, because of some court cases and "bad publicity" against two formal directors of the company, Alkhan's business and reputation declined drastically and it decided to dismiss its East Asian staff in 1993.[178] As a result, the Council was forced to discontinue its collaboration with Alkhan and reached out to Catherine Tong for assistance in its marketing in Taiwan. Though the Council's personalistic approach with East Asian industrialists played a crucial role, it also made full use of the legacy of the discontinued CED, whose former marketing consultants (Alkhan) proved to be essential in introducing Newcastle to East Asian industrialists.

[175] NCRA, ESVEBN 14/4/48, Volume 15, "Industrial Marketing," August 11, 1994.
[176] Ibid.
[177] Ibid.
[178] Ibid.

Seen in the top SA Consultants' offices in Hong Kong are assistant town secretary Ferdie Alberts, Nikki Birchfield, Jade Wan (Top SA Consultants), Waimen Wan (Top SA Consultants) and town secretary Chris le Roux.

Council appoints overseas consultancy

Figure 6. Newcastle Town Council appoints Asian consultancy. "Council Appoints Overseas Consultancy," *Newcastle Advertiser*, June 25, 1993. Please note that Nikki Birchfield was Nikki Kwan who changed her last name after marriage in 1988.

It is difficult to discern the exact amount expended by the Newcastle Town Council on industrial marketing during this five-year period (1988-1992). However, city records show that from July 1983 to June 30, 1994, the Council had invested a total of R2,387,117 on the marketing of the town and R340,517 on publicity.[179] Of the R2,387,117, close to R1.5 million were commission fees paid to the consultants.[180] The Council estimated that, on a per capita basis, "its marketing efforts cost each Newcastle ratepayer approximately R265 over the twelve-year period."[181] Considering the number of industries that the Council's marketing campaigns had generated, this less-than-three-million-rand expenditure was a wise investment.

After one and a half decades of active industrial promotion, Newcastle had changed considerably by the mid-1990s. As one editorial in the local newspaper stated, Newcastle with its "[old] image as a bleak steel and coal-mining town" had become "[a] thriving, bustling commercial and industrial center."[182] Beyond Iscor, several diverse big-name industries were divorced from steel and coal production. They included AECI and Karbochem, two major chemical companies, and the Natal Portland Cement, a construction material producer. The editorial continued by emphasizing that Newcastle had also become "a veritable clothing mecca" with four large South African owned clothing firms and an increasing number of Taiwanese and Hong Kongese clothing and knitting companies.[183] As Chapters 2 and 3 will discuss in detail, the character of the town as a clothing mecca also underwent substantial changes during the 2000s.

While Newcastle was experiencing a second economic boom in its recent history (the first boom was the post-Iscor era, namely the first half of the 1970s), two intersecting

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[179] NCRA, ESVEBN 14/4/48, Volume 15, "Industrial Marketing," April 18, 1995.
[180] Ibid.
[181] NCRA, ESVEBN 14/4/48, Volume 15, "Newcastle," dates unknown (probably in August 1995).
[182] "Newcastle: Industrial Giant in the Making," *Newcastle Advertiser*, January 11, 1990.
[183] Ibid.

developments posed challenges to the Council's marketing efforts. Both were related to South Africa's political transition in the early 1990s. First, the central government decided to substantially reduce RIDP incentives and adopt a market-related, output based, and profit-oriented approach. This decision came after the government-commissioned report of the Panel Experts on the evaluation of the RIDP. In 1990, Pretoria announced that due to limited funds no new applications could be accepted for the remainder of the financial year, signaling a cease of the expansion of the decentralization program. J. J. de Bruyn, a senior manager at the IDC, explained to a Newcastle audience in April 1991 that there were two reasons behind the government announcement:

> One is that the scheme was so successful that it required R1,000 million per annum to administer and that this would snowball further if new applications were approved at an increasing rate. A second reason was the historical background of the scheme. The original decentralization or border area scheme was based on the apartheid policy of the separate development of ethnic nations. After the removal of influx control [in 1986] and the increasing urbanization…lead to an increasing demand that the problems of urbanization and rural development should rather be addressed.[184]

De Bruyn further affirmed that "the economic merit of regional development was never questioned" and organized industry was not against decentralization.

De Bruyn also gave some interesting statistics on Newcastle and Madadeni's industrial development under the RIDP. On the one hand, Newcastle/Madadeni was a little behind its major peers in the scale of newly established industries. Decentralization Board statistics show that Newcastle/Madadeni on average attracted 3.4% of all applications from decentralization concessions between 1986 and 1990 (with a significant increase in 1990), while over the same period areas like Isithebe, Ezakheni/Ladysmith, Botshabelo, and East London consistently fared

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[184] NCRA, ESVEBN 14/4/48, Volume 11, address by J. J. de Bruyn, senior general manager of the IDC at the annual general meeting of the Newcastle Chamber of Commerce and Industry, "The Future of Regional Industrial Development," April 12, 1991.

better than Newcastle/Madadeni.[185] He suggested two reasons, namely the lower level of

incentives granted to the area and the lack of priority from the KFC to develop Madadeni, both

of which had been the basis of the complaint raised by the Newcastle Town Council in the

1980s. On the other hand, De Bruyn stressed, Newcastle and Madadeni did, however, attract

more labor-intensive industries. Statistics show that Newcastle and Madadeni were responsible

for "over 6% of the total employment during the past five years as opposed to 3% of total

investment over the same period."[186] And from 1992 to 1996, the South African government

implemented a new phase of its RIDP policy with smaller and more stringent incentives, much

less attractive to foreign investors.[187]

The second development that posed a challenge to the Newcastle's marketing efforts was

the initiative to launch a KwaZulu/Natal joint marketing scheme. In the mid-1980s, there were

suggestions both from the Newcastle Town Council and from the KwaZulu government (and its

KFC) to equalize incentives applied in Newcastle and Madadeni.[188] There had also been

collaboration in marketing, such as working with the same industrial consultants and co-hosting

foreign business delegations. Sometime around early 1991, several town councils in Natal and

senior KFC officials agreed that there was a need to set up a "Joint Marketing Body, or

Association" to conduct foreign marketing because it was "a hard business activity."[189] The

motion was in alignment with the political climate then, when leading politicians in Natal and

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[185] Ibid.
[186] Ibid.
[187] For more details of the new incentive policy, see Ernst & Young, "Evaluation of the Regional Industrial Development Program," 8-14.
[188] NCRA, ESVEBN 14/4/48, Volume 7, "Action Program as Decided by Meeting Held on 10 February 1986." See also "KwaZulu asks for equalization in decentralization," *Newcastle Advertiser*, March 28, 1986.
[189] NCRA, ESVEBN 14/4/48, Volume 11, "Minutes of Joint Marketing Body Discussion" and "Regional Development Advisory Committee."

KwaZulu believed the two regions should become a joint entity. Regional Development

Advisory Committee of Region E, which Natal and KwaZulu constituted, convened a meeting on

May 8, 1991 and resolved that despite the need for the co-ordination of marketing activities on a

national level, there was no need for the creation of a national marketing body. Instead,

"investment marketing could be best coordinated and executed on a regional basis," and the

KFC's existing international marketing program and action plans should serve as the framework

for the regional Joint Marketing Association.[190] Participants at the meeting agreed that the Joint

Marketing Association (later renamed KwaZulu Marketing Initiative, or KMI) should be a

membership-based entity with each member paying an annual fixed membership fee.

The Newcastle Town Council from the beginning was cautious of regional initiatives.

Newcastle, as opposed to other town councils, had weaker political connections in the province

(first Natal, and later KwaZulu-Natal).[191] Though Newcastle had a decent working relationship

with the KFC, it never resulted in any major KFC investment in Madadeni. In his

correspondence with the Council, C. J. B. Proctor, the executive director of the Regional

Development Advisory Committee of Region E, had to assure Newcastle about the role of local

bodies in respect of foreign investment marketing, a concern that the Council had raised. In one

of his letters to the Council, Proctor said:

> It is my opinion that KMI will not "take over" the function of selling locations. KMI
> should promote the region as a whole…[and] is intended to provide an umbrella for local
> bodies who should continue to exercise their option to sell themselves independently. In
> other words, KMI can assist with the "shotgun" aspects of selling while the "rifle shot"
> aspects can only be undertaken by local bodies themselves. There is no intention to

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[190] Ibid., especially "Regional Development Advisory Committee."
[191] Hart, *Disabling Globalization*, 139-150. Hart discusses Newcastle's political connections to the central government through Members of Parliament, such as Willie Maree who lobbied for Iscor's choice of Newcastle in the 1960s. However, she talks about its weak provincial connections as a main factor for KFC's preference of Ezakheni (outside of Ladysmith) as its priority of industrial development.

centralize foreign inward investment recruitment...[Local bodies] will continue to have the same responsibilities as before.[192]

However, Proctor did not lay out precisely what would constitute the "shotgun" aspects and the "rifle shot" aspects, respectively. Neither did he adequately explain the necessity of forming a coordinated provincial marketing initiative if the local bodies still had to undertake the "rifle shots."

Nevertheless, the period between 1988 and 1992 witnessed Newcastle's greatest economic boom since the arrival of Iscor. It was also a time when the character of Newcastle as an industrial town shifted. With enhanced linkages to Hong Kong and Taiwan, Newcastle and Madadeni became an important base for ethnic Chinese manufacturing firms. Investment from the two regions accounted for 85% of all new industrial establishments in Newcastle over the period, creating thousands of jobs. The change of the town's industrial portfolio was not merely that the enterprises had become more transnational. More significantly, Newcastle had transformed from a steel and coal town into a place blessed with a diversity of vibrant industries, among which clothing and textile began to stand out and earn Newcastle its reputation as South Africa's clothing mecca. The Newcastle Town Council continued to cultivate personal relationships with both the consultants and the industrialists, which, together with the catalyst of industrial incentives during the 1980s and early 1990s, succeeded in attracting numerous factories from abroad and within. However, the reduction of incentives from 1992 and a looming regional marketing initiative began to undercut Newcastle's achievements.

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[192] NCRA, ESVEBN 14/4/48, Volume 12, letter by C. J. B. Proctor, executive director of RDAC Region E to Newcastle Town Clerk Dawie Schutte, "Foreign Investment Marketing," December 1, 1992.

<u>The Delusion of Development (1993-Present)</u>

The dawn of a new South Africa not only meant an imminent political hand-over from apartheid to majority rule, anticipation was also that strong regional governments would form under the new constitutional dispensation. In KwaZulu and Natal, for example, the Regional Development Advisory Committee of Region E in 1991 was preparing to centralize the marketing of the region through the KwaZulu Marketing Initiative (KMI) to which the Newcastle Town Council responded with initial reservation. The Council's concern was mainly twofold. On the one hand, Newcastle's independent marketing initiative over the previous decade had proven to be very effective and the Council was quite optimistic about the prospect of attracting new industries from East Asia, especially Taiwan. On the other hand, members of the Council had always felt that Newcastle and Madadeni were not a development priority for the central or provincial governments, knowing that its "bigger neighbors" of Ladysmith, Pietermaritzburg, and Richards Bay had enjoyed better connections with the Natal provincial administration and the KFC (the KwaZulu government's development agency).[193]

In a 1993 interview with *Developer*, KFC's official magazine, Town Secretary Chris le Roux said that he understood the move to centralize the marketing of the region as "[it] ties in with the new constitutional dispensation."[194] He, however, expressed concerns about Newcastle's autonomy in the future. He emphasized that "it is possible that the KMI will be recognized as the official inward investment marketing body of the Natal/KwaZulu region, [which] could

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[193] "Race for Chinese Billions: Join KMI or Go It Alone? That's A Question," *Newcastle Advertiser*, August 12, 1994.
[194] "New Marketing Strategy?" *Newcastle Advertiser*, September 10, 1993.

mean, at the end of the day, that we (the Newcastle Town Council) will no longer be allowed to handle the marketing of our town."[195] Newcastle's leadership decided to wait and see.

Newcastle's dislike of higher-level governments taking over the marketing derived from its concern of Newcastle losing its competitive advantages. Another illustrative example was the Council's response to the Special Economic Zones (SEZs) proposal from the Department of Trade and Industries in 1992. During the 1980s, many countries were operating SEZs in varying forms and showed growth outcomes. The Department of Trade and Industry cited cases such as Taiwan, South Korea, and especially South Africa's little neighbor, Mauritius, which by adopting SEZs had been very successful in attracting foreign labor-intensive clothing factories and, as a result, had earned the island country the nickname of "pajama republic."[196] At the time, cities and areas that the central government considered as potential candidates for SEZs included, among others, the Jan Smuts Airport area, the Cape Metropolitan Area, East London, and Richards Bay. In his response to the Department of Trade and Industry, Le Roux argued:

> [This] will be to the detriment of manufacturers who have established under difficult circumstances and who are now excluded from the advantages that will be available in these zones. Newcastle is such a case in point where many industries have established over the past few years some of them exclusively for the export market and others who are gearing [themselves] now for the export market. If they are going to remain subject to all the existing legislations, import controls, taxation, red-tape, then apart from jeopardizing their future existence by virtue of unfair competition, Newcastle efforts to attract further industries would be in jeopardy with disastrous results [in the rise of] unemployment...in conclusion, the creation of SEZs are supported provided the idea propagated by various investigating committees that SEZs may be established by any Local Authority as it sees fit and in any form it believes will create a comparative advantage.[197]

Although the SEZ initiative did not amount to anything serious or successful, border towns such as Newcastle began to lose their importance in development programs. Newcastle Town

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[195] Ibid.
[196] NCRA, ESVEBN 14/4/48, Volume 12, report sent by the Department of Trade and Industry, "Special Economic Zones for the Promotion of Export Production" (dates unknown).
[197] NCRA, ESVEBN 14/4/48, Volume 12, "Special Economic Zones," April 14, 1992.

Council's attitude on the KMI membership began to change in late 1994. Arnold Griesel, KMI's vice chairman, visited Newcastle in the Spring and delivered a speech to the Council about KMI's achievements since 1992. His presentation "impressed sufficiently enough" for the Council to establish a task group to investigate the need to join the KMI.[198] The final report of the task group came out at the end of October and recommended that the Council become a KMI member. The KMI membership cost the Council R10,000 per month (R120,000 annually) from January 1995.

One major consideration for the Newcastle Town Council in deciding to join the KMI was to "expand the geographical reach of [Newcastle's] marketing efforts" and diversify the sources of its foreign investment beyond Hong Kong and Taiwan, where Newcastle's promotion strategies had been most successful.[199] The Council wanted to utilize the vast experience and expertise of KMI's agents all over the world. While the European market was surely on Council members' minds, lack of progress in marketing in Mainland China at the time was another critical contributing factor in the Council's decision to join the regional marketing body. The Council first contemplated marketing in Mainland China in 1993, after it took a trip to the country in September that year. Fred Sung, a Chinese businessman, helped arrange the visit and also brought to Newcastle two Chinese delegations from Ningbo, a major hub for commerce and light manufacturing in the coastal Zhejiang Province.[200] While some Council members tried to promote Sung as a formal agent and sole representative in Mainland China, the Council eventually rejected the appointment.[201] Local newspaper commentators considered the Council's decision as "a crushing blow [for] Newcastle's promotional activities in China."[202] The decision, however, was

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[198] "Scale Tips in KMI's Favor," *Newcastle Advertiser*, October 7, 1994.
[199] NCRA, ESVEBN 14/4/48, Volume 15, "Newcastle."
[200] NCRA, ESVEBN 14/4/48, Volume 15, "Industrial Marketing," August 11, 1994.
[201] "Scale Tips in KMI's Favor," *Newcastle Advertiser*, October 7, 1994.
[202] Ibid.

reasonable as Sung did not have a proven record as an industrial consultant. Futhermore, the Council thought it would make more sense to encourage Top South Africa Investment Consultants and King World International (the Council's agents in Hong Kong and Taiwan, respectively) to extend their activities into Mainland China.[203]

While the Council struggled to formulate a good marketing strategy in Mainland China, KMI's marketing activities in the world's most-populous country had already gained momentum. In October 1993, the KMI sent a mission to market Natal and KwaZulu in Taiwan, Hong Kong, Singapore, and, for the first time, Shanghai.[204] And as a result of KMI's trip to Asia, fourteen Chinese investors decided to move their businesses to KwaZulu-Natal before the end of 1994.[205] Though it was unclear how many of these fourteen investors were from Mainland China, another four companies from Mainland China were preparing applications to establish factories in KwaZulu-Natal.[206] KMI's marketing progress in Asia between 1993 and 1994 led the association to establish a foreign office in Shanghai in 1995. The Shanghai office and KMI's office in Taipei became its only two foreign offices. Despite KMI's continued marketing efforts in Europe and the United States, industries from East Asia constituted the bulk of foreign manufacturing investment in the province.

The initial period following Newcastle's KMI membership showed positive trends. In the first three months of 1995, five new industries were set up in the greater Newcastle area, creating 1,700 jobs.[207] However, as time went by, dissatisfaction with the KMI among the Newcastle government officials increased. Newcastle had not seen any major industrial growth in 1995 and

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[203] NCRA, ESVEBN 14/4/48, Volume 15, "Industrial Marketing," August 11, 1994.
[204] NCRA, ESVEBN 14/4/48, Volume 15, "Overseas Success for Marketing Initiative," dates unknown.
[205] "14 Chinese Investors Moving to KwaZulu Natal," *Natal Mercury*, July 5, 1994.
[206] Ibid.
[207] "Economic Boom," *Newcastle Advertiser*, March 31, 1995.

1996. Former town secretary and then city councilor, Chris le Roux expressed his concerns, during an interview in August 1996, and urged the Town Council to "demand an explanation from the KMI."[208] While acknowledging the ill-effects from violence at the time, Le Roux questioned why "massive lion investments from Beijing" ended up in towns other than Newcastle.[209]

After traveling on a KMI mission to East Asia, Deputy Mayor Charlie Huang echoed Le Roux's concern by pointing out that since Newcastle joined the KMI, only R2.8 million had been invested in Newcastle, "most of which can still be attributed to Newcastle's own marketing skills."[210] Huang continued to criticize the KMI:

> In addition to member fees, [Newcastle] ratepayers also have to pay to send local delegates on KMI trips abroad…[The] membership has several shortcomings particularly regarding follow-ups on overseas visits. The follow-up work is more important than the meeting. However, the KMI does not offer such service to its members in this regard.[211]

While both Huang and Le Roux agreed in principle that the KMI had not done enough to bring industries to Newcastle, they held different views as to whether Newcastle should go it alone. Huang reckoned that Newcastle had been and would still be better off if it did its own marketing; therefore, Newcastle should revert to its previous promotion strategies and employ overseas consultants on a commission basis. Le Roux, however, disagreed and pointed out that Newcastle did not have the type of infrastructure that KMI had and that Newcastle could not afford to establish offices in other countries as KMI had done. He also said since the Council had already terminated contracts with its agents in Asia, it was more reasonable to make use of KMI's outreach infrastructure, and when KMI identified potential investors or companies, the Council should market itself to those clients.[212]

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[208] "KMI on Carpet for Drop in Industrial Growth," *Newcastle Advertiser*, August 30, 1996.
[209] Ibid.
[210] "Deputy Mayor Slams KMI over Lack of Investment," *Newcastle Advertiser*, August 30, 1996.
[211] Ibid.
[212] Ibid.

These debates were resolved when the KwaZulu-Natal provincial government disbanded the KMI (1992-2001). In part, it was because the KFC, which was the institutional parent of the KMI, ceased to exist in 1999. The KFC was renamed as Ithala and focused its business mainly in banking and industrial estate management; the provincial government took over the task of industrial marketing. Nevertheless, as the KMI was about to disband, Newcastle and several other towns still had pipelined projects. In 2000, four municipal governments (Newcastle, Ladysmith, Eshowe, and Richards Bay) came together and started a new but smaller regional marketing association called the KwaZulu-Natal Municipal Marketing Initiative (KMMI).[213] Like the KMI, the KMMI was also a membership-based organization, which caused some resentment among the less affluent towns that could not afford the expensive membership fees. In 2006, the provincial government launched the Trade and Investment KwaZulu-Natal (TI-KZN), a fully government-funded marketing initiative representing the entire region. A year later, the less inclusive KMMI disbanded and joined the TI-KZN under the condition that KMMI members would have directors on TI-KZN's management board. As a purely government funded entity, the TI-KZN does not have consultant agents working for it in Asia; instead, it conducts marketing activities primarily via government channels. Despite establishments of these new promotion agencies, they have not brought a single significant investment to Newcastle since 2001.[214]

Conclusion

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[213] Interview with Ferdie Alberts, September 27, 2015.
[214] Ibid.

From a bleak mining town in the late 1970s to a bustling clothing mecca in the making by the end of apartheid, Newcastle had come a long way. By multiple measurements, Newcastle in the late 1970s and 1980s was a town on the margin, not only due to the fact that it had been a border settlement on the fringe of white South Africa, adjacent to the poor and underdeveloped black homeland, but also because Newcastle and Madadeni were treated less favorably under the RIDP program and later within the KwaZulu/Natal regional framework. Most of the industries established in the greater Newcastle area since then were small- to medium-sized enterprises in the labor-intensive sectors, indicating its status of a lesser industrial site nationwide. However, with effective marketing efforts, the Newcastle Town Council made the town an attractive destination for many industrialists, the East Asians being the most prominent. Instead of perceiving Newcastle as a marginal town, the Council proclaimed that "it offers the best of two worlds."[215] As former town clerk Len de Wet explained in the 1980s:

> On the one hand [Newcastle] is an alive and thriving industrial town with all the necessary infrastructure and on the other hand, it still retains something of the open rural atmosphere so dear to the city dweller's heart.[216]

The Council had carefully examined international and domestic models and mastered the art of marketing and publicity. It did its best to maintain and upgrade its industrial infrastructure, make use of development finance and incentives from the central government, and cultivate conducive and longstanding working relationships with both the investors and professional industrial consultants. Understanding marketing as a competitive race, the Council endeavored to follow its own initiatives and, for many years, be the first in the game without subjecting itself to centralized marketing schemes.

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[215] "Newcastle's Potential Spotlighted," *Newcastle Advertiser*, September 6, 1985.
[216] Ibid.

South Africanist scholars have been interested in the concept of developmental state over the last twenty years.[217] Discussion of the developmental state and the calls for more interventionist measures, of course, are reflections on the failure of post-apartheid socioeconomic policies.[218] Most scholars have thus far focused on the state at the central government level and have produced penetrating analyses on South Africa's state-owned enterprises and its economic elites.[219] However, local states and their importance in generating development receive less scholarly attention.[220] The Newcastle experience from the 1970s to the 1990s, however, serves as a historical example of developmentalism at the local state level, showing how one local government, with positive incentives, achieved industrial development on its own initiatives. It suggests, from a policy perspective, that industrial incentives, local autonomy in marketing, and international linkages could be three potential drivers for the revival of South Africa's small towns.

I have attempted to re-examine this history without imposing anti-apartheid sentiment, instead acknowledging the success and lessons of Newcastle's industrial development. People like Hennie Briel, Len de Wet, Chris le Roux, Imker Botha, Dawie Schutte, and Ferdie Alberts, affectionally referred to as "the town fathers" in local newspapers, are individuals whose

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[217] Ben Fine, "Can South Africa Be a Developmental State," in Omano Edigheiji ed., *Constructing a Democratic Developmental State in South Africa: Potentials and Challenges* (Cape Town, SA: Human Sciences Research Council Press, 2010), 169-82; Freund, "A Ghost From the Past"; Padayachee, *The Development Decade*; Fine and Stoneman, "Introduction: State and Development"; Hart, *Disabling Globalization*; and Nancy Clark, *Manufacturing Apartheid: State Corporations in South Africa* (New Haven, CT: Yale University Press, 1994).

[218] The two major national development programs since apartheid's end were the Reconstruction and Development Program (RDP) and the Growth, Employment and Redistribution (GEAR).

[219] For example, Fine, "Can South Africa Be a Developmental State"; Freund, "A Ghost from the Past"; and Clark, *Manufacturing Apartheid.*

[220] One exception is Hart's *Disabling Globalization*, especially her discussion of "the crisis of the local state," 44-48.

personal biographies might not capture a historian's attention.[221] Most of them came from

humble engineering backgrounds and secured government jobs under apartheid because of their

Afrikaner ethnic identities.[222] Some may argue that these town fathers were active collaborators

of the apartheid regime and that their actions extended apartheid's lifespan by preventing local

governments from bankruptcy. However, they and their marketing strategies helped to attract

ethnic Chinese industrialists from East Asia and shaped the path for Newcastle's future

development.

While this chapter acknowledges the agency of specific individuals, institutions, and the

developmentalism that they manifested, Newcastle's growth also vividly illustrates the shifting

tripartite nexus of race, production, and geography. The creation of Madadeni and Osizweni and

the establishment of Iscor clearly followed the old apartheid geography of production through

which the state and capital kept the black population separate from but within the reach of white

settlement and industries. While Newcastle's development in the 1980s and 1990s built upon this

existing geography, it also modified the pattern by relying on foreign light-manufacturing capital

and the black female labor. Though Newcastle was not the most important priority under South

Africa's RIDP program, it clearly owed its existence and development to the apartheid

geography of production. As the country transitioned to democracy in the 1990s, this tripartite

nexus of race, production, and geography also underwent changes. As regional autonomy

became more pronounced, the provincial government came to the forefront in economic

development. The geographical focus for industrial development shifted away from border areas

to more prominent urban centers and coastal cities. It is this changing geography of production in

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[221] "Deputy Mayor Slams KMI over Lack of New Foreign Investment," *Newcastle Advertiser*, April 4, 1997.

[222] Interviews with Chris le Roux and Ferdie Alberts, July 8, 2013 and August 10, 2012, respectively.

post-apartheid South Africa that posed challenges for towns like Newcastle, causing unsettling frustration among local officials like Ferdie Alberts.

The changing geography of production, however, did not necessarily mean that Newcastle's industrial establishment would simply shrink and die out. This chapter shows that though the Newcastle Town Council and the KFC held high hopes for millionaires from Mainland China in the post-apartheid era, such massive investment did not materialize. The dashed hopes, in part, can be blamed on KMI's and the provincial government's less effective regional marketing campaigns.[223] The uneven qualities of Chinese state-owned enterprises that the KMI had initially attracted meant that their investments not only were short-lived, but also contributed little to job creation in the region. Instead, what led to the subsequent growth of Newcastle's ethnic Chinese garment production derived from the internal dynamics of the existing companies. It is this interesting cascading process to which Chapter 2 now turns.

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[223] Reduction of incentives and rising wages were also important factors.

CHAPTER 2: AN INDUSTRIAL DIASPORA IN SOUTH AFRICA

CHAPTER 2

AN INDUSTRIAL DIASPORA IN SOUTH AFRICA

I became fascinated with the presence of ethnic Chinese garment factories in South Africa during my first research trip to the country in 2011, when five Chinese clothing firms in Newcastle initiated a legal proceeding against the National Bargaining Council for the Clothing Manufacturing Industry (NBC) and the Minister of Labor over the extension of nationally bargained minimum wages to them. Two years on, on March 13, 2013, Chinese employers won their case. Judge Piet Koen of the KwaZulu-Natal High Court in Pietermaritzburg ruled that Chinese-owned, small clothing factories in Newcastle were exempt from the minimum wage agreement because the NBC was not representative.[224] It was a victory for Newcastle's ethnic Chinese clothing firms. However, two South African scholars Nicoli Nattrass and Jeremy Seekings warned that the underlying issues were still unresolved. Indeed, the Minister of Labor subsequently extended the next minimum wage to Newcastle's ethnic Chinese clothing factories using a different portion of the Labor Relations Act, which does not require the NBC to be representative.[225]

Newcastle's clothing industry has since been a symbolic metaphor for the broader debate about labor-intensive manufacturing employment in South Africa. Such debates inspire this chapter. The apartheid government first invited ethnic Chinese industrialists from East Asia in the early 1980s as part of the industrial decentralization scheme. With the ushering in of the new

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[224] Edward West, "Victory for Small Firms in Minimum Wages Case," *Business Day*, March 14, 2013. See also the judgment report of the case, the High Court of South Africa KwaZulu-Natal High Court, Pietermaritzburg, Case No. 5642/2011.
[225] Nicoli Nattrass and Jeremy Seekings, "Job Destruction in Newcastle: Minimum Wage-Setting and Low-Wage Employment in the South African Clothing Industry," paper presented at the Harvard African Studies Workshop, 2013, 4, 18.

South Africa, ethnic Chinese entrepreneurs and their clothing factories continued to be an integral part of South Africa's industrial landscape. While Newcastle's clothing industry began when two white-owned, South African clothing firms relocated to the Newcastle area in the 1970s, it did not become Newcastle's dominant industry until the mid-1990s. Throughout the 1970s and 1980s, steel, coal, and chemical productions dominated the local economy. Even at the end of 1979, Paul Viljoen, a member of parliament involved in the promotion of Newcastle as the site for Iscor's third plant, still envisioned the town as an ideal destination for heavy industries. He promised to start a campaign for the establishment of the Sasol's third plant in the area, which ultimately did not work out.[226]

During the late 1970s and early 1980s, the unforeseen cancellation of the second phase of Iscor and Pretoria's announcement of the Regional Industrial Development Plan (RIDP) forced the Newcastle government to restructure local economy. For this reason, the Newcastle Town Council embarked on an Asian Strategy that featured in low-wage work in the clothing sector and "built on the legacy of past rounds of accumulation" in the area, notably the existence of a "surplus" female population.[227] This strategy diverged from the state planning in the 1960s and 1970s which attempted to establish Newcastle as an industrial town on the basis of heavy industry employing predominantly "surplus" black male workers from nearby townships.

Due to the lack of access to the community and data, scholars so far have treated Chinese industrialists in South Africa as a "black box," knowing little of the internal dynamics within the

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[226] "M. P. to Fight for Further Industry in Northern Natal," *Newcastle Advertiser*, November 25, 1979. Please note that this is not the same member of parliament (MP) who was key to win Iscor for Newcastle in the 1960s. That person was Willie Maree, MP for Newcastle, who, in fact, sold his land at a huge price to Iscor to build the works. For more discussion on Maree, see Hart, *Disabling Globalization*, 140; and Todes, "Restructuring, Migration and Regional Policy in South Africa," 182-83. Sasol is a major energy and chemical company in South Africa.
[227] Todes, "Newcastle," 74.

group. Two exceptions are L. M. van der Watt and W. P. Visser's 2008 article, "Made in South Africa: A Social History of the Chinese in Bloemfontein, Free State Province, South Africa, ca. 1980-2005," and Gillian Hart's celebrated masterpiece, *Disabling Globalization: Places of Power in Post-Apartheid South Africa*.[228] While Van der Watt and Visser were interested in the social history of ethnic Chinese industrialists in Bloemfontein, such as their settlement patterns, their dedication to the education of their children, and their religious practices, Hart delved further into their roots and backgrounds in Taiwan. Hart was especially interested in the familial network and paternalistic management practices that they transplanted onto the shop floors of their South African factories.

Both accounts, however, have overlooked the evolving patterns of family business amongst the Chinese diaspora and the particular modalities of capitalist accumulation that they have come to represent. Scholarly inquiries of their production models have been scant. The general perception in South Africa and elsewhere has still been that ethnic Chinese industrialists and their sweatshops represent the most exploitative forms of manufacturing capitalism, and ultimately should be eradicated or expelled out of the country. While morally appealing, such critiques provide little, if any, insight into how we should examine the ways in which late capitalism operates in places like Newcastle.

Drawing upon my personal acquaintances with Newcastle's ethnic Chinese industrialists, this chapter unpacks the "black box" by offering a close-up examination of the internal composition and evolution of this group and providing details about their business operations. By revisiting the history of industrial decentralization in South Africa, I first contextualize the

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[228] L. M. van der Watt and W. P. Visser, "Made in South Africa: A Social History of the Chinese in Bloemfontein, Free State Province, South Africa, ca. 1980-2005," *Journal for Contemporary History*, 33, 1 (2008): 121-42; and Hart, *Disabling Globalization*, especially Chapter 5 ("Taiwanese Networks in Newcastle"), 165-97.

arrival of Newcastle's ethnic Chinese entrepreneurs and their long-term survival. Since many of those industries relocated or established in decentralized areas were closed or moved after apartheid's end, it becomes imperative to explain why certain segments of ethnic Chinese industries survived and continued to grow. I, then, distinguish amongst three subgroups of Chinese garment producers in Newcastle, offering a full account of their establishment and production practices. The three subgroups include large Hong Kongese exporters, Taiwanese knitting firms, and Mainland Chinese cut, make, and trim (CMT) plants, the last two of which currently form the majority of Newcastle's Chinese garment factories. This chapter's major contribution, therefore, is to suggest that while they operate very differently and are clearly distinct in terms of social and business backgrounds, they collectively constitute an emerging Chinese industrial business diaspora in Africa.

Industrial Decentralization Debate Revisited

Two intersecting apartheid policies contextualize the arrival of Chinese factories in places like Newcastle and continue to have significant implications for the country's industrial geography. As Chapter 1 notes in more detail, the first are the relocation programs for the country's African population, also known as forced removals. According to the Surplus People Project (SPP), there were at least 3.5 million people who were displaced and resettled between 1960 and mid-1983.[229] Madadeni and Osizweni, two black resettlement townships adjoining

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[229]Platzky and Walker, *The Surplus People*, 9-12. The authors acknowledged that the 3.5 million was an underestimation as it included neither people affected by influx control in the urban areas nor those who moved within the Bantustans for the implementation of betterment planning and later for Bantustan consolidation. For example, it is estimated that more than a million people had been moved as a result of betterment planning in Natal alone between the 1950s and early 1980s. The removals continued even after the SSP concluded in 1983.

Newcastle, were established in 1961 as a result of forced removals, mostly off white commercial

farms in northern Natal. The second thrust of apartheid spatial and racial engineering was

industrial decentralization, which started from 1960.[230] Due to the program's failure to generate

enough employment in designated areas during 1960s and 1970s, Pretoria launched the Regional

Industrial Development Plan (RIDP) in 1982, placing greater emphasis on employment creation

in the homelands and the development regions. A much more generous incentive scheme was

designed to reward industrialists willing to relocate their businesses and to create jobs in

decentralized areas, many of which were literally in the middle of nowhere (see, for example,

Figure 7). With the start of the revised RIDP scheme starting in 1991, South African government

substantially reduced incentives for decentralized industries and channeled subsidies with more

stringent criteria. Unlike the original RIDP (1982-1991) which compensated industrialists by

inputs and wage costs, the new RIDP (1992-1996) adopted an output-based approach, which

meant only those self-sustainable industries were eligible for substantial subsidies.[231]

Newcastle rapidly grew from a small white settlement into a booming border town

because of the establishment of an Iscor plant on its outskirts in 1969. Subsequently, the

industrial decentralization scheme also attracted two large clothing factories to relocate to the

Newcastle area in the 1970s. Manufacturing employment jumped from 5,023 in 1970 to 19,514

in 1982, and the number of firms increased from 29 to 62 over the period.[232] However, this

development optimism was short-lived. I have documented in the previous chapter how the

Newcastle local government adopted its Asian strategy in 1983/4 to attract ethnic Chinese

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[230] Please refer to Chapter 1 for more details.
[231] Ernst & Young, "Evaluation of the Regional Industrial Development Program," 7-8.
[232] Glen Robbins, Alison Todes, and Myriam Velia, "Firms at the Crossroads: The Newcastle-Madadeni Clothing Sector and Recommendations on Policy Responses," Research Paper No. 61, School of Development Studies, University of KwaZulu-Natal in Durban, 2004, 11

industrialists from East Asia, especially Taiwan, where its marketing campaigns were the most

successful.

Figure 7. RIDP zone in QwaQwa. QwaQwa was a homeland outside Bloemfontein. The picture is from a publication of the Free State Development Corporation, cited in Kerby, "The Economics of Isolation, Trade and Investment," 71.

While recognizing the significance of bilateral diplomacy between South Africa and Taiwan as a major reason for the arrival of Taiwanese investors, scholars also notice that starting from the early 1980s, industrialists in East Asia (especially Taiwan) were also facing mounting domestic pressures to seek production locations with cheap labor and access to restricted markets.[233] Many of the labor-intensive industries, or the so-called twilight industries, such as clothing, textile, and footwear, had already started to relocate out of Taiwan in search of cheap labor and low costs. Escalating wages, the US market's import restrictions, and Taiwan's economic restructuring and upgrading toward high-tech manufacturing were the major driving forces of the exodus of industries. It is interesting, however, to note that the Taiwanese government never officially recognized the legitimacy of the black homeland governments nor granted them any political support. Rather, Taipei insisted that Taiwanese investment in the homelands was purely economic, and had little to do with the Taiwanese government.[234]

The economic impact of ethnic Chinese manufacturing firms in South Africa, mostly from Taiwan and some from Hong Kong, was tremendous in the 1980s and 1990s. Taiwanese companies started to relocate to South Africa in 1981. According to an industrial census that the Taipei Liaison Office in Pretoria conducted between April and June 1996, the number of Taiwanese firms operating in or near the homelands grew from 35 in 1985 to 250 in 1991. By 1996, the total number of Taiwanese firms increased to 620, of which 280 were manufacturing factories employing 36,224 people, predominantly in areas within or near former homelands. Due to the reduction of industrial incentives in 1991, approximately 50 factories closed between 1991 and 1996, but about the same number of new firms were established during the five-year

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[233] Woods, "Taiwanese Investment in the Homelands of South Africa," 125-43. See also Pickles and Woods, "Taiwanese Investment in South Africa."
[234] Lin, "The Relations Between the Republic of China and the Republic of South Africa, 1948-1998," 152.

span, a clear indication that perhaps incentives on their own were not the primary driving cause for the arrival of Taiwanese companies. According to the same census, by 1996, total Taiwanese investment in South Africa reached $1.5 billion (R6.45 billion). Importantly, about half of all new factory employment created in the homelands under the decentralization policy of the 1980s was from Taiwanese companies.[235]

For a long time, neoliberal critics pointed to industrial decentralization and its generous incentive packages as one of the main causes for South Africa's slow industrial growth. The natural tendency for industry, they believed, was to agglomerate in or near major urban centers, rather than to disperse into detached regions.[236] Two important scholarly interventions have since countered this critique. In the 1980s, Trevor Bell offered the "spontaneous decentralization" thesis.[237] He suggested that when industrial decentralization was introduced, industries from major metropolitan cities like Johannesburg and Durban were already looking for alternative production bases with lower production costs. Industrial dispersal was in fact "spontaneous," especially in the clothing industry where wages weighed heavily in production costs. By the same logic, Bell argued, the arrival of East Asian industrialists in South Africa was part of the changing geography of global manufacturing competition and should not be narrowly viewed as the achievement of RIDP incentives alone.

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[235] The Taipei Liaison Office Archives Depot, *Pretoria: 1996 Census of ROC Investment in South Africa*, 1996, 1-4, cited from Lin, "The Relations between the Republic of China and the Republic of South Africa, 1948-1998," 153-54. Note that Lin served as deputy representative in the Taipei Liaison Office and had good access to some internal documents that are not available to other researchers.
[236] For discussion and more critique of these neoliberal perspectives, see Gillian Hart, "Reworking Apartheid Legacies: Global Competition, Gender and Social Wages in South Africa, 1980-2000," Social Policy and Development Program Paper No. 13, United Nations Research Institute for Social Development, 2002, 5-6.
[237] Trevor Bell, "The Role of Regional Policy in South Africa," *Journal of Southern African Studies*, 12, 2 (1986): 276-92.

