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Letter from the Editor-in-Chief

Myanmar and Korea have many similarities and are complementary relationship. Therefore, we believe that research exchange will expand mutual understanding between Myanmar and Korea, and will be the cornerstone for mutual development.

KOMYRA and YUE have co-published The Myanmar Journal since August 2014. So far, many scholars have published numerous papers through the journal, and We are sure that this journal has helped many people understand Myanmar and Korea more clearly and closely.

The Myanmar Journal covers various issues in Myanmar and Korea. It covers various topics that can promote bilateral development and mutual understanding, not limited to specific topics such as economy, industry, society, education, welfare, culture, energy, engineering, healthcare, and agriculture.

We hope that this journal will continue to promote understanding of the current status and potential capabilities of Myanmar and South Korea and promote in-depth international exchange and cooperation.

We would like to express our deepest gratitude to the editorial board and YUE and KOMYRA for their valuable support in The Myanmar Journal publication.

February 28, 2022

Youngjun Choi *yj choi*

Editor-in-Chief of THE MYANMAR JOURNAL
Vice-President of KOMYRA
Email: yjchoi@khu.ac.kr
Office: +82-2-961-0485
Web address: komyra.com/doc/scope.php

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The Myanmar Journal (ISSN 2383-6563) is the official international journal co-published by Yangon University of Economics (YUE) and Korea Myanmar Research Institute (KOMYRA).

This journal aims to promote the mutual cooperation and development of Myanmar and Korea through intensive researches in the entire field of society, economy, culture, and industry.

It will cover all general academic and industrial issues, and share ideas, problems and solution for development of Myanmar.

Articles for publication will be on-line released twice a year at the end of February and August every year on the Myanmar Journal webpage (http://www.komyra.com/bbs/board.php?bo_table=articles).

A Study of Urban Informal Sector in Mandalay, Myanmar

Zaw Htet Pine*

Cooperative and Management University, Thanlyin

ABSTRACT : The urban informal sector is a sub-set of the total informal sector as well as of the total urban sector. In the context of Myanmar, the urban informal sector is described as livelihood activities. In this sector street-based activities are more distinct than other activities. In this study, it has studied what factors involve to push into street –based activities and the public views on it in Mandalay. This study used descriptive method based on both primary and secondary data. Activities of street vendors in Mandalay include selling goods, providing services in prescribed or unprescribed markets or areas, such as streets, roadsides, in front of supermarkets and at bus stops. These activities are owned by one or two persons, a family or a group of people. The street vendor activities are boosted by a continuous stream of rural to urban migration because of no work opportunities in rural areas. Most of people who engaged the street vending are reasonably educated; a few even highly educated (graduates) and they are clearly not recent migrants. The control is not properly implemented to the vendors' activities. The predominant feeling among the general public towards the urban street vendors' activities is more negative than positive.

Key words : *Migration, Prescribed Markets, Street Vendors, Urban Informal Sector.*

I. Introduction

The majority of urban workers in developing countries earn their livelihoods in the informal economy. Therefore, understanding urban informal employment is critical

* Lecturer, Department of Economics, Cooperative and Management University, Thanlyin.

to promoting inclusive cities and reducing urban poverty. But, many cities around the world are actively undermining or destroying urban informal livelihoods. Practices that exclude informal workers from participating in cities are the norm in many parts of the world: there are daily reports of slum and street vendor evictions and unreported harassment of informal workers by local authorities, including bribes and confiscation of goods, on a daily basis. In response, organizations of urban informal workers are gaining in numbers, strength and solidarity; and are demanding more inclusive urban policies and practices in support of their livelihoods. Home-based producers, street vendors, and waste pickers are all age-old occupations in which large numbers of urban workers around the world are still employed, especially in developing countries. In many countries in South and South East Asia—including India, Laos, Nepal, Pakistan, Myanmar and the Philippines—organizations of home-based workers have negotiated housing and basic infrastructure services (water, sewage, electricity) for their members.

