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Hawkers and Vendors: Dualism in Southeast Asian ~~Cities~~ (title now amended)

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The dualistic economic structure, often identified as a colonial vestige, is in fact a symptom of economic underdevelopment. Despite recent efforts of modernization and nation-building, dualism in its many variants-- economic, sociological, technological, financial, and in employment terms--is amply manifest in Southeast Asian societies and their cities of to-day. In its simplest interpretation, a dual economy is dichotomized into a modern sector and a traditional sector, each with widely varying characteristics. Whether polarized in a modern-traditional framework, or by similar notions such as capitalistic and pre-capitalistic, formal and informal, and exchange and subsistence, it is a significant feature of many developing economies that two coexisting but disparate economic subsystems are juxtaposed with minimal linkage effects between them. Following the lead by Boeke (1953), Itagaki (1968), Myint (1970), Singer (1970), and other researchers have focused attention on different facets of dualism and their implications for development. However, this paper will concentrate on one subset of the institutions of the dual economy--the marketing system--summarizing the role of hawkers and vendors in that setting and relating general questions of development and modernization to it. In polar-type terminology, Geertz (1963) has differentiated the internal city distribution system, on

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the basis of his study of Modjokuto in Indonesia, into a firm sector and a bazaar sector, which, Santos (1972), in an attempt to capture their dynamic and interacting relationships, has termed the upper and lower circuits.

To either residents of Southeast Asian cities or to casual visitors, a phenomenon which hardly goes unnoticed is the large number of hawkers and vendors who are often ubiquitous around the market-place, movie houses, and other places of high population concentration. In cities which are burdened by excessive rural-urban migration and which are unable to create employment opportunities to match rapid population growth, hawkers and vendors not only provide a viable occupation for many less skilled people but act as effective final distributors in certain commodities, notably vegetables and raw food. Yet many city administrators view hawkers as a problem class for they cause traffic obstruction, create unhygienic conditions, and pose unfair competition to legal merchants in shops and similar establishments.

Despite their historical and contemporary importance, little is known about hawkers until very recently. Since McGee's (1970a, 1970b, 1973b) pioneering work and Tse's studies (1971, 1974) on Hong Kong hawkers, a good deal of research on the subject has been carried out in Singapore (Yeung, 1973; Wong, 1974) and other Southeast Asian cities.¹

¹A study of hawkers and vendors, funded by the International Development Research Centre, was recently completed under the overall project coordination of T.G. McGee. The study covered six Southeast Asian cities of Jakarta, Bandung, Manila, Baguio, Kuala Lumpur, and Malacca. A report of the survey findings is being prepared by T.G. McGee and Y.M. Yeung. For preliminary reports, see McGee and Yeung (1973)

The lack of a basic understanding of the problem is reflected in the paucity of statistical information on hawkers. Given the limitations of time and resources, the surveys of hawkers in selected Southeast Asian cities merely aimed at an estimate of the total number of hawkers in each city, which ranged from a high of 30,000 for Jakarta to a low of 765 for Baguio. The Jakarta figure is almost certainly an underestimate since hawker enumeration was based mainly on areas of hawker concentration, leaving ^{most} small group and itinerant hawkers unaccounted for. The data collected in this research project, together with similar survey findings in Hong Kong and Singapore, permit a brief description, admittedly an overgeneralized one, of hawkers and their role in the marketing system.

The picture which emerged from the surveys is that the majority of the hawker units fall into the semi-static or static types, selling a variety of goods ranging from processed and prepared food to non-food items.² Most (80-90 per cent) of the hawker units are individually or family owned, with family and kinship bonds full utilized in the economic operation of the hawker unit, to such a considerable extent that regular wage-paying assistants are not often employed unless absolutely necessary. They may or may not pay a licence fee to the city government. Depending on the type of commodity sold, the value of stock is generally low, and daily incomes earned by most

²The differentiation of hawker units from mobile to static modes is premised upon the notion of a continuum of retail operations which, over time and with economic development, tend to favour static units. McGee (1973b) in his study of Hong Kong hawkers found the types of goods sold a powerful explanatory variable, and thus this variable was adopted but with further refinement in the Southeast Asian cities survey.

hawkers are, with obvious exceptions, small, with two-thirds falling in what may be reckoned as marginal and sub-marginal categories. Most hawkers work long and irregular hours. The bulk of the goods hawkers sell is obtained within the city where they live and usually does not originate from outside the country. Many of these features qualify for a pre-capitalistic and peasant mode of operation, which has led McGee (1973a) to argue persuasively that hawkers are "peasants in the cities." However, hawkers do perform a most useful service to the urban community by keeping cost of living down by their cheaper goods and services because of lower overheads, provide gainful employment where underemployment and unemployment prevail, and offer a training ground for the development of entrepreneurial skills.

