

## **CHAPTER ONE**

### **GENERAL BACKGROUND**

#### **1.1 Introduction**

The United Nations System of National Accounts (SNA), which Malaysia uses, defines economically active persons as being involved in the supply of labour for production of goods and services, regardless of whether they are for the market or not (International Labour Office, 1992). The SNA excludes family activities that produce personal and domestic services for own final consumption within the same household. In reality, it is difficult to distinguish between activities especially those undertaken by women, resulting in under-enumeration of women's economic contribution.

Although females constitute almost half of the population, they account for only one-third of the labour force (Government of Malaysia, 1996). Domestic work and other unpaid work performed by women place a great constraint on the time they spend pursuing economic activities. Consequently, fewer women have sufficient social security benefits especially in old age. This has serious implications in view of their longer life expectancy. In 1999, the life expectancy at birth in Peninsular Malaysia is estimated at 69.9 for males and 74.9 for females (Department of Statistics, 2000).

Most women engaged in economic activities operate outside the formal sector. Informal sector is characterised by a lack of legal protection, job and income security and a greater degree of vulnerability in work status in general. Particularly vulnerable among these women are those who bear the sole responsibility for maintaining a household; women who has been widowed, divorced, separated or those supporting husbands and other relatives.

In Malaysia, national labour force statistics originate from two main sources that is the annual labour force survey and the census. These macro economic studies would not adequately capture the economic contribution of those in the informal sector. Such information is available from small-scale studies or special surveys.

The present study will focus on the hawking sector using data from a special survey. The hawking community is one of the most important informal sectors. It is estimated that during the first quarter of 1991, more than 500,000 persons in this country were involved in hawking activities (Mohd. Fauzi, 1995). Yet not much is known about this sector or the contribution of women working in this sector. This study therefore will provide insight on the significance of hawking women's contribution in both economy and family activities.

## **1.2 Research Objectives**

The main objectives of the study are:

- 1) to identify factors that determine time allocated to economic and family activities;
- 2) to analyse economic and family contribution of women in the hawking community using various approaches;
- 3) to draw implications for development planning especially in enhancing the role and status of women in the hawking industry.

The findings from this study will contribute towards a better understanding of the hawking community especially the well-being of the women. The information can

help to identify factors to consider in policy and programme development and provides the rationale or basis for action to improve their Socio-Demographic status. Understanding of various issues will also create awareness among women of their basic rights and well-being.

### **1.3 Literature Review**

Measurement of the contribution of women to the economy remains inadequate even today despite being the subject of much discussion. In particular, it is widely felt that women's work in the informal sector is greatly underestimated. The extent of the under-enumeration is more difficult to estimate for trade than for agriculture because there are fewer in-depth studies of trade along the lines of those conducted in agriculture. Trading belongs to the informal sector, which has historically been one of the most under-enumerated for men as well as women (United Nations, 1993).

Tan et al. (1995) suggested that a time use survey be used to improve estimation of women's economic contribution. This approach is less likely to suffer from the limitations of the conventional approaches since they are based on the recording of all activities actually performed by the women and further confirmed through observation by the field assistants. Time use studies make it feasible for the researcher to separate out activities done for market and household production, as well as activities that are on the borderline between household production for own consumption and income-generating activities (Husra, 1984).

In spite of greater economic involvement shown by the increase in labour force participation rate of women, no commensurate changes have occurred to reduce the domestic responsibilities of women. Socially, women's roles are still of child-bearing, child-rearing and home management. The culture of equitable sharing of responsibilities in the domestic sphere is as yet quite foreign to Asian and Pacific societies (United Nations, 1994).

A study of the handicraft industry in Terengganu found that the major determinants of women's allocation of time were their age, their children's age, the wage rate, and their husband's wage rate, other labour income and the size of the house (Fatimah and Rahmah, 1995).

In Malaysia, there is as yet no substantial detailed study on women's contribution in the hawking community specifically. Nevertheless, studies have been done on women's contribution in the informal sector and sectors like agriculture production and fisheries. For example, one study found that women contribute significantly to agricultural production in Malaysia especially in rubber and padi cultivation (Jahara, 1991). In addition, women also perform many home-based tasks that contribute significantly to the welfare and well-being of their families and communities. Another study found women contribute significantly in economic and family activities in small-scale fisheries in Malaysia (Jahara, 1994).

A study on women market traders in Kelantan found that the main factor that draws women to the market place was economic needs (Nor Aini, 1993). Other factors included individual interest, culture, family influence and limited employment choices. Limited employment is relevant especially for older women and those with lower

education. She concluded that market trading could be a 'launching platform' for women to enter wider fields of business in the future. Another small-scale study also found poverty to be a main factor for women to be engaged in market trade in Pasir Mas (Azizah, 1993). She found that 54.6 per cent of the women worked 8 – 9 hours daily seven days a week. Some 39.2 per cent of the women market traders earned income of RM300 – RM600 every month.