Street trade is a consistent feature of urban retail systems in cities worldwide. Street vendors offer a wide range of goods and services in convenient and accessible locations, and contribute an essential service to the poor by offering low-cost goods in small quantities. Unfortunately, empirical studies analyzing the pattern of growth of the informal sector at the national or state level have generally used a single criterion such as the number of workers, capital employed, use of electricity or registration with certain public agencies as the basis for identification of the informal sector (Mathur, 1993).

The informal economy is the lifeblood of many cities today. It provides jobs for urban workers, provides flexible services to urban residents, and makes significant contributions to urban economies. Faced with the hiatus between theoretical and empirical research on the one hand and non-comparability of the results of different micro-level investigations on the other, scholars have questioned the relevance of informal sector studies, describing these as academic exercises (King, 1990). Some have dismissed the boundary between formal and informal activities as theoretically tenuous and empirically non-testable (Richardson, 1985). The slump in the informal sector is reflected in an adverse trend in the indicators of economic performance such as value added, working capital and fixed capital per enterprise (or per worker) in several industries (Kundu and Lalitha, 1997).

However, diversity makes the informal economy hard to capture in conventional urban policy processes, and for many informal workers precarious and dangerous work, exploitation, harassment, or evictions are a daily threat. Recognizing the potential of urban informal workers and their solidarity economy in urban planning, informal settlement upgrading, and recovery from urban violence, disasters and other crises is key to social inclusion of informal workers, to local economic development

and to building resilience in 21st century cities. Informal businesses are typically characterized by low productivity, resulting in low and irregular earnings. This is aggravated by a lack of access to basic services such as water and electricity, a dedicated space to operate, and access to high-value markets. Informal businesses are typically not financially included, and therefore unable to make reliable business transactions, access credit for productive investments or to reliably save to prepare for unforeseen risks.

1. Objectives of the Study

The objectives of the study are

- (i) To examine the factors that involve the nature of urban informal sector, especially street vending, in Mandalay,
- (ii) To explore public views on the urban business activities in in Mandalay.

2. Scopes and Methods of the Study

Descriptive method was used in this study and which based on survey. Quantitative data were collected by two questionnaire surveys with structured types. These surveys were administrated survey with respondents. The questionnaire survey were conducted to identify the nature of the informal sector, to identify the kinds of people who engage informal sector activities, to discover the reason for migration, to examine the effects of the control on informal business activities and to explore the general perceptions of people living in Mandalay with regard to informal sector activities.

II. Theoretical Background

1. The Nature and Scope of Informal Sector

Informal sector is the part of the urban economy of developing countries which characterized by small competitive individual or family firms, petty retail trade and services, labor-intensive methods, free entry, and market-determined factor and product prices (Todaro & Smith, 2012). Rakowski (1994), it is possible to sketch four "ideal types" that appear to serve as the "umbrella of theories" in defining the informal sector. These four-the dualistic perspective, integrative perspective, legalistic perspective, and the survival strategy perspective- are used to examine how far the

conceptualization of the informal sector adheres to the dominant positions taken by different interpretations of the informal sector (Suharto, 2002).

2. The Distinctive Perspective of Informal Sector

The trajectory of an emerging orthodoxy on the informal sector is of diverse as well as being without clear lines of demarcation. However, drawing an extensive framework of Rakowski (1994), it is possible to sketch four "ideal types" that appear to serve as the "umbrella of theories" in defining the informal sector. These four-the dualistic perspective, integrative perspective, legalistic perspective, and the survival strategy perspective- are used to examine how far the conceptualization of the informal sector adheres to the dominant positions taken by different interpretations of the informal sector (Suharto, 2002).

