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Street Trading in Hong Kong: Part I —
Population, Role and Characteristics

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STREET TRADING IN HONG KONG: Part I
Population, Role and
Characteristics

by

F.Y. Tse

March, 1974

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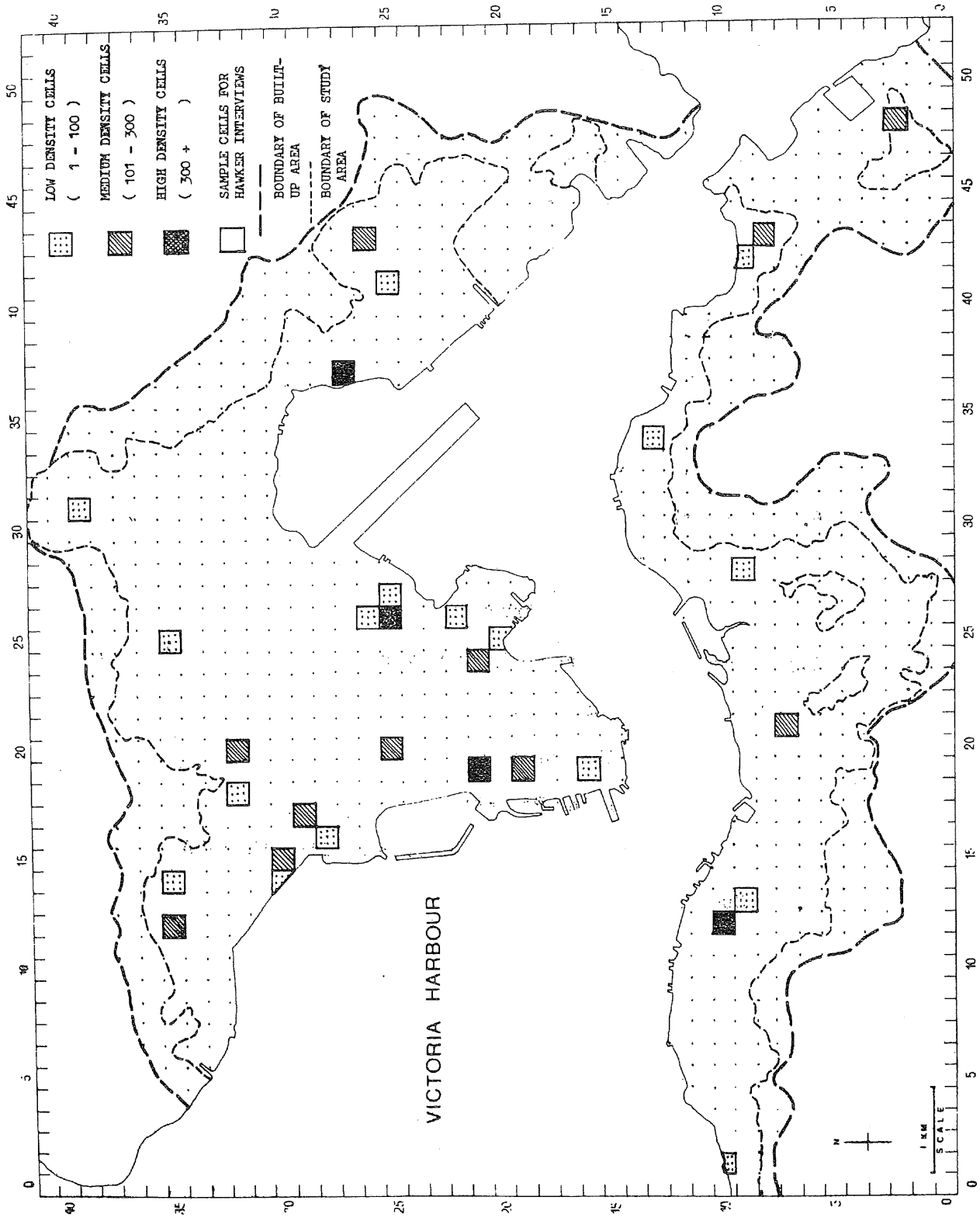
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I. INTRODUCTION

1.1 Source of Information

In view of the scarcity of published material on the street trading activity, the present research relies heavily on the use of data obtained from primary sources, i.e. field surveys and interviews. The surveys have been responsible for the collection of background information ranging from the structure of street market to the physical and economic environment of a trading community. They were carried out in 32 randomly distributed hawker cells (250 m x 250 m) which held some 15% of the total hawking population. The sampling of these cells was based on a grid system covering the Study Area of Metropolitan Hong Kong. A disproportionate stratified simple random method was used to draw the sample cells. (For the distribution of these cells, see the map on the opposite page.)

With regard to interviews, the most important schedule has been the interview of some 448 street traders sampled from twelve hawking cells of which environmental variables (physical, socio-economic) have been collected in various field surveys. One important issue of the sampling of hawking individuals has been the use of a quota of six hawkers for each of the 10 street trades. (see Table 19, p.61) This was designed to aim at two objectives, i.e. (1) to guarantee that the less common trades like Services would not be omitted, and (2) to achieve a fairly well distributed sample representing a good cross section of hawker characteristics with wider locational background. Theoretically, if all kinds of street trade were available in each of the 12 sample cells the total number to be interviewed would have been 720 (6 x 10 x 12). In practice, only 448 samples have been obtained. There were cells which had fewer types and fewer numbers than the quota required.^{1a}

In connection with the scheduled interview, a massive scale Household Interview has also been conducted in order to collect data concerning the demand side of the street trading problem, such as peoples' shopping behavior and habits, their preference for street stalls as the main sources of supply, consumption patterns, or even their image of and attitude towards street trading. The sampling of households was also based on the same locational grid mentioned previously. Around one thousand households have been interviewed in some 64 cells which account one-tenth of the total built-up area of the Study Area. The sampling of individual households for face-to-face interviews has been worked out in a systematic manner in order to minimize bias. For example, within one cell the location of a household is first selected by random points casted on the X and Y co crinates of the quadrat;² then the address of the point is identified from large scale street plans. Within an address there may be a number of buildings, flats and apartments. The final respondent is again selected by random sampling.

1.2 Phases of Data Collection

Three phases of data collection have beeninvolved in the present research. Phase I is more or less a reconnaissance of the subject matter. It started in May 1970 with a preliminary survey of the distribution of street traders and observations on the physical features of street trading concentrations.³ An accumulation of field data and experiences has thus been formed as a framework for future reference, namely the construction of a sampling frame and design of interview schedules. The Phase II field work was launched in June 1971. It was a full scale street count of the number of both day and night hawkers for each administrative districts.

The final stage of data collection (Phase III) involved a number of interview schedules and by-studies; e.g. Hawker Interview, Household Interview, Survey of Public Markets and Bazaars, Price Comparison Studies. For the sake of clarity and convenience, the above mentioned phases of field undertakings are summarised in Table 1.

Although published materials on street trading are rare, the collection of information would hardly be complete without taking the free interviews with individuals and the exploration of secondary informations into consideration. Other than the two sets of scheduled interviews (questionnaire), there have been many face-to-face free interviews (non-scheduled) with (1) government officials ranging from decision-makers to field superintendents, (2) community leaders (official and unofficial), (3) hawker individuals (personally known or introduced to the researcher), (4) public market stallholders and shop keepers who are supposed to be under the competition of street hawkers, and (5) knowledgeable persons.⁴ These free interviews have been extremely useful to the research in particular concerning some ' hidden ' facts which could hardly be obtained in formal questioning. An example of this is the detail cost-structure of running a small stall. Another useful source of information is the frequent discussion with government officials in particular those from the Hawker and Market Sections of the Urban Services Department.

Secondary sources of information have also been explored in great detail with the help of several government departments. Of major importance have been the government reports and research projects.^{5a} The Hawker Problem is hardly the sole responsibility of the Urban Services Department; some problems are bound to be inter-departmental. For example, there has been a study on the situation of traffic obstruction caused by hawking accomplished by the Public Works Department. The Resettlement Department conducted a hawker survey in its own territory - the resettlement estates.^{5b} Local communities are sometimes drawn to study the local hawker problem jointly

Table 1 : Summary Table of Three Phases of Data Collection

DATE	NATURE OF FIELDWORK	SCALE	INFORMATION COLLECTED
Phase I May 1970	Survey of street trading distribution	Full survey	Number and distribution of street traders all over the Study Area
Aug 1970	Preliminary survey of environmental features related to street trading	Ca 34 sample cells	Landuse, retail structure, traffic flow (vehicle & pedestrian), street trade composition, number of street traders, location of markets and bazaars, etc.
Aug-Sept 1970	Preliminary interview of street traders and shoppers	4 high density cells	General demographic, social and economic background, sources of supply, attitude toward street trading (shopping).
Phase II June 71	Survey of street trading distribution	Full survey	Number and distribution of street traders in every administrative districts (non-operating units also counted), customer counts at time of survey on the spot.
Phase III Aug-Oct 1971	Survey of public retail markets & bazaars	Full survey	Physical and economic attributes.
Aug-Oct 1971	Interviewing street traders & market-stall traders	448 street traders & 75 market-stall holders in 12 cells	Demographic, social & economic characteristics, trading practices, location preference, relationship with suppliers and customers, etc.
Sept 71	Retail price comparison	5 types of retail outlet	prices on some 60 common trading commodities.
Sept-Oct 1971	Interviewing households	64 sample	Household characteristics image and attitude to street shopping, shopping habits, etc.

with the City District Offices concerned.^{5c} However, one major drawback to this kind of secondary information has been the inconsistency of research methodology and the lack of co-ordination.

Unofficial sources such as reports or articles from individual researchers, stories appeared in local newspapers and magazines have also been intensively explored in the present research.^{5d}

II. THE STREET TRADING POPULATION

2.1 Estimates of the Street Trading Population

Though Hong Kong is noted for its relatively large number of street traders, the exact number is never known. There are no statistics in the population census on the number of persons engaged in street trading. The only source of information of a statistical nature comes from a few survey-reports supplied by the authorities.⁶ But these reports concern only certain specific districts. The only published figure on the total number of street traders is found in the official Hong Kong Annual Reports.⁷ However, these figures are always far greater than any figure which has been obtained from various statistics, both official and unofficial. The following table lists the figures obtained from the Hong Kong Annual Reports. Other available figures are also presented so as to show the discrepancy between one and the other.

Table 2: Number of Street Traders in Hong Kong

Year	Annual Report Figures	Figures from Other Sources
1959	40,000	
1960	60,000	
1961	75,000	
1962	90,000	
1963	100,000	
1964	100,000	
1965	100,000	
1966	100,000	55,000 (1966 By-Vensus) ⁸
1967	100,000	
1968	80,000	
1969	80,000	39,500 (U.S.D. Estimates) ⁹
1970	70,000	92,000 (McGee's Estimate) ¹⁰
1971		27,500 (Phase I Survey) ¹¹
		26,000 (Phase II Survey) ¹¹

According to the 1966 By-Census, there were some 55,000 hawkers (official terminology) in Hong Kong at census date. Taking the sampling error of +/- 10% into consideration, the figure was between 55,000 and 60,000. If the New Territories were excluded there would be 44,000 to 54,000 street traders in the built-up areas of Hong Kong Island, Kowloon, and New Kowloon. Nevertheless, the By-Census figure was only about half that of the Annual Report.

It should be stressed that the Urban Services Department figure in Table 2 is a total only for the street traders found in the ten city districts. It was obtained by a numerical survey of the ten districts in late 1969. The survey did not cover the resettlement estates which house over one-quarter of Hong Kong's total population, and perhaps almost one-third of the city's street traders. According to a survey conducted by the Resettlement Department in December 1968, a figure of 11,299 was estimated as the total for all the resettlement estates.¹² Assuming that there was no significant change in the number of street traders between 1968 and 1969 in the resettlement estates, the total for the Metropolis 1969 would be around 50,000 (39,500 + 11,299 = 50,799). Surprisingly, this figure is still 30,000 short of the Annual Report figure!

The last three figures in Table 2 are non-official statistics. The two obtained by the Social Research Centre of the Chinese University of Hong Kong are actual field counts. At first sight, one is surprised to note that these figures are the lowest of all. However, if technical adjustments are made (to be discussed in the later part of this chapter) the estimate would be well over 50,000. McGee's estimate of 92,000 for 1970 is supposed to be a grand total for the whole Colony. He did not mention how this figure was arrived at. If we accept the official estimate that only slightly less than 11% of the total are in the New Territories, McGee's estimate for urban Hong Kong would be around 81,000. In short, it is evident that at least, as far as the available figures are concerned, there are very great discrepancies among the various estimates.

2.2 Factors of Discrepancy

From a technical point of view there are four factors accounting for the variations. First is the territorial base on which individual surveys were conducted, or to which estimates were referred. For instance, the Annual Report concerns the whole Colony whereas the U.S.D. (Urban Services Department) is more interested in the urban districts. The resettlement estates are normally under the administration of the Resettlement Department; they are not included in the 10 Hawker Districts devised by the U.S.D.¹³ The study area for the present research is practically a combination of the U.S.D.'s ten city districts and all the resettlement estates except a few which lie in the southern half of Hong Kong Island. In other words, the entity we are dealing with is the truly urban Hong Kong.

The second technical problem is whether night-time traders should be included in the survey or in the estimation. This problem has never been specified in most statistics. In view of the fact that night traders do not create much difficulty for the administration, official studies seldom take night-time street trading into serious consideration. However, if one is interested in getting some idea of the total number of street traders in order to assess their contribution to the economic life of a community, night-time street trading should not be excluded. This introduces the problem of how to distinguish a daytime trader from a night-time trader. It is not as simple as setting a demarcation, e.g. 7:00 p.m. or 8:00 p.m. to mark the beginning of night-time trading; but, rather the fact that some of the daytime traders extend their selling into the evening. If street counts were conducted both in the day and in the night ~~cer-~~tainly this group of day- and -night traders could have easily introduced a danger of double counting. According to the Survey, this is quite a sizable group. In some areas this group can be as large as over half the total daytime street trading population in the same area.

The third technical problem is the unit of measurement. There is a distinction between the unit of operation and the operative. There is not necessarily one operative in each unit of operation, whether it be a pedlar or a mini-store; there may be stall assistants or family helpers. It has been a common practice to count the number of operatives. Most of the official statistics are obtained in such a manner. If one is interested in the level of street trading, e.g. in comparison with other retail outlets, the number of trading units (stalls or pitches) serves as a more reliable measure than the number of persons engaged in each stall. The danger of miscounting or double counting is greater if persons rather than trading units are used as a measure. The present survey analysis reveals that there are approximately 1.2 persons per unit of street trading (to be discussed later). In other words, a survey or an estimation which counts trading units would theoretically be 20% less in numerical terms than would the one which counts the 'people'. A related problem is the number of 'closed' units encountered at the time of survey. It is difficult to know whether they are temporarily closed or deserted, or actually annexes to neighbouring stalls unless verbal clarification is obtained from the operator. The first possibility (temporarily closed) is vital to the assessment of the total figure. This is because in street trading there are different trade patterns within various trades; some open their business early in the morning, some in the afternoon, and some in the late afternoon. Variations due to such a temporal mobility will be discussed in greater detail later.

The last technical consideration is the problem of identification - the identification of the activity (street trading or not), and the unit for measurement. In large scale numerical surveys, identification is normally based on the recognition of the visual characteristics of the object. In the present survey it is difficult to obtain verbal identification from every trader that is to be counted. In street trading the most apparent characteristics are:

- (1) the physical 'structure' of a trading unit,
- (2) the person(s) engaged in the operation,
- (3) the nature of the commodity sold, and
- (4) the site-location of the trading unit.

In general, the unit of operation is relatively easier to identify than is the operative. However, in the case of service traders the 'structure' of a trading unit is often confined to the trading apparatus such as a wheel-cart, a trolley or simply a basket.

One example of the discrepancy in the identification of trading units is the problem of 'wall-stalls'.¹⁴ They are sometimes included in one survey and excluded in the other. Wall-stalls are not insignificant in number; they account for about 10% of the total number of stalls surveyed by the U.S.D.¹⁵ In the present survey, wall-stalls were not ruled out simply by reason that they are not trading in a public place (walls on which stalls are built are private properties). Other subsidiary criteria had to be considered as well, the most notable one being the degree of capitalization. Wall-stalls with shop-like fittings and shop-type displays were not included even though they were built in public places.

2.2.1 Problems Related to the Mobility of Street Trading

Variations in the number and density of street traders are highly related to the mobility of the activity. Theoretically, there are three kinds of mobility, i.e. (1) temporal mobility, (2) spatial mobility and (3) occupational mobility. It must be stressed that the degree of mobility in street trading as a whole corresponds with the development of commercialization in a society (see Retail Development in Chapter III). In Hong Kong, at the present stage of retail development, street trading is not a very mobile activity; it is not as mobile as the 'itinerant trading' inherited from the traditional concept of 'Hawker'. One might argue that there are large numbers of itinerant traders in Hong Kong, judging by the number of pedlar licences issued by the U.S.D. (about 63% of the total licences issued).¹⁶ However,

in practice, these so-called pedlars seldom hawk from place to place; most of them have permanent premises of one sort or another. Even those who do not trade in permanent premises are hardly erratic in the strict sense. They tend to hawk more or less in the same site or to follow a set itinerary. The temporal fluctuation of the number of traders in a district is largely a reflection of the periodicity of demand, e.g. more traders come to hawk during the peak hours and retreat after the peak, rather than the fact that traders move around from place to place to capture more customer. If the latter is the case one would hardly get an accurate count on the total number of street traders in every district unless street counts were conducted in every corner of the whole metropolis simultaneously.

The time at which a street count is made is critical to the accuracy of a survey. For example, counts during the off peak hours would catch only about 40% of those covered during the peak. The same problem applies to the street count of night-time traders as well. Those daytime hawkers who extend their business into the evening will be counted again in the evening.

Daily variations in street trading are still prominent in village towns in the New Territories because the market-day system is still practised. In urban centres, the constant and regular demand for retailing encourages the stabilization of a certain number of street traders. Theoretically, daily variations should be very meagre, except due to weather changes.

Seasonal variations in the number of street traders are more remarkable in the few days before and after big festivals such as the Chinese New Year and the Mid-Autumn festival. Sharp increases in the number of traders are apparent in the few days just before the festival and drastic decreases afterwards. This is largely due to the temporary influx of casual traders. In other words, occupational mobility is more apparent in casual trading. There has not been any notable evidence to prove that there is large scale inflow and out-

flow of street traders in the street trading system. One would be justified in saying that those casual traders who have daytime jobs and hawk only in the evening cause considerable amount of variation between day and night. The internal mobility from one kind of selling to the other affects only the category changes but not the fluctuation of the total population.

2.3 Adjustments in Estimation

In the light of the above mentioned technical problems, i.e. (1) territorial base, (2) unit of measurement, (3) overlapping of daytime and night-time trading and (4) identification and classification, the following operational rules were set. First, the survey is applied only to the Study Area which included Kowloon proper, New Kowloon and the northern half of Hong Kong Island. It covers all of the city districts and almost all of the resettlement estates.¹⁷ This is, in fact, the area to which official statistics are often referred. Second, it has been decided to consider the operating unit (not the people) as the basic unit of street trading as we have considerably more information about it than about traders. Also, since we are interested in the magnitude of trading, the number of stalls serves as a more reliable measure than number of traders. Both operating and non-operating units have to be distinguished and counted. Third, night-time traders have been counted so as to calculate to what extent daytime trading overlaps with night-time trading. Daytime surveys were conducted in the period between 9:00 a.m. and noon; some were between 4:00 p.m. and 7:00 p.m. Night-time counts were undertaken during the period from 7:00 p.m. to 9:00 p.m. Finally, the identification of street trading is based solely on the visual characteristics. It is unavoidable that misidentification could happen in marginal cases. Classification has been restricted to the nature of the commodity sold.

In an attempt to overcome the mobility problem, a detailed study of the temporal variation in the number of street traders was launched in several sample areas:-¹⁸

- (1) Canton Road - the section between Pitt Street and Dundas Street;
- (2) Sai Yeung Choi Street - the section between Soy Street and Dundas Street; and
- (3) Fa Yuen Street and Yin Chong Street - sections between Soy Street and Dundas Street.

