

## **Spatio-temporal Changes of Gold and Jewellery Business in Downtown Yangon City in the Transformation Process**

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### **Introduction**

Since Myanmar changed from state control economy to market oriented economy in 1988, many changes have occurred in every sector. Rules and regulations were changed to make it possible to do business more freely for both foreign and local entrepreneurs. Transportation linkages were expanded between the national capital and other state and division capitals. In addition, existing towns were expanded while many New Towns were designated in suitable urban areas. The above-mentioned policy changes and infrastructure developments could make the structural changes of Yangon City. Some businesses, financial and commercial enterprises etc. concentrated in the downtown area were relocated to the peripheral area (Yin May 2005). Although considerable structural changes of Yangon City are taking place, there is limited research on this topic.

Of the obvious changes, gold and jewellery shops are a distinguished one. Since this business differs from the business of daily consumer goods and is related to the wealth of the people, distinguished structural changes are going on. Before 1988 the majority of gold and jewellery shops were concentrated in Shwe Bon Thar Street (formerly Magoh Street) as single agglomerate. During the transformation process, however, many sub-nodes emerged in the old suburban towns (such as Insein and South Okkalapa)<sup>1</sup>. In addition to wider area changes, we also witness micro-scale spatial changes of gold and jewellery shops in downtown Yangon.

### ***Problem***

Based on the above background, this paper tries to verify the following points:

- (1) Has there been any change in the spatial structure of gold and jewellery shops in downtown Yangon during the period of 1988 and 2005?
- (2) If so how has it changed?
- (3) What are the underlying processes of these changes?

### **Data and Method**

Since there are many difficulties to get official statistics about the gold and jewellery shops, all the data used in this study were derived from field surveys<sup>2</sup> and questionnaires. In addition, open interviews were conducted with some shops owners in order to be able to figure out the causes of spatial and temporal changes.

There are many shops selling gold and jewellery in the Bogyoke Market which is located on Bogyoke Road, just two blocks away from the gold and jewellery shop agglomeration. But they are confined to the market area and their spatial changes are worth to study in a separate case study. For that reason we did not consider Bogyoke Market in our study.

In the first round a field survey was conducted during March 2005. Location and names of the gold and jewellery shops, type of commodity, ownership, average floor space and number of workers were collected through this field survey. Then, a spatial database was developed by using GIS software (ArcView Version 3.3). In the second round a survey with questionnaires and personal interviews was conducted during August and September 2005. Background history and conditions of business were derived through this survey. Derived data were recorded in a database and linked to the spatial database for detail analysis. Figure 1 shows the number of gold and jewellery shops in downtown Yangon and the number of samples received from the questionnaires survey. It covers about 48% of the shopowners and can be assumed to be representative in regards to all types of shops.

	All shops	Sample	Percentage
<b>Gold and jewellery shops</b>	148	87	58.8
<b>Precious stones</b>	24	6	25.0
<b>Silverware</b>	24	7	29.2
<b>Buying</b>	61	22	36.1
<b>Total</b>	<b>257</b>	<b>122</b>	<b>47.5</b>

*Fig. 1: Number of gold and jewellery shops and sample size (Source: Based on field survey, August 2005)*

The second section of this paper discusses the development of gold and jewellery shops by means of type and ownership in downtown Yangon. Then, the spatial development of the business is examined in the third part before explaining the process of such spatial development.

## Development of Gold and Jewellery Shops in Downtown Yangon

The results of field and questionnaires surveys were used to trace back the development of gold and jewellery shops in downtown Yangon. Figure 2 shows the development of gold and jewellery shops in downtown Yangon by its ownership. Two points can be observed from this table. The first point is the gradual development of gold and jewellery shops after the implementation of a market-oriented economy in 1988. The development is more distinct during 1996-2005. The second point is the changes in ownership. Before 1988 the gold and jewellery business was mainly conducted by Myanmar nationals and Indian people. From the interviews it was found out that only ownership of Myanmar citizens was allowed under the State Economy. Then, other nationals like Chinese and Indian descendants had to do business un-officially or they had to use Myanmar nationals in their businesses as so-called owners<sup>3</sup>. After 1988, however, restrictions on the ownership were lifted. As a result, other nationalities, especially Chinese came to participate in the gold and jewellery business.