3. Migration Theories

Explanations on migration theories are extensively discussed in the literature. However, the nature of migration and the causes for it are complex, and there is no general agreement among researchers on the causes of migration. Arguments on the differences on migration causing factors exist not only among researchers from different disciplines, but also among researchers within one discipline. Theoretical discussions on migration into three models; dual economy models which emerged in the 1950s and 1960s; Harris-Todaro models developed in the 1970s and 1980s; and microeconomic models on which much of the research has focused over the past 30 years, called new economies of labour migration (Timalsina, 2007). The "decision to migrate from rural to urban areas is related to two principal variables: (1) the urban-rural income differential and (2) the probability of obtaining an urban job" (Todaro, 2012).

4. General Public View on the Informal Sector

In Myanmar, the negative views from the general public about the informal sector centered on the behavior of the urban street vendors which lead to law and order problems; like pick pocketing, creating avenues for other people to come around and snatching bags from women, conducting nuisance activities in public places and making city look filthy. However, some respondents had positive views that urban street vendors provided a quick and affordable service to the public, expressing their democratic right to earn a living and contributing to the urban economy (Suharto,

2002). On the other hand, vendors have been making a living on the street, one section of the urban poor provides goods and services to another section of urban poor that otherwise government should have provided. Hence, it have been found that one section of the urban poor, namely, street vendors, subsidizes the existence of the other sections of the urban poor by providing them cheap goods (Timalsina, 2007).

III. Research Design

1. Respondents' Demographic Profile

Table1. Demographic Characteristics of Street Vendor in Mandalay

Sr. No	Statements	Category	Maharaungmyae		Pyigyitagon		Total	
			Frequency	%	Frequency	%	Frequency	%
1	Gender	Male	70	23.3	73	24.3	143	47.6
		Female	80	26.7	77	25.7	157	52.4
2	Age(years)	18-20	3	1	-	-	3	1
		21-30	41	13.7	28	9.3	69	23
		31-40	59	19.7	62	20.6	121	40.3
		41-50	39	13	44	14.7	83	27.7
		Above 50	8	2.7	16	5.3	24	8
3	Marital Status	Not Married	38	12.7	35	11.7	73	24.4
		Married	106	35.3	105	35	211	70.3
		Divorced/Widow	6	2	10	3.3	16	5.3
4	Number of Children	2 and under	57	19	25	8.3	82	27.3
		3 and 4	30	10	52	17.3	82	27.3
		Above 5	7	2.3	27	9	34	11.3
		None	56	18.7	46	15.3	102	34
		Total	150	50	150	50	300	100

Source: Survey Data (January, 2021)

Most street vendor in Mandalay are owned and operated by women. There are not significant differences by gender. Male traders are likely to have larger scale operations and to deal in non-food items, while female traders are likely to have similar scale operations and to deal in food items. No women in this study areas were involved in service activities. Many women (adults and girls) participate in, at least, the production process of the vendors (eg. Buying commodities, preparing food,

cleaning utensils, arranging wares). When data on age group, marital status and the number of children are combined it is found that adults, between 31 and 40 years of age and married with one or two children, were the predominant portion of street vendors. This shows that single people of whatever age are likely to be the street vendor.

Marriage seems to provide support in establishing a successful enterprise, and spouses are often partners in such schemes. Most women in this age category were already married and even having children. The figure also demonstrate that as many as six people, or about five percent of the street vendors, were divorced or widowed. Most of them were women in an older age category having double roles in heading the family and the business. When analysis of the surveyed data is broken down on the basis of their length of stay in Mandalay, the information reveals that most vendors had lived in the city for 5-10 years(25%), followed by those who had lived in the city for 10-15 years(20%), less than 5 years (13%), and those who were born in the city(28%). Therefore, 72% of street vendors migrate from other states and regions especially from rural areas. Moreover, reasons for migration and duration of stay in Mandalay are shown in Table 2.

