A FORTUNE IN COOKIES?
CHANGING CONTEXTS OF CONSUMPTION AND THE
EMERGENCE OF THE INDUSTRIAL PALATE IN
HONG KONG.

By
Scott Alexander MacLeod
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Department of Geography

The University of British Columbia
1956 Main Mall
Vancouver, Canada
V6T 1Y3

Date March 21
ABSTRACT.

This paper examines the process of converging and industrializing food habits in Hong Kong. It does this by examining changes in the food system as a whole, placing consumption patterns in the context of the local food system and local social formation. In turn, local dynamics are placed in a global context. It is within the global context that the geographical homogenization of available foodstuffs is occurring. It is, however, in local place where the processes and trends are manifested.

The paper begins with a discussion of the research issues and questions that surround the studies of consumption, food habits and Hong Kong. There is then a section which deals with the nature of food as an industrial commodity and the nature of the world industrial food system. The logic behind the geographical homogenization is drawn out of this discussion. The paper then turns to the geographical setting of the Hong Kong case; first describing the nature of the local social formation then moving on to consider changes in the local food system in the post Second World War period. Changes in the import/export profile, the local food production economy and the local circulatory sphere are outlined. These areas exhibit a tendency to capital
intensification and internationalization. Finally changes in the actual consumption patterns of the people of Hong Kong are addressed. The conclusion of the analysis is that the Hong Kong social formation and the Hong Kong food system are undergoing a radical transformation: one where globally articulated capitalist `patterns of regulation' are coming to shape the nature of agency in regards to food consumption in the local place that is Hong Kong.
CHAPTER I.  
INTRODUCTION .............................................................................. 1

A. Research Agenda ................................................................. 1

B. Research Approach............................................................... 3

C. Research Foci ................................................................. 7
   1. Consumption ...................................................................... 7
      a. Why Consumption? ...................................................... 7
      b. The Modernization of Consumption Patterns .......... 8
      c. The Convergence of Consumption Patterns .......... 9
      d. Two Routes to Changes in Consumption Patterns.10
      e. In Summation ............................................................... 13
   2. Food as Research Focus .................................................. 13
      a. Why Food? ................................................................. 13
      b. The Structural Contexts of Food Habits ............... 15
         i) Defining the Nature of Structure ....................... 15
         ii) Defining the Scale of Structure ....................... 19
      c. In Summation ............................................................... 20
   3. Hong Kong ................................................................. 21
      a. Why Hong Kong? ...................................................... 21
      b. In Summation ............................................................... 24
CHAPTER II.
THE INDUSTRIAL PALATE

A. The Foundations of the Industrialization of Food...

B. The Industrialization and Internationalization
  of the Food Sector

  1. Food as Industrial Commodity
     a. Food Processing
     b. Food Marketing
     c. In Summation

  2. The World Food Industry

  3. The World Industrial Food System
     and Homogenization

  4. In Summation

CHAPTER III.
THE HONG KONG MILIEU

A. Hong Kong, The Setting

B. Societal Changes Supporting Changing
   Consumption Patterns

  1. The Basic Parameters of the Mass
     Market in Hong Kong
CHAPTER IV.

CHANGES IN THE HONG KONG FOOD SYSTEM

A. The Hong Kong Import/Export Profile

1. Imports

2. Life Cycle and Family Dynamics

3. Income Levels
   a. Factors Adjusting the Income Picture
      i) The Myth of Laissez-Faire Hong Kong
      ii) The Impact of Chinese Food Imports on Income Levels
      iii) In Sum
   b. The Importance of Income Levels

4. Advertising, Marketing and Class Dynamics
   a. Advertising
   b. Proletarianization and Consumption
   c. Class, Status Emulation and Consumption
   d. In Summation

C. Links to the Global Community

D. Consumption Trends in Hong Kong in General

E. In Summation

vi.

2. Life Cycle and Family Dynamics

3. Income Levels
   a. Factors Adjusting the Income Picture
      i) The Myth of Laissez-Faire Hong Kong
      ii) The Impact of Chinese Food Imports on Income Levels
      iii) In Sum
   b. The Importance of Income Levels

4. Advertising, Marketing and Class Dynamics
   a. Advertising
   b. Proletarianization and Consumption
   c. Class, Status Emulation and Consumption
   d. In Summation

C. Links to the Global Community

D. Consumption Trends in Hong Kong in General

E. In Summation

CHAPTER IV.

CHANGES IN THE HONG KONG FOOD SYSTEM

A. The Hong Kong Import/Export Profile

1. Imports
vii.

a. General Trends.................................72
   i) Changes in the Types of Foods Imported.....74
b. The 'Sourcing' of Suppliers.....................75
c. Variations in Value.............................79
d. Bases of Changing Imports.......................81
e. In Summation..................................82

2. Re-Exports....................................83

3. Exports.......................................85

4. In Summation..................................86

B. The Industrialization of a Local Food
   Production Economy, The Hong Kong Case........87

1. In The Fields..................................88
   a. General Trends...............................89
   b. Sources of Change............................93
   c. In Summation................................96

2. The Hong Kong Food Industry....................97

3. In Summation..................................101

C. Changes in the Hong Kong Food Distribution System..102

1. General Trends................................103

2. Comparing Retail Types........................105

3. The Supermarket in Hong Kong...................108
   a. General Growth Trends.......................108
   b. A Case Study................................109
viii.

c. Supermarkets and Market Control

d. The Supermarket In Situ, Effects and Needs
   i) Supermarket Outreach

4. The FFV, Selective Adoption and the Competitive Niches of Retail Types

5. The FFV, The Convenience Store and the Penetration of the World Food System
   a. The FFV Sector
   b. The Convenience Store

6. In Summation

CHAPTER V.

CHANGING FOOD CONSUMPTION PATTERNS

A. Meals Bought Away From Home
   1. Trends in the Restaurant Sector
   2. The Chinese Restaurant Sector
   3. Comparing Restaurant Types
   4. The Hong Kong Fast Food Sector
   5. In Summation

B. Changing Consumption Patterns in the Home
   1. The Home Shopping Basket
      a. Analysis by Expenditure Cohorts
CHAPTER VI.

IN CONCLUSION... ................................................................. 157

A. Thinking About Convergence.............................................. 157
   1. Convergence as Discourse.............................................. 158
      a. Grammatical Structures and Food Systems.................. 159
      b. The Vocabulary of the Food System as Discourse........... 163
      c. The Syntactical Relationship Between
         Grammar and Vocabulary........................................... 164
   2. Discourse in Place..................................................... 166

B. Policy Issues................................................................. 170
   1. Effects on Poorer Consumers......................................... 170
   2. Other Policy Issues................................................... 174

C. The Hong Kong Case in Summation..................................... 177

NOTES.................................................................................... 183
REFERENCES........................................................................ 194
List of Tables.

<table>
<thead>
<tr>
<th>No.</th>
<th>Table Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>U.S. Irish Potato Utilization and Per Capita Consumption, 1956 - 1979</td>
<td>32</td>
</tr>
<tr>
<td>2.</td>
<td>Indicators of potential Mass Market -- Hong Kong</td>
<td>51</td>
</tr>
<tr>
<td>4.</td>
<td>Media Density Hong Kong</td>
<td>63</td>
</tr>
<tr>
<td>5.</td>
<td>Hong Kong, International Linkages -- Communications</td>
<td>67</td>
</tr>
<tr>
<td>6.</td>
<td>Value of Trade</td>
<td>67</td>
</tr>
<tr>
<td>7.</td>
<td>Percent Expenditure on Durable Goods</td>
<td>70</td>
</tr>
<tr>
<td>8.</td>
<td>Imports, Re-exports and Retained Imports -- Foodstuffs</td>
<td>74</td>
</tr>
<tr>
<td>9.</td>
<td>Hong Kong Foodstuff Imports Selected Foodstuffs</td>
<td>76</td>
</tr>
<tr>
<td>10.</td>
<td>Imports From China as a Percentage of Total Imports, Selected Foodstuffs</td>
<td>76</td>
</tr>
<tr>
<td>11.</td>
<td>Selected Imported Foodstuffs</td>
<td>78</td>
</tr>
<tr>
<td>12.</td>
<td>Imports Levels, Vegetables and Fruits Selected Countries</td>
<td>80</td>
</tr>
<tr>
<td>13.</td>
<td>Imports by End-use by Main Suppliers</td>
<td>81</td>
</tr>
</tbody>
</table>
14. Comparative Share of Hong Kong's Principal Export Commodities in Main Markets - Beverages in China.......................86
15. Hong Kong, Per Capita Production of Selected Foodstuffs.................................................................92
16. Hong Kong, Food Processing Industry...........................................99
17. Characteristics of Food Manufacturing Industry in Hong Kong -- By Size of Gross Output..........................100
18. Scale of Operations, Number of Employees, Selected Retail Types.........................106
19. Sales, Gross Margin and Value-Addition, Selected Retail Types.............................107
20. Growth of Wellcome Supermarkets........................................110
21. Comparative Sales Per Establishment Restaurant Sector, 1983........................................135
22. Characteristics of Restaurant Types........................................138
23. Foodstuffs Increasing Share of Home Shopping Basket Expenditures......................147
24. Foodstuffs Decreasing Share of Home Shopping Basket Expenditures......................148
25. 1963/64 Differential Allotment of Expenditures.................................................................144
List of Graphs

1. Intensity of Advertising Effort in LDCs Versus Developed Countries..........................62
2. Percentage of Total Expenditure Spent on Selected Categories........................................69
3. Re-exports by End-Use Category.................................................................84
4. Unit Value Indexes of Re-exports By End-Use Category.................................................84
6. Number of Establishments Food Retailing..............................................................105
7. Index of Value of Sales Food Retailing..............................................................108
8. Value of Total Receipts by Restaurant Type.............................................................133

List of Maps.

1. Location of Hong Kong.................................................................44
2. Map of Hong Kong.................................................................45
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CHAPTER I.

INTRODUCTION.