	Myanmar	Chinese	Myanmar-Chinese	Indian	Total
<b>Before 1988</b>	5 (38.5)	2 (15.4)	1 ( 7.7)	5 (38.5)	13 (100)
<b>Between 1988-1996</b>	6 (15.8)	11 (28.9)	10 (26.3)	11 (28.9)	38 (100)
<b>After 1996</b>	12 (16.9)	11 (15.5)	14 (19.7)	34 (47.9)	71 (100)
<b>Total</b>	<b>23 (18.9)</b>	<b>24 (19.7)</b>	<b>25 (20.5)</b>	<b>50 (41.0)</b>	<b>122 (100)</b>

Fig. 2: Development of gold and jewellery shop by ethnic group (inbrackets: %) (Source: Questionnaires and field survey results, March and August 2005), Note: Chi-Squared analysis shows variations at 0.001 significant level

The development of gold and jewellery business is also associated with business type and ownership. From figure 3 it becomes clear that Chinese and Myanmar-Chinese are mainly active in the gold and jewellery business while Indian and Myanmar nationals are participating in all businesses. One more significant point is that nearly all gold and jewellery buying businesses are conducted by Indian people. This is due to a spin-off of younger generations working in the gold and jewellery business. Many new entrepreneurs in the business have got their knowledge about gold and jewellery from the shops they worked in before. The nature of business is also contributing to this development since it needs only a very small amount of investment. The Chinese, on the other hand, generally have made big investments and are busy in the gold and jewellery business only.

	Myanmar	Chinese	Myanmar-Chinese	Indian	Total
Gold and jewellery	29	48	30	40	147
Precious stone	12	0	0	13	25
Silverware	11	2	0	19	32
Buying	5	0	0	56	61
Total	57	50	30	128	265

Fig. 3: Type of gold and jewellery shop by ownership (Source: Field survey results, March 2005)

## Spatial Development of Gold and Jewellery Shops

### Spatial Divisions of Downtown Yangon

Administratively the downtown area of Yangon includes 6 townships: Lanmadaw, Latha, Pabedan, Kyauktada, Botataung, and Pazundaung from west to east (Fig. 4). For our study purpose, however, Pazundaung Township was excluded since it has its own node of gold shop agglomeration. Some customers come from eastern parts of Yangon such as Tharkayta and Dawpone Townships, etc. buy gold and jewellery at Pazundaung Market. Therefore, it is more reasonable to consider Pazundaung Township as one separate node of gold shop agglomeration rather than as a part of downtown Yangon.

In the downtown area, gold and jewellery shops are only found in the specific area: between Lanmadaw Street to Sule Pagoda Road (Fig. 4). Administratively, gold and jewellery shops are mainly concentrated in Latha, Pabedan and Kyauktada Townships.

The kernel probability distribution method was used to represent the spatial distribution of newly established gold and jewellery shops in each period. The map

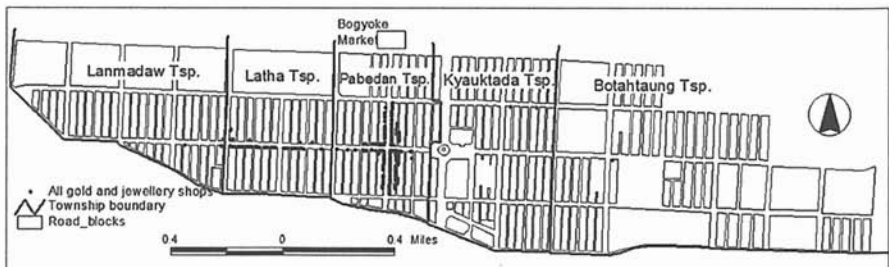


Fig. 4: Location of townships in downtown Yangon (Source: Department of Geography, Yangon University.)

resulted from the analysis shown in figure 5. It could be established that the distribution of gold and jewellery shops was mainly concentrated around Shwe Bon Thar Street before 1988, due to the fact that the business was mainly run by Indian people and their descendents. During 1988 and 1996, new gold and jewellery businesses were mainly opened in two places: along Maha Bandoola Road near Latha Street, and around the junction of Maha Bandoola Road and Shwe Bon Thar Street. The former place is located in the China Town of Yangon while the latter is within the Indian Community. Thus, this spatial development represents the entering of Indian and Chinese people into the business with the practicing of the market-oriented economic policy. After 1997, however, the development of the gold and jewellery business shifted again around Shwe Bon Thar Street, especially 29<sup>th</sup> Street. It was due to the fact that many small gold-buying businesses developed along Shwe Bon Thar Street and gold smith and jewellery shops along 29<sup>th</sup> Street. The former is mainly conducted by Indians while the latter belongs to Indian and Myanmar people.

