

CHAPTER II

THE PRESENT STRUCTURE OF SMALL SHOPS IN BESIRAH

A diversity of types characterized the structure of small shops in Beserah. They may be classified into ^{five} ~~six~~ categories according to:

- A. The main line of business
- B. The racial groups of the shops' proprietors
- C. The age distribution of the shops
- D. The ownership pattern
- E. The capital distribution

These categories are selected because the writer believes they have some socio-economic significance which may help to focus attention on the main features of the structure of the small shops.

A. Classification According to Main Line of Business

There were eight types of shops according to this type of classification, viz., Sundry shops, Coffee shops, Goldsmiths, Barbers, Tailors, Bicycle-repairers and the Tinsmith. The writer is of the opinion that they are the minimum required for the village to satisfy inhabitants' needs.

Table I on page 8 shows the percentage distribution of the shops in Beserah among their major types.

1. Sundry shops. There were 18 shops of this type constituting about 44 per cent of the total number of shops in Boserah.

TABLE I

DISTRIBUTION OF THE SHOPS IN THREE
CATEGORIES OF B. SERAH ACCORDING TO THEIR MAJOR TYPES

Types of shops	Number of shops	Percentage of all shops
1. Sundry shops	18	44
2. Coffee shops	14	35
3. Goldsmiths	2	5
4. Barbers	2	5
5. Tailors	2	5
6. Bicycle-repairers	1	2
7. Rubber dealer	1	2
8. Tinsmith	1	2
Total	41	100

Sundry shops were characterised by the sale of a wide variety of stocks - mainly of the food type. The variety ranged from rice, salt, sugar and blacken to footwear, textiles, fishing gears and patent medicines. Shops¹ of this type were numerous on account not only of their importance as suppliers of consumer goods, mainly daily essentials, but also of limited demand on capital or specialised skills required to open them.

1. See Appendix I on page 53 for details of major items of trade.

2. Coffee shops. There were 14 shops of this type constituting about 35 per cent of the total number of shops. The coffee shops specialised in the sale of food and drinks. In times of good trade the coffee shops made good business because the fishermen took their snacks in such shops when they had more money. The coffee shops in Beserah served as an outlet for home-made cakes baked by nearby housewives. The coffee shopkeepers normally charged a small commission for their services. This system benefited the local housewives in that they were able to supplement the families' incomes and the shopkeepers were also benefited in that they could shift the risk of loss or waste as a result of non-disposal or part disposal of the cakes to the housewives. In addition this system sets free their capital for other uses.

In the village the coffee shops are popular for their function as venues for social recreations.

3. The Goldsmiths. In a society where the people prefer to invest their savings in the form of properties and valuables the goldsmiths provide the channels for such investments. In Beserah there were two goldsmiths who traded mainly in jewellery, precious stones and some valuables. At the same time they acted as pawnshops for the village.

4. Barbers and Tailors. The village had two barbers and two tailors, all of whom had been in business in Basorah for more than a decade. Most of them obtained their skills as a result of training or apprenticeship under former employers.

6. Bicycle-repairer. The use of bicycles as a means of transport by the villagers necessitates the availability of a bicycle-repairing shop close at hand. Basorah had one such shop where repair services might be obtained. In addition this shop ran a fleet of bicycles for hire and also acted as agent for scrapped iron.

7. Rubber dealer. There was one rubber dealer in this village to whom the rubber farmers sold their rubber produce. But this rubber dealer also supplied the latter with provisions and thus performed the dual functions of buying and selling which may be used to exploit their customers.

8. Tinsmith. The tinsmith in this village made pails and other types of containers for which there was a limited market since the villagers derived most of their water requirements from wells or streams.

B. The Racial Composition of the Shops' Proprietors

In Basorah, where the majority of the rural population were Malays, the non-Malays still played an active part in the village economy mainly as shopkeepers and capital suppliers.

TABLE II on page 29 shows the racial distribution of the shops among the eight types of businesses in Beserah. It shows that 80 per cent of the shops were operated by non-Malays and 20 per cent by Malays. Of the non-Malays, 30 per cent of the shops were managed by Indians and 50 per cent by Chinese. These differences in the numbers of shops owned by the members of each race may be largely attributed to corresponding differences in the degree of "enterprisingness" characteristically shown by the three racial groups and differences in the amount of capital, skills and managerial ability available to each group.