A. RESEARCH AGENDA.

The thesis of the following paper is that, as Hong Kong is an internationally articulated urban area, the local food system is becoming increasingly framed in the logic of the world industrial food system. Through changes in 'foodways' the local food system is becoming less shaped by traditional local eco-cultural concerns and more influenced by capitalist market forces. These changes effect and reflect fundamental shifts in the food habits of the local population and are leading to the convergence of local food consumption patterns with those of an evolving global norm. Underlying both the industrialization and convergence trends is a process whereby internationally oriented capitalist patterns of regulation are coming to structure the decisions of the myriad of actors who in turn sketch the outlines of the local food system -- a prime context of consumption.

The focus of the paper is on two inseparable trends. The first concerns changes in the Hong Kong food system as a whole (i.e. industrialization and internationalization). The second
is the act of consumption, where the outlines of the food system are actually realized in concrete space. Put another way, the primary concern is with changes in consumption patterns, but these can only be understood in the context of the industrialization and internationalization of the food system.

The goal of the following study is to see if Hong Kong is experiencing an industrialization and internationalization of its food system, from production to consumption, and if so, to examine the geographical reality of how these trends are evolving in the Hong Kong milieu. There is no existing literature which specifically addresses the topic at hand. Thus, most of the theoretical and discursive sections of the paper are original. They arise not from a priori theorization but from the study itself. Precedence is given to the actual geographical developments of the processes discussed, and theory is employed as a heuristic device to help make the situation more intelligible, not necessarily simpler, nor clearly explainable. To do this the paper adopts a rather holistic perspective, emphasizing the complexity and interactive nature of the process of social change.

To achieve these multiple objectives the paper is laid out in the following manner. The first section deals with the general research approach, the reasons for adopting the
specific research focus and some pertinent theoretical questions. The second section of the paper examines the broad generalizing forces in the world food system. It outlines the peculiarities of food as an industrial product, and demonstrates how the 'logic' of the world food system seems to lead to the capital intensification and internationalization of food production and eventually to the geographical homogenization of product. The fourth section moves into the specificities of the Hong Kong case, looking at changes in the production and circulation spheres. The penultimate section deals with the repercussions of the described changes in terms of actual consumption patterns. The final section deals the conclusions of the study and suggests policy issues.

B. RESEARCH APPROACH.

"Social Change Isn't What it Used to Be."

Whether one calls it 'modernization', 'development' or some other term, the way social scientists are coming to view social change is itself changing. In the social sciences in general there has been a move to emphasize the variability and contingency in the way general trends develop in concrete space.

There is, in the recent literature a growing discontent
with the stark imagery of the 'dependistas' and more latterly of those (e.g. Frobel et al. 1980) who articulate the theory of the New International Division of Labour (or NIDL). In criticizing the conventional wisdom on NIDL, writers such as Lipietz (1986) have focused on the theory's conception of causality (i.e., top down) and its uni-dimensionality (i.e., over-emphasis of labour costs). These critics assert that there is a need to emphasize the importance and scope of the interaction and intersection of global forces and local dynamics (see also McGee 1986; or Scott and Storper, ed. 1986). Though the global 'place-market' (Harvey 1985) of NIDL provides a basic macro-level context for local eventualities, it clearly does not determine the nature and shape of the resulting situation. Thus, there is no simple direct unilinear causal linkage between a given variable within an ubiquitous but ill-defined global milieu and a tabula rasa local setting. Though the above authors are predominantly concerned with changes in the production sphere the gist of the argument holds particularly well in terms of the consumption sphere.

Linked to the above proposition is the increasingly held view that changes in one sphere of economic activity, such as production, do not directly determine the specific contours of another sphere, such as that of reproduction or consumption. This is not to suggest that there are no specifiable linkages, rather that these linkages can not be given a priori and must
be analyzed as geographically, historically and sectorially variable relationships. As this paper will go on to emphasize, the tendency to the industrialization of food and thence to convergence finds its roots not solely in production logic, but in the interaction of production economies and consumptive needs through the medium of circulation.

Finally, one can not simply extract an economic sector such as the food sector and analyze it independently of the dynamics of social formations as a whole. Again it is necessary to examine the geographical specificities of an unfolding totality of forces and dynamics. One can come to a broad understanding of a logic of a generalized and abstract system such as the food system, but this analysis must be set in the context of local contingency where in fact the broader dynamics are played out in concrete space.

The key then, is interaction.

In what follows the emphasis is on the importance of these kinds of interaction. The goals of the paper are to come to a geographical awareness rather than to present a theoretical explanation. While this approach abrogates the imposition of simple definitive explanation, it does allow for a fuller geographical understanding of a particular trend in a particular place. This would seem to be the mandate of
geography, to see how generalized trends and/or generalizing theory play out in a specific place. Thus, we focus on the articulation of the general and the specific as they are expressed in the uniqueness of each place.

Such an approach does not deny the utility or the possibility of uncovering any generalizable conclusions as to the nature of social change. Rather, it emphasizes the fact that these generalizations are spatially variable and require *in situ* research to find their usefulness in each geographically and historically specific instance. In terms of the research agenda of this thesis, the increasing impingement of what I will call capitalist patterns of regulation (as distinct from the regulationists' modes of regulation -- see footnote 1) are the driving forces behind the changes in the Hong Kong food system. A corollary to this assertion is the suggestion that these local patterns are increasingly coming to mimic the broader patterns at a world scale. The degree to which these patterns of regulation come to reflect those of the world food system, is the degree to which the convergence process is manifest. However, it is not possible to predict precisely how this trend is likely to develop in various milieux, or in various sub-markets or sectors. Indeed, it is in the complexity and variance in the way the food industrialization process occurs that one finds its essential 'strength' and the most interesting research issues.
C. RESEARCH FOCI.

1. Consumption.

   a. Why Consumption?

   This paper emphasizes consumption shifts as its bottom line for a number of reasons. First, the act of consumption in general tends to be more socio-spatially diffuse than production, everybody does it. Secondly, the act of consumption is very much tied up in the concept of entitlement (Sen 1981). What and where a person consumes reflects local social structures. Consumption patterns are thus likely to be highly illustrative of the interaction of agency and structure. In this thesis the aim is to examine manifestations of this interaction and to try and discern any more deeply seated, less overt changes in the structural contexts of individual choice. Thirdly, and perhaps most importantly, consumption is the central research issue because changes in consumption patterns express the result of the interaction of various global generalizing forces and intricacies of local contingency in concrete action by individual agents. (i.e., the act of consumption instantiates the structural result of the articulation of scales).
b. The 'Modernization' of Consumption Patterns.

More specifically, the concern here is with consumption patterns which are experiencing change, particularly what has been called the modernization of consumption patterns (McGee 1985). The phrase 'modernization' of consumption patterns refers to qualitative and quantitative shifts in the expenditure profile of a given populace. Typically, these changes are characterized by a generalized increase in consumption levels (i.e. towards mass-consumption) and in a shift towards increased expenditures on 'non-essentials', like consumer durables.

The modernization of consumption practices is a reflection and a source of the emergence (and articulation) of local and global mass-markets (McGee 1985). It is made possible by recent increases in the speed and ease of the circulation of goods, capital and ideas. The nature of this process is shaped by a number of forces ranging from the requisites of transnational capital, to government policy, to changes in the structure and needs of the family (Laurant 1984). Paradoxically, despite the diversity of sources and the variability of local contingency, the trend to modernizing consumption patterns seems to be leading to common results -- the convergence of consumption patterns.
c. The Convergence of Consumption Patterns

The concept of convergence has different connotations in different disciplines. It is used in this paper in a very broad way to describe the apparent gradual unification of global consumption norms towards an evolving global standard. More specifically, the focus of the present inquiry is on how this process occurs and is manifest in terms of food consumption. Increasingly, goods (be they movies, clothing or foodstuffs) are coming to be as commonly found (and purchased) in Kinshasa as Rome.

The convergence process is linked to the increasing fluidity and pervasiveness of the global circulation of ideas, goods and capital. The decline in distance friction has brought more and more of the world into the ambit of a global market place. The impact of enhanced circulation has received much attention in the world systems (Wallerstein 1974; Wallerstein and Hopkins 1980) and 'new international division of labour' (Frobel et al. 1980) literatures. Those discussions tend to focus on the distribution of various facets and factors of production. Yet, the increased intensity of circulation also comes to impact modes of consumption as well. It increases the availability and marketability of various goods around the world, it facilitates the emergence of a global marketplace - a global mass-market. This marketplace is increasingly subject to a global market rationality, as
expressed in the growing predominance of industrial foods. As this mass market grows and comes to gird the globe, the goods within it become increasingly geographically common.

d. Two Routes to Changes in Consumption Patterns.

Changes in consumption practices occur via two main routes, one is centered in the specific product sector, the other is located in the social formation as a whole. One can term these 'direct' and 'indirect' (These groupings have a high degree of interface). The direct route to consumption and food system changes is relatively confined to the dynamics of the particular market sector (eg. food). It includes the structural dynamics of the local and world food systems and their interaction and articulation with each other and the consumer. An example of this kind of change is found in frozen foods. Freezing is an important part of the industrialization of foodstuffs. It allows food to be transported great distances and gives it a longer shelf-life. It also requires changes in the local distribution system and (often) in household technologies. These changes reshape the very nature of the local food system and thus alter the context of consumption.

Such changes both effect and reflect the dynamics of the articulation of local and global tendencies. They come to reshape the nature of the local food system and thus effect
consumption possibilities. A less overt but no less critical facet of the impact in the direct route to consumption change is to be found in the impact of competition. Competition from mass produced goods, goods produced by highly specialized producers and 'scientific' distribution and marketing techniques and technologies (all discussed below) have forced local entrepreneurs to modify the way they address the market. In doing so this competition alters the local food system.

The direct route to changes in the food sector is both a context and an outcome of changing food consumption patterns. The direct route to changes in the food system and consumption is the primary focus of this paper, it reflects and shapes how the process of convergence is occurring within the broader parameters of the social formation as a whole.

Food consumption patterns are also effected by forces largely outside the specific market sector. These forces one might term the 'indirect' route to changes in consumption patterns. In this grouping one may include the impacts of industrialization and urbanization (or more broadly put, 'social change') and other, perhaps less obvious, factors which effect general consumer behaviour like advertising, status emulation or the commodification of social relations.
The two routes to changing consumption patterns act in an integrated manner. In unison the combination of these trends seems to be leading to an ineluctable tendency towards an industrialization of food. This is perhaps not too surprising, the success of the industrial palate is the result of the competitive edge of industrial foods in industrial settings.