Nearly all gold and jewellery businesses are run by four different ethnic groups: Chinese, Myanmar, Myanmar-Chinese, and Indians. They generally run their business in different territories of downtown Yangon. Figure 6 shows these variations. The Kernel Probability Distribution Method was used again to delineate the business boundaries of each ethnic group. Gold and jewellery shops owned

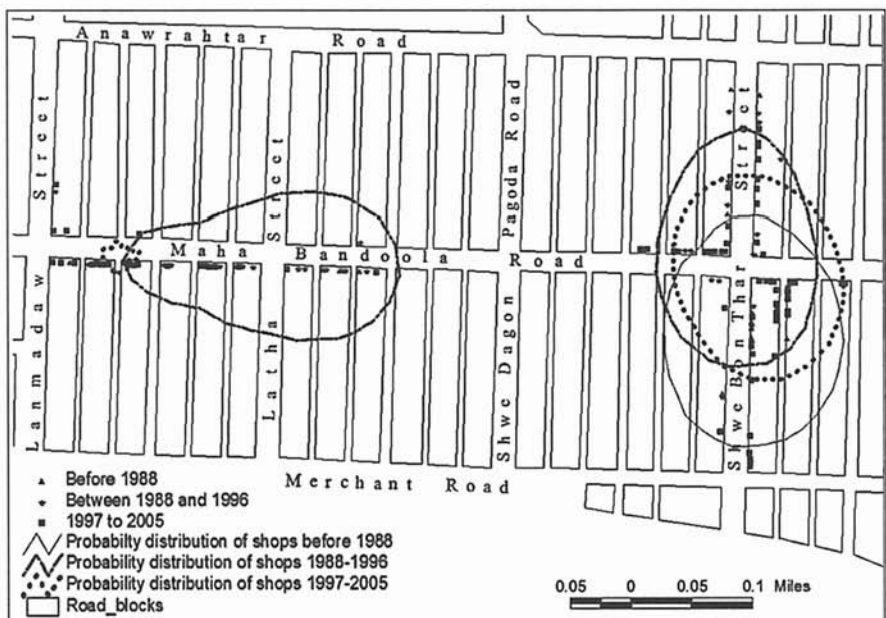


Fig. 5: Spatio-temporal changes of gold and jewellery shops in downtown Yangon (Source: Questionnaire survey, August 2005).

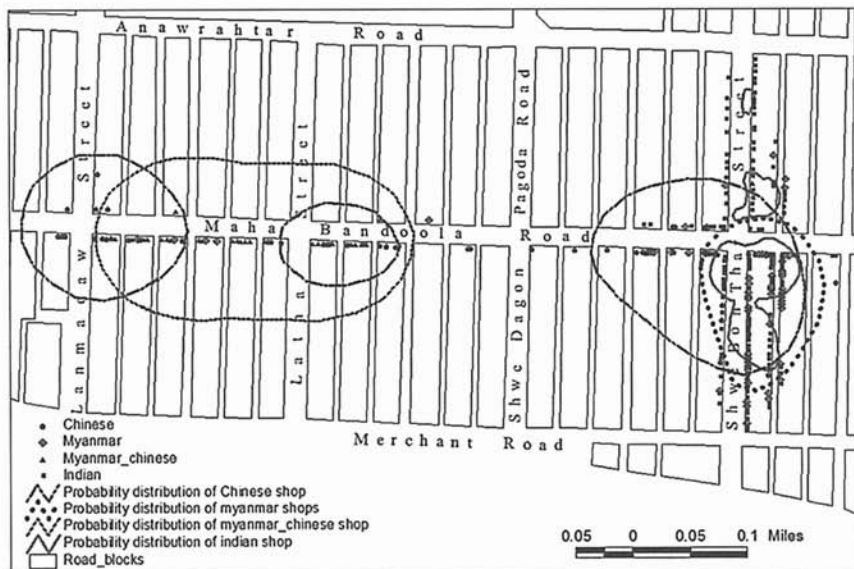


Fig. 6: Spatio-ethnic variation of gold shops in downtown Yangon (Source: Questionnaire survey, August 2005).

by Chinese are distributed in three places: around Maha Bandoola-Lanmadaw junction, on Maha Bandoola Road near Lathar Street, and around Maha Bandoola-Shwe Bon Thar junction. Shops owned by Myanmar nationals are distributed in Shwe Bon Thar Street and 29<sup>th</sup> Street. Myanmar-Chinese shops are located on Mah Bandoola Road between Lanmadaw and Shwedagon Pagoda Road. Indian shops are found near Maha Bandoola-Shwe Bon Thar Junction and on 29<sup>th</sup> Street.

Finally, it is necessary to analyze the spatial distribution pattern of gold and jewellery shops by type. Kernel probability distribution results show that all types of shop are concentrated around Maha Bandoola-Shwe Bon Thar Junction with slight spatial variations (Fig. 7). Gold and jewellery shops are distributed both on Manha Bandoola Road and Shwe Bon Thar Street. Silver shops are concentrated on 29<sup>th</sup> Street. Precious stone shops are also concentrated at the same location as silver shops. On the other hand, gold-buying shops are located along Shwe Bon Thar Street.

## Development Process of Gold and Jewellery Shops

To be able to explain the spatial development of gold and jewellery businesses it is necessary to examine the nature of new firm formation, transaction linkages and business conditions of the shops.