In the late 1990s, Gillian Hart offered another explanation. Building upon Bell's spontaneous decentralization thesis, Hart moves beyond the "politics vs. economics" dichotomy analysis; instead, she argues that superficially similar patterns of industrial dispersal were not only spontaneous but encompassed multiple, interconnected trajectories of socio-spatial change. While acknowledging that industrial decentralization might have occurred by a broad capitalist logic, more importantly, she contends, it was socially, politically, and historically constituted in particular localities.[238] In her comparative study of Newcastle-Madadeni and Ladysmith-Ezakheni, two former decentralized areas in northern KwaZulu-Natal, Hart demonstrates how distinctive ways of dispossession played into divergent political dynamics in relocation townships. She further shows how differing political dynamics in the two places led to different connections to state resources at both the provincial and national office levels, which in turn shaped the particular patterns of industrial development and the making of places.[239]

Whatever the merits of the arguments above, the precise reasons why ethnic Chinese industrialists remain in operation in and near South Africa's former homelands are unclear. Both the "spontaneous decentralization" and the "multiple trajectories" theses are correct in highlighting the economic logic for industrial dispersal, as well as for the differing outcomes in separate localities. However, neither is sufficient to explain why certain industries failed while others prevailed after the removal of government incentives. Hart's writings suggested that the industrial outlook of Ladysmith at the turn of the century was brighter than Newcastle's because of the larger influx of Chinese industrial investment, a stronger ANC presence, and the municipal

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[238] Gillian Hart and Alison Todes, "Industrial Decentralization Revisited," *Transformation*, 32 (1997): 31-53, 32. For more theoretical combing of Hart's concept of multiple trajectories of socio-spatial change, see Hart, *Disabling Globalization*, 33-40.
[239] For more discussion on this point, see Hart, *Disabling Globalization*, 96-161.

officers' successful efforts in maintaining low levels of service charges in Ladysmith.[240] The

reality, however, was the opposite. In early 2016, twenty years after Hart's field research, there

were only about ten Chinese factories still operating on Ladysmith's Ithala Industrial Estate at

Ezakheni, employing about 2,000 people, whereas over 120 Chinese factories survived and

thrived in Newcastle, employing close to 20,000 workers.[241] Among the remaining ethnic

Chinese firms in Ladysmith, except a major textile factory which manufactures yarn for its

knitting clients in Newcastle, very few were in the clothing businesses.

Kim Steenkamp, who joined KFC's Ezakheni Estate in 1993 and was the estate's

property manager in 2016, remembered the optimistic moment that Hart was referring to.

However, many of the initial comers very quickly met with unexpected challenges on the ground

and chose to close their businesses. Steenkamp said:

> I remember twelve Chinese companies came around the mid-1990s, most of whom were
> state-owned enterprises, but now only two still remain in business today. The retreat
> seemed to start in the mid-2000s, for various reasons obviously. One fridge company was
> bought by DEFY (a leading domestic appliance manufacturer in South Africa) which
> already had a production plant then. A glove producer couldn't maintain production
> because it became just cheaper to import. A clothing firm simply shut the door and left
> due to too much hassle from the union.[242]

In many ways, the decline of Chinese factories in Ezakhezi was not unique. The retreat of

industries from former decentralized areas was indeed widely noticeable. In QwaQwa, for

example, a major former Bantustan industrial area in current-day Free State Province, the retreat

of ethnic Chinese labor-intensive factories in the last ten to fifteen years was also self-evident.

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[240] For Hart's optimism about Ladysmith's industrial future, see Gillian Hart, "A Tale of Two Towns Set Amid Poverty and Political Change," *The Sunday Independent*, December 17, 2000; see also Hart, "Reworking Apartheid Legacies," 20-23.

[241] Interview with Kim Steenkamp (Property Manager of Ithala Estate in Ezakheni), Ladysmith, March 8, 2016.

[242] Ibid.

Apparently, Hart overestimated the political and social conditions in Ladysmith at the time. Many of my informants from the government and policy circles share the view that the city manager of Ladysmith is less capable compared to that of Newcastle, a development that Hart was not able to foresee during her research. More importantly, Hart's observation also failed to capture sectoral differences between factories. The Newcastle case requires us to adopt a more explicit sectoral approach and to reflect on why and how specific ethnic Chinese clothing firms could remain and continue to grow while other industries failed. Hart's initial optimism about the investment from Chinese state-owned enterprises in Ladysmith rendered the survival of Chinese family businesses in Newcastle more puzzling and interesting. The rest of the chapter takes up this question by examining the particular modalities of clothing production and the changing forms of family enterprises that underpin the business survival of Newcastle's ethnic Chinese industrialists.

<u>An Explanation of Terminology</u>

Before further exploring Chinese clothing firms in Newcastle, it is important to clarify several terms. There have been three types of clothing businesses featuring Newcastle's ethnic Chinese garment firms over the last three decades or so. They included the large exporters, the *Chengyi* factories (ready-to-wear garments), and the *Maoyi* factories (jersey and knitwear).

The remaining garment firms in Newcastle during my field research were the latter two types of factories, namely, the *Chengyi* and *Maoyi* factories. The *Chengyi* and *Maoyi* factories used very different types of machinery and required rather distinct skills. While the *Maoyi* factories were considered relatively capital-intensive due to more expensive knitting machines, the *Chengyi* factories were relatively more labor-intensive, employing a larger number of

workers per unit of capital. It is worth mentioning, however, that the *Chengyi* factories could be both labor-intensive and have a large stock of capital when they operate on a large scale, possess large numbers of sewing machines, and hire a big workforce. Generally speaking, it is possible that a garment company could come up with its own design, purchase fabrics, and eventually, produce the clothes. Instead, the *Chengyi* factories in Newcastle took cut, make and trim (CMT) orders only. The CMT firms represented a production model in which the suppliers controlled the garment materials and styles, outsourced the labor-intensive part of sewing and manufacturing to the producers, and compensated the producers after they finished the orders. Newcastle's ethnic Chinese industrialists refer to *Chengyi* firms also as CMT factories.

The third type of Chinese clothing firms were big garment producers that would usually take big and more profitable international orders from the suppliers. It needs to be made clear that the big exporters should not be categorized as *Chengyi* or CMT firms, for they were responsible for purchasing fabrics and needed a large capital flow to do so. Although these big garment producers could in theory work on domestic CMT orders, it seldom occurred because it was much less profitable due to their large-scale operations. I will, therefore, refer to this third type simply as large exporters.[243] It is worth mentioning that these large exporters had either closed or left Newcastle by the mid-2000s for various reasons.[244]

The Large Exporters

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[243] Please note that "exporter" is not a complete description of their operations, as some also receive domestic orders. But the export market is where the real big money comes in. Local Chinese call firms of this type "*Da Fuzhuang Chang*," meaning big garment factory (also a very generic term).
[244] I will discuss the reasons for their exodus later in this chapter.

The first ethnic Chinese firm Amigo International Textile – a Hong Kong company and large garment exporter – arrived in Newcastle in 1983. As Chapter 1 discusses in more detail, Newcastle's impressive infrastructure and then relatively peaceful industrial workers convinced Nikki Kwan, Amigo's manager, to change her mind and choose Newcastle over Isithebe as the site of her factory. As a major export manufacturer connecting Newcastle and the global apparel market, Amigo's arrival excited the Newcastle community because of its reputation as an international and modern company. Many believed that Amigo was only a forerunner and its establishment meant further substantial investment from East Asia. After hearing the good news of Amigo, Lyn Badenhorst, a local journalist reported:

> Once the company has had time to evaluate the market for their locally produced denim fabrics, they may consider using them for the manufacture of the garments, of which 90% is intended for export. The factory is being equipped with imported machinery, some from America and others from Hong Kong which will provide the most modern and efficient method of manufacture…the local workers who will be employed to use these sophisticated machines, are to be given thorough training by 17 instructors who are here from Hong Kong…the production manager, Mr. Wilson Lee, will be responsible for the training program.[245]

While government officials welcomed Amigo's arrival with enthusiasm, the trade unions and Kwan's workers presented her a serious challenge at the end of its first year of operation. Under pressure to complete an order, Kwan decided to continue operations through the normal start of the Christmas and New Year holiday (December 15th), demanding her Zulu women employees to work through the 23rd. Her announcement caused grave anger among the workers and quickly prompted the union to act. Not only did they organize strikes; they also burned down the house of one black production supervisor. In response, Kwan strengthened the security on her factory premises and reached out to the KFC. Since KFC considered Amigo one of its largest foreign parent operations at the time, the development agency, using its close ties with the

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[245] "Textile Factory's R37-m Turnover a Likely Forerunner," *Newcastle Advertiser*, July 29, 1983.

KwaZulu homeland government, invited Dr. Frank Mdlalose, KwaZulu's Minister of Health and

Welfare, to address the angry workers. As someone who used to serve on the Madadeni

Township Council, Mdlalose preached to the crowd about the importance of hard work.[246] To

people like Kwan who came from a background where factory employees seldom contested

overtime, this experience came as a cultural shock.

As Kwan began to get production on a smoother track, broader political concerns

disrupted Amigo's manufacturing trajectory in South Africa. From the mid-1980s, Amigo had

problems with the international anti-apartheid lobby, particularly in the United States—home to

Amigo's clients. It became increasingly difficult to secure ready markets for garments bearing

the "Made in South Africa" label. Consequently, the workforce was pared down at Amigo and

production fell to around 2,500 units per day from its peak of 8,000 per day.[247] Subsequently, the

company had to examine new ways to circumvent the anti-South Africa campaign in 1986.

Under the leadership of Kwan, Amigo adopted two methods to broaden its revenue base. First, it

looked to potential European markets, particularly West Germany, where there was little

resistance to goods made in South Africa. Second, Amigo began taking in cut, make and trim

(CMT) contract work on behalf of other manufacturers.[248]

While Amigo's new tactics worked for a couple of years, Kwan decided to leave the

company for personal reasons. Without its founding manager, Amigo faltered and was closed in

the early 1990s. Reflecting on her former employer's unfortunate closure, Kwan alluded to two

major reasons that led to Amigo's fall.[249] The first was the end of RIDP subsidy, which affected

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[246] Interview with Nikki Kwan, Newcastle, August 10, 2015.
[247] BMDC, KFC files, Box 5, "KwaZulu Finance and Investment Corporation: A Corporate Report,"
August 22, 1986, 28, 31.
[248] Ibid.
[249] Interview with Nikki Kwan, Newcastle, August 10, 2015.

all industries in decentralized areas, but presented an especially destructive blow to the large, labor-intensive firms. The other cause was Amigo's poor management under her successor. Kwan emphasized that efficient management was the key to high productivity and growth.

After Amigo, three other ethnic Chinese large exporters moved to Newcastle. McCalls moved in from Hong Kong in the 1980s; Nova and Nantex moved in from Hong Kong and Singapore in the mid-1990s. McCalls, together with Amigo's parent company Tak Sing Alliance, were instrumental in connecting members of the Newcastle Town Council members to other interested Hong Kong firms during the Council's visits to the former British colony in 1984 and 1988. Originally from Singapore and recruited from Shanghai in 1995, Nantex was the only non-Hong Kongese firm among the four large exporters. Though its owner was a Chinese Singaporean, Nantex had already operated factories in Shanghai and considered Newcastle another attractive production base because of its cheap labor. For about a decade until its closure in 2005, Nantex was the largest garment firm by employment in the Newcastle area.

The large exporters shared three important characteristics. First, they took international orders, targeting the US market primarily. While they would occasionally take in domestic orders especially during low seasons, their real profits came from big US orders. In a sense, they served as a bridge linking Newcastle to the far-flung global market, which the other two subgroups (Taiwanese knitting firms and Mainland Chinese CMT plants) never fully achieved. Second, working on international orders required significant capital to keep large cash flows to purchase fabrics and pay wages to thousands of workers as well as tight networks and instant access to prominent suppliers (buying agents) in East Asia who dominated the global sourcing and ordering business. Third, while we might characterize these large exporters as family businesses, their multiple production sites around the globe meant that they had to employ

professional managers to take their overseas operations. Having multiple productions enabled these exporters to circumvent certain trade restrictions (for example, quotas) and benefit from advantages that each site had to offer, significantly reducing business risks through diversification.

By the mid-2000s, all the large exporters had either closed or relocated to other countries. Though their departure had a disastrous effect on the local economy and employment in Newcastle, their exodus revealed significant international and domestic challenges for the country's clothing sector. Two parallel developments imposed grave disadvantages onto export-oriented clothing firms in South Africa in the early 2000s. First, between 2002 and 2004 the times faced an appreciating Rand and increasing competition from Asian producers.[250] Secondly, the United States' African Growth and Opportunity Act (AGOA) of 2001 (a preferential policy allowing the US government to waive tariffs on imports from African countries) essentially rendered it impossible for export-oriented South African clothing firms to be winning competitors internationally. Under the Act, South Africa was classified as a middle-income country and thus ineligible to convert cheaper third-country textiles into clothes for the US market.[251]

To make matters worse, the NBC increased the minimum wages several times between 2002 and 2010. While the South African government continued its neoliberal economic policies on the macro level (notably trade liberalization), the Department of Labor and the Congress of South African Trade Unions (COSATU) started to lobby for national minimum wage setting

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[250] For more details on the effect of Rand's depreciate, see Mike Morris and Brian Levy, "The Limits of Cooperation in a Divided Society: The Political Economy of South Africa's Garment and Textile Industry," in Anthony Black ed., *Towards Employment-Intensive Growth in South Africa* (Cape Town, SA: University of Cape Town Press, 2016), 327-51, 330-31.
[251] Herbst and Mills, *How South Africa Works and Must Do Better*, 102-03.

mechanisms in the 1990s.[252] In 2002, the NBC was established, replacing the old and more

decentralized wage-setting systems.[253] The NBC, composed primarily of large producers from

the Western Cape, has never been representative of all firms in the clothing sector.[254] Although

the NBC was supposed to be a voluntary organization, the Minister of Labor could enforce the

minimum wages agreed to by the Council onto non-party firms through an extension mechanism.

According to Nicoli Nattrass and Jeremy Seekings' research, between 2002 and 2010,

employment in the clothing sector almost halved nationwide, and minimum wages in northern

KwaZulu-Natal doubled in real terms.[255] In short, the decline of the exporters and large clothing

firms had "a simple cause" – "the squeeze between falling prices for their products, on the one

hand, and rising labor costs, on the other."[256]

 Such global and domestic conditions forced South Africa's clothing industry to undergo a

series of structural changes. Firms decided to go small so that they could be more flexible in

making production arrangements as well as circumventing surveillance or harassment of the

union and NBC, a process that some scholars call "firms go informal."[257] While this process had

already begun in the 1990s, it accelerated in the new century. Peter Gibbon found that although

net job losses in clothing manufacturing were low, employment between 1995 and 2000 had

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[252] COSATU is a part of the tri-partite alliance with the ruling African National Congress and the South African Communist Party and is influential in some government bodies, especially the Department of Labor.

[253] For a good history of the evolution of NBCs, see Nattrass and Seekings, "Institutions, Wage Differentiation and the Structure of Employment in South Africa," 311-16.

[254] Nicoli Nattrass and Jeremy Seekings, "Job Destruction in the South African Clothing Industry," research report at the Center for Development and Enterprise, 2013, 8. My interviews with Alex Liu, president of the Newcastle Chinese Chamber of Commerce, also corroborated this point.

[255] For specific numbers, see Nattrass and Seekings, "Job Destruction in the South African Clothing Industry," 10.

[256] Nattrass and Seekings, "Institutions, Wage Differentiation and the Structure of Employment in South Africa," 307.

[257] While it is true that a big reason for decline in the size of firm was the loss of large exporters, my informants admit that they do not want to go big even if their business is growing in fear of attracting attention from the trade unions and NBCs.

been redistributed from those registered with the NBC to those unregistered.[258] While all clothing firms were affected and many were closed in the early 2000s, the large exporters and big firms were hit the hardest. For example, the large companies that Robbins and his colleagues interviewed in Newcastle in 2004—including Nova (Hong Kong), Nantex (Singapore), and Sandown (South Africa)—all closed; only Allwear (South Africa) survived having opted to shrink its workforce and relied on domestic school uniform orders.[259] By early 2016, there were no more large ethnic Chinese clothing firms in Newcastle.[260] By today's standard (in 2016), a large CMT factory employs a maximum of 400 people, whereas in the 1980s and 1990s the benchmark was 1,000.

For the exporters, their global connection and large-scale operations were a double-edged sword because these supposed advantages also made them more vulnerable to wage increases, unfavorable exchange rates, and international competition. However, their exodus did not mean a total erasure. In fact, as they left or closed, their factory premises, second-hand machinery, and skilled African workers became important assets for their successors. Furthermore, as the later sections of this chapter discuss in more detail, many of their former Chinese staff turned around to open new factories and become bosses themselves.

<u>The Taiwanese Knitting Firms</u>

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[258] Peter Gibbon, *South Africa and the Global Commodity Chain for Clothing*, Center for Development Research, 2002, 28-29 (available at Harvard Libraries). Gibbon shows that employment in BC-registered enterprises declined by over 40% between 1995 to 2000. Around 200 enterprises went "underground" (or "informal") in order to cheapen their variable costs during this period. However, he points out that between 1995 and 2000, net job losses were very mild (from 131,000 in 1995 to 13,0000 in 2000).

[259] Robbins, Todes, and Velia, "Firms at the Crossroads," 25.

[260] The South African owned clothing firm Allwear is still considered a large firm locally, which employs about 800 people.

Although Newcastle began to receive Taiwanese businessmen visitors as early as 1982, the first Taiwanese investment did not materialize until May 1984.[261] The first was Universal Clothing, which reportedly invested a 1.5-million-Rand factory and employed close to 100 workers.[262] In December the same year, Formosa Knitting Company, a second Taiwanese garment firm, opened in Newcastle. According to Julie Fong, a spokeswoman for Longhaul Enterprise, Formosa Knitting's parent company, the new factory would offer job opportunities to about 600 people.[263] Local media celebrated the opening of Formosa Knitting as a direct consequence of the recent visit by the Newcastle Town Council delegation to the Far East to promote Newcastle's industrial potential; locals also hoped that Formosa's investment would be "the forerunner of more extensive operations" from Taiwan.[264]

The number of Taiwanese companies in Newcastle increased rapidly between 1988 and 1991.[265] The rapid growth of Taiwanese industries was due to another major promotion campaign by the Newcastle Town Council to Taiwan. The mayor of Newcastle, Imker Botha and the Council's administrative manager, Chris Le Roux, had made a promotion trip to Taiwan to hold seminars and meet with prospective industrialists in Taipei in March 1988. Before this trip, nine Taiwanese-related firms were established in town. While I have provided details of this trip in the previous chapter, it is worth noting that the majority of Taiwanese clothing firms attracted to Newcastle were, and still are, concentrated in the knitwear segment.

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[261] "Taiwanese Visitors to Town," *Newcastle Advertiser*, August 20, 1982; "Taiwan Visitors look at Investment Scope," *Newcastle Advertiser*, March 18, 1983; "4 Factories Will Provide over 500 with Jobs," *Newcastle Advertiser*, May 4, 1984.
[262] "Four Factories Will Provide over 500 with Jobs," *Newcastle Advertise*s, May 4, 1984.
[263] "New Textile Factory to Open Here," *Newcastle Advertiser*, June 15, 1984.
[264] Ibid.
[265] Regarding the real growth between 1988 and 1991, see Todes, "Restructuring, Migration and Regional Policy in South Africa," 269-70.

Among the Taiwanese knitting firms, the most prominent was Ascendo Knitwear Company (Ascendo), set up by Charlie Huang in July 1988.[266] Charlie Huang became deputy mayor of Newcastle in 1996 and was active in local politics first as a member of Buthelezi's Inkatha Freedom Party and subsequently as an ANC member.[267] He was also instrumental in recruiting entrepreneurs from Taiwan and Mainland China during his years in government. Despite several controversies around Huang as a political figure, Ascendo remained one of the largest ethnic Chinese firms in town for a long time.[268]

While several Taiwanese firms were involved in export production, most Taiwanese firms were producing knitwear for South Africa's domestic market. By the beginning of the 1990s, Newcastle had already become a veritable clothing mecca with the establishment of about 15 garment producers, eight of which were Taiwanese firms.[269] It is difficult to be precise on the annual growth of Taiwanese firms in Newcastle. However, local newspaper evidence suggests that there were 18 Taiwanese firms in 1990.[270] Three years later, Newcastle could claim to have the second largest Chinese population (mainly from Taiwan) in the country after Johannesburg, hosting close to 1,000 Chinese residents and 54 Chinese-owned factories.[271] In 1996, according to a Taipei Liaison Office census, Newcastle ranked number one with 48 Taiwanese factories,

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[266] "30 Jobs to 500 in Nine Months with 500 more planned," *Newcastle Advertiser*, March 16, 1989; "Mayor Opens Factory," *Newcastle Advertiser*, May 25, 1989. As discussed in Chapter 1, he later owned two knitting firms in Newcastle, employing over 800 workers. For knitting firms which usually hired 100 at the time, Huang's companies were considered large operations.

[267] "Inauguration Marred," *Newcastle Advertiser*, July 12, 1996; see also "It is not over for IFP's Huang and Zulu Youth," *Newcastle Advertiser*, July 3, 1998.

[268] His controversies were three-fold. One was the labor abuse case that he and his wife got involved (see Chapter 1). Second was concerning his opportunist shift of political loyalty from the IFP to the ANC. Third was regarding his deeds in office. Some government officials in Newcastle (anonymous) accused him of corruption, especially during his many promotion trips to East Asia. Personal communication of several government officials in Newcastle.

[269] "Newcastle: Industrial Giant in the Making," *Newcastle Advertiser*, January 11, 1990.

[270] "Chinese Dignatories' Goodwill Tour Serves to Strengthen Ties," *Newcastle Advertiser*, March 8, 1990

[271] "Industrial Marketing Nets in Excess of R120-m," *Newcastle Advertiser*, July 16, 1993.

followed by Botshabelo (37), Ladysmith (26), Ciskei (20) and Isithebe (19).[272] Statistics from the

South African Census of Manufacturing in 1996 indicate that Newcastle was home to at least 53

foreign and domestic clothing firms employing about 11,300 workers, which made Newcastle

the second largest clothing production site after Durban in KwaZulu-Natal Province.[273]

Many Taiwanese industrialists regarded the period between the late 1980s to the late

1990s as the golden decade for the knitting business. In the words of Denny You, one of my

Taiwanese informants:

> The sky belonged to knitwear business in the 1980s and 1990s. Even without the
> incentive package that was available at the time, the knitwear business would still be a
> lucrative one. There was no bottleneck competition. The profit of selling just one knitted
> jersey would equal the costs of two! The competition came around 2000 and 2001 when
> the number of knitwear firms grew to 100 [note this is an exaggeration]. That was when
> closures started. But unlike the CMT factories, knitwear firms require a larger start-up
> capital investment for machinery.[274]

The original high profit, apparently, was due to protection from international producers and

relative lack of domestic competition. Denny You, who came to open his knitting factory in

1988, remembered vividly how his African clients would buy even defective jerseys without

bargaining. "They had no other choices," as Denny explained.

Unlike the large exporters, Taiwanese knitting firms were predominantly small- and

medium-sized family businesses primarily targeting the domestic market. A typical Taiwanese

family run knitwear firm would involve the parents and the children, usually sons in his late

twenties or older. One could roughly divide the work in a knitwear firm into two phases. While

the male members of the family often worked on the first phase in which yarn is woven into

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[272] Lin, "The Relations between the Republic of China and the Republic of South Africa, 1948-1998,"
154.
[273] Robbins, Todes, and Velia, "Firms at the Crossroads," 14.
[274] Interview with Mr. Denny You, a former knitwear firm owner and one of the earliest ethnic Chinese
investors in Newcastle, Newcastle, July 20, 2015.

knitted fabric, the female members took over the second phase in which the fabric is turned into the final knitwear items. Compared to the CMT clothing firms, knitwear companies were more capital-intensive and less labor-intensive. The reason was that even a basic knitting machine could easily cost half a million Rand; the more sophisticated computerized machines cost much more. Although large knitwear companies like Ascendo has been around for many years, most Taiwanese knitwear firms in Newcastle today are small to medium operations, utilizing one or two expensive knitting machines and employing about fifty people.[275]

While the exporters and the CMT firms represented only the production phase within the extended retail business chain, Taiwanese knitting firms operated with much more autonomy. Though Taiwanese knitting firms received some of their work from customer orders (especially school uniforms), more often they would engage in designs, production, and marketing. They approached retailers and they also sold out of their factory shops. Factory shops were useful exhibition spaces to showcase unique designs and the quality of their finished items. Interested clients usually would put in orders based on what was available in the factory shops.

Production networks were crucial for the continual survival of Newcastle's Taiwanese knitting firms. While scholars have recognized the management style in small Taiwanese family enterprises and their satellite production networks that marked their extraordinary success in East Asia, few have examined how such networks functioned when Taiwanese family firms relocated to foreign countries.[276] A big contributing factor for the proliferation of Taiwanese knitwear firms in this region was the presence of a large Taiwanese yarn manufacturer called Derlon

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[275] The reasons for the decline of large knitting firms were like those that led to the departure of large exporters.

[276] See, for example, Gary Hamilton and Cheng-shu Kao, "The Institutional Foundations of Chinese Business: The Family Firm in Taiwan," *Comparative Social Research*, 12 (1990): 95-112; and Ping-Chun Hsiung, *Living Rooms as Factories: Class, Gender, and the Satellite Factory System in Taiwan* (Philadelphia: Temple University Press, 1996), 47-88, 111-28.

Spinning in Ezakheni, a black township near Ladysmith, about a hundred kilometers away from Newcastle. Derlon that had been the primary yarn provider for Taiwanese knitting firms in Newcastle. The dynamics shifted after 2009, when Tim Wang, an industrialist from Shandong Province of Mainland China opened a large yarn-making factory (Shengyuan Ltd) in Newcastle.[277] Wang shipped spinning machines and sponsored technicians from his parent factory in Shandong. Wang became the leading Chinese investor for Newcastle government as measured by total investment volume.[278] Although Wang's clients had mixed opinions about the actual quality of his yarn, his ability to produce and sell yarn at a lower price posed tremendous challenges for Derlon, which had enjoyed a monopoly in the region for almost two decades.

The Mainland Chinese CMT Firms

While most Taiwanese industrialists in Newcastle were involved in the knitwear business, three of them operated CMT firms as of 2016. In fact, one of the three, the Luck Clothing Company, played a pivotal role in the early growth of Mainland Chinese-owned CMT firms of the mid-2000s. After working at a big Taiwanese exporting clothing factory in QwaQwa for three years, a Taiwanese woman, Linda Shun, decided to set up her own business.[279] She persuaded her younger brother to come to South Africa, and they opened Luck Clothing in Newcastle in 1989. At the time, Luck Clothing was one of two Chinese *chengyi* firms in the

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[277] Tim Wang (pseudonym) also owned yarn factories in his hometown.
[278] Interview with Tim Wang (pseudonym), Newcastle, September 19, 2015, and multiple personal communications with him December 2015 and March 2016.
[279] QwaQwa was one of the ten bantustans that the apartheid government established. It had its own industrial area which still exists to this day.

Newcastle Riverside Industrial Area. It is worth mentioning that the owner of the other firm (no

longer in business) had been Linda Shun's Taiwanese co-worker in QwaQwa.[280]

Chinese industrialists in Newcastle half-jokingly refer to Luck Clothing as "the

Whampoa Military Academy." [281] The reason was that a significant number of current CMT

clothing factory owners in Newcastle, mostly those from Mainland China, previously worked for

Shun as machinists, mechanics, or managers. Shun recalled that in 1995, after experiencing

conflicts with two other business partners and tensions with the trade union, her business grew

rapidly, forcing her to reach out to labor dispatching agencies in Mainland China to recruit

additional staff. During the 1990s, it was significantly less expensive to hire the Mainland

Chinese than workers from Taiwan. Reflecting upon these boom years, Shun said:

> We got orders from Jo'burg, and sometimes, we also did our own design, bought fabric,
> made them, and found buyers in Jo'burg. Selling our products was never a concern then. I
> also had export orders from Lesotho. So I bought more sewing machines to add to the
> productivity. I also recruited supervisors from China. At the peak, I hired 28 Chinese on
> the shop floor as supervisors and managers to help with the business.[282]

While Shun's company inadvertently nurtured future factory owners, many of whom became her

competitors, by 2016 hers was a relatively average CMT firm. Like most Mainland Chinese

CMT firms, Luck Clothing employed a workforce of about 150 people. When asked to comment

on this, Shun responded: "Now many of them run their own factories here, and are doing way

better than me. I think it is a good thing that *Qin Chu Yu Lan Er Sheng Yu Lan* (literal

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[280] Interview with Linda Shun, Newcastle, March 17, 2016. Luck Clothing and Linda Shun are
pseudonyms.
[281] Whampoa Military Academy was the military academy that produced many prestigious commanders
who later fought in many of China's major wars in the 20th century, including the Anti-Japanese War
during World War II (1937-1945) and the Civil War (1946-1949).
[282] Interview with Linda Shun, Newcastle, March 17, 2016.

translation: Indigo blue is extracted from the indigo plant but is bluer than the plant it comes from).”[283]

Newcastle's Mainland Chinese companies (clothing as well as non-clothing firms) were late comers, following on the heels of their forerunners from Hong Kong and Taiwan. Although local newspaper reports show that there were several business delegations from Mainland China to Newcastle beginning in 1994, the real progress only kicked off in 1998 after the establishment of formal diplomatic relations between the two countries.[284] The first Mainland Chinese company established in Newcastle was the Shan Da Aluminum Industry Company, whose holding company was Shanghai Light Industry, a large state-owned enterprise in Shanghai. The investment came in 1998, amounting to R30 million and creating 200 job opportunities.[285] Heng-Sheng 88, the first textile firm from Mainland China, also arrived the same year. It was a yarn producer from Zibo City in Shandong Province. When its parent company, a state-owned enterprise, started to have financial difficulties with a bank loan repayment, Heng-Sheng 88 was forced to cease production in 2005 and eventually sold its machinery and officially closed in 2009. Even during its active years between 1999 and 2004, Heng-Sheng 88's production was much lower as compared to Derlon in Ezakhenzi and Tim Wang's yarn factory.[286]

In Newcastle, and in KwaZulu-Natal more generally, there was great excitement during the late 1990s, as officials in the government believed that Mainland China, especially with its state-owned enterprises, would invigorate the region with significant manufacturing investment

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[283] Ibid. The Chinese idiom means that students become better than their masters.
[284] KFC had two marketing offices in East Asia, one in Shanghai and the other in Taipei. Therefore, the first group of Mainland Chinese investors who came to KwaZulu-Natal were mainly from Shanghai.
[285] "Top Chinese Delegation Arrives to Inspect New Factory," *Newcastle Advertiser*, July 3, 1998.
[286] Interview with Min Zhou (former owner of HengSheng 88), Newcastle, September 18, 2015.

and substantial employment creation.[287] However, to the disappointment of many, most investment from Chinese state-owned enterprises in the region was short-lived.[288] China at the time wanted to use the investment to attract and later to reward South Africa for cutting off ties with Taiwan. In fact, many of the factories set up by Chinese state-owned investment never actually made anything. Senior managers of Chinese state-owned enterprises used the pretense of investing in South Africa as an opportunity to travel. In practice, some senior managers even put investments under their private names.[289] Many of them were incompetent managers and were defrauding state assets.

The subsequent growth of Mainland Chinese CMT firms in Newcastle had little to do with improved diplomacy between the two countries, though new migration from China after 1998 had increased the ethnic Chinese population in town.[290] Rather, the proliferation of ethnic Chinese clothing firms was principally a cascading effect resulting from Newcastle's existing Chinese garment producers. The early large Hong Kongese exporters benefited from the previous round of accumulation in the region, for example, the availability of cheap female labor and inexpensive industrial facilities. As Nikki Kwan recalled, many of her newly hired

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[287] "Delegations Leave Expectations of Massive Investment Boom," *Newcastle Advertiser*, May 19, 1995; "Council to Explore Friendship Ties in China," *Newcastle Advertiser*, August 15, 1997; "Race for Chinese Millions Continues," *Newcastle Advertiser*, February 24, 1998; "Mayor Returns from Red China with Good News," *Newcastle Advertiser*, April 10, 1998; "Xiamen City Officials Visit Local Business and Industry," *Newcastle Advertiser*, August 7, 1998; "More Chinese Investment in the Pipeline," *Newcastle Advertiser*, October 2, 1998; "China's Largest Pharmaceutical Expressed Desire to Invest in Newcastle," *Newcastle Advertiser*, October 23, 1998;

[288] According to Grant Siebert, a former senior manager at the KwaZulu Financial and Investment Corporation, the first companies recruited from mainland China in the province were all state enterprises. Diplomatic consideration was a big reason for their arrivals. Interview with Grant Siebert, Durban, October 3, 2015.

[289] Interview with Grant Siebert, Durban, October 3, 2015.

[290] Yoon Jung Park has identified three distinct waves of the more recent Chinese migration to South Africa: the first from the late 1980s to the mid-1990s; the second from the mid to late 1990s; and the third wave beginning in the early 2000s. For details, see Park, "Chinese Migration in Africa," 14–15.

machinists had worked for South African clothing firms and came with decent sewing skills.[291]

In a sense, Mainland Chinese CMT firms inherited a dual legacy. On the one hand, black resettlement townships continued to provide cheap female labor and the apartheid-era industrial facilities remained useful for productive activities. On the other hand, the technical know-how and capital that the CMT firm owners accumulated while working for their former employers, cheap second-hand sewing machines that became available as large exporters left, and a large well-trained workforce were the foundations upon which the CMT firms had built.

Mainland Chinese CMT firms started in the late 1990s. The first one was a factory established in the Madadeni industrial area in November 1998.[292] Local Chinese industrialists affectionately referred to its owner as "Uncle Li." Li was from Shanghai and had operated a clothing store in Johannesburg before relocating to Newcastle.[293] A concentrated growth of Mainland Chinese CMT factories occurred between 2003 and 2006, which corresponded with the closure of the large exporters and big Taiwanese knitwear firms. Factory premises became cheap to rent (or buy), and pre-owned machinery was also available for purchase at discounted prices. Several Mainland Chinese who were initially from Shanghai, Jiangsu, and Shandong Provinces quickly established their own clothing firms. Such development only accelerated toward the end of the decade.

A closer look at the profiles of these new, self-made industrialists reveals that the majority had very humble backgrounds. Almost all had worked for the Hong Kongese or Taiwanese firms as a way to accumulate both the capital and management skills that were

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[291] Interview with Nikki Kwan, Newcastle, August 10, 2015.

[292] Just to avoid confusion, the Heng-Sheng 88 was the first Mainland Chinese textile firm (a state-owned yarn producer) that also came in 1998.

[293] Interview with Evan Wang who was Uncle Li's business partner in the late 1990s, Skype interview, June 21, 2016. In the mid-2000s, Li went back to reside in Shanghai and his factory was no longer in business.

necessary to start their own clothing business. When the large exporters retreated and began to

sell equipment at cheap prices in the mid-2000s, they seized the opportunity without hesitation. It

is worth noting that some of them came from nearby countries (Swaziland, Lesotho, and

Mauritius), where they had been employees in large ethnic Chinese exporter clothing firms.

Newcastle appeared to occupy a special position within the broader networks of Chinese garment

production in southern Africa.[294] Newcastle's lack of appeal to the large multinational clothing

companies turned out to be an attraction for the small- and medium-sized Chinese factories.

Notwithstanding the town's superior lifestyle as opposed to other African countries, Newcastle

presented to the less affluent industrialists as a place where they could start something small and

achieve career success.

Three factors distinguish these newly established Mainland Chinese clothing firms from

the exporters and knitwear firms. First, they represented a different business model. They relied

primarily on CMT apparel work and only took domestic orders. With a CMT order, the supplier

would provide the necessary fabric, detailed requirements for quality and style, and the payment

after receiving the completed order. Therefore, the CMT factory owners do not have to invest in

material supplies, they simply get paid for the sewing work.[295] For both the export and knitwear

businesses, the financial burden of purchasing fabric and yarn would be on the producer's

shoulders, usually requiring larger working capital to sustain business operations.

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[294] For works on Chinese clothing production in other southern African countries, see Carolyn Bylies and Caroline Wright, "Female Labor in the Textile and Clothing Industry of Lesotho," *African Affairs*, 92, 369 (1993): 577-91; Brautigam, "Close Encounters"; Tim Gibbs, "Union Boys in Caps Leading Factory Girls Astray? The Politics of Labor Reform in Lesotho's 'Feminized' Garment Industry," *Journal of Southern African Studies*, 31, 1 (2013): 95-115
[295] CMT factories, however, do need to buy the auxiliary materials such as sewing threads and buttons. But it is insubstantial in the overall production cost.

On the shop floor of a Chinese CMT firm, the core management team consisted of five to six Chinese staff including the owner (or owners). For example, Star Clothing had two "bosses" who started the company in a boyfriend-girlfriend partnership in 2005.[296] They employed one Mainland Chinese production line manager, one Mainland Chinese mechanic, one Mainland Chinese truck driver, and one general staff member who works as a cook and gatekeeper.[297] On the production side, the factory had eight production lines and employed over 300 workers, with each line operating approximately thirty sewing machines. While the female business partner worked as a supervisor on the shop floor giving sewing instructions and ensuring work quality, the male partner was responsible for general management, especially, getting orders from suppliers in Durban and Johannesburg. The owner couple taught themselves how to manage a clothing factory from their previous experience as co-workers in the same Hong Kongese exporter firm. They would occasionally reach out to other ethnic Chinese industrialists for management advice and market information, particularly about orders.

Second, the Mainland Chinese CMT producers in Newcastle represent a radical form of family business. The Hong Kongese and Taiwanese firms in Newcastle can be classified as family businesses, though with important differences. The large Hong Kongese exporters had adopted certain elements of modern corporation management practices, such as hiring skilled professional managers on the ground and setting up formal departments to achieve management efficiency. Often the absentee family business owner gave his or her instructions remotely. Taiwanese family businesses, mostly small- or medium-sized enterprises, on the other hand, were characterized by family labor, which was crucial in day-to-day production. Gender and

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[296] I will discussion the boyfriend-girlfriend partnership more below.
[297] Star Clothing (pseudonym) was a company whose owners are among my key informants. Gary Zhao and Lilly Wei, the two partners of this joint business, are subjects of discussion for Chapter 3.

generation play an important part in the division of labor in such a family business. In traditional family businesses, as Aihwa Ong describes, women are involved mainly in logistics and the cultivation of far-flung family networks, managing the so-called "cultural capital" (for example, guanxi and face value), and men (fathers and sons) engage in the actual operational part of the family businesses with clear division of labor among themselves. However, because of women's important productive roles in the clothing business, in Newcastle's Taiwanese knitting firms, female power in the family was relegated to the production side of the business (such as work planning and disciplining workers) and men, the more technical and public side (such as design of styles, machines, and getting orders).[298] But still, sons in the family, or at least one of the sons, were expected to eventually inherit the business.

What was interesting about the Mainland Chinese CMT factories was that the business was often a joint venture of two partners who were in a stable "boyfriend-girlfriend" relationship recognized and respected among the business community. The two partners might both have spouses as well as families back in China but had decided to form a production couple relationship abroad for the sake of business success.[299] Though it is hard to provide the exact number of such relationships, they were prevalent. For instance, among the 18 Mainland Chinese CMT firms in Madadeni's Ithala Industrial Estate in early 2016, 11 (61%) were formed on the basis of such partnerships (Figure 8).[300] Data on this subject in the Riverside Industrial

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[298] Aihwa Ong calls this division along gender lines between public masculinity and private femininity as "the moral economy of the family." See Ong, *Flexible Citizenship*, 152-53.
[299] Chapter 3 discusses this production couple in more detail.
[300] Information collected from my personal communications and interviews with John Qian (pseudonym) and Peter Zhou (pseudonym), February and March 2016. Both were CMT factory owners on the estate.