Table 2. Duration of Stay in Mandalay and Reasons for Migration

Sr. No	Statements	Category	Maharaungmyae		Pyigyitagon		Total	
			Frequency	%	Frequency	%	Frequency	%
1	Duration of stay in Mandalay	< 5 years	24	8	15	5	39	13
		5-10 years	44	14.7	32	10.7	76	25.4
		10-15 years	28	9.3	33	11	61	20.3
		>20 years	7	2.3	13	4.3	20	6.6
		Born in Mandalay	9	3	10	3.3	19	6.3
2	Reasons for Migration	To improve children's education	38	12.7	47	15.7	85	28.4
		No work opportunities in rural area	18	6	34	11.3	52	17.3
		Can't live with rural income	43	14.3	23	7.7	66	22
		More work opportunities in urban areas	14	4.7	25	8.3	39	13
		More income in urban areas	14	4.7	24	8	38	12.7
		More income in urban areas	9	3	11	3.7	20	6.7

	Bright light	21	7	9	3	30	10
	Other	31	10.3	24	8	55	18.3
	Total	150	50	150	50	300	100

Source: Survey Data (January, 2021)

The rest stated that they had lived in the city about 15 to 20 years, and more than 20 years, accounting for 7 percent and 6 percent respectively. As such, if we define recent migrants as those who had arrived in the city within the last 5 years. Street traders are not predominantly new migrants since most of them (52%) were long-term residents, migration to Mandalay between 5 to 20 years ago, or more and also many of them (28%) were born in the city. The most reason for migration is no work opportunity in rural area about (22%) and they cannot live with present income in area about (13%). (10%) of respondents, especially young people, were attracted to the city because of the bright light.

The evidence seems inconsistent with the framework of rural-urban migration, especially with its dualistic labour market predictions in the Harris-Todaro model. The model stressed that urban informal sector is a "staging-post" or transitory "reserve army" of recent rural migrants awaiting their opportunity to obtain a desirable formal sector job in over crowded urban labour market (Thomas,1995). If the migration pattern is analyzed on the basis of wider definition of migration (i.e, long-term migrant vs non-migrant), however, the result is greatly different. There is no doubt that the bulk of street traders are indeed migrants, accounting for 73 percent of total population.

The domination of long-term migrants in this sector, however, is slightly inconsistent with the patterns of the dualistic view, especially in the Harris-Todaro model. Most of street vendors are not recent migrants, but migrated to Mandalay from the other states and regions between five and twenty years ago.

IV. Findings and Discussions

This study found that one of the major factors that contributed to the development of the informal sector was rural-urban migration. Evidence presented shows that, venders left their villages and migrated to the city because of tribal fighting, a push sector. The other push sector include lack of rural development, provision and maintenance of services and employment in the rural areas. In addition 40% of the traders are in the 31-40 years old age bracket, usually a married couple with one or two children. This shows that the role of family in street trading is very important. Children and spouses are supporting the success of such family business,

especially in terms of labor supply. In relation to demographic characteristics, this study also supports the widely known characteristic of the urban informal sector that connects it with the rural-urban migration. Most of the street vendor (71%) were migrants from rural areas. However, since many amongst them (51%) were long-term residents, who migrated to Mandalay between 5 and 20 years ago, street traders are not recent migrants.

1. Suggestions and Recommendations

This study makes a contribution to identifying the types of people involved in the formal sector with its new findings that most of the people who were engaged in activities in this townships were reasonably educated, a few even highly educated. The informal sector in Myanmar is not just for the unskilled. This study suggests the following directions for further research: Researchers in future studies should consider data collection in other regions throughout Myanmar to obtain broader views of the informal sector activities. The socially undesirable and illegal activities such as drug dealing and street begging have not been researched. Researchers in future with more resources may consider undertaking such research. One way of solving the problems of increasing street vending activities can be by providing vendors with a specific location for trading.

2. Needs for Further Study

There are certain limitations to the generalizability of the study. This study only focuses on 300 street vendors of Maharaungmyae and Pyigyitagon township in Mandalay Division. It is necessity to study the urban informal sector not only in private trucking companies in Mandalay but also for other urban informal sector in other divisions. Further studies should consider exploring how it could assist the participants in the rural and urban informal sectors of Myanmar.

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