Of the 18 sundry shops nearly half were Chinese-owned and of the 14 coffee shops half were Indian-owned. This shows a degree of specialisation by Indian and Chinese in coffee shops and sundry shops respectively. There was also an interdependency in the relationship between sundry shops and coffee shops since the latter obtained most of their needed supplies from the former.

Of the 9 Malay shops in Beserah, 5 were sundry shops and 4 coffee shops. This suggests an even distribution of their numbers between the two major types of businesses.

TABLE II**DISTRIBUTION OF SHOPS BY RACES AND TYPES**

Types of Shops	Racial Groups of Owners		
	Malays	Chinese	Indian
Dundry shop	5	8	5
Callou shop	4	3	7
Goldsmith	-	2	-
Barbers	-	2	-
Tailors	-	2	-
Bicycle-repairer	-	1	-
Rubber dealer	-	1	-
Tinsmith	-	1	-
Total	9	20	12
Percentage of Total	20	50	30

It is apparent that of the three races the Chinese shopkeepers possessed a much wider variety of skills than the others as evidenced by the various types of shops they owned. They were also more skilled as evidenced by their ownership of all the goldsmith and tailor shops in Beacrah.

C. Age Distribution of Shops

Table IIIa on page 13 shows the distribution of shops among the various age-groups and racial categories. It can be observed that nearly three-fourths of the shops were opened after the end of World War II and the rest before it. In other words only 25 per

count of the present number of shops which existed before the War remained to the present date. It was likely that there must have been more than 11 shops before the War.

TABLE IIIa

THE DISTRIBUTION OF SHOPS AMONG THE VARIOUS AGE-GROUPS AND RACIAL CATEGORIES

Age-groups	Malays	Chinese	Indians	Total	Percentage of total
11 months and less	1	-	2	3	7.5
1 year - 5 years	6	4	5	15	37.5
6 years - 11 years	2	3	3	8	20.0
12 " - 17 "	-	4	-	4	10.0
18 " - 23 "	-	6	1	7	25.0
24 " - 29 "	-	2	-	2	
30 " - 35 "	-	1	1	2	

TABLE IIIb

THE AGE-DISTRIBUTION OF SHOPS AMONG THE MAJOR TYPES

Age-groups	Types of Shops								Total
	AA	BB	CC	DD	EE	FF	GG	HH	
Less than 1 year	2	1	-	-	-	-	-	-	3
1 year - 5 years	8	5	1	-	-	1	-	-	15
6 years - 11 years	5	2	-	-	1	-	-	1	9
12 years - 17 years	1	1	1	1	-	-	-	-	4
18 " - 23 "	2	2	-	-	1	-	1	-	5
24 " - 29 "	-	1	-	1	-	-	-	-	2
30 " - 35 "	-	2	-	-	-	-	-	-	2

AA - Sundry Shops
 BB - Coffee shops
 CC - Goldsmiths
 DD - Barbers

EE - Tailors
 FF - Bicycle-repairing
 GG - Rubber dealer
 HH - Tinsmith

Of the post-war period, the last five years were particularly significant in witnessing the remarkable growth of small shops. For during this period the shops mushroomed with rapidity. This growth may be attributed to the boom years of the 1950s, when the prices of rubber and fish were high.

An interesting feature in the post-war development of small shops was the emergence of Malay shopkeepers alongside those of other races. This is indicated by the fact that all the 9 Malay shops sprung up during this period. The Chinese and the Indian shops were by-and-large the earliest comers into the field. The interest of the Beserah Malays in shopkeeping after the War may have been the result of their desire to increase their incomes by participating in trade rather than in farming or fishing, their traditional occupations.

D. Operative Pattern

Three forms of business organisations are most popular among small shops in Beserah, viz. (a) the sole trader or family shop, (b) the partnership and (c) the co-operative.

Table IV on page 15 shows the distribution of small shops among the three types mentioned above. It is noticed that about 83 per cent of the shops are of the sole trading or family type of business. The main reason for the latter's popularity is because of the cheapness of family labour.