The last named sample is presented as follows (Table 3)

Table 3: Temporal Variations in the Number of Trading Units

Time	Number of Trading Units in Operation	
7 a.m.	6	
8	32	
9	105 (70% of morning peak)	} 70% of morning peak on average
10	147 Morning Peak	
11	126 (85% of morning peak)	
noon	79 (55% of morning peak)	
1 p.m.	54	
2	34	
3	56	
4	84 (70% of afternoon peak)	} 75% of afternoon peak on average
5	114 Afternoon Peak	
6	109 (95% of afternoon peak)	
7	69 (60% of afternoon peak)	
8	35	
9	18	
10	9	

Source: Field Survey (S. Wong), 1970.

Throughout the numerical survey all over the Study Area, 80% of the field trips were made during the morning period from 9:00 a.m. to 12:00 noon. It was found that the peak period was between 9:30 a.m. and 10:30 a.m. By and large, the figures obtained at 9:00 a.m., 11:00 a.m., and noon, respectively account for 70%, 85%, and 55% of the maximum which would have been obtained in the morning peak.

Hence, it is safe to say that the total street counts obtained represent, on average, about 70% of the theoretical maximum. This is because we assume these hourly variations are solely due to temporal mobility in accordance with the selling pattern, rather than to the possibility that some traders may have moved from one survey area to another while street counts are in progress. In the case of afternoon counts, the percentage is slightly higher, about 75%. In view of the fact that over 85% of the counts were made in the morning, the afternoon variations can be ignored.

From lack of time and resources it has not been possible to make equally intensive studies to obtain some adjustment for the errors attached to the spatial and occupational mobilities. But, nevertheless, it has been noticed from field experiences that there is not any large scale mobility of groups of traders from one area to another. It must be stressed that in most cases spatial and temporal variations go hand in hand. The temporal adjustment mentioned above will automatically take care of the spatial variations.

With regard to the situation that some daytime traders may extend their business to the evening, we excluded from the night-time counts those daytime traders who worked over 13 hours a day so as to avoid double counting. According to the Field Interview data, 13.2% of the daytime traders were in a situation that they could have been recounted in the evening.

2.4 Method of Estimating the Total Number of Trading Units and Persons Engaged

2.4.1 Daytime Trading Units

According to the latest numerical survey (see Phase II Survey figure in Table 2), a round figure of 26,000 trading units was obtained from the daytime counting. For the sake of convenience, the distribution was presented in accordance with the official Planning Units (Table 4). As has been mentioned the count accounts

only for 70% of the theoretical maximum which is supposed to be the figure for the morning peak. Hence, the theoretical maximum of day-time operative units will be:

$$26,000 / 70\% = 37,142$$

Table 4: Distribution of Street Trading Units
by District (June 71)

<u>District</u>	<u>Operating Units</u>		<u>Population (March 71)</u>
	<u>Day</u>	<u>Night</u>	
Central	405	79	22,794
Sheung Wan	1,046	520	67,907
West	1,347	265	146,202
Mid Level & Pokfulam	12	0	47,112
Peak	4	0	8,241
Wan Chai	1,091	493	142,884
Tai Hang	491	174	94,040
North Point	1,120	348	176,492
Sau Kei Wan	1,461	327	162,456
Aberdeen & Ap Lei Chau	825	158	109,116
<u>Hong Kong Island</u>	<u>7,802</u>	<u>2,364</u>	<u>942,088</u>
	(30.6%)	(27.3%)	(30%)
Tsim Sha Tsui	2,676	179	73,988
Yau Ma Tei	554	1,350	203,749
Mongkok	2,154	598	172,006
Hunghom	1,511	422	188,572
Ho Man Tin	79	11	77,125
Cheung Sha Wan	2,542	1,342	259,431
Shek Kip Mei	983	129	190,138
Kowloon Tong	13	15	21,403
Kai Tak	4,247	1,327	555,543
Ngau Tau Kok	2,048	544	230,571
Lei Yue Mun	929	368	222,331
<u>Kowloon & New Kowloon</u>	<u>17,736</u>	<u>6,285</u>	<u>2,194,857</u>
	(69.4%)	(72.7%)	(70%)
<u>Grand Total</u>	<u>25,538</u>	<u>8,649</u>	<u>3,136,945</u>
	(100%)	(100%)	(100%)

Source: Field Survey (1971).

2.4.2 Nighttime Trading Units

A total of 8,649 nighttime operating units was counted in the evening. Allowing for the fact that 13.2% of the daytime operators extend their selling into the evening, the genuine nighttime trading units should be:

$$\begin{aligned} 8,649 - (26,000 \times 13.2\%) &= 8,649 \quad 3,432 \\ &= 5,217 \end{aligned}$$

The figure of 5,217 is equivalent to 20.06% of the daytime counts. It must be stressed that no adjustment has been made for the temporal variations occurring in the evening between 8:00 p.m. and 9:00 p.m. One would argue that it is unnecessary to impose any form of adjustment because the time span during which the field count was undertaken is so short that any field work could easily last over an hour! The nighttime maximum can be simply estimated by taking 20.06% of the daytime maximum ($37,142 \times 20.06\% = 7,450$). Hence, the daytime and nighttime combined (the theoretical maximum) is:

$$37,142 + 7,450 = 44,592$$

However, the actual counts both day and night are slightly over 30,000 ($26,000 + 5,217 = 31,217$). In other words, the field counts (31,217) represent only about 70% of the theoretical maximum of 44,592. This is consistent with the findings concerning the temporal variations in a sample study presented in Table 3.

2.4.3 Persons Engaged in Street Trading

According to the Survey of 32 sample quadrats, it has been shown that on average there are 1.2 persons per unit of street trading. Theoretically, there tend to be more people engaged in fixed stalls than in non-static units such as pitches. Since only rough estimates are expected, we simply multiply the projected maxima of trading units by 1.2 to obtain the number of persons engaged in daytime trading and nighttime trading respectively.¹⁹ The figures are presented in the following:

	Projected Maximum of Operating Units	Estimated No. of Persons Engaged
Day	37,142	44,570
Night	7,450	8,940
Total	44,592	53,510

From the same source of information (survey of 32 quadrats), it has also been worked out that almost 55% of the people engaged in the 32 sample quadrats were male traders. Thus for the estimated population figure, the number of male and female traders will be:

Male	$53,510 \times 54.7\% = 29,269$
Female	$53,510 \times 45.3\% = 24,240$

The following diagram (Figure 1) summarizes the estimates we have made so far:

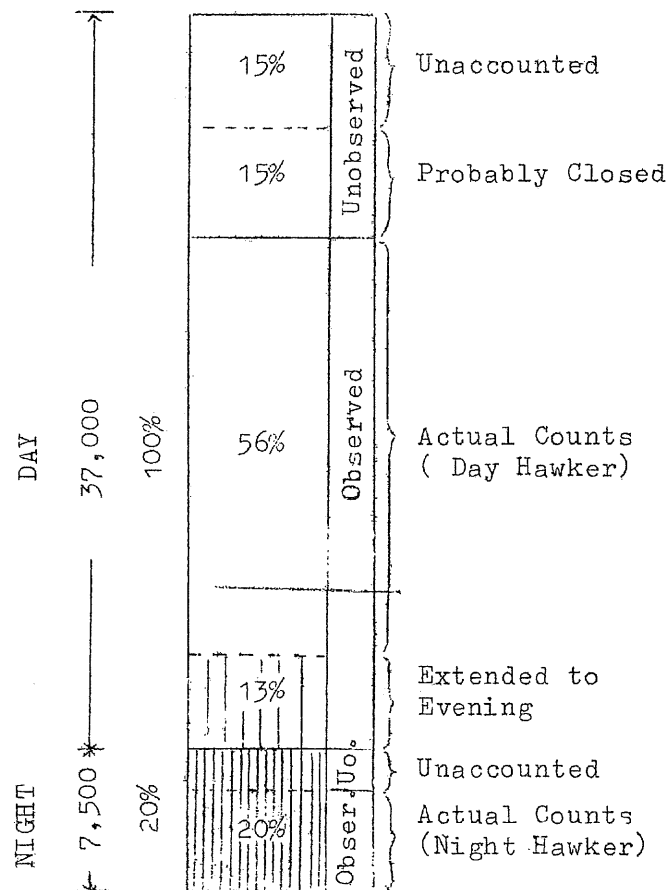


Figure 1 Distribution of Estimated Street Trading Units (Day and Night)

2.5 Estimated Proportional Breakdown of Types of Street Trading by Commodity Sold

According to the actual distribution of types of street trading in 32 sampled areas, the following table (Table 5) presents the proportional breakdown and the estimated figures (round number) for the number of trading units (not persons engaged) in each type of street trading in a descending order:

Table 5: Number of Trading Units in Each Trade Type

<u>Code</u>	<u>Commodity Sold</u>	<u>% of Total</u>	<u>Accum.%</u>	<u>Estimated Units</u>
108	Vegetables	26.2	26.2	11,700
109	Fruits	13.5	39.7	6,000
202	Garments & Apparel	10.5	50.2	4,700
107	Grocery	9.3	59.5	4,100
401	Services	4.8	64.3	2,150
201	Emporium Goods	4.7	69.0	2,100
102	Cooked Food (Light Meal)	4.5	73.5	2,000
105	Raw Fish	3.5	77.0	1,600
103	Cooked Snacks	2.9	79.9	1,300
104	Meat & Poultry	2.8	82.7	1,250
402	Newspapers	2.7	85.4	1,200
110	Flowers	2.4	87.8	1,100
204	Toys & Stationery	2.3	90.1	1,030
301	Household Ware	2.2	92.3	1,000
203	Footwear	1.5	93.8	700
206	Confectionery	1.2	95.0	500
403	Medicine	1.0	96.0	450
106	Cooked Meat	0.9	96.9	400
101	Cooked Food (Full Meal)	0.8	97.7	360
207	Pets	0.8	98.5	360
305	Antique & Jewellery	0.5	99.0	220
302	Metal Ware	0.4	99.4	180
303	Electricals	0.3	99.7	130
205	Books	0.2	99.9	90
304	Machinery	0.1	100.0	50
	Total	100.0		44,670

Three out of the total of 25 trade types account for well over half the total number of trading units of all kind. These are (1) vegetables, (2) fruits and (3) garments and apparel - particularly the low unit-value goods. In the lower half of the table, there are a dozen types which together account for only 10% of the grand total (Table 5). Most of these are shopping goods characterized by a high unit value and a weak demand. In the cases of Full Meals (101) and Cooked Meats (106), the transaction value is much higher than it is for those selling cooked snacks and tidbits or serving light refreshment (102). Type 101 could have stalls as large as restaurants in terms of turnover and number of customers served, particularly those specializing in catering late night meals. Customers who patronize this type of eating stall are not necessarily from the low income group. Type 106 are stalls selling cooked meats such as roasted or stewed ducks, pork, chicken, and giblets for home consumption rather than for immediate consumption right at the stall. Cooked food of this sort is often served as a decent dish for a home meal.

In terms of trade categories, foodstuffs (104 - 109) provide the main body of street trading commodities; they are sold by over half the total number of selling units found in the street. Simple manufactured goods (201 - 204) - mainly light and cheap consumption goods - account for one-fifth of the total number of trading units. The third largest groupd comprises services, newspapers and medicines; together accounting for about 8% of the total. Of similar importance is cooked food trading (101 - 103). However, it must be remembered that it is rather inappropriate to measure the magnitude of cooked food trading simply by the number of stalls. They are one of the very few examples of street trading which operate on a large scale. It would also be wrong to project the number of persons engaged in cooked food trading simply by multiplying the number of stalls by 1.2 as worked out in the preceding section. Most cooked food stalls do have a few employees. The least important category is expensive manufactured goods and shopping goods (301 - 305). They are found in less than 3% of the total selling units all over Hong Kong.

2.6 Reliability of Estimates

It is almost impossible to test the validity and reliability of the estimates we have made so far because we simply do not have any data base against which our estimates can be checked. Even the official statistics have notable discrepancies between one report and the other. It is difficult to discover which is more reliable than the other. The only effort we can make in order to test the reliability of the estimates is to pick one type of street trading, which in practice induces the least enumeration problem, to use for purposes of checking.

A comparison of the number of cooked food stalls using an official record and the present estimate has been worked out for such a test. The selection of cooked food stalls for the comparison is based on the following merits of cooked food stalls. First, they are the most definable trading units. The operating unit can well be recognized because cooked food stalls are well structured. The nature of cooked food trading can hardly be confused with other types of trading. The location is also easily observable except in some cases where a cooked food stall is attached to a large eating house which is in fact owned by the stall operator. Stalls housed in bazaars are also countable. Secondly, cooked food stall licences are the most valuable licences in terms of profit-making. It has been a common practice for a licensee to let his licence to an operator at high prices. Furthermore, in recent years, this sort of licence has no longer been issued due to policy changes.²⁰ Hence cooked food stall licences are really irreplaceable. In other words, logically there shouldn't be any unused licences. A street count of the operating ones should match the number of valid licences recorded in the book. So in survey statistics, whether they be official or unofficial, technical errors arising from field counts should be very meagre. The only difference between the official record and the field counts stems from the interaction of two variables, i.e. (1) structure of an operating unit and (2) licence status. The official record gives a total of 1,286 licences issued to fixed cooked food

stalls; whereas our estimate is 5.3% of the total street trading units, i.e. about 2,360 (101 and 102 in Table 5). This figure is for all kinds of eating places, whether licensed or unlicensed, whether pitches or restaurant-like eating stalls. The official record of the licences certainly includes those nighttime traders. Hence, the previous projected day and night maximum is used for the estimation of the theoretical maximum number of cooked food trading units. It is worked out as follows:

$$44,592 \times 5.3\% = 2,363$$

The next step is to sort out the fixed stalls which operate with valid licences. The following diagram illustrates the relationships between the two important variables which affect the validity of the estimate.

Table 6: Relationship between Licence Status and Structure of Operating Unit

	Licence Status		
	No	Yes	
Non-Fixed	16.7%	23.3%	40.0%
Fixed	8.0%	52.0%	60.0%
	24.8%	75.2%	100.0%
			(2,363)

Source: Field Interview (1971)

The relationship between licence status and stall structure is based on the interviewing of about 500 street traders (see ChapterV). In the above table, the proportion which is theoretically being recorded by the licence office is the lower half of the right hand column, i.e. 52.0%. That is my estimate; the actual number should be:

$$2,363 \times 52.0\% = 1,228$$

The difference between the official record (1,286) and the present estimate is 58 units, which is about 4.5% of the official record.

Of course, it is too dangerous to conclude that in view of the cooked food stall test other estimates are equally reliable. But, at least we are assured that the total number of street trading units estimated in a preceding section is not contradictory to the street counts we have achieved. The latter is an unadjusted figure. In terms of the reliability of the proportional breakdown of the types of street trading (Table 4), it is reasonable to regard that a detailed survey of 32 sample quadrats covering 5,000 trading units would be more reliable than any estimates made on the basis of fragmentary information of an obscure 'population'.

2.7 Summary

There are very great variations in the number of street traders recorded or estimated by various investigators. This is mainly due to the inconsistency of (1) the territorial base on which data are collected or estimates are made, (2) the unit of measurement, (3) the consideration of nighttime traders, and (4) the identification and classification of the object. In a numerical survey, the temporal mobility of street trading may introduce danger of miscounting or double counting. A practical method of adjusting these errors is to identify the peak period for most traders and work out on average the possible coverage of the maximum total which a field count could possibly make within a time span of three or four hours in the peak period. It has been found empirically that actual street counts could possibly account for only 70% of the theoretical maximum.

The present estimate on the theoretical maximum is some 44,600 street trading units for 1971 which is far below any other statistics available. The number of persons engaged in the activity was estimated on the basis of a large scale survey of 32 quadrats; so was the proportional breakdown of various types of street traders. On average there were 1.2 persons per trading unit; the total number of traders was about 53,500 of whom one quarter were engaged in the vegetable trade. The next two largest groups were Fruits and Garments & Apparel; both accounted for 13.5% and 10.5% of the total respectively.

The reliability of the estimates has been tested by comparing the estimated number of licensed cooked food stalls against the official licence record on the same type of street stalls. With a relatively close approximation of the cooked-food-stall estimate, we can only conjecture that the total trading population projected would not be far from reality because it is the figure from which the cooked-food-stall estimate was derived.

III. PROVISION OF RETAILING FACILITIES

3.1 Assessment of Magnitude of Street Trading

The magnitude of street trading is often measured in terms of (1) the number of operating units, (2) the number of persons engaged, and (3) turnover in relation to the shop-type retail trade. In Hong Kong, official statistics on distributive trades do not exist.²¹ There has not been a census of retail distribution, or the like, except for several sample surveys conducted by the authorities in 1966 and 1967²² on the number and types of retail establishments in some selected city districts. As a result, the relative importance of street trading cannot be measured directly on the basis of shop-type retailing.

An alternative is to compare the street trading situations with some other Southeast Asian cities in order to obtain some idea of the magnitude of the activity in Hong Kong. Unfortunately, the validity and reliability of retail statistics in these cities is by no means of a high standard. According to McGee's experience, there were tremendous variations in basic statistics from one source of information to another. For example, in Singapore the number of street traders ('Hawker' in the official term) was estimated in 1950 to be 26,486 and was assumed to have continued to increase until it reached about 50,000 in 1960; but a sample survey taken in 1960 estimated that there were 28,768. In late 1969, a most accurate street count was conducted and found only 18,500 hawkers in the urban area.²³

This discrepancy is very similar to that of Hong Kong which has been discussed in detail in the preceding chapter. Because of this, it seems pointless to attempt any comparison on the magnitude of street trading between Hong Kong and other Southeast Asian cities. Comparisons based on unreliable data would be very misleading. An example of this is the one made by McGee on the ratio of hawkers (street traders) per 100 population for some Southeast Asian cities. He found that Hong Kong has the highest ratio (3.2) compared with 2.1 in Greater Bangkok,

0.8 in Kuala Lumpur, 2.2 in Singapore, and 2.3 in Greater Djakarta.²⁴ Disregarding the boundary variations (the population base), discrepancies in the number of street traders alone could make the comparison completely different. For example, if such a ratio were worked out on the statistics used in the present research, Hong Kong would have had the second lowest ratio, i.e. 1.68 which was derived from the following:

$$\begin{array}{l}
 \text{Maximum number of persons} \\
 \text{engaged in street trading} \\
 \text{(1971 Survey Data)} \\
 \\
 = 53,000 / 3,136,000^* \\
 \\
 = 1.68 \text{ per } 100 \text{ People}
 \end{array}
 \quad / \quad
 \begin{array}{l}
 \text{Population of Study Area} \\
 \text{(1971 Census Data)}
 \end{array}$$

The above mentioned example does not imply that the new ratio is correct or that McGee's is wrong, but rather the fact is that ratios of this sort can vary greatly from one data base to another. This further leads to the criticism that there are too many people who know how to voice the street trading ' problem ' as unbearable, serious, or horrible; yet, to what extent, in which direction and dimension street trading is regarded as a problem, has never been clarified. Thus, the purpose of this chapter is to view the problem from a different angle, i.e. to analyse the provision of retail facilities, in order to obtain as objective as possible measurement of the magnitude of street trading in modern Hong Kong.

3.2 Provision of Shop-Type Retail Facilities

3.2.1 Level of Provision

Let us examine the provision level of shop-type retail facilities in Hong Kong with reference to that of the United Kingdom and

* An aggregate of the Census Districts which are within the boundary of the Study Area.

Japan (Table 6).

Table 6 : Provision of Retail Facilities in the United Kingdom, Hong Kong, and Japan.

	Establish- ments per 10,000 People	Persons Engaged/ 10,000 People	Persons Engaged/ Establish- ment	Persons Served/ Establish- ment	Gross Fl. Area(ft ²)/ Person Served
	(A)	(B)	(C)	(D)	(E)
United Kingdom ²⁵ (1966)	92.2	467	5.06	108	10.37
Hong Kong ²⁶ (1966)	115.9	649	5.60	86	6.37
Japan ²⁷ (1969)	192.0	693	3.61	52	NA

Sources: Census of Distribution, 1966 (U.K.), Census of Establishment, 1969 (Japan); also see footnotes.