The survey results with respect to the personal features of hawkers strengthen the notion that hawking is a refuge occupation. Most hawkers have received up to six years of education and are characteristically male, with the exception of Filipino hawkers who are overwhelmingly female. In view of the relatively low requirements in skills, education, and capital to start hawking, many researchers assert that hawking presents a viable entry for many rural in-migrants into the economic mainstream of the city. This migrant stereotype, however, fits best in Jakarta. In all other surveyed cities, the results show a considerable proportion of the hawker population who are native-born and who have been hawking for many years.

In Hong Kong and Singapore, city-states with internal migration under much better control, the hawker community is well entrenched. Almost 61 per cent of Hong Kong hawkers, for example, have been hawking for over ten years. Regardless of the period of hawking, however, most hawkers did not hold a previous job before taking up this means of livelihood. True to the image of a refuge occupation, a large majority of the hawker respondents indicated entering the job for negative reasons, although a significant proportion of recent Kuala Lumpur hawkers have cited positive reasons and successful Singapore hawkers would encourage their offsprings to continue their business (Wong, 1974).

In addition, the survey findings pointed to distinct ecological niches within cities from which hawkers operate. They tend to best meet consumer needs by seeking out gaps in the consumer market not adequately served by regular facilities in the city distribution system. Hawkers enhance their viability by spatial and temporal mobility (see Yeung, 1974). The system of travelling night markets in Singapore is the best example to attest to the innovative capacity of certain hawkers in identifying gaps in consumer demands and in responding to changes in market conditions over time (Yeung, 1973). In the surveyed Southeast Asian cities, it was found that 40 to 50 per cent of the hawkers lived within ten minutes' walk from work, for the obvious economic reason to cut down travel time and cost. The customers, most of whom are regular, are mainly from the

immediate neighbourhood, notwithstanding some between-city and between-commodity variations. These patterns of restricted trade area, neighbourhood clientele, and regular customers emerge even more strongly in Hong Kong and Singapore where attempts to relocate hawker operations by a distance of a mere few blocks have resulted in sharp declines or even failures in business. This is particularly true of the raw food hawkers in Hong Kong who have articulated well to the neighbourhood daily needs on account of a poorly developed system of public markets in the urban area (McGee, 1973b). Official intervention in resiting the once thriving Wednesday Orchard Road night market in Singapore to the present Tanglin Road site less than one mile away has similarly caused business to deteriorate.

Lest the foregoing brief description of empirical results on hawkers should suggest an impression that they are a homogeneous section of the urban community, it must be emphasized that hawkers are in fact a highly heterogeneous group. Just as economic conditions in Southeast Asian countries widely vary, the hawker situation, which, to a large extent, reflects and is inextricably tied to ~~a large extent, reflects and is inextricably tied to~~ the stage of economic development of a country, differs markedly in the countries under study. Stories abound that some hawkers make a fortune in their business, but, by and large, they constitute a low-income stratum of the urban population. Government policies directed at hawkers would

necessarily have to vary from one country to another, and in fact in different cities within a country.

