

An analysis of people's perceptions on Chinatown in Windhoek, Namibia.

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ABSTRACT

This study set out to find the people's perceptions about Chinatown in Windhoek, Namibia. This was prompted by the negative publicity in the local media about Chinese businesses and their negative impact on local businesses in the various sectors of the economy. Chinatown in Windhoek represents an embodiment of Chinese businesses because of the large concentration in one area. Was the negative publicity in the local media, affecting peoples' perception of Chinatown? Answers to this were sought from local traders who sell more or less the same products as the Chinese in Chinatown and from Chinatown customers. Most of the local traders and Customers appreciated the existence of Chinatown for different reasons. Local traders buy things from Chinatown to resell to their customers at a profit. The customers indicated that the Chinese products are affordable. However, on the other hand, a few traders were against Chinatown because it increases competition. Some customers complained about the quality of goods but this did not deter them from shopping in Chinatown as Chinese products continued to grow since and Chinese entrepreneurs are encountered everywhere in the country, including remote villages and towns. Henceforth, this study gauged at how the local shop owners and customers perceived whether they support and approve the existence of Chinese retail enclaves in Windhoek and elsewhere across the country.

1. Introduction

Chinese traders have emerged to dominate the trade market in Namibia and such is seen in their extending presence in the local business sector. It is within this context that this study explored the attitude of small local traders and customers in Windhoek towards Chinatown and Chinese retailers. This is an interesting question because not only do Chinese appear to dominate Namibian local businesses but also are shunning away local products with Chinese products. Although most of the Chinese shops are situated in Chinatown which is located close to Katutura, there are a few Chinese traders in downtown Windhoek and in shopping centres and malls in the Central Business District (CBD). Chinese traders extend to outside Windhoek. There are in fact, more Chinese traders in Oshikango, at the Namibian border with Angola.

2. Materials and Methods

The study used descriptive design of qualitative research framework and adopted questionnaires as methodologies

of gathering data. Two sets of questionnaires, one for the local traders and another for customers, were distributed with random sampling of respondents done as described by Taherdoost (2016) and Elder (2009) for diverse response in Chinatown. Questionnaires were selected because they allowed complete invisibility, which maximized comfort for respondents who answered, hence, ethical consideration in less space of time. However, there were challenges in gathering information as the study was conducted during working hours and a high percentage of respondents were navigating different shifts, such as work, school and domestic duties at the time, both for local traders and customers. Therefore, the study had less time to further gather more in-depth information, hence, these problems affected the outcome of the study.

3. Results

Table 1 presents the demographic characteristics of the local traders in terms of gender, age and academic qualifications. Seventy (70) per cent of the respondents to

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the local retailer’s questionnaire were male. This was in line with the general observation of local retailers. The explanation received in particular from the female

retailers was that shop ownership is dominated by men as shown below.

Table 1: Gender Distribution of Local Retailers.

<i>Gender</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>
<i>Number</i>	21	9	30
<i>Percentage (%)</i>	70	30	100

There was also a basic difference between what was sold by the two groups. Local women traders sold beauty products and small products like sweets and cakes and sometimes clothes, whereas male local traders sold electronics and household items. Gender

was argued sometimes to be a hinderance for one to being prosperous because a prospect client may not believe that females are capable, said one of the female local traders in Chinatown.

Table 2: Age distribution for local traders

<i>Age</i>	<i>20-30 yr</i>	<i>30-40 yr</i>	<i>40+ yr</i>	<i>Total</i>
<i>Number</i>	4	10	16	30
<i>Male</i>	3	8	10	21
<i>Female</i>	1	3	5	9

According to the age distribution in Table 2, it is clear to see that local traders around Chinatown was operated by people of different ages. In both age groups, the male gender dominated. Respondents argued how male inferiority has discouraged women to enter the trade industry. Those who were operating their local trading businesses said they represent

women empowerment in the business field. This was supported by the fact that some had high academic qualifications. Those females who did not have academic qualifications to run their businesses, based their argument on having a good financial knowledge and “connections” with Chinese traders as well as male local traders operating around Chinatown.