First, in terms of the number of retail establishments (independent shops, department stores, supermarkets, etc.) per 10,000 people, there were fewer facilities in the United Kingdom than in Hong Kong, but in Japan there were even more facilities. Shops in the U.K. were much larger in physical size than those in Hong Kong. On average, a U.K. shop was 2.03 times the size of a Hong Kong shop.²⁸ If the U.K. shop-size were converted into Hong Kong equivalence, the U.K. would have had some 184.4 establishments per 10,000 people (92.2 x 2.03) - a figure quite close to the Japanese. Unfortunately the average shop size in Japan has not been available for comparison. However, it is reasonable to believe that Japanese shops (establishments) are larger than those in Hong Kong simply because there are far more large department store and supermarkets in Japan than in Hong Kong. In other words, the formal retail facilities, in terms of number of retail establishments per 10,000 people, in Hong Kong lay behind the U.K. and Japanese standards.

Second, the labour investment in Hong Kong was fairly high in terms of persons engaged per establishment, even higher than the U.K.'s though the establishment size in the U.K. was twice as large (Col. C, Table 6). Again, if the size of the U.K. shops were converted into the Hong Kong equivalence, the number of persons per establishment in the U.K. would have been 2.53 instead of 5.06 ($467 / 92.2 \times 2.03$). It becomes the lowest figure among the three. Definitely, retailing in Hong Kong is the most labour intensive.

Third, in terms of the number of people to be served by an individual retail establishment, Hong Kong has also the lowest standard. Although the U.K. figure was 108 persons to be served per establishment (Col. D, Table 6) as compared with 86 in Hong Kong and 52 in Japan the U.K. establishment size was much larger. Again, if the U.K. figure were converted into the Hong Kong equivalence the number of people to be served by each establishment would have been 54, which is also quite close to the Japanese figure. This does not mean the provision levels of retail facilities in both the U.K. and Japan are the same due to the fact that the size factor of Japanese shops has not been taken into account. Nevertheless, it is almost certain that Hong Kong has the lowest level. This can be further explained by the figures on floor area of shopping space shared by shoppers. In Hong Kong, there were some 6.37 square feet of gross floor area for each person as compared with over ten in the U.K.. If one considers the fact that retail shops in Hong Kong are not used solely for retailing purposes - there are domestic uses as well - the actual shopping space would be even lower than six square feet!

3.2.2 Efficiency of Retail Provision

A closely related question to the poor provision level of formal retail facilities in Hong Kong is whether the present facilities are being efficiently utilized or not. The efficiency question is very difficult to answer. Apart from technical efficiency, other social and economic costs and benefits should be taken into consideration as well. The most commonly used measurements of technical efficiency are (1) retail turnover per unit of floor space, or more precisely, the selling space, and (2) turnover per man hour engaged in retailing. Since data of this sort have not been available it is dangerous to draw any conclusion simply from a comparison of the provision of physical

facilities. According to my field experience of the relatively high turnover figure per unit of street trading space,²⁹ I tend to believe that retail shops in Hong Kong are also being very intensively utilized. The intensive labour input as mentioned in the preceding paragraph can be interpreted as a means to overcome the limitation of physical space for retailing rather than a result of urban under-employment.

There are other factors which affect the efficiency problem. The most significant ones are (1) multiple usage of shop premises, (2) engagement of part-time workers and participation of family helpers, and (3) duration of business hours. In Hong Kong, it is common to see a shop being used for several purposes; very often domestic uses occupy quite a proportion of the floor space. Subletting parts of the shop floor, the street frontage or even the side walls is a vivid example of land use maximization. Working on a part-time basis is not common in most retail trades. On the contrary, there are employees, particularly the single ones, who work and live in the same shop premises. These kinds of shop assistants have much greater involvement than ordinary full-time workers. Hence, it is difficult to work out the sheer costs, say for food and accommodation, which would have been incurred had the employees not lived in the shop premises. Casual labour from family helpers is also difficult to calculate separately from that of the full-time employees. Finally, Hong Kong is a place where evening shopping is practised in most shopping centres. It is hardly surprising to see shops open more than twelve hours a day.

3.3 Relationship Between Formal Shop-Retailing and Street Trading

Disregarding the efficiency problem, one would tend to consider the extent to which street trading has contributed to the present level of formal retailing. Is street trading a supplement to the formal system? A comparison of the ratios between street trading stalls and retail shops in five districts presented in Table 7³⁰ suggests that there are cases when shops are insufficient, street stalls then act as an extension of the shop-type system.

Table 7 : Number of Street Trading Units and Retail Establishments in Selected Districts.

	Street Stalls (A)	Retail Establishments (B)	Stall/Shop Ratio(A/B) (C)
Yau Ma Tei*	3,839	4,797	.80
Western*	2,188	3,090	.70
Hung Hom*	2,589	1,312	1.97
North Point*	1,964	1,044	1.88
Kwun Tong**	5,223	2,717 ⁺⁺	1.92
Total	15,803	12,960	1.21

Sources: Field Survey (A), and Government Surveys (B).

* City Districts

** Outlying Districts

++ Of this total, 2,140

in the resettlement estates and villages within the Kwun Tong District.

In long established commercial city districts, i.e. Yau Ma Tei and Western, there were fewer street stalls relative to the number of retail shops - about 0.8 stalls to one shop. In newer and less commercially dominated districts, i.e. Hung Hom and North Point, there were almost 2 street stalls to one shop. A similar situation seemed to exist in the outlying district Kwun Tong. However, in reality, the stall/shop ratio should be much higher. This is because shops are generally smaller in Kwun Tong. Of the total of 2,717 shops, two-thirds were small shops which had less than half the size of an ordinary city-district shop (211 sq ft against 550 sq ft).³¹ These are the typical small retail shops in almost all the resettlement estates. If the Kwun Tong shops were converted into the equivalence of city-district shops (550 sq ft) the number of retail establishments in Kwun Tong would have been only 1,398 instead of 2,717 ($2,140 \times 211/550 + 577 = 1,397.9$). The stall/shop ratio would become 3.73 ($5223/1398$), the highest ratio among the five selected

districts (Table 7). With regard to the provision level in relation to population size, the contrasts between the city districts and Kwun Tong was even more outstanding. Taking the four city districts as a whole, on average there were 146 retail shops per 10,000 people; whereas in Kwun Tong the ratio was 65 (2,717/417,085). If the size factor were taken into account the ratio would be 33 shops (city-district shops equivalent) to 10,000 population. In short, the high stall/shop ratio of Kwun Tong indicates that street stalls may act as a supplement to the poorly equipped formal retail system.

If one sees street trading as a supplement to the shop-type retail system it might be more appropriate to regard the functional complementarity between the two systems, i.e. some retail commodities with a low rent-paying ability tend to make use of the public space - streets and open grounds - so that more room left to the higher ordered functions including non-retailing activities. From a shopper's point of view, for high-order goods, he has to go to the ordinary shops; whereas for convenience goods, in particular foodstuffs, he simply goes to the nearby street markets. The particular important function of food stalls in the complementary mechanism can be explained by means of a comparison of the breakdown by commodity types between the two systems (Table 8). There was a marked difference in composition between the shop-type system and the street trading system (Cols. E & F, Table 8). Nearly two-thirds of the street stalls were in the food trade (64.4%) as compared with about 40% in the shops (39.4%). The sharp contrast was in Specialties and Household Goods. The differences in Miscellaneous Goods and Services were relatively small compared with other groups. With regard to the inter-district variations, the pattern was sharply divided between the central commercial districts (A & B in Table 8) and the sub-central districts (C & D). The former had relatively high proportions on Specialties and Miscellaneous Goods while the latter were more-emphasized on the food trade - they had almost half their shops-engaged in the food trades of one kind or another.

Table 8 : Proportional Breakdown of Retail Types in Shops in Four City Districts and in Overall Street Trading.

	Retail Shops				Four City Dis- tricts (E)	Street Trading All Over Hongkong (F)
	Yau Ma Tei (A)	Western (B)	Hung Hom (C)	North Point (D)		
(% of Column Total)						
Raw & Cooked* Foods	37.5	36.3	47.3	47.6	39.4	64.4
Household Goods	11.0	7.3	11.5	12.8	10.1	2.5
Apparel &	8.9	8.0	7.5	10.7	8.6	16.7
Specialties	27.2	19.4	16.9	15.7	20.0	.5
Misc. Goods	13.4	24.2	10.0	6.2	15.5	11.0
Services	7.0	4.8	6.8	7.0	6.3	4.8
Total	100.0	100.0	100.0	100.0	100.0	100.0
N	4,797	3,090	1,312	1,044	10,243	46,670

Sources: Government Surveys (A,B,C, & D); and Field Surveys (F).

* Including fruiterers and light refreshment shops or stalls.

3.3.1 Retail Facilities in the Food Trades

It appears to be a general trend that the further away from the commercial core the greater is the dominance of food trades, in particular raw food. This can be tested by means of a further breakdown of the food trades. But, this has been prohibited due to the lack of detailed information because the official surveys were conducted on the basis of broad categories. An alternative is to look at the composition of food trades in both retail systems of the Kwun Tong

district where substantial field data have been collected (Table 9).

Table 9 : Breakdown of Food Trade in Kwun Tong District.

	<u>Kwun Tong District</u>		Street Trading
	Shops	Stalls	All Over H. K.
	(% of Column Total)		
Fresh Provisions & Vegetables	5.7	29.5	33.4
Grocery & Other Food Dealers	16.4	12.1	9.3
Restaurants & Other Refreshment	8.4	9.6	8.2
Others Including Fruits*	69.5	48.8	49.1
Total	100.0	100.0	100.0
N	2,717	5,223	44,670

Sources: Field Surveys (1971) and Wong, S. (1970), p25.

It is interesting to see that the relative proportions of the grocery trade and cooked food (restaurants, cafes, tea houses, etc.) in both shops and street stalls were quite close to each other. But in the lines of fresh provisions and vegetables, the difference was great. In other words, the major variants in the composition of food trades between shops and street stalls were fresh provisions and vegetables. They were not subordinated to the shop-type retail system. They provided goods which were in fact less available in ordinary shops. They were functionally complementary to the shop-type retail system. With regard to the difference between the two systems in the lines of grocery and cooked food trades, complementarity should be applied to the quality differentiation. In other words, for the same type of goods, better quality was obtained from shops than from street stalls. The lower concentration of street traders in the fresh

provisions trade in Kwun Tong (Table 9) suggests (1) physical space was relatively more available in outlying districts or newly developed areas, and (2) government control was less stringent; and as a result it benefited the space-ambitious trades. That is why grocery stalls and cooked food stalls were found to be larger than those in the city core districts.

3.4 The Provision of Public Retail Markets (Municipal Market Halls)

The study of the provision of retail facilities for the food trade in Hong Kong would not be comprehensive without a consideration of public retail markets. This is because these markets have long been regarded as a form of community service provided by the government. The original purpose of providing government-built markets was to accommodate the orderless street traders who would have been hawking and yelling in the street, and thus traffic obstruction and street littering would be avoided. The ideology behind this policy was based mainly on two considerations.³² First, it was believed (and still is) that keeping traders under the roof of a market hall would help maintain a certain high standard of public hygiene. The sufficient supply of water and better drainage would keep the place clean. The high roof and airy ventilation of the market hall would protect fresh provisions, in particular meat and fish, from rapid deterioration. Furthermore, the supply of fresh provisions could be supervised more effectively by centralizing the outlets in specific spots - the markets, so as to keep off the illegal sources. Second, low rents for market traders were originally designed to help keep food prices at low levels. The second idea was substantiated by further measures to restrict the operation of fresh provisions shops within a certain distance from the market hall. An oligopolistic state of competition within the market led to the higher economic value of market stall licences. Consequently, private transactions of market stall licenseeship at high prices finally passed the extra costs on to the final consumer. This has long been and still is practised in the market trade. The original purpose of keeping the supply of main foodstuffs at low cost was no longer realistic. This led to a change of policy in giving private operators a free hand to open fresh provisions shops in the

Vicinities of market halls provided that hygiene requirements had been met.

3.4.1 Level of Provision

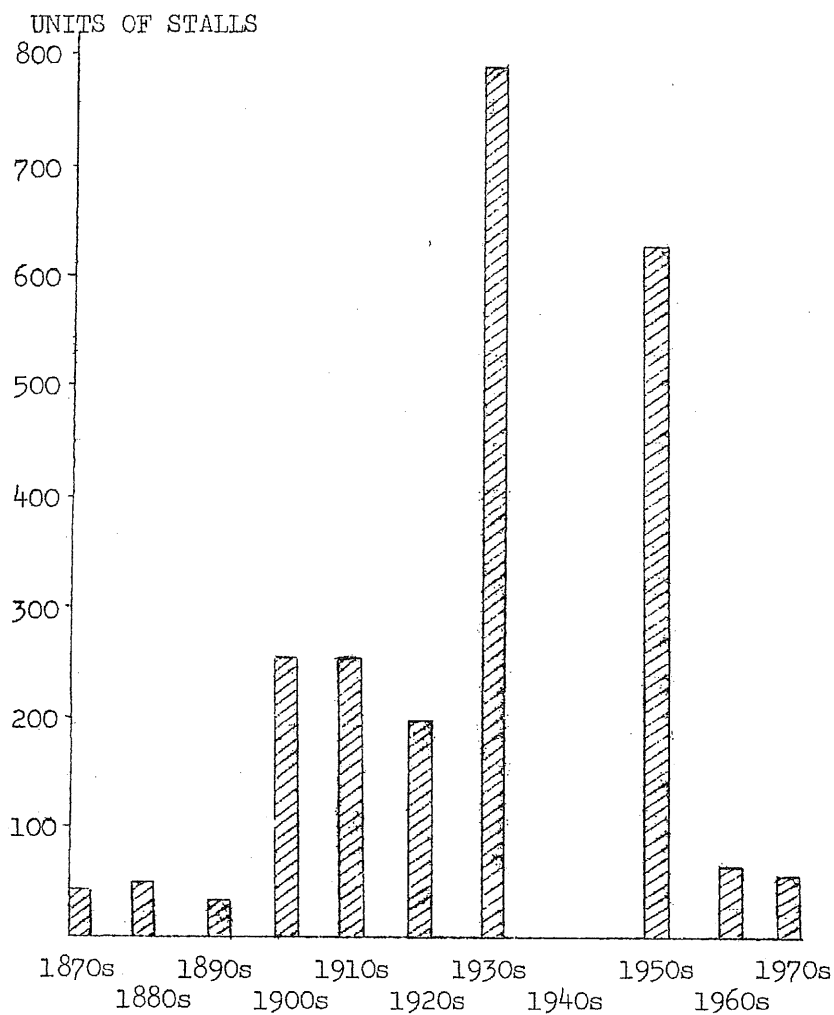
In 1970 there were 42 public retail markets in operation throughout the urban areas of Hong Kong (93% of the total stall capacity was in the Study Area). The size of a market ranged from half a dozen stalls to about three hundred. The total number of stalls in the Study Area was 2,045.³³ The average stall size was about 230 sq ft.³⁴ This includes the shopping passages, the working area and cold storage. In general, stalls on the Hong Kong side were larger than those on the Kowloon side. In terms of the number of stalls in relation to population size, two-thirds of the stall capacity was located on the Hong Kong side which, on the contrary, accounted for only 30% of the total population of the Study Area. Disregarding the imbalance between the two sides of the harbour, one would even question whether public markets had played the role as the major supplier of foodstuffs that they were designed to perform. The following is an examination of the provision of public markets for the past decades (Fig. 2).

By grouping the time period arbitrarily into decades, Fig. 2 clearly indicates two ' Standstill ' periods - the forties and the last two decades. The great expansion took place in the thirties and fifties. A comparison with the growth of population in parallel time periods shows how the market programme fell far behind the time (Table 10)

Table 10 : Growth of Population and Market Capacity.

Time Period	Growth (%) in	
	Population	Market Capacity
1947 - 1957	43.5	37.9
1958 - 1966	43.8	2.9
1967 - 1971	6.3	0.7

Sources: Statistical Abstracts, Hongkong; Market Branch, U.S.D., 1970.



<u>Year</u>	<u>Stalls</u>	<u>Year</u>	<u>Stalls</u>
1873	30	1936	429
1888	38	1938	21
1893	34	1939	24
1900	112	1950	17
1903	16	1951	132
1909	107	1952	75
1915	67	1953	140
1917	86	1954	65
1918	88	1955	6
1924	77	1956	6
1928	67	1957	126
1929	36	1958	16
1930	13	1963	45
1931	25	1968	20
1932	89	1970	54
1933	150	<u>Total</u>	<u>2,202</u>

Fig.2 : Public Market Stalls Built Since 1873.

Source: Market Branch, U.S.D., 1970.

Between 1947 and 1957, the market capacity increased by nearly 38%, a little less than the increase in population - 43.5%. From 1958 to 1966, population increased by 43%; but there was only a 2.9% increase in the number of market stalls. For the following decade, a further growth of 6.3% in population was accompanied by a mere 0.7% increase in marketing facilities. Undoubtedly, for the past twenty years the market programme has been almost at a standstill!³⁵ Of course it would be quite misleading if one was to ignore the government's effort in providing hawker bazaars in the newly developed districts. However, this has been only started since the late sixties. Furthermore, only a fraction of the hawker bazaars capacity was allocated for the retailing of fresh provisions. According to the field survey, only 6.3% of the bazaar capacity (1971) was for fresh provisions, i.e. about 170 bazaar stalls;³⁶ and quite a number of them were deserted either due to the poor location of the bazaar or to the fact that street traders were unwilling to be confined within a designated premises.

Market stalls were not evenly shared by various kinds of retail trades. In 1971, over 70% of the market stalls were used for the retailing of fresh meat, fish, and poultry; the rest were mainly for fresh vegetables (Table 11). Markets on the Hong Kong side tended to be more diversified when compared with those on the Kowloon side. The former had slightly over half the total number of stalls occupied by meat and fish traders; whereas the latter had 70% of the total capacity used by these two kinds of food trades. In short, public markets in Hong Kong were mainly for the retailing of fresh meat and fish. The rest of the food trades had to be taken up by either street traders or ordinary shops. However, according to the present provision level of market stalls, say for the meat trade only - the only trade which is operated by the three kinds of retailers, i.e. market stall holders, street stalls, and butchery shops, do public markets really play the role of a major retail outlet in the distribution of fresh provisions?

Table 11 : Market Stalls by Type of Commodity Sold on Hong Kong Side and on Kowloon Side.

	Fish	Meat	Poultry	Vegetables & Fruits	Others	Total Stalls
	(% of Row Total)					
Hong Kong Side	27.6	28.8	13.3	24.8	5.5	1,266
Kowloon Side	39.3	33.1	10.9	15.1	1.6	799
Total*	32.1	30.5	12.4	21.2	3.8	
N	656	623	254	432	80	2,045

Source: Market Branch, U.S.D., 1970.

* Markets outside the present Study Area were not included.

3.5 Retail Facilities in the Meat Trade

To allow the three kinds of retail outlets (There are hardly any supermarket stalls) to be compared, the official standard unit size of a market meat stall - about 230 sq ft - has been used as the basis for an analysis of the provision of retail facilities for the meat trade. Roughly speaking, a meat shop is some 2.4 times the size of a market stall. This is in fact a generous conversion because some meat shops also incorporate the fish trading within the shop premises. In the case of street stalls, a conversion based on floor area seemed inappropriate because (1) street stall sizes were very variable; some could be as large as a meat shop while others might be as small as an itinerant pedlar. (2) There was no standard unit size due to its illegal status. It has been decided to use the average daily turnover as the basis for comparison for the present analysis. According to the Interview, the average daily turnover of a meat street stall is HKD 296, compared with HKD 463 for a market meat stall. Thus, the conversion ratio is 0.639 (296 / 463) - for daily turnover, see Chapter VI. The provision levels of the three types of retail outlets are presented in Table 12.

Table 12 : Provision of Three Types of Retail Facilities for the Meat Trade.

	<u>Original Units</u>		<u>Converted to Market Stall Equivalent</u>	
	No. of Units	Units/10,000 People	No. of Units	Units/10,000 People
A. Market Meat Stall	623	1.9	-	-
B. Meat Shops	1,508	4.8	3,606*	11.5
C. Street Meat Stall	875	2.7	562**	1.7
A + B	-	-	4,229	13.4
A + B + C	-	-	4,791	15.2

Sources: Field Surveys and Interviews.

* Space Conversion = $1,508 \times 550 \text{ sq ft} / 230 \text{ sq ft} = 3,606$

** Turnover Conversion = $875 \times 296 / 463 = 562$

In the meat trade, shop-type outlets accounted for over 80% of the total formal retail space (street stalls are illegal). In terms of the number of meat traders, there were more retailers in the street than in the public markets (875 against 623, Table 12), yet market traders handled over 50% more turnover than street traders did ($\text{HKD } 463 / 296 = 1.56$).