Area was more difficult to obtain, but one of my informants admitted that he would be very surprised if I found that the majority were not in this boyfriend-girlfriend relationship.[301]

Figure 8. Survey of marital status among CMT industrialists in Madadeni
PCP: production couple partnership; MC: married couple; PCP-M: PCP-turned marriage

Status\Name	Peng	David	No. 43	Han	No. 40	Ying	Xiao Lu	Vivi	Changmao Zhang
PCP	X			X			X		X
MC			X		X	X		X	
PCP-M		X							
other									

Status\Name	Evan	No.68	Zhang	A Xiang	Madam Ma	Tang	Xie	Steven	Yang
PCP	X	X	X			X	X	X	
MC				X					X
PCP-M									
other					Widowed				

This seemingly strange but prevalent partnership arrangement has both historical and structural causes. Unlike the Taiwanese who came with the apartheid government's invitation mostly as families in the 1980s and early 1990s, the Mainland Chinese initially came as individually recruited staff in the Hong Kongese and Taiwanese factories. A peek at the shop

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[301] Interview with John Qian (pseudonym), Newcastle, March 12 & 13, 2016.

floor of a CMT firm reveals two people who were indispensable to the factory's operation: the production line supervisor (usually female) who was responsible for pipelining received orders and giving sewing instructions, and the mechanic who maintained and serviced the machinery. If a line supervisor and a mechanic acquired skills in general management and order-taking, they could immediately form a partnership and operate their own CMT business. Such business partnerships gave rise to the rapid proliferation of Chinese CMT firms in Newcastle.

Thirdly, CMT operations and business partnerships were highly replicable, which helps explain their exponential growth in the past decade. The size of a CMT factory was usually measured by the number of its production lines, with each line consisting of as few as ten sewing machines (big lines can have more than twenty). However, the secret of CMT work is that the owner can start small, with one or two production lines, requiring a start-up capital of as little as R200,000. The operation can then scale up by adding more lines and workers.[302] Also, cash turnaround of the CMT business is fast, usually in a couple of weeks, which allows the factory owner to pay wages promptly. Unlike in East Asia where workers got paid monthly, employers in Newcastle paid their workers every fortnight or sometimes even weekly. Furthermore, the continued influx of Mainland Chinese to Newcastle since the late 1990s only helped to increase the number of CMT factories.

While Newcastle was already known as a clothing mecca in the early 1990s, its importance as a hub for garment manufacturing increased significantly in the new century due to the proliferation of Chinese CMT firms. Unfortunately, no manufacturing census after 1996 offers regional data on the number of clothing firms in Newcastle. Even the most recent research

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[302] Interview with Gary Zhao (pseudonym), Newcastle, February 29, 2016.

reports were unable to provide any reliable number on clothing firms in the area.[303] The

Newcastle municipal government's latest industrial survey did not contain such numbers.[304] Alex

Liu, Chairman of the Newcastle Chinese Chamber of Commerce, estimated that there had been

approximately 100 ethnic Chinese clothing firms in Newcastle at the end of 2015. Of the 100, he

further suggested, about 70 to 80 firms were formally registered companies, the rest, small and

unregistered (i.e., "underground" workshops).[305] Due to the weakening Rand in 2015 and 2016,

local Chinese industrialists believed that there had been an increase of another twenty some

small sized clothing firms, registered and unregistered, which would bring the total number of

Newcastle's ethnic Chinese clothing firms close to or over 120 by early 2016. If on average each

firm employs between 100 and 150 workers, the total employment in Chinese clothing firms in

Newcastle would be between 15,000 and 20,000.[306] Based on these calculations, jobs at

Newcastle's ethnic Chinese clothing firms made up a third of the entire employment in the

region in 2016.[307] Given that there are often four to five dependents on a wage earner, the

potential benefits extend upwards of 80,000 people in the surrounding communities.

As I concluded my field research in mid-2016, I heard that there were promising

discussions within the KwaZulu-Natal provincial government about plans to build an industrial

hub for clothing and textiles in Madadeni.[308] The provincial government's idea was for each of

the eleven districts in the province to have a major project with a sectoral focus. For instance,

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[303] Nattrass and Seekings, "Job Destruction in Newcastle"; and Nattrass and Seekings, "Institutions, Wage Differentiation and the Structure of Employment in South Africa."

[304] Newcastle Municipal Government, "Impact of Foreign Direct Investment," unpublished report, 2012.

[305] Personal Communication with Alex Liu, July, August, and November 2015.

[306] Personal communication with key informants among the Chinese factory owners, March and April 2016.

[307] According to the census, Newcastle in 2011 enjoyed a population of 363,236, of whom only 62,968 were employed. South Africa Census 2011, statistics on the Newcastle Municipality. For more details, see online: http://www.statssa.gov.za/?page_id=993&id=newcastle-municipality.

[308] Interview with Selby Sithole (manager of the Ithala Industrial Estate in Madadeni), March 1, 2016.

Ezakheni in Ladysmith was selected to develop an industrial hub for electronic manufacturing. Due to Newcastle's established ethnic Chinese clothing cluster, the proposal to develop an industrial hub for clothing and textiles in Madadeni was no surprise. According to the proposal, the hub would combine seven property sites in a total of 106,287 square meters, which would allow it to accommodate an additional twenty factories and several clothing shops. The hub would also have in-house suppliers from whom local firms would get orders directly.[309] David Yan, the chairperson of the Newcastle Chamber of Clothing and Textile, was an active promoter of this project. He was optimistic that Newcastle's status as South Africa's clothing mecca would only improve in the future.

Conclusion

Newcastle has, over the past thirty decades, been transformed into an industrial center for light manufacturing, reliant on the establishment of Chinese garment firms. This chapter has revisited the historical contexts for the establishment of and important shifts in Chinese garment production in Newcastle. In the extant scholarship, there has been a lack of recognition of important distinctions between different types of businesses under the umbrella term "Chinese firms." This chapter draws distinctions between three subgroups of ethnic Chinese family enterprises in Newcastle, namely, the Hong Kongese exporters, the Taiwanese knitting firms, and the Mainland Chinese CMT factories. Through an examination of the particular forms of production that they each come to represent, this chapter has highlighted the multiplicity of Chinese family businesses.

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[309] Ibid.

More importantly, the concentration of ethnic Chinese industrialists in garment production and the cultural significance of familial governance and production networks to their longevity on South Africa's industrial frontiers point to the birth of a dynamic business diaspora. The presence of South African clothing firms during the previous rounds of industrial decentralization had trained a small cadre of women workers. Newcastle's ethnic Chinese industrialists quickly learned to utilize not only the availability of mass cheap female labor but also this small group of skilled workers. As intensified international competition and rising labor cost in South Africa squeezed out many of the big garment companies in the early 2000s, it was not the end day for Newcastle's ethnic Chinese garment firms. In fact, the continued legacy of apartheid geography and larger firms' exodus created room for the proliferation of smaller Chinese garment producers. While large ethnic Chinese clothing factories remained in operation in Lesotho, Swaziland, and Mauritius for the export market, Newcastle became an interesting magnet attracting Chinese industrialists with relatively small capital who wanted to set up their own clothing businesses.

Unlike traditional immigrant groups in Africa, the Lebanese and Indians, for example, who served primarily as traders and indentured laborers, the Chinese in Newcastle constitute an emerging industrial diaspora.[310] Scholars once distinguished between five major categories of diasporas, including victim diaspora (Jews, Africans, and Armenians), labor diaspora (indentured Indians and Chinese), imperial diaspora (British), trade diaspora (Lebanese, Chinese, Indians), and deterritorialized diaspora (Caribbean peoples).[311] However, Chinese entrepreneurs in

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[310] Cohen, *Global Diaspora*, 1-20, 83-102. Cohen categorizes Chinese and Lebanese immigrants in history as "trade and business diasporas." In Cohen's book, he refers to business mainly as commercial activities, not manufacturing operations.

[311] By the "deterritorialized diaspora," Robin Cohen refers to a diaspora that can to some degree be cemented or recreated through the mind, through artefacts and popular culture, and do not hold strongly articulated exclusive territorial claims. See Cohen, *Global Diasporas*, 8, 18.

Newcastle do not fit into any of the above categories. This chapter highlights that apartheid policies; post-apartheid political, social and economic realities; and the adaptability of Chinese family business are all important contributing factors in the making of an industrial diaspora. Another distinguishing factor of the Chinese in Newcastle is that they came to make use of a distorted form of human resources, the "surplus" women in the black homelands under apartheid.

While acknowledging the significance of major shifts in global garment manufacturing and South Africa's hostile industrial environment for clothing firms, this chapter has highlighted the adaptability of Chinese family businesses. The Hong Kongese exporters, the Taiwanese knitwear firms, and the Mainland Chinese CMT factories built on three different familial arrangements, showing the fluidity and evolving nature of the family as a pivotal platform for business. The clothing business has turned into a cutthroat competition worldwide. On the one hand, policymakers must admit that with rising wages and continued impact of AGOA it is very difficult for South Africa to become a major player in garment exports. Now, all clothing firms in Newcastle are producing for the domestic market, supplying to big retailers. On the other hand, they also need to realize that to abandon this light manufacturing sector completely would have detrimental consequences on jobs. Scholars have warned that in this merciless game South African producers can only survive either by undertaking production for the domestic market or through participation in export niches in which thriving middle-income countries such as Turkey continue to compete effectively.[312] Newcastle's surviving Chinese industrialists are all involved in the former segment. But how exactly did they manage to stay in business? Chapter 3 now answers this question.

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[312] Morris and Levy, "The Limits of Cooperation in a Divided Society," 327-28.

CHAPTER 3: PRODUCTION COUPLES AND FLEXIBLE ACCUMULATION

CHAPTER 3

PRODUCTION COUPLES AND FLEXIBLE ACCUMULATION

Very unexpectedly, I started my field research in July 2015 in Newcastle by attending a

court hearing on a murder case, in which the victim, Steven Zhang, a Chinese clothing factory

owner, was shot dead in an execution-style killing.[313] It was an unusually painful morning for me

to sit in a courtroom listening to the harrowing accounts of how the tragedy happened. The two

suspects gunned down the victim inside his factory in Madadeni during an armed robbery on

Friday, May 29, 2015, which was the fortnightly payday for companies on the Ithala Industrial

Estate. Linda Wu, Steven's new wife, who served as his long-time partner, testified that the two

suspects, allegedly their former employees, shot him even after he handed the assailants the

money.[314] Steven's death left behind a wound for the entire Chinese community in the Newcastle

area, as he was the first Chinese factory owner murdered in an armed robbery. Like many of his

compatriots in Newcastle, Steven was a self-made man who came to South Africa 15 years

before his death; after working in several other factories he had opened his own business with his

partner in 2013. His dream came true, only to be shattered.[315]

As my inquiry into Chinese clothing firms progressed and my knowledge of the lives of

these Chinese industrialists deepened, I began to realize and further appreciate the fragility and

marginality of their businesses. Over the last thirty years or so, the marginal position of

Newcastle's ethnic Chinese industrialists in South Africa's industrial landscape as well as within

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[313] For local media coverage of the murder, see Quinton Boucher, "Paying Tribute to A Victim of Crime," *Newcastle Sun*, June 12, 2015; and Talba Banderee, "Protestors Oppose Bail," *Newcastle Advertisers*, June 19, 2015.

[314] They had been a production couple before their recent marriage.

[315] As my research continued in Newcastle, I unfortunately witnessed two more murder cases of Chinese business people. By the time I left in mid-2016, Chinese industrialists were increasingly concerned about their personal safety in Newcastle.

the global production hierarchy forced them to explore novel strategies that might enable survival into the future. More specifically, rising statutory minimum wages, relative low productivity of the local workforce, and the ever-increasing international competition drove these Chinese entrepreneurs to embark, rather adroitly and strategically, on a whole set of flexible accumulation tactics. These included, first and foremost, radical ways of organizing marriages and families, and second, new tactics of managing workers and production on the shop floor. Both aspects were crucial to their long-time survival and continued growth on the country's industrial fringes.

While the previous chapter has detailed the distinctions of three different subgroups within Newcastle's Asian industrialists, this chapter focuses on two types of ethnic Chinese clothing business that remain. They are the Mainland Chinese CMT factories and the Taiwanese knitting companies. This chapter has a two-fold purpose. On the one hand, it underscores the cultural significance of what I call the "production-couple" business partnerships which underpins most Chinese CMT firms in Newcastle. Though I have shown the prevalence of and historical reasons for the existence of production-couple partnerships, this chapter zooms in to illustrate the lived experience of, and the societal reactions to, such relationships. While utilitarianism certainly helps to explain the presence of production-couple partnerships, it overlooks the intricate linkages between the emotional and the material. Through voices of those who practice this radical familial arrangement, this chapter moves beyond the standard narrative of Chinese factories in and near South Africa's former homelands, highlighting the shifting inner dynamics of ethnic Chinese family enterprises and the flexible ways in which these Chinese factories have pursued accumulation.

On the other hand, this chapter contends that the production-couple partnership was not an isolated phenomenon. To make this point, I place this unique business relationship within the broader management and productive tactics to which Newcastle's Chinese entrepreneurs had subscribed, pointing to the fundamental transformations that contemporary capitalism has undergone. In addition, this chapter reveals the significance of networks among Newcastle's ethnic Chinese clothing firms, both horizontal and vertical, and how they strategically eschewed certain legal regulations on wage requirements and labor practices to sustain ever-diminishing business profits.

The Age of Flexible Accumulation

The most profound change in the configuration of political and economic power since the 1970s has been the shift from the Postwar Fordist system to flexible accumulation. In his celebrated book, *Condition of Postmodernity*, David Harvey outlines the political-economic transformation of late twentieth-century capitalism. Postwar Fordism, Harvey suggests, "has to be seen less as a mere system of mass production," and more as "a total way of life" (such as mass production, standardization of product, mass consumption and full employment).[316] However, the patterns in which finance, market, and labor operate are drastically different in the era of flexible accumulation when self-employment, subcontracting, and outsourcing are widely practiced, the working-class organization becomes more difficult, economies of scope prevails over economies of scale, and capitalism itself is becoming more tightly organized rather than disorganized.[317]

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[316] Harvey, *The Condition of Postmodernity*, 135-36.
[317] For more details on these specific practices, please see Harvey, *The Condition of Postmodernity*, 150-59.

Consequently, under late capitalism (or neo-liberalism in its economic form), full employment is no longer the commitment.[318] The triumph of finance capital, technological advances (vis-à-vis labor costs), deregulation, and structural reforms from the late 1970s onward have worked together to give rise to flexible accumulation globally. In many places, they contributed to deindustrialization and mass unemployment, giving rise to what Judith Stein called "the Age of Inequality."[319] Global industrial manufacturing has since witnessed two interrelated changes. On the one hand, factories constantly relocate in search of production bases of lower costs. On the other hand, casualization of the workforce, mass layoff, and chronic unemployment have become ever more widespread across the world.

In South Africa, for instance, as James Ferguson recently laments, such development has resulted in "the freeing" of black young men from wage labor, which had historically served as the very basis for social membership.[320] Ironically, South Africa, a country where labor shortages were a major obstacle to sustained economic growth in the past, entered the era of labor surplus or open unemployment in the mid-1970s, especially for the poor and unskilled. Multiple studies have shown that it was due to slow economic growth, rising wages, and increasing levels of mechanization in major industries and agriculture.[321] In the profound political as well as

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[318] In fact, arguably, full employment (to the entire population on an equal basis) never was a commitment even in the post-war West.

[319] Judith Stein, *Pivotal Decade: How the United States Traded Factories for Finance in the Seventies* (New Haven, CT: Yale University Press, 2010). See also the classic work by Barry Bluestone and Bennett Harrison, *The Deindustrialization of America: Plant Closings, Community Abandonment, and the Dismantling of Basic Industry* (New York, NY: Basic Books, 1982). For a good recent reflection on how different historical actors responded to deindustrialization (or indeed, the industrial transformation) in the 1970s and 1980s in the United States, see Jefferson Cowie and Joseph Heathcott eds., *Beyond the Ruins: The Meanings of Deindustrialization* (Ithaca, CT: Cornell University Press, 2003).

[320] Ferguson, "Declarations of Dependence," 228-32. Unofficial estimate of unemployment rate in South Africa, for example, is close to or even exceeds 40 percent.

[321] See Jeremy Seekings and Nicoli Nattrass, *Class, Race, and Inequality in South Africa* (New Haven, CT: Yale University Press, 2005), especially Chapter 5 ("The Rise of Unemployment Under Apartheid"), 165-87. For South Africa's economic difficulties (stagnation and inflation) in the 1970s and 80s, see

economic sense, a great proportion of South Africa's population has become truly "surplus" in that their labor is simply not needed in capitalist production anymore.[322] In the Asian context, Tania Murray Li has observed similar developments. While studying an indigenous highlanders' community in Indonesia, she concluded that "the marginalization and impoverishment of so many today cannot be regarded as a strategy of global capital but is instead a sign of their very limited relevance to capital at any scale."[323] The existence of surplus people, for whom the prospect of becoming active and prosperous participants in contemporary capitalist production is ever more remote, has become both a consequence and a defining feature of that productive system globally.

For scholars like Harvey, Stein, Barry, and Harrison, their primary focus was about how big industries underwent transformations and deployed new ways of production and accumulation. However, small- and medium-sized family enterprises' responses, adaptations, and reproductions are equally important but little understood. Newcastle's ethnic Chinese clothing firms are interesting for three reasons. First, these labor-intensive manufacturing firms arrived in Newcastle at a time of industrial decline in South Africa, especially in the country's mining and steel sectors. The introduction of ethnic Chinese light industries in Newcastle was a deliberate effort of the Town Council to re-industrialize the local economy, suggesting a dual process of collapse and growth. As Cowie and Heathcott have argued, scholars tend to depict deindustrialization with the mentality of "smokestack nostalgia." But often "what we call

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Charles Feinstein, *An Economic History of South Africa* (Cambridge, UK: Cambridge University Press, 2005), especially Chapter 9 (Hitting the Barriers: From Triumph to Disaster"), 200-23.

[322] The term "surplus people" derives from Platzky and Walker, *The Surplus People*.

[323] Tania Murray Li, "To Make Live or Let Die? Rural Dispossession and the Protection of Surplus Populations," *Antipode*, 41 (2010): 66-93; Tania Murray Li, *Land's End: Capitalist Relations on an Indigenous Frontier* (Durham: Duke University Press, 2014). Note that this is quoted in Ferguson, *Give a Man a Fish*, 11.

deindustrialization may best be understood with hindsight as one episode in a long series of transformation within capitalism."[324] For instance, many places in the United States hit hard by deindustrialization in the 1980s later experienced a renaissance of manufacturing, driven by technology advances and improved productivity. What distinguishes the Newcastle story from what Cowie and Heathcott saw in the United States was a reversal from capital-intensive to labor-intensive manufacturing.

Second, related to the first point, there was a profound gender component about Newcastle's recent round of industrialization. Retrenchment in heavy industries and re-industrialization through light manufacturing meant that local industrial employment shifted from a male-dominant workforce to a female-oriented one. In a society where African females had been largely excluded from wage labor in the past, this shift had profound and complicated impacts on the socio-economic dynamics amongst local African communities. As Chapters 4 and 5 discuss in more detail, in their response to such transformations, Zulu factory women from the neighboring townships have adapted and reshaped existing familial arraignments and communal ties so that they could survive with the low wages that industrialists were able or willing to offer.[325]

Third and last, since many ethnic Chinese clothing companies established in Newcastle were small- to medium-sized family firms, their survival calls for an in-depth examination of family enterprise as a central platform for business organization. While many scholars and policymakers acknowledge the fragility of South Africa's clothing industry and its implications for low-skilled employment, factory closures, especially of big clothing firms, and job losses continue to occur throughout the country, which renders it particularly interesting that

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[324] Cowie and Heathcott, *Beyond the Ruins*, 3-4.
[325] I will not elaborate on this point in Chapters 4 and 5.

Newcastle's ethnic Chinese garment production has survived. In other words, it is important to recognize and appreciate the flexible methods of accumulation that emerged among some of the smaller firms in certain segments of the clothing industry. Low wages, harsh working conditions, and hostility to the trade unions are some of the recurring charges against Newcastle's ethnic Chinese clothing firms.[326] These allegations have given rise to a stereotypical image of the ethnic Chinese industrialists as rapacious exploiters in South Africa. Though it was understandable that small- and medium-sized Chinese family enterprises became susceptible targets of these sorts of antagonistic allegations, we know little of how precisely these small firms operated under adverse conditions. Newcastle's ethnic Chinese garment companies offer us a cogent case to pursue such understandings.

<u>Utilitarian Familialism and Production-Couple Partnerships</u>

One important feature of Newcastle's ethnic Chinese clothing firms is the familial structure that underpins their business operations. Almost all remaining Chinese garment firms in Newcastle today are small and medium-sized family firms. It is widely recognized in scholarship that family biopolitics is foundational to the entrepreneurial maneuvering of the Chinese diaspora in the global arena.[327] In such a politics of family, there are three keys to entrepreneurial success: paternal filiality, the division of family business functions amongst sons, and female management of conducive home environments and far-flung family networks. This type of family governmentality, therefore, requires the subordination of the individual interests of the

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[326] SACTWU makes these charges very often. Also, scholars including Hart in their works write about Taiwanese firms in a negative light when it comes to wages and labor practices.
[327] Aihwa Ong, "On the Edge of Empires: Flexible Citizenship among Chinese in Diaspora," *Positions: East Asia Cultures Critique*, 1, 3 (1993): 745-78. In it, she talks about "family biopolitics" among the Chinese diaspora.

sons, daughters, and the wife to the collective material interests of the family as an economic

entity, a phenomenon social scientists call "utilitarian familialism."[328]

Although scholars often employ culturalistic approaches in their interpretation of Chinese

entrepreneurial success, they disagree on which cultural roots better explain Chinese

entrepreneurial behavior. For example, Ong argues that it is the Confucian ideology of *Xiao*

(paternal filiality) that accounts for the entrepreneurial success of Chinese family business.[329]

Lam and Clark argue that the entrepreneurial success of the Chinese is attributed to the practice

of guerrilla capitalism. Guerrilla capitalism is the "aggressive and even audacious pursuit of

business opportunities, extreme flexibility in rapidly filling even small orders, attention to quality

and design, audacious bidding, participation in complex networks of subcontracting, and partial

observation of government regulations and international laws."[330] Unlike Ong's argument, Lam

and Clark insist that the heterodox counterculture against Confucianism, namely, "the heterodox

order derived from Taoism and Buddhism Chinese tradition," is the root cause for the success of

guerilla capitalism.[331] To endorse one view and dismiss the other is not the task of this chapter.

Both culturalistic approaches, nevertheless, support the view that the family occupies a central

place in the cultural construction of Chinese capitalist production.

We tend to believe that familialism was a unique feature of Asian capitalism, which is

"the marked category that carries culture" as opposed to Western capitalism, which is typically

received as "the unmarked category" and "the normal, rational, and logical capitalism."[332]

Recent scholarship has informed us that utilitarian familialism manifests prominently among

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[328] Ong, *Flexible Citizenship*, 118.
[329] Ong, "On the Edge of Empires"; and Ong, *Flexible Citizenship*.
[330] Danny Lam and Cal Clark, "Beyond the Developmental State: The Cultural Roots of 'Guerrilla Capitalism' in Taiwan," *Governance*, 7, 4 (1994): 412-30, 412.
[331] Lam and Clark, "Beyond the Developmental State," 427.
[332] Yanagisako, *Producing Culture and Capital*, 22.

some other business groups and trading diasporas. For instance, Emmanuel Akyeampong's work on the Lebanese business families in West Africa suggests that perhaps the Chinese are not so exceptional in this regard.[333] To take another example, Sylvia Junko Yanagisako's work on the silk industry in northern Italy highlights the central role that Italian capitalist family firms have played. By focusing on sentiment, desires, and commitment of family members, Yanagisako reveals the processes in which culture and capitalism are mutually constituted.[334] It is safe to suggest here that gender and kinship formation are crucial to all forms of capitalism.

Family governmentality provides a useful analytical instrument to examine all capitalist family firms across cultures. However, it should not prevent us from looking for the particularities of family businesses in specific social and historical settings. What is unique about Newcastle's ethnic Chinese entrepreneurs are the multiple and rapidly evolving forms of family firms. This chapter pays close attention to the historical and socioeconomic conditions that gave rise to unique Chinese familial and heterosexual marital arrangements. These developments not only helped shape the emergence of an industrial business diaspora in Africa but can broaden our contemporary understandings of capitalist modes of production.

The remaining Chinese clothing firms in Newcastle mainly belonged to the second and third subgroups: Taiwanese knitwear firms and Mainlanders' CMT factories.[335] As Chapter 3 discussed, traditional Chinese family structures continued to regulate business operations in the Taiwanese knitwear firms. Industrialists continued to honor the division of work along gender and generational lines, showing respect for patriarchy in the family. Specifically, men in the family usually take charge of the first half of production, knitting on sophisticated machines,

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[333] Akyeampong, "Race, Identity and Citizenship in Black Africa."
[334] Yanagisako, *Producing Culture and Capital*, 6.
[335] For details on the categorization of Chinese garment firms in Newcastle, please refer to Chapter 2.

whereas women are primarily involved in the second half, i.e., overlocking and plaining, which utilizes the workers' labor. However, one key departure from the typical family biopolitics was that sons of the second generation became less willing to inherit family business upon completion of their education. Many chose to go abroad, moved to Johannesburg, or returned to Taiwan for careers in the service sector. They considered managing a factory a difficult job and knitting an industry with no future.[336]

The most interesting phenomenon, however, was the production couple partnership that many Mainland Chinese had established in Newcastle over the past ten to fifteen years. While the survey data in Chapter 3 suggest that more than sixty percent of Newcastle's Chinese CMT firms had been built upon such relationships, this chapter focuses on its socio-economic significance. When studying slavery in Africa, the late French anthropologist Claude Meillassoux distinguished between production and reproduction as two critical and intertwined perspectives to determine whether a socioeconomic institution was slavery rather than kinship, serfdom, or wage-labor. Meillassoux contended that as a social class slaves could not reproduce socially. Slaves were either captured by force or bought on the market.[337] Unlike the slaves whose proceeds were absorbed by the slaveholders, Chinese industrialists in Newcastle surely had sufficient economic means for reproduction purposes. However, instead of nurturing and establishing a formal family structure, partners in the production-couple relationship used factory-generated wealth to fulfill parental or spousal obligations in their separate families.[338]

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[336] Personal communications with children of Chinese industrialists in Newcastle, 2015.

[337] Claude Meillassoux's works inspire me to adopt the term of "production couples." See Claude Meillassoux, *The Anthropology of Slavery: The Womb of Iron and Gold* (Chicago, IL: Chicago University Press, 1991); and Claude Meillassoux, "From Reproduction to Production: A Marxist Approach to Economic Anthropology," *Economy and Society*, 1, 1 (1972): 93-105.

[338] While the production couple was still an ongoing phenomenon when I left Newcastle, the data I collected suggest that it was rare for production couples to get married in Newcastle (please refer to my survey data in Chapter 2).

Although production-couple relationships entailed sexual and profound emotional commitment between the partners, the girlfriend and boyfriend usually would not produce descendants to carry on the clothing business. The reproduction aspect of a wife-husband relationship in the family, therefore, was kept minimal.

The production couple as a socioeconomic institution raises important questions regarding the relations between family and factory. Apparently, Newcastle's Chinese CMT factories not only manufactured clothing but also fashioned a particular type of familial arrangement among the Chinese business diaspora in South Africa. This research shows that production couples as a category of social class reproduced themselves through the act of production on the shop floor. Once a production couple opened a new business and hired other Chinese supervisors and mechanics, the shop floor would soon become a womb for future production couples. While scholars have long recognized the family structure (usually multi-generational) as a central platform for family enterprises, in the context of Newcastle's CMT garment production, the factory served as a reverse platform that produced interesting quasi-familial relationships. In other words, the family and the factory are, in effect, two mutually constituted socioeconomic institutions.

It is worth mentioning that *ad hoc* partnerships existed within historical Chinese diasporic communities and among the recent Mainland Chinese immigrants in South Africa. Historically, first generation Chinese male immigrants acquired second wives, mistresses, and families abroad. For instance, Adam McKeown has documented such stories among early Chinese immigrants in Peru and Hawaii in the nineteenth century, including marriages to local women as

second wives.[339] Aihwa Ong in her book also discusses a similar phenomenon in the 1980s and 1990s. For example, she notes how the practice of romance between transnational Chinese businessmen (including Hong Kongese and Chinese descendants in Southeast Asia) and local working-class women functioned for the latter as a vehicle of acquiring personal networks.[340] In their study of Chinese retail and wholesale traders in the twenty-first-century Johannesburg, scholars noted that there were certain "do-not-ask" or taboo questions in the social interactions of the Chinese traders. [341] One such taboo question, for example, was to inquire about someone's wife or husband.[342]

However, three characteristics distinguish Newcastle from other contexts mentioned above. First, unlike in Johannesburg and other big cities, Newcastle's ethnic Chinese industrialists constituted a relatively small and close community. People would see each other regularly in Chinese restaurants (there were only two in town), at supermarkets, and on social occasions. For instance, at social events such as banquets or parties, the boyfriend and girlfriend would sit together, get introduced jointly, and receive toasts as if they were a married couple. People would refer to them not only as business partners but boyfriend and girlfriend (but never as husband and wife). Such partnerships were openly recognized, would not allow for infidelity or affairs outside the relationship, and, therefore, could be very stable. In private, Chinese people would refer to such partnerships as *ye fuqi*, meaning "wild" or "undomesticated" couples.[343]

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[339] Adam McKeown, "Conceptualizing Chinese Diaspora, 1842–1949," *Journal of Asian Studies*, 58, 2 (1999): 306–37; and Adam McKeown, *Chinese Migrant Networks and Cultural Change: Peru, Chicago, Hawaii, 1900-1936* (Chicago, IL: Chicago University Press, 2001), especially 135-77, 224-70.
[340] Ong, *Flexible Citizenship*, 154-57.
[341] See Harrison, Moyo and Yang, "Strategy and Tactics"; and Mingwei Huang, "Hidden in Plain Sight: Everyday Aesthetics and Capital in Chinese Johannesburg," paper presented at the WiSER seminar, Wits University, Johannesburg, October 5, 2015.
[342] Harrison, Moyo and Yang, "Strategy and Tactics," 910.
[343] My personal communications with Chinese industrialists during my field research in 2015 and 2016.

Nevertheless, men and women in such relationships could participate in social interactions cultivating networks that were crucial to the success of their business.

Second, what also stood out about these production-couple relationships was the significance of certain business skill sets that both partners brought to the clothing production. Depending on the circumstances, it was not always the case that the man and the woman each took a fifty percent share of the business. In some partnerships, the girlfriend did not put any initial investment but acted as a general manager on the shop floor, and received a much smaller share of the annual profit than those who invested startup money. The typical division of labor was that the boyfriend would go out to take orders, do the paperwork (company registration, tax, and office work), deal with the trade unions, and interact with other entrepreneurs in networking activities. The girlfriend usually would take care of the actual production: drawing markers on received fabrics, sewing the samples, pipelining works, and giving instructions to and managing workers. In a sense, unlike a traditional family business where female members are relegated to the *soft* side of the business, the girlfriend here actually did the *hard* part of the production.

Third and last, this radical form of business partnership was widely accepted within the community as something "understandable" and "reasonable" (*Keyi Lijie*). It is worth mentioning that there were historical reasons for the different behaviors between the Taiwanese (and the Hong Kongese) and the Mainlander entrepreneurs in Newcastle. While Taiwanese industrialists were "invited" by the South African government in the early 1980s with substantial financial incentives, most Mainland Chinese entrepreneurs were initially "recruited" by their Taiwanese employers. Incentives for the Taiwanese and Hong Kongese industrialists included, among others, housing subsidies and generous approval for permanent residency or South African citizenship, which made it easier for the relocation of entire families. In other words, Mainland

Chinese, on the other hand, did not have similar family support packages. In the most recent decade, when the renewal of work permits for foreigners in South Africa became more difficult, some Mainland Chinese even overstayed their visas. Many had initially only planned to work in South Africa for a couple of years. Having decided to stay and open their own businesses, such production couples became a "natural-strange phenomenon" (*ziran de guai xianxiang*, or a bizarre thing that is natural). Chinese men and women in Newcastle blended love, trust, career, and business partnership through the practice of production-couple relations.

Social tolerance of such practice was real, but still, the cultural codes did not allow for complete support or endorsement. Those who were not practicing production-couple relationships tended to speak of these relationships with some condescension. Taiwanese in Newcastle, for example, often used it as an example to claim their moral superiority over the Mainland Chinese, although they admitted that several Taiwanese in Newcastle were also in such relationships.[344] John Qian, a Mainland Chinese who ran a CMT firm in Madadeni with his married wife once commented on the matter:

> I feel sad about them [those who are in such relationships]. True, I understand why and how it happened. But how bad is it that we Chinese as a people have come to a point where we would give up the principle, morality, and dignity for certain economic gains! It is their private affair. We are not able to change anything. We should not gossip about it too much.[345]

What John neglected to mention, however, was that he had also met his wife while both were single and working in a Taiwanese export clothing firm in Lesotho.

The Story of Lilly and Gary[346]

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[344] I personally knew two Taiwanese involved in production couple relationships in Newcastle.
[345] Interview with John Qian (pseudonym), Newcastle, March 13, 2016.
[346] Lilly Wei and Gary Zhao are both pseudonyms here.

Over the course of my research, I became close friends and conducted in-depth interviews with several production couples. Among them, Lilly and Gary's story illustrates both the successes and challenges of such relationships. Their story forces me to ponder not only the emotional costs that were at stake but the future of this type of business partnership.

Gary Zhao, a sixty-year-old man, came to South Africa in 1994 as a recruit for a Hong Kongese farm based outside of Johannesburg. Before that, Gary had a respectable career in Qingdao, a coastal city in China's Shandong Province, as a manager at a company which manufactured umbrellas for the Japanese market. Gary decided to leave China, according to him, because of an unhappy marriage and his confidence that it would be easier to achieve success and prosperity abroad.[347] Unfortunately, the Hong-Kongese farm job turned out to be a nightmare. The work was physically demanding; much more so than he had expected. Yet, his employer did not pay him a penny for several months. Realizing that there would be no future on the farm, he lost patience and left. The Hong Kongese farm soon went bankrupt soon after and the owner simply disappeared leaving all the other farm employees to fend for themselves.

With his previous working experience and skills Gary soon found a job at Luck Clothing, the "Whampoa Military Academy" of Newcastle's CMT firms.[348] After a couple of years, he quit his job at Luck Clothing and joined Grand River, a big Hong Kongese jean export manufacturer in QwaQwa, a former homeland outside of Bloemfontein in Free State Province. As a competent and hardworking man, he received promotion after promotion until, finally, he became vice general manager of the company. "Life was good back then," Gary recalled with a gesture of

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[347] Gary maintained his marriage for several years after he came to South Africa and divorced in 2002.
[348] Luck Clothing (pseudonym) is a Taiwanese CMT firm in Newcastle. Many of the Chinese CMT firm owners in town used to work as employees at Luck Clothing, hence the Whampoa Military Academy of Newcastle. For more details, please refer to the categorization of Chinese clothing firms in Chapter 3.

pride. "My salary then was larger than the annual profit of a small firm here in Newcastle," he emphasized. Since Grand River frequently subcontracted some of its orders to the smaller companies, Gary not only enjoyed respect from subcontractors but learned a great deal about the order-taking business. It was during this time, he met Lilly Wei, then working as a line supervisor at Grand River. Gary then formed a boyfriend-girlfriend partnership with Lilly and they both left Grand River to started their own factory in 2005. When commenting on his partner, Gary Zhao spoke very fondly of her ability:

> She is so blunt. She can get things done just like that. She is very straightforward and doesn't know how to hide her opinions at work. I like that. She knows about sewing. She knows how to be tough on workers because that is how you get the productivity. There were other women who approached me and wanted to partner with me in 2005 when I decided to start my own factory…I wouldn't think I will be able to marry her [Gary's partner Lilly]. She is very overwhelming and too masculine (*tai nanxing hua*) to be my wife.[349]

Gary's appreciation of Lilly's extraordinary skills in sewing and management is evident in his remarks. I first met Gary in July 2013 during my second research trip to Newcastle. However, around early 2015, Gary was already thinking of breaking away from Lilly and marrying someone else to prepare for his retirement. He admitted that it was hard because of the emotional intimacy and attachment that was formed during their decade-long partnership. He said that he would not mind giving Lilly a larger share of their business as a gesture of goodwill (or a form of "compensation" in his words, *buchang*), and that he could just cash out his own share and work on another business.

In the summer of 2015, through online dating, Gary eventually met and married a lady from Sichuan Province in China, who had divorced her previous spouse several years ago. After

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[349] Interview with Gary Zhao, February 29, 2016.

bringing his new wife to Newcastle, Gary explained to me that it is hard to find a proper Chinese woman in Newcastle.

> Here everyone knows everyone's history. How could you find someone whom other people won't gossip about? I do not want that. When the two of us go out and run into friends and acquaintances, it is even worse. I hate that kind of awkwardness and embarrassment. Now, it is good. Because nobody knew her [Gary's new wife], and I do not have to worry about how people talk about her and how people think about me.[350]

While Gary's version of the story stressed his needs and his glorious past, his partner, Lilly Wei, told a rather different tale. Lilly Wei, a forty-nine-year-old woman from Hefei, the capital city of Anhui Province, moved to South Africa in 2002. She was from a very humble family and had worked as an apprentice at a local tailor since she was 23. Then, she worked herself up and finally ran her own tailor's shop in Hefei, selling customized clothes while training two apprentices. Unsatisfied with the income that her small business could generate she was curious about other possibilities. In 2002, she heard from friends that there were opportunities to go to Canada through local labor recruitment agencies. After consulting with one such agency, she was told that the only opportunity available was a position at Far Eastern Manufacturer, a large Taiwanese underwear producer in Newcastle, South Africa. This was where she landed her first job abroad.

Within a year of her arrival in South Africa, the owner of Far Eastern Manufacturer was forced to close the factory ostensibly because of a default on debt payment. Far Eastern Manufacturer made clothing for both the export and domestic markets. The company was not alone in its financial woes. From 2002 and 2003 onward, because of an appreciating Rand and increasing cheap product coming out of China and Southeast Asia, many large clothing firms in South Africa began to close or relocate to other countries. "The real issue was not the debt,"

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[350] Personal communications with Gary Zhao, March 24, 2016.

Lilly said, "it was bad management." She further emphasized, "there were other clothing

factories that were doing just fine; the problem with that Taiwanese boss was that he did not do

enough to go out looking for orders!"[351] Lilly subsequently secured a better job as a line

supervisor at Grand River. But her short working experience at Far Eastern Manufacturer helped

her realize that getting good and sufficient orders was the key to success in the clothing business.