A study on squatter women in the informal economy found women were house-bound and those who lacked formal education engaged in informal economic activities especially in the food trade (Azizah, 1986). The food trade is labour-intensive and time-consuming. The family consumes food residue from the trade and this goes some way in reducing household expenditures. Women food traders who work at home also do not incur extra expenditure on transport or on clothes to make themselves presentable at the work place.

A study on the informal sector using a data set comprising women from various sectors found that 78.3 per cent of the women from the hawking community were involved in economic work every day of the week compared to only 18.7 per cent from the squatter community (Chwee, 1998). Hawker women worked on average 2.5 hours longer than their counterparts in the squatter areas.

A study by Lam (1974) on hawkers and vendors in Malacca, Kuala Lumpur and Petaling Jaya found an increase in the hawker population during time of recession. In the recent period since the economic slow down, hawkers are mushrooming everywhere.

Hawking provides employment for many who are unskilled, having low education and with little capital. The general observation is that hawkers work very long hours. Most studies asked the hawker respondents the number of hours spent on business operation, and excluded time spent on preparation and processing (McGee and Yeung, 1977).

A study of six cities in Indonesia, Malaysia and the Philippines found that hawkers lead a precarious life (International Research Development Centre, 1975). It also found that hawkers do not usually disappear as a city modernises but instead they seem to increase significantly. A typical hawker in this study is a native-born or long-term resident of the city, has primary or secondary education, little capital and few skills or alternative sources of employment. The hours of work may sometimes be as many as 16 hours a day.

The rapid growth in the hawker population in Kuala Lumpur, Petaling Jaya and other major cities and towns in this country is also due to urbanisation, which brought about radical and structural changes. Those migrants who could not be absorbed into the formal sector turn to the informal sector with many choosing to be hawkers (Mohd Fauzi, 1995).

#### **1.4 Data and Methodology**

This study is based on data collected from a research project funded by the United Nations Population Fund (UNFPA) and conducted by the Faculty of Economics and Administration, University of Malaya, in 1994 covering various groups engaged in

informal sector activities, including hawking. A follow-up ethnography study was carried out a year later and some 16 hawker households were chosen for in-depth study using detailed interviews and participant-observation approach (Tan et al., 1998).

A multistage sampling design was used to select the respondents. For the hawking community, four urban districts were selected in the first stage. Then one urban district was selected from each region, North, East and South/Central (Tan et al., 1995). Within each district, hawking centres were identified based on hawking licenses and listings provided by city halls or municipalities. An area was then randomly selected and in each of the selected areas, systematic sampling was used to select the hawker stall (Tan et al., 1995). The final sample consists of 48 respondents from the North region, 53 from the South/Central region and 116 from the East region.

A detailed questionnaire was used to elicit information on the types of activities carried out by women, using a recall period of one day, one week and one year. The main study variables included different forms of economic activities, number of working hours, income, and a host of Socio-Demographic variables.

Information regarding their daily activities are analysed using hours spent on economic and family activities as dependent variables and age group, ethnic group, educational level, marital status, region, place of operating stall and main income-generating activity as the independent variables.

The rate of income per hour is computed by dividing the total weekly income by the total hours' work per week. As an alternative approach to measure female hawkers' contribution, the remuneration received by female hawkers is analysed by using the rate per hour as the dependent variable and age group, ethnic group, educational level,

marital status, region, place of operating stall and main income-generating activity as the independent variables.

Besides graphical methods and cross tabulations, bivariate and multivariate analysis will be carried out using the statistical package SPSS. Time spent on economic activities, time spent on family activities and rate per hour are ratio scale. Multiple Classification Analysis (MCA) is used to analyse the variations in the dependent variables.

### **1.5 Limitations of the Study**

Although time use study has been recommended to improve estimation of labour force participation of women, difficulties in a few areas still exist. As women usually perform multiple tasks, appropriate definitions of what constitutes economic and family activities have still to be resolved.

As the respondents are selected from their place of work, female hawkers who work part time and operating from the home would have less probability of being covered in the study.

The study does not cover the expenditure patterns of the female hawkers so their contribution to the household income is made under the assumption that the incomes of the female hawkers are fully spent on the families. The data of the study is not from a specific study on female hawkers alone, so many relevant information that could have help in giving a better pictures of the female hawkers are not covered. For instances,



the type of merchandise traded by the female hawkers and the capital and costs involved.

## **1.6 Organisation of the Study**

This study is divided into five chapters. The first chapter provided the background and the objectives of the study, a review of literature, data and methodology and the limitations of the study. The second chapter focuses on the female hawkers' characteristics such as socio-demographic variables, the location and main income-generating activity of these women.

The third chapter examines closely the daily activities performed by female hawkers. Different types of economic, family and other activities are analysed and compared. Multivariate analysis will be used to explain the variances in the hours spent on economic and family activities.

Chapter four studies the economic and family contributions of female hawker using other approaches. The findings of this study will therefore highlight a best approach in estimating contributions of women in the informal sector.

The final chapter summarises the main findings and highlight areas where gender sensitive programme should be implemented to improve the well-being of the women hawkers. Perhaps, some strategies to improve work condition of the women and family members may be highlighted. This could have implications on their financial security in old age and hence of the society at large.