The surprisingly low ratio of market meat stalls per 10,000 people was quite contradictory to the original idea that public markets were supposed to be the main outlet for fresh meat. There were only 1.9 market meat stalls per 10,000 people! The development of meat shops should have taken the role of market stalls as the major retail outlets. There were 4.8 meat shops per 10,000 people. Is this a high standard? According to the Census of Distribution, U.K. 1966, the provision standard in the U.K. was about 7 butchery

shops per 10,000 people (total 38,351 butchery shops). By coincidence, meat shop sizes for both places (U.K. and Hong Kong) were exactly the same, about 550 sq. ft. However, if one considered the fact that in the U.K. 48% of the total turnover in the meat trade was generated from supermarkets and co-operative societies, and imagined that this volume of trade had to be handled by butchery shops, then the requirement for shops would have been 16.7 meat shops for every 10,000 people, almost three and half times the Hong Kong standard! In terms of an equivalence to Hong Kong market stalls, the U.K. standard would be 32.2 stalls per 10,000 people ($16.7 \times 550 / 230$); whereas in Hong Kong, taking all kinds of outlets into consideration, the provision standard was only about half the U.K. figure - that is 15.2 market stalls per 10,000 people (See A+B+C in Table 12).

One would be astonished to see the appallingly low level of provision in modern Hong Kong, as far as the meat trade is concerned, if he has been informed that the official planning standard for public retail markets is merely 9.5 stalls per 10,000 people. Furthermore, this figure includes all kinds of market trades, i.e. fish, meat, and poultry; and there is an upper limit of 30,000 people to be served by this provision standard!³⁷ If fish and poultry were excluded, the provision for meat alone would have been merely 2.8 meat stalls per 10,000 to 30,000 people! This is because only 30.5% of the market capacity is for meat traders (Table 11). In reality, the existing number of market meat stalls all over the Study Area is still far below the already mean planning standard (1.9 against 2.8).

The huge difference between the U.K. and Hong Kong can hardly be explained by the differences in the standard of living and eating habit between the two places. It is certain that the retail facilities for meat in Hong Kong are extremely poor. However, it must be stressed that in Hong Kong the meat trade is already the best equipped with shop-type facilities.

3.6 The Provision of Retail Facilities for Other Fresh Provisions

Most of the fresh provisions trades have a relatively low rent-paying ability as compared with the meat trade. It has been

difficult for them to move into shop-type trading except for some fish dealers, in particular, those selling live fish. As a whole, the retail facilities for fish were no better than those for the meat trade. Some dealers selling live fish (the highest priced fish produce) managed to operate in shops near the market or to become incorporated within meat stalls within a shop premises. In several aspects, the fish trade was similar to the meat trade. It was also being protected on hygienic grounds, though less stringently than meat, by the authorities. However, there were more fish street sellers than meat sellers because the operation of a fish stall is much simpler than a meat stall. Supplies are more easily available. A fish trader can get supplies from various sources, i.e. (1) the government-controlled wholesale markets - the prime source, (2) a bulk-breaker, (3) a fisherman who sells his catch at the pier, or (4) a fish breeder of pond fish from the New Territories. Another reason for a larger number of fish traders is the divisibility of the commodity which allows small scale operations. A pedlar may sell a handful of fish from baskets; but most unlikely in selling meat.

Only a very small proportion of vegetable traders traded in retail markets, yet they occupied 16.6% of the market stalls. There were very few vegetable shops; in rare cases vegetable stalls were incorporated with either fish or meat selling within a shop premises. The rent-paying ability of the vegetable trade was very low compared with meat and fish. Hence, the only place for the retailing of vegetables was the street. According to the official planning standard there should be 75 mini fruit and vegetable stalls for every 10,000 people.³⁸ In reality, there were only 1.3 market vegetable stalls per 10,000 population in 1969 (total 432 stalls - Table 11). If street stalls were included the ratio would be 56.4 (17,700 / 3,136,000). Again, it is important to note that the official planning standard was based on a standard mini-stall with the size, say in a hawker bazaar, of 50 sq ft. It is much larger than the standard size of 12 sq ft (3 ft x 4 ft) stipulated by the Hawker By-Law. But, in practice, street traders rarely stick to that size. On average, the gross area of a

street stall is about 20 sq ft (for estimation, see Chapter V)
Disregarding the situation as to whether street stalls would be accepted by the authority as proper retail outlets, the present retail facilities for fruits and vegetables were far below what have been aimed at by the planning authority. For example, assuming the space which is being used by the vegetable and fruit traders at present was to be reallocated in accordance with the planning standard (50 sq ft per stall), the ratio of number of stalls per 10,000 people would be 22.5 ($56.4 / 2.5$), less than one-third of the planning standard. In other words, the planning standard was far too generous than that designed for meat, fish, and poultry. This does not concern its being adequate or inadequate, rather it is certain that such a planning standard is unrealistic.

3.7 Summary

The provision of shop-type retail facilities as a whole was examined by means of a comparison with those of the United Kingdom and Japan. The provision level in Hong Kong was shown to be far below the U.K. and Japanese standards, either in terms of number of retail establishments or retail space in relation to population size. Intensive labour involvement in the retail trade seemed to be the remedy to, rather than the ill effect of, the problem. The provision level of retail facilities was explored progressively from general to specific types of retail outlets, i.e. public retail markets and street stalls. The poor provision of public markets was largely due to the slow programme of market construction which has been largely at a standstill for the past two decades.

The functions of market stalls and street stalls do not overlap, rather they are complementary. With regard to shop-type facilities in the food trade, they are responsible for the distribution of rice, grocery and, to a large extent, meat. Public retail markets are mainly for fish and poultry and, to a lesser extent, for vegetables and meat. There are some fruit trades based in shops, but, in most cases, they share the shop premises with groceries. Street trading is

dominated by vegetables and fruits. By far, the meat trade is the best equipped with shop-type facilities; but still its provision level is far below the planning standard which is already very mean when compared with that of the U.K.; needless to say the rest of the street trades.

IV ACCEPTANCE OF STREET SHOPPING

4.1 Shopping for Fresh Foodstuffs

In Hong Kong, shopping for fresh foodstuffs for the two meals of the day is a necessary and regular task for housewives. It is a common practice to shop every morning; some shop even twice a day, in the morning as well as in the afternoon. Very few housewives shop only once every few days or once a week. According to the interview of households carried out in summer 1971, less than 15% of the sample households shopped less frequently than once a day. Over 60% shopped once a day, mainly in the morning. With regard to shopping destinations, over half the respondents purchased from both public retail markets and street markets. Over one-third shopped only in street markets whereas there were only five percent who said they satisfied shopping needs within the public retail markets without visiting any street stalls (Table 13).

Generally speaking, food shopping in Hong Kong is relatively convenient. This may be due to the ubiquity of street markets. This is particularly true with regard to travelling distances. On average, a housewife took less than 10 minutes to reach her shopping destination. Over 90% of the shoppers made their trips on foot. On average, a shopping trip (journey and shopping) lasted just over one hour of which most time was spent on shopping around in the congested food market.

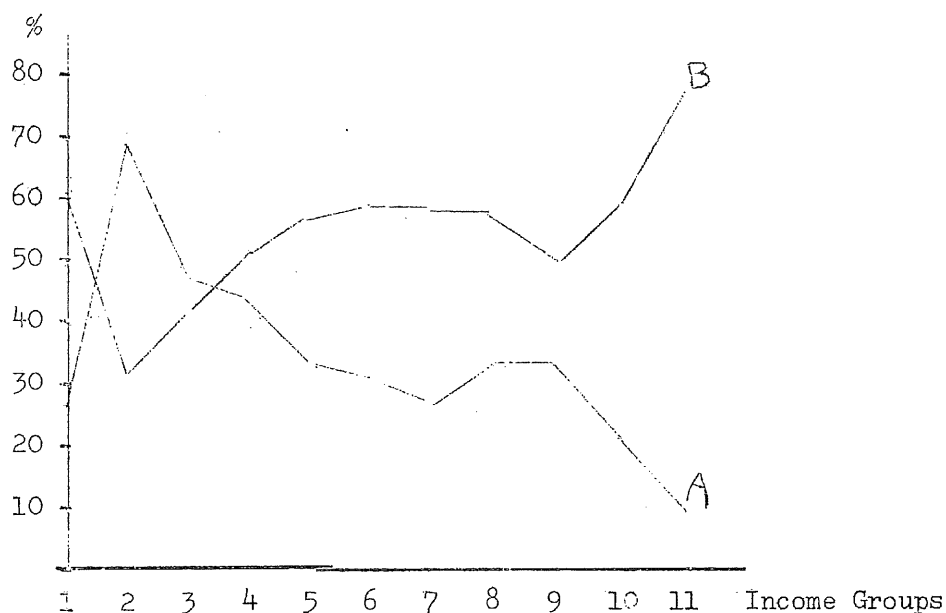
Table 13 : Where to Shop for Fresh Foodstuffs.

Shopping Solely in Public Retail Markets	5.2%
Shopping Solely in Street Markets	37.5%
In Both Public Markets and Street Markets	52.7%
Unspecified	2.9%
Don't Know	1.7%

N = 1,100

Source: Field Interviews, 1971.

There has been a long accepted thinking that street shopping belongs mainly to the poor, and is not a 'decent' thing for the rich. However, according to the Interview, the picture was not so simple. Fig. 3 shows the preference for shopping in (1) street stalls, and (2) in both street stalls and public markets by income groups. It appears to be that the higher the income group the less likely is to treat street markets as the sole source of food shopping. But no matter what income group a shopper belonged to, he/she could not complete his/her shopping without visiting the street stalls as well (Curve B in Fig. 3). Public markets were not specifically regarded by the high income groups as the main source of food supplies; but the same applied to the low income groups as well. With regard to street markets, low income groups did tend to regard street stalls as their major source of food shopping. It would be fair to say that both street stalls and public markets were regarded by the public regardless of income differentiation as twin-like shopping facilities. One could satisfy shopping needs by visiting street stalls alone without going to retail markets, but the reverse is not true.



Monthly Household Income							
1	under 200	4	6601 - 800	7	1200 - 1500	10	2501 - 5000
2	201 - 400	5	801 - 1000	8	1501 - 2000	11	over 5000
3	401 - 600	6	1001 - 1200	9	2001 - 2500		

B Frequently shopped in public markets and street stalls
A Frequently shopped in street stalls only

Fig. 3 : Preference for Retail outlets in Food Shopping.

Source: Field Interview, 1971.

4.2 Preference for Retail Outlets for Various Commodities

Preferences for different retail outlets vary from commodity to commodity. For foodstuffs, there are three major retail outlets, i.e. (1) shops, (2) market stalls, and (3) street stalls. For non-food commodities these are (1) department stores, (2) ordinary shops, and (3) street markets or bazaars. (Dry goods are not sold in public retail markets). Figures 4 and 5 indicate the relationships between shopping preference at various outlets. The preference was measured in terms of how frequently one would shop at a particular retail outlet for a particular good.

Fruits and groceries are almost unavailable in public retail markets. Goods towards the ' wet-end ' tend to be dominated by street stalls while those towards the ' dry-end ' are more available at ordinary shops (Fig. 4). The intermediate case is the retailing of salt-fish, preserved sea foods, and seasonings, which is equally important in the shops and in the street. The overlapping of retail functions is less marked in high quality goods because goods of this sort are seldom sold in street markets. Public retail markets are responsible for fish, meat, and poultry (killed and cleaned) but little for vegetables. Among these fresh provisions trades, meat is the ' best ' equipped with shop-type retail facilities. There are some poultry shops, mainly selling live birds; they are often wholesalers. Live birds are also common in street markets. There are few fish shops. Street stalls seem to be one of the major outlets for fish. Theoretically, fish and meat-street traders are illegal, but in practice there are large numbers of them in the street doing their business openly among the legal traders.

The pattern of non-food shopping can be generalized in the following way. For low unit-value goods people hardly shop at department stores. Department stores in Hong Kong do not operate in the same way as those in the West. They are mainly for the retailing of high value imported stuffs, in particular clothings, household equipments, and ornament articles. There is none similar to the ' Woolworth '

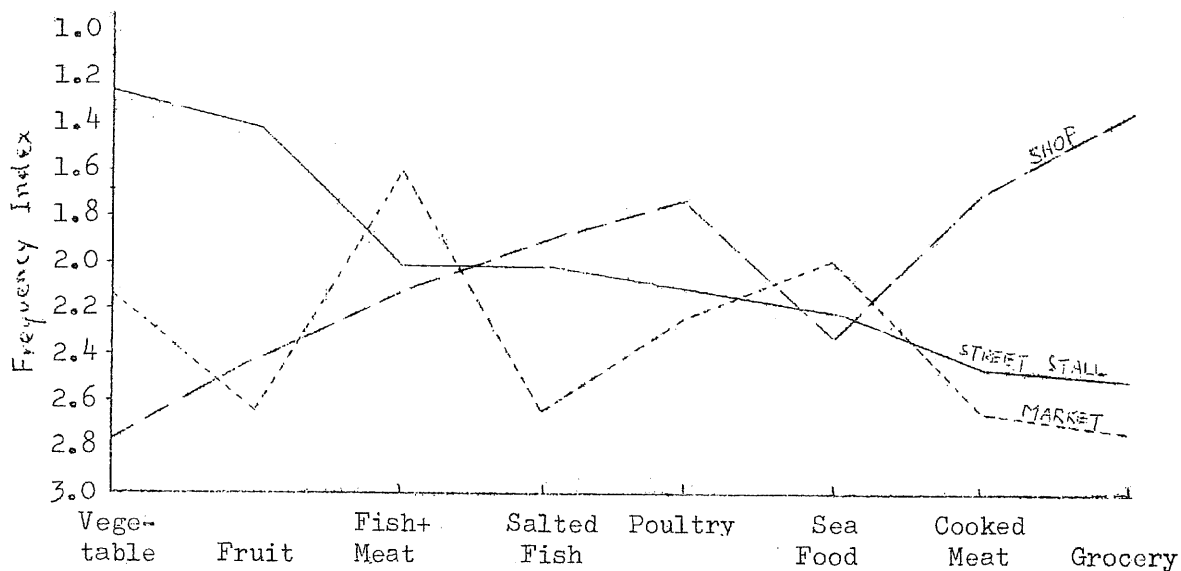


Fig. 4 : Frequency of Food Shopping at Three Types of Retail Outlets.
 Source: Field Interviews, 1971.

Frequency Index: 1.0 Frequent 2.0 Sometimes 3.0 Seldom

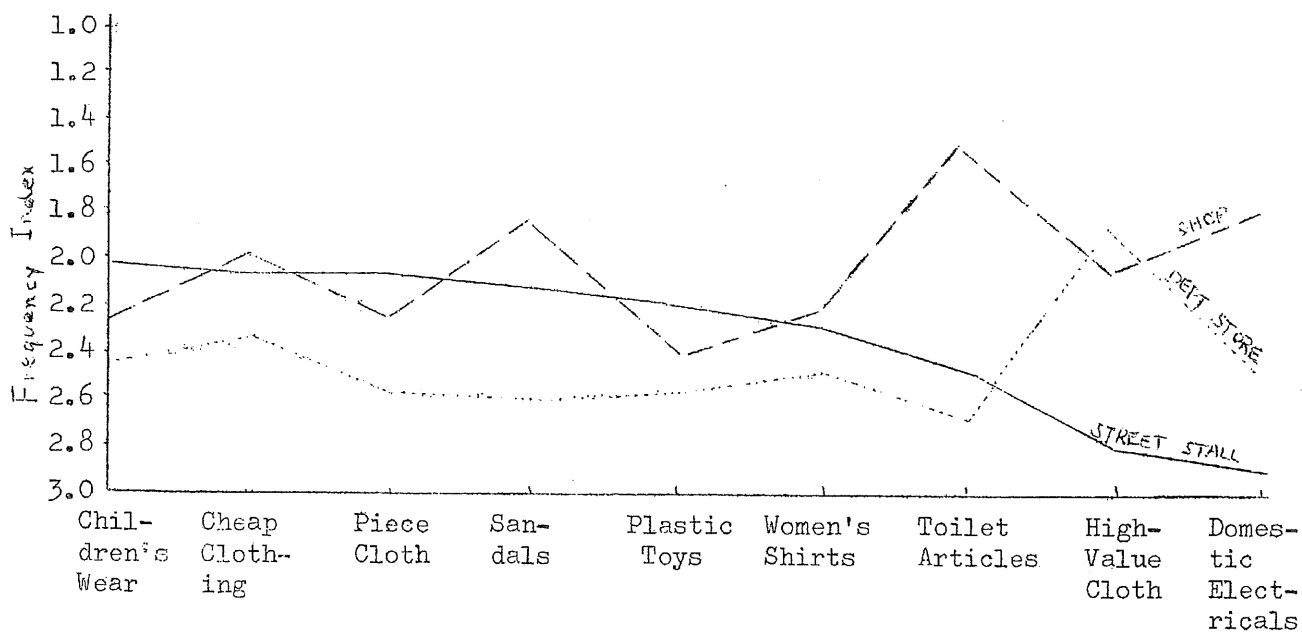


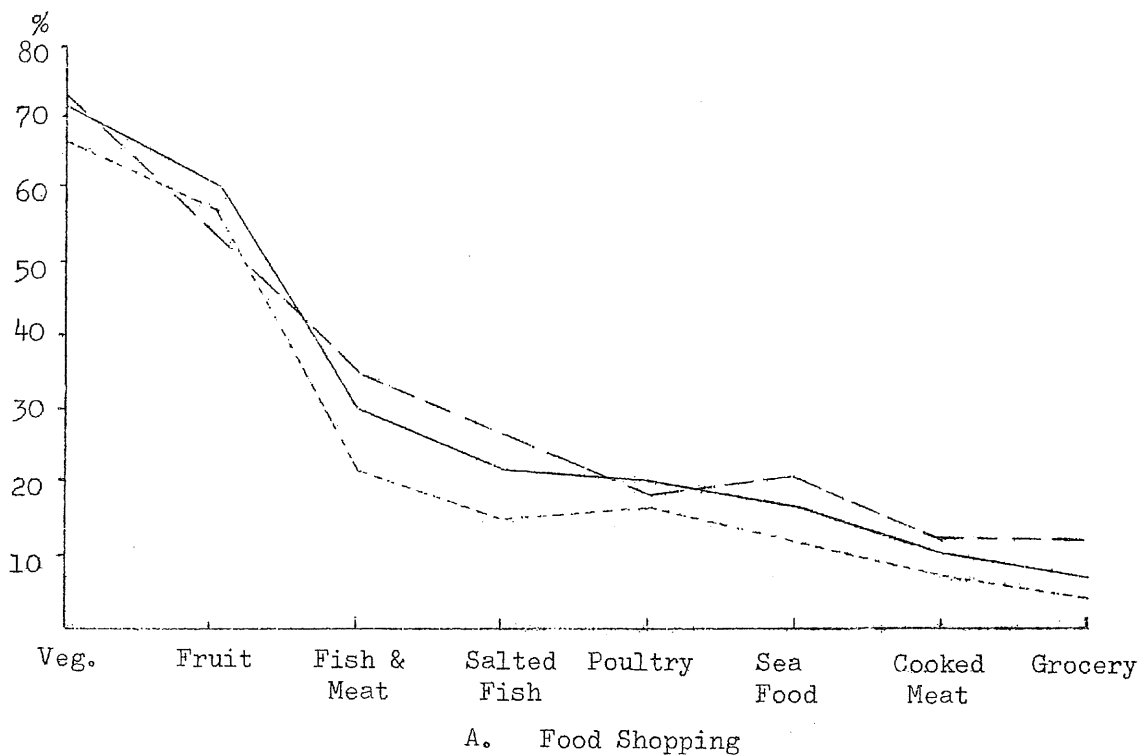
Fig. 5 : Frequency of Non-Food Shopping at Three Types of Retail Outlets. Source: Field Interviews, 1971.

Frequency Index: 1.0 Frequent 2.0 Sometimes 3.0 Seldom

type. Independent shops are still the main source of ordinary shopping goods such as apparel and footwear, durable goods, and daily consumption goods. Only children's wear, women's underclothing, and low-value men's shirts are popular in street trading. Of course, more expensive clothing such as 'trendy' dresses are not uncommon; they are available mainly in specialized street markets or bazaars. It is interesting to note that standardized manufactured goods are not popular in street trading. This may be due to the insignificant price differentials which make street trading unprofitable.