This was precisely why she opted to collaborate with Gary in 2005. While Gary boasted

about the multiple options that he had when he was considering his own business in 2005, Lilly

painted a different picture of the origins of their firm:

> In 2005, I went to Newcastle to visit my *laoxiang* (a person who is from the same
> hometown), Xiao Kuang. She at the time was working at Luck Clothing…Linda Shun
> (owner of Luck clothing) came to me and asked if I would like to contract a line from her
> factory. She said she would give me work to do. Well, I always thought that one day I
> would run my own factory. But I did not expect that to come so soon. So I brought Xiao
> Kuang and Gary with me to take a look at the factory premise that Linda said she would
> let to me. Gary was happy with the condition of that premise and assured me that I should
> do it.[352]

Lilly admitted that Gary's experience in general management and order-taking was a great

assurance to her. "I only knew how to sew and how to teach our workers to complete the order.

Besides that, I knew nothing," she added. But the original idea of setting up a factory was clearly

Lilly's, not Gary's.

Unlike Gary's self-centered tale about his business biography, Lilly's depiction of the

journey of their business partnership highlighted their difficult moments and their mutual support

that she believed was the secret to survival. She gave vivid accounts of how they managed to

grow their firm from a small business of only R100,000 investment capital with nine workers to

a large enterprise employing over 300 people. She also told me how their business suffered after

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[351] Skype interview with Lilly Wei, Newcastle, December 29, 2016.
[352] Ibid.

the Marikana Massacre.[353] This was because Gary and Lilly's business relied on mineworker uniforms; the subsequent drop in uniform orders dragged their business onto the verge of bankruptcy. The benefits of working on uniform orders were fairly self-evident: standard styles and large quantities. After Marikana, they had to re-establish contact with new suppliers who could give them other orders. It took them two years to pull out of that financial loss.[354] When reflecting on such difficult moments, Lilly said:

> In those situations, it is impossible to be 100 percent fair between Gary and me. We had to be supportive of each other, and try to understand each other. For example, Gary is older than me, and physically weak, and could not stand for overtime hours throughout the night. So I let him sleep. But he is good at networking, handling union demands, and taking care of the orders. That is where he contributes.[355]

Lilly also reminded me that gender and sexuality had played an important but often hidden role in operating a clothing business. She told me a story about Nancy, a female factory owner at Madadeni. Nancy had been widowed ten years earlier. After her husband passed away, Nancy continued to manage their factory singlehandedly. A Quality Controller (QC) from the supplier once asked Nancy to come to his hotel room and threatened not to pass her completed order if she refused.[356] To help me understand why it was better to work with a man in the clothing business, Lilly reiterated:

> There are certain things in the garment business that men are in a better position to do than women. Women can easily to be taken advantage of. Also, sometimes, if you would like to get a big order or a good price for certain orders, you need to take the suppliers out for dinner. Some even take them to have fun afterward at Casinos and elsewhere

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[353] The Marikana Massacre was a major mineworker strike in the North West Province in 2012 when the confrontation between the protesters and the police led to a fateful event and left 34 mineworkers dead and 78 wounded. For more information on the incident, please see http://www.sahistory.org.za/article/marikana-massacre-16-august-2012.

[354] Uniform manufacturing used shuttle weaving machines, which was a much bigger investment. Regular CMT orders use knitting technique, reliant on cheap equipment.

[355] Skype interview with Lilly Wei, Newcastle, December 29, 2016.

[356] Quality Controller or OC is the person sent by the suppliers or clients to ensure that the manufactured products meets a defined set of quality criteria and requirements. In the CMT business, if the QC disapproves a completed order, the CMT firm would have to compensate the client for the loss.

(alluding to the use of prostitution). Again, with the unions, union leaders are men. When they come to the factories, the [female] workers got excited, whistling, singing, and showing their interest and respect [to men]. It is much better to let a man deal with such situations. [357]

Though Lilly chose not to comment on her breakup with Gary, she agreed to talk more generally about this issue. She said: "Some [production-couples] can eventually get married. It depends on the person. But peaceful breakups are rare. In relationships, the man is much more rational and wants to ensure that he find a suitable partner. Women lack that when it comes to relationships. If a woman loves that man, she will feel betrayed and hurt when the breakup happens. But I guess she can accept it if she does not really like that man and thinks she will find a better person."[358] Interestingly, soon after I completed my field research, I heard that Lilly also dated a man through an online service and was planning to marry that person.

Unlike in the Taiwanese knitwear firms, children from either parent were absent in the CMT business. The second generation typically chose to stay in China or go abroad to the United States, Australia, or Europe for the university. For example, Gary's son was trained at an elite university in New York City as a scientist, while Lilly's son went to a small liberal arts college in Utah majoring in economics. Apparently, Gary and Lilly had to spend a substantial proportion of their profits on their respective children's American education because of the unfavorable exchange rates during the last five years. The chances of them returning to inherit their parents' clothing business was close to zero. Understandably, the younger generation today are no longer attracted to the lifestyle associated with managing a labor-intensive factory. In addition to that, even their parents have strong doubts about the sector's future.

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[357] Skype interview with Lilly Wei, Newcastle, December 29, 2016.
[358] Ibid.

While business inheritance among the Taiwanese entrepreneurs had been declining, they were still more likely to occur than in the CMT business. On the one hand, the practice of production-couple relationships among CMT factory owners was as an obstacle for smooth inheritance. For example, whose child or children should inherit? And under what sort of arrangements? On the other hand, the nature of the CMT business was also part of the reason. When asked why business inheritance tended to happen in the Taiwanese knitting firms, Lilly replied to me:

> Because the Taiwanese are mainly involved in knitwear, shoe, and plastic manufacturing, which all rely largely on automated machines. What they need to do is to purchase the raw material and do the programming with the machine. The youngsters are quick to learn these skills. Also, they employ a much smaller number of workers. Easy to handle. For us, to be competent to inherit a CMT business, we have to start and learn the basics. The markers, sewing, mechanics, and many different styles of clothing items. Such things take years to master. Then, with such a large workforce, dealing with the union is just so much headache.[359]

In other words, what stood between the second generation and their parents' CMT factory floors were the particular skills associated with CMT production.

To regard female entrepreneurs as less rational than males clearly would be wrong. Ten years younger than Gary, Lilly seemed to have a much better idea of her future. She assured me that she would work for another twenty years before she would consider retirement. She told me of her plan to invest in local real estate, residential as well as industrial properties in Newcastle, so that the rental income would serve as her pension when she retires. Lilly envisions herself splitting time between Hefei and Newcastle in her post-factory life. Like many Mainlanders in Newcastle, Lilly and Gary did not want their children to inherit their clothing business.

Although it would be easy to judge such boyfriend-girlfriend arrangements with condescension, their prevalence calls for deeper cultural and socio-economic explanations.

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[359] Ibid.

Flexible partnerships appear to be a spontaneous response to the worsening industrial

environment for low-end, labor-intensive manufacturing. More crucially, such arrangements also

demonstrate the cultural adaptability of family as a basic social and economic structure. The

production-couple relationship appears to entail temporality, that is not assuming lifelong

commitments either to the relationship itself or to the business operation. Therefore, while

containing certain components of family capitalism, such relationships facilitate more flexible

accumulation, maintain and expand necessary networks, and meanwhile avoid the increasing

dilemma of business inheritance within a formal familial structure. In this context, the union

between a man and a woman served primarily as a unit of production, rather than one of

reproduction. Faithfulness restraints and some forms of familial commitment, however, reveal

that the relationship can be understood as a radical mix of ultra-instrumentalism and familial

moralism.

Vertical and Horizontal Business Networks

Scholars and observers have long identified network practices (*Guanxi* Capitalism) as an

essential characteristic of Chinese societies. The ability to cultivate useful networks is considered

an open secret to both political achievement and business success.[360] Through marriages,

lineages and native place associations, and sometimes religious and secret societies, Chinese

diasporic groups continue to nurture and utilize such networks. In many cases, what scholars call

"the local specialization in international movement" is a particularly interesting feature among

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[360] Mayfair Mei-Hui Yang, "The Resilience of Guanxi and Its New Deployments: A Critique of Some New Guanxi Scholarship," *China Quarterly*, 170 (2002): 459-76; and Christopher McNally, "China's Changing Guanxi Capitalism: Private Entrepreneurs between Leninist Control and Relentless Accumulation," *Business and Politics*, 12, 2 (2013): 1-29.

the Chinese immigrants.[361] In one example from history, indentured Mainland Chinese laborers in Jamaica in the 19th century were from five villages in South China. A contemporary example would include the illegal Chinese gold miners in Ghana; nearly all of them came from a single county in China's Guangxi Province. In South Africa, for another example, people from Fuqing, a city in Fujian Province ran almost all Chinese shops sprouting in the country's rural areas and black townships. My interviews show that this was also the case among Newcastle's Taiwanese industrialists, many of whom were from small but important industrial towns in Taiwan such as Shulin, a satellite town outside Taipei, where hundreds of small family firms thrived in the 1970s and 1980s. Some had known each other even before they came to South Africa.[362]

This was not the case among the Mainland Chinese who were recruited as staff from multiple places, usually in the coastal provinces. Over time, however, they, too, began to form home province associations to cultivate networks. Another important way of networking is through religion. The Newcastle Chinese Zen Center (with a Chinese language school attached to it) claimed to be the second largest Buddhist temple in South Africa, second only to the gigantic Nan Hua Temple in Bronkhorstspriut, an hour's drive to the northeast of Johannesburg. In the past decade, a growing Christian community has also become noticeable among the Chinese in Newcastle. According to Pastor Lam and his wife, two Chinese-American missionaries from California who preached to the community, they had over fifty Christian members among the ethnic Chinese migrants in Newcastle.[363]

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[361] McKeown, "Conceptualizing Chinese Diaspora."
[362] Interview with Xisheng Zhang, Newcastle, March 28, 2016. Zhang used to run a small factory in Shulin, Taiwan
[363] Personal communications with Pastor Lam and his wife, Newcastle, September 2015 and January 2016.

Such familial, professional, as well as religious networks were crucial to the growth of Newcastle's ethnic Chinese clothing firms. The satellite factory system, a hierarchical subcontracting manufacturing system consisting of numerous small-scale and family-centered factories, was at the core of the Taiwanese economic miracle.[364] Such satellite networks that featured Taiwanese factories both in Taiwan and elsewhere could apply to Newcastle's Taiwanese knitwear industry. The Taiwanese knitwear manufacturing system in Newcastle consists of a yarn producer, the knitting factories, and an embroidery firm, with each producing only parts of the final knitwear products.[365] Some levels of competition between the knitting factories did exist, but subcontracting between them was also quite common. For instance, firm A would outsource the overlocking and plaining jobs (the so-called "second half" of the work) to firm B during peak seasons.

Unlike the vertically interconnected satellite factories that each produced certain segments of a single product, Mainland Chinese CMT firms in Newcastle were homogeneous in terms of production, despite differing in size. In other words, the network of Chinese CMT firms was more horizontal in nature and was much more competitive than the Taiwanese satellite model. Cutthroat competition amongst the Chinese CMT firms worked in favor of the suppliers and retailers so that they could pay less to get orders completed. Suppliers were smart enough to tour and shop around both the Riverside Industrial Area and the Madadeni Ithala Industrial Estate before making any final offers. Consequently, Chinese CMT firms (especially the smaller

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[364] Hsiung, *Living Rooms as Factories*, 1-3, 65-88.
[365] The primary product of Chinese knitwear firms in Newcastle was uniform (school uniforms as well as company uniforms). Uniforms usually required some embroidery.

ones who were desperate to get orders) were consistently undercutting each other and bringing down profit margins.[366]

Interestingly, CMT companies had also formed a collaborative working relationship amongst themselves on a reciprocity basis. For instance, facing an imminent deadline, a factory would subcontract certain portions of work to other firms in order to deliver the order in time and to avoid substantial fines from the buying agents. During low seasons, too, some companies sought help from others so that they could remain in operation.[367] The Chairperson of the Newcastle Textile and Clothing Chamber, David Yan admitted that the Chamber had tried more than once, with no success, to regulate the range of rates that Mainland Chinese CMT factories should charge the suppliers for production. The idea was that factories should not accept orders that the majority of local producers consider too cheap. With the proliferation of small workshops and underground firms, such self-policing was challenging. However, David Yan believes that underground factories will grow into registered formal firms, and he opines that the Chamber would continue to encourage collaboration amongst factories so that the business clustering effect will benefit Newcastle's clothing industry in the long run.[368]

Productivity and the Minimum Wages

Complaints of the Europeans about "lazy Africans" were well documented, although scholarship has repeatedly found that this fifteenth-century European stereotype had been

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[366] Interview with Nikki Kwan, Newcastle, August 10, 2015. Nikki's comment on this matter was in line with my communication with several other factory owners.
[367] For clothing firms in South Africa, the peak season starts September and lasts until December due to large quantities of Christmas orders.
[368] Interview with David Yan, Newcastle, October 16, 2015.

constructed as a way of othering and to justify slavery and colonialism.[369] The issue of "laziness"

invites historical and socio-economic investigations into the multiple causes of relatively low

productivity, rather than focusing on work ethnic as some sort of inherent personal or cultural

characteristic. Ethnic Chinese industrialists in Newcastle believed that their experience of low

productivity of their African workers was a result of historical marginalization, low levels of

education, and the natural climate conditions.[370] One interesting view that many Chinese shared

was their dislike of South Africa's social grants. Since many of the factory workers were single

mothers and receivers of social grants (eligible because of their young children), the Chinese

regarded income from social grants as a major reason for their supposed reluctance to work

harder.

The work ethic of the Chinese industrialists contributed to their success in the labor-

intensive clothing business. Local government officials admitted that regarding work ethic, local

South Africans just could not compete with the Chinese.[371] A former town manager vividly

recalled to me a scenario during his first visit to Taiwan in the 1980s when he asked a Taiwanese

industrialist how he managed overtime work so well. The host, surprised and confused, replied:

"What is overtime?"[372] A recent study of Chinese mining firms in Zambia shows that the most

exploited workers in Chinese firms were Chinese employees recruited from China, not the local

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[369] Klas Rönnbäck, "'The Men Seldom Suffer a Woman to Sit Down': The Historical Development of the Stereotype of the 'Lazy African'," *African Studies*, 73, 2 (2014): 211-27. For an excellent work in the South African context, see Keletso Atkins, *The Moon is Dead! Give us our Money! The Cultural Origins of an African Work Ethic, Natal, South Africa, 1843–1900* (Portsmouth, NH: Heinemann, 1993).
[370] Chinese and Taiwanese industrialists tend to believe that Africans are relatively comfortable because of natural abundance and are less motivated to develop a strong work ethic.
[371] Interviews with Chris le Roux, Ferdie Alberts, Siebert Grant, and Selby Sithole, Newcastle, July 8, 2013; Newcastle, September 27, 2015, Durban, October 3, 2015, Newcastle, March 1, 2016, respectively.
[372] Interviews with Chris le Roux, Newcastle, July 8, 2013.

African workers.[373] During my field research, I observed similar exploitation of Chinese employees in the Newcastle's garment factories.[374] When certain deadlines had to be met, for example, it was the Chinese employees who would be required to work through the night to complete an order. Since overtime at most of Newcastle's ethnic Chinese clothing firms was voluntary for the African employees, Chinese factory owners and managers complained to me time and time again that they could never be certain how many of their African employees would show up to work extra hours.[375]

It is worth noting that in the 1980s and early 1990s, some ethnic Chinese factories adopted "normal pay" to follow the local practice.[376] According to Nikki Kwan, when Amigo first arrived in Newcastle, she had initially planned to introduce piece rate, for most clothing factories in East Asia used piece rate to raise productivity. However, fearing that "some workers might not have the motivation to show up after a good week," Amigo decided to follow the local clothing factories to implement normal pay primarily to lower the turnover rate.[377] In part, wages were not a principal concern due to the wage subsidy under RIDP and the high profit margins of export orders upon which the large Hong Kongese and Singaporean companies had relied. However, while tensions between the unions and the Chinese factories had always existed, it was

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[373] Ching Kwan Lee, "Raw Encounters: Chinese Managers, African Workers and the Politics of Casualization in Africa's Chinese Enclaves," *China Quarterly*, 199, 1 (2009): 647-66.

[374] I use exploitation here mainly to mean working longer hours, sometimes with inadequate or no overtime pay. For instance, since Chinese employees are paid on fixed wages, if they work much longer hours in certain months, they do not receive additional payment.

[375] My research found that the majority of industrialists did not necessarily pay more for overtime hours because of the piecework system. However, if the workers were asked to work on the weekend, they received higher pay as a form of incentive, but it was still below the 1.5 or double pay line as stipulated by law for overtime rate on weekends and holidays.

[376] Locals use "normal pay" to mean wages that employers pay to the workers on the basis of working hours (for example, weekly wage or fortnight wage), as opposed to "piece rate" wages, which are still paid weekly or fortnightly, but are determined by employees' productivity, i. e., the number of finished items (of each worker).

[377] Interview with Nikki Kwan, Newcastle, August 10, 2015.

during the mid-2000s that the wage issue became a more serious matter in Newcastle. The establishment of the National Bargaining Council for the Clothing Manufacturing Industry (NBC) in 2002 was a crucial change in the wage-setting mechanism for the clothing industry. The first decade of the twenty-first century also witnessed the rapid proliferation of the small- and medium-sized ethnic Chinese CMT firms, which were in a low-profit segment of the garment sector, desperate to circumvent any minimum wage requirements.

In response, Newcastle's ethnic Chinese industrialists adopted two common tactics to compel their employees to work harder. The first was "the goal system." Among Chinese themselves, the goal system was referred to as *ji jian*, which meant piecework. Since piecework pay was illegal in South Africa, to name it "the goal system" would make it look as if it was normal pay. The goal system worked in the following way:

> The supervisor sets a work target (e.g. 100 pieces per day) for the workers; everyone is *required* to reach the "goal" to get her normal pay (say R100). However, if the worker fails the target, her normal pay gets deducted proportionally. By the same logic, if the worker exceeded her "goal," a bonus is given as a reward.[378]

Productivity, many Chinese agree, increased after the implementation of such systems. In fact, workers worked harder primarily to prevent a pay cut rather than to receive the reward. Unlike in the apartheid era, when it was more common to see Chinese industrialists use corporal punishment, the employer in recent years would just lay off workers who consistently failed to reach the work target or repeatedly made mistakes while sewing.

Second, a collective punishment system was imposed. Chinese industrialists deployed this method to guarantee that everyone on the same line would work at a similar pace. Since each worker would only sew one segment of a finished garment, if someone was always unable to

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[378] Interview with Linda Shun, Newcastle, March 17, 2016. One common complaint from the workers, however, was that the goal had been set too high and should be substantially lowered.

meet her target, she would jeopardize the productivity of the entire line. Due to more rigid restrictions on work permit applications for foreigners and the depreciation of Rand in recent years, it has become increasingly costly and difficult for Newcastle's Chinese clothing firms to hire employees from China.[379] Over the last five to ten years, most Chinese clothing factories in Newcastle promoted local Zulu supervisors, which led to increasing tensions between African supervisors and the workers.[380]

Chinese clothing firms did not invent the goal system and the collective punishment method. Oral evidence suggests that the white-owned clothing firms in Newcastle had used such tactics to raise productivity and control labor before the Chinese came. Sandown, a subsidiary company of the Trubok Group and major garment producer in Newcastle, had introduced the goal system and collective punishment on its shop floor in the 1980s. However, Tim Birchfield, former production manager of Sandown, informed me of two major differences regarding how he implemented the methods as compared to the Chinese clothing factories.[381] First, the white-owned firms would very rarely deduct the workers' wage for failing to reach the target; rather, employees who exceeded their goals would receive a bonus. Second, Sandown did not design the collective punishment to raise productivity but to penalize stealing behavior. The whole working team would take the responsibility if garment products were missing from the shop floor. In other words, the goal system and collective punishment that the Chinese clothing firms adopted were a harsher version of what had already been practiced locally.

There seemed to be an ideological distinction between the white managers and their Chinese counterparts. During the 1980s and 1990s, the white-owned clothing firms earnestly

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[379] Please note Chinese employees in those firms get paid in either Chinese RMB or US dollars.
[380] Multiple personal communications with the women workers. Gender, generation, ethnicity, and race further complicated such tensions. I discuss these in more detail in Chapters 4 and 5.
[381] Interview with Tim Birchfield, Newcastle, September 17, 2015.

promoted scientific management to raise productivity. In fact, "productivity" was a big buzz word in all industries in South Africa at the time. One former KFC official stressed to me that he and his colleagues were preoccupied with the then influential book, *In Search of Excellence: Lessons from America's Best-run Companies* by American authors Tom Peters and Richards Waterman, which came out in 1982.[382] Productivity became a guiding principle and goal for the industrial development agency.[383] It was within this context that many large firms started to incorporate more efficient work organization to increase the productivity on the shop floor. For example, Birchfield was a strong believer in work study and had traveled to Japan for multiple times to observe and learn the Just in Time Technique (JIT). In a sense, for people like Birchfield, if a worker failed a target, it was not primarily her fault; instead, it exposed the flaw of the work organization on the part of the manager. [384] Most Chinese managers, however, considered the worker's underperformance as her inability to learn or less nimble fingers (*shou tai man*, or slow hands), which would then serve as a justification for the deduction of her normal pay predicated upon the set target. While Birchfield prioritized the work study to maximize productivity within a given time, the Chinese managers preferred to hire more workers and make them labor longer hours to realize production targets.

The competition between Birchfield and the ethnic Chinese clothing manufacturers in town was a battle between the "high road" and the "low road" of garment production.[385] Most

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[382] Thomas J. Peters and Robert H. Waterman, *In Search of Excellence: Lessons from America's Best-Run Companies* (New York: Harper & Row, 1982). The book has a whole chapter on productivity through people.

[383] Interview with Grant Siebert, Durban, October 3, 2015.

[384] Interview with Tim Birchfield, Newcastle, September 17, 2015. During our interview, Birchfield showed me numerous tapes that he recorded when workers were sewing on the machine. He would demand that how many stitches be completed within a minute and then calculate how many items would be made per day. It all came done to precision in time.

[385] On the so-called "high" and "low" road, see Mark Hunter, "The Post-Fordist High Road? A South African Case Study," *Journal of Contemporary African Studies*, 18, 1 (2000): 67-90.

white-owned clothing firms in Newcastle were closed in the 2000s, and the one remaining firm –

Allwear had substantially decreased workforce and relied on school uniform contracts. Despite

this, Birchfield insisted that South African firms could compete with the Chinese, but needed the

right techniques and good management. He acknowledged that, while admiring the Japanese JIT

system, the system would require a strong self-discipline among the workers, for the employees

would need to figure out the format. There would be no supervisors but service hands.[386] Studies

have shown that the so-called "Lean production," represented by the Japanese management

techniques, would not necessarily increase the workers' skills or improve their working

environment.[387] Often, lean production requires coercion and consent simultaneously and is seen

as worse than work under Fordist plants because it entails increased intensification of work and

results in the worsening of working conditions. Birchfield was convinced that the Chinese

clothing firms had no work organization at all and mocked them as relying on coercion and

intuition when it came to work planning, claiming that his company "produced the best value for

time and money."[388] However, the survival of the Chinese CMT and the Taiwanese knitwear

firms in Newcastle suggested that in the low-end segment of the garment manufacturing sector,

the ability to save on production costs was more effective than the capacity to raise the

productivity through lean production.

As I concluded my field research in 2016, the minimum wage was still an ongoing issue

and pressure from the NBC and the union to comply continue to be a real threat to Newcastle's

Chinese companies. However, while condemning the country's minimum wage-setting

mechanism, Chinese industrialists began to experiment with two ways of finding a temporary

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[386] Interview with Tim Birchfield, Newcastle, September 17, 2015.
[387] Hunter, "The Post-Fordist High Road."
[388] Interview with Tim Birchfield, Newcastle, September 17, 2015.

solution. One was to achieve social accord through collective negotiations with the trade union at the local level. The chairperson of Sactwu's Newcastle branch representing the union and the workers, Delani Thwala, and the Chinese Textile and Clothing Chamber reached a wage agreement, in which all Chinese factories in Madadeni agreed to pay 80% of the R660 weekly wage in 2013, soon after the NBS conducted a compliance enforcement campaign. Delani Thwala insisted that as someone who used to work at the clothing factory he understood the difficulties of minimum wage compliance for smaller firms. To sit down with the Chinese industrialists and find some middle ground, he believed, was the right move.[389] While David Yan, chairperson of the Chinese Textile and Clothing Chamber, was very supportive of such dialogues, members of the competing organization – the Newcastle Chamber of Commerce – criticized this approach and opted for formal and legal solutions.

The second experiment was to reorganize factories into cooperatives (or coops as local industrialists and unionists called them). Since cooperatives entailed no employer-employee relationships, they would not fall under the jurisdiction of the NBC or trade unions. In theory, all "workers" in a cooperative were equal members collectively owning the enterprise for mutual benefits, and they would make decisions on issues such as wages autonomously. To be free from hassles from the NBC and the trade unions, some ethnic Chinese industrialists separated the production departments from the order-taking function of their firms, registered the latter as new companies, and restructured and registered the former into cooperatives. In practice, after the factory owner received an order from the supplier, he would take a thirty to fifty percent cut from the offer price as profit for the newly established order-taking firm and subsequently subcontract the actual sewing work to the cooperative. Whatever the cooperative got would stay in it and a

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[389] Interview with Delani Thwala, Newcastle, March 24. 2016. Thwala is chair of Southern African Clothing and Textile Workers' Union (SACTWU)'s Newcastle branch.

team of line supervisors then would divide the profit among its members through collective decisions.

It is worth noting that all utility and transportation costs would be borne by the order-taking company and the cooperative would be a pure production entity.[390] One factory owner who registered his production unit as a cooperative confessed to me:

> I now earn slightly less than before. Not too bad. But it feels so good because I am hassle free from the unions and NBC. To deal with these guys [unions and NBCs], it just takes so much time and energy that I could in no way focus on my business... Well, if you talk to the coop members, they will tell you that they don't necessarily get more than workers in other regular factories. Because with piecework pay, those 'quick hands' can earn a considerable wage. Here, we are not doing piece rate, they themselves [the managing team] decide on the allocation of the actual wages. But they are smart. They know who should be rewarded, and who should not. I am glad that I did this. This probably is the way of doing factories in the future.[391]

Although the leaders of the Chinese industrialists tried to promote cooperatives amongst themselves, not many had implemented the scheme. The reluctance was, on the one hand, due to the lack of knowledge of the technical details of doing business through a coop. On the other hand, the trade unions and NBC became quickly aware of the matter and demanded that minimum-wage requirements be extended to all such cooperative. When I left Newcastle in 2016, many of my informants feared that the practice of cooperatives might cause another round of legal challenges for the Chinese garment firms.

<u>Cost-Saving Tactics and Business Diversification</u>

While resisting statutory minimum wages and restructuring factories into cooperatives were two major tactics, Newcastle's Chinese factories also developed more subtle, and

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[390] Interview with Spencer Liu (pseudonym), who had restructured his company into a cooperative, Newcastle, July 19, 2015.
[391] Interview with Spencer Liu (pseudonym), Newcastle, July 19, 2015.

sometimes illegal, tactics to save costs and diversify their clothing business. Because of pressures from the NBC and frequent strikes, many firms opted to go small and keep a low profile. On the one hand, some prominent clothing industrialists when considering business expansions chose to register and set up a new factory instead of adding more lines to the existing shop floor. On the other hand, there was a noticeable growth of small underground firms that did not formally register with either the South African Revenue Services (SARS) or the Company and Intellectual Property Commission (CIPC)—both registrations that are legally required for all companies operating in the country. Some small underground firms were wholly dependent on subcontracting work from the larger factories. However, underground firms, while evading taxes, NBC fees, and worker-benefit obligations such as the unemployment insurance fund (UIF) and compensation commissioner's fund (CCF), did not necessarily pay a lower wage.[392] As the number of small firms (both the registered and the underground ones) increased, the subdivision of factory premises also became a common practice so that multiple factories could share the same compound.

Besides going informal or underground, Newcastle's ethnic Chinese industrialists also developed three more subtle measures to save on operating costs. First, many CMT factory and knitting firm owners and their staff chose to live in the factory premises so that they could save on housing expenses. Though it varied between individual cases, most Chinese companies kept the investment to improve facilities such as kitchens and toilets at a minimum. Second, Chinese industrialists made significant adjustments in their recruitment of African workers. Over the last ten years, Newcastle's Chinese firms began to hire, albeit illegally, migrants from neighboring countries, notably from Lesotho, because they were willing to work for less pay. In such cases,

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[392] UIF and CCF were both legally required for the employers. Surely, the underground firms had not registered with the bargaining councils.

the Chinese industrialists would provide dorm rooms inside the factory compounds for the migrants, who then would often work for longer hours than the local commuters.[393] Meanwhile, Chinese firms started to promote black South Africans as line supervisors mainly to cut down the number of Chinese supervisors.[394]

Third, regarding output maximization, Newcastle's CMT firm owners also adopted creative ways to improve profitability. One widespread practice of Chinese CMT companies was to twist the markers while drawing the production marker on the fabric. In so doing, the factory could manufacture more items from the given fabrics than what the suppliers initially prescribed. Twisted markers would certainly compromise the quality of the garment, but the technique of the Chinese kept the impact to a minimum. For instance, jeans would have slightly curved overlock stitches on the side. Those extra items would end up on the firm's stock inventory which the factory owners could sell through factory shops. Another tactic was to bargain aggressively for additional fabric from the suppliers claiming that employees often stole finished items. Since the profit margin in the CMT business was very low, the leftover of fabric might become the primary source of profit on certain orders. In fact, firms would often get orders at prices that generated no profit just to keep the client, hoping for lucrative orders in the future.[395] As Linda confessed to me:

> The profit of a *Chengyi* factory is only through 'stealing.' We twist markers, we plead for more than needed fabrics, we resell our 'stocks,' and we do all sorts of tricks. If found out by the suppliers, we will have to pay substantial fines to the suppliers. But this is how we stay in business. This is why my former employees are all doing nicer than me because I feel bad when doing such tricks. I choose not to when possible.[396]

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[393] This was a contentious issue that Chapter 4 and 5 discuss in more depth.
[394] As mentioned earlier under "the wage dilemma" section, this is due to two factors: (1) work permit restrictions, and (2) the bad exchange rate. A Chinese supervisor's monthly salary is two times higher than that of a local Zulu supervisor.
[395] Personal communications with Gary Zhao, Newcastle, October and December 2015.
[396] Interview with Linda Shun (pseudonym), Newcastle, March 17, 2016.

Diversification was another important survival tactic for Newcastle's Chinese clothing firms. A widespread phenomenon was the existence of factory shops. However, there was a slight difference between the knitting firms and the CMT companies. While almost all knitwear firms had their own factory shops inside their premises, most CMT firms would only accumulate stocks and sell to factory shops that other Chinese ran in the industrial area. Some industrialists would lease a segment of the premise to factory shops so that the factory shops became not only their stock outlets but sources of rental income. To attract manufacturing investment, the Newcastle government allowed factories to use up to ten percent of the assigned industrial premises for non-production purposes. However, the number of factory shops in the industrial area over the past several years had increased to the point where commercial groups in town consistently complained about "unfair competition" because items in factory shops were tax-free and significantly cheaper.[397] Due to the regulatory uncertainty of South Africa's domestic clothing industry (primarily due to pressures from NBC and the unions) and a weakening currency, some Chinese industrialists from Newcastle planned to open factories in Lesotho to produce for export, while keeping their Newcastle factories in operation.[398] A weakening currency made clothing production in Lesotho very competitive internationally. However, maintaining a factory in Newcastle would still give the Chinese industrialists a home base where a good lifestyle is available.[399] While expanding to multiple production locations was a choice

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[397] Interview with Ferdie Alberts, Newcastle, September 27, 2015.

[398] During my field research, two informants expressed such plans, and one eventually did so in March 2016.

[399] When producing for international (mainly the US) market, producers would get paid in dollar terms. Due to a weak South African currency, the profit margin for Lesotho clothing firms during the last five years increased rapidly. While in South Africa, as I discuss in Chapter 3, due to different AGOA restrictions and higher wages, it was not as easy as in Lesotho to do export production.

among the prominent Chinese producers, those with less capital preferred to diversify their business locally, stepping into real estate, trade, and small renewable energy products.[400]

While underground firms, output maximization, and business diversification were signs that many of Newcastle's Chinese clothing firms struggled to make good profits, there were positive signals as well. A good number of firms in Newcastle began to produce fashion items at higher profit margins for both the big retailers and some boutique clothing companies. Such articles often included dresses and suits, which belonged to a category that Chinese referred to as *fuza kuan* or complex styles. However, fashion orders would come in smaller quantity, and the styles would change depending on the nature of the orders. Therefore, the production would require more skills, complicated sewing methods, and efficient ways of managing the workers. During my visit to one such factory in Newcastle, I saw two Afrikaner women walking along the production line overseeing the workers. The factory owner, Frank Yu, explained to me that his retailer client had dispatched the two women as his in-house supervisors to give sewing instructions and ensure the garment quality.[401] Frank further told me that fashion-order production required much more time to train the workers and generated more wastage of fabric from defective items. Whether or not Newcastle's clothing firms could successfully move up into more skilled manufacturing remained unknown, having in-house technicians from the retailers or suppliers could be an interim solution for companies embarking on high-end fashion apparel production.

Garment production has already become a competitive and low-profit business both in South Africa and globally. Despite all the challenges, when I left Newcastle in 2016, most

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[400] A quick note on real estate, according to Alberts, 55% of the industrial estate in Newcastle by the end of 2015 was owned by Chinese businessmen (Mainland Chinese and Taiwanese).
[401] Interview with Frank Yu, Newcastle, October 26, 2015.

Chinese entrepreneurs had no immediate plans to close their factories so long as their coping strategies were working and the money from the clothing business was helping the family eat (or in Chinese, *hun kou fan chi*). Many had lived in Newcastle for more than twenty years and had invested heavily in immovable properties. During their sojourning years, their home countries in East Asia also underwent tremendous socio-economic transformations. Perhaps, for some, it would be more challenging to return than to remain.

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Conclusion

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Undoubtedly, Steven's death was a tragic episode for Newcastle's Chinese entrepreneurs, but more so for his new wife. After being together as a production couple for years, Steven and Linda had finally married two years earlier. No one expected that a normal winter day in 2015 would tear the newlyweds apart. Two former employees had executed their employer. The two male suspects had been marginal and untrusted workers at Steven and Linda's clothing factory, a business that had preferred African female labor since its inception. The suspects were familiar with the factory work routine and knew exactly when the owners would have large amounts of cash ready to dispense on a payday. In fact, they walked calmly into the compound along with other factory workers during the rush hour with lethal weapons concealed in their pockets. Considering the high crime rates of the country, many regarded the murder as another unfortunate but not uncommon occurrence. However, it loomed large for Newcastle's ethnic Chinese industrialists as a warning, exposing the limits of engaging as foreign industrialists in South Africa's low-wage manufacturing.

Cheap female labor, small family businesses, and late capitalism characterized by informal and flexible accumulation made Newcastle an extraordinary site for experiments in

creative ways of garment manufacturing. Through a close-up examination of the production

models of Chinese knitwear and CMT factories, this chapter has demonstrated that novel forms

of the familial arrangement were at the very core of Chinese industrialists' survival strategies.

While the inner networks and new forms of familial arrangements were culturally specific, this

chapter has revealed that such practices must be viewed within the broader range of flexible

business tactics that the Chinese industrialists had adopted to sustain their presence in South

Africa's industrial frontiers over the last thirty years. This chapter shows that in the low-end

segment of garment production, productivity and cost saving were very crucial to business

survival. Though this chapter emphasizes the significance of Chinese production networks in the

knitwear and CMT business and their tactics to circumvent restrictions on piece rate and

minimum wages, it also acknowledges some gray areas in their business conducts. While this

research offers no justification for unlawful acts, it does suggest that union protests and

collective bargaining should focus more on improving the working conditions rather than

imposing unrealistic minimum wages.

Most importantly, through an investigation of the inner workings of family governance

and the radical production-couple partnerships in Mainland Chinese CMT firms, this chapter

suggests that it is precisely the creative cultural adaptation and flexibility of these Chinese family

enterprises that made possible their long survival and continual growth in South Africa. In other

words, this chapter refuses to take an essentialist and static interpretation of overseas Chinese

family business. It has shown the ways in which Chinese family business reproduced itself

without a multi-generational or nuclear family structure and the extent to which existing

diasporic social networks were able to incorporate novel forms of familial arrangements. In

Newcastle's Chinese garment business, the factory fashioned the family as much as the latter

underpinned the former. New forms of familial arrangements were, of course, not always successful or long-lasting. In fact, as this chapter has indicated, they would often bear tremendous and irreparable moral and emotional cost, not to mention nasty financial disputes during unhappy breakups. Nevertheless, the evolving dynamics within and the fluidity of such quasi-familial arrangements reveal to us a nondichotomous relationship between capitalism and culture, showing how the cultural construction of gender and family is inherent to the material workings of capitalist production.

While cultural adaptation and utilitarian pragmatism of Newcastle's ethnic Chinese industrialists were, of course, crucial to sustaining their business operations, it was the long hours of hard work of their women employees that had turned fabric into finished garments. What were the living experiences and dreams of these Zulu women who had labored their days and nights in Newcastle's Chinese clothing factories? How did they respond to industrial discipline and Chinese methods of labor-management? These questions constitute the themes of Chapters 4 and 5.

CHAPTER 4: "CHINESE EAT BLACKS"

CHAPTER 4

"CHINESE EAT BLACKS"

     Two ethnographic anecdotes animate the themes of discipline and defiance. On a sunny December afternoon, Khumalo, my research assistant, and I were standing outside a Chinese grocery shop in Section IV of Madadeni township to kill time in between the interviews.[402] While I had my cold coke in hand, Khumalo ignited his cheap cigarette. As always, casual chatting with him was a fun part of the field trip. After a deep inhale, Khumalo turned to me with a happy face and said, "Liang, can I ask you a serious question?" I nodded my head reassuring him. "Do Chinese actually eat blacks?" Khumalo smiled. "What?" Utterly perplexed, I did not know how to respond. Upon double checking that I had heard his question correctly, I assured him that it was not true. Khumalo later explained to me in my rental car while we were driving to the house of our next interview that he had heard the rumor a long time ago. Many people in the townships, Khumalo stressed, still held such views. The woman we interviewed later that afternoon confirmed the existence of the rumor and further testified to it by telling us that she dared not to lift her head up and stare at her Chinese boss' eyes when she needed to speak to her.[403]

     While no one could identify the origins of the rumor with certainty, scattered information that I gathered suggests that locals' suspicions might have derived from a series of highly contentious labor disputes in the 1990s and early 2000s. The death of two twin babies born on the locked-up shop floor at a Taiwanese factory during their mothers night shift and another

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[402] Please note Khumalo is a pseudonym.
[403] Interview with Madida, Newcastle, January 4, 2016. During my field research, when I asked my female interviewees about their first impression of the Chinese, several responded by bringing up this rumor.

story of a Taiwanese industrialist using an electric prod (referred to by the locals as "shockers") to discipline her workers might have helped the rumor's spread.[404] In the meantime, some of my Chinese informants believed that those who first started the rumor might well have been female Zulu helpers in the Chinese factories who had access to the kitchens and were utterly confused by the variety of food that Chinese cooked and ate.[405]

The second incident occurred after a small group interview. By the time we concluded the meeting, it was already late. For women, walking alone in certain sections in the township after dark was unsafe. Khumalo and I, therefore, offered a ride to one of the factory women who lived in the neighboring section. As we approached her rented home in the car, the woman asked if I could find her a Chinese boyfriend, someone like me. Khumalo got excited by the woman's sudden request, and queried, in an erotic and proud tone: "Hey don't you think the Chinese men lack the masculinity for our black ladies?" Without speaking explicitly, Khumalo was reinforcing stereotypical notions about black male sexual potency. The woman, understanding well the aspersion that Khumalo was casting here, responded in a high pitched voice, "You men can never understand women. What really matters is TLC!"[406]

After explaining that I was in town only temporarily and fulfilling her request would jeopardize my credentials as a neutral researcher, we dropped her off outside her dwelling place. I appreciated that socio-economic status and ethnic/racial exoticism had always played a powerful role in the imagination as well as the practice of inter-racial romantic liaisons and

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[404] "Allegations That 'Shockers' Are Used by Local Industrialist," *Newcastle Advertiser*, July 12, 1991; "Industrialist Probed," *The Star*, April 1, 1992; "Chinese Industrialist Not to Be Prosecuted," *Newcastle Advertiser*, May 1, 1992; "Twins' Death at Factory Probed," *IOL*, November 30, 2001; "Boss Fined for Deadly Lock-in," *News24*, March 31, 2004.
[405] Personal communications with several Chinese industrialists, Newcastle, November and December, 2015.
[406] As Khumalo explained to me, "TLC" was a locally accepted abbreviation for "Tender Loving Care."

sexual relationships. This was especially true after apartheid ended and people were finally free to pursue such relationships. Khumalo himself, for example, once confessed to me that nowadays for him and his male friends in the township dating a Chinese girl was the "coolest" thing to do.