Table 3: Qualifications for local traders

<i>Qualifications</i>	<i>Masters</i>	<i>Degree</i>	<i>Diploma</i>	<i>Others</i>	<i>None</i>	<i>Total</i>
<i>Number</i>	3	6	6	7	8	30
<i>Male</i>	1	3	4	7	6	21
<i>Female</i>	2	3	1	2	1	9
<i>Percentage</i>	10	20	20	23	27	100

It emerged from the data in the table above that a large percentage of respondents who are local traders obtained their qualifications but they are selling as jobs are scarce. Fifty percent (50%) of the local traders had qualifications of a diploma and above. This is contrary to the expectation that local shop owners would be those with higher education. Having academic knowledge was not enough to guarantee that one will establish a business opportunity by those with higher academic qualifications. Therefore, respondents said that having a stable capital and large “connections” in the trade industry is an advantage.

manufacturing companies. Nonetheless, the rest indicated that not all Chinese products were of poor quality, and that Chinese made items for everyone, those with money and those without. Therefore, local traders bought items to re-sell to customers as well because of the need to reach out to customers of all social status background, and they generated more income. Some even argued that some products sold in local shops are Chinese imports but are more expensive because they are sold by locals.

3.1 Local traders buying from Chinatown to re-sell

A high number of local traders said they buy from Chinese shops to re-sell. Chinatown’s local traders said they sold Chinese products, such as clothes, shoes, kitchen utensils and electronics although some were of poor quality compared to products from Namibian

3.2 Relations and competition between local traders and the Chinese in Chinatown

Responses on the existing relations between the local traders and the Chinese in Chinatown indicate that they were generally good (63%). This was in part influenced by the fact that a number of local traders bought their goods from Chinatown to re-sell to their customers. This was particularly the case with local

traders in the vicinity of Chinatown. Those who indicated bad relations with the Chinese in Chinatown (37%) complained that their customers preferred to shop directly in Chinatown because of the very low prices there. This definitely affects the operations of their businesses. It was pointed out by the local traders that the Chinese are supported by Chinese manufactures in China, and receive goods in bulk and at very low prices. It is this reason that allow them to

charge low prices for their goods. This is not the case for local traders. There seems to be a general consensus among local retailers that government favours Chinese businesses and make the environment more conducive for Chinese businesses than it does for the local businesses. Local businesses face more stringent labour laws than Chinese businesses. Local traders said that there was nothing wrong with a healthy competition.

Table 4: Products bought by customers in Chinatown

<i>Products</i>	<i>Household</i>	<i>Electronic Gadgets</i>	<i>Beauty Products</i>	<i>Others</i>	<i>Total</i>
<i>Number</i>	70	35	60	15	180
<i>Percentage</i>	39	19	33	9	100

The three main items that often bring customers to Chinatown are beauty products, (33 per cent), household goods (39 per cent) and electronic gadgets (19 per cent). It was already noted above that most women are attracted to Chinatown because of the low prices on beauty products. It needs to be noted that the biggest purchases in the over 35 age group in particular men is for household items. These comprised of beds, pots, stoves, television, blankets, plates and tables to mention a few. Furthermore, one need to note that there is an existence of repair shops for computers and cell phones as well as school/academic shops that focus on selling uniforms and other school related products.

3.3 Chinatown’s Product Quality

Most customers were not concerned about the quality, since the so called “original” brands are too expensive for them in other shops. Twenty-eight (28) per cent of customers indicated that they were of bad quality. Customers noted that the quality of Chinese goods is determined by the market itself. Major local retailers such as Edgars, Foschini, Markham and Truworths also source their products mostly clothes from China. Products from China are graded into different categories from A to D and sold according to levels of development in the world regions. Other countries like South Africa are to a certain extent also buying products in Grade C from China and those are the ones that we find in big retail shops in Namibia.