4.3 Street Shopping between High and Low Income Groups

Figure 6 presents the differences in street shopping between the high (monthly household income above HKD 1200) and low (HKD 400 - 800) income groups. The comparison with other income groups, in particular the adjacent ones, has been discarded because the variations are slight. Thus, attention is concentrated on the variation of shopping frequencies for various commodities in street markets between the two income groups (Figs. 6, A&B). In the case of food-shopping, high income families shopped for vegetables at street markets as frequently as any low income family. About 70% of the respondents, regardless of income variations, said they purchased vegetables from street traders. As for fruits, there was a higher percentage of high income households who shopped frequently at street stalls. This may be due to the fact that high income households do spend more on fruits (fresh fruits, particularly imported, are fairly expensive in Hong Kong). The contrast in patronizing street traders for other food-stuffs (the most common items are listed in Fig. 6 A) between the two groups was more noticeable than in the cases of fruits and vegetables. As a whole, high income households went less frequently to street stalls for these items as compared with the low income groups. In the case of non-food shopping, the difference is very marked (Fig. 6 B). It is important to note that the items listed in Fig. 6 are very common in street trading except the last two - better clothing and electricals.



— Average Households
 - - - Low Income Households
 . . . High Income Households

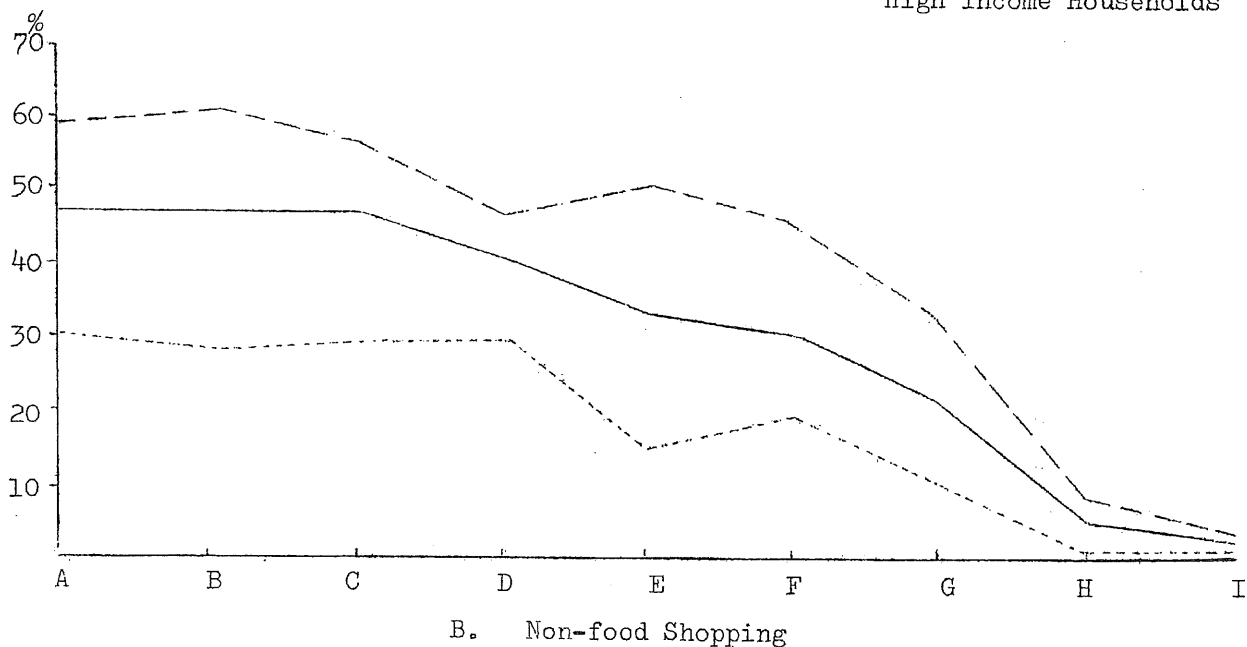


Fig. 6: Street Shopping Between High and Low Income Groups

- | | | |
|-----------------------|------------------------|-------------------------|
| A. Low-value clothing | B. Piece Cloth | C. Children's Wear |
| D. Sandals | E. Women's Shirt | F. Plastic Toys |
| G. Toilet Articles | H. High-value Clothing | I. Domestic Electricals |

Almost three-quarters of the respondents said they only shopped at street stalls on rare occasions. For those who patronized street traders, the contrast between the two income groups was much sharper than in the case of food-shopping. There were far fewer people from the high income groups who regarded shopping in the street as a common practice. As a whole, less than 15% of the total high income households who answered the question either positively or negatively. The relevant figure in the low income groups was between 25 and 30 per cent (Fig. 6 B). The wide gaps in certain shopping items such as women's shirts and clothing materials (the odds and ends) may well be accounted for by the fact that basically these items are seldom consumed by the high income groups. For example, shirts offered by most street traders are normally cheap, standardized, and low quality. They are more popular among the factory female workers. Rich housewives would hardly buy piece cloth from a pedlar and spend hours on the needle work. The low figures for expensive items signify the fact that they are rarely purchased from street traders.

In comparing the differences between the two figures (Figs. 6A & 6B), one generalization can be drawn (readers should not be misled by the different vertical scales of the two diagrams.) This is that the variation in street shopping between the high and low income groups is greater in non-food shopping than food shopping. In other words, this further supports the argument that shopping for foodstuffs in street markets is a universal phenomenon in modern Hong Kong. There is no significant difference between the high and low income sectors. They both have to shop in street markets. It is also important to note that Figure 6 only presents the pattern of those respondents who have answered that they patronized street stalls regularly; those who answered that they did so occasionally were not included. In fact, the latter accounted for quite a large proportion in the case of non-food shopping.

4.4 Household Expenditure on Purchases from Street Traders

The proportion of a household's monthly expenditure going to street traders is also an indirect measure of the relative importance

of street trading in the ordinary life of the Hong Kong people. The following is an overall picture of the expenditure pattern of a number of sample households used in an official survey in 1969.³⁹ The survey was carried out between August and October 1969 during which some two hundred households' daily expenses were recorded. Purchases from street stalls were distinguished from those obtained from other sources. The following table does not include the expenditure on housing, fuel and electricity, transport, and miscellaneous payments because they are not available in street trading (Table 14).

Table 14 : Household expenditure on Purchases from Street Traders and All sources, August - October, 1969.

Categories of Purchasing Items	<u>Household Expenditure on Purchases Made from</u>		<u>Expenditure on Purchases from Street Traders as Percentage of</u>	
	All Sources (A) %	Street Traders (B) %	Purchases from All Sources (C) %	Total Household Expenditure (D) %
Foodstuffs	45.6	85.0	19.4	8.84
Alcoholic Drinks & Tobacco	2.4	2.9	12.7	0.30
Clothing & Footwear	5.4	5.7	10.9	0.58
Durable Goods	2.3	0.2	1.0	0.02
Miscellaneous Goods	4.3	5.5	13.2	0.56
Services	15.5	0.4	0.3	0.04
Others*	24.5	N	N	N
Total	100.0	100.0	10.4	10.34

Source: Survey by Statistical Branch, Department of Commerce and Industry, Hong Kong.

* This includes expenditure on housing, fuel and electricity, transport, and other miscellaneous payments (non-available in street Trading).

Among the major categories of purchasing items, services was the least significant group; they accounted for only 0.4% of the sample households' expenditure on purchases made from street traders. But, in the total expenditure bill it was the second largest expenditure item after foodstuffs (Col. A, Table 14). The largest expenditure item in street shopping was foodstuffs; it accounted for 85% of the total expenditure incurred in street shopping (Col. B). In other words, street trading is more or less dominated by food trades. For other dry goods such as clothing, durable goods, miscellaneous goods, and confectionery, etc., less than 5% of the street shopping bill went to these sorts of goods respectively. The same happened to the total household expenditure bill of which 45.6% went to food, 24.5% to housing, electricity and transport, etc. (non-shopping items) (Col. A, Table 14); only a few percent was spent on each of the forementioned dry goods categories. This suggests dry goods street traders have a more or less equal standing with the formal retailers; proportionally both capture the same extent, though fairly small, of their respective ' markets ' in the two trading systems.

For those goods which were available in both street stalls and retail shops, generally street traders managed to capture about 10% of their respective ' markets ' (See Col. C, bottom figure). About 20% of the household expenditure on foodstuffs was spent on purchases made from street traders. The relevant figures on (1) alcoholic Drinks and Tobacco, (2) Clothing and footwear, and (3) miscellaneous goods were respectively 12.7%, 10.9%, and 13.2%. (Col. C, Table 14)

Taking all kinds of expenditure into consideration (including those which were unavailable in street stalls), 10.34% of the household expenditure bill went to various street traders. Of this 10.34%, 8.84% was for foodstuffs (Col. D, Table 14).

If we examine the expenditure itemwise, some commodities were almost solely obtained from street traders. A number of these items have been selected and presented in Table 15. Apparently, vegetables and fruits were the most important street trading purchases. For all

kinds of vegetables and fruits (dried, preserved, and fresh), about half the expenditure on these two groups of commodities was to street traders. If only fresh vegetables and fruits were concerned, the percentages would be as high as 70 to 80%. The second stronghold was newspapers and magazines; nearly 90% were obtained from street traders (newsagents are almost non-existent in Hong Kong). Apparel and footwear were also common in street trading; they accounted for one-fifth to one-quarter of the total expenditure on these two groups. (Table 15).

Table 15 : Expenditure on Selected Items Purchased From Street Traders as Percentage of Purchases from All Sources.

	Expenditure on Purchases from Street Traders as % of purchases from All Sources
Newspapers & Magazines	87.4
Vegetables (all kinds)	58.3
Fruits	47.4
Socks & Stockings, etc.	45.3
Cheap Toys	32.9
Women's Underclothing	28.2
Children's Outerclathing	20.5
Preserved Foodstuffs	19.3
Men's Underclothing	19.2
Confectionery & Tobacco	16.2
Raw Fish	6.5
Footwear	4.1
Meat & Poultry	2.4
Meals	2.1

Source: Statistical Branch, Department of Commerce and Industry,
Hong Kong, 1969.

4.5 An Estimate of the Retail Sales on Foodstuffs Handled by Street Traders

Estimates on retail sales handled by street traders are very difficult to make. This is mainly due to the lack of official statistics on retail distribution. Sales to bulk-buyers, restaurants, factory canteens, meal caterers, etc. are unknown. According to my field experience, it is not uncommon to see some street traders, in particular vegetable traders, acting as suppliers to large buyers. The present estimation is worked out along the line of the above mentioned household expenditure analyses.

According to the official Household Expenditure Survey (1963 - 1964),⁴⁰ in 1964 the average monthly expenditure per household was HKD 621. Taking the 1964 figure as the base (100), and the Retail Price Index into consideration; the 1970 figure will be HKD 806 (the Retail Price Index for 1970 is 129.8). According to Column A in Table 14, 45.6% of the Household expenditure would have been spent on foodstuffs purchased from all kinds of retailers, i.e. shops, public markets, or street stalls. This amounts to about HKD 365.20. Of this, 19.4% should be spent on food purchases from street traders alone, i.e. HKD 70.80 ($365.2 \times 19.4\%$). The annual purchases from street traders per household would be HKD 850.30 (70.8×12). Assuming this is applicable to all households for the present Study Area - 710,890 households in 1970 - the grand total would be

$$\text{HKD } 850.3 \times 710,890 = \text{HKD } 603.7 \text{ million}$$

where well over half (319.6 million) were generated from fruit and vegetable sales.⁴¹ Hence, it would be fair to say that street trading in Hong Kong is dominated mainly by vegetable and fruit trades.

4.6 Summary

This chapter and the preceding one emphasize the need for a serious and objective examination of the scale and magnitude of street trading in Hong Kong. The problem was explored in three ways.

In Chapter 3, it was suggested that the slow but gradual upwards transition from street trading to shop-type trading in most fresh provisions trades except meat, and the slow progress in market provision, are the main reasons for the heavy dependence on street traders as an important source of food supplies, especially of vegetables and fruits.

The second approach adopted here was to examine how street trading is being accepted by the general public. There was strong evidence showing street shopping as a universal phenomenon in Hong Kong. It was also acceptable in the eyes of the high income sector of the society. The patronizing of street traders was not motivated by economic considerations but rather by convenience. This is particularly true in the case of shopping for fruits and vegetables.

The third way of measuring the magnitude of street trading is by means of an examination of household expenditure contributed to street traders. On average, a household would spend well over one-tenth of its monthly expenditure on purchases from street traders, of which over 80% were for foodstuffs. Foodstuffs purchased from street traders accounted for 20% of a household's food bill. The estimated annual turnover of foodstuffs handled by street traders amounted to over 600 million Hong Kong dollars. However, those incurred in bulk-breaking and bulk-selling to restaurants, food caterers and other non-resident households were not included in this estimate. In the U.K. street traders accounted for only one to two percent of the total retail sales (1966).⁴² Although similar statistics are unavailable for Hong Kong, yet ten percent of the household expenditure bill is not a small sum!

The three ways of looking at the scale and magnitude of street trading suggest that street trading is not simply a supplement to the formal retail system, but it is an integral part of the total retail distribution system. Street stalls and shops are functionally complementary to one another, particularly in the food trade. High-value foodstuffs are supplied by shops and to a less extent by public retail markets. The role of street traders is to fill the gap between the two. In the trade of fruits and vegetables, street traders even dominate almost the entire ' market '.

V. STREET TRADING CHARACTERISTICS

The main concern in the present study is to investigate the extent to which the street traders in Hong Kong are acting in the way similar to ordinary shop retailers, or in other words, their tradesmanship or degree of professionalism. However, an insight into the characteristics and actual operation of the street traders' business is necessary in the analysis of the economics of street trading. In this chapter, the sex and age distribution of street traders, and the status and characteristics of street trading operation will be discussed in turn.

5.1 Demographic Characteristics

5.1.1 Sex Distribution

According to the survey of 32 sample areas, 45.4% of the people engaged in street trading were female. The ratio between female and male was approximately 1 to 1.2. Thus street trading did not appear to be dominated by either sex. However, if this ratio were compared with that of the working population in the commercial sector (1:3.5),⁴³ street trading would probably be regarded as a female-oriented activity (Table 1). The relatively high percentage of female traders is largely due to the fact that one or two large trades are still more female-oriented. For example, in Vegetables 56.4% of the operatives are female as compared with approximately 30% in others; and, this trade accounts for more than one-quarter of the total street trading population.

Table 16: Sex Distribution

	<u>Male</u>	<u>Female</u>
Street Trading (32 Sample areas)	54.6%	45.4%
Commercial Sector (HK)	75.5%	24.5%
Total population (HK)	50.8%	49.2%

Sources: Field Survey (1971) and Population Census, 1971 (Hong Kong)

There are more male operatives in trades selling dry goods. Wet goods are handled mainly by female operatives, in particular fresh vegetables and fruits. Selling raw meat and fish is mainly the male's job; 80% of the stalls were run by male traders. It is strange to see newspapers and magazines being handled more often by female than by male operatives. This does not conform to the common preconception of a large number of newspaper-boys delivering papers from door to door. The relatively high female participation may be due to the legal status and stability of making one's living by this form of street trading.

5.12 Age Distribution

The age distribution is more complicated (Table 17). A comparison of street trading with the commercial sector is useful in finding out if street trading is a "refuge" occupation for the aged. Both sectors have the same mean age of 40.9 years. In detail, the percentages of young age groups in street trading are much lower than those in the commercial sector. In the elderly groups, a clear distinction is that 11.2% of the street traders are over sixty years old as compared with 6.7% in commerce.⁴⁴ However, if one considers those between 30 and 50 - a reasonably matured age in the business world - as the stronghold of the labour force, street trading in Hong Kong is not really an old man's occupation because 56.9% of its labour force are within this range, only 6.3% higher than the relevant age groups in the commercial sector. Therefore, the preconception of street trading as a "refuge" occupation is quite unrealistic.

Table 17: Age Distribution

	<u>Commercial Sector (1966)</u>		<u>Street Trading (1971)</u>	
	%		%	
Under 20	9.0		4.7	
21 - 30	18.2		9.2	
31 - 35	11.2	} 50.6	8.5	} 56.9
36 - 40	12.5		13.6	
41 - 45	14.4		17.2	
46 - 50	12.5		17.6	
51 - 55	9.4		8.3	
56 - 60	6.1		9.8	
Over 60	6.7		11.2	

Source: Field Survey (1971) and Population Census, 1966 (Hong Kong)

For the sake of convenience, the comparison of age distribution between trades is simplified to three age groups, i.e. (1) young (2) middle aged, and (3) elderly (Table 18).

Table 18: Age Distribution by Trade

	<u>Young (under 35)</u>	<u>Middle (36-50)</u>	<u>Elderly (over 50)</u>
A. Newspapers	26.7	20.0	53.3
Confectionery	21.4	32.2	46.5
Emporium goods	20.4	36.4	43.2
B. Vegetables	19.3	46.8	33.9
Household ware	18.1	49.9	31.8
C. Fruits	20.4	61.0	18.7
Cooked food	17.5	61.8	20.5
Services	20.0	60.0	20.0
D. Raw meat	22.8	57.2	20.0
Garment	21.6	54.9	23.5
Grocery	24.2	50.0	25.8
E. Fish	33.3	38.4	28.2

Source: Field Survey (1971)

Cooked food stalls, fruits and service stalls (Group C, Table 18) are mainly operated by middle aged traders. In the upper part of Table 18, the proportion of older operatives is larger. These trades are either less labour intensive (Newspapers, Confectionery) or require well established supply links with suppliers (Vegetables) or are rather capital intensive (Household goods). In the lower part of the Table, the proportion of old operatives is less dominant. The Fish Trade has the highest percentage of young operatives (33.3%). This is because selling raw fish (meat as well) is illegal. A fish trader has to be constantly alert for police raids and arrests. Elderly stall holders are less capable in dealing with such situations.⁴⁵

5.1.3 Persons Engaged per Stall by Trade

It has been an accepted generalization that street trading is a family business. According to the survey, only slightly over one third were actually family-based operations. Such operations were defined as those in which at least one member of the operative's family is permanently engaged in the business. (Casual assistance is not regarded as 'engagement'). Normally, the co-operator is the spouse of the licensee, Partnership is uncommon. Only 13% of the total are working on a partnership basis. These are mainly large-scale cooked food stalls. Partnership is often in the form of a joint venture between the licensee and the operator, or between two skilled co-operators working on privately rented licences.

Wet goods tend to have more family-based operations. Over 57% of the raw meat stalls are family-based business compared with 6% in Services. This is because wet goods in particular Raw Meat require much more labour investment than any other trades. Their traders have to make purchases early in the morning every day. The job is often shared by the member who does not have to look after the stall during the day. He/she only helps selling during the peak hours. The following table presents the average number of persons engaged in different trades (Table 19).

Table 19: Persons Engaged per Stall

<u>Trade</u>	<u>Persons Engaged per Stall</u>
Raw Meat	1.65
Garment	1.27
Vegetables	1.27
Grocery	1.27
Fish	1.20
Fruits	1.16
Household Goods	1.13
Confectionery	1.10
Emporium Goods	1.09
Newspapers	1.00
Services	1.00

Source: Field Survey (1971).

5.2 Status of Operation

5.2.1 Licensed Status

There has been an official estimate that there are as many unlicensed as licensed traders⁴⁶. In the survey, only 25% of the traders interviewed were unlicensed. There were more unlicensed than licensed in the Service sector (71% unlicensed), Raw Meat (60%), and Raw Fish (52%). It is strange to see that there were licensed traders who did not conform to the regulations and conditions of their licensed status and sold prohibited fresh meat and fish. The high percentage of unlicensed traders in Services suggests that so long as an operative does not violate other laws, mainly traffic obstruction, he may conduct his business as usual. It is surprising to note that most of the fresh provisions traders are licensed operatives (almost 90%); whereas in the dry goods sector there are 15 to 25% unlicensed. From a street trader's point of view, the most essential task is to

secure his established stall (the site as well). Illicit dealings could be introduced in order to protect the advantages of an existing site. In the survey, about 70% of the respondents said that they did not have to make any form of offering to anybody in order to secure their stalls. The others said they had expenses called "Tea Money" of one kind or another. It is mainly for bribing the concerned authorities such as people from the Cleansing Department. In the eyes of the street traders "Tea Money", which is about a few dollars a month, is merely a reward for keeping their belongings (the trading apparatus) in position overnight. Only very few traders admitted that they were under control of (or protection from) triad societies. The propensity to bribe is greater in the food trade, particularly the illegal ones. Because cooked food stalls, raw meat and fish stalls are most vulnerable to legal offence, heavy bribery is required. In short, 20-30% of the food traders had engaged in some sort of illicit dealings in order to secure their ways of making a living. The percentage in the non-food sector is about 15%.