It is rather interesting here to note the two contradictory imaginaries about the Chinese amongst Zulu factory women. The depiction of Chinese as cannibals clearly conveyed a sense of fear and mystique about ethnic Chinese industrialists with whom locals have only recently made contact. It could be argued that the rumor carried a significant imprint of industrial discipline and hardship, both experienced and imagined, that was inherent in the work environment of Newcastle's Chinese labor-intensive plants. It is also a reflection of the success of Chinese factory owners who succeed in making profits where others fail.[407] Whereas the cannibal Chinese story attested to the dreadfulness and hazards of factory work, the depiction of the caring Chinese evidently spoke in defiance of modern industrial discipline. The woman who made the request clearly imagined that socio-economic wellbeing and wealth uplift would result from entering a relationship with a Chinese man. By portraying Chinese as appealing dating partners and by actively pursuing them, some industrial Zulu women successfully subverted or broke down part of the disciplinary power that manufacturing capitalism had imposed upon them.

This chapter reconstructs the work experiences of female Zulu employees in the Chinese clothing and textile factories through oral history and ethnographic observations. By using de Certeau's "strategy-tactics" analytical framework, this chapter presents a story of power politics on the shop floor and makes the following two major intertwined arguements. First, I argue that

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[407] For Chinese factories success in a different context, see Tracy Rosen, "The Chinese-ification of Greece," *Cultural Anthropology*, October 30, 2011 (available at https://culanth.org/fieldsights/253-the-chinese-ification-of-greece). Rosen is working on a book, titled *How Made in China is Made in Greece*.

Newcastle's ethnic Chinese industrialists sought disciplinary strategies through two major alternative means. This was because they were unable to invoke idioms of kinship, familialism, and localism in labor control that had made their business extraordianry successful and competitive in East Asia. On the one hand, they disciplined workers by openly coersive measures, such as verbal assalt and corporal punishment. On the other hand, they also attempted to promote competent Zulu supervisors and employ model workers like the Basotho women to discipline others. Secondly, I show how, through verbal resistance, work disruptions, and the moral economy of factory mothers, Zulu women employees expressed their defiance of capitalist discipline and effectively subverted the industrial order that ethnic Chinese industrialists tried to establish in the factories. Ultimately, this chapter exemplifies industrial Zulu women's defense of their autonomy, dignity, and solidarity under difficult circumstances.[408]

Long Walk to Labor: Zulu Women as Industrial Workforce

In apartheid South Africa, Zulu women and other women of African descent more generally had largely been excluded from industrial work until the second half of the twentieth century. A full account for women's economic marginalization is beyond the limits of this chapter. A handful of scholars working in various fields, however, have implied different but interrelated structural socio-economic forces as historically instrumental in confining women within the domestic realm and preventing them from becoming free wage earners in the industrial world. Traditional patriarchy in Zulu society, missionary education since the mid-nineteenth century, and the migrant labor system that underpinned the mining capitalism before

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[408] I, however, have to make it clear at the outset that this chapter by no means attempts to portray a triumphant or glorious tale about industrial Zulu women, denying the necessity of further industrial reforms and redistributive remedies to improve working conditions in the Chinese clothing firms.

and under apartheid were three primary factors argued to have, historically, delayed the incorporation of Zulu women into the industrial work force.

The late historian, Jeff Guy, in one of his most cited pieces, suggested that patriarchy in traditional Nguni societies in Southern Africa played a crucial role in the appropriation of women's labor by men.[409] By employing a Marxist approach in his analysis of pre-capitalist societies, Guy highlighted the "cattle-women-labor power" cycle in which male patriarchs realized the control and exploitation of women's production and reproduction. It is worth noting that Guy offered a much more nuanced reading by attending to women's defense of the traditional system. He argued that women still had a significant degree of economic independence under patriarchal oppression. Women actively defended the system because of the security of working within a community and social standing and integrity attached to fertility.[410]

Western, colonial influences shaped the second factor. Scholars who work on missionary education in traditional African societies have informed us of a civilizing project that was in its practice highly gendered. Heather Hughes in her study of the Inanda Seminary, a girl's secondary school founded by American missionaries in 1869, detailed how through "industrial education" the school endeavored to transform tribal Zulu young girls into future obedient and "industrious" wives.[411] Good African womanhood at the time, as Hughes stressed, was based on strong Christain faith and competence in domestic affairs. Missionary education has never been entirely separated from politics. Meghan Healy-Clancy, while researching the same educational institution, but with larger analytic scope, is emphatic that "the politics of social reproduction" during colonial rule and under apartheid had allowed African women to train as nurses, teachers,

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[409] Guy, "Gender Oppression in Southern Africa's Precapitalist Societies," 33-47. A similar argument can be found in Wright, "Control of Women's Labor in the Zulu Kingdom."
[410] Guy, "Gender Oppression in Southern Africa's Precapitalist Societies," 46.
[411] Hughes, "A Lighthouse for African Womanhood."

and social workers, and subsequently to claim leadership roles in "social services."[412] Perceiving women as innocuous social actors, political authorities wanted to employ women to nurture and reproduce a workforce without conceding political power to the blacks. Of particular interest to the discussion here is Healy-Clancy's treatment of the Bantu Education Act of 1953, and how Pretoria and the KwaZulu homeland government under Buthelezi's leadership came together to see Inanda as the site for facilitating separate development. Following Pretoria's intention to use skilled African women in the social reproduction of a divided society, Buthelezi deployed a rhetoric that distinguished between proper manpower and "women-power" and used the seminary as a place to prepare Zulu girls for feminized professions in both the public and private sectors.[413] However, the majority of Zulu girls and women were never granted privileged educational and professional opportunities. Instead, many marched *en mass* to labor as industrial workers in the factories, a direct result of the labor-intensive industrialization strategy which Buthelezi himself had endorsed.

The third and perhaps most important factor was the country's mining capitalism and its migrant labor system. Beginning with the discovery of diamonds in Kimberly in the 1860s and the subsequent development of gold mining on the Rand in the 1880s, South Africa's modern economy was centered on its mineral fortunes. Although many scholars have done brilliant work on mining and the history of labor migrants in South Africa, Harold Wolpe remains one of the best critics of the exploitativeness of the political economy of the mining industries. In his 1972 article, Wolpe developed the famous "reverse subsidy thesis." [414] Urban mining industries, by utilizing African male migrant workers and at the same time avoiding granting them a family

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[412] Healy-Clancy, *A World of Their Own*, 2-4.
[413] Ibid., especially Chapter 4 ("Educational Policy and the Gendered Making of Separate Development"), 120-62.
[414] Wolpe, "Capitalism and Cheap Labor-power in South Africa."

wage, benefited from the reverse subsidies derived from the rural reserve areas where women, through subsistence agricultural activities and domestic work, supported the labor reproduction that had, in turn, sustained profitable mining production in the cities. Despite its structuralist and functionalist interpretations, the reserve-subsidy thesis continues to stimulate scholarly discussion.[415]

One profound critique of Wolpe came from the formidable feminist and Marxist scholar, Belinda Bozzoli, who in her celebrated 1983 piece raised the most obvious but often taken-for-granted question: "Why was it women who remained behind and men who left to work in the mines?"[416] By calling upon colleagues to move from the notion of structure to that of struggle, Bozzoli suggested a linkage between the struggles within the domestic sphere and those between the domestic sphere and the capitalist one. Domestic struggles within a society, in her words, "are crucial determinants of the pattern taken by its response to economic hardship."[417] For instance, in contrast to the African families, among the Boer farmers, it was young Afrikaner women (usually daughters of the family) who moved into towns first in times of hardship and supported rural family members with remittances. Refusing to treat women as passive actors, Bozzoli offered us an analytic framework that placed side-by-side the struggles within the household and struggles of the broader economic and industrial structure of the society. Needless to say, with the advent of influx control (through pass laws), apartheid, and forced removals, black women in South Africa were further formally excluded from participating in modern industries.

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[415] For challenges to Harold Wolpe's work, see Beinart and Dubow, "Introduction: The Historiography of Segregation and Apartheid"; and Manicom, "Ruling Relations." Manicom refuses the notion of "functional women" (within a given structure), see 447-50.

[416] Belinda Bozzoli, "Marxism, Feminism, and South African Studies," *Journal of Southern African Studies*, 9, 2 (1983): 139-71, 143.

[417] Ibid., 153-54.

Nevertheless, African women have never been passive actors of history. While many

African women resisted full proletarianization by staying behind in the rural homes, some had

ventured into the industrial world as early as in the 1920s. The earliest employment data on black

women showed that by the end of the 1920s there were, out of the 21,484 female industrial

workers nationwide, 664 black women working in clothing, printing and publishing, food and

drink, chemical and soap manufacturing, and leather-making.[418] Hansi Pollak suggested that

economic depression in the 1930s might have increased the responsibilities of women as male

members of the family could not secure industrial employment.[419] While scholars considered the

period between 1925 and 1940 as one of accelerated industrialization that pulled women into

industrial wage labor, it was mainly white and colored women who entered factories to

"contribute in new ways to family survival" during this time.[420] Black women, however, were

still largely invisible in South Africa's factories.

It was during the Second World War that black women moved into industrial production.

As war-time emergency boosted industrial production and economic growth, male labor shortage

forced industries to draw women, including black women (albeit in small numbers), into the

workforce. Scholars who have worked on African women in the South African industry agree on

using the year 1960 as a dividing line for periodization.[421] Between 1940 and 1960, although

black women received more opportunities to work in factories, their involvement was still

insignificant. The boom decade of the 1960s substantially increased the number of African

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[418] Hansi Pollak, "Women Workers in Witwatersrand Industries," *The South African Journal of Economics*, 1 (1933): 58-68, 58.
[419] Ibid, 67.
[420] Berger, *Threads of Solidarity*, 49.
[421] Berger, *Threads of Solidarity*; Yawitch, "The Incorporation of African Women into Wage Labor 1950-1980"; Jaffee and Caine, "The Incorporation of African Women into the Industrial Work-Force: Its Implications for the Women's Question in South Africa"; and Mariotti, "The Incorporation of African Women into Wage Employment in South Africa 1920-1970."

women in production. Amelia Mariotti reported that in 1970, 82,556 African women were occupied in industrial production, a tenfold increase since the 1940s.[422] The postwar industrial expansion, shrinking the supply of white women, and the numerical and geographical limits on the availability of the Colored and Indian population had opened doors for African women.[423]

Interestingly enough, industrial expansion and labor shortage did not necessarily make black women attractive employees in South Africa, even in textiles, traditionally considered a female industry. Anne Mager reconstructed how both Philip Frame's Consolidated Textile Mills in East London and Good Hope Textile, a joint venture set up by the Industrial Development Corporation and the Calico Printers of Manchester, wanted to hire African men when white women became less available in the 1940s.[424] The underpinning ideology at the time was to remodel "the African family" in the image of the Western "middle-class notions of morality, family, and work" in "segregation-developmental thinking."[425] Allowing African men and husbands access to industrial employment was to create and stablize the nuclear African family. This phenomenon was by no means unique to South Africa in the 1950s. Fred Cooper observed similar labor stabilization strategies and policies in the immediate postwar Anglophone and Francophone Africa.[426] Influenced by highly gendered ideologies, colonial officials believed that by recognizing the male African subject as an "industrial man" and granting him a family wage, labor stabilization was attainable. They believed that urban strikes would then go away. Of

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[422] Mariotti, "The Incorporation of African Women into Wage Employment in South Africa 1920-1970," 192.
[423] Ibid., 194.
[424] On Good Hope Textile, see Mager, *Gender and the Making of a South African Bantustan*, 48-57. For details on Frame's Consolidated Textile Mills, see Mager, "Moving the Fence," 46-48.
[425] Mager, *Gender and the Making of a South African Bantustan*, 48-49.
[426] Cooper, "Industrial Man Goes to Africa," 128-37; see also Fred Cooper, *Decolonization and African Society: The Labor Question in French and British Africa* (Cambridge, UK: Cambridge University Press, 1996).

course, history revealed that this was no more than wishful thinking. A similar preference for male labor also existed in other regional contexts. For instance, Ann Farnsworth-Alvear in her study of Medellin, Columbia's old capital of textile industry, analyzes how historical actors had come to define and redefine femaleness.[427] Policy makers, international textile engineers, the powerful Catholic Church, and women themselves all played parts during the 1950s in transforming Medellin's textile industry from a feminine industry to one in which men far outnumbered women.

In South Africa, it was heightened foreign competition in the textile industry in the late 1950s that forced its operators to hire black females at considerably lower wages than male workers. Consequently, African women started to replace African men in the textile and clothing factories. In the initial years, high turnover rates amongst black female employees due to pregnancy and family obligations were a vexing headache for the industrialists. Only in the late 1960s were companies "convinced of the suitability of African women for industrial labor," partially as a result of birth control and the continued influx of single women into the urban areas.[428] Though some employers managed to apply for exemptions, the influx control laws (abolished only in 1986), which limited the flow of Africans from the rural areas and prohibited women from working after dark (for example, overtime and night shifts), made it difficult for industrialists to rely entirely on female labor. Maintaining a decent sized male workforce, albeit costly, was common and necessary.

Uneven growth marked the decades between 1960 and 1990. Economic historians have informed us of the general economic downturn from 1975 and shrinking employment as a result

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[427] Farnsworth-Alvear, *Dulcinea in the Factory*.
[428] Mager, "Moving the Fence," 50-51.

of stagnant economy and automation in agriculture and major industries.[429] However, border

industries that had relocated to the homelands and white border towns from the 1960s through

apartheid government's industrial decentralization scheme provided African women with job

opportunities on an unprecedented scale. Among such industries, the clothing and textile

factories were the most prominent. In 1976, inside the black homelands, more than half of the

manufacturing labor force was female.[430] By early 1980s, black African women held "from half

to two-thirds of jobs in the decentralized industries."[431] Low wages and various kinds of labor

abuse of women workers were widespread in those footloose shops. The majority of black

African women in this line of work were between the ages of twenty-five and forty-five. While

the younger ones dreamed of using the job as a means to return to school, older ones preferred to

work in the decentralized industry because of its proximity to the land and home. Anne Mager

rightly pointed out that unlike the 1950s, when more than half of textile factory workers still

"had to go off regularly to plough," by the 1980s employment in the decentralized factories

became "permanent."[432] It is precisely against this historical background that Newcastle's ethnic

Chinese companies came into the story.

From a historical perspective, black African women consisted of the lowest rung of the

labor hierarchy whose construction was undoubtedly blatantly racist and highly gendered. In the

South African context, black women became attractive to industrial production only after cheap

male workers and women of other races became less attainable or less affordable. The history of

black women's eventual entry into the industrial world, therefore, is arguably a history of

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[429] Seekings and Nattrass, *Class, Race, and Inequality in South Africa*, 165-87; and Feinstein, *An Economic History of South Africa*, 200-23.
[430] Yawitch, "The Incorporation of African Women into Wage Labor 1950-1980," 88.
[431] Berger, *Threads of Solidarity*, 251.
[432] Mager, "Moving the Fence," 54.

capitalism's intrusion into the peripheries, periphery in both geographical (the rural "reserves" and "border" areas) and demographic (black African women as both "black" and "women") terms. Some feminist scholars may advance the argument that black women had been the most successful in their resilience to full proletarianization; this argument has some validity. It is nonetheless undeniable that, as Bozzoli succinctly put it a long time ago, those who "enter the factory last...are consequently the weakest."[433]

What was striking about the incorporation of black women into industrial work was that it paralleled the massive retrenchment of male labor across various sectors. Therefore, this dual development has since the late 1970s and early 1980s led to the continuous feminization of the workforce. Conventional wisdom suggested that "in times of economic crisis, women would tend to be more disposable workers than men."[434] Dorrit Posel and Alison Todes challenged such hypothesis by pointing out that the proportion of women in the economically active workforce nationwide jumped from 33.7% in 1980 to 42.9% in 1991.[435] With an emphasis on the labor market in KwaZulu-Natal, Posel and Todes found that the manufacturing sector in decentralized areas, along with the expansion of the public and service sectors, had provided women with better jobs than those previously available to them.[436] Feminization of the labor force continued its momentum in the following decade. The increase in employment was larger for women than for men in the 1990s.[437]

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[433] Bozzoli, "Marxism, Feminism, and South African Studies," 163.
[434] Dorrit Posel and Alison Todes, "The Shift to Female Labor in KwaZulu/Natal," *The South African Journal of Economics*, 63, 2 (1995): 225-46, 225.
[435] Census statistics, see Posel and Todes, "The Shift to Female Labor in KwaZulu/Natal," 228.
[436] Ibid., 235.
[437] Daniela Casale and Dorrit Posel, "The Continued Feminization of the Labor Force in South Africa," *South African Journal of Economics*, 70, 1 (2002): 156-84, 157.

Unlike other decentralized areas, where industrialists in the clothing and textile business during the initial years preferred to use black African male labor, Zulu women in and near Newcastle entered factories relatively early. When comparing border industrial development in Ladysmith and Newcastle, Gillian Hart noted that when Frame moved a major plant to Ladysmith in the 1950s, the company primarily drew on "a militant and politicized male workforce."[438] In contrast, Veka and Sandown, two large Afrikaner-owned garment companies, after their relocation from metropolitan areas to Charlestown (a small town outside Newcastle), employed mainly African women at much lower wages. After moving to Newcastle in the late 1960s and early 1970s, the two firms continued to hire black women. The divergent experiences in Ladysmith and Newcastle, according to Hart, were due to the different processes of dispossession. In Newcastle, where an early and more complete process of dispossession took place, women recently "wrenched from the land" were "more desperate for cash income" and thus willing to labor in the factories.[439] In other words, the two South African large clothing firms relocated to the Newcastle area specifically to tap into the legacy of the previous round of accumulation, a vulnerable black female population produced by forced removals and dispossession in the 1960s. It turned out that many of these women with skills gained at Veka and Sandown were among the first batch of workers later recruited into the Chinese factories in the 1980s and 1990s. Newcastle's ethnic Chinese industrialists, as a result, benefited from a dual legacy: a surplus female population and the availability of a small but relatively experienced female workforce.

According to the most recent census (2011), Newcastle enjoys a population of 363,236, of whom 91.9% are black African (333,814). To be precise on how many are black women

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[438] Hart, *Disabling Globalization*, 138.
[439] Ibid., 112-13.

residents would be a challenge. It is safe to suggest, however, the number is close to 175,000,

given the 52.4% sex ratio in the area. Among the 100,654 economically active individuals (men

and women) in Newcastle, only 62,968 are employed.[440] Formal employment in 1980 and 1991

was 57,711 and 53,942, respectively.[441] Considering the low population growth rate (0.87%) in

Newcastle, the numbers in the 2011 census, although a little dated, still provide a useful

reference benchmark. In reliable estimates, Newcastle's ethnic Chinese clothing firms in early

2016 employed a total of 15,000 to 20,000 black women, approximately a fourth (or a third) of

the entire employment in Newcastle.[442] In 1980 and 1991, the numbers were 3,553 and 8,330,

respectively.[443] Scholars have noted that the restructuring of South Africa's garment industry in

the late 1990s and early 2000s caused mass layoff of workers.[444] Nevertheless, the overall

growth of black women's participation in production in the past thirty years is rather evident.

Encountering the Zulu Female Body: Surveillance and Discipline

Global manufacturing capitalism, especially its labor-intensive segment, is known for its

preference for nimble fingers and docile bodies. Newcastle's ethnic Chinese industrialists with

their relocation to South Africa in the early 1980s entered a remote society about which they had

little prior knowledge. In East Aisa, for example, they took for granted the young girls with "slim

body, sharp eyes, nimble fingers, shy, and hardworking," which, argues Pun Ngai, was itself a

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[440] South Africa Census 2011, statistics on the Newcastle Municipality. For more details, see online: http://www.statssa.gov.za/?page_id=993&id=newcastle-municipality.
[441] Todes, "Restructuring, Migration and Regional Policy in South Africa," 178.
[442] Please refer to Chapter 2.
[443] Posel and Todes, "The Shift to Female Labor in KwaZulu/Natal," 235.
[444] Hunter, *Love in the Time of AIDS*, 113. Hunter also noticed that when large, unionized, South African-owned clothing and textile firms closed in this period, black women became more dependent on smaller East Asian firms for formal employment.

"homogeneous and orientalist construct" that has served the interests of transnational capital and China's "reified patriarchal culture."[445] In South Africa, however, they came upon a Zulu female workforce produced by a set of very distinct historical and socio-economic conditions. The techniques and cultural codes that Chinese industrialists had employed to discipline workers in East Asia and that had proved efficacious before now required substantive modifications.

In colonial Africa, Europeans clearly sexualized African bodies, circulating photographs of nude or semi-nude African women and of buttocks and breasts. Language about indigenous female bodies suggested asymmetrical relations and served to justify colonial conquest and to maintain the sexual and racial hierarchy in the colonies.[446] Lilly Wei, another female industrialist, also recalled that "fat" and "slow" were her first impressions of Zulu women when she arrived to work for a Taiwanese CMT firm in Newcastle. She added, however, that "now, some of them can work as fast as I do."[447] Newcastle's ethnic Chinese entrepreneurs arrived with a different lens through which they measured and evaluated black female women, based on the ideal productive modern girl at a clothing factory. Instead of conquering the continent and its people, Newcastle's ethnic Chinese entrepreneurs and the contemporary capitalism that they came to represent sought to tap into the productivity they believed to be inherent to the female African body.

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[445] Pun, *Made in China*, 77.

[446] There is a broad literature on this topic. See Megan Vaughan, *Curing their Ills: Colonial Power and African Illness* (Stanford, CA: Stanford University Press, 1991), 1-28; Ann Laura Stoler*, Carnal Knowledge and Imperial Power: Race and the Intimate in Colonial Rule* (Berkeley, CA: University of California Press, 2010); Rachel Ama Asaa Engmann, "Under Imperial Eyes, Black Bodies, Buttocks, and Breasts: British Colonial Photography and Asante 'Fetish Girls,'" *African Arts*, 45, 2 (2012): 46-57.

[447] Skype interview with Lilly Wei, Newcastle, December 29, 2015.

Figure 9. Zulu women at work, 2016. Photo by the author.

Like the quick switch from chairs to benches, Newcastle's ethnic Chinese industrialists quickly learned to adapt other local workplace practices. Tea break was among the first things that they had copied from their South African peers. It forced the Chinese industrialists to insert "unproductive" time slots into the work schedule and as a result set limits to the long working hours that they were accustomed to in Asia. Understandably, some industrialists possessed a hostile attitude towards such schedules. Denny You, one of the earliest Chinese industrialists who came to Newcastle in the 80s, remarked:

While in Taiwan, we worked six days a week. Here, we had to dismiss workers at 1:00 pm on Fridays. The work time was too short. In Taiwan, we worked from 8:00 in the morning until 5:00 in the afternoon and we only allowed a one-hour lunch time between 12:00 and 1:00 pm. Here, following what the white-owned factories already did at the time, we started at 7:15 am and closed at 4:45 pm. Well, here there were two tea breaks during the day, one at 9:00 am and the other at 3:00 pm. Tea break was said to be only 15 minutes. But the time lost before the break, when women got slow while anticipating the break, as well as after the break until they became refocused was no less than 30 minutes. The half-hour lunch break added, total rest time during a full work day was actually longer than 90 minutes! They [workers and the trade unions] were always complaining about the weekly 45 working hours, but in reality, it was less than 40![448]

During my research in Newcastle, the majority of the factories had already moved the morning tea time to 10:00 am and lunch to 1:00 pm and had abandoned the afternoon break. In so doing, they were able to utilize three big productive slots in a full work day: 7:15 to 10:00 am, 10:00 am to 1:00 pm, and 1:30 to 4:30 pm.[449]

The body search was another practice with which Newcastle's ethnic Chinese industrialists had been unfamiliar. Many stressed that they were just following what had already been practiced at other factories and considered body searches as "culturally awkward (*bieniu*)." During my research, I collected numerous accounts of female workers hiding clothing items around their waists, under their *isiqoko* (headscarves), and even beneath their underwear, and being caught out in the after-work body search. It was Chinese females who would stand next to factory gates to perform the check before the workers left the premises. One female industrialist complained to me, "I did not enjoy this at all. By the end of the day, we are all tired and exhausted. Gosh, this body search adds another half-hour work, at least. What can we do? They steal. No one likes it. The workers don't. Me, either. But it is a necessary preemption."

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[448] Interview with Denny You, Newcastle, July 20, 2016.
[449] This struggle to establish a rigid work regimen amongst workers has a long history. See E. P. Thompson, "Time, Work-Discipline and Industrial Capitalism," *Past and Present*, 38 (1967): 56-97; and Keith Thomas, "Work and Leisure," *Past and Present*, 29 (1964): 50-66. On the Southern African context, see Atkins, *The Moon is Dead!*

Apparently, the continued occurrences of theft calls into question the effectiveness of body searches. What it did introduce, however, was a daily reminder that reinforced the negative imagery of the black female body, which in turn eroded the little trust that might have developed between the Chinese managers and their employees at the workplace.

There had been some very negative comments, both in the media and in scholarly works, about other coercive measures that Newcastle's ethnic Chinese industrialists initially adopted on the shop floor. In the 1980s and 1990s, for example, disciplinary measures such as handcuffing and assault with electric cattle prods drew outcries in the local newspapers.[450] Chinese industrialists involved in those incidents denied the accusations, insisting that such measures were only meant to prevent more theft. As the legal protection of worker's basic rights became stricter in the post-apartheid era, Newcastle's ethnic Chinese industrialists gradually abandoned direct corporal punishment but continued to engage in verbal abuse. Zulu women were not afraid to express their resentment about ill-treatment in the factories and the rude manners of their Chinese bosses.When asked if she could speak any Chinese, one of my informants responded:

> Yes, I now know some simple expressions. For example, '*Shabi ya*' [meaning 'Are you an idiot!'] and '*kong kong*' [a Fujianese dialect for stupid]. That is how they shout at us. Not nice. But I don't know what these words mean exactly.[451]

As Hart rightly points out, engaging with workers in openly coercive terms revealed Chinese industrialists' deep-rooted frustration and inability to invoke "the idiom of kinship and family" as "the currency of negotiation between male managers and women workers," which featured prominently in productive relations in East Asia. [452] Ching Kwan Lee's study of one

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[450] NCRA, ESVEBN 14/4/48, Volume 12, newspaper clippings, "Chinese Industrialist Huang Denies Torture Claims 'I never hit anyone'" and "Workers Plan Civil Action," dates unknown. See also "We Were Tortured, Claim Workers," *Sunday Times*, August 4, 1991.
[451] Interview with Thoko, Newcastle, March 20, 2016.
[452] Hart, *Disabling Globalization*, 191.

company's two plants—one in Shenzhen of Mainland China, and the other in Kong Hong—showed that the labor markets in the two places possessed different organizing principles which regulated the ways in which employer recruited women workers. In Shenzhen, where young migrant girls ("maiden workers") from the interior formed the bulk of the workforce, localistic networks featured prominently in labor recruitment and localistic despotism became the main method of labor control. The employer in Hong Kong adopted a much more liberal management style and privileged familial practices because "matron workers" constituted the primary source of labor in Hong Kong.[453] Cultural unfamiliarity and the lack of knowledge of communities and life in black townships made it impossible for the Chinese industrialists to deploy kinship, familialism, or localism in labor control and management.

It is fair to suggest, however, that the inability to invoke familialism and localism also liberated Chinese industrialists from providing paternalistic support. Hart noticed that a small group of industrialists in the mid-1990s tried to re-invent paternalism and claimed "a familiarity with the townships" and spoke in the language of "generosity, paternalism, and keeping workers happy [by using gifts as reward]."[454] Indeed, I also observed similar practices. For instance, one Chinese industrialist visited his sick employee in the township and brought her traditional Chinese medicine. Several other Chinese industrialists advanced wages to their workers to deal with family emergencies. Despite the annual charity outreach activities organized by the Chinese religious groups and the chambers, however, the majority of Chinese industrialists remain ignorant of or indifferent to the townships where most of their workers live.[455] It is plausible that

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[453] Lee, *Gender and the South China Miracle*. See also Pun, *Made in China*, 49-76. Pun discusses kin-ethnic enclave and network that facilitated rural-urban migration and job-hopping for rural women.
[454] Hart, *Disabling Globalization*, 192-94.
[455] There are mainly three religious groups in town: the Buddhists, the Taoists, and the Christians. The two chambers that are active in this are the Chinese Chamber of Commerce and the Newcastle Textile and Clothing Chamber.

high unemployment rates and abject poverty in the region have produced a vast and persistent surplus of a low-skilled female labor force which, in turn, made the Chinese industrialists less motivated to engage with local communities in a more intimate way.

Unsurprisingly, the failure of the Chinese industrialists to invoke idioms of paternalism, familialism and localism jeopardized productivity on the shop floor. Studies have shown that a shared sense of kinship, family, and community between employers and employees creates conducive productive relations. The paternalistic employer's benevolence and the helpful attitude on the part of young working women made the work experience feel less exploitative and overtime and long-hour regiments easier to manage.[456] In other words, the female workers' willingness to work hard and tolerate long hours in the East Asian context was not merely a result of wage incentives or an innately high drive for material reward. More profoundly, this particular pattern of work involved key cultural codes inherent in production relations in the factories.

Although many Zulu factory employees that I interviewed appreciated the job opportunities in the Chinese factories, lack of familial and communal attachment between the two parties allowed Zulu women to look at their jobs with a rather crude and rational eye. As one respondent confessed to me, "Although I do hate those Chinese who run the night clubs and liquor shops in the township [Madadeni and Osiweni], I do not have any negative comments [about the Chinese industrialists]. I think they are just smart business people. They are so brave to come from faraway to make money. There is nothing wrong about that. What they demand from us is to get the result that they want. That's it. They are very straight people."[457] This work attitude partially explained the often-raised Chinese employers' complaint that their African

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[456] Hart, *Disabling Globalization*, 165-97; and Hsiung, *Living Rooms as Factories*.
[457] Interview with Zenzele, Newcastle, December 21, 2015.

workers were less motivated and would stop sewing as soon as they hear the knock-off ring even if the remaining item on her sewing machine was only two or three stitches from the finish. In other words, while they did not hold high or unrealistic expectations of their Chinese bosses, these Zulu women tended not to over-supply their labor either.

Newcastle's ethnic Chinese industrialists understood very well that there would be no profit without productivity (or *meiyou chanliang jiu meiyou lirun*) in the clothing business. To achieve productivity, they—though unable to invoke kinship or familiar idioms in management—adopted two categories of disciplinary strategies. The first type was a top-down approach that I call "discipline through surveillance." A term that Foucault initially introduced in his work of modern prisons, "panopticon," serves as a useful conceptual tool to analyze systems of surveillance.[458] Scholars have noted that a central or a mezzanine-level office structure overseeing the entire shop floor was very common in the architecture of the Chinese factories in Newcastle in the 1990s.[459] Starting from the beginning of the 2000s, due to the availability of cheap cameras, the central or mezzanine office stopped being an omnipresent feature in these Chinese factories. Instead, all factories that I visited during field research were equipped with multiple cameras installed at different angles, and the manager could observe from his office, a separate room from, but attached through a backdoor to, the main plant. Although some managers still sat on a heightened podium overlooking the shop floor, the electronic eye apparently became the new principle of modern "panopticism," a much more "encompassing and penetrating force..that [is] not a human being or even present."[460]

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[458] Michel Foucault, *Discipline and Punish: The Birth of the Prison* (New York, NY: Vintage Books, 1979).
[459] Hart, *Disabling Globalization*, 165-66.
[460] Pun, *Made in China*, 106-07.

If the monitor screens in the manager's office were a hidden disciplinary gaze, Chinese industrialists also attempted to establish work discipline from the top in a much more tangible way. In the clothing firms, each sewing line formed a production unit with its line supervisor who took responsibility for the entire line if workers failed production goals.[461] In the manager's office, what would grab a visitor's attention first was the big white board that was densely covered with multiple sets of numbers. Supervisors and production lines were all represented by numbers rather than names. The numbers, of course, included information about the current production goals and the actual achievement of each machinist. Through the score board, Chinese industrialists were able to keep track of every worker's productivity and determine cash bonuses or wage deductions accordingly. Appointment of line supervisors together with the collective punishment mechanism became an important top-down approach to maintaining a profitable level of productivity. Before the mid-2000s, most of the line supervisors were Chinese employees, recruited from Mainland China. That began to change by the end of the decade as legal restrictions became more stringent and the cost of hiring Chinese employees increased; these factors forced Newcastle's ethnic Chinese industrialists to promote local Zulu women to be line supervisors. By 2015, most Chinese factories, except for some of the smaller employers, had Zulus as the majority line supervisors; each woman led ten to twenty sewers, depending on the plant size.

The second type of disciplinary strategies represents a bottom-up approach, which I call "discipline through example." More specifically, Chinese industrialists attempted to imbue the workers a sense of work ethic through good examples. On the one hand, as discussed in the previous chapter, during peak seasons when orders were abundant and deadlines tight, Chinese

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[461] For discussion of the goal system, please refer to Chapter 3.

industrialists themselves would work long hours or through the night to complete orders. Local government officials and the workers all acknowledged the hardworking spirit of the Chinese. What caused tension on the shop floor, however, was the other good example that the Chinese used in the factories: the Basotho women.[462] It was, and still is, illegal for foreigners to work in South Africa without proper paperwork or a work permit; the use of Basotho workers in Newcastle's Chinese factories has generated harsh criticism from the unions and the local employees. Allegations that the Basotho workers had stolen jobs from the locals and were willing to work long hours for lower pay, and tended not to participate in strikes were valid ones. Scattered oral evidence indicated that they constituted five to ten percent of the workforce in Newcastle's ethnic Chinese clothing firms.[463] That means there are probably about 1,000 Basotho migrant workers in town out of a total 15,000 to 20,000 employed in these factories.

It's hard to pinpoint the exact date when Chinese clothing companies in Newcastle started to employ Basotho migrants as workers. However, interviews with the Basotho workers indicate that around the late 2000s a couple of ethnic Chinese industrialists in Newcastle began to recruit workers from Maseru, Lesotho's capital city, where there was large a cluster of Taiwanese clothing firms that had been manufacturing for the export market since the 1970s.[464] Thokoleng, a worker from Lesotho, recalled that in 2008 she noticed some Chinese driving minivans around the industrial areas in Maseru offering people jobs in Newcastle:

> They would drive around in the late afternoon after factory workers knock off. Back then I was working in a Chinese factory in Maseru. One day, a Chinese lady [Thokoleng's future employer in Newcastle] approached me and offered me a job. I had never been in

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[462] These refer to Basotho women who were citizens of Lesotho, not ethnic Basotho South Africans.
[463] Communications with several Basotho workers. Apparently, the small underground firms had a much higher proportion of Basotho workers. One unregistered firm that I visited in the Newcastle industrial area employed over half of its workforce from Lesotho.
[464] The majority were Chinese industrialists from Taiwan. For two excellent studies of Taiwanese clothing and textile firms in Lesotho, see Bylies and Wright, "Female Labor in the Textile and Clothing Industry of Lesotho"; and Gibbs, "Union Boys in Caps Leading Factory Girls Astray?"

Newcastle before. But the money here [in Newcastle] was too much [sic]...there were eighteen of us who came with her.[465]

Thokoleng remembered that her monthly pay in Maseru was about R650 in 2008 and that she started making R1,200 after she started working in Newcastle. Clearly, the wage level in Newcastle was close to twice the average in Maseru, a significant incentive for the Basotho women to migrate.

Chinese business networks facilitated communications between industrialists in Newcastle and their counterparts in Maseru. Ladybrand, a small town on the border of South Africa's Free State Province and Lesotho, is only about four-to-five hours drive from Newcastle. After a series of violent labor disputes in Maseru's Taiwanese factories in the late 1990s, many Taiwanese industrialists bought properties in Ladybrand and chose to live in Ladybrand and commute to their Maseru factories on a daily basis. Many Chinese industrialists in Newcastle used to work as production supervisors or managers at the Maseru factories and continued to maintain links with their friends or former bosses in Ladybrand. Robert Han, for example, was the first former Maseru employee who started his CMT firm in Newcastle in 2003.[466] Several others came after him. Chinese industrialists, therefore, knew very well the wage discrepancies between the two places and assumed that Basotho migrant workers would be more content to accept the existing wage level in Newcastle. What prompted Chinese industrialists to look for potential workers in Lesotho was that the Basotho women had already acquired skills from their previous employment at the Taiwanese clothing and textile firms in their home country. The fact that Newcastle's ethnic Chinese industrialists only recruited former factory women in Maseru proved such hypothesis. One unregistered CTM factory owner once told me, "if possible I would

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[465] Interview with Thokoleng, Newcastle, March 7, 2016.
[466] Personal communications with Robert Han, July 2013.

hire an entirely Basotho workforce. The Basotho workers work hard (*ken gan*) and don't bring you trouble (*nao shi*)."[467]

Newcastle's ethnic Chinese industrialists provided migrant Basotho women workers with accommodation inside the factory premises. Such arrangements not only helped to prevent unnecessary exposure of Basotho women to the unionists and immigration officers, but also made overtime work easier to manage. Thepiso, one Sotho lady who had moved out of the factory dorm and rented a place in the township, complained to me, "Living in the factory you work hard because sometimes we work from seven to ten or even until three in the morning. When living outside you get time to rest and do your own things...while inside you always working [sic]."[468] Thokoleng echoed such views by stressing that "[when living inside] you are not allowed to have a boyfriend, you have to sneak out to see your boyfriend...it's better to rent outside because when you are tired you leave your job at five in the afternoon and don't have to work overtime until nine."[469]

But it wasn't only their work skills that caused animosity amongst the Zulu women. Amongst the Zulu men with whom I had communication, it was apparent that some (perhaps many) local Zulu men preferred Basotho women as dating partners. Partially these preferences were linked to the myth of female genital circumcision; men who had dated Basotho women in the townships boasted of greater sexual satisfaction in their intimate relations with circumcised Basotho women.[470] However, the Basotho women attributed their popularity to other pleasing qualities. As one Sotho informant emphasized,

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[467] Personal communications with Aqing (pseudonym), the owner of this factory, Newcastle, December 2015.
[468] Interview with Thepiso, Newcastle, March 11, 2016.
[469] Intertivew with Thokoleng, Newcastle, March 7, 2016.
[470] Personal communications with male informants during fieldwork, Newcastle, 2015 and 2016.