Table 5: Chinese relations and customers around Chinatown

<i>Relations with Chinese</i>	<i>Good</i>	<i>Bad</i>	<i>Total</i>
<i>Number</i>	144	36	180
<i>Percentage (%)</i>	80	20	100

The data was divided into two categories to bring out a clear view of how relations with the Chinese and the local customers emanated. The communication between the customers and Chinese was good and most respondents argued that it is one of the reasons they keep shopping from Chinatown. Yet, despite

selling cheap goods and appearing to be one of the most preferred shopping centres, Chinatown was accused of having some common negative trends such as weak customer care, hostile attitudes by Chinese workers towards customers, and language barrier between Chinese traders and local customers.

Table 6: Customer support of Chinatown in Namibia

<i>Gender</i>	<i>Support</i>	<i>Against</i>	<i>Total</i>
<i>Number</i>	174	6	180
<i>Percentage (%)</i>	97	3	100

A high percentage of customers answered that they supported it and few were against it. However, the latter shopped from Chinatown because of cheap products. A high percentage of Chinatowns’ customers around the nation included both males and females

from different age groups, race and class supported the existence of Chinese retail shops in Namibia and provided the following reasons such as Chinatown sells cheap products, they sell everything including things you never knew existed, customers get to shop for

everything you need 'under one roof'- it is convenient, Chinese are providing jobs to locals. In support of the latter reason, it is important to note that now, the same amount of Namibian as Chinese traders are running stores around the city.

4. Discussion

Indeed, the growth of Chinese investments accompanied by the growth of Chinese migration to Namibia has provoked various reactions. These need to be properly analysed prior to paying special attention to the Chinese's presence in Namibia. Chinatown, as the main Chinese business sphere has sparked scepticism about the true intentions of Chinese in the Namibian economy and the intentions they have regarding the development of the nation's economy. Analysis have been provided from an economic and political perspective, with little attention provided to the legal and social consequences. The impact of Chinatown in Windhoek emerged with direct and indirect effects as well as competitive and complementary effects. Direct effects are associated with consensual trade whereas indirect effects arise from China's global economic impacts. Competitive effects arise because Chinese economic products are close replacements for those produced by local production, whereas complementary effects arise where products concerned are complements. Imported Chinese goods compete with local products of domestic manufacturers despite, on the other hand, being complementary to other local producers who use Chinese inputs to boost their businesses.

4.1 Chinatown and Chinese traders' presence in Namibia

Chinatown has emerged as a threat to the local business population. Nevertheless, cheaper access to capital and intermediate inputs imported from China boost profitability of domestic production. The

productivity responses by domestic firms to increased competition together with the elimination of inefficient firms may have left the Namibian trade businesses better placed for expansion in future. Adewunmi (2012), postulates that some of these losses have been offset by increases in employment in the market mostly in the clothing retail sector. By reducing inflation, Chinese imports may have aided to keep interest rates low (Melber 2018).

4.2 Negative perceptions on Chinatown

Chinese investment has had a negative direct competitive effect on domestic manufacturing output and employment, with several industries, most notably textiles and clothing, rubber, paper and metal products, demanding increased protection from Chinese imports (Morris & Einhorn, 2008). Concerns have been raised that local exports of manufactured goods to have been indirectly imbued and crowded out by Chinese exports (Burke & Edinger 2008). Although there is recognition that local exporters of resource-based products have indirectly benefited from higher commodity prices. The contradictory impacts of Chinatown's expansion make it a particularly interesting case to study.

5. Conclusion

The growth in the number of Chinese citizens and enterprises in Namibia towards the end of the last decade (2008-2009) sparked a number of studies on the impact of Chinese presence in the country. The main focus of these concerns was on market trade and economic development. The increasing number of Chinese retailers is a hazard to the unionised local market. Chinese presence has continued to grow since and Chinese retail traders are encountered everywhere in the country, including remote villages and towns.

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