There is no convincing correlation between the practice of illicit dealing and the unlicensed status of a street trader. The only obvious relationship occurs in the fish trade ($R = -0.25$). In the preceding paragraph, we have stated that about 90% of the fresh provisions traders (of all kinds) were licensed; whereas the counterpart in the non-food sector was 75%. In terms of propensity to bribe, the former was twice as likely to bribe as the latter.

5.2.2 Private Renting and Resale of Trading Licences

There was little evidence of the practice of reselling stall licences in private.⁴⁷ Even renting a stall from a licensee was not as common as one imagined. Over 95% of the respondents said that they operated their own stalls (or pitches), whether obtained legally or illegally. The only exception was cooked food stalls - 20% of these were rented stalls. There was a relatively high percentage of

rented stalls in the illegal trades, 15% in Meat and 20% in Fish. Most of these rented stalls did possess proper licences yet they sold illegal goods. In other food trades, the percentage was not more than 5%.

5.3 Street Trading Operation Characteristics

5.3.1 Stall Size

Stall size is one of the most important attributes of the economic value of a street trading unit. Almost all stall holders have tried to snatch as much space as possible. Some traders may have stalls comprising a few licences, for example one fixed stall plus one fixed pitch and several pedlar licences, so as to justify the space they have occupied. In the survey, the size of a trading unit was measured by number of standard units; one unit (4 x 3 ft.) was regarded as small, two as medium and three or more as large.

The distribution of three size groups of stalls in various trades, is presented in descending order from large to small in Table 20.

Table 20: Size Distribution by Trade

	<u>Small</u>	<u>Medium</u> (% of Row Total)	<u>Large</u>	
A. Cooked Food (Heavy)	0	20	80	Biggish
Cooked Food (Light)	2	62	36	
Pet Animals	15	30	55	
B. Footwear	26	49	26	1
Household Ware	37	45	19	
Emporium Goods	38	33	31	
Garment	40	32	28	
Confectionery	43	32	27	
C. Snacks	50	35	15	1 Average
Fruits	51	31	18	
Toys & Stationery	52	36	13	
D. Grocery	55	34	12	1
Raw Meat	64	27	11	
Vegetables	60	27	13	
Services	74	20	6	
Newspapers	84	7	10	
Raw Fish	85	15	0	Smallish

Source: Field Survey (1971).

Fruits, toys and stationery, and snacks (Group C in Table 20) are very close to the average situation, approximately one large stall to two medium ones and three small ones. Group A is characterized by the dominance of large stalls. These are cooked foods stalls and pet animals stalls. Group D is dominated by small operations. These are fresh provisions stalls, flower stands and service stalls. The ratio of the three sizes is one large to three medium and five small (Table 20). Dry goods are normally sold in medium size stalls (Group B). There are equal proportions of the three sizes. Generally speaking, the bulkier the trading commodity, the fewer will be the number of

small stalls. In the area of manufactured goods (Garment & clothing), small operations are more common because these piece goods can be put on sale in very tiny pitches. The average actual operating sizes of different trades are shown in Table 21. The overall average is 1.68 standard units (12 square feet) which equals 20.16 sq. ft. (1.68 x 12), therefore approximately the size of four feet by five feet. In other words, this is equivalent to a six inch extension on the left and right hand side of a standard stall and a foot extension in the front. (B in Figure 7).

Table 21: Average Operating Size by Trade

	<u>Operating size in units</u>
Household ware	2.42
Grocery	2.28
Garment	1.95
Fruits	1.82
Vegetables	1.80
Emporium Goods	1.74
Confectionery	1.68
Raw Fish	1.54
Raw Meat	1.51
Services	1.13
Newspapers	1.00
Overall	1.68

Source: Field Survey (1971).

5.32 The Functional Size

It must be noted that the size figures in Table 21 do not include the shoppers' space - the service area of a stall (Fig. 7 C.). If the service space is included it is like working out the "Cross Floor Area" of a shop or a market stall. The Net/Gross ratio of small shops in Resettlement Estates (0.819)⁴⁸ was used as the basis of

calculation. This is because small shops are close to the street trading situation where almost every square inch is fully utilized. The 'Gross Floor Area' or the functional size of an average street stall is about 25 square feet ($20.16/0.819$), which means a further extension of one foot toward the front of the actual stall (5ft. x 5 ft.). (C in Fig. 7).

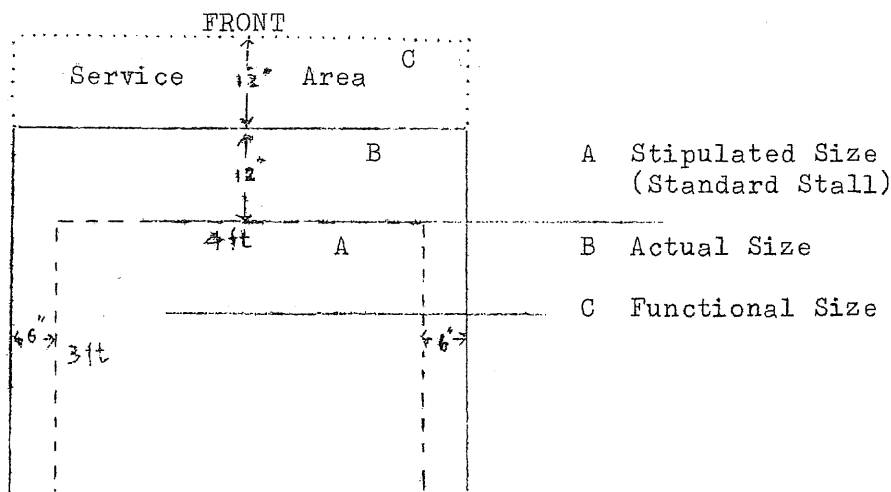


Fig. 7: Three Kinds of Sizes

This is quite a conservative estimate compared with the official planning Gross Floor Area of 50 sq. ft. for a stall in a Hawker Bazaar, and 230 sq. ft. for a retail market stall.⁴⁹ The present estimate is about only one-nineth of a market stall.

5.3.3 Street Frontage

If a stall has three standard units, one single frontage will be at least 12 feet long (4 x 3). If private extensions on both sides are taken into account, the frontage could be as wide as that of an ordinary shop. Shops in city districts have 16 - 20 feet long frontage; whereas those in resettlement estates have about 11 feet.⁵⁰ In other words, a large street stall can easily have a street frontage as long as a small shop's. Stalls located in isolation have at least three frontages. Those located in compact street markets have only one frontage, or two when the back side is also used.

5.3.4 Stall Equipment

The characteristics of a shop-type retail outlet are indicated by (1) the solidly constructed premises, (2) the large sign board hung up on the shop front and (3) the lockable shop front. Attempts have been made to measure the extent of which street stalls are approaching the shop-type appearance. Unfortunately, the variation between trades is so great that overall generalizations can hardly be drawn. Some trades hardly use any shop-type facilities or decorations; Vegetables, Raw Meat and Fish are notable examples. The measurement becomes meaningful only in the dry goods sector. For example, dry goods stalls tend to use proper shop-type sign boards, 32.8% in Grocery, 22.7% in Household ware and 25.7% in Services as compared with only 10.3% in Fish and 6.5% in Vegetables. The use of lockable fronts is almost universal in fixed stalls. Some fixed pitches use other means of protection for overnight storage such as lockable tin-plate screens and canvas covers.

The installation of electric lights is a good indicator of the size and permanence of a trading post. The supply of electricity is subject to private negotiations between a stall keeper and his neighbouring shops or households - the supplier. Separate meters are often installed on the suppliers' premises; the stall keepers get their own electricity bills. The use of electric illumination is fairly common and there is a marked correlation between number of electric lights installed and the structure of a stall (permanence of a trading unit) (Table 22). The higher correlation coefficients in Raw Meat and Fish ($R = 0.56$) are due to the fact that illumination is necessary in these particular trades.

Table 22: Installation of Electric Lights and Correlation with Stall Structure

	<u>% of Stalls with Electric Lights</u>	<u>Correlation (R) with Stall Structure*</u>
Grocery	74.1	0.36
Raw Meat	71.4	<u>0.66</u>
Raw Fish	61.5	<u>0.82</u>
Household ware	59.1	0.67
Fruits	52.5	0.67
Confectionery	50.0	0.58
Emporium Goods	43.2	0.58
Vegetables	41.9	0.38
Garment	31.4	0.56
Services	31.4	0.52
Newspapers	6.0	N
Overall	49.8	N

Source: Field Survey (1971).

Significance level over 95%

The installation of electric fans, refrigerators, and telephone is of course not as common as lights. On average, one-third of the dry goods stalls were equipped with electric fans and 5% with private telephones. In Householdware alone, 18.2% of the stalls were equipped with telephones. Hence, it is fair to say that dry goods stalls tend to have more shop-like facilities.

5.3.5 Storage

The storage problem is also important in understanding the stability and permanence of a street trade. Only 14.1% of the stalls interviewed said that storage or stock holding was not necessary.

Table 23: Storage of Trade

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
	(% of Row Total)				
Householdware	0	<u>72.7</u>	22.7	4.5	0 0
Emporium Goods	0	<u>61.4</u>	31.8	0	6.8
Confectionery	0	57.1	28.6	3.6	<u>10.7</u>
Garment	3.9	41.2	<u>47.1</u>	0	7.9
Fruits	3.4	54.2	<u>30.5</u>	6.8	5.1
Grocery	10.3	<u>60.3</u>	13.8	6.9	8.6
Vegetables	16.1	<u>77.4</u>	3.2	1.6	1.6
Raw Meat	<u>28.6</u>	48.6	14.3	5.7	2.9
Raw Fish	<u>33.3</u>	53.8	10.3	2.6	0
Services	<u>40.0</u>	37.1	20.0	2.9	0
Newspapers	<u>40.0</u>	26.7	20.0	6.7	6.7
Overall	14.1	55.8	21.9	3.3	4.8

A: No Storage required

B: Store at the Same Stall

C: Store at Home

D: At Other Stalls

E: Others

Source: Field Interview(1971).

Well over half of the stalls had their goods stored at the same stalls, 3.3% in hired or borrowed stalls and about 22% at home. The bulkier the goods the more likely it is that the stall will be used as the only place for storage. Hence, a well protected stall structure is required. Manufactured goods traders require a larger stock; they tend to hold the stock in the stall. However, for light and high unit value goods, the home becomes the better place for storage (Garment in Col. C of Table 23). It is surprising to see that wet goods traders do not operate mostly in the line of quick selling (Col. A). Overnight storage of fresh vegetables in the stall is very common. In the case of fruit traders, 30% of them had to bring their unsold goods back home after a day's selling.

The above mentioned scale of operation size in Table 20 can be viewed as being parallel to the following scales of reference, e.g. (1) divisibility of the trading commodity, (2) locational and stall mobility, and (3) sophistication of shop-like equipment. Generally speaking, the greater the space requirement of a trade, the more difficult it will be to remain in the street as congestion is becoming increasingly serious. In other words, it is more likely to be pushed off of the street.

5.3.6 Mobility

In the survey, 60% of the trading units were permanently fixed stalls, 20.3% mobile and 19.6% movable. Table 24 presents the variation in mobility between different trading groups. The most stabilized groups are Vegetables and Grocery (A in Table 24) being even more stable than dry goods (Group D). Raw Meat and Fish are relatively less stabilized which is mainly due to their illegal status (Group C). The increasing mobility of the fruit trade indicates the disparity between fixed fruit sellers (dealing in a wide variety of fruits) and those selling one or two seasonal fruits. This happens to the dry goods as well. Dry goods are either sold in assortments at large stalls (Mini-store like) or in one or two categories by itinerant traders. There are very few dry goods traders who operate on a movable basis (Group D). On the contrary, Services and Newspapers are becoming less mobile. There is a tendency towards stabilization (Group B). Yet movable stalls will be adequate for them because overnight storage is not required.

Table 24: Distribution of 3 Types of Stall Structures by Mobility and by Trade

	<u>Mobile</u>	<u>Movable</u>	<u>Fixed</u>
	(% of Row Total)		
A. Grocery	5.4	10.3	<u>86.2</u>
Vegetables	4.8	22.6	<u>72.6</u>
B. Services	11.4	<u>40.0</u>	48.6
Newspapers	13.3	<u>60.0</u>	26.7
C. Raw Meat	<u>20.3</u>	<u>19.6</u>	60.0
Fruits	<u>27.1</u>	<u>25.4</u>	47.5
Raw Fish	<u>30.8</u>	<u>23.1</u>	46.2
D. Emporium Goods	<u>27.3</u>	11.4	61.4
Confectionery	<u>28.6</u>	10.7	60.7
Householdware	<u>31.8</u>	9.1	59.1
Garment	<u>35.3</u>	7.8	56.9
Overall	20.3	19.6	60.0

Source: Field Interview (1971).

5.3.7 Stall Site

According to the survey, almost two-thirds of the street traders interviewed were located in street markets (linear agglomeration), 22.5% in bazaars (usually off-street) and 12.3% in isolated sites.⁵¹ In general, food trades, except fruits, prefer concentrating in street markets rather than bazaars; they seldom locate in isolation. Non-food activities are more diversified in the three kinds of locations, yet still like to juxtapose with others. In Table 25, the higher the position of a trade, the greater the tendency will be toward agglomeration.

Table 25: Site Location by Trade

	<u>Street Market</u>	<u>Bazaar</u>	<u>Isolated</u>
	(% of Row Total)		
A. Raw Fish	59.0	41.0	0
Raw Meat	60.0	37.1	2.9
Grocery	65.5	34.5	0
Vegetables	66.1	33.9	0
B. Garment	78.4	11.8	9.8
Emporium Goods	77.3	11.4	11.4
Household Ware	77.3	9.1	13.6
C. Services	57.1	8.6	34.3
Newspapers	66.7	0	33.3
Fruits	66.1	10.2	23.7
D. Confectionery	32.1	32.1	35.7
Overall	65.2	22.5	12.3

Source: Field Interview (1971).

Services, Newspapers and Fruits are normally found less in bazaars; they mingle with other trades in street markets or are isolated on street corners. The extraordinarily even distribution of street traders selling sweets, chewing gum, ice cream, etc. signifies the ubiquitous character of these kinds of goods in street trading.

5.4 Summary of Findings

The characteristics of street trading can be summarized in the following:

1. The majority of street traders are between the age of 36 and 50. The myth that it is a refuge occupation for the aged is unfounded. Nor is it an attractive field for the young; less than 15% are under the age of thirty - a desirable age group for any other non-skilled employment.
2. The activity is fairly female-oriented compared with the commercial sector because street selling is a favourable means of making a living for unskilled and middle aged women. They concentrate in the retailing of wet goods, mainly fresh vegetables.
3. The majority of street traders work on their own. There are not many family-based operations. Selling wet goods tends to be more economical when family members are engaged in the same operation because labour investment is quite heavy.
4. The ownership of a hawking licence does not convey any very special privilege because in practice there is no effective control of the unlicensed. Most street traders do not conform to the conditions of their licences in one way or another. Illicit dealings are not aimed at securing licences but rather the site and avoiding inconvenience.

5. Wet goods traders tend to agglomerate in street markets or bazaars. Agglomeration economies are also important for the dry goods trades. Locational specialization is a means to widen the market for survival.
6. Almost all street traders have extended their stall size to about $1\frac{1}{3}$ times the stipulated standard size of 12 square feet. Dry goods stalls are larger than wet goods stalls. The larger the size, the heavier will be the stall capitalization in installations of shop-type facilities and equipment.
7. Street trading is no longer characterised by a complete clearance of stock and stalls being erected in the morning and dismantled in the evening. The majority have their stocks kept in the stalls overnight. Wet goods are extremely stable except the illegal ones. Of dry goods, there are almost one-quarter working on the basis of mobile trading. They sell limited ranges of goods. Even the service tradesmen and newsvendors are moving towards stabilized trading. At present, they are at the semi-mobile stage.

VI. THE ECONOMICS OF STREET TRADING

6.1 Cost Structure

In most street trades the cost structure is fairly simple. There are three kinds of cost. First is the cost of commodities. For a small retailer, the purchase price does not vary considerably whether he sells in large quantities or small. This is particularly true in the case of wet goods trades in which supply prices are regulated by the marketing organization rather than by individual buyers and sellers. In the dry goods sector, the scope of scale economies in bulk buying is also limited because street trading is intrinsically a small scale industry. Second is the fixed cost which includes fixed capital and 'rent'. Capitalization is fairly low in most trades except large scale cooked food stalls and stalls selling higher unit-value commodities such as garments and clothing. There is no official rent. Licence fees should be regarded as 'rent' yet they are relatively negligible. The fees range from HK\$20.00 for pedlar licence to about three hundred for a cooked food stall (annual licence). Finally, there are variable costs such as costs of transport, storage, and electricity. But expenses in illicit dealings are difficult to be specified as fixed or variable costs.

6.1.1 Variable Costs

Electricity is a negligible cost factor. It may vary in accordance with the length of selling hours. As in the case of storage, the problem is more noticeable in the wet goods sector than in the dry one. For example, aggressive fruit traders may buy in large quantities at the right times and store them in cold stores rented from wholesale markets. (The charge is about HK\$1.50 per box a month). Vegetable traders seldom have cold storage facilities provided in markets, but there is a self-invented method of placing small ice cubes between layers of vegetables stored in large baskets. On hot

summer days, this may cost a medium operator three to five dollars a day which is quite a considerable sum when compared with the fraction of a dollar for the licence fee or electricity. Another important item is the fee for overnight care-taking. In most street markets, there are watchers set up by the street traders themselves to guard against thieves. The fees range from HK\$5.00 per standard unit in a poor site to over HK\$10.00 in a prosperous site (monthly rates). A large stall could easily spend at least one dollar a day for such services.

6.1.2 Transport Costs

Freight rates are not charged in proportion to distance due to the small size of the city. There are zonal rates, mainly for the distinction between urban and fringe resettlement districts. And, the rates are seldom based on weight. They are often charged on the size of shipment, i.e. boxes of oranges, baskets of vegetables, or carcasses of animals. Bulkiness, handling and unit value are the main factors in setting up freight rates. Finally, freight rates are fairly uniform for a number of major commodities. This may be due to the relatively well established delivery system within the wet goods sector. Freight rates for dry goods are less uniform.

Table 26 gives a general picture of freight rates charged on four major street trading commodities⁵² for city districts.

Table 26: General Freight Rates for Major Street Trading Commodities

	<u>Freight Rates</u>	<u>Transport costs as % of Revenue</u>
Meat	Pork: HK\$6.00 per carcass	
	Beef: HK\$7 - 8.00 per carcass, or HK\$7 - 8.00 per tam*	1 - 1.5%
Vegetables	HK\$2 - 3.00 per tam	1.5 - 2.5%
Fruits	HK\$2.00 per tam, or	
	HK\$0.40 - 0.50 per box	0.5 - 2.0%
Dry Goods	HK\$0.40 - 0.50 per tam	NA

Source: Field Interview (1971).

* 1 tam equals approximately 133 pounds.

The rates for the fringe territories are generally one-third higher.⁵³ In the area of wet goods and fruits, transport costs appear to be the most important cost factor as compared with those in dry goods and services. In the case of fruits, the transport costs vary significantly ranging from as high as 2% of revenue for watermelons (low unit-value) to 0.6% for expensive table fruits, e.g. Lung Ngaan (Table 27). The figure 0.5 - 2.0% is just a rough representation for the average.

Table 27: Detailed Structure of Transport Costs for Fruits in Yau Ma Tei.