> We as Basotho people came here to work. We always have that in mind unlike the Zulu girls who just spend carelessly in stuff like alcohol and expensive clothes. They [Zulu women] want to chase us back to Lesotho as they think we steal their men and their jobs... But he [my Zulu boyfirend] says that we as Basotho women are different. We are more caring, loving and have respect for men. That's why he loves me.[471]

One might also conclude that as foreign migrant workers who lacked familial or communal support networks, Basotho women in Newcastle were more vulnerable to various forms of exploitations, hence more compliant in both the workplace and their romantic relationships.

<div align="center">Weapons of the Weak: Tactics of Defiance</div>

The employment of Basotho workers reveals certain illegal components of Newcastle's ethnic Chinese clothing factories and the very nature of flexible accumulation that they represent. At the same time, it also reflects precisely the transformative limits of capitalist control at the workplace. These limitations were, in part, due to regulatory labor restrictions in South Africa.[472] More importantly, however, employment of Basotho in the factories was a powerful testament of industrial Zulu women's successful resistance to modern capitalist discipline. Michel de Certeau in his influential book, *The Practice of Everyday Life*, developed two useful concepts: strategy of the powerful ("the producer") and tactics of the subordinate ("the consumer").[473] De Certeau questions the efficacies of the rules of the state and the products of capital. He further reminds us that in everyday life, tactics of the subjugated both derived from and challenged such strategies of the powerful. Similarly, James Scott used "weapons of the weak" and "hidden

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[471] Interview with Thokoleng, Newcastle, March 7, 2016.
[472] Such as over-time pay, sick leave pay, and due procedure to fire a worker.
[473] Michel de Certeau, *The Practice of Everyday Life* (Berkeley, CA: University of California Press, 1984).

transcripts" to describe everyday tactics and resistance of the subalterns and rejected the notion of a dominating hegemony.[474]

The following paragraphs, therefore, reconstruct how through everyday tactics such as verbal and discursive weapons, work disruptions and the cultivation of a shared sense of moral economy, industrial Zulu women were able to preserve a significant degree of autonomy, dignity, and solidarity. This research underscores and adds to the exisiting literature, arguing that the tactics of subordinates are both highly gendered and culturally informed.[475]

The tactic of verbal resistance

Zulu factory women adopted the discursive weapon as their first and most immediate tactic. As pointed out earlier in this chapter, verbal abuse in the factories was a disciplinary technique that Zulu women strongly resented. My research, however, revealed that verbal attacks occurred in both directions. Slindi, a Zulu woman working in one Chinese clothing firm, made the following comments: "Our boss is sometimes very rude to the workers, but the rudeness is from both sides. Workers are also rude."[476] Sometimes workers would shout back calling their Chinese managers *Shabi* [Chinese: idiots], and the Chinese would stare at them, stunned, and just laugh. Of course, *Shabi* was a highly insulting term. However, the Zulu workers' smart deployment of the word, even without knowing its precise meaning, conveyed a sense of wit and

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[474] James Scott, *Weapons of the Weak: Everyday Forms of Peasant Resistance* (New Haven, CT: Yale University Press, 1985); and James Scott, *Domination and the Arts of Resistance: Hidden Transcripts* (New Haven, CT: Yale University Press, 1990).
[475] Jean Comaroff's work on the culture of anti-colonial resistance among the Tshidi people in South Africa is particularly inspiring. See Jean Comaroff, *Body of Power, Spirit of Resistance: The Culture and History of a South African People* (Chicago, IL: Chicago University Press, 1985).
[476] Interview with Slindi, Newcastle, December 22, 2015.

humor. It signaled a compelling claim of equality and basic human dignity regardless of the racial or status hierarchy at the workplace.

Factory women also gossip about their Chinese bosses in groups. One such occasion was on the bus to work in the morning. "Everything was fine when I woke up. In fact, I felt happy knowing that I was going out to work. But when I saw the factory gate I felt bad because I knew that I was going to be shouted at," recalled Princess, a retired factory worker. She continued, "On the bus to work, we would chat about the Chinese, and how they treated us at work and how disrespectful they were."[477] Commuter buses and mini taxis became an important social space where gossip took place and stories circulated. Zulu women would discuss which Chinese industrialist treated his or her employees better and who was the rudest. Among other things, the workers also joked about their bosses' broken English language skills. Occassionally the stories revealed behavior beyond poor English skills or rude actions. One informant told a horrible story that she shared with others in their gossip sessions.

> One of the ladies got sick and needed emergency. The Chinese, they didn't really like when the ambulance had to come and fetch you inside the factory because of their reputation and that they would have to pay the ambulance for the sick person. Instead, they laid the sick person outside the factory [not wanting the state trying to recuperate the costs of the ambulence]. That was very bad.[478]

Circulation of such stories reinforced the negative image of Newcastle's ethnic Chinese industrialists. By depicting the Chinese as rude and arrogant, and by emphasizing their broken English and lack of proper manners, the industrial Zulu women claimed civility and moral superiority over their bosses, hence subverting the established order in the production relations. Over and over again, I heard statements like "this is not how we treat each other." Such sentiments made it easier for the Zulu women to tolerate harsh working conditions in the

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[477] Interview with Princess, Newcastle, January 10, 2016.
[478] Interview with Irene, Newcastle, January 3, 2016.

factories and to achieve a compromise between dignity and reality. Few Zulu women were aware of the pseudo-couple relationship that their Chinese bosses were practicing.[479] It would be interesting to know their views of these practices. Amongst the Chinese, there was certainly a shared nostalgia of the apartheid era when the female Zulu workers were seemingly more peaceful, obedient, and submissive.

Work disruption through romantic disputes, witchcraft and festive rituals

Beyond verbal resistance, industrial Zulu women also disrupted production through concrete actions. Apart from confrontational mass strikes which took place periodically, the most common behavioral tactics were the daily abuse of toilet, lunch, and tea breaks. Zulu women employees also took advantage of funeral and sick leave. Indeed, Newcastle's ethnic Chinese industrialists repeatedly complained about high levels of absenteeism and labor turnover. "You never know when or if at all that black woman would come back after the funeral," remarked one Chinese factory owner.

Three forms of work disruptions bear salient cultural characteristics. The first has to do with romantic disputes amongst workers. As mentioned in the previous chapters, Chinese firms employed mostly Zulu women workers. Usually, there were two to three male workers as cutters in every Chinese firm. It was rather rare to see male machinists. Why so? Zulu masculinity, the international norm in the clothing and textile industry, and Chinese industrialists' unwillingness to employ Zulu men were all important factors that brought about a predominantly female workforce. "Patriarchal capitalism" since the late nineteenth century, as Thembisa Waetjen

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[479] Please refer to Chapter 3 for discussion on this.

suggested, produced a male migrant working class that depended on the wage in the mines.[480] Women and children left behind were dependent upon wages of husbands. Mining and jobs in the heavy industries came to be a defining component of Zulu masculinity, manhood, and proper husbandhood. The advertisement of the South African Native Labor Recruiting Corporation in 1941 best captured this masculine pride: "Listen to me boys, go and work in the mines where you could earn a lot of money to buy cattle for lobola so that you can get women. It does not help to remain at home because you will not get women."[481] To this day, local Zulus, both males and females, still considered working at Iscor a proper man's job. To ask a Zulu man to work in the Chinese clothing firms was to deny his inherent masculinity. In other words, despite the widespread high unemployment rates, many Zulu men in Newcastle did not want to sell their labor in the feminine factories which paid little wages.

In the meantime, the negative stereotypes of the Zulu men also prevented Newcastle's ethnic Chinese industrialists from employing them. In fact, there are certain jobs in the clothing factories that privilege male labor, such as cutting and packing. In the eyes of some Chinese industrialists, however, Zulu men are violent, predatory, and above all lazy. When commenting on Zulu men, a CMT factory owner Vincent Yi's remarks were representative,

> I already stopped using black men in my factory. When the black women steal, they steal small items. When the black men steal, you will lose boxes of clothes. You never know when they would play as insiders and invite their friends to rob the factories. It is just too risky to have them. What's worse, I have had male workers who dated multiple female workers (*luangao duixiang*) in my factory which led to terrible fighting between the 'girlfriends.' A real headache. How can the workers be productive at work?[482]

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[480] Thembisa Waetjen, *Workers and Warriors: Masculinity and the Struggle for Nation in South Africa* (Urbana, IL: University of Illinois Press, 2004), see especially chapter 2 ("From Agrarian Patriarchy to Patriarchal Capitalism: Gender and Ethnicity in Historical Perspective"), 30-50.
[481] Ibid, 32.
[482] Interview with Vincent Yi, Newcastle, October 24, 2015.

Vincent's remarks, however, implied an intended discipline of Zulu women's time and sexuality at work. All Chinese industrialists I knew prohibited romantic relations between co-workers; however, many local Zulu men prefered to date factory women because they could afford to put on beautiful clothes and might even give pocket money to their unemployed boyfriends. That said, because of the long hours at work and shrinking leisure time, it became increasingly difficult for working women to look for boyfriends outside the factories. Given their situation, some Zulu women employees chose to accept flirtations and romance on the shop floor. The recurrence of romantic disputes on the shop floor was an illustration of industrial women's defiance of the industrial discipline of their sexuality. It is also a rejection of the industrialists' ideal of total control on the worker's life, body, and time.

Then, there was disruption through witchcraft. Aihwa Ong once documented that working women in the Japanese factories in Malaysia resisted capitalist discipline through crying, mass hysteria, and the possession of evil spirits.[483] Pun Ngai, in a different Asian context, also recorded that Chinese *dagongmei* (migrant working girls) in Shenzhen's transnational factories expressed defiance through persistent female-body pain, scream, and dreams, which opened, according to Ngai, "a minor genre of resistance."[484] These two studies showed that the forms that industrial women's self-expression and resistance often took were culturally consistent with their subordinate female status in their respective societies. Although people often considered witchcraft to be pre-capitalist, rural, and backward, industrial Zulu women brought it onto the shop floor as a weapon of resistance.[485] Zulu women had dominated the

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[483] Aihwa Ong, *Spirit of Resistance and Capitalist Discipline* (Albany, NY: State University of New York Press, second edition, 2010), 202-11.
[484] Pun, *Made in China*, 1-22, 165-88.
[485] To the contrary, scholars have now shown that witchcraft is an important part of modern life in many societies. See Peter Geschiere, *The Modernity of Witchcraft: Politics and the Occult in Postcolonial*

diviner class in Zulu society for a long time. While acknowledging the importance of women's biological value, historian Sean Hanretta found that this was a social and historical construction that had its origins in the mid-nineteenth century, when wives of well-to-do men were denied the opportunities affiliated with the state and found a solution in the role of the diviner.[486]

During my field research, I came across two cases of bewitching between Zulu factory women. In both cases, victims died. One witness of the first case recalled, "You know that people always fight over work...Sometimes, they undermine each other and use witchcraft. There was one case where one lady used witchcraft against her co-worker. People say that she used poison and some tricks learned from *sangoma* (traditional healers and diviners). Soon that co-worker died, and it was scary."[487] The second case occurred between a Zulu woman supervisor and a Zulu woman machinist. Although the supervisor declined to disclose any details, the victim's co-workers believed that the machinist died because of magic.[488] Both cases show that witchcraft is usually a retrospective interpretation. There was little evidence of Zulu women using witchcraft to get revenge on the Chinese. The use of witchcraft, however, constituted a culturally specific resistance tactic. Taking advantage of their female bodies and their access to magic powers, industrial Zulu women employed witchcraft to disrupt production relations and to claim their sense of autonomy on the shop floor. Witchcraft and magic spirit, therefore, became the powerful cultural material through which individual Zulu women could resist a supposedly unjust industrial order.

Africa (Charlottesville, VA: University of Virginia Press, 1997); Norman Miller, *Encounters with Witchcraft: Field Notes from Africa* (Albany, NY: SUNY Press, 2012).
[486] Sean Hanretta, "Women, Marginality and the Zulu State: Women's Institutions and Power in the Early Nineteenth Century," *Journal of African History*, 39, 3 (1998): 389-415, 412.
[487] Interview with Siyabonga, Newcastle, December 22, 2015.
[488] Interview with Madida, Newcastle, January 4, 2016.

The third and last category of work disruption was through rituals. Before major holidays, industrial Zulu women would take advantage of the festivals and turn the shop floor into a site for festive rituals. In early December 2015, about two weeks ahead of Christmas, I witnessed such a party. As the Christmas holiday came near, one afternoon, without any warning, a group of female Zulu employees all rose and left their machines and started to sing and dance. A couple of minutes later, others joined them with masks and makeshift costumes improvised from cloth in the factory. Without any evident pre-planning, they performed a spectacular traditional parade show. Gary Zhao sighed to me, "See, this is black people. They easily become happy. What can you do about that?" Gary further informed me that even during regular work days, if one woman started to sing, everyone else would follow suit. "Black women like to *qihong* (gather together and create a disturbance [to disrupt work discipline])."[489]

[489] Personal Communications with Gary Zhao, Newcastle, December 2015.

Figure 10. Workers' dance on the shop floor, 2015. Photo by the author.

The Moral Economy of Factory Mothers

Zulu women workers also expressed defiance against modern industrial discipline by articulating what I call "the moral economy of factory mothers." The prominent British social historian, E. P. Thompson, and American political scientist James Scott were the two major contributors to our understanding of the moral economy in peasant societies.[490] In short, moral economy refers to a consensus of the legitimate ways of profit-making that privilege stability and equality and opposes divisiveness and the maximization of gains. Whereas Thompson's and Scott's studies looked only at agrarian societies, my research in Newcastle suggests that moral economy also played a crucial role amongst Zulu women in capitalist production relations. In agrarian Zulu society, Zulu women performed both important production and reproduction roles in the household. As they entered the industrial work place, their familial responsibilities remained unchanged. I argue that it is their dual duties at the factory and in the family that engendered the new structure of this moral economy.[491]

Industrial Zulu women's hatred of local Zulu supervisors and their ambivalence toward the Basotho workers were two vivid examples of the moral economy of factory mothers. Although interviews indicated that there were already black women supervisors in Newcastle's ethnic Chinese firms in the mid-1990s, it was during the last decade that Chinese industrialists began to promote large numbers of Zulu women to supervisory positions in the factories.[492]

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[490] E. P. Thompson, "The Moral Economy of the English Crowd in the Eighteenth Century," *Past and Present*, 50, 1 (1971): 76-136; and James Scott, *The Moral Economy of the Peasant: Rebellion and Subsistence in Southeast Asia* (New Haven, CT: Yale University Press, 1976).

[491] Of the over hundred women workers to whom I had spoken, all were mothers (some grandmothers), regardless of age, their formal marital status, or whether their children were still alive or not. Futhermore, among the forty-five workers with whom I conducted extended interviews, only six were unmarried. For more discussion on this, see Chapter 5.

[492] Personal communications with several ethnic Chinese entrepreneurs in Newcastle.

However, these newly appointed local supervisors often added to the tensions on the shop floor. Zama, a Zulu woman in her late twenties performing a management role at a Chinese clothing firm in Madadeni, once confessed to me, "For us black people, if a person is doing a better job than you, others get jealous. They don't talk to you, but you can see the way they treat you. For me, I just choose to ignore."[493] Industrial Zulu women shared a hostile perception that those working for the Chinese as supervisors were "selling out their own people," which, as my interviews revealed, forced many to decline promotion offers simply because it would cause "too much fight [sic: hostility and fear of a witchcarft attack]." Zulu women machinists considered supervisors as people who "make other people's lives difficult."[494] Slindi, a very able Zulu employee, confirmed the existence of such tensions between a Zulu supervisor and the regular workers:

> I can get along with my co-workers, but as a supervisor, there is always tension between me and my workers. They don't respect me as a supervisor. When I told them that they did something wrong, they would say I can't say it because I am also black. They see me as one of them. They respect the Chinese supervisors more.[495]

During the interview, Slindi even considered quiting the management position and return to sew as a regular machinist. She reasoned the following:

> I now run a department in the factory. I am paid in commission, according to the work done every month. Since last year, I have made over 4,000 rands per month. Because I can operate all machines, I can make over 3,000 Rand a month as a machinist. The problem with the commission is that it is hard to expect how much would be done every month. I would rather have a stable income...If your income is not stable, your life is not stable. [496]

> Zulu women's familial responsibilities – to bring home groceries and food, to provide

kids with school fees, and to build extensions to their houses to accommodate other family

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[493] Interview with Zama, Newcastle, December 20, 2015.
[494] Interview with Senzi, Newcastle, March 20, 2016.
[495] Interview with Slindi, Newcastle, December 22, 2015.
[496] Ibid.

members – made them extremely risk-averse and forced them to choose a life path that was predictable. Mass unemployment in South Africa has made women with jobs more risk averse. Therefore, in addition to their dislike of being isolated and labeled as traitors amongst their peers, Zulu women workers' preference for a stable income have prevented them from accepting promotion offers that promised higher but often unstable salaries. Here, it is fair to suggest that a particular moral economy also helps to explain the seemingly low levels of technology transfer in Newcastle's ethnic Chinese clothing factories. Over the last three decades, there had only been two examples of local Zulu people attempting to copy the Chinese clothing business model, with one failing disastrously and the other still struggling to survive its second year of operation.[497]

It was true that many local female Zulu employees portrayed the Basotho women as unwelcome migrants who came to steal their men and jobs. They were also depicted as uncouth. Some even deployed idioms such as "the Basothos eat their transport" to mock the strangers in town.[498] However, when asked if law enforcement officers should expel the Basotho women and prevent them from entering the country, Zulu women workers gave a surprisingly unanimous "cha" (no). One of my interviewees responded:

> I personally do not hate them [the Basotho women], and I don't think we should kick them out of the country either. They come to work for the same reason [as we do]. They have kids and family members to support back in their home. Maybe there are no jobs in their home country and they are just poor people. But the issue is that they work after we knock off. They don't have kids to look after. Some of them sleep in the factories...The Chinese use them to make us look lazy. They are the Chinese's favorites.[499]

Clearly, allowing the Basotho women to work was not the real cause of the problem. On the contrary, despite the Basotho women's illegal status in the country, by recognizing them as

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[497] Interview with Sindi, a local Zulu woman now operating a small joint venture clothing firm in the Newcastle Industrial Area.
[498] Local Zulus in Newcastle believed that the Basotho eat horses, which were their main transportation. It is an idiom used to depict the Basotho as unethical subjects.
[499] Interview with Estar, Newcastle, January 9, 2016.

mothers and breadwinners of their respective households, Zulu women workers in effect had justified the strangers' rights to factory jobs in Newcastle. Undoubtedly, the shared identity as women and mothers conveyed a sense of solidarity and compassion.

What had triggered the animosity, however, was the illegitimate ways in which Basotho women outcompeted the locals who in turn looked "lazy" in the eyes of the Chinese industrialists. Another Zulu worker complained:

> The Sothos [sic] are willing to work for a lower wage and long hours. Some stay in the factories working for longer time. The fact that they are working long hours will cause us not to get an increase because they finish all the work. When we show up the following day, there is no work to do. They have completed all the work.[500]

However, it was precisely their role of women, mothers, and wives that prevented local Zulu women from working long hours like the Basotho women. Zulu women claimed that they could not work like the Basotho women because they had to knock off and come home to cook for their children and take care of the house chores. In other words, the Basotho women had breached the social norms and obligations attached to women as wives and mothers. Therefore, they challenged the very principles of the moral economy of factory mothers.

The goal system which was in use at most of Newcastle's ethnic Chinese factories rewarded the fastest hands. While skilled employees like the Basotho women were able to maximize their compensation through long hours of hardworking, Zulu women workers did not accept such behaviors because they could break the stability of income and damage what they perceived as equal access to work on the shop floor, hence a threat to the moral economy. Two Zulu employees at a knitting firm once told me, "There is a book where the salary is written on. Someone saw that Sotho people are paid fifty Rands more than us per week. So we know that. We once tried to sit down with the Basotho women and told them that we needed to work it out.

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[500] Interview with Zenzele, Newcastle, December 21, 2015.

We told them that they were creating issues...and that they should turn down more money when the Chinese bosses offered them. But they said it was difficult to turn down the money."[501]

Zulu women workers' critical treatment of their Zulu supervisors and Basotho co-workers exemplified that by nurturing and defending the moral economy of factory mothers, they attempted to resist and subvert the work order that the Chinese sought to establish in the factories. It was clear that Newcastle's ethnic Chinese industrialists considered competent Zulu supervisors and the Basotho women as good examples and model workers and used them to discipline others. However, industrial Zulu women responded by isolating the model workers and sought to impose a hidden social norm for all to be treated equally. On the one hand, the preference for stability and the dislike of confrontational relations with co-workers forced many to keep a distance from management positions. On the other, while industrial Zulu women showed sympathy for the Basotho women and justified their shared right to work opportunities, they castigated the morally wrong ways in which the Chinese had put the Basothos to work. It was not Basothos' illegal status as workers but their failure to refuse incentives to "over-work" that received the harshest condemnation from local female Zulu workers.

Conclusion

Though the cannibal Chinese and the caring Chinese are both false imaginaries, they, nevertheless, help to illustrate the dynamic relations between industrial discipline and workers' defiance. On the one hand, while the Chinese industrialists relocated from East Asia to South Africa, they not only brought with them the machinery and technical know-how but also carried

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[501] Interview with Winnie, Newcastle, March 17, 2016; interview with Senzi, Newcastle, March 20, 2016.

over management practices that were deeply embedded cultural exercises. On the other hand, the foreign entrepreneurs quickly learned local practices of labor control, especially from the existing whites-owned firms, to derive maximum productivity from African women workers. Although labor control and confrontation are well-studied topics, this chapter has tried to highlight both the historical significance of Newcastle's clothing firms and the particular gender and cultural components that has at different times either sustained or sabotaged their operations.

First, this chapter places Zulu women workers at Newcastle's Chinese clothing firms within the broader history of the incorporation of black women into wage employment in South Africa. In doing so, this chapter has highlighted the historical significance of the industrial Zulu women in the former border areas. As this chapter shows, the industrial Zulu women not only constituted the lowest rung of the labor hierarchy in the country; they also faced a competing group of migrant workers from neighboring countries whose greater poverty and illegal status rendered their labor significantly cheaper. The successful establishment and regional productive networks of ethnic Chinese clothing factories in southern Africa underpinned such dispersal of migrant black women. As the smaller Chinese producers moved from Lesotho and Swaziland to South Africa, they also brought their skilled women workers, primarily due to higher wages in South Africa.

Second, by adopting the strategy-tactics framework, this chapter has taken a closer look at the politics on the shop floor in Newcastle's Chinese garment firms. While Newcastle's ethnic Chinese entrepreneurs attempted to discipline the female Zulu body through both coercive measures and the power of examples, industrial Zulu women responded by asserting themselves in strikingly creative ways. This chapter has demonstrated that verbal resistance, work disruptions (through romance, witchcraft, and festive rituals) and the moral economy of factory

mothers constituted three powerful weapons of the weak, exemplifying active defiance to late capitalist discipline. Using such tactics, industrial Zulu women managed to defend their autonomy, dignity, and solidarity under difficult circumstances.

Finally, this chapter illustrates that capitalist discipline and its defiance were inevitably cultural practices. The inability to invoke cultural idioms of family and kinship forced the Newcastle's ethnic Chinese industrialists to rely on coercive and supposedly exploitative measures that in turn had sabotaged their moral standing to their African employees. While the Chinese industrialists attempted to mobilize the productivity through model workers, the moral economy of factory mothers served as a cultural instrument for the Zulu women to resist higher rewards for promotion and long hours of work. For both the Chinese industrialists and the female Zulu workers, it was the cultural and racial logics inherent in their strategies and tactics, or the lack thereof, that would determine the efficacy of discipline and defiance.

For a single mother, keeping a factory job and maintaining a family life can be a daunting task. However, most women in Newcastle's Chinese clothing firms were, in fact, unmarried mothers, primary caregivers of their children, and often the only wage earners for multiple dependents under the same roofs. How did the factory women manage? How would they spend their money? What did these factory jobs mean to them, both individually and collectively? With these questions in mind, the dissertation now turns its attention from women's experiences on the shop floor to their lives in the townships.

CHAPTER 5: "WHO WILL HELP US?"

CHAPTER 5

"WHO WILL HELP US?"

> Times are getting worse. Some of us have already lost our jobs. Some of our husbands have lost their jobs. We fear more of our husbands will lose their jobs. We will not be able to pay the installments on our furniture. The people will come to empty our houses. We will not be able to pay our rents. Will we lose our homes? We will try our best to keep it all together. Who will help us?
>
> <div align="right">--An African factory woman, 1984[502]</div>

In one of his recent articles, Immanuel Wallerstein depicts the relocation of factories from China to the last remaining "virgin areas," such as Cambodia, Lesotho, and other poorer regions, as the "end of the road," suggesting a structural crisis of the modern world-system. He lays out his observation as followings:

> Over the past 500 years, we have been "using up" such areas. This can be measured quite simply by the de-ruralization of the world's populations. Today, such rural areas are reduced to a minority of the world's surface, and it seems likely that by 2050, they will be a very, very small minority. This is all one element in what has become the structural crisis of the modern world-system. We are experiencing a combination of ever-increasing austerity pressures on the 99% with a capitalist system that is no longer so profitable for capitalists. This combination means that capitalism as a world-system is on its way out. [503]

"In any case," he concludes, "Cambodia is not the future of the modern world-system." Rather, it represents "the last vestiges of a mechanism that no longer performs its task in salvaging capitalism." [504]

Apparently, the accelerating transnational flow of capital, technology, and people has forced low-wage, labor-intensive manufacturing to relocate to countries and regions in search of lower wages and production costs. Consequently, profit margins for producers have decreased

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[502] Fatima Meer ed., *Factory and Family: The Divided Lives of South Africa's Women Workers* (Durban, SA: Institute for Black Research, 1984), back cover page.
[503] Wallerstein, "End of the Road for Runaway Factories."
[504] Ibid.

significantly as competition worldwide intensifies. Wallerstein is right in that global

manufacturing capitalism has come close to a historical turning point in terms of its geographical

migration. However, structuralistic determinism as such is predicated upon an essentialist and

reductionist interpretation of capitalism that overlooks the evolving forms of capitalist

production and its creative adaptions corresponding to specific cultural and socioeconomic

conditions. Chapters three and four, for example, have shown the extraordinary resilience of

Newcastle's ethnic Chinese industrialists in employing flexible strategies of accumulation,

utilizing and mutating cultural codes to sustain business operations under conditions of cutthroat

competition.

This chapter examines how Newcastle's industrial African women managed to reproduce

their labor on a daily basis outside the factories. Since the mid-1970s, retrenchments in industrial

jobs in South Africa have resulted in appalling levels of unemployment across the country,

producing a vast "underclass," or the so-called locked-in unemployed population, whose

disadvantage and exclusion from the rest of society were both accumulative and systematic.[505]

Since labor has long served as the foundation for "subaltern social membership," massive

chronic unemployment begins to create new politics of distribution, dependence, and social

welfare.[506] This chapter shows that, in order to escape from the destiny of falling into the

underclass or the class of dependence, African factory women employed and re-arranged

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[505] For a detailed discussion on the concept of "underclass," see Seekings and Nattrass, *Class, Race and Inequality in South Africa*, 273-77; see also William Julius Wilson, *The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy* (Chicago, IL: University of Chicago Press, 2012), second edition, 3-19, 109-24. While Seekings and Nattrass' primary country of interest is South Africa, the context that Wilson addressed was the urban areas in the United States.
[506] For detailed discussion, see Ferguson, "Declarations of Dependence"; and Ferguson, *Give a Man a Fish,* 1-34, 141-64.

available resources both inside their families and from the community to secure livelihoods, safeguard dignity, and finally for some to remain a sustainable workforce.

Drawing upon first-hand field research and interviews, this chapter makes two intersecting arguments concerning Zulu women's familial and social lives beyond the shop floors. First, in response to South Africa's widespread male unemployment and decreasing marriage rates, Zulu women workers consolidated mutual support among female members within the households. In particular, their reproduction relied increasingly upon intergenerational as well as sisterly help with childcare and other domestic affairs. Second, this chapter examines the interconnections between wage, consumption, and savings among Zulu factory women. It shows that in spite of their low wages, they have achieved significant levels of savings through active participation in communal savings associations (the *stokvels*). Women's savings clubs, this chapter argues, not only protected their wage income from claims of poor kin and neighbors; communal savings also helped women to establish full ownership of private wealth through public disclosure and by allowing private money to serve for mutual benefits. Therefore, it is the sociability of private savings in the form of *stokvels* that explains what I call "the savings mystique."

Zulu factory women's ability to form strong bonds with female family members and with their co-workers was crucial for their material and emotional survival. While the local community recognized and respected these women for their self-reliance, their skills to save and invest, their capacity to support children's education, and their sexual orderliness, Zulu factory women in turn redefined Zulu womanhood and motherhood in the townships. By all accounts, as women and mothers, Newcastle's industrial Zulu women earned a particular kind of social respectability.

<u>The Female-Linked Family</u>

On October 17, 1984, a group of about four hundred unemployed men marched through the streets of Phuthaditjhaba, the capital town of the Qwaqwa homeland, about a five-hour drive from Newcastle. The rally escalated into a violent confrontation. Angry men stoned the factories and the women working inside and then began to chase women away from their jobs, demanding that employers replace the women with men. They protested further that factory work was not for women, who should stay home and look after their children and family.[507] Apparently, women's decisions in the early 1980s to look outside their homes for employment challenged the conceptions of power and identity of household heads. Leslie Bank's in-depth analysis of this violent event suggests that "the idea of women working and contributing to the maintenance of the household was not anathema to most Phuthaditjhaba men" but that the real struggle in the working-class households was about who should control household income and who should perform household labor.[508] Such changes within the households were not completely unique to southern African societies. Two useful ways to look at this are, first, to reflect on transformations that take place in contemporary advanced industrial societies, and second, to compare the southern African experience with other early industrializing countries in history.

The American sociologist Arlie Russell Hochschild pointed to the "stall" of gender revolution in the 1980s. She argued that while American society was undergoing rapid move of masses of women into the paid workforce from the 1950s and 1960s, the slower shift in ideas of manhood, the resistance to sharing work at home, the rigid schedules at work created a

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[507] For more details on this protest, see Leslie Bank, "Angry Men and Working Women," 90-91.
[508] Ibid, 113.

slowdown in the gender revolution.[509] To put it more bluntly, men were, and perhaps still are, changing too slowly. The southern African experience from the 1970s onward suggests a double stall in the sense that male Africans in these societies not only struggled within the households as black women started to seek wage employment but also became increasingly frustrated by their own diminishing job opportunities.

In early industrial societies, young migrant girls constituted the majority of the workforce in textile and garment factories.[510] Across cultures, these young women conceived of factory jobs in urban or semi-urban settings as a way of gaining independence from traditional, pre-industrial, and rural family economy. Industrial Zulu women in Newcastle, however, had a much more difficult time separating duties as factory employees and those as mothers and grandmothers. Newcastle's light industries grew after forced removals and resettlement of Africans into the nearby townships. Unlike most early industrial societies where workers from rural farming families migrated toward the factories in the cities, the proximity between work plants and black residential townships meant that Zulu women had to commute on a daily basis and still attend to household chores after work.

Most Zulu women working in the factories, regardless of their marital status, were mothers who bore crucial obligations to provide economic and emotional sustenance for their families. In other early industrial societies, young, unmarried girls worked at the factories for a limited period, usually several years in their late teens and early twenties, returning to their rural homes or starting families through marriage in the cities. Zulu women in Newcastle, especially

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[509] Arlie Russell Hochschild, *The Second Shift: Working Parents and the Revolution at Home* (New York, NY: Viking, 1989); Arlie Russell Hochschild, *The Commercialization of Intimate Life: Notes from Home and Work* (Berkeley, CA: University of California Press, 2003), especially "The Commercial Spirit of Intimate Life and the Abduction of Feminism," 13-29.
[510] Dublin, *Women at Work*, 1-13, 23-57.

the older ones who were among the first generation of African factory women in the region, viewed their factory jobs as one of the very few viable lifelong career options. Many, therefore, believed that they would work as seamstresses in the Chinese factories until retirement. Along the way, they knew that they would probably have children and needed to raise them while working. At the same time and for various reasons, the popularity of marriage among Zulu working women has diminished significantly in the region. Many working women remain unmarried for their entire lives.

Multiple studies have shown that accelerated female migration and mass unemployment since the late 1970s led to the breakdown of African families in South Africa.[511] Mark Hunter's research of one former decentralized township in KwaZulu-Natal, for example, reveals that, in response to the deteriorating socio-economic conditions, African women migrants forged alternative forms of intimacy and love through participation in what he calls "the materiality of everyday sex."[512] Instead of entering into marriages through the traditional arrangement of bridewealth payment (*lobola*), many Zulu women and men in the townships engage in multiple and concurrent partnerships in which male provision of cash gifts was both the motivation for and the material evidence of love. Clearly, such emerging forms of heterosexual relationships and familial arrangements signaled a fundamental restructuring, if not a crisis, of African families in southern Africa. A useful analysis of the breakdown of African families and prevalence of HIV/AIDS among African population, Hunter's approach focuses primarily on the rights of women from a very individualistic perspective, and, therefore, pays insufficient

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[511] Hassim and Metelerkamp, "Restructuring the Family," 12-13; Mark Hunter (2002), "The Materiality of Everyday Sex: Thinking Beyond 'Prostitution,'" *African Studies* 61 (1): 99-120; Hunter, *Love in the Time of AIDS*, 1-59, 130-54; and Healy-Clancy and Hickel, *Ekhaya,* 1-17, 162-89.
[512] Hunter, *Love in the Time of AIDS*, 6.

attention to the larger shifts of both the intergenerational structure within the family and the horizontal association amongst women outside the family.[513]

The warning about a crisis of the African marriage is not unprecedented. In the 1920s and 1930s, missionaries, colonial officials, and African male elites and intellectuals, in several different contexts, expressed their concerns about the problem of urban African women.[514] Most existing scholarly discussions focused on educated African women, unemployed African women, or those involved in the informal sectors.[515] Claire Robertson's classic work on the socio-economic history of the Ga women in Accra is one of the rare examples that examine women's networks and trading activities in the cities and their changing relations with and attitudes toward men and marriage.[516] It is little understood, however, how African women with regular industrial jobs as a group have or had dealt with wages, marriage, and family in a time of family decline. Newcastle's ethnic Chinese garment factories, thanks to their relatively long existence in the region, provide a compelling backdrop to pursue such understandings.

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[513] Ibid., 132-48. Hunter discusses in detail the five main "rights" to which independent women feel entitled: the right to safe sex and to sexual pleasure, the right to consume, the right to live without a man, the right to children, and the right to multiple male lovers. It is worth mentioning that Hunter in his recent work on education emphasizes intergenerational dynamics in African families, especially how mothers or grandmothers establishing kinship bonds through investing in children's education. See Mark Hunter, "The Bond of Education: Gender, the Value of Children, and the Making of Umlazi Township in 1960s South Africa," *Journal of African History*, 55, 3 (2014): 467-490.

[514] For works in the southern African contexts, see Jane Parpart, *Gender, Ideology and Power: Marriage in the Colonial Copperbelt Towns of Zambia* (Johannesburg, SA: African Studies Institute of Wits University, 1991); and Lynn Thomas, "Love, Sex, and the Modern Girl in 1930s Southern Africa," in Jennifer Cole and Lynn M. Thomas eds., *Love in Africa* (Chicago, IL: Chicago University Press, 2009), 31-57. A good example in the West African context, see Allman, "Rounding up Spinster." For works in the East African context, see White, *The Comforts of Home*; Lynn Thomas, "The Politics of the Womb: Kenya Debates over the Affiliation Act," *Africa Today*, 47, 3/4 (2000): 151-76; and Lynn Thomas, *Politics of the Womb: Women Reproduction and the State in Kenya* (Berkeley, CA: University of California Press, 2003).

[515] One early exception in the South African literature is Meer, *Factory and Family*, a 1984 report that the Institute for Black Research conducted with 992 women workers in the greater Durban area, including African, Indian, and colored women. However, it is more of a report nature, rather than in-depth scholarly discussion.

[516] Robertson, *Sharing the Same Bowl*.

Familial reasons were primary drivers for Newcastle's Zulu women to seek formal wage employment in Chinese clothing factories. During the first or two decades after forced removals, Zulu women had no other options for economic survival than finding their way through wage labor; becoming a seamstress was one path that was available to them. As Alison Todes succinctly remarked, "[forced] removals created a labor force and forced people to work" by depriving them of access to agricultural land and moving them into semi-urban townships next to the factories.[517] A first-generation factory seamstress recalled, for example, "in 1980, both of my parents passed away. So I had to go and look for a job. The old siblings were already married, and I had to start making a life for myself and the younger ones."[518] Another senior factory worker whom I interviewed stressed similar familial pressures and the limited job opportunities available to them during the 1980s:

> I started working for a white company in 1988 and then worked for a second company called Amigo owned by the Chinese where I learned sewing. My father used to work for Iscor and my mother worked for a white garment company. But I had five siblings. As much as both parents were working, we were still a poor family. That was why I had to leave school and work in the factory to assist the house. I thought it was better to work in the factories as you get to learn a lot of skills, whereas for a domestic worker it was only the same thing over and over again, cleaning, washing, ironing. It was basically the same thing you do at home.[519]

In addition to the potential for learning new skills, local Zulu women were attracted by locations of the factories. One old Zulu woman who in her early career worked as a domestic helper for a white family compared these two options:

> I used to work as a domestic worker before I got married. Then, after marriage I worked at the factories. It was better working at the factories because we got paid every fortnight, but working as a domestic worker you only got paid at the end of the month, and you still had to pay for transport, but at factories, I just walked to work...People at the time looked

[517] Todes, "Restructuring, Migration and Regional Policy in South Africa," 363.
[518] Interview with Irene, Newcastle, January 3, 2016.
[519] Interview with Nelisiwe, Newcastle, January 2, 2016.

down at us and said that there was only small money in the factories and they would never work there.[520]

Wage income had only been part of Zulu women's multifarious ways of making a living. Studies show that in the 1980s and early 1990s, pensions, remittances, and income from informal sources had also been instrumental in Zulu working women's "multiple livelihood strategies."[521] My field interviews suggest that from the late 1990s onward, although remittances and informal revenue such as profit from petty trade and cash gifts from boyfriends still existed, factory wage, pension, and child support grants have become the three major sources of income upon which African women of the community relied.

Zama's family was fairly representative in this regard. Born and raised in Osizweni, the unmarried twenty-nine-year-old is the youngest amongst her siblings and a mother of two children. She had been working in the Chinese clothing factories for ten years. Zama's father passed away a few years earlier, leaving her mother dependent on her R1,000 monthly pension. While Zama was at work, her mother would look after her children in the house. Zama and her mother also took care of two other children from Zama's elder sister, who, also unmarried, is a cleaner in Johannesburg and sends remittances when she is able. Except for one child who at seventeen exceeded the age limit of eligibility for a child support grant, the other three all qualify for the R330 monthly cash grant from the government.[522] Although the father of her children would extend his support from time to time, including, for example, buying school uniforms and paying for their school transport, Zama insisted that she was the real supporter of her children.

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[520] Interview with Majola, Newcastle, December 24, 2015.
[521] Todes, "Restructuring, Migration and Regional Policy in South Africa," 361.
[522] CSG is an unconditional cash grant that the South African Government distributes to the child's caregivers. Since its inception in 1998, the actual amount of Child Social Grant (CSG) for one eligible child has increased over the past decade or so. The R330 was for the fiscal year 2015. The government also raised the age limit was from six to seventeen in 2012.

