



LC Paper No. CB(2)2153/10-11(19)

*The Lion Rock Institute*

Clerk to Panel on Manpower  
Legislative Council Secretariat  
3/F Citibank Tower  
3 Garden Road  
Central  
Hong Kong

Submissions on the creation of employment opportunities  
under the hawker policy

Monday, 20 June 2011

The Lion Rock Institute Strongly oppose the resumption of issuing hawkers license.

Retail space, as a resource, must be and will be allocated following some certain mechanisms. The urban planning in Hong Kong has specific usage for public areas, such as pavements. If hawking activities are to be allowed, allocation of such retail space will prove problematic.

The mechanism working now is called "rent". Nowadays, people advocating hawking activities are assuming that hawkers can avoid paying monetary rent, thus reducing the cost of operation of business. However, hawkers will never be able to escape from paying "rent", while avoiding monetary rent, they will pay in other forms.

The main issue is that, if there are two hawkers, wanting to sell their product at the same location, who should be allowed to do so?

First come first served means that resources will be allocated according to the arrival time. Therefore, retail space will only be allocated to those time is of least value, instead of those who serve the people best. And if the government were to enforce this first come first serve mechanism, how would any dispute that arises be settled?

Also, if the government allows hawking in public area, but rely on spontaneous order in the allocation of said retail space, from a study of history, it will merely result in underground forces to step in to enforce order. Organizations such as Triads will demand protection fees from hawkers (commonly known as 保護費). Therefore, the hawkers would have to pay "rent" eventually, just in a different name, protection fees. This will be the worst mechanism as it challenges the core principle of any functioning state, which is the government's monopoly power of coercion.

We find this consultation to be typical of those from the populist wing of Hong Kong. Whereby at best the naivete of certain individuals, at worst the irresponsibility of political prostitutes are then taken seriously by policy makers who are now unable to resist such demands.

We thank you for your time and would be pleased to discuss further with any panel members who may have questions.

Yours sincerely,

Andrew Shuen  
Research Director  
The Lion Rock Institute