<u>Fruit</u>	<u>Frgt. Rate</u>	<u>Buy Price</u>	<u>Sell Price</u>	<u>Trans. Cost as % of Revenue*</u>
Lung Ngan (Thai)	HK\$ 2.0/tam	300.0/tam	3.0/lb	0.6%
Orange (Calif.)	HK\$ 0.4/box	45.0/box ⁺	0.45 each	0.7%
Orange (S. Africa)	HK\$ 0.4/box	28.0/box ⁺⁺	0.40 each	1.0%
Water Melon (Taiwan)	HK\$ 2.0/tam	70.0/tam	0.80/lb	2.0%

* In calculating revenue allowance has been made for waste and mark down

+ 138 per box

++ 88 per box

In view of the difficulties in gathering detailed cost data, estimates of various costs could only be made in a very generalized fashion. As a rule of thumb, the overall variable costs (labour excluded because of self employment) for wet goods come to about 3% of revenue half of which goes to transport costs. For dry goods, 2% of revenue should be high enough to cover all the variable costs. In the case of newspapers, magazines and services, 1% of revenue is estimated as appropriate.

6.2 Pricing

6.2.1 Pricing Method

Most street traders simply set their prices by adding a pre-determined mark-up. Table 28 shows how different trades price their goods.

Table 28: Pricing Methods

	<u>By Fixed Mark-up</u>	<u>Follow the Price Leader</u> (% of Row Total)	<u>Depends on Situations</u>
Raw Meat	42.9	<u>31.4</u>	25.7
Raw Fish	69.2	0	<u>30.8</u>
Vegetables	75.8	4.8	19.4
Fruits	88.1	3.4	8.5
Grocery	70.7	12.1	17.2
Emporium Goods	75.0	9.1	15.9
Garment	78.4	2.0	19.6
Householdware	77.3	4.5	18.2
Confectionery	57.1	<u>42.0</u>	0
Services	48.6	20.0	<u>31.4</u>
Newspapers	0	<u>100.0</u>	0
Overall	68.1	14.1	17.9

Source: Field Interview (1971)

Meat, Confectionery, and Newspapers are the three trades where there are price levels initiated by the price leaders. For example, in the line of raw meat, meat shops are price leaders which market stalls follow. There is not much price differentiation between shops and market stalls, and street traders more or less follow the same. Those traders in resettlement estates enjoy very low costs yet they keep the price level equivalent to the shops. Confectionery prices are also fairly uniform in most cases. Needless to say, newspaper prices are almost standardised. The most unreliable pricing is that of raw fish. Prices can be charged differently for different customers and in different situations. Thus, bargaining is frequent in this trade. Services are mainly charged on an individual level.

6.2.2 Pricing Structure

The mark-up varies from commodity to commodity. In general, it is simply worked out by adding a fraction of the purchase price of a commodity to form the selling price, say one quarter, one third or half. However, there are also some rudimentary methods accomplished simply by using the differential in weight between two weight systems. For example, the purchase at cost of one 'tam' (担) Lung Ngaan (in the Chinese system one tam is equivalent to 133 pounds' weight) is HK\$300.00 which also means HK\$3.00 per catty (1 tam = 100 catties). Street traders would simply sell at HK\$3.00 per pound, which means the mark-up is one third of the selling price. Usually, street traders seldom distinguish mark-down and waste for the sake of book keeping. The following is a generalized pricing structure of most fairly low-margin wet ^{goods} traders. (Mark-down and waste at about 10% of purchases) (Table 29)

Table 29: A Model of Pricing in Street Trading

		<u>Unit</u>
Purchases at cost		73.8
Mark-up		26.2
Purchases at selling		100.0
Mark-down	10	
Wastage		
Sales (Revenue)		90.0
Gross Profit ⁺		16.2
Variable Costs	1.8	
Net Profit ⁺⁺		14.4

+ Gross Profit is 18% of Revenue (GP/Sale x 100%)

++ Net Profit is 16% of Revenue (NP/Sale x 100%) - the reward for all the investments including labour.

Since traders often set a fixed mark-up, the profitability of a trade becomes a function of the interplay between mark-down and waste and the rate of turnover. Waste is very variable in wet goods. Mark-down is again subject to the demand situation. It is usually incurred at the end of the day for quick disposal of perishable goods. These two pricing elements are more responsible for the fluctuation of the gross profit in wet goods than in dry goods.

External pricing constraints are almost absent in the street trading system. Pricing is based largely on cost rather than competitive thinking. Only 10% of the traders interviewed said they manipulated prices purely on a competitive basis. In fact, prices have seldom been found going downwards in areas of great demand. This could well be the reason that costs are also higher in major street trading concentrations, i.e. higher charges on over-night caretaking due to larger stock keeping, more bribing or more frequent court fines and higher transport costs etc.

6.3 Gross Profit and Daily Turnover

6.3.1 Gross Profit

The overall mean gross profit in street trading is 18.1% of sales. It ranges from 12.8% in Raw Meat to 26.9% in Services (Table 30). Two important notes have to be mentioned for the understanding of the validity of Table 30. First, the extremely high scores in the "Don't Know" and "Hard to work out" answers conceal a lot of information (Cols. D.K. and H.W. in Table 30). Commercial secrecy or illegal trading status could well be the reason for such a reservation. With the help of depth interviews of some proprietors in the fish and meat trades, the figures presented in Table 30 (12.8% and 18.3%), were under-rated. It appears that the higher the profitability of a trade, the less willing will be its trader to reveal the profit figures.⁵⁴ The relatively high percentages of

unspecified answers (D.K. and H.W.) in Services should be regarded as reasonable because of their nature, it is very difficult to work out the profit margin. The other important note is that the average gross profit figures (Last Column, Table 30) were calculated on the basis of those who had given specific answers. Unspecified answers were excluded. For example, in Raw Meat and Raw Fish (over 30% unspecified answers respectively), the present average Gross profits of 12.8% and 18.3% are, in fact, the average of the low profit groups. The adjusted figures should be 17.6% for Raw Meat and 19.7% for Raw Fish.⁵⁵

Table 30: Distribution of Gross Profit by Trade

Trade	H.W.	10%	15%	16%	21%	31%	DK	Aver.
				20%	30%	40%	**	GP %
(% of Row Total)								
Raw Meat	5.7	8.6	25.7	<u>28.6</u>	5.7	0	25.7	<u>12.8</u>
Raw Fish	5.1	7.7	10.3	<u>33.3</u>	10.3	5.1	28.2	<u>18.3</u>
Vegetables	4.8	9.7	<u>22.6</u>	<u>30.6</u>	16.1	4.8	11.3	17.8
Fruits	6.8	6.8	<u>28.8</u>	<u>44.1</u>	6.8	1.7	5.1	16.6
Grocery	1.7	12.1	<u>44.8</u>	<u>24.1</u>	3.4	5.2	8.6	15.8
Emporium Goods	11.4	9.1	<u>29.5</u>	<u>27.3</u>	15.9	2.3	4.5	17.1
Garment	2.0	2.0	<u>47.1</u>	<u>27.5</u>	9.8	3.9	7.8	17.5
Confectionery	7.1	10.7	<u>21.4</u>	<u>46.4</u>	10.7	0	3.6	16.3
Household Ware	4.5	4.5	9.1	<u>27.3</u>	13.6	<u>22.7</u>	18.2	22.9
Services	17.1	5.7	11.4	5.7	2.9	<u>40.0</u>	17.1	26.9
Newspapers	6.7	13.3	6.7	6.7	<u>46.7</u>	20.0	0**	23.0
Overall	6.2	8.0	26.8	29.0	10.7	7.6	11.6	18.1

Source: Field Interview (1971).

HW: Hard to Work Out the percentage

DK: Don't Know

Aver. GP % : Average Gross Profit as % of Turnover by Trade

6.3.2 Daily Turnover

The variation in turnover is far more dramatic. The daily turnover figures for different trades are presented in Table 31.

Table 31: Average Daily Turnover by Trade

	<u>Daily Turnover</u> <u>HKD per Stall</u>	
Raw Meat	320.0	498.0*
Raw Fish	273.0	428.0*
Grocery	210.7	
Vegetables	160.0	148.0*
Fruits	151.6	
Garment	127.3	
Household ware	110.2	
Confectionery	103.7	
Newspapers & Magazines	97.6	
Emporium Goods	86.8	
Services	19.7	
Cooked Food Stall	395.0**	
<hr/>		
Overall Average	151.0	

Source: Field Interview (1971).

* In Public Retail Markets

** Catering both heavy meals and light refreshment

The overall average is \$151.0 per stall, and the daily turnover ranges from \$19.70 in Services to \$320.00 in Raw Meat. The two illegal trades (Fish and Meat) have the highest daily turnover, more than twice as much as the overall mean. This is mainly due to (1) the relatively high unit value of the commodities and (2) the high transaction rates. Both fish and meat stalls normally have five to six

successful transactions within five minutes during the peak hours.⁵⁶ Generally, all food traders have fairly good turnover, in particular the proper fruit stalls which could make HK\$600.00 - 800.00 a day. The variation within this line of business is by far the most dramatic one because there are a wide range of outlets, ranging from pedlars to shop-like fruit stalls.

6.3.3 Earning Potential

In general, a wet goods trader earns almost twice as much as a dry goods trade, or one-third more than what an average street trader makes (Col. L. Table 32). The overall average net earning per person is HK\$20.00 a day. The best is in Raw Fish (\$37.6); the worst is in Services, only \$5.1 a day. It is important to note that the difference in earnings is much greater on the basis of individual stalls. This is because the high-earning (per person) trades are usually those with more assistants. If a stall is purely a family based business, its total earnings would be very substantial. Various measures of gross earnings or net earnings are fully presented in Table 32.

6.3.4 A Comparison in Earnings with other Jobs

One interesting question is whether the earning potential of street trading is attractive as compared with other kinds of employment. A comparison with some industrial jobs is presented in Table 33. Net profit per man day is the basis for comparison. However, in the industrial sector particularly in the modern factories, fringe benefits become an important incentive. They should not be overlooked. But on the other hand there are also benefits arising from keeping a street stall, such as domestic uses of the stall. Even if fringe benefits are included in the industrial wage level, street trading is still none the worse (Table 33); both make \$20.00 a day.

Table 32: Earning Potential of Street Trading

	Persons /Stall (A)	Hours /Day (B)	Stall Size (C) sq ft	Daily Turnover (D) HKD	Gross Margin (E) % of D	Earning /Day (F) D x E	Gross Earning				Turnover /Sq Ft (J) D/C	Estimated Net Profit Per Day Person (K) (L) DxK/A
							Per Man Hour (G) F/AxB	Per Person (H) F/A	Per Sqft (I) F/C	Per Person (I) F/C		
<u>Foodstuffs</u>												
Raw Meat	1.309	10.3	21.4	223.0	17.2	38.3	2.8	29.2	1.7	10.4	14.2	24.2
Raw Fish	1.657	10.0	18.1	320.0	17.6 ⁺	56.3	3.4	33.9	2.3	17.6	14.6 ⁺	28.7 ⁺
Vegetables	1.205	8.8	18.4	273.0	19.7 ⁺	53.7	5.0	44.5	2.7	14.8	16.6 ⁺	37.6 ⁺
Fruits	1.274	10.8	21.6	160.0	17.8	28.5	2.1	22.4	1.3	7.4	14.8	18.6
Grocery	1.169	10.7	21.8	151.6	16.6	25.2	2.0	21.6	1.2	6.9	13.6	17.6
	1.241	11.3	27.3	210.0	15.8	33.2	2.4	26.8	1.2	7.7	12.8	21.7
<u>Dry Goods</u>												
Emporium Gds	1.152	10.8	23.3	107.0	18.4	19.7	1.6	17.1	1.8	8.0	16.4 ^{**}	15.2
Garment	1.091	10.7	20.8	86.8	17.1	14.8	1.3	13.6	0.7	4.1	15.1	12.0
Confectionery	1.275	10.5	23.4	127.3	17.5	22.3	1.7	17.5	1.0	5.4	15.5	15.5
Householdware	1.107	11.2	20.1	103.7	15.3	16.9	1.4	15.3	0.8	5.1	14.3	13.4
	1.136	10.9	29.0	110.2	22.9	25.2	2.0	22.2	0.9	3.8	20.9	20.2
<u>Services & News.</u>												
Services	1.000	10.3	12.7	58.6	24.9	14.6	1.3	14.6	1.1	4.6	23.9 ^{***}	14.0
Newspapers	1.000	10.0	13.5	19.7	26.9	5.3	0.5	5.3	0.4	1.4	25.9	5.1
	1.000	10.7	12.0	97.6	23.0	22.4	2.1	22.4	1.9	8.1	22.0	21.5
<u>Overall</u>												
	1.214	10.6	20.1	151.0	18.2	27.6	2.1	22.5	1.4	7.4	16.2	20.1

+ Adjusted from data obtained from depth interviews with some proprietors; the original Gross Margins are 12.8% (Fish) & 18.3% (Meat).

* E - 3%
** E - 2%
*** E - 1%

However, if working hours are taken into account, persons in industrial employment are better off because the average daily wage of HK\$20.4 is based on eight hours' work whereas in street trading the average working hour is 10.5 hours. If an industrial worker does over-time, e.g. 2.5 hours, the daily wage will be around HK\$25.00, about one-quarter higher as compared with street trading.

Table 33: Comparison of Daily Earnings

Net Profit Per Man Day In S.T.	HK\$	Other Employments: Fringe Benefits Not Included	Daily Wages Fringe Benefits Included	
Raw Fish	37.6	Dockyard	19.7	20.7
Raw Meat	28.7	Textile	18.6	21.2
Grocery	21.7	Manufacturing	17.8	20.3
Newspapers	21.5	Cotton Spinning	15.2	21.3
Householdware	20.2	Enamelware	15.2	17.6
Vegetables	18.6	Electronic	14.4	20.4
Fruits	17.6			
Garment	15.4	All Industrial Employment	17.9	20.4
Confectionery	13.4			
Emporium Goods	12.0			
Services	5.1			
Overall	<u>20.0</u>			

The difference in working conditions between the two sectors is great. Street traders have to work in the street with little weather protection. It is a particularly hard job, working in extreme weathers, say humid, depressive and hot summer days and chilly and windy winters. Factory workers do at least have shelter. Holidays are almost unknown to most street traders. Although there is freedom to work or take a holiday when the street trader likes, yet there are intrinsic economic constraints, in particular

for the large scale operators. The so-called individual freedom is again a myth - only relevant in traditional market economies. It is fair to say that casual traders can afford to take days off from time to time. After all, street trading is not their major source of income. In the case of factory workers there are four days holiday every month. Shop assistants are also entitled to holidays stipulated by law. In practice, most of them carry on working instead and receive paid compensation. It could be totally wrong to say that the Chinese are born hard-working people. Hard working is merely a means of increasing one's income.

A directly related problem is the possibility of increasing income in street trading. Overtime working is very common in the industrial sector, yet there is still a certain limit to the extent to which one's income can be increased. However, in street trading there are more opportunities. A street trader can set up subsidiary pitches in peak hours by family helpers to capture more custom. He may even hawk in the evening either in the same trade or by starting a different business. Such a way of increasing income by intensive labour investment is limited in other forms of employment. This may be regarded as one of the merits in street trading.

The average age of street traders is 40.9 years old. This is the least desirable age group in factories. As for commercial employment, there is little chance of work for people of this age group. Shop assistants have to work long hours as well. According to the survey, many of the street traders had worked in factories and shops when they were young. This is particularly true for those engaged in dry goods and services.

In conclusion, from the point of view of ensuring a reasonable income, for a middle-aged person who has no other source of income street trading is a fairly good occupation. As for younger ones (30 - 40 years old) who have to earn more to support a family, street trading could provide them with a favourable chance given even harder work. The job is by no means a comfortable one.

6.4 Summary

Street trading is a low cost industry but with fairly heavy labour investment. The price is based on a fairly rigid wholesale price plus a fixed mark-up which is about 25% of selling price (not sales). The profit does not depend much on cost saving because it is also fairly rigid, but on the size and density of demand. The higher the concentration of the demand (in space and time), the better will be the turnover given more labour to capture the custom. It is more a competition in the area of trading skill and service than in price.

Wet goods traders earn twice as much as dry goods traders. The economic return on wet goods stalls, on the basis of the site being occupied, is even more outstanding (Col. I Table 32). If the transition from stall to street shop is concerned with the economic use of space, dry goods trading from stalls should be the first to be eliminated, in particular the service tradesmen. Meat and Fish are theoretically able to move into the shop-type system in accordance with their present high rent paying ability. The transition has to depend on the external forces (control of illegal trades and licensing of fresh provisions shops). Fruit and Vegetables are likely to remain a long time in the street trading system.

A street trader is neither better nor worse off than he might be in other forms of employment. It requires hard work. The only explanation, apart from inertia, is the attraction of flexibility in extending one's income, which is relatively limited in other kinds of employment. The majority have no other options because of their age.

FOOTNOTES

1. The Study Area covers the main urban areas of metropolitan Hong Kong excluding the southern half of Hong Kong Island and the non-developed fringes of Kowloon and New Kowloon. According to the official terminology, "Metropolitan Hong Kong" comprises (1) Hong Kong Island, (2) Kowloon, (3) New Kowloon, (4) Tsuen Wan, (5) Kwai Chung, and (6) Tsing Yi, a much larger region than the common use of the word which concerns more or less the size of the present Study Area. The northern and southern boundaries of the Study Area run more or less in the same line of the "urban area of Metropolitan Hong Kong", i.e. Hong Kong Island, Kowloon, and New Kowloon; except some modifications in marginal areas in the northwest and northeast of the present Study Area.

- 1a. The Cells randomly selected for Hawker Interviews are as follows:

Cell Name*	Cell Code	No. of Samples
HONG KONG SIDE		
Kennedy Town	01 10	36
Wan Chai	21 07	23
Chai Wan	48 02	27
KOWLOON SIDE		
Shun Ning Road	14 35	23
Pei Ho Street	15 30	49
Tai Hang Tung	20 32	29
Yin Cheong Street	20 25	38
Yau Ma Tei	19 21	38
Lok Shan Road	26 25	46
Tze Wan Shan	31 39	39
Ngau Tau Kok	37 27	54
Sau Mau Ping	43 26	47

2. This spatial Sampling method has been a common practice in Geographic sampling, for discussion, see P. Haggett (1965) : Locational Analysis in Human Geography, pp 185-200.

3. The reconnaissance was originated by a small group of interested researchers in the Social Research Centre of the Chinese University of Hong Kong in late 1969. The present researcher was then responsible for the preliminary survey of the distribution on street traders. Much assistance was given by his assistant Mr. Sidney Wong and some 20 students from the Geography Department of Chung Chi College, the Chinese University of Hong Kong. These 20 students formed the core group for subsequent field surveys and interviews in Phase II and Phase III.
4. Assistance has been given by Sidney Wong, Andrew Lu and other members of the Social Research Centre in interviewing a number of government officials from the Public Works Department, Police, Market Branch of the U.S.D. and most of the Hawker Liaison Officers. A number of Kaifong leaders have also been interviewed. Of major importance have been the interviews with a number of personally known and introduced hawkers. (for the list of interviewees, see Appendix I).
- 5a. The only published official report on street trading in Hong Kong is the one prepared by the joint-team of the Police and Urban Services Departments in 1957 (Hawkers: A Report with Policy Recommendation). A similar report was accomplished even earlier in Singapore (Report of the Hawker Enquiry Commission, 1950).
- 5b. Resettlement Department, Hong Kong (1969): Hawker Survey (mimeograph). The report consists some 30 tables cross-tabulating a number of key variables mainly demographic and economic, but no commentary.
- 5c. City District Office (Mong Kok) and Mong Kok Kaifong Association (1968): Report on Hawker Situation in Mong Kok (mimeograph). This is by far the most comprehensive survey conducted by official bodies.
- 5d. McGee, T. G. (1969): Hawker in Hong Kong. It is an outline of research project and field work on four major street trading sites on the Hong Kong island. The preliminary results were published in 1970 by the Centre of Asian Studies of the University of Hong Kong. Also see Footnote 10 and Appendix II.
6. City District Office (Mong Kok) and Mong Kok Kaifong Association (1968): Report on Hawker Situation in Mong Kok (mimeograph), pp 63; Resettlement Department, Hong Kong (1969): Hawker Survey (mimeograph), pp 17. Statistics on licence records and the recent Stall-Survey Statistics have been made available to the writer by the Hawker Branch of the U.S.D.