Thanks to a couple of recent promotions, Zama was one of the highest wage-earners in her firm, making R3,900 a month (weekly wage: R975). [523] Still unsatisfied with the level of her wage, Zama was contemplating a small trading business in addition to her regular factory job. Utilizing her friendly relationship with her Chinese employer, she wanted to purchase apparel stocks from the factory at discounted prices and subsequently sell them in her neighborhood in late afternoons or on weekends.

What is illustrative of Zama's account of her family is the female-linked familial structure which relied upon mutual support between intergenerational as well as same-generation female members. Female family members' provision of both the material and emotional foundation becomes crucial for social reproduction. Here, I follow Eleanor Preston-Whyte's terminological preference of "female-linked" family to "matrifocal" or female-headed family because the latter implies static structures and overlooks the varieties and shifting gender and generational dynamics within the household.[524] Distinct from other international contexts where working women either pursued economic independence from rural families or supported their nuclear families, the motivation for Newcastle's Zulu women to participate in wage labor was not primarily about obtaining socioeconomic freedom, but first to contribute to the extended women-linked families. Men's role in working Zulu women's families have become marginal. While unemployed women leveraged boyfriend-girlfriend gift relationships in exchange for sex and "the comforts of home" to multiple concurrent partners, it was apparent that Zulu factory

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[523] Interview with Zama, Newcastle, December 20, 2015.
[524] Judith Singleton, "House and Home: Changing Meanings and Practices in a Post-apartheid Township," in Meghan Healy-Clancy and Jason Hickel eds., *Ekhaya: The Politics of Home in KwaZulu-Natal* (Scottsville, SA: University of KwaZulu-Natal Press, 2014), 162-89, 168; and Eleanor Preston-Whyte, "Women Migrants and Marriage," in Eileen Jensen Krige and John Comaroff eds., *Essays on African Marriage in Southern Africa* (Cape Town, SA: Juta, 1981), 1-28.

women had little material incentive to incorporate men into their female-linked families.[525]

Although the unemployed women and factory women represent opposite career trajectories, the common net result was that both groups stayed outside of formal marriages.

Zulu factory women's perceptions about family, marriage, and gender relations within the household had changed profoundly since the early decades of industrial decentralization. In the mid-1980s, the oral evidence suggested that, despite their criticism of unequal pay based on gender difference, there was a tendency among working African women to accept male leadership in the household. For example, the 1984 report of the Institute for Black Research included views which African female workers in the border clothing industries expressed about their men:

> We work hard; we earn very little money...Our husbands earn more than we do; their education is not much higher than ours. All our money goes to the household expenses. Our husbands often spend a part of it on themselves; on drinks and cigarettes and sometimes races. We could never manage on just their wages.[526]

The female interviewees continued by emphasizing the central place of the man in the household:

> The men in our lives are our fathers, brothers, husbands, and boyfriends. There are the people who control us and whom we must obey. We live in a man's world and men are superior to women. As daughters and as wives we must respect and listen to our brothers and husbands and it is only right that we should seek their permission before we do anything or go anywhere. Men are the breadwinners. They need jobs more than women do. It is worse for a man to be out of a job than it is for the women. The men have the more important jobs in the factory, they get promoted; we stay in the same jobs. But then they deserve it, because they need it. We can't stay on the job like they can. We have to leave when we have babies or when our children or our parents are sick.[527]

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[525] The term "the comforts of home" derives from White's book, *The Comforts of Home*.
[526] Meer, *Factory and Family*, 31.
[527] Ibid, 50.

Figure 11. Inside a female-linked Zulu family, 2015. Photo by the author.

In Newcastle during the mid-1990s, jobs had already become more difficult to find for

African males. A sense of proper manhood and husbandhood, however, still lingered. As Todes

has suggested, women's multiple livelihood strategies at the time, including factory employment,

domestic work, and petty trades, did not in themselves "provide a replacement for incomes lost

in men's work on a generalized basis."[528] For example, Mr. MM, an Iscor worker, gave his

opinion below on what his wife should and should not do:

> My wife doesn't work outside the home. Ever since I was married I didn't give her an
> opportunity. I told her I want her to work when I'm already dead. If my wife wants all
> these things, I must be the one to get them. I want her to look after my children. I married
> her to feed her not to have her work somewhere.[529]

In the mid-1990s, most of male workers whom Todes interviewed had generally forbidden their

wives to work outside the families.

Time has changed people's minds. Factory women no longer looked up to men to lead in

the households. During my research in Newcastle in 2015 and 2016, two women, Vundla and

Senzi's attitudes below captured the widely shared view regarding female factory workers:

> It is difficult to get married nowadays. It is because of money. Man don't work proper
> jobs. So, as a woman, you do your math and see that you won't live a good life if you get
> married to someone who is unemployed.[530]

> I will be happy if my husband can make more money, but due to the situation, I have to
> work. Women also contribute to the household by working…Nowadays, husband and
> wife both need to work; and both of us [take decisions] 50/50.[531]

One effective way to examine what it meant to have a regular work income for local Zulu

women is to look at how they spend their wages. Qualitative evidence suggest that although food

and groceries occupied a large proportion of expenditure for all working African women in

Newcastle, there were important generational differences in their spending patterns. The older

generation clearly saved more for appliances, furniture, and house consolidation projects. The

younger generation, especially those living in their parent's houses, tended to spend more on

personal consumer goods and contribute substantially less to house construction projects. Senzi,

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[528] Todes, "Restructuring, Migration and Regional Policy in South Africa," 361.
[529] Ibid.
[530] Interview with Vundla, Newcastle, January 3, 2016.
[531] Interview with Senzi, Newcastle, March 20, 2016.

a forty-three-year-old working in a Taiwanese knitting firm, earned a weekly wage of R550, although she insisted that "the appropriate wage for people with similar experience should be R900 to R1,000."[532] On a typical payday, she would put aside R100 for transportation, contribute R250 to the stokvel of which she was a member, and use the remaining R200 for food and groceries. Fikile, a twenty-six-year-old employee at another Taiwanese knitting firm, was also making R550 a week. She said that she would put R50 into "Missbali," another R50 into "Back-to-School," save R100 for the following week's transport, and buy food, clothes, and cosmetics using the remaining R350.[533]

Zulu women workers appreciated the fact that jobs in the factory gave them a sense of autonomy. Self-reliance and supporting their children's education were the two most frequently claimed achievements when industrial African women talked about their factory jobs. What really generated dignity and respect in the townships, however, was the person's financial capacity to carry out big house-related projects because such projects cost much more money and, therefore, required long-term planning and consistent savings. Big house-related projects included turning zinc or shack dwellings into more permanent brick houses, adding extension structures, and purchasing major furniture items or appliances (sofas, cabinets, fridges, and televisions).

The social status derived from being a house owner conferred great respect, even during the process of building. It was not surprising to see many uncompleted houses in the townships. Field visits to multiple unfinished housing construction sites suggest that household members would have to spend years of effort and considerable household resources in building homes.

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[532] Missbali and Back-to School were two *stokvels* in which she had been participating. Interview with Senzi, Newcastle, March 20, 2016.
[533] Interview with Fikile, Newcastle, March 21, 2016.

Usually, local residents would follow an incremental approach. If the savings is enough only for the brick walls, then the builder would postpone putting on the roof until there was more money. For instance, Mavis, a fifty-seven-year-old worker, was nearing completion of her multi-year house extension project. She admitted to me that she needed another three months to finish the project as she was short of 250 bricks to finish and that she would try to save more and finish up her project by the year's end.[534] Alison Todes documented similar patterns in the early 1990s in Newcastle and further pointed out that such houses would take on meaning for residents beyond simply units of expenditure.[535] Once built, these houses became home bases, and would not be easily abandoned, which, as Todes argued, partially explained low levels of outward migration.

Scholars have long argued that housing serves as an important instrument of social transformation. In the southern African context, for example, missionaries and colonialists in the nineteenth century used housing as domesticating schemes to introduce Western civilization to the indigenous people.[536] Similarly, the apartheid government attempted to exert control of African families through forced removals and township construction.[537] Apparently, such social control was far from complete because African households and black townships had become places that produced individualism, modern consumerism, and sociopolitical revolution. In post-apartheid South Africa, scholarly as well as policy discussion has been geared toward assessing

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[534] Interview with Mavis, Newcastle, March 6, 2016.
[535] Todes, "Restructuring, Migration and Regional Policy in South Africa," 341-42.
[536] Jean Comaroff and John Comaroff, "Home-Made Hegemony: Modernity, Domesticity and Colonialism in South Africa," in Karen Hansen ed., *African Encounters with Domesticity* (New Brunswick: Rutgers University Press, 1993), 37-74; and Jean Comaroff and John Comaroff, *Of Revelation and Revolution, Volume 2* (Chicago, IL: University of Chicago Press, 1997).
[537] Jason Hickel, "Engineering the Township Home: Domestic Transformations and Urban Revolutionary Consciousness," in Meghan Healy-Clancy and Jason Hickel eds., *Ekhaya: The Politics of Home in KwaZulu-Natal* (Durban, SA: University of KwaZulu-Natal Press, 2014), 131-57; Dlamini, *Native Nostalgia*; and Leslie Bank, *Home Spaces, Street Styles: Contesting Power and Identity in a South African City* (London, UK: Pluto, 2011).

the government policy of the Reconstruction and Development Program (RDP) houses.[538] What

has been missing is analysis of the spontaneous house building efforts amongst township and

rural residents themselves, a phenomenon that the South African anthropologist Leslie Bank has

called the "building mystique," a term he twisted from James Ferguson's original "bovine

mystique."[539]

Two recent papers address this vacuum in scholarship. Leslie Bank's article on Cape

Town's Gatayana migrants from Eastern Cape shows that urban stigmatization and denied access

to full citizen rights forced Gatayana migrants to express new forms of identity and belonging

through investments in the construction of rural homes, which, in turn, are rapidly transforming

the built environment of the former Transkei coast.[540] Calling such modern house buildings as

"displaced urbanism," Bank is wary of its potential disruptive social consequences, because

"houses appear as expressions [not only] of prestige, modernity, and progress, but also of

difference...[and house improvement] could be socially dangerous, opening families and

individuals up to accusations of selfishness, greed, and even witchcraft."[541] Instead of

emphasizing the linkage between urban migrants and their rural homes, Bernard Dubbeld in his

recent paper examines two parallel trajectories of local house building in Glendale, a peri-urban

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[538] There are many excellent studies on South Africa's RDP housing. See Firoz Khan and Petal Thring, *Housing Policy and Practice in Post-Apartheid South Africa* (Johannesburg, SA: Heinemann Publishers, 2003); Kate Tissington, *A Resource Guide to Housing in South Africa, 1994-2010: Legislation, Policy, Programs and Practice* (Johannesburg, SA: Socio-Economic Rights Institute of South Africa, 2011); and Sophie Oldfield and Saskia Greyling, "Waiting for the State: A Politics of Housing in South Africa," *Environment and Planning A*, 47, 5 (2015), 1100-12.
[539] See Leslie Bank, "City Slums, Rural Homesteads: Migrant Culture, Displaced Urbanism and the Citizenship of the Serviced House," *Journal of Southern African Studies*, 41, 5 (2015): 1067-81; James Ferguson, "The Bovine Mystique: Power, Property and Livestock in Rural Lesotho," *Man*, 20, 4 (1985): 647-674; and Ferguson, *The Anti-Politics Machine*, 135-66.
[540] Bank, "City Slums, Rural Homesteads."
[541] Ibid., 1079-80.

township outside of Durban.[542] RDP houses are not socially sustainable without substantial

employment creation for the occupants of these houses; the alternative, traditional houses that a

small number of local male residents are self-consciously building are also problematic. As

Bubbeld's research shows, occupants of these alternative houses struggle with accusations of

witchcraft, illness, school failures, and strained relations with their kin.[543]

Active participation of working women in house building in Madadeni and Osizweni

points to a couple of interesting developments which Bank's and Dubbeld's research do not

discuss. First, house improvement projects in the peri-urban areas do not necessarily depend on

remittances from migrant laborers in major cities. Qualitative interviews suggest that the savings

from factory wages provided a significant proportion of the finance for housing projects. Second,

in areas where female employment was relatively stable, house building was not a male-

dominant arena. While Dubbeld portrays both RDP houses and the restored traditional

homestead as socially and economically unsustainable "non-places," industrial Zulu women

seemed to have managed to build on what the official RDP housing program had to offer and

improve their living conditions using their wage incomes.[544] In so doing, such built structures

would then become sites where working women could attend to domestic obligations after a full

day of work. Houses were also spaces where mutual support among female family members took

place, hence important expressions of identity, respect, and home-making. If the job market in

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[542] Bernard Dubbeld, "The Future of Home: Post-Apartheid Housing Projects in Glendale," African
Studies Workshop, Harvard University, October 3, 2016.
[543] Ibid., 27-28.
[544] On the point of "non-place," see Dubbeld, "The Future of Home," 5; and Marc Augé
 (John Howe trans.), *Non-Places: Introduction to an Anthropology of Supermodernity* (New York, NY:
Verso, 1995), 1-6, 75-115. In the townships, many Zulu women workers had applied and now own their
RDP houses to which they have also built extra rooms (or extensions as they would call these rooms).

South Africa continues to ignore working-age male members of the society, Newcastle's townships might be a glimpse of the future of home in South Africa.

Stokvels and Women's "Savings Mystique"

Portraits of township and rural African women often suggest they are vulnerable and helpless subjects. It is, therefore, extraordinary to see how much Newcastle's Zulu factory women have been able to achieve with their savings given the wages that their Chinese employers have been able or willing to pay their workers. My research shows that this is not simply a private, individualistic achievement. Rather, Zulu factory women have found ways to do it collectively through the informal communal association called "*stokvels*" (communal savings clubs).

Stokvels as a particular form of communal association, as historians have indicated, dates back to the end of the nineteenth century when some Africans, who worked at white-owned farms along South Africa's southeast coast, gathered together during annual cattle shows. The black farmers and laborers attending these fairs engaged in lively socializing and gambling activities. Indeed, the word *stokvel* means "stock fair" in Afrikaans. Later, such meetings were no longer associated with stock fairs, but took place regularly at the house of a rotating member, who would be the recipient of the "stock fair" of that meeting.[545] Rotational savings schemes

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[545] Grietjie Verhoef, "Informal Financial Service Institutions for Survival: African Women and Stokvels in Urban South Africa, 1930-1998," *Enterprise & Society*, 2, 2 (2001): 259-96, 265; W. G. Schulze, "The Origin and Legal Nature of the Stokvel: Part 1," *South African Mercantile Law Journal*, 9 (1997): 18-29; Andrew Khehla Lukhele, *Stokvels in South Africa: Informal Savings Schemes by Blacks for the Black Community* (Johannesburg, SA: Amagi Books, 1990); and Donna Bryson, "SA Stokvels Brace against Bad Times," *Mail & Guardian*, December 28, 2008 (available at http://mg.co.za/article/2008-12-28-sa-stokvels-brace-against-bad-times).

have a long history across societies.[546] West Africans took rotational savings schemes to the Americas as slaves.[547] Today, many Caribbean immigrants in the United States continue to practice "susu," and the term continues to be used in several West Africa communities.

If the consensus is correct that such gatherings were the origins of modern day *stokvels*, the process is less clear of how *stokvel*, originally a festive event, became a predominantly female association from the 1930s onward. Ellen Hellman's pioneering study of Rooiyard, a slum area in Johannesburg, shows that during the interwar period, urban African women had already formed and participated in *stokvels*.[548] For the African female members, regular meetings served at least two essential functions. One was to consume surplus beer because many urban African women were involved in illegal brewing business; the other was to facilitate savings amongst members. Having little control of finances in the traditional economy and seeking alternative survival strategies in a new urban environment, black women apparently utilized such informal financial organizations as a means of mutual support. A sense of solidarity began to develop among *stokvel* members.[549]

More recent studies show that by the late 1990s, there were at least 800,000 active *stokvels* in South Africa.[550] The ways in which a *stokvel* operates depend on its orientation. The historian Grietjie Verhoef categorizes existing *stokvels* into four major groups. They include

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[546] For an early cross-cultural work on rotating associations, see Clifford Geertz, "The Rotating Credit Association: A 'Middle Rung' in Development," *Economic Development and Cultural Change*, 10, 3 (1962): 241-63.

[547] In the 1940s, Melville Herskovits encountered rotating credit associations called "susu" in rural areas in Trinidad. He found that the term originated from the Yoruba word "esusu." Ivan H. Light, *Business and Welfare Among Chinese, Japanese and Blacks* (Berkeley, CA: University of California Press, 1973), 31-32.

[548] Her work was greatly influenced by Max Gluckman, director of the Rhodes-Livingstone Institute, and the theory of "culture contact." See Ellen Hellmann, *Rooiyard: A Sociological Survey of an Urban Native Slum Yard* (Cape Town, SA: Oxford University Press, 1948), 43-44; and Berger, *Threads of Solidarity*, 66-67.

[549] Berger, *Threads of Solidarity*, 66.

[550] Verhoef, "Informal Financial Service Institutions for Survival," 280.

savings clubs, burial societies, investment groups, and high budget stokvels, among which

savings clubs are the most popular.[551] How a savings club works is rather simple. Typically, each

member (usually around ten of them) contributes a standard amount of money into a common

account on a regular basis. By the end of every month, a rotating member receives her

"stokvel."[552] The conventional wisdom is that *stokvel* is a temporary phenomenon during the

transition from a traditional rural subsistence economy to a more urbanized wage labor economy

and that its primary cause is a lack of access to formal financial and credit institutions among the

society's poorest people. However, the persistent growth of *stokvels* and the prominence of

women's participation suggest important sociocultural dimensions of such informal clubs. The

collective savings of *stokvels* nationwide has become so significant that formal financial

institutions have developed various products to attract them since the late 1980s.[553]

Given *stokvels*' long history in South Africa, it is striking that in Todes' research as well

as in the IBR report, despite scattered references to churches and religious communal life, there

was no mention of communal savings groups amongst African factory women. In the *Factory

and Family* report, for example, when asked about their community life and organizations,

factory women responded: "We would like to, [but] we don't have time for meetings."[554]

However, almost all of my female interviewees informed me that they belonged to one or more

stokvels. The most popular *stokvels* in Newcastle include regular savings clubs, school fees

groups, burial societies, big-ticket items as well as wholesale items associations.

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[551] Ibid., 266.
[552] There are, of course, variations on how much a member contributes, how long a rotating cycle takes, and whether it involves accrued interest or not.
[553] Verhoef, "Informal Financial Service Institutions for Survival," 286-88.
[554] Meer, *Factory and Family*, 49.

Almost all *stokvel* groups are savings-based, women-only associations. In a repeated rotation scenario, what members receive from the *stokvel* is essentially what they have contributed to it.[555] As such, one may question the rationale of participating in *stokvels*, because in most cases it does not add much value or accrue big deposit interest to members' savings. One possible benefit seems to be that, in the actual rotating, a *stokvel* member can gain access in advance to a large sum of return, either in cash or in kind. But this is under the premise that she continues to play by the rules so that other members will also receive their respective shares in time. It is plausible, at least in theory, that a member may defect after receipt of her advances. However, the actual defection rate is extremely low.[556] It is because that defection terminates membership and jeopardizes the person's chances of joining other *stokvels*, given the tightly-knit community in the area.

Another attraction of participating in *stokvels* is that it promotes a sense of solidarity among the members. This is particularly true for Newcastle's Zulu factory women. Fikile confessed to me, "If you save by yourself, you will get tempted by other things on your way to the bank."[557] Participating in *stokvels*, of course, is more than overcoming the temptation to indulge oneself in consumerism; it also provides opportunities for socializing with co-workers outside of work. For instance, Mavis participated in a *stokvel* with four co-workers from the same factories. In another, Senzi participated in a *stokvel* with twelve other co-workers. She said, "There are thirteen of us. All of us are from the same factory. We have a book to write down our money...We take turns to take the money and deposit it into the bank. In December, we distribute

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[555] One possible exception is the wholesale item groups because in wholesale purchase the price can be lower than in retail when the member buys individually at the shops.
[556] I have only found one such incidence during my interviews. An old factory worker told me about how several of their *stokvel* members went to the defector's house to investigate and persuade her to pay her due.
[557] Interview with Fikile, Newcastle, March 21, 2016.

the money.[558] We get paid in cash. We don't contribute the same...depends on how much money you contribute."[559] Clearly, Mavis' *stokvel* was of a different pattern which did not require a standard contribution from all participants or function on a strict rotational basis. Members instead would decide their individual amounts as part of a group savings activity. During major distribution meetings, members would usually gather over tea, gossip about romance and partners, share family joys, and seek mutual support during difficult episodes in life.

Some factory women also established another interesting form of savings club in which they would allow their employers to deduct a standard amount from their wages and put into an escrow account kept by the employer. I found one such savings club at a small Taiwanese knitting firm. The owner, Tang Ba, told me that the reason why he started this club was his conviction that black people did not think too much about tomorrow. He felt it a good thing to guide his workers to plan and save for the future.[560] What he had been doing was to hold R50 on the payday from each employee's wage on a voluntary basis and return the money on a date agreed to by all participants. Tang Ba's concerns about his employees' lax in fiscal management seemed benevolent but was misplaced and ill-informed. My research repeatedly shows that many Zulu factory women saved up to a third of their wages through various *stokvels*. Considering their small incomes, such savings indicate consistent abstinence, high discipline, and adequate mutual support.

There have been very few in-depth case studies on communal savings in South Africa's townships. However, anthropologist Deborah James's recent work in Impalahoek, a

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[558] *Stokvels* are often about saving money to buy food and other items over Christmas. The role of Christmas is important, social status is linked to being able to provide food and wear new clothes over this period. It is also a socially acceptable way of keeping income out of the hands of men who would spend it on other things instead of food, clothes, and things over Christmas.
[559] Interview with Senzi, Newcastle, March 20, 2016.
[560] Personal communications with Tang Ba (pseudonym), Newcastle, March 22, 2016.

pseudonymous village in Mpumalanga Province, offers some useful insights upon which I can draw to examine industrial women's *stokvels* in Newcastle.[561] In the case of Impalahoek, most *stokvel* groups were founded in the 1990s and were held to be the preserve of women who stressed and felt proud of female domestic thrift when participating in stokvels. James raises two important findings. First, changing gender dynamics – due to challenges to patriarchal authority, the gender-skewed state grant system, and the expanding autonomy of female professionals and self-employed traders – have given women's club membership new social meanings, in which "egalitarian mutuality is interwoven with new inequalities and dependencies."[562] Second, women with good, stable earnings consciously leverage *stokvels* to "lock away resources upon which poorer relatives might otherwise have a claim."[563] Newcastle's Zulu factory women appeared to be similarly aware of the severity of poverty and inequalities within the community. Becoming a member of a particular *stokvel* might, then, also functions as a mediating strategy of expressing mutuality and differences at the same time.

While studying the development cycle of migrant Basotho men and their rural households in the 1970s and 1980s Lesotho, James Ferguson identified the now-well-known notion of the "bovine mystique." Ferguson wanted to understand the phenomenon in which migrant working men insisted on investing their urban wage (remittance) in the form of livestock. He commented on the livestock and migrant labor complex in the following remarks:

> Wage is "stored" in the form of livestock. One should speak of a single livestock/migrant labor complex, in which the funds for buying animals, as well as many of the reasons, derive from migrant labor. Livestock is acquired when working and used up when laid off—a sort of special "retirement fund" for migrant laborers…investment in livestock is not an alternative to migrant labor but a consequence of it. Buying and selling stock are

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[561] Deborah James, "'Women Use their Strength in the House': Savings Clubs in a Mpumalanga Village," *Journal of Southern African Studies*, 41, 5 (2015): 1035-52.
[562] Ibid., 1051.
[563] Ibid., 1040.

activities characteristic of employed and unemployed miners, respectively; they are phases in the migrant laborer's life cycle.[564]

Livestock became essentially men's wealth, hence their reluctance to allow women to exchange the livestock for consumer goods or sell during episodes of drought in the 1980s.

Livestock as a primary form of wealth in southern Africa, therefore, fulfilled two significant functions. First, it provided long-term financial security. Through investment in livestock, migrant men effectively secured their wage income from being squandered in consumer goods by their wives and children. What was more revealing, however, was livestock's second function, namely, the sociability of livestock in traditional rural Basotho societies. Unlike cash which a private owner could hide and was thus considered a "selfish, household-centered form of wealth," livestock was a "highly visible and public form of wealth."[565] A big man would use his cattle to create lender-borrower or patron-client relations in which those in need from the community, such as his kin and relatives, might access the big man's wealth via use rights of the cattle for milk and farming without diminishing the livestock's value. In a sense, migrant men's retirement fund received its protection through public display and implicit forms of communal sharing.

Of course, significant differences exist between Zulu factory women's "savings mystique" and what Ferguson observed as Basotho male migrants' "bovine mystique." For one, the gender distinction is apparent. As noted, *stokvels* in southern Africa are the preserve of rural women, although scholars do notice the recent emergence of male members and clubs in more

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[564] Ferguson, *The Anti-Politics Machine*, 155-57. Ferguson draws from Colin Murray significantly on these points. See Colin Murray, *Families Divided: The Impact of Migrant Labor in Lesotho* (Cambridge, UK: Cambridge University Press, 1981).
[565] Ferguson, *The Anti-Politics Machine*, 154, 164.

urban settings.[566] Second, while investment in livestock synchronized with migrant men's life cycle and was portrayed as a long-term endeavor and a pension plan, people consider *stokvels* primarily as family oriented activities which promote domestic thrift and facilitate shorter-term, albeit rational, household savings. Last but not least, investing in cattle was largely an individualistic activity among migrant miners. Savings through *stokvels*, in contrast, involves collective, egalitarian, and communal effort among the members. Typical *stokvel* participation does not involve noble or affluent people who grant usage rights to communal members in a benevolent manner. Rather, it operates on the basis of much more horizontal and equal footing of all members within the group.

Upon a close examination, however, some fundamental similarities between the two mystiques begin to appear. The embedded symbolism in the name *stokvel* (stock fair) itself is very interesting, suggesting that the money pooled into the mutual financial account is a metaphoric live-"stock." It is women's livestock in a figurative sense. The wage of a Zulu factory woman in the Chinese garment firms, no matter how meager, is her legitimate, private source of income, which she has earned through the honest exchange of her labor. While researching lavish and extravagant displays of wealth and conspicuous and irrational consumption behaviors young Africans in Abidjan, Sasha Newell argues that these young people from poor backgrounds spend money in such ways to nurture social networks as a survival strategy in an uncertain modern urban environment, hence a socially and extraordinary rational act.[567] In comparison, Leslie Bank expresses his deep concerns about the "building mystique" in

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[566] Detlev Krige, "Letting Money Work for Us: Self-Organization and Financialization from Below in an All-Male Savings Club in Soweto," in Keith Hart and John Sharp eds., *People, Money and Power in the Economic Crisis: Perspective from the Global South* (New York, NY: Berghahn, 2014), 61-81; and James, "'Women Use their Strength in the House,'" 1042.

[567] Sasha Newell, *The Modernity Bluff: Crime, Consumption, and Citizenship in Cote D'Ivoire* (Chicago, IL: University of Chicago Press, 2012), especially, 1-32, 85-90, 247-62.

which migrant workers in Cape Town pour their urban income into constructing private, modern, but underused houses in their remote hometowns in the former Transkei Bantustan. Bank cautiously describes their building frenzy as "socially disruptive" because these private luxury houses cause envy and jealousy.[568] In the case of Newcastle's industrial Zulu women, would local people consider their wage income and by extension furniture and new brick houses that factory women bought or built as selfish wealth?

Zulu factory women utilized the savings function of *stokvels* to protect their wealth from claims of poor kin, affines, and neighbors, just as Basotho migrant miners did with cattle investment. For instance, Vundla voiced her discontent about handout seekers: "People say that there is no money at the factories. So, they decide not to go and work there. [But] it is those who come and ask me for handouts. I would just give them some food like potatoes and cabbage if I have."[569] Amongst these Zulu factory women in my studies, there was a marked and shared tendency not to give cash. In fact, they usually did not have much cash in their pocket (except on the payday). After spending on food and necessities, as well as putting aside some money for transportation, Zulu factory women would invest all the remainder into *stokvels* because it is harder for poor kin or neighbors to make a claim. Furthermore, incremental investments in house-related projects indicate their long-term planning capacity under the circumstances of low wages.

The widespread and increasing female participation in *stokvels* highlight the sociability of personal savings in southern African communities. As noted, for factory women, it was more likely that they would form mutual savings clubs with their co-workers from the same factories. Mavis, a fifty-seven-year-old worker in a Chinese CMT firm, told me that she was making close

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[568] Bank, "City Slums, Rural Homesteads," 1080-81.
[569] Interview with Vundla, Newcastle, January 3, 2016.

to 900 Rand per fortnight and that after spending on food, R150 for funeral insurance, R150 on taxi fares, she would invest R200 to her *stokvel*. There were only five members in her savings club and all work in the same factory.[570] Thoko, a forty-year-old worker, indicated that working in the Chinese factories was good because it gave her the exposure to new things including *stokvels*.[571] The benefit of participating in *stokvels* with colleagues is fairly self-evident. Members from the same workplace get paid the same day and can contribute more or less the same amount of money on a consistent basis.

There were, of course, high-premium and more elitist clubs in the local community. In fact, Zulu factory women had learned to leverage the regular *stokvels* that they formed between co-workers to accumulate capital and then to obtain access to *stokvels* that required larger standard amounts. For instance, Thokoleng explained how she did this:

> Well, we [Thokoleng and her colleagues] pay R100 each. We are eleven [sic] and when the money comes to me. I don't pay, and I'll just get 1000 Rand. There is another *stokvel* that I know and play [meaning participate in]. So, once I get my 1000 Rand money, I do not spend it. I take the money to the other *stokvel*.[572]

High-premium *stokvels* allow members to save and protect large sums of cash from claims of family members and neighbors. At the same time, they also enabled members to receive a much larger amount of money in a lump-sum payment, which could afford major house-related projects when needed.

The circulation of wage money through *stokvels* helped to fulfill important, long-term life goals of members in the community. While people tend to view livestock as migrant men's pension fund and *stokvels* as women's short-term savings, they fail to realize that *stokvels* as a form of savings serve as a means not an end. Participants can use stokvels for long-term

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[570] Interview with Mavis, Newcastle, March 6, 2016.
[571] Interview with Thoko, Newcastle, March 20, 2016.
[572] Interview with Thokoleng, Newcastle, March 7, 2016.

purposes such as large house-related projects. Mark Hunter in his research of education in the township of Umlazi refers to "bonds of education"(investment in children's education) as mothers' pension asset because mothers would expect support from their educated children when they get old.[573] However, many of Newcastle's Zulu women workers made their savings for their childrens' education or house projects through *stokvels*.

The circulation and rotation of money among *stokvel* members had a profound social meaning. For example, the payment of *stokvel* money out in December is about financing Christmas celebrations. This is socially important because the *stokvel* serves as a form of saving to guarantee consumption at a particular time of the year, especailly holidays. Also, that after expenditures on necessities Zulu factory women contributed whatever remained to *stokvels* was a particular form of public disclosure of private wealth. It is not only because thanks to the friendship, trust, and networks that had come to play in the formulation and operation of *stokvels*, the benefits to participation could extend conventional economic gains and lead to "the joint accumulation of social and financial capital."[574] More interestingly, the private money such as wage income and social grants, in a sense, served the communal functions through *stokvels* before the individual owner claimed her full ownership of it. In other words, through these public acts, saving money in *stokvels*, in turn, enhanced the legitimacy of private ownership of one's wealth and mitigated potential envy, jealousy, and witchcraft between community members. This was because, for instance, when a woman successfully added an extension room to her house, people and her neighbors would recognize that it was the *stokvel* money that had helped to build the house. They would also realize that through persistent investment via communal savings

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[573] Hunter, "The Bond of Education," 482.
[574] Margaret Irving, "Informal Savings Groups in South Africa: Investing in Social Capital," CSSR Working Paper No. 112, Center for Social Science Research, University of Cape Town, 2005, 1.

clubs, they could achieve equivalent progress in life themselves, hence a shared understanding that there was no hidden magic to a person's material success so to speak.

Mama Mabhodini and Female Respectability

One late afternoon toward the end of my field research, my research assistant Khumalo and I were waiting for our interviewees outside the gate of the Ithala Industrial Estate in Madadeni. Seeing thousands of women coming out of their work place, Khumalo said to me, "Hey Liang, I really don't know what these women would end up doing if there were no Chinese factories here. These mothers are doing great things to support their kids and families." Needless to say, I hold no optimistic answer to the hypothetical question of what they would do without factory jobs. For me, however, Khumalo's appreciation of factory women's contribution to their families and the community at large raises the issue of female respectability vis-a-vis garment work in the local context.

It is quite revealing that local Zulu township residents in Madadeni and Osizweni referred to factory workers as "mama mabhodini." In isiZulu, "mama" means mothers, and "bhodi" means advertising board. A direct and literal translation of "mama mabhodini," therefore, is "mothers [who are working] at places where there are many boards," or, to put it simply, "factory mothers." Older informants still remembered that local Zulu people had initially called the industrial area "amabhodi" because of its many factory plates as well as job advertising boards. African residents then used "amabhodi" as synonymous of industrial areas, and, by extension, of the factories there. Given the predominance of Chinese garment firms in both the Newcastle Riverside Industrial Area and Madadeni's Ithala Industrial Estate, *mama mabhodini*

has now become a commonly accepted term to refer to Zulu factory women in Chinese clothing factories.

The reference to women workers as factory mothers was an indication that most factory workers were, in fact, mothers. Of the over hundred women workers to whom I had spoken, all were mothers (some grandmothers), regardless of age, their formal marital status, or whether their children were still alive or not. Futhermore, among the forty-five workers with whom I conducted extended interviews, only six were unmarried.[575] As opposed to addressing a female subject as a woman or a girl, greeting or calling a woman "mama" in isiZulu carries a sense of respect and an acknowledgement of her social standing within the community. In fact, across Africa, "mother" as an identity carries much weight, because in African family arrangements the most important ties within the family flow from the mother.[576] As Oyeronke Oyewumi rightfully points out, "the most important and enduring identity" that African women claim for theselves is mother; wifehood, though functional and necessary, is only "a tranistional phase on the road to motherhood."[577] Thus, the juxtaposition of mothers and workplace in the expression "mama mabhodini" suggested a confluence of Zulu motherhood and wage labor on a Chinese sewing shop floor.

Respectability was a term used initially by historians studying Victorian Britain and its specific meanings vary across societies. The consensus, however, is that respectability as an analytic concept contains a fixed core, which is the "stress on economic independence, on orderliness, cleanliness and fidelity in sexual relations, often but not always linked to

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[575] My own field interviews and communications, Newcastle, 2015 and 2016.
[576] Oyeronke Oyewumi, "Family Bonds/Conceptual Binds: African Notes on Feminist Epistemologies," *Signs*, 25, 4 (2000): 1093-98, 1097.
[577] Ibid., 1096-97.

religion...and the belief in education."[578] Long regarded as being a petit bourgeois, modern, and middle-class notion, respectability had received little attention from scholars studying people on a given society's bottom strata.[579] Likewise, the existing literature tends to treat respectability as a top-down, normative, and elitist discourse, relying primarily on sources like newspaper, intellectuals and politicians' writings, or statements of union leaders. Nevertheless, a small number of studies of marginalized women groups (including sex workers) in African societies that captures discourses on "respectability from below" have inspired me to look at respectability among Newcastle's Zulu factory women.[580]

In the most general terms, economic independence and sexual orderliness remained the core of respectability among Newcastle's Zulu factory women. In a highly commodified economy in South Africa, Zulu factory women might be discontent about the actual wage levels in the Chinese clothing firms, but they almost unanimously conceived of wage employment as a positive development that had allowed them to "afford things." For instance, Thulisile, a fifty-four-year-old worker originally from Nongoma, the heartland of Zululand, came to Newcastle for employment in 1984. Looking back, she was happy about improvements in life over the last thirty years or so:

> Having a job at the factories means a lot to me because I don't live on handouts. I can afford to buy my own things...My life has changed a lot because I am employed now and

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[578] David Goodhew, "Working Class Respectability: The Example of the Western Areas of Johannesburg, 1930-1955," *Journal of African History*, 41, 2 (2000): 241-66, 241-42.

[579] Mager, *Gender and the Making of a South African Bantustan*, especially her discussion on middle class familialism and respectability and belongings in the second chapter, 47-71; Evelyn Higginbotham, *Righteous Discontent: The Women's Movement in the Black Baptist Church 1880-1920* (Cambridge, MA: Harvard University Press, 1993), especially "The Politics of Respectability," 185-229; Healy-Clancy, *A World of Their Own*, 89-100; Ellen Kuzwayo, *Call Me a Woman* (San Francisco, CA: Spinsters Ink, 1985); Lynn Thomas, "Love, Sex, and the Modern Girl in 1930s Southern Africa"; and Elsabe Brink, "Only Decent Girls Are Employed: The Respectability, Decentry and Virtue of the Garment Workers on the Witwatersrand during the Thirties," University of the Witwatersrand History Workshop, February 9-14, 1987 (available at Wits University Historical Papers Collection).

[580] For example, White, *The Comforts of Home*; and Goodhew, "Working Class Respectability."

I can afford some of the things, but it has not changed that much [because the wage is still not enough]. I have accepted the situation...The Chinese have been helpful because of the employment they have created. I think they are a blessing from God.[581]

Portraying Chinese industrialists as God's blessing might not represent the majority view among the workers. However, using savings from her wage income and the child support grant from her fourth and youngest child, Thulisile was able to purchase a house in Madadeni. Like many of her unmarried peers, Thulisile was the sole breadwinner of the household consisting of four—her youngest son, her daughter, her daughter's child, and herself. Needless to say, the low factory wage was only enough for a very basic level of living. When asked if she still wanted to marry someone and start a family with a man, Thulisile gave a determined negative answer:

Well, from my past experience with men. (Here, Thulisile becomes emotional, and tears come from her eyes). I don't think that we should trust men as women. They don't have love...Men nowadays prefer to date women who are working because they know that if they are dating a woman who is working, that women will take care of them, be it with money or groceries...[In the future] my plans are to start a small business and resign from my factory and just work at home [so that I can] also spend more time with my grandchild.[582]

The first and older generation of female workers at the factories perceived sewing jobs as a means of supporting the family and being economically independent of men. Most envision the factory job as a life-long employment, until retirement. In the meantime, they also tread a fine line between work and fulfilling household obligations.

The younger generation who were in their twenties or early thirties, however, envisioned a more respectable, post-factory phase of life. Their decisions to work as seamstresses in Chinese firms are temporary solutions to financial difficulties, which, they believed, would eventually give way to a better future. Nosipho, a twenty-eight-year-old, for example, dropped out of her fitting and turning course from the Majuba College, a local technical training college, due to the

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[581] Interview with Thulisile, Newcastle, December 21, 2015.
[582] Ibid.

birth of her first child. She stayed home to take care of her child, relying on government grant

and some occasional support from the child's father, also a resident of the community. She had

another child a year later. As her two children grew older, she decided to take on a job at a

Chinese CMT firm. Explaining why she went to work in the factories, she said:

> I needed the money. There is a huge difference between now and then because I am working unlike before. My parents were unemployed, so life was hard back then. But I wanted to save and go back to college to finish my studies in a couple of years. I am not planning on getting married soon...Men complain about small salaries [in Chinese factories]. Yet, they are unemployed.[583]

As a new and unskilled hire, Nosipho was only making R760 a fortnight around the time of our

interview. Given the potential job opportunities she could enjoy after an engineering education,

she surely had legitimately good reasons to see her factory job only as a short-time and transition

phase in life.