True enough, existing hawker policies pursued by the various city governments diverge substantially, depending on their developmental priorities and levels of economic growth. The recent history of Hong Kong and Singapore is of much interest with respect to the hawker situation. In a condition of labour surplus in the immediate postwar years, both city-states found a rapid rise in the number of hawkers. The official policy towards hawkers then was negative, but arrests, jail sentences, and stiff fines failed to provide a solution to a problem as conceived by colonial authorities which is deeply embedded in the economic and social order of society. Gradually, as economic progress was made in the two city-states the hawker problem receded into the background, with the city administrators also shifting correspondingly to a more positive policy position in providing space and an environment for hawking to take place. This policy is pursued more slowly in Hong Kong, but the recent decision by Singapore to resite all hawkers in the Republic in permanent and sanitary hawker centres is the culmination of this policy. As both city-states have recently experienced labour shortages by virtue of their rapid economic growth, policies have been formulated to limit the growth of the hawker sector in order to redirect available manpower to the needs in industries. Thus, in Hong Kong industrialists

and their spokesmen have suggested policies designed to speed the entry of hawkers into the proletariat (McGee, 1973b, p. 18). To the same end but more effective is the Singapore policy, since 1969, of prohibiting able-bodied individuals below the age of 40 to obtain a licence for hawking.

Within Southeast Asia Malaysia appears to have adopted a most positive and benign policy towards hawkers. Hawking or petty trading is seen by the Malaysian authorities as an avenue through which bumiputras (Malays) are able to break into the hitherto immigrant groups-dominated marketing sector. Additionally, this falls within the objective of restructuring the Malaysian society by elevating the Malays, a major policy goal of the Second Malaysian Plan (1971-75). Consequently, institutions such as the Mara Institute of Technology are encouraged to offer courses in commerce which can be of use to petty traders and loans on easy credit terms are made available to hawkers to start business. In other surveyed cities, official attitudes towards hawkers generally tend to be negative. Hawkers in Manila and Jakarta, for example, are constantly removed, though to no avail. While granting the useful services hawkers perform in these cities, hawkers pose a much greater problem because of their large numbers and when they are found in primate cities the problem is connected to internal migration, poverty, and general development. Not surprisingly, the hawker problem is accorded relatively low priority where

other more pressing developmental problems have to be faced. However, a re-assessment of developmental priorities, which at present tend to favour the modern sector with more visible developmental returns, seems warranted. The need to develop the traditional sector appears to deserve more official attention than is presently given.

At this point it is possible to raise general questions of development and modernization arising from the hawker findings. Modernization entails structural change in society, and, in the drift of the previous discussion on Southeast Asia, calls for policies designed to reduce dualism or to transform lower circuit elements into upper circuit components. Unfortunately, the rules of the game are unequal. Structural transformation from the lower circuit to the upper circuit is often hampered by institutional and technological rigidities which participants of the lower circuit are unable by themselves to surmount. Myint (1970) thus observed that owing to a mistaken concept of modernization on the part of planners and decision-makers, there is a common distortion in the allocation of resources to the two sectors. The existence of financial dualism causes traditional and small-scale enterprises to be denied equal access to scarce economic resources. In this way, economic dualism which is an historical outgrowth in many developing countries has been artificially induced and perpetuated.

An issue of importance in the discussion of the modern traditional-sector economy is the question whether

the goods and services rendered by the two sectors are substitutable. The answer is unclear but would depend much on the forces of Westernization and prevailing value systems. It should be noted that the marketing system is a basic fabric of society through which consumers constantly articulate some of their very basic values, needs, and preferences. In most Southeast Asian cities, prevailing conditions of low income, lack of storage facilities, and preference for freshness are among the major factors accounting for the persistence of hawkers and vendors. Even in Japan, where a mass consumption society with large-scale chain-operated merchandising, shopping centres, and related developments has taken shape since the early 1900s, the distribution system remains highly complex and circuitous. A dual pattern arises from demands generated by new-found tastes attributable to Westernization influences and by the traditional mode of living. Tradition-bound small-scale wholesalers and retailers still dominate numerically but their overall importance gradually declines (Yoshino, 1971). Westernization is neither a precondition nor a consequence of modernization, but when it comes in an Asian society powerful forces of change are created for the distribution system, as evidenced by recent developments in Hong Kong. Supermarkets have now mushroomed in the British Colony and offer impersonal but one-stop shopping convenience, in competition with the personal but limited goods offered by hawkers and small shops. More perceptibly, as a result of Western influence, is the change for some

people from the famed Chinese food to hamburger and similar fast food. The recent proliferation of chain-operated fast food stores is said to have affected the noodle business of the shops and hawkers. What has been changing as a result of rapid economic growth is therefore reinforced by fads and fashions: hawkers and small shops find a harder economic battle to stay in business.