In a schematic sense one can outline the nature of the two routes to consumption shifts thus,

```
Sphere          Trait

* Production   Increasing Capital Intensity  *
Circulation    Growth of the Mass Market    
Consumption    Increasing Purchase of Value-added

Indirect Factors                        Direct Factors
```

*note: thickness of triangle indicates proportional level of impact.

Along these lines one can envision the productive sphere (with its increasing capital intensity) as being the motor behind the emergence of industrial food (and thus convergence); the circulatory sphere as being the facilitator of the emergence of a mass market for industrial foods; and the consumption sphere as shaping the specific foodstuffs required (within the constraints and possibilities of the overall market and local social formation).
e. In Summation.

As implied above, consumption per se can not be considered in an isolated manner. Consumption patterns are an integral part of a larger 'market system' and of a specific, grounded social system. They reflect and effect dynamics of various kinds at various scales. It is, therefore, necessary to examine the process of converging consumption practices in context, within a given sector and in a specific place. The following analysis looks at changes in a local food system and is set in the context of rapid social change and modernization within a specific urban milieu -- Hong Kong.

2. Food as Research Focus.

a. Why Food?

I think that it can be plausibly argued that changes in diet are more important than changes of dynasty or even religion. (George Orwell, cited in Barnett and Muller 1979)

The food sector seems a particularly useful unit of an analysis for a number of reasons. Perhaps the primary reason is that food consumption is so ubiquitous. It is very much a part of the 'everyday' in a truly Braudelian sense (Braudel 1973 or Wallerstein 1984 or cf. Giddens 1984). Food
consumption patterns are a fundamental part of the routines of life. Thus, changes in eating habits might be expected to illuminate other more sublimated social forces of 'longue durée' such as shifts in local patterns of regulation.

Food consumption is at once a very social and a very individual repast. It is a critical variable in social and individual reproduction (in both practical and sociological senses). It is surrounded by a halo of social mores and driven by the basic necessity -- hunger. Because dietary patterns are so common and so important they can provide one with a good deal of information about a place and a people (see Arnott 1975; Douglas 1972; Khare 1977; Lindenbaum 1986).²

Margaret Mead (1964) has gone so far as to suggest that one can 'read' a meal. This assertion is valid but only to a point, the crux of the matter is more diffuse. Diet must be seen as a mode of reconstituting a social context within the setting of that context. In this view diet is an integral part of the social discourse (Smart 1985; Thrift 1983). As Mary Douglas writes,

Each meal carries something of the meaning of other meals; each meal is a structured social event which structures others in its own image. But the structuring is not simply repetition and reinforcement; following the lines of contextual analysis, we must also see the elements as reacting to the different situations in which they occur (1972:69).
Thus, food consumption patterns must be seen as occurring within their structural contexts; one can not examine the one without the other. Eating patterns are particularly indicative as to the interplay of taste and need; choice and constraint. Diet, it seems, in many ways epitomizes the see-saw balance of agency and structure. (Giddens 1984, Thrift 1983).

b. The Structural Contexts of Food Habits.

i) Defining the Nature of Structure.

The question then becomes how does one define this 'structure'? The structures of human actions are notoriously difficult to define. In the social sciences in general there is a continuum between those who view the dominant nature of structure to dwell in the realm of the ideal and those who adopt a more materialistic approach. So too with food studies. In a very rudimentary manner the various approaches to food habits and their structural contexts may be delineated thus,

1) 'Food as Thought'. Levi-Straus asserted that people consumed specific food items not because they were good to eat but because they were 'good to think' (1963:89). Food consumption in this model was the result of the result of "fundamental themes in the human psyche" (Harris 1987:59).

2) 'Food as Meaning'. Mary Douglas, in particular (1972,
1984) has emphasized the communicative meaning of dietary patterns, suggesting that meals are expressions. They reveal both individual expression and dominant cultural norms (cf. Khare 1976; Sahlins 1976).

3) 'Psyco-biological Determinants of Food Consumption Patterns'. This view tries to meld physiological and psychological factors to explain the nature of food consumption. (Barthes 1979; Harper 1957; Rozin 1982).

4) 'Cultural-Ecology of Food'. Marvin Harris, in reaction to the more idealist approaches, has striven to show the underlying materialist sources of what the idealists had come to term irrational food consumption choices. (see Harris 1966) His work emphasizes nutritional requirements and the systems of food distribution. This school takes an avowedly materialistic approach to food habits research. (Harris 1987; Ross 1987, 1980)

5) 'Food as Entitlement' Armatyra Sen, has emphasized the social power relationships surrounding the distribution of food. Though his work is primarily concerned with famines, his focus on the power relationships behind food consumption patterns highlights the fact that food consumption is both an artifact of subsistence needs and of social power. (Sen 1981)
6) 'Cuisine and Class'. Jack Goody emphasizes the increasing importance of industrialization and proletarianization to the shaping of consumption patterns (1982). He focuses on the three areas of class relationships, mass markets and technological advances in the production, distribution and home preparation of food.

7) Food Industry Analysis. This body of work, dominated by American scholars, almost solely concerns itself with the economic structure of the food industry at the expense of considering the broader social setting. (Connor 1981, 1979; Connor and Ward 1983; Horst 1974; Mueller 1983; Silverstien 1984)

Each of these approaches has strengths and weaknesses. They all, some more than others, capture a part of the totality of the structural forces which are defined by, and define individual choice. If one accepts Giddens' suggestion that individual agency and structure are inseparable parts of the same whole. (the 'duality' of the structure agency paradigm -- Giddens 1984), then one must accept the individual as the central focus of structural forces. As individuals exist in differing historical-geographical milieux the 'mix' of the enveloping structure will also vary. What forces dominate in the structural context of individual choice is thus variable: requiring, in the end, site-specific inquiry.
There is a surprising lack of work that tries to integrate the above mentioned approaches and place them in a contemporary context. Thus, there is really no model approach to assist in the analysis of the question at hand. The approach developed in this paper lies somewhere between the approaches of Harris and Goody. It might be termed the contemporary industrial ecology of food.

Accepting that the informative content of food consumption patterns may be important (especially in the realm of the conspicuous consumption of fast foods) it is none-the-less possible to adopt a materialist approach which takes this into account but more fully examines the 'nuts and bolts' of the process of dietary change. The focus of this paper is on the changing structure of the food system, broadly defined as the physical/material apparatuses for the production, processing and distribution of food and how these changes effect and reflect shifts in overall consumption patterns. As the thesis goes on to demonstrate, it is evident that the 'concrete abstraction' of capitalist regulation is coming to play an increasingly large role in shaping the material structure of the Hong Kong food system, and thus, the nature of available foods. This paper does not seek to suggest that this is the only facet of the structural context of individual choice, merely that it is increasingly the dominant force in shaping the Hong Kong food system and thus local food habits.
Food systems are composed of 20 billion US$ corporations like Unilever and sub-subsistence peasants or hawkers. Together, in interplay with consumer choice they shape and are shaped by the broad outlines of the food system as a whole (see Armstrong 1986). The food system, as a central part of the 'structure' of food choices is the sum of, and context for multiple levels and kinds of interaction.

ii) Defining the Scale of Structure.

A second question to arise is, therefore, what are the spatial confines of such a 'system'? Increasingly the answer is that local food systems are no longer bound by local horizons. Advances in circulation technologies have greatly extended the range of actors and 'forces' which impinge on a local food system, expanding the scale of the enveloping structure, making it less and less an independent local food system and more and more a constituent part of larger, indeed global food system.

Local food consumption patterns were, until quite recently, largely circumscribed by the nature and dynamics of the local social formation and the local food system. (though few 'traditional' local food systems were ever completely independent -- Goody 1982:187) These systems were in turn usually tightly organically linked to each other and local
ecologies. Local isolated food systems were/are often very idiosyncratic, based on an eco-cultural linkage to the nature of local place. The primary regulator of cuisine was the nature of the local ecology, fused through the nature of local social dynamics and power structures. Indeed diet is one of the most distinguishing features of traditional societies and ethnic groups. It is an overt manifestation of the unity of a people, their links to each other and to a given place.

Changes brought about by urbanization (eg. leaving the land), industrialization, increased levels of circulation and the monetization of social relations have changed the nature of numerous facets of day to day life. One area where these fundamental shifts are most apparent is in changing food consumption patterns. These shifts are reflective of the increasing horizons of the local food system. The shift towards global food consumption norms is indicative of the increasing importance and relevance of the capitalist world food system.

c. In Summation.

Diet and cuisine are highly structured patternings of consumption. In their repetition and change they reflect and effect changes in the principal patterns of regulation. Food consumption patterns, therefore, provide an important focus and
a useful frame for examining the process of social change in situ.

3. Hong Kong.

a. Why Hong Kong?

The selection of Hong Kong as the case study has a number of sources. First, food is a central facet of Cantonese culture. The meal is the locus of much social activity; the food, the bearer of much social meaning. Anderson (1977c) has argued strongly that traditional Cantonese cuisine is closely integrated with local ecological parameters. He argues that it presents an excellent example of the melding of social patterns and environmental requisites. It represents food consumption patterns closely linked to local eco-cultural patterns -- to local place. Thus, shifts away from this dietary pattern may be indicative of the introduction of new patterns of regulation in the local milieu. As this paper will go on to illuminate these patterns seem less linked to the nature of local place and are more explicitly shaped by the dynamics of a rather more industrial logic.

In this regard Hong Kong is a fascinating amalgam of dietary consistency and change. The people of Hong Kong are justifiably proud of their cuisine. Its success around the world is indicative of the fact that Cantonese cuisine is not a
moribund, weak or inferior dietary regime. Yet despite the apparent strength of the local diet there are radical changes occurring in the daily dietary patterns of the people of Hong Kong. Hong Kong provides one with an excellent case of a society (largely Cantonese) wedded to its cuisine (to the point of chauvinism, Anderson 1977a:13) yet increasingly flirting with the norms of the global industrial palate.

A second reason why Hong Kong presents a useful unit of analysis lies in its rather 'contained' nature. Though the term 'city-state' is something of a misnomer, Hong Kong does present the investigator with a fairly discreet package. The result of the interplay of micro and macro is expressed in the meso-scale of the Hong Kong milieu as a whole. Thus our primary unit of analysis is the Hong Kong food system as a whole, and the place that food consumption patterns have in that setting.