7. In the Hong Kong annual reports, the number of hawkers is usually mentioned briefly in the report of other urban services. Only round figures are available; most likely over exaggerated.
8. Colony Outline Plan, Book 2, p. 146.
9. The U.S.D. estimates do not include hawkers in the resettlement estates. The figure is an aggregate of the hawker liaison districts (data supplied by the Hawker Liaison officers of the respective districts during April 1970).
10. McGee, T. G. (1971): Hawkers in Selected Asian Cities: A Report on a Visit to Bangkok, Kuala Lumpur, Singapore, Bandung, and Djakarta (mimeograph), Centre of Asian Studies, University of Hong Kong, Table 2, p. 14.
11. A numerical survey on the number of street traders was first conducted by the writer in June 1970 under the auspices of the Social Research Centre of the Chinese University of Hong Kong. The second survey was conducted by Sidney Wong of the same institution in May and June 1971.
12. The figure 11,299 was an estimate based on a sampling of a number of hawkers in the resettlement estates between 23 December 1968 and 2 Jan 1969 by the Resettlement Department, Hong Kong.
13. Ten hawker liaison offices were introduced after the revision of the Hawker Policy in 1969 to decentralize the administration down to the local district level. The districts are listed as follows together with the official estimates of number of street traders:

Districts in Kowloon	No. of Hawkets
Sham Shui Po	4,815
Wong Tai Sin	2,335
Mong Kok	7,975
Kowloon City	4,126
Kwun Tong	1,234*
Yau Ma Tei	2,951
Districts in Hong Kong Island	
Western	5,015
Wan Chai	3,485
Central	2,359
Eastern	5,091
Total	39,386

* Resettlement estates not included

14. The " wall-stall " is a peculiar phenomenon in Hong Kong. Its ubiquity could well be an immediate answer to the shortage of shop leases. Physically, a wall-stall is just like a tiny shop which is built solidly against the wall and under the balcony of a building. There is no marked difference between a small shop and a wall-stall except physical size. In terms of commodity sold, stock holding and decoration, a wall-stall (or called wall-store, if larger) could be at as high a standard as a small shop.
15. According to a survey on hawker stalls by the U.S.D. in 1970 (urban districts only.), there were 1,777 wall-stalls accounting for 9.8% of the total (both legal and illegal stalls); Summary Table was supplied by the Hawker Branch, U.S.D.
16. In February 1970, there were 30,443 licences recorded in the U.S.D. monthly report, of which 19,305 were pedlar licences, i.e. about 63% of the total number of licences issued (Monthly Report on Licensed Hawkers and Market Stall Leases for the Month of February 1970; data supply by U.S.D.). However, if one consults the Hawker Stall Survey (Summary Table - see footnote 15) by the same authority, one is surprised to see the figure of 9,272 stall structures of one kind or the other were occupied by ' static ' pedlars; they accounted for 51% of the total number of stalls surveyed in the field.
17. In June 1971, there were 24 resettlement estates all over Hong Kong of which 16 were in Kowloon, 4 in Hong Kong Island and 4 in the New Territories. All the 16 estates in Kowloon and one in Hong Kong Island are within the boundary of the present Study.
18. The sample studies were conducted by S. Wong and C. W. Chan of the Social Research Centre of the Chinese University of Hong Kong in June 1970.
19. The number of persons per unit for night-time trading should be higher than that of day-time trading because there are normally more eating stalls opened in the evening particularly in the fair-like evening bazaars. Eating stalls are very popular in these bazaars. Eating stalls are normally larger in scale than other trades; they are either run by families or with employed assistants. For the present rough estimate, it has been unable to take all these complicated situations into consideration.

20. In the Revised Hawker Policy, the traditional practice of succession of hawker licences (cooked food stalls) was abandoned mainly on hygienic grounds. It has long been an official policy to stop cooked food stall trading; and the policy was finally put into practice after the introduction of the Revised Hawker Policy in 1970.
21. In Hong Kong, there are no statistics on the distributive trades, i.e. number of establishments or persons engaged. Even in the population census, there is no separate record of working population employed in the distributive trades. It is included in the category named ' Commerce ' which, in fact, comprises wholesaling, retailing, finance and banking, insurance, import and export, travel agents, and other commercial activities. However, in wholesaling, there are records on the value of certain commodities marketed through the official marketing organizations, such as vegetables and marine fish. But, this is far from complete because trades handled by private operators are unknown.
22. The only published source on the number and types of retail shops which is known to me is the surveys of four city districts carried out by the Planning Division, Hong Kong, during December 1966 to July 1967. The four districts are (1) Yau Ma Tei, (2) Western District, (3) North Point, and (4) Hung Hom. A summary table is available in Colony Outline Plan, Book 2, Chapter III, Part A, p. 147.
23. McGee's estimate of the overall total for Singapore for 1969 is 25,000. The official figure 18,500 was the actual counting of street traders in the urban areas. The non-urban areas and the housing estates sponsored by the Housing Department Board were not included in the Survey. (McGee, 1970)
24. McGee, T. G. (1970): Hawkers in Selected Asian Cities: A Report on a Visit to Bangkok, Kuala Lumpur, Singapore, Bandung, and Djakarta; Centre of Asian Studies, University of Hong Kong, p 14-15.
25. The average gross floor area for U.K. was worked out from the calculation of the mean from grouped data obtained from Table 8, Census of Distribution, 1966, U.K., p 2/40. Other data concerning retail distribution were also obtained from this Census. The 1971 census was not available during the preparation of this report.
26. The Hong Kong statistics were mainly based on three sources; i.e. (1) the four official survey of retail shops mentioned in footnote 22, (2) a landuse survey conducted by the Social Research Centre

- of the Chinese University of Hong Kong in the Kwun Tong District in 1970, and (3) a number of subsidiary surveys on shop sizes, average rents, etc. during the survey of street traders in summer 1971. The gross floor area is the mean of the four city districts, see Colony Outline Plan, Book 2, Chapter III, p. 148.
27. The Japanese statistics were obtained from Census of Establishment, 1969, Table 1, pp 9-11. No turnover and gross floor area statistics are available. The census is not as comprehensive as the U.K. census.
 28. The mean gross floor area per retail establishment in the U.K. 1966 has been worked out as 1,120 sq ft. The relevant figure for Hong Kong (1966 - 1967) is 550 sq ft; shops in newly developed districts are generally larger than those in the central commercial districts. Small shops in Resettlement Estates were not taken into account in arriving the present mean figure of 550 sq ft.
 29. According to the interview of street traders and public market stall holders (for detail, see Table 31, Chapter VI), the overall average annual turnover per square feet of meat stalls (street stalls) was HKD 642.4 which, in 1970 was equivalent to £44.30 based on the conversion rate of one pound sterling to 14.50 Hong Kong dollars. The relevant figure for the butchery trade in the U.K. 1966 was £34.47 (turnover/sq ft of total floor space - see Census of Distribution, 1966, U.K., Table 9, p. 2/54).
 30. The four city districts were based on the surveys by the Planning Division, Public Works Department, Hong Kong. The Kwun Tong statistics were based on a survey conducted by the Social Research Centre of the Chinese University Hong Kong in 1970. See Wong, S. (1970): A Preliminary Ecological Analysis of the Development of Kwun Tong, 1954 - 1970 (Mineograph), p.25. There were six government-built resettlement estates, two Low Costs Housing Estates, three villages, and one estate built by the Housing Society, apart from the commercial centre - Kwun Tong Proper. The whole district accommodated 417,000 people in 1970, of which 85% lived in the housing estates (including the resettlement estates) and the three neighbouring villages.
 31. Colony Outline Plan, Book 2, Chapter III, Part A, p.148; also see Wong, S. (1970) in footnote 10.
 32. Based on information obtained from interviews with a number of senior health inspectors from the Market Branch, Urban Services Department, Hong Kong conducted in 7th October, 1971.

33. Data supplied by the Market Branch, Urban Services Department, Hong Kong. The total number of public retail market stalls up to 1970 is 2,202. There are several public markets on the southern side of Hong Kong island which are excluded from the present study. The total number of market stalls within the present study area is 2,045.
34. The mean gross floor area of public market stalls on the Hong Kong side was 265 sq ft compared with 195 sq ft on the Kowloon side. The overall average was 230 sq ft, see Colony Outline Plan, Tables 3.28 and 3.29.
35. According to the official Public Works Programme (for restricted circulation only), there were 19 market construction projects (including hawker bazaars and re-building the old markets) listed for the period 1971 - 1972. Each project had to be reviewed at three stages from approval to construction. The programme was shown to be very slow. Of the listed 19 projects, only four had been approved for commencing work during 1971 - 1972; but it took five to six years for these projects to go through the three stages of review. Six projects were first approved in the late sixties but were still remaining at the first stage of review. The rest had reached to the second stage; on average it took them five years; they might need another five years to be materialized! In fact, one third of the total 19 were first approved in the late fifties. By comparing the progress in other programmes such as housing, provision of public services like swimming pools, playgrounds, bathhouses, latrines, etc., the public markets programme seems to be given a relatively low priority by the authorities. This could well be one of the major reasons for the present low level of market provision.
36. In 1971, there were 2,663 hawker bazaar stalls within the Study Area, of which 72% were on the Kowloon side. According to my survey, on average only 6.3% were allocated for the retailing of fish and meat. The percentage tended to be higher in the outlying districts where public markets almost do not exist.
37. Space Standards for Community Uses, Colony Outline Plan, Appendix A.
38. Same as Above
39. The survey was conducted by the Statistical Branch of the Department of Commerce and Industry, Hong Kong, between August and October, 1969. It was specially aimed at the purchases made from street traders. The data were collected for the Hawker Branch of the Urban Services Department (unpublished data).

40. Statistical Branch, Department of Commerce and Industry, Hong Kong (1965): The Household Expenditure Survey, 1963 - 1964 and the Consumer Price Index, Government Printer, Hong Kong.
41. According to the data provided by the Hawker Branch, U.S.D., of a total of 28 food items on which street purchases were made, only five were vegetables and fruits. These five items accounted for 52.95% of the total expenditure on foodstuffs purchased from street traders. Based on the present estimate, this would amount to 319.6 million Hong Kong dollars a year.
42. This is only an estimated made by J. K. Kirk and others in Retail Stall Markets in Great Britain, Wye College Marketing Series: No. 8, 1972, p.4.
43. Population Census 1971, Hong Kong p.97.
44. Population Census, 1966, Hong Kong p.129. The broad age group in the 1971 Census does not correspond to that used in the field survey, hence no comparison can be made.
45. Illegal meat and fish hawkers are particularly skillful in dispersing and avoiding arrests, and they are generally assisted in this by the congestion of the street market and the local topography, say a steep road or open ground backed by hillsides. Raids by Police or Hawker Control Force personnel have little deterrent effect as the lack of vehicle access prohibits swift action by raiding squads, thus providing the culprits with long warning periods. As the squads approach they simply disperse and escape, say up the hill or to inaccessible back lanes.
46. On several occasions, Government officials insisted that there were as many unlicensed as licensed hawkers - about 30,000 each in 1968. An even higher estimate had been given by an official from the Government Information Office suggesting one could put the figure of unlicensed hawkers at three or four times that of the licensed. See Wah Kiu Yet Po (Daily), 5th May, 1968. A senior Inspector from the Licensing Department of the U.S.D. also said there were as many unlicensed as licensed. The public was also told that half of the pedlars and stallholders were unlicensed. See 'Harassed Hawkers Old Problem - New Policy', The China Mail, 14th January, 1969.
47. The resale of stall licences is different from the resale or renting of a stall (site). Since cooked Food Stall licences are no longer to be issued, the licence itself is valuable in private resales or renting. In all other trades, renting a stall is

purely based on the locational value (locational rent) of the stall. In major concentrations or well known street markets, a proper stall can be as valuable as an ordinary shop. Transactions in stall 'leases' are rare because of the extreme inelasticity of supply.

48. The mean gross floor area of retail shops in resettlement estates is 211 square feet compared with 173 square feet of net floor area. The net/gross ratio is about 0.819. Colony Outline Plan, Book III, p. 148. Plate 3.13.
49. Our estimate of 25 sq. ft. gross floor area is a very conservative one compared with 230 sq. ft. in urban markets and 64 sq. ft. in markets cum-bazaars. In terms of turnover, a market stall, on average, makes about HK\$500.00 a day compared with 320.00 made by a street-stall which has only one-seventh of a market stall's gross floor area. From the point of view of turnover, a street stall is more efficient.
50. The average shop front is 11 ft. for shops in resettlement estates compared with 16 ft. in old urban areas (Yau Ma Tei) and 20 ft. in new urban areas (North Point), Colony Outline Plan, Book III, 1970, p. 148.
51. In the survey, an isolated site was defined as a trading unit which is located at least two streets apart from any street markets or bazaars and it should not juxtapose with other stalls. (purely an operational definition).
52. Freight rates were obtained from an open question in the Hawker Interview. The costs to the street trader are only rough estimates based on information obtained from detailed interviews with a number of hawkers in various places. (See Chapter III, Data Collection). It is very difficult to generalize the freight rates for dry goods because of wide variations. The following are some examples:

Freight Rates

Emporium Goods	\$0.5 - 1.00 per delivery (a package)
Garment & Clothing	\$0.2 for a small piece delivery 0.5 for a larger piece 10.00 for one van load.
Confectionery	seldom borne by retailer
Household ware	delivery often provided by wholesaler.

53. The Zonal variation differs from one major type of street trading commodity to another. The examples are as follows:

Freight Rates

<u>Commodity</u>	<u>City Districts</u>	<u>Outlying Territories</u>
Pork or Beef Carcase	\$6.00-7.00/tam	\$8.00/tam
Grocery	4.00/tam	5.00/tam
Vegetables	2.00/tam	2.50-3.00/tam
Garment	0.25-0.3/Bolt	0.30-0.50/Bolt

54. If there is high probability revelation of the truth might, in the eyes of the operator, bring along unfavourable consequences such as a possible readjustment of licence fees or rent (if rented) or inducing potential bidders to take over the stall. In fact, at the time of the survey, the Hawker Branch of the USD was also gathering information from individual hawkers for the study of a revised hawker policy - licence fees and rents were readjusted to a higher level eventually.
55. According to the survey of fresh provision stalls in retail markets, the average gross margins for meat and fish were 17.6% and 19.7% respectively compared with 12.8% and 18.3% enjoyed by street traders in meat and fish. Costs for market stalls should be far greater than for street stalls. The low gross margins obtained from hawker suveys should represent the low profit groups. The genuine average should be at least a few percentage points higher.

56. The Survey was conducted at the core section of a street market during the busiest hours. The following is the result of 32 sample sites on number of transactions in 5 minutes for different types of commodities:

	<u>Number of Transactions</u>
Cooked Foods (Heavy)	4
Cooked Foods (Light)	6.2
Snacks	6
Raw Meat	5
Raw Fish	5.9
Cooked Meat	4
Grocery	5.1
Vegetables	<u>6.8</u>
Fruits	4.9
Emporium Goods	1
Garment	2.2
Footwear	1
Confectionery	1.5
Other Dry goods	NA

Appendix I Depth Interviews with Individuals

Hawkers Personally Known or Introduced		Date
Wong Yiu Kee	Large Fruit Stall in Bowring St.	18. 8.71
Ho Mui Kee	Medium Fruit Stall in Bowring St.	18. 8.71
XXX	Grocery Stall by the side of Kwun Chung Public Retail Market	19. 8.71
Mr. Tsang*	Large Cooked Food Stall in Nam Cheong Street.	20. 8.71
Mr. Wong*	Garments & Clothing Stall in Tai Hang Tung R/E	23. 8.71
Hoi Kee*	Emporium Goods Stall (Footwear Included) in Tai Hang Tung R/E	23. 8.71
Mr. Ho	Garment Seller in Shek Kip Mei R/E	24. 8.71
Kan Chong**	Vegetable Fixed Pitch in Shanghai St, Yau Ma Tei	25. 8.71
Tai Kuen	Vegetable Wholesaler, Yuen Long MKT	28. 8.71
Chan Luen	Meat Dealer, Yuen Long	28. 9.71
Kau Suk	Illegal Meat Trader, Kowloon City	29. 9.71
Nam Kee	Herbalist, Ngau Tau Kok R/E	29. 9.71
Chiu Kee	Street Tailor, Temple Street (Night)	2.10.71
Po Kee	Confectioner, Hung Hom	4.10.71

* Introduced by Mr. C. Y. Tang (ex-police detective)

** Introduced by Mrs. Yip (Wife of a racketeer)

Kaifong Leaders⁺⁺

Mr. S. C. Chao	Mong Kok Kaifong Association	7. 8.70
Mr. Lo	Kwun Tong Kaifong Association	15. 8.70
Mr. C. M. Cheng	Tai Hang Tung R/E Kaifong Association	11. 8.71
Mr. C. Y. Yip	Shek Kip Mei Kaifong Association	11. 8.71
Mr. L. Y. Yu	Tsim Sha Tsui Kaifong Association	13. 8.71
Mr. S. M. Lai	Yau Ma Tei Kaifong Association	15. 8.71

++ With the assistance of Mr. S. Wong

Government Officials*

A	Inspector, Market Office	1. 9.71
B	Senior Officer, Market Branch, USD.	7.10.71
C	Senior Health Inspector, USD	7.10.71
D	Senior Planning Officer, Crown Land & Survey Office	12, 14.10.71
E	Senior Planner,, Market Branch	15.10.71
Hawker Branch	A number of Hawker Liaison Officers were invited to discussions held at Social Research Centre of the Chinese University of Hong Kong	23.10.71
Resettlement Department	Most local officers in resettlement estates were interviewed prior to field survey	summer 1971

Often accompanied by Mr. A. Lu and Mr. S. Wong of the Social Research Centre of the Chinese University of Hong Kong.

Appendix II Articles Appeared in Newspapers*:

- Hong Kong Standard (24-1-1966). Hawker Control Force Men Have Complaints Too.
- Hong Kong Standard (9-10-1967). Hawker Problem a Big Headache by Peter Mak.
- The China Mail (1967). The Hawker Problem by R. Medcalf.
- Wah Kiu Yat Po (Daily) (15-4-1968).
- South China Morning Post (18-4-1968). Suggestions for Solution to Hawker Problem - by Elsie Elliot, an Urban Councillor.
- S.C.M.P. (20-4-1968). Hawker Statements One-Sided, Says Committee Chairman.
- Wah Kiu Yat Po (W.K.Y.P.) (7-8-1968). Hawking is a Refuge Occupation for the Aged.
- Far East Economic Review (26-9-1968). Hawkers and Circulars.
- W.K.Y.P. (3-11-1968). Shortage of Restaurant Workers.
- W.K.Y.P. (19-11-1968). How To Solve the Hawker Problem - Leading Article.
- The China Mail (14-1-1969). Harrassed Hawkers and Old Problem - New Policy...
But Will it be Enough?
- W.K.Y.P. (3-5-1969). Problem of Control.
- W.K.Y.P. (6-8-1969). Hong Kong's Hawker Problem.
- Ibid. (6-8-1969). Stamping Down the Illegal Fresh Provisions Hawkers.
- Far East Economic Review (14-8-1969). Left on the Streets, by P. Cook.
- W.K.Y.P. (21-8-1969). The Launch of a New Hawker Policy.
- Ibid. (24-8-1969). Hawker Problem - Traffic Obstruction & Public Health Standard.
- Ibid. (12-9-1969). People Satisfied with the New Hawker Bazaar in North Point.
- Ibid. (7-10-1969). Hawker Bazaar Programme Should be Speeded up.
- Ibid. (9-10-1969). Objection to the Hourly Hawker Rental System - a Leading Article.
- Ibid. (16-10-1969). Cooked Food Stall Worker - A Well Paid Job.
- S.C.M.P. (3-3-1970). Hawking Not to be Made Attractive.
- Ibid. (18-3-1970). Sites for Hawkers in Car Parks?
- Far East Economic Review (23-7-1970). Source or Blessing by T. G. McGee.
- S.C.M.P. (5-4-1971). Hawker Bazaars May Not Work by Lyn Owen.
- W.K.Y.P. (4-5-1971). Potential Threat of Public Health.
- Ibid. (4-5-1971). Gus Tsui On Problems of Public Retail Markets.
- Ibid. (26-5-1971). On Problems of Cooked Food Stalls.
- Ibid. (2-6-1971). On Cooked Food Stalls.
- Ibid. (13-6-1971). Panel Discussion on the New Hawker Policy.

* Headings appeared under W.K.Y.P. are brief translations from Chinese. The rest are all in English.