Partnership accounts for only two of the shops, one operated by Indians and the other by Malays. The one operated by the latter had three partners, while the Indian shop had two partners. Of the three races, only the Malays formed co-operative societies. All the Chinese shops were organized on a sole trading or family basis.

TABLE IV

THE RACIAL DISTRIBUTION OF SHOPS AMONG
THE THREE FORMS OF BUSINESS ORGANISATION

Forms of Business Organisation	Race of Owners			Total	Percentage
	Malay	Chinese	Indians		
Sole trader (family business)	6	20	11	37	82.0
Partnership	1	-	1	2	8.5
Co-operative Societies	2	-	-	2	8.5

E. The Capital Distribution

For the present purpose capital is defined as the initial stock of money or money-claims at the disposal of the shopkeepers when they decided to open up their respective businesses at various dates in the past.¹

1. The writer realizes the defects of the above definition such as changes in the value of money or the rate of interest over time.

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Table V below shows the distribution of the 41 shops amongst 3 capital groups of unequal interval. The table indicates that 70 per cent of the small shops used an initial capital fund which ranged from \$100 to \$1,000 with which to initiate businesses. This therefore testifies the importance of the small shops as means of self-employment for those in possession of a relatively small amount of capital in combination with free family labour. Only 5 per cent of the shops represents relatively large businesses as indicated by the figure found in large capital group.

TABLE V
CAPITAL DISTRIBUTION ACCORDING TO
TYPES AND NUMBER OF SHOPS

Types of Shop	Range of capital investment		
	\$100-\$1,050	\$1,100-\$2,200	\$4,350 & over
Sundry shop	8	8	2
Coffee shop	12	2	-
Goldsmith	2	-	-
Barbers	2	-	-
Tailors	1	1	-
Bicycle-repairer	1	-	-
Rubber dealer	1	-	-
Tinsmith	1	-	-
Total (41)	28	11	2
Percentage of Total (100)	70%	25%	5

Obviously the marked disparity in the amount of initial capital available at the disposal of the shopkeepers are attributed to similar disparity in the strength of their commands over the resources of the community at the time when they decided to open up shops in Beasrah. The latter is the function of many factors such as (a) the amount of pre-shopkeeping incomes of the shopkeepers and their marginal propensity to save, (b) ability to obtain loans from friends or money-lenders depends or to obtain credits from the wholesalers in Kuntan and other places (c) other institutional factors such as 'Berkutu' through which the savings ones' friends can be mobilised¹ for the purpose of opening up a shop.

Table Va on page 18 shows the allocation of capital into the various types of shops in Beasrah. The highest percentage goes to the sundry shops with 55% of the total and the lowest to the tinmith. The goldsmith and the rubber dealer had the highest average capital per shop. This is because of the high value attached to the commodities they dealt with so that their type of trades requires a relatively much greater amount of capital than the amount required for other types of businesses. The figures

1. Berkutu is an institution commonly adopted in rural areas for mobilising the savings of one's circle of friends for a certain purpose such as the purchase of a jewellery, etc. Friends contribute to a common pool their money the whole of which is given to the person who needs the money most. Each in turn will get his or her own share of the money according to a rotation system. The writer was told that some of the Indian shopkeepers in Beasrah practised this system to raise the capital for their shops.

for the total amount of capital indicated that approximately 48,740 worth of capital was required by the 41 shops at the initial stage of their business careers giving an average of \$1,174.1 per shop.

TABLE Vb

ANALYSIS OF CAPITAL INTO
THE EIGHT SHOP-TYPES

Types of Shops	Total Capital Investment in each shop type (\$)	Percentage All Shop Investment	Average Amount of Capital per shop-type (\$)	
Sundry shops	27,540	55.5	1,530	
Coffee shops	9,400	18.0	67.4	
Goldsmiths	5,000	10.5	2,500	
Barbers	600	16.0	300	
Tailors	3,000		1,500	
Rubber Dealer	2,000		2,000	
Bicycle-repairer	1,000		1,000	
Tinsmith	200		200	
	48,740		100.0	1,174.1