Hong Kong is also an urban setting which is relatively free from a larger politically (and statistically) integrated hinterland. Thus, rural-urban politics and dynamics play less of a role in Hong Kong than they do elsewhere. Further, the trends discussed in this paper tend to be most manifest in urban areas. As the colony of Hong Kong is predominantly urban, it provides an almost unique opportunity to access 'national' data that focuses on the urban setting.
A third point is that Hong Kong depends on imports for 80% of its foodstuffs. Thus, it is deeply articulated with the world food system. Granted, this makes Hong Kong somewhat unique, but it also makes Hong Kong an excellent bellwether. Hong Kong's relationship with the global food system seems likely to be indicative of forces and trends which are present but less manifest in other developing cities or nations.

A fourth feature, related to the above, concerns Hong Kong's international orientation. The post-war decline in Hong Kong's role as entrepot for the China trade and the huge influx of refugees from China led to Hong Kong's aggressive engagement of the post Bretton-Woods world economy. Hong Kong is perhaps the pioneer and premier example of the aggressive laissez-faire internationalism of the Asian NIC's, or "Little Dragons". Their internationalist policies, which coincided with a burgeoning globalization of capital and production, are credited with their rapid growth rates and coincident levels of social change. These developments have attracted a good deal of interest to their production sectors. However, the internationalist ethos can have equally important ramifications for the consumption sector (cf. Filguera 1981), as this thesis will demonstrate.

A number of authors have identified the pervasiveness of the entrepreneurial spirit and the role of small enterprise as
keys to an understanding of Hong Kong. As Castells writes:

This pattern of development on the basis of small business continuously adapting to a changing world environment is at the roots of the historical process of development of Hong Kong. (Castells 1986:113; see also Peattie 1985; Hopkins 1971:160; or Lethbridge and Hong 1984)

For present purposes this adaptability is useful in that subtle changes in the nature of supply and demand parameters may become more readily visible (at least statistically apparent) as they are acted upon by individual entrepreneurs. The success or failure of these entrepreneurs is dependent on their sociological acumen. They explicitly act as interpreters of the changing local milieu (and of its interplay with external forces) as well as being agents of change. In Hong Kong, with its free market, these entrepreneurs play a vital role in expressing and defining the parameters of changing food consumption patterns.

b. In Summation.

Thus, Hong Kong seems to present the profile of a sensitive barometer which should prove helpful in gauging the impact and nature of various pressures effecting consumption patterns in NICs in general. It will also prove a useful case study for illustrating the nuts and bolts of how the contexts of consumption -- food systems -- have displayed a tendency towards capital intensification, industrialization and
internationalization. These are the catalytic trends which reflect the impingement of the capitalist patterns of regulation and which underlie the convergence of consumption practices. Yet before moving onto a more specific consideration of the processes of change in Hong Kong it is necessary to outline the nature of the global food system (the generalizing macro forces).
CHAPTER II.

THE INDUSTRIAL PALATE.

A. THE FOUNDATIONS OF THE INDUSTRIALIZATION OF FOOD.

Industrialization\(^6\) underlies the convergence process. It permits and requires the extension and expansion of the global mass market in foods. More than anything else it is industrialization which reshapes the nature of foodstuffs from that of a local product to global commodity. The convergence of food consumption patterns is characterized by, and a result of the emergence of the 'industrial palate'.

The phrase 'the industrial palate' refers to the increasingly manufactured nature of the foodstuffs consumed in most of the world (particularly in cities). At a global scale, an increasing level of capital-intensity in food systems is rapidly turning food into an industrial commodity.

Historically, the food system has been dominated by the process of production and consumption within the same household, but with increasing urbanization and changes in the capital-intensity and technology of food production, storage, transportation, processing, retailing, and preparation, a
larger proportion of food is being consumed by non-producers. The geographical separation of the consumption and production of food, especially when set in the context of an expanding and deepening capitalist marketplace, is leading to a decline in the geographical specificities of local food systems.

Though the trend towards intensification is driven by capitalist competition, it is also fuelled and shaped by changes less directly linked to the food system, specifically the social implications of urbanization and industrialization within the context of increasing global circulation.

Urbanization provided a setting and a need for industrial food products. As urban populations are almost by definition divorced from 'the land', they need to buy most of their foodstuffs -- this is a primary basis of the commodification of foodstuffs. Because foods needed to be transported to the city and often stored before vending, there was a need to process them to decrease their perishability and to increase their marketability. The increased demand for foods in urban areas also increased the range of supply areas, enhancing the need for processing and preservation. In this way urbanization provided an imperative and a market for the emergence of processed foodstuffs.
Another factor which increased the demand for processed foods was industrialization itself. Industrialization increased the demand for processed foods as people moved off the land and as household time-economies were altered and women joined the work-force outside the household (Goody 1982). Industrial labouring required that consumers purchase an increasing share of their food needs. The growth of capitalist industrialization led to a general commodification of all goods including food and, some would argue, the commodification of social relations. As the cash nexus deepened and the social ramifications of industrial labouring became manifest the propensity to purchase industrial goods, including food was also enhanced.

Industrialization provided a major source of the demand for processed foods but it has also provided the means to satisfy those specific needs. Industrial development affected the types of food produced and the way those foods were processed. The manufacturing of foodstuffs increased their suitability for emergent market niches and extended their shelf-life, thus extending their market.

B. THE INDUSTRIALIZATION AND INTERNATIONALIZATION OF THE FOOD SECTOR.

The basic parameters of capitalist industrial production are relatively well understood and the food industry exhibits most expected trends. In general, there has been a very marked
increase in capital input of all facets of food production and
downstream as well (this assertion is more clearly demonstrated
in the Hong Kong case studies). Whether one holds that this
trend is a result of an in-built declining rate of profit or
the competitive drive to increased productivity, the increased
capital input into one's daily bread seems indisputable. (Burns
1983; Conner 1984; Howe 1983; Sorj and Wilkenson 1985; U.N.
1981)

The increasing level of capital input into economic
activity is manifest in increasing use of machinery, in the
food sector this leads to the industrialization of food. Like
most commodities, foodstuffs have also become an industrial
product. However, the food sector is rather unique in that
foods are at base not typical industrial commodities.  

1. Food as Industrial Commodity.

Though the food sector exhibits traits similar to other
economic sectors there are some features of food as commodity
which present a rather unique profile. Food is not a
'typical' industrial good. It can be distinguished from other
goods in a number of ways. As it is an essential good, it
tends to be more recession resistant than other commodities.
This trait has made food an attractive investment area for
transnationals looking to diversify (see Burns et al 1983).
The food sector provides one with an excellent case for the importance of integrating production 'logics' into a more holistic perspective which considers the roles of circulation and consumption. Capital intensification in the food sector is also a result of forces of consumption in regards to the nature of food as a commodity.

Though food is less subject to wide fluctuations in demand due to its relative price and income inelasticity, these traits also make it difficult to sustain profits and market expansion. This is because food is at base a staple; staples are very price and income inelastic. The share of staples in the total consumption profile is likely to decline as incomes rise (as outlined by Engel's Law) and local markets expand (see the section on consumption). In order to maintain their return on investment food companies must add value to the foods they produce and/or seek other markets. (see Howe 1983; BusinessWeek. 1/12/73) The methods of achieving the goals of value-addition and market expansion are often capital-intensive. Further, this value-addition does not, in general, occur on the farm; but through industrial processing or marketing techniques.

The dominant logic in the food sector is not simply cost reduction through the utilization of machinery but also of value-addition through higher levels of processing and
advertising\textsuperscript{7}. The producer/processor can add value by further processing a given foodstuff to meet or reach a perceived potential market; or value-addition can be achieved through marketing techniques which portray the good to have more 'value' than it intrinsically possesses. Usually marketing strategies combine these two modes of value-addition. In this way, although the production sector is the motor behind increasing levels of capital intensity the shape and the logic behind the process is market driven. That is, consumption factors play an important role in shaping the resultant dynamic.

a) Food Processing.

A particularly unique feature of food as a commodity is its perishability. Earlier in this paper the need to process food to increase its geographical range was alluded to. A second, related unique feature of food is its seasonality. Processing extends the market for foods in both space and time. Processing provides for the year-round availability of foodstuffs. This is important to food producers because in general the demand for food types is not as seasonal as their production. In this way demand parameters effect the level of secondary processing.
However, the tendency to increasing levels of processing is not solely based on preservation needs. Grieg (1984) has shown the importance of factors other than preservation in the terrific increase in potato processing. He shows that potatoes, which are available year round in the US at reasonable levels of price and quality have no inherent need for processing. Yet over the last three decades potato processing has increased a tremendous amount. (see Table 1.) He argues that foods are also processed for variety, convenience and quality control reasons (1984:175)

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<tr>
<td><strong>Utilization (million cwt)</strong></td>
<td>1956</td>
<td>1967</td>
<td>1979</td>
</tr>
<tr>
<td>Sold Fresh</td>
<td>146.0</td>
<td>131.7</td>
<td>115.1</td>
</tr>
<tr>
<td>Sold for Processing</td>
<td>24.7</td>
<td>94.4</td>
<td>162.3</td>
</tr>
<tr>
<td>% Sold for Processing</td>
<td>14.5</td>
<td>41.8</td>
<td>58.5</td>
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<tr>
<td><strong>Per Capita Consumption (lbs)</strong></td>
<td></td>
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</tr>
<tr>
<td>Fresh</td>
<td>86.0</td>
<td>67.2</td>
<td>52.2</td>
</tr>
<tr>
<td>Processed</td>
<td>14.6</td>
<td>48.2</td>
<td>73.6</td>
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<td><strong>Source:</strong> Grieg 1984:176.</td>
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These reasons are market driven, for the moment we shall focus on convenience. Convenience and labour savings add to the attractiveness of foods. What in essence producers are doing is breaking down the food processing labour process and marketing parts of it. The general trend seems to be to diminish the required level of home processing to meet the
diminished availability of home food processing time which seems to accompany the industrialization process. The processing of food enhances the convergence process by dispensing with 'un-economical' and 'inconvenient' variations in home cooking. In the context of low income elasticities of demand for food, the increasing value-addition in food also means maintaining acceptable levels of growth for the food industry.

b. Food Marketing.