The discussion of substitutability of the role of the bazaar sector in the cases of both Japan and Hong Kong surely left the impression that the two sectors are to different degrees complementary. In fact, one of the positive factors of the Japanese economy is its "dual" or "two-tier" structure, in which the modern and traditional sectors complement each other in production specialization, labour absorption, and market demands. There is a strong need for small-scale enterprises in Japan in view of the tremendously varied, fragmented demand from a population which still observes traditional consumption habits. However, the distinguishing mark of the industrial dualism in Japan is the strong links of complementarity between the two sectors, whereas they coexist in two separate worlds in developing countries (see Miyazawa, 1964; Broadbridge, 1966). In like vein, Myint (1970) has urged developing countries to adopt policies which are aimed at improving internal economic integration as a prior condition for their successful integration into the international economy.

It is recognized, of course, that the two sectors have basic elements of conflict and competition. Hence

McGee (1970c) has proposed a three-stage model which characterizes the competing demands for land between the two sectors. In general, as the economic well-being of a city improves the firm sector will penetrate and prevail over the bazaar sector. This process of penetration may involve sectoral lags, as the Hong Kong experience is such that the marketing sector lags behind the manufacturing sector in its rate of penetration by the firm sector (McGee, 1973b). One desirable ingredient of any development plan would logically be a built-in flexibility to meet changing conditions. As economic conditions change, planners should be able to respond by adjusting policies according to sectoral requirements. This is the basis of an interesting proposition by Missen (1972, p. 334) who suggested that the firm may change to the bazaar, and vice versa. Indeed, with worsening economic conditions over the past few years, petty trading on the street has re-emerged even in North American cities and most lately hawkers have appeared in noticeably larger numbers in Hong Kong.

Recent trends of development in developing countries as shown by Singer (1970) suggest that internal dualism shows signs of intensification, due in part to the effect of international dualism in science and technology. The products and production methods of many of the innovations emanating from advanced economies require so much technological sophistication and so little local labour input that their introduction simply engenders enclaves of modernity, with the mainstream of economic life largely unaffected.

Singer emphatically called attention to the employment crisis spreading in many developing countries and unemployment in some countries is increasing at the rate of 8.5 per cent per annum. Grant (1971, p. 119) went further and noted that in spite of considerable economic growth in some developing countries, urban unemployment, as a recent International Labour Office study of Colombia revealed, is probably worse now than at the height of the Great Depression.

Southeast Asia is faced with similar problems. In the wake of the postwar population explosion, many countries in the region are at present in the midst of a labour force explosion. It has been estimated that the Southeast Asian population of 283 million in 1970, along with the labour force, will more than double between 1980 and 2000. The labour force increased by 48 per cent in the 1950-70 period and is expected to increase by 106 per cent between 1970 and 2000. With all Southeast Asian countries now having more than 40 per cent of the population below 15 years of age, the implications for the pressure they will exert on the labour market are serious (see Yeh and You, 1971). Given these demographic and labour force trends, the role of the traditional sector with its high labour absorption capacities cannot be underestimated in overall development efforts.

Lack of understanding of the reasons for the persistence of dualism and of the interplay of the two sectors is often a cause of misguided policies and misplaced

developmental priorities. In the case of hawkers and vendors it must be realized that the crux of the problem lies much deeper than tangible aesthetics or city circulation. Hawking is a manifestation of the syndrome of urban poverty, labour surplus, and unemployment. To attack the root of the problem is to find solutions to these economic ills rather than divert scarce economic resources to combating the outward symptoms by such ineffective methods as removing hawkers or curbing their activities. Theoretical and empirical experience from the West predicts the gradual elimination of the traditional sector in the long run. Nevertheless, as McGee (1973b) has shown for Hong Kong, the historical road from the haker^W to the supermarket is a long and arduous one, and even when reached eventually both would probably coexist for extended periods of time as long as traditional consumption patterns persist in Asian societies. Policy formation on the basis of Western models for Asian cities is clearly ill-conceived. For most cities in Southeast Asia, the trajectory of change and modernization may suggest that it will indeed be a considerable time before the hawker problem can be fully solved. Until such time comes with sustained and substantial economic development, policy guidelines should be realistic and adopt an accommodating position between the modern and the traditional sectors.

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