Even Slindi, whom I mentioned earlier, a Zulu female supervisor at a large-scale Chinese

CMT firm, looked forward to a career that she believed would be better than working in the

factories. Already one of the highest wage earners among her peers, Slindi had an ambivalent

attitude toward factory jobs. On the one hand, she as a woman understood very well the

differences between having a job in the factory and being unemployed:

> Many women don't have jobs and you can see how they struggle. They don't want to work for the factories because they think they are not paid enough, but they have to come to me to borrow money. I work there for little money, but it is still better than empty hands. The problem for me is that they would say something really bad about the factory, but in the end, they still come to me for help.[584]

That said, she still dreams about an alternative and more respectable career. She explained that

her future plan was to get trained as a nurse or a paramedic:

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[583] Interview with Nosipho, Newcastle, February 28, 2016.
[584] Interview with Slindi, Newcastle, December 22, 2015.

> I never liked being a domestic worker. To be trained as a nurse is in my mind even today because being trained is something important. I don't know if it's better paid or not but it has some dignity attached to the job itself, because it is seen as not an exploiting job.[585]

Slindi clearly possessed a sense of pride vis-a-vis her unemployed friends and neighbors who struggled financially to support themselves even on the basic subsistence needs. At the same time, she ranked factory jobs lower than other professions including traditionally female jobs such as nurses, not necessarily because of the actual salary, but the dignity and status attached to them. Young African women like Slindi tended to accept factory jobs as temporary positions, which could help them to settle and save, and, with careful and smart preparation, facilitate their journeys toward brighter careers.

To generalize about Zulu factory women's ideas of sexual purity is risky and potentially controversial. However, my informants surprised me with their openness and frankness when I invited them to share their sexual experiences and opinions. Despite differences in individual inclinations and personal choices, Zulu factory women and some Basotho women shared three general views on sexual partnerships. First, there was an overwhelmingly shared moral contempt about sexual infidelity. While some female interviewees admitted practicing concurrent partnerships, they agreed that unfaithfulness and promiscuity were not healthy. Fikile was quite frank, saying that "Some women are not getting enough money from one man; some others seek comforts from another person when having problems...I do consider having more than one boyfriend so that I can get different things from different boyfriends...I also have friends doing that."[586] Notwithstanding the material advantages of having concurrent boyfriends, the most cited explanation of why having multiple partners was not good was because of the rampant "disease" (HIV/AIDS). However, when asked if there had been no diseases, African factory

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[585] Ibid.
[586] Interview with Fikile, Newcastle, March 21, 2016.

women still rated sexual infidelity as improper, either because of their Christian values ("God

says it is not good") or because it would cause "bad influence, fight, and dispute." For example,

"How do you know who is the father if you get pregnant."[587]

Second, factory women painted female sexual impurity more or less as a modern,

contemporary problem. This mentality conveyed a shared sense of nostalgia of the good old days

when people respected serious relationships and had cattle to pay bridewealth. Majola's remarks

that "people did have multiple girlfriends in the old days. But it [the situation] was better in those

days" was quite representative of such views.[588] Third but not least, in spite of their efforts of

running the households and becoming more independent, Zulu factory women recognized that

the society tolerated male misconduct more easily. For example, one senior interviewee said that

"To us as women, it is disgusting to have multiple partners. In the old days, for a man it was

normal. But all I can say is that is is not good."[589] Nomhlangane added that "It is not a good

thing because when you are a woman, you are supposed to have one boyfriend. It is better

[meaning: less problematic] if you are a male having multiple girlfriends."[590] Bonisiwe further

expressed her frustration that chances to change such a situation were slim:

> Yes, men have multiple girlfriends because of the Zulu tradition. It allows men to have
> multiple wives. It's a bad thing, and I think it's very hard to change it. The only way to
> avoid that is just to stay single...Even our president has got multiple wives.[591]

Interestingly enough, male factory workers painted a rather contradictory picture of their

female co-workers. On the one hand, working males considered women workers as tough

colleagues who would make compromises easily about work; on the other hand, outside the

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[587] Interview with Senzi, Newcastle, March 20, 2016.
[588] Interview with Majola, Newcastle, December 24, 2015.
[589] Interview with Princess, Newcastle, January 10, 2016.
[590] Interview with Nomhlangane, Newcastle, January 9, 2016.
[591] Interview with Bonisiwe, Newcastle, December 19, 2015.

factories, men would chase working women as dating partners. Siyabonga's remarks exemplifed this contradiction:

> It's very difficult to work alongside with women because they fight over work with me. When we fight, they sometimes will tell their boyfriends to come and threaten me. I once got stabbed by a female with a scissor. No one saw that I was stabbed, so I just changed my clothes and went to the clinic...

> Guys prefer dating women who work in the factories because they can ask for money from these women. There are many women in the factories so I am in no rush [to get married] because my girlfriend has caught me a couple of times cheating.[592]

Siyabonga also implied that having a working girlfriend, he knew that his girlfriend would be busy at work with other women during the day, and that he, therefore, needed not to worry about she having affairs with other men.

Zenzele, a male cutter in a Chinese CMT firm, laid out more explicitly the reasons why he would prefer factory women as girlfriends even to those with more decent jobs:

> I have worked there [in the factories] for very long, so I know multiple girlfriends will fight. I date only one at a time. I would choose a woman who is not working with me [in the same factory]. It is too much trouble. But I will not choose an unemployed woman. They [women working in the factories] have the business mind to save more than the men. Men just waste money. At the end of the year, they can save up to R10,000 compared to me saving only R3,000 to R5,000. But, women who save more would not give money around. Men know that those working women can save, compared to women without jobs [who] would only waste money...None of the women I know who work for the government can save as much as the ones working for the Chinese factories, [because] the ones who have government jobs have more accounts to pay for.[593]

For men like Zenzele and Siyabonga, Zulu factory women exemplified a combination of several virtues, including the ability to earn a stable wage income, the skills to save, rational consumption habits, and a busy daily routine which left little time for unfaithful engagements. Such traits showcased a working woman's business mind and competence, making her a respectable and potentially popular partner.

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[592] Interview with Siyabonga, Newcastle, December 22, 2015.
[593] Interview with Zenzele, Newcastle, December 21, 2015.

Figure 12. Women walk out of work, 2017. Photo by the author.

Though Newcastle's ethnic Chinese industrialists tended not to employ Zulu men, a particular linkage between male members of the local community and the factories exists.[594] On the one hand, despite garment production being a feminized occupation, a small number of men were involved in various specialized roles in the factories. Their physical strength granted them certain advantages over women in roles such as cutters, packers, and drivers. On the other hand, female employment created interesting dynamics for people's sexual liaisons in the townships.

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[594] For reasons why Chinese employers avoided employing male workers, see discussion in Chapter 4.

Such new dynamics included, for example, working women's financial ability to put on better clothes, their sexual orderliness from the men's perspectives, and the presence of Basotho women whom many local men regarded as their favorite sexual partners.[595] Men's respect for women's wage incomes, the cash gifts that girlfriends occasionally gave to their boyfriends, and the emergence of inter-ethnic romantic relationships undoubtedly brought significant changes into the practice of courtship and have subsequently redefined the materiality of love in Newcastle's black townships.

Conclusion

This chapter has shown how Newcastle's Zulu factory women claimed economic independence and dignity through wage labor, familial commitment, and their extraordinary savings habits. They not only exhibited self-esteem; but the community at large by addressing factory women as "mama mabhodini" also recognized their perseverance and hard work. What Zulu factory women were able to build in their families and in social lives (both materially and symbolically) earned them respectability as women and mothers. As a result, the meaning of womanhood and motherhood in Newcastle had undergone significant changes over the last three decades as Zulu women joined the workforce at the Chinese clothing factories. Such transformations included, among other things, their financial independence from men, their ability to afford things and support their children's education, and most importantly, their forward-looking ability through active participation in communal savings.

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[595] On this point, please also refer to Chapter 4.

Unlike in other contexts where factory girls and women were considered subjects whose moral being needed to be monitored and disciplined, Newcastle's *mama mabhodini* claimed a strong sense of motherhood through industrial work, economic independence, and sexual orderliness. Ironically, the residual bridewealth tradition which used to serve as a restriction in this regard had grown into a contributing factor that people deployed to explain the low rates of marriage and the occurrence of causal relationships. Newcastle's Zulu women workers responded to such challenges by consolidating the female-linked families reliant upon intergenerational and mutual support among female members of the households. As this chapter has illustrated, many chose not to marry. The state and capital played a key role in stabilizing and perpetuating the female-linked familial arrangements by failing to provide black male citizens with decent employment and, in the meantime, by subsidizing women's meager factory wages with social grants to facilitate their production and reproduction. If the image of the modern family is patriarchal, culturally predominant, and stable, the female-linked family that we saw in Newcastle perhaps represents a particular type of what Judith Stacey has called "the post-modern family," which is largely nonpatriarchal, diverse, and fluid, and includes "single mothers, blended families, cohabiting couples, lesbian and gay partners, communes, and two-job families."[596]

It is profoundly illuminating to examine the experiences of Zulu factory mothers side-by-side with those of Chinese factory owners. The contrast is informative. To the surprise of many, the industrial Zulu women and their Chinese bosses in Newcastle shared precisely the same journey in terms of striving for material survival under the age of late capitalism—business survival on the part of Chinese industrialists, and survival in a much more direct and literal sense

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[596] Hochschild, *The Commercialization of Intimate Life*, 162; and Judith Stacey, *In the Name of the Family: Rethinking Family Values in the Postmodern Age* (Boston, MA: Beacon Press, 1996).

on the part of industrial Zulu women. This and the previous chapters have revealed in details about how both parties had proactively turned to similar survival and reproduction strategies by reshaping familial arrangments and nurturing communal support from broader networks outside the family structure. As discussed in the previous chapters, for example, Newcastle's ethnic Chinese garment business reproduced itself through male mechanics and female line supervisors spinning off and forming new partnerships, which in turn tapped into the existing familial and business networks in the region. Similarly, the reproduction of the Zulu factory women would not be attainable without the incorporation of female members within the extended family structure and participation in informal social institutions such as *stokvels*.

Importantly, the practices of the Chinese industrialists and Zulu women workers were gendered processes, albeit bearing seemingly opposing forms. While the Zulu factory women had taken up leadership roles in their re-organized female-linked homes in the townships, the Chinese family firms, including the production couples, were still centered upon the male partners. Although Chinese women in these family firms felt empowered as managers and participants in business operations, it was very common that men dictated business decision-making without fully consulting the female members. While the "family" in Chinese family business had become more compact with its intergenerational component disappearing, the family of the Zulu working women had to incorporate broader kinship networks for its survival. Although female members in Chinese family enterprises continued to play a crucial role in cultivating business networks, brotherhood and male friendship carried more import in public interactions.[597] Zulu factory women, on the contrary, acquired and maintained communal support primarily from informal female mutual associations such as *stokvels*. Whether such patterns of

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[597] For instance, the members of the two Chinese chambers in town were predominantly male.

development will endure, however, is a question left to future investigations. Nevertheless, as this chapter has highlighted, such patterns point to interesting intersections between the capital, labor, and family, showing the remarkable ways in which late capitalism reshaped and redefined domains of production and reproduction for both capitalists and workers.

CONCLUSION: FACTORY, FAMILY, AND THE MAKING OF AN INDUSTRIAL FRONTIER

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FACTORY, FAMILY, AND THE MAKING OF AN INDUSTRIAL FRONTIER

As the old English idiom "carry coals to Newcastle" suggests, albeit entirely

coincidentally, the South African border town of this research is also blessed with abundant

deposits of coal, which had served as a catalyst for early industrial development in the area.[598]

However, apartheid policies, Chinese factories, and Zulu women have transformed the town into

the country's prominent clothing mecca over the last thirty years or so. Because of its

concentrated ethnic Chinese labor-intensive firms, Newcastle stood out not only as an important

industrial hub but also an extraordinary site of productive experiments, labor confrontations, and

cultural encounters. While Newcastle's marketing campaigns and the availability of incentives

and cheap female workers had attracted ethnic Chinese entrepreneurs from East Asian in the

1980s, the subsequent growth and evolution of these foreign industrialists derived as much from

national and global socioeconomic conditions as from their internal diasporic dynamics. The

preceding chapters have shown that Newcastle's ethnic Chinese manufacturers not only

transformed local economic landscape but that they, too, underwent transformations as a

diasporic community.

The continued presence of Newcastle's ethnic Chinese clothing firms and the struggles

that they have been undergoing, in many ways, are consequences as well as contradictions of

South Africa's industrial policies in the post-apartheid era. While it is true that the entrenchment

of neoliberalism in South Africa and the subsequent restructuring of the labor market have

enhanced the overall dominance of capital over labor, there are no guarantees that capitalists

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[598] Herbst and Mills, *How South Africa Works and Must Do Better*, 102. The idiom means to do
something that is obviously superfluous.

from all sectors would benefit evenly. Neoliberal economic policies require a strong state, not a

lean state. In fact, as Nicolas Pons-Vignon and Aurelia Segatti have rightly contended, "the myth

of the lean state conceals the strengthening of state enclaves more critical to capitalist

reproduction than others."[599] What the new South Africa has witnessed is an accelerating

advance of the interests of big conglomerates in the Minerals-Energy Complex (MEC) and

financial sectors.[600] The labor-intensive light industry sectors not only have received inadequate

state support but have also been put under threat due to South Africa's rapid rate of trade

liberalization and the strengthening of its trade unions.[601]

　　While scholars share their dislike of mass unemployment, labor casualization, and

extremely low wages in certain segments of the industry, they are divided over the solutions to

such problems. Nicoli Nattrass and Jeremy Seekings, on the one hand, argue that the wage-led

growth advocated by the COSATU would devastate the country's remaining labor-intensive

sectors.[602] Instead, they suggest that South Africa should encourage a more flexible minimum

wage setting mechanism that put regional differences into consideration. Nattrass and Seekings

seem to have some sympathy for Newcastle's ethnic Chinese clothing factories and want the

Newcastle route to continue in the absence of a credible alternative to creating sufficient well-

paid jobs for the unskilled poor. On the other hand, some scholars strongly oppose the low-wage

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[599] Nicolas Pons-Vignon and Aurelia Segatti, "'The Art of Neoliberalism:' Accumulation, Institutional Change and Social Order since the End of Apartheid," *Review of African Political Economy*, 40, 138 (2013): 507-18, 509.

[600] MEC stands for the minerals-energy complex, see Ben Fine and Zavareh Rustomjee, *The Political Economy of South Africa: From Minerals-Energy Complex to Industrialization* (London, UK: Hurst, 1996). On the rise of the financial sector in South Africa, see Sam Ashman and Ben Fine, "Neo-Liberalism, Varieties of Capitalism, and the Shifting Contours of South Africa's Financial System," *Transformation: Critical Perspectives on Southern Africa*, 81, 1 (2013): 144-78.

[601] For instance, studies show that South Africa exceeded the tariff liberalization requirements of the WTO. Pons-Vignon and Segatti, "The Art of Neoliberalism," 512.

[602] Higher minimum wages supposedly drive growth by boosting domestic spending, hence wage-led growth. Nattrass and Seekings, "High Minimum Wage Hikes Will Lead to Job Destruction."

path for job creation, emphasize the importance of unions' collective bargaining, and call for radical changes in macroeconomic policy.[603] While Nattrass and Seekings attempt to find a temporary middle ground between the so-called post-Fordist "high road of growth" and the sweatshop model (or the low road), their antagonists refuse the modest approach and ask for more thorough reforms in industrial and labor realms that would prioritize the workers' interests.[604]

Though this research does not provide an immediate panacea for the problem, it shows the efforts and inventiveness of the producers and workers under difficult conditions. As the South African government continues to struggle to place the country on a sustainable path of development and job creation for a massive number of unemployed citizens, Newcastle's ethnic Chinese clothing factories and Zulu women workers represent the conundrum of the low-wage, labor-intensive development on the bottom segment of the formal economy. In a sector with declining profit margins and escalating competition, both the employers and employees of these factories have demonstrated their cultural flexibility by adopting creative tactics of production and reproduction. Though the two parties shared a common objective of material and emotional survival on the frontier of capitalist production, their respective tactics were drastically fragmented and far from uniform. While the history of Newcastle's recent round of industrialization is critical, what is at stake here concerns the future of the town and the fate of all those who have made it their home.

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[603] Gilad Isaacs, "DA's View on Tolerable Pay Is Dishonest," *Business Day*, December 2, 2015; and Miriam Di Paola and Nicolas Pons-Vignon, "Labor Market Restructuring in South Africa: Low Wages, High Insecurity," *Review of African Political Economy*, 40, 138 (2013): 628-38.

[604] While the post-Fordist high road suggests multi-skilling, teamworking, high productivity, and high wages, the low road involves the casualization of work through the increased use of casual contracts and part-time work. Hunter, "The Post-Fordist High Road?", 67-68.

<u>Three Tales of the Chinese Factory</u>

After I left my fieldwork, a single incident that occurred at the end of 2016 cast a shadow

over Newcastle's Chinese clothing firms. An underground CMT firm had unlawfully detained a

dozen of its Swazi women employees before the Christmas holiday for failing to repay the debt

that they had owed to the factory owner.[605] Though none of them had work permits, the Swazi

women had labored throughout the year as illegal machinists in the company. While living in the

dorm rooms on the factory premises, they had bought groceries on credit from the illicit grocery

store that the factory owner Clement Lin operated right next to his office inside the factory.[606]

Since he had demanded that the employees should pay off the credit before leaving for the

holiday, Clement Lin decided to lock up those who did not comply. Interestingly, it was the

Swazi government that had contacted the South African immigration services because the

families of the women had reported the detention case and asked for government assistance.

Once the South African law enforcement came to investigate the matter, the unlawful detention

quickly became a public relations crisis and had damaged the image of all ethnic Chinese firms

in Newcastle.[607]

Though the detention incident seemed to be an isolated case, it reminded me of two other

firms in Newcastle. Very importantly, Clement Lin and these other two companies represented

three major categories of Chinese employers in Newcastle. I call them, respectively, the

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[605] Although most illegal foreign workers in Newcastle's clothing factories were Basotho women, the number of migrant workers from Swaziland has increased in recent years. It is also noteworthy that like Lesotho, Swaziland has been hosting many large Chinese export-oriented clothing firms (especially those from Hong Kong and Taiwan) since the 1980s.
[606] Clement Lin is a pseudonym here.
[607] Skype interview with Peter Zhou (pseudonym), Newcastle, February 27, 2017. Peter Zhou was a prominent industrialist in the Madadeni Ithala Industrial Estate and a major figure that had helped to reach a compromise between the perpetrator and South African law enforcement.

transactional boss, the civilizing master, and the legalistic mentor. Clement Lin exemplified the first type – the transactional boss. As Chapter 4 notes in detail, due to their inability to invoke idioms of kinship and familialism in a foreign cultural setting, Chinese industrialists tended to deploy work discipline in very coercive ways. What was significant about Clement Lin's transactional relations with his employees was twofold. First, the factory owner subjected the women to the intense work regiment by accommodating them in the factory dorms. Second, he not only exploited the labor of his employees in production but also profited from sales of groceries in the women's reproduction of their labor. The transactional boss was more commonly found amongst the small underground firms, where most illegal migrants worked.[608] While any employment might entail a transactional relationship, the transactional boss derived benefits using a dual predatory mechanism – one on the shop floor and the other on the grocery shelf.

The second type of Chinese employers were "civilizing masters." David Yan, a prominent industrialist and leader of the Newcastle's Chinese community, was also a devout Buddhist. He had been earnestly promoting his religion among his employees over the last ten years and had successfully converted a dozen of them, most of whom had some sorts of management roles in the factory. Before I concluded my research in 2016, Yan was planning on a pilgrimage to several major temples in Asia for his "African monks and black nuns."[609] Undoubtedly, while presenting himself as a civilizing master, David Yan was also nurturing

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[608] Since the Fujianese (recent migrants from China's Fujian Province) ran most underground firms, many local Chinese industrialists expressed contempt for them. For works on recent waves of Fujianese immigrants in South Africa, see Tu Huynh, Yoon Jung Park, and Anna Ying Chen, "Faces of China: New Chinese Migrants in South Africa, 1980s to Present," *African and Asian Studies*, 9, 3 (2010): 286-306. For a good work on Fujianese immigrants more broadly, see Frank Pieke, Pal Nyiri, Mette Thuno, and Antonella Ceccagno, *Transnational Chinese: Fujianese Migrants in Europe* (Stanford, CA: Stanford University Press, 2004).
[609] Some Chinese industrialists mocked David Yan's acts by calling those converted in his factory as *hei heshang* and *hei nigu* – black monks and nuns. Personal communications with Chinese informants during field research.

loyalty through religious measures. Sitting in his Zen hut on his factory premise, David Yan explained to me that operating a company was not about making as much money as possible but fulfilling your destiny and learning to be content. In other words, Buddhism served as an instrument to foster workers' loyalty and raise their productivity in a business characterized by declining profitability and labor casualization.

In post-apartheid South Africa and under the neoliberal economic conditions, many employers while de-emphasizing rooted belonging and limiting workers' obligations to contracts also deployed what Maxim Bolt calls "mediated paternalism."[610] In the last ten years, due to South Africa's immigration restrictions and cost considerations, Chinese clothing firms in Newcastle had significantly reduced the number of Chinese employees and gradually promoted Zulu supervisors. To a certain extent, the factory owners began to appear remote and relegated the more face-to-face management roles to their African supervisors and staff. However, the example of David Yan's company showed that through the imposition of an allegedly superior cultural and religious form, some Chinese entrepreneurs had embedded a civilizing version of mediated paternalism.

The third category was the "legalistic mentor," which describes industrialists who had restructured their factories into cooperatives. While the legalistic mentor also presented himself as a paternalistic figure to his workers, he did it in a secular manner rather than adopting the spiritual approach of the civilizing master. Undoubtedly, the primary motivation for some Chinese entrepreneurs in setting up the cooperatives was to circumvent wage requirements that

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[610] Maxim Bolt, "Mediated Paternalism and Violent Incorporation: Enforcing Farm Hierarchies on the Zimbabwean-South African Border," *Journal of Southern African Studies*, 42, 5 (2016): 911-27. Bolt discusses how the border farmers appear removed while benefiting from vigilante policing, in which the roles of the senior black workers are critical. Paternalist provision and disciplining violence continue to be central to the farming business on the border.

they considered unfair and impossible to fulfill. Though separating the production unit of the

company and establishing it as a cooperative was a legalistic move to prevent hassles from the

NBC and trade unions, the legalistic mentor depicted his acts under the veil of supporting

Africans' self-reliance. As Spencer Liu taught me, "This is the right way to teach Africans how

to manage a business by themselves. I also have Xiaozheng (the Chinese name of his Zulu office

clerk) here to help with the orders. At the end of the day, they need to learn how to get orders.

That's the developmental impact that we Chinese will have."[611] While portraying himself as a

mentor to coach management skills, Spencer Liu twisted a legalistic tactic into a tale of African

empowerment in which he became the mentor for Africa's future development.

Paternalism in Newcastle's ethnic Chinese factories was not only mediated but also

multifaceted and fragmented. Unable to invoke idioms of family and kinship with their Zulu

women workers, Newcastle's ethnic Chinese factory managers sought to transcend the limits of

not sharing cultural norms through exploring other forms of paternalism. The transactional boss,

the civilizing master, and the legalistic mentor were three different tales that pointed to the same

conundrum – labor control in an alien cultural setting, which has become prevalent at low-end

and labor-intensive factories on the frontiers of global manufacturing. As I have shown in

Chapters 3 and 4, while such rather disciplinary methods might increase productivity on the shop

floor, they were less successful at establishing intimate and amicable working relationships

between the managers and the workers.

"Fractured Family" in an Industrializing Age[612]

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[611] Personal communications with Spencer Liu (pseudonym), who ran such an coop. Newcastle, July 19, 2015.
[612] I borrow the term "the fractured family" from American sociologist Arlie Russell Hochschild. However, I am not using "fractured" as a negative way of viewing the family. Rather, I use it to refer to

While the employers and the employees engaged primarily in productive relations, the two parties were also social beings who formed families and belonged to communities. This dissertation has shown that both the ethnic Chinese entrepreneurs and the Zulu factory women not only utilized their family forms and community connections but also invented and reshaped their familial and communal arrangements. Although the two parties had taken distinctive approaches, they shared similar journeys of material and emotional survival under hostile conditions.

As the garment production underwent a process of fragmentation globally, the familial structure that underpinned Newcastle's ethnic Chinese clothing firms also became more fractured. While small and underground CMT factories proliferated in Newcastle, they forged competitive yet symbiotic production networks with the larger producers in town. Behind the rapid growth of the CMT firms were new patterns of heterosexual unions that resembled familial arrangements, which I have called production couples.[613] Such partnerships, as this dissertation shows, were an unexpected product of South Africa's industrial policy and the dynamics within the Chinese diaspora. While the apartheid government invited Hong Kongese and Taiwanese family firms in the 1980s and early 1990s, it also attracted Mainland Chinese, who came not as industrialists initially but as employees in those factories and later established themselves as self-made entrepreneurs. The diasporic connections within ethnic Chinese migrant groups created dynamics that propelled the growth of Newcastle's clothing industry in the post-apartheid era.

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the new, diverse, and flexible forms of family that I have found among Newcastle's Chinese industrialists and Zulu workers. I do not hold the heterosexual, nuclear familial structure as the norm that all "families" should follow or as the standard according to which a union is defined as "family." For the original use of the term, see Hochschild, *The Commercialization of Intimate Life*, 162-71.

[613] Please refer to discussions in Chapters 2 and 3.

A compact union liberated from formal familial obligations granted the production couple maximum flexibility in their business conduct while allowing the two partners to eschew the predicament of business inheritance. American sociologist Arlie Russell Hochschild once discussed how, in the contemporary time, the first world "assembled" love and care from the third world by attracting immigrant nannies and caregivers, suggesting a "quieter imperialism" in which wealthy countries extracted the emotional resources from the world's poorer population.[614] Newcastle's ethnic Chinese production couples, on the contrary, were low-end capitalists traveling to the peripheries where they displaced traditional gender roles and intimacy in invented, novel familial settings. Nevertheless, production couples were not sustained in isolation. That the larger social and business community respected and accommodated such partnerships prevented them from being social outcasts but instead allowed them to be sober participants of the productive networks, which were so central to Newcastle's ethnic Chinese clothing cluster.

On the workers' side, *mama mabhodini* as a new socioeconomic class redefined Zulu motherhood and further consolidated the existing female-linked African family on the sub-continent. Since in African societies kinship is forged primarily on the basis of birth relations, not marriage ties, mother is the preferred and cherished self-identity of many African women.[615] However, while juxtaposing mother and factory the term *mama mabhodini* suggests a new form of African motherhood. For South Africa's black female population, the socio-economic transformations of the second half of the twentieth century were rather brutal. By forcefully relocating Africans into resettlement townships first and then by failing to provide black males

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[614] Hochschild, *The Commercialization of Intimate Life*, 191-94.
[615] Oyewumi, "Family Bonds/Conceptual Binds," 1096. See also discussion on *mama mabhodini* in Chapter 5.

with enough jobs, the apartheid state and the capitalists turned African woman in the former

homelands into potential job seekers who were willing to labor for low wages. While people like

Karl Polanyi have argued that atomization and individualistic organization of labor would work

for the intensification of capitalist production, Zulu factory mothers found new ways of

socialization in which women grew in prominence.[616] Newcastle's Zulu factory mothers

solidified sisterly support among members of multiple generations within the female-linked

family for childcare, house chores, and the reproduction of their labor and emotion. Though

Newcastle's ethnic Chinese clothing industry did not invent female-linked families in the region,

the latter facilitated the low-wage, labor-intensive, and female-oriented manufacturing.

Outside the family, *mama mabhodini* were active participants in various *stokvels*, the

women's savings clubs, to maximize both the economic returns and the emotional connections

among their fellow women workers. Though the bulk of this research has emphasized the

female-linked family and the savings clubs as survival tactics for African factory workers, such

tactics were equally accumulative. Very importantly, the factory jobs at Newcastle's ethnic

Chinese clothing firms not only provided Zulu women with monetary resources for their

communal savings, but generated new patterns of socialization and social stratification, as

factory women from the same workplace were more likely to form a *stokvel*. The wealth that

industrial Zulu women accumulated from wages and saved in *stokvels*, though small in an

objectively measurable aspect, allowed these single mothers to feed and clothe themselves, raise

and educate children independent from men, and build and improve the living structures of their

homes. In addition, the ability to save also rendered *mama mabhodini* less susceptible to sexual

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[616] Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time* (Boston, MA: Beacon Press 2001); see also Bolt's critique of Polanyi's assertions, Bolt, *Zimbabwe's Migrants and South Africa's Border Farms*, 211-12, 216.

exploitation than those unemployed women in the local communities. Therefore, while the shop floors turned out to be sites of accumulation for the Chinese industrialists, many of whom transformed from former employees to self-made entrepreneurs, factory jobs in Newcastle's clothing firms also facilitated a significant process of accumulation (albeit in relative terms) on the part of the Zulu women.

As they sewed fabric items on the shop floor of the Chinese factories, *mama mabhodini* at the same time crafted in the townships a new type of black female respectability that derived from industrial work, material independence, and sexual orderliness. While sexual orderliness has long been an accepted component of female respectability in Africa, industrial Zulu women had developed a more organic understanding of the relationship between sexuality and accumulation. Across the African continent, black women often achieved accumulation and autonomy by spinning off domesticity and sexuality, for example, through serving as domestic helpers, operating illicit shebeens, working as prostitutes, and providing the comforts of home.[617] The accumulation of *mama mabhodini*, however, was not rooted in or contingent upon their female sexuality. Scholars often discuss black female respectability in the context of Christian ideologies, modern education, and notions of middle class propriety, which centered marriage as a defining constituent of proper womanhood.[618] The novelty of Newcastle's industrial Zulu women was that they forged a new form of black female respectability, which is tied to factory work, economic independence, and sexual orderliness. In other words, this new black female

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[617] Excellent works include: Janet Bujra, *Serving Class*; Akyeampong, *Drink, Power, and Cultural Change*; Allman, "Rounding up Spinsters"; Robertson, *Sharing the Same Bowl*; Hellmann, *Rooiyard*; Sean Redding, "Beer Brewing in Umtata: Women, Migrant Labor, and Social Control in a Rural Town," in Jonathan Crush and Charles Ambler eds., *Liquor and Labor in Southern Africa* (Pietermaritzburg, SA: University of Natal Press,1992), 235-51; and White, *The Comforts of Home*.
[618] For example, Meghan Healy-Clancy's book, *A World of Their Own,* is about those mission-educated, middle-class, respectable Zulu women.

respectability transcends female sexuality and domesticity and exists without significant male presence. Ironically enough, as industry Zulu women attained material autonomy from men because of their commitment to factory work, home, and savings, they also presented themselves as more appealing partners attractive to men. Though the reproduction of their labor and the maintenance of the home cannot be divorced from the domestic help of non-working female members in the family, *mama mabhodini* earned a particular kind of black female respectability that did not necessarily center on marriage, sexuality, or intimate liaisons with men.

Although scholars have long demonstrated the changing modalities of the capitalist family, this dissertation contributes to this scholarship in two significant ways.[619] First, it shows how industrial capitalism relied on the fractured family both for the labor supply (*mama mabhodini*) and for the provision of the capitalists (production couples). Although extensive research has taught us the massive impact on gender and homemaking of "the second shift" as women moved rapidly into the paid workforce in post-industrial societies, we often associate the modern nuclear family with the prior successful industrialization.[620] This research, however, reveals the complicated processes in which the industrializing age in southern Africa has torn apart existing family structures and remolded them into units far afield from the nuclear family pattern, which we often link to modern industrial societies.

Second and regarding the regional literature on the Zulu family, this project shows how the extended and female-linked family structure facilitated late industrial production.[621] While scholars noticed that the industrial decline since the mid-1970s in South Africa had led to the

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[619] Ben Fine, *Women's Employment and the Capitalist Family* (London, UK: Routledge, 1992), 1-21, 114-51.

[620] Hochschild, *The Second Shift*. Simply put, as women move to the paid workforce, their duties at home become their "second shift" because women continue to do the bulk of housework.

[621] For a good recent volume on Zulu families, see Healy-Clancy and Hickel, *Ekhaya*.

breakdown of the African family, they overlooked how the transformation of the home further

provided the foundation for the low-wage, labor-intensive, and women-oriented light

manufacturing in the region. This is partly why countries like South Africa, Lesotho, and

Swaziland became attractive to ethnic Chinese producers beginning in the late 1970s. State

welfare policies such as social grants that targeted women in post-apartheid South Africa only

enhanced the social subordination of the African female-linked family, serving, though

unintentionally, as a social wage to subsidize underpaid female labor. In a nutshell, the ethnic

Chinese production couple and the Zulu female-linked family, albeit profoundly fractured, were

essentially both capitalist families that smoothed the way for intensified production in the

capitalist frontier.

The Making of an Industrial Frontier

In viewing Newcastle's recent and significant events of development from the tripartite

perspective of the local state, Chinese family firms, and Zulu women workers, actors who were

neither the primary agents of social change nor its passive victims, we are better able to evaluate

the socioeconomic processes that underscored capitalism's historical intrusion into the industrial

frontiers and to appreciate its consequences. In the 1980s and 1990s, the Newcastle Town

Council leveraged industrial incentives and nurtured international linkages with ethnic Chinese

industrialists, who then became major drivers of the town's economy and job creation. These

ethnic Chinese garment factories clearly represent the very "last remaining labor-intensive

industry in South Africa" and, therefore, hold invaluable implications for employment creation

not only for the rainbow nation but the entire continent.[622] On the one hand, this dissertation moves beyond popular notions of Asian sweatshops and guerrilla capitalism by revealing the inner dynamics of the Chinese industrial diaspora in Africa. On the other hand, through an examination of Zulu women's responses to late industrial production both on the shop floor and in the black townships, this research highlights the gendered dimension of recent industrialization in southern Africa. It shows that, though the Newcastle local government, ethnic Chinese factories, and Zulu women workers were all shaped by historical conditions and larger socioeconomic forces, they were also active shapers of the town as an industrial frontier. This dissertation is as much of a survival story as of a success story. In fact, what made survival on the frontier possible were precisely the inventiveness, flexibility, and strength on the part of the three sets of characters.

The Afrikaner government officials in the Newcastle Town Council exemplified ingenuity in their marketing campaigns during the 1980s and 1990s. They not only studied and learned from promotion tactics of other industrial towns such as Kimberley and Philadelphia, which wanted to overcome similar decline of their mining and steal industry, but also modeled their strategies after small but effective international players including Puerto Rico and Mauritius, which had been successful in recruiting foreign manufacturing investment. During those two decades, Newcastle government officials outperformed all their peers in cultivating good personal working relationships with both the professional consultants and ethnic Chinese entrepreneurs from East Asia.

Although they failed to continue such performance during the post-apartheid era after the government rescinded the incentives and removed its developmental focus from the border areas,

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[622] Natrrass and Seekings, "Job Destruction in the South African Clothing Industry," 3.

Newcastle's success in the 1980s and 1990s points to three important factors that can potentially help revive the country's many economically dismal towns. First, while the RIDP program was a major thrust of apartheid policies, its industrial incentives (along with them high-quality infrastructure) proved effective in bringing industries to where jobs were most needed. Second, as regional authorities came to the forefront of industrial development in the late 1990s and 2000s, local governments' loss of autonomy in taking developmental initiatives led to stagnant local economies. Third, international linkages that build upon Newcastle's comparative advantages in factors of production are key to sustaining industries recruited from overseas.[623] Therefore, industrial incentives, local initiatives, and international linkages are the three policy areas that practitioners should reconsider as they formulate regional development programs.

Newcastle's ethnic Chinese garment producers also showed extraordinary flexibility in operating factories and organizing families. While ethnic Chinese industrialists initially came to South Africa as invited investors and enjoyed generous state-sponsored incentives, this research shows how Chinese industrialists struggle and survive in the absence of state support in the recent twenty years. Without their creativity and agility, business survival would not be possible. On the shop floor, they found new ways to discipline workers, raise productivity, and eschew certain regulations. More importantly, they reshaped familial arrangements and redefined the gender dynamics in the contexts of family business and garment production. The larger diasporic community not only recognized but also incorporated novel forms of families and partnerships such as the production couples. It turns out that it was precisely through these production couples

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[623] In the case of garment production, the availability of cheap black women workers was an attraction (less so today comparing to neighboring countries). But Newcastle is also endowed in minerals, water, and agricultural resources, which can potentially attract other industries.

that technology transfer and business proliferation took place. For those self-made entrepreneurs, in particular, such partnerships were instrumental to achieving accumulation.

Sustaining or saving Newcastle's clothing industry is primarily a South African industrial policy matter; however, this also has an increasingly important international dimension. Given the exponential growth of China-Africa economic cooperation, this dissertation offers possibilities for the prospects of Chinese manufacturing investment on the continent more broadly. China appears determined to upgrade its industrial structures at home and relocate manufacturing overcapacity of its labor-intensive segments to African countries. At the same time, public optimism prevails that Africa will become the next center for the world's light manufacturing.[624] Even without preferential treatment, Newcastle's ethnic Chinese firms might serve as a parallel model to the Special Economic Zones (SEZs) approach that many African governments have adopted over the last decade. The Newcastle experience speaks directly to current debates about whether and how African countries could accommodate and sustain small- and medium-sized manufacturing producers, providing an African understanding of industrial development and the role of Chinese manufacturing diaspora within it. Although future Chinese industrialists in Africa will mainly come from Mainland China, the inter- and intragroup dynamics within the Chinese diasporic community illustrated in this research will still apply as regional differences in Mainland China in terms of development will generate migrants with distinct cultures and varying degrees of economic means.

Ultimately, for South African society, what matters most in the future is where and how the lives of *mama mabhodini* will progress. The renowned South African author, Njabulo

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[624] Lin, "From Flying Geese to Leading Dragons"; 《为投资非洲树立信心》(To Have Confidence in Investing in Africa); and Lin and Wang, "China-Africa Cooperation in Structural Transformation."

Ndebele, once likened the South African woman of the nineteenth and twentieth centuries to Penelope, the wife of Odysseus in Homer's epic poem the *Odyssey* who waited faithfully for her husband during his twenty years' absence. With both sympathy and admiration, Ndebele stresses that "departure, waiting, and return" not only defined the South African woman's experience of the past, present, and future, but also "framed her life at the center of a great South African story."[625] While Newcastle's recent development failed to bring men back into the home, the living experiences of Zulu factory mothers provide a possible trajectory of what black South African women can do in the absence of the husband figure. Not only have they worked, committed to savings, and formed families and communities; in doing so, they have also crafted new forms of black female respectability and African motherhood.

Newcastle, although perhaps unique in the world due to its apartheid history and transnational linkage to East Asia, might be the world that we will increasingly witness on the frontiers of capitalist production. In a larger sense, as fragmented factories and fractured families become more prevalent and central to how late capitalism works, female respectability and women's solidarity among the laboring poor will only grow in prominence in many places like Newcastle across the globe.

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[625] Njabulo Ndebele, *The Cry of Winnie Mandela* (Oxfordshire, UK: Ayebia Clarke, 2003), 1.

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