A good example of the second mode of value-addition, that is marketing techniques, is to be found in such traditionally non-branded goods as fruits. Brands such as Chiquita Bananas and Sunkist Oranges try to circumvent the inelasticity of most basic foodstuffs by heavily emphasizing brand awareness. In this way they try to increase the value of their product by investing capital into advertising and packaging. This type of marketing is very removed from the actual agricultural production of the given foodstuff.

c. In Summation.

These factors lie at the base of the capital intensification and internationalization trends. They escalate food production into the realm of the global capitalist market
place, and therefore, provide the drive for the convergence process.

2. The World Food Industry.

One result of an increased levels of capital intensity and productivity is a need for market expansion (a basic premise of 'Fordism'—see Lipietz 1987, 1986, 1984; or Aglietta 1979) and market control (cf. Galbraith 1968). These trends are highly evident in the food sector. Howe (1983:103) writes that food manufacturing has became more, capital intensive, and one outcome of this and the availability of economies of scale in food processing was that manufacturers began to seek greater control over their products at the distribution stage. Furthermore, potential economies of scale along with capital intensiveness encouraged manufacturers to expand both internally and externally, leading in a number of cases to high levels of market concentration. (Howe 1983:103)

The tendency to heavily capitalized food production (and distribution techniques) is most apparent in very large corporations. These corporations are increasingly coming to dominate the world food system, through concentration of control. For example, "Concentration in the U.S., measured by control of assets by 50 of the largest food processors, grew from 41 percent in 1974 to 56 percent in 1974..." (Whiting 1985:355 See also Howe 1983:105 for figures on the U.K.) Projections into the future at the world scale predict a continuation of these trends. A 1981 report by the U.N. Centre on Transnational Corporations suggested that,
one reasonable projection of future industry structure would be that the number of food processing firms will continue to decline, and that the survivors will be large scale, multi-product processors with a strong marketing orientation, combining within their diversified structures a variety of linked services and manufacturing activities." (U.N. 1981:16; see also Kaynak 1986:5)

In the food sector, industrial reorganization has resulted in the creation of a smaller number of larger firms. Recent years have seen an explosion in the size of food TNC's through merger activity (Business Week. 24/9/84). These firms are constantly seeking potential mass-markets to fuel their growth. (Horst 1974; Howe 1983; Whiting 1983; and Burns et al 1983)

Increasing market concentration at a global scale is one factor which underpins convergence, as fewer corporations control more of the world food system (U.N. 1981:4; Clairmonte and Cavanaugh 1982a, 1982b:86; Lappe and Collins 1979; George 1978; Ledogar 1975; Morgan 1979; Coonor 1984; Barnet and Muller 1979) At one level it is the sheer size of the food giants which leads to convergence as their internal dynamics greatly impact the markets in which they participate. (Connor 1979; Feder 1976; Mueller 1983)

However, food TNC's do not simply dictate the dynamics of the industrial palate. They (or more precisely their managers) are agents themselves, working in interaction with the larger structures of the world food system and the world capitalist marketplace.
3. The World Industrial Food System and Homogenization.

An important feature of this market place is the range of scales it includes; the global marketplace in fact includes many local markets (e.g., Hong Kong). Because of the extreme size of the plan space of global marketers, they come to conceive of local places in terms of their functional role in the larger geographical market. (see for example Castells 1985:9; Taylor and Thrift 1982:39) Because of the scale and capital intensity of their activities the plan space of transnational vendors is heavily structured by the crystalline rationality of the global capitalist market place. A prime consideration in this perspective is not what the local market requires but what it will bear. As this paper will go on to demonstrate, the result of this perspective is such that it tends to lead to a geographical standardization of constituent products.

The food system provides one with a rather sterling example of the utility of envisaging the consumption and production spheres as distinct but interlinked entities. (see Urry 1981:102) These entities are linked through circulation. Increased circulation connects the abstract realms of consumption and production but it also links the plan space of the transnational and local, situated consumption.
Increasing scales of production facilitate certain economies and meet the needs of large scale capital but they also require mass-consumption. The industrial palate is a result of the fusion of the symbiotic tendencies to capital accumulation and market dissemination.

Circulation patterns manifest and facilitate the linkages between the 'logics' of production systems and the potentials of consumption. Circulation activates the accumulation process but also extends its impact. At base it is through circulation that the capitalist 'realizes' the fruits of investment (Urry 1981; Lipietz 1987:30). Value does not accrue until the good is exchanged in the marketplace. Indeed, in many ways the sphere of circulation can be viewed as being partially constituted by the marketplace.

This market occurs in space. Circulation includes the physical transfer of goods, ideas and money over space. Recent advances in telecommunications and transportation have greatly expanded circulatory linkages and thus the size of potential markets and arenas for investment. In the food sector these advances have been synergistically linked with improved food processing and packaging technologies. Such advances in the speed and scope of circulation are "essential to the preservation and distribution of food on a mass scale, and so to the domestic diet of the new proletariat." (Goody 1982:166)
In order to achieve a threshold market share the large food company needs to find a meeting point between its needs and abilities and the felt needs of consumers (see Kobrin 1979). Naturally, the closer this equation comes to the corporate vision the better. This vision is one dominated by the relatively non place-conscious rationality of the industrial logic of capital accumulation (see Friedmann 1981; Lipietz 1980; or Raffestien and Bresso 1979) and global mass markets. It leads to a 'rationalization' of local markets.

As Robert Buzzell (1983) has demonstrated, one potential outcome of market rationalization is the standardization of product. He has forcefully argued that the potential loss of market-share due to standardization is most likely to be less important than the economies of standardization. These economies include those of 'scale' and the benefits accruing from a standard marketing plan (see also Sorenson and Weichman 1983). Third World marketing expert Erdener Kaynak agrees that despite important differences between developed and less developed countries' national markets the benefits of standardization can be overriding. He writes,

...the experience of a growing number of companies operating in LDCs suggests that there are also real potential gains in an integrated approach to marketing planning in these countries. Standardization of marketing programs may permit substantial cost savings as well as greater awareness and impact in dealing with consumers of LDCs. (Kaynak 1982:5)
Though the 'standardization model' is still the subject of some contention (see for example, Kaynak ed. 1985), the general consensus among marketing specialists is that the "globalization of markets is at hand". (Kaynak 1985:6) Harvard 'marketing guru' Theodore Levitt is relentless in his emphasis of this point. He argues that the successful global corporation, "looks at the nations of the world not for how they are different, but for how they are alike ... it seeks to standardize everything into a global mode". (Levitt 1986:22)
The ultimate aim is to become geo-centric. Geo-centricity is the state "where the firm treats all markets as a unified whole". (Kaynak 1985:12; for a fuller discussion of geo-centricity see Granner 1980)

It is important to emphasize that standardization is a geographical trend. For example, the vast proliferation of slightly differentiated products (eg. breakfast cereals) might seem to belie the present assertions regarding standardization. Similarly, the work of Holmes and others on the role of the specification of market niches in the 're-industrialization' of North America might lead one to question the utility of a mass market model in a 'post modern' world. However, the apparent wealth of, and sensitivity to consumption choices does not really undermine the present argument. The point is that convergence is not a matter of the gradual decline in the number of choices available (ie. market homogenization) but is
a process wherein these choices are increasingly globally standardized (i.e. geographical homogenization).

Though advances in production technologies in certain sectors have facilitated a greater variance in product offerings two facts remain clear. First, advances such as these occur almost exclusively on big ticket items. This leads one to a second point, the costs in product differentiation must be borne by someone. Thus, producers must gain an increase in either their product margin, by extracting a great deal of value-addition from each consumer (i.e., in specialized, conspicuous consumption goods); or they have to recoup production costs that arise from servicing specific market niches by spreading their market geographically.

These perogatives dovetail nicely with the earlier arguments regarding value-addition. They draw the close links between the production and consumption sectors. To bring consumers on side, the new industrial products need to be sold, the vendors need to 'create customers' (Levitt 1981). This can be done in a number of ways, from advertising, to meeting changing life-style requirements (or creating them) through the efficiency of delivery, to price competition.

A subtle distinction is needed here. Value addition through product innovation focuses on the broad nature of
consumer demand (because of the need for the mass-market), not on local specifics, however, advertising may be more clearly focused on local audiences. Corporations may 'segment' parts of their marketing scheme (see Sorenson and Weichman 1983), but the central fact is that the actual foods are geographically standardized. In order to spread a segmented market across space the producer needs to identify market segments which are likely to be geographically common (or can be made so). For example, the large scale vendor is likely to be more interested in finding a niche that broadly serves all industrial societies (e.g., quick preparation, little clean-up) than a specific national market (e.g., string-hoppers in Sri Lanka). Further, the types of niches that industrial vendors identify are themselves often social manifestations of the industrialization process. Thus, the ethos of capitalist industrialization comes to dominate the form and the function of food.

4. In Summation.

This section of the paper has outlined the broad structural nature of the macro-level forces which are increasingly impinging on the Hong Kong food system. It has demonstrated the drive behind increasing capital intensification, market expansion and standardization. The combination of these macro-level tendencies, which arise in the production sphere, is the motor behind converging food
consumption practices,

... the trend of industrial food has been to reduce the differences within and between socio-cultural systems. Processed food is more or less the same in Ealing as in Edinburgh; the aim of the manufacturers is to get as wide and as standard a distribution as possible. Corn Flakes make their appearance on Ghanian breakfast tables; coca-cola is available wherever the company has been able to make a profitable agreement. (Goody 1982:64)

Though this discussion has focused on the large-scale vendor, the paper will show how other agents at other 'levels' of the food system face similar choices/constraints. The grammar of the capitalist market place has permeated deeply into many societies coming to order day-to-day life in terms of capitalist economic rationality. This is the patterned canvas which lies beneath the unfolding scene. Capitalism's expansion in the contexts of industrialization and urbanization has resulted in the transformation of peoples most basic requirement -- food -- from a part of their 'place', to a placeless industrial commodity.
CHAPTER III.

THE HONG KONG MILIEU.

The proceeding section of the thesis outlined the broad nature of the generalizing forces at the world scale, it is now time to shift the level of resolution, and focus on the specificities of the Hong Kong case. First, it seems useful to impart some sense of the place that is Hong Kong.

A. HONG KONG, THE SETTING.

Located on the 'jaws of the dragon', (see Map 1.) Hong Kong (the 'Fragrant Harbour') clings to the mountainous terrain of southeast China. Its location places it on the leading edge of Asia (in more ways than one). Centrally located in the East-Asian Tokyo/Singapore axis; facing outwards to the burgeoning Pacific-Basin; while simultaneously minding the doorway to China, Hong Kong occupies an enviable geographical niche. Hong Kong is a central hub for ocean, air and now telecommunications traffic. Yet Hong Kong is much more than a place on a map.

Hong Kong at once epitomizes and is unique among Asian cities. It has a colonial heritage (indeed still is a colony)
but has maintained a vibrancy uniquely its own. It is proudly known as that most unique of creatures, 'the industrial colony'

Map 1.
The Location of Hong Kong.

It is at once a model of success in Asia and a testament to the vast sums of wealth that may accrue from the exploitation of cheap labour. It is 'home' to over 5 millions of people, but many of these are immigrants. It is the model of laissez-faire capitalism but 44% of its people live in public housing (Fong 1986:3). Despite the 'success' of public housing in Hong Kong, there are some 600,000 squatter structures (Hong Kong Housing Authority's Annual Report 1982, cited in Castells 1986:52) It is a bastion of free enterprise, but there is no electoral suffrage. Hong Kong, like most cities, is a place of contradictions and continuity.

Today's Hong Kong is known for its hectic pace and free-wheeling capitalist ethos. Yet under this tumultuous surface of change and growth one senses a peculiarly stable genre de vivre. The interplay of external and internal dynamics has imprinted on Hong Kong a continuously evolving genetic code for survival -- adaptability. In its various incarnations as fishing village through colonial entrepot (See Faure et al. 1984) to 'World City' (Hall 1984; Friedmann 1986), Hong Kong has proven uniquely adaptable to its various niches in the world system.

Hong Kong was founded in 1841 by the British to establish a free port to further the China trade, a role it has fulfilled since. Through the accretions of the spoils of war Hong Kong
grew from its original location on the small island of Hong Kong to eventually encompass the New Territories, an area which extends some 25 miles into the Chinese mainland (see Map 2). By 1911, the colony's population had mushroomed to 457,000, and had reached 1,640,000 by the time of the 'Japanese Interregnum' (during World War Two). After the severe depopulation during the Japanese occupation, the numbers of people calling Hong Kong home quickly rebounded. Presently, the population is in excess of 5.5 millions.

In the pre-war years Hong Kong was characterized by a dual economy. The traditional fishing and farming pursuits of the local ethnic groups (see Faure et al. 1984), and the rampant mercantilism of local ex-patriots and some ethnic Chinese. The sources of the rapid changes which have resulted in the Hong Kong of today are to be found in the period immediately after the Second World War.

In the early 1950's the situation was bleak at best. The Korean War, the closing of the critical entrepot trade to China, and the tremendous influx of refugees (both due to the communist victory in China in 1949) painted a grim portrait of future prospects. Yet among the immigrants were many industrialists from Shanghai (Chen 1984). These people and others aggressively looked outwards for markets for the inexpensive goods produced by the seemingly inexhaustible
supply of labour (Hall 1984).

Hong Kong's outward looking development model meshed nicely with a 'crisis of fordism' in the core (see Lipietz 1987), and the advances in production and circulation technologies which made possible the New International Division of Labor. In a time of global competition to produce products cheaply, Hong Kong has proven uniquely efficient.

The average annual growth rate of GDP/capita in constant 1973 dollars from 1961 to 1982 grew at the very high rate of 6.9% (Chen 1984). (note this figure is severely skewed by the sharp downturn in 1982) Yet it is not external factors alone which have led to Hong Kong's tremendous levels of growth in the post-war period. Factors internal to the nature of Hong Kong also enhanced the growth process.

Hong Kong is known for the dynamism of its entrepreneurial spirit, and suppleness and responsiveness of its economy. Traditionally Hong Kong enterprise has been dominated by flexible small scale enterprises (Peattie 1985) which quickly respond to changes in the economic scene.

This dynamism is perhaps as much a result of the intensity of the Hong Kong scene as it is any peculiar ethnic traits (Freedman 1959). Hong Kong is indeed a place of intensity, space and place are used to their optimum. The human
landscape in Hong Kong is diverse, small in scale, mixed and varied in function and style, it seeks to unite diversity with specialization in one spot, it minimizes travelling and maximizes the versatility of the individual locality; it scorns no economic opportunity, whatever its shape, size, content and implications ... (Leeming 1977:19)

One result of this intensity of land use is ultra-high living densities, in places exceeding 150,000 people per square kilometre.

Despite the image of Hong Kong as a cosmopolitan city, the vast majority of the populace are ethnic Chinese,

Hong Kong Chinese continue to perceive themselves, in the abstract, as Chinese, for there is not yet any developed notion of a separate Hong Kong identity ... and it would be fair to say that a person's belief that he is Cantonese is the most important political sentiment operating in Hong Kong at present." (Lethbridge 1984:54)

The people of Hong Kong are ruled by what has been called a "departmentocracy" (King 1981:133). Though this mode of government has a number of drawbacks it has proven a stabilizing force in the process of social change. Despite the rapidly evolving nature of the city of Hong Kong, until quite recently, the basic social fabric remained tightly woven. Traditional Chinese values were still the bedrock around which the tempest swirled. (Anderson 1977c) This was particularly true in the 'country-side' of the new territories (Potter 1968) and in the numerous fishing villages which dot the outlying islands. Now, however, the Hong Kong social formation is
undergoing a deep-seeded transformation, one where the traditional order of things is being convulsed in the maelstroms of capitalist penetration, urbanization and industrialization. Hong Kong is a Chinese city but it is one 'sui generis'.

Lethbridge captures the sense of place well in writing,

Hong Kong, from whatever perspective one views it, is an extraordinary society, a mixture of the antique and the modern; economically advanced, yet socially backward in many areas. Chinatown-by-the-Sea, Babylon-sur-mer, Surbiton with servants: it has something of each. But despite the sweeping changes that have occurred since the re-establishment of British colonial rule in 1945, it remains an essentially Chinese community, though elaborately novel in contrast with many Asian societies. (Lethbridge 1984:67)

B. SOCIETAL CHANGES SUPPORTING CHANGING CONSUMPTION PATTERNS.

1. The Parameters of the Mass Market in Hong Kong.

A primary prerequisite for the industrialization and convergence of food consumption patterns is the emergence of the mass market. Drawing from the British experience Hamish Frazer (1981) has outlined several features which he considers central to the emergence of the mass market. Table 2 below lists these variables and presents relevant figures for Hong Kong.
Table 2.
Indicators of a Potential Mass-market - Hong Kong

<table>
<thead>
<tr>
<th>Variable</th>
<th>Hong Kong Figures</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) A growing market</td>
<td>Population 1950 - 1.9 million;</td>
</tr>
<tr>
<td></td>
<td>1985 - 5.43 million.</td>
</tr>
<tr>
<td>2) Increasing disposable income</td>
<td>Using 1964=100</td>
</tr>
<tr>
<td></td>
<td>Index of nominal wages in manufacturing in 1980=525</td>
</tr>
<tr>
<td></td>
<td>Index of food prices 1980=340</td>
</tr>
<tr>
<td>3) Growing literacy</td>
<td>Adult literacy 1960 - 70.4%;</td>
</tr>
<tr>
<td></td>
<td>1979 - 90%</td>
</tr>
<tr>
<td>4) Organization changes in retailing</td>
<td>Number of supermarkets 1974 - 62</td>
</tr>
<tr>
<td></td>
<td>1985 - 695</td>
</tr>
<tr>
<td>5) A stratified society</td>
<td>Share of ordinal group of income</td>
</tr>
<tr>
<td></td>
<td>lowest 20% - 5.6% of total income</td>
</tr>
<tr>
<td></td>
<td>highest 5% - 24% of total income</td>
</tr>
<tr>
<td>6) Increasing number of urban workers</td>
<td>Level of Urbanization 90%</td>
</tr>
<tr>
<td></td>
<td>Density (av.) 1960 - 29,000/km</td>
</tr>
<tr>
<td></td>
<td>1980 - 48,000/km</td>
</tr>
<tr>
<td>7) Creation of a family type separate from the</td>
<td>Labour force in</td>
</tr>
<tr>
<td>production process</td>
<td>Agriculture 1961 - 7.4%</td>
</tr>
<tr>
<td></td>
<td>1981 - 1.9%</td>
</tr>
</tbody>
</table>

Sources: 1, 3, 6, 7 World Bank 1983; 2 - Chau 1983; 4 - Hong Kong Census of Wholesale, Retail...various years; 5 - Chow and Papanek, 1979.

Though Table 2 is a rather schematic portrayal of a social formation, it nonetheless is indicative of shifts occurring via the indirect route to consumption changes. The prerequisites, as outlined by Frazer, are apparent in Hong Kong. However, present day Hong Kong is not 19th century Britain. It is
undergoing different social transformations and experiencing the emergence of the mass market at a different rate and in a different geographical-historical conjuncture. Hong Kong also sits in a much more fluid and pervasive world economy. Indeed, Hong Kong is situated in a global mass-market.

2. Life Cycle and Family Dynamics.

There are some important variables which Frazer omits and that are important in Hong Kong. One such variable is female labour force participation rates. These are particularly relevant in Hong Kong and to the process of changing consumption rates of processed foodstuffs. An increase in the numbers of women working outside of the home was a variable which was mentioned in the discussion of the 'indirect route' to changing consumption practices. In Hong Kong the percentage rate of female participation in the formal labour force increased from 43.6 in 1976 to 51.2 in 1985 (Hong Kong 1986). This trend has numerous implications. First, it lessens available labour time in the home, making processed foods more attractive. It also increases the cash income of the family, making the purchase of these foods more possible. Data presented by Laurent (1984) suggests that these assertions are valid in the Hong Kong case; young families with two earners are the leading consumers of 'modern' consumer durables (an indicator of modernizing consumption patterns).
This point introduces a second important variable into the discussion -- life cycle. The age grouping showing the highest level of consumption in durables is the age 20 to 25 grouping. These people devoted, on average, 6.7% of their expenditure profile towards buying consumer durables. By way of comparison, the 45 to 54 age grouping spent 4.3%. Those in the 20 to 25 grouping, at least before they have children, have in general the most discretionary income of any age group in Hong Kong (Laurent 1984:154) They are the group with the most women workers and they are the least set in their consumption habits.

Laurent also emphasizes the high educational attainment of this group and the fact that they tend to see their peer group as a model, rather than their parents (Laurent 1984:144; see also Salaff 1984). This tendency may serve as a break on the transmission of traditional consumption practices. Salaff feels that the breaking of the hold of the family as the arbiter of consumption norms is a central reason for the increasing success of 'modern western goods' in Hong Kong (Salaff 1984:66). The impact of this group is all the more important as the 20 to 25 age grouping is the second largest, in terms of population, in Hong Kong (the 25 to 30 is the largest).
While Hong Kong has not really witnessed a transformation to the nuclear family accompanying industrialization as predicted by theorists such as Parsons, the tendency in Hong Kong may be even more conducive to increasing and modernizing consumption patterns. The trend in Hong Kong seems to be towards extended 'stem' families, that is a family unit containing at least one other adult. Usually this extra member is an unmarried brother. (Laurant 1984:146) This serves to increase the earning potential of the family unit, freeing up income for increased discretionary spending. Income levels are perhaps the primary factors in changing consumption patterns.

3. Income Levels.

The workers of Hong Kong have experienced a steady growth in their real wages in the post war period. Real take-home wages have almost doubled since 1960 (Chen 1984:19; or see Chow and Papenek 1979:20). In terms of the purchasing power of food, wages increased at a rate twice that of food prices. This point is critically important to the process whereby new foods are introduced into the local setting.

In terms of income distribution the figures for Hong Kong are quite contentious, with Gini coefficients ranging from 0.41 to 0.74 (Chow and Papenek 1979). Despite the disparities of
opinion, those data sets which have a temporal dimension tend to show similar trends. Notable gains have been made by the majority of the middle (especially upper-middle) income groupings at the expense of the very rich and the very poor (World Bank 1983; Chow and Papenek 1979; Hsia and Chau 1978).

a. Factors Adjusting the Income Picture.

i) The Myth of Laissez-Faire Hong Kong.

There are, however, some variables unique to Hong Kong which adjust the income distribution picture somewhat and which have direct impact on food consumption regimes. Though Hong Kong is often described as a laissez-faire free market economy (eg. Chen 1984, Rabushka 1979 or Chow and Papenek 1979) this is not quite true. The Hong Kong economy is not a truly free market -- there are a number of factors which serve to subsidize the costs of the reproduction of labour power (and maintain consumption levels) (see especially Schiffer 1984:10-11). Government subsidization of labour comes in at least two forms. State expenditure on 'social investment' (see O'Connor 1973) such as housing; and state regulation of key areas of the food market, particularly rice.

Much of the land in Hong Kong is crown-land. This gives the government a good land base and revenue source for the
construction of public housing (Castells 1986). Some 40% of the residents of Hong Kong live in public housing (Hong Kong 1986). Government investment and control in the housing sector serves to subsidize overall rental rates for lower income tenants (see also Schiffer 1984; Castells 1986; Fong 1986).

Basic food costs are subsidized in Hong Kong in two ways: 1) through government intervention via marketing agencies; and 2) through lower than world market prices on imports from China (40% of total food consumption). Government intervention is most prevalent in the rice and vegetable sectors (the most traditional). Through the rice control scheme of 1955, for example, the government outlines the price of rice and strictly regulates and supervises 38 registered rice stock holders.

ii) The Impact of Chinese Food Imports on Income Levels.

Hong Kong is dependent on foreign sources for 80% of its food supply, fifty per cent of this comes from China. However, China has clearly not abused its market dominance (Castells 1986; Chau 1983) Chau has shown that:

Prices of food imported from China would have been 29% more expensive in 1979, had China adjusted its export price upward at the same rate as world export prices over the same period [1972-1979]. (Chau 1983:221)

The impact of these lower prices is not felt equally across all income cohorts. The impact is most strongly felt
among Hong Kong's very poor. Schiffer has argued that there is an "inverse relationship between income and dependency on PRC foodstuffs" (Schiffer 1984:4). The net result of PRC food imports is to increase the lower income group's share of income. (Table 3 below illustrates this point). Chau's "revised income share" data show an increase in the income share of the very rich and a decrease in the share of others, including the lowest income groupings. Thus, the impact of PRC foodstuff serves to increase the real purchasing power of the poor.

iii) In Sum.

The picture which emerges is of a situation where the lowest income grouping has a declining share of income but that this shortfall is in part subsidized in other ways. The huge growth of the middle class and the "subsidization" of the incomes of the very poor support increased-consumption levels. The stage is thus set for the emergence of the mass market and the convergence of food consumption patterns. As Goody has written, the industrialization of food,

led to a considerable degree of homogenization of food consumption and was dependent upon the effective increase in demand from the working class, which now desired access to foodstuffs. (Goody 1987:170)

b. The Importance of Income Levels.
The increased (or subsidized) incomes of the very poor and the growing income share of the middle-classes are critically important to the process of 'modernizing food consumption patterns' (and thus in the longer term -- convergence). As income levels increase, the percentage of expenditures devoted to food drops (as per Engel's law) due to the basic inelasticity of demand for foodstuffs. This leaves more room for discretionary spending in general.

More importantly (and correctly) the inelasticity of demand is particularly relevant in terms of the consumption of staples. Because staples are highly inelastic, increasing income allows for increasing discretionary spending within the food basket. It is largely (though not exclusively) in the realm of discretionary spending that new foods find an introduction into the local dietary regime. Due to various local (eg. state subsidized housing) and international factors (eg. cheap imports from China) and the general health of the economy the people of Hong Kong have, in general, experienced an increase in discretionary spending. The importance of a generalized increase in income levels in relation to basic food prices is a point which will recur in this paper. (see especially the section on changing consumption practices)
The Impact of Higher Food Costs on the Size Distribution of Household Income, 1981 (land households)

<table>
<thead>
<tr>
<th>Household Income (HK dollars)</th>
<th>Number of Households</th>
<th>Total Income (thousand HK dollars)</th>
<th>Percentage Share of Households</th>
<th>Percentage Share of Income</th>
<th>Average Consumption Propensity</th>
<th>Loss of Income due to Higher Food Prices (thousand HK dollars)</th>
<th>Percentage Income Loss</th>
<th>Revised Income Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 600</td>
<td>66,959</td>
<td>20,784</td>
<td>5.41</td>
<td>0.51</td>
<td>1.00</td>
<td>5,074</td>
<td>21.2</td>
<td>0.45</td>
</tr>
<tr>
<td>600-999</td>
<td>50,763</td>
<td>35,534</td>
<td>4.10</td>
<td>0.69</td>
<td>1.00</td>
<td>7,123</td>
<td>20.1</td>
<td>0.60</td>
</tr>
<tr>
<td>1,000-1,499</td>
<td>112,083</td>
<td>101,415</td>
<td>9.10</td>
<td>1.95</td>
<td>1.00</td>
<td>18,048</td>
<td>18.5</td>
<td>1.75</td>
</tr>
<tr>
<td>1,500-1,999</td>
<td>123,231</td>
<td>154,084</td>
<td>9.96</td>
<td>2.96</td>
<td>1.00</td>
<td>25,848</td>
<td>16.6</td>
<td>2.73</td>
</tr>
<tr>
<td>2,000-2,499</td>
<td>156,881</td>
<td>352,082</td>
<td>12.04</td>
<td>0.76</td>
<td>0.87</td>
<td>49,827</td>
<td>14.2</td>
<td>6.42</td>
</tr>
<tr>
<td>2,500-2,999</td>
<td>119,935</td>
<td>329,821</td>
<td>9.69</td>
<td>6.33</td>
<td>0.87</td>
<td>46,677</td>
<td>14.2</td>
<td>6.01</td>
</tr>
<tr>
<td>3,000-3,999</td>
<td>199,242</td>
<td>897,347</td>
<td>16.10</td>
<td>13.39</td>
<td>0.78</td>
<td>80,275</td>
<td>11.5</td>
<td>13.10</td>
</tr>
<tr>
<td>4,000-4,999</td>
<td>123,889</td>
<td>357,501</td>
<td>10.01</td>
<td>10.71</td>
<td>0.77</td>
<td>68,086</td>
<td>10.8</td>
<td>10.59</td>
</tr>
<tr>
<td>5,000-5,999</td>
<td>84,157</td>
<td>462,863</td>
<td>6.90</td>
<td>8.89</td>
<td>0.70</td>
<td>40,448</td>
<td>6.7</td>
<td>8.97</td>
</tr>
<tr>
<td>6,000-7,999</td>
<td>90,992</td>
<td>636,944</td>
<td>7.35</td>
<td>12.23</td>
<td>0.61</td>
<td>48,504</td>
<td>7.0</td>
<td>12.49</td>
</tr>
<tr>
<td>8,000-9,999</td>
<td>42,439</td>
<td>861,551</td>
<td>3.43</td>
<td>7.53</td>
<td>0.61</td>
<td>24,679</td>
<td>6.5</td>
<td>7.36</td>
</tr>
<tr>
<td>10,000 and over</td>
<td>60,872</td>
<td>1,471,184</td>
<td>5.40</td>
<td>28.23</td>
<td>0.61</td>
<td>88,269</td>
<td>6.0</td>
<td>29.15</td>
</tr>
<tr>
<td>All households</td>
<td>1,237,643</td>
<td>5,207,510</td>
<td>100.00</td>
<td>100.00</td>
<td>495,996</td>
<td>100.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Gini coefficient: 0.481
Kuznets ratio: 68.84

Source: Chau 1983
4. Advertising, Marketing and Class Dynamics.

a. Advertising.

The changes described so far in this section have focused on passive, general factors which effect the ability to consume, and what is consumed. In this section of the paper the focus is on variables which are more intangible, subtle and active. Among these are the impacts of advertising and marketing. Advertising and its effects on Third World consumers is the subject of a good deal of literature (Anderson 1984; Ewen 1976; James and Lister 1980). This section illuminates how advertising interacts with local variables to effect the convergence of food consumption patterns.

Advertising and marketing interact with local food consumption patterns in a number of ways. One of the ways this occurs is through interaction with local class dynamics. Local elites can often come to act as role models for the dissemination of consumption norms (Filguera 1981). In this manner one mode of changing consumption is through 'status emulation'. Transnational advertisers are aware of these propensities and build on them (Anderson 1984).

Expenditures on advertising in LDC's have skyrocketed in recent years (World Advertising Expenditures 1979:25).
Advertising expenditure per capita (1977) for Hong Kong is among the highest of all LDC's (Kaynak 1982) at 23.71 US dollars/capita (this does not include direct advertising such as exhibitions promotions etc).

Advertising requires a delivery mechanism; in 'modern societies' this is largely done through the print and electronic media. The spread of receivers is critical to what Douglas and Isherwood (1979) call the 'spread of infection model' of the dissemination of consumption practices. Table 4 illustrates the huge increase in the numbers of televisions and radios in Hong Kong. In this sense Hong Kong truly is a 'wired city'.

Graph 1 indicates that Hong Kong's level of advertising intensity is quite mature. It seems to be at a transition point between LDCs and DCs. (i.e., between such LDC's as Mexico, Zambia and India and DC's such as the United Kingdom, Switzerland and the United States) Unfortunately data are not available on the changing intensity over time so it is difficult to establish trends. However, it is important to note that present levels of advertising intensity in Hong Kong are much higher than they were in presently more developed countries at similar stages of affluence and 'development' (James and Lister 1980:64). Further, advertising in Hong Kong has a distinctly international bias. By 1979 nine of the top
ten U.S. advertising agencies had offices in Hong Kong (U.N. 1979:44).

Source: Kaynak 1982.
Table 4  
Media Density, Hong Kong  

<table>
<thead>
<tr>
<th>Year</th>
<th>Radios/000 pop.</th>
<th>TV's /000 pop.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>53.9</td>
<td>2.2</td>
</tr>
<tr>
<td>1965</td>
<td>147</td>
<td>13.9</td>
</tr>
<tr>
<td>1970</td>
<td>175</td>
<td>112.1</td>
</tr>
<tr>
<td>1975</td>
<td>569</td>
<td>190.2</td>
</tr>
<tr>
<td>1980</td>
<td>503</td>
<td>219.8</td>
</tr>
</tbody>
</table>

Source: Hong Kong 1983

b. Proletarianization and Consumption.

It has been suggested that the process of proletarianization itself may lead to changes in consumption patterns (McGee 1985). Proletarianization is a difficult term to define, however, in quantitative terms Hong Kong does present the profile of an industrialized, proletarian society. In 1981, fully 86% of the working population was classified as 'employees' (Lethbridge and Hong 1984:75) and only 1% were involved in 'agriculture, forstry and mining' (Castells 1986:131)

The gist of the proletarianization argument is that as workers become increasingly subject to the alienation of industrial labouring the act of consumption may come to justify work (see Filquera 1981). Workers come to toil for the good life (Barnett and Muller 1974:84). In this view, as workers become subjugated to the demands of capital and as the,"channels of participation are narrowed, there only remains
work and consumption as the sole and principal form of relation between the individual and society." (Filquera 1981:84).

The tendency which Filquera summarizes may become magnified in the context of rapid social change. The Hong Kong textile worker sipping Pepsi Cola is perhaps expressing more than a preference in sodas. As Mary Douglas and Baron Isherwood have argued,

Man is a social being. We can never explain demand by looking only at the physical properties of goods. Man needs goods for communicating with others and for making sense of what is going on around him. The two needs are but one, for communication can only be formed in a structured system of meanings. His overriding objective as a consumer, put at its most general, is a concern for information about the changing cultural scene. That sounds innocent enough, but it can not stop at a concern merely to get information; there has to be a concern to control it. (Douglas and Isherwood 1979:95)

One way to control this information influx is to buy some of it. In this way modernization comes to be seen as a mode of consumption (see Sin-Jee 1973).

c. Class, Status Emulation and Consumption.

Diet is traditionally a very class specific pattern. Goody has written that, "A salient feature of the culinary cultures of Europe and Asia is their association with hierarchical man." (Goody 1982:99) This point is particularly important to the present discussion because the dissemination
of consumption patterns from national elites to the rest of the population is a critical ingredient in the process of convergence. (Kumar 1979; in terms of food see Kaplinsky 1979:92-93; or Behar 1976:432)

Traditional elites tend to view other international elites as their peer group or at least as models. In turn, they act as models of consumption for the rest of the local populace. The demonstration effect is enhanced by the power of advertising (UN 1979:35). Advertisers play up the class connotations of specific goods.(Ewen 1976) In this way the circulation of ideas and information interacts with local class dynamics to link the consumption of 'global' goods to status. Because diet is traditionally a hierarchical matter this linkage is particularly relevant. Robinson (cited in McGee 1985) portrays this situation well in writing,

Status appears to be the name of the game in the rise of fast food popularity. In Malaysia, where a car sticker bearing the name of an overseas university can open doors, and where office workers plunk down a months wages to buy a belt with a designer buckle, chomping American burgers and guzzling root bear helps to promote the wished for 'man about town image' (Robinson 1982:7)

d. In Summation.

Thus the increased level of the global circulation of information and ideas in interaction with local class dynamics
serves to fuel the dissemination of global consumption norms. The increase in information flows has "greatly facilitated the ability of international and national capitalist sectors to create and fill needs for the people of the Third World." (McGee 1985)

C. LINKS TO THE GLOBAL COMMUNITY.

The factors outlined above do not necessarily lead to Hong Kong's inclusion in the global mass-market. To do this one needs to link Hong Kong as a whole to its increasingly international milieu. This is of course the ambit of this paper. However, in terms of background, Tables 5 and 6 give some indication of Hong Kong's increasing internationalization. Clearly, Hong Kong is rapidly becoming more and more enmeshed in an international milieu.

It would, therefore, seem that Hong Kong is ripe for the emergence of the mass-market. Its population characteristics, media density and international linkages all seem conducive to the penetration of global marketing forces, and to the effects of the global mass-market -- among them the convergence of consumption patterns.
Table 5
Hong Kong
International Linkages - Communications

<table>
<thead>
<tr>
<th>Year</th>
<th>1976</th>
<th>1979</th>
<th>1982</th>
<th>1985</th>
</tr>
</thead>
<tbody>
<tr>
<td>Letters sent abroad (million)</td>
<td>77.0</td>
<td>95.2</td>
<td>97.5</td>
<td>115.3</td>
</tr>
<tr>
<td>Total Int'l telexes (000 minutes)</td>
<td>2,540</td>
<td>8,742</td>
<td>20,495</td>
<td>31,521</td>
</tr>
<tr>
<td>Outward Int'l telephone traffic (000 minutes)</td>
<td>14,520</td>
<td>31,311</td>
<td>72,509</td>
<td>144,761</td>
</tr>
<tr>
<td>Television Programmes; Number</td>
<td>424</td>
<td>764</td>
<td>963</td>
<td>1,250*</td>
</tr>
<tr>
<td>reception**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minutes</td>
<td>9,404</td>
<td>4,623</td>
<td>22,364</td>
<td>42,312</td>
</tr>
</tbody>
</table>

** Prior to 1984 figures refer to television programs via satellite, from 1984 onwards, figures refer to television programs via media (ie. both by satellite and microwave link).

* These figures for 1984.


Table 6
Value of Trade (constant 1973 prices)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Imports</td>
<td>7,975</td>
<td>23,281</td>
<td>68,482</td>
<td>10.5</td>
<td>11.3</td>
</tr>
<tr>
<td>Exports</td>
<td>7,603</td>
<td>25,645</td>
<td>66,249</td>
<td>12.5</td>
<td>10.3</td>
</tr>
</tbody>
</table>

Source: World Bank 1983
D. CONSUMPTION TRENDS IN HONG KONG IN GENERAL.

Having outlined the broad structural parameters which can serve to facilitate the emergence of the mass-market in Hong Kong let us now turn to examine the basic tenets of the convergence model in general. First, Hong Kong does appear to be experiencing a modernization of consumption as defined by Filguera, and Armstrong and McGee. Overall consumption rates have increased markedly. Both total private and governmental consumption levels increased at a rate of 8.6%/annum from 1960 to 1970 and at 10%/annum from 1970-1980. (World Bank 1983) Even when adjusted for population increase and inflation these figures are striking - they represent an emergent mass-market.

The model of converging consumption patterns as outlined by Filguera (1981), McGee (1985), and Armstrong and McGee (1985) also emphasizes 'qualitative' changes such as an increase in expenditure levels on durable goods. This trend is usually matched by a decline in the percentage expenditure on food. Graph 2 demonstrates these trends in Hong Kong (for a more econometric approach see Chen 1980:229). If one further refines the data to consider expenditure cohorts then some of the dynamics of the emergence of the mass-market become evident. Table 7, below, shows the percentage expenditure on durable goods for higher, middle, and lower expenditure groupings.
Graph 2.

Table 7
Percent Expenditure on Durable Goods (and Change)

<table>
<thead>
<tr>
<th>Expenditure Cohort</th>
<th>% Exp. 63/64</th>
<th>% Exp. 79/80</th>
<th>Nominal % Change</th>
<th>Rate of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>0.6</td>
<td>1.3</td>
<td>+ 0.7</td>
<td>+ 116.6%</td>
</tr>
<tr>
<td>Mid</td>
<td>2.4</td>
<td>5.4</td>
<td>3.0</td>
<td>+ 125%</td>
</tr>
<tr>
<td>High</td>
<td>6.9</td>
<td>5.1</td>
<td>- 1.8</td>
<td>- 26%</td>
</tr>
</tbody>
</table>

Sources: derived from Hong Kong: Report of the Household Expenditure Survey ... (1981)
Hong Kong: The Household Expenditure Survey (1965)

The picture which emerges is that the ability and desire to purchase consumer goods seems to be trickling-down through society (see also Kumar 1979). Further, it does appear, that at least superficially, Hong Kong society is witnessing a qualitative shift in consumption habits.

E. IN SUMMATION.

Though the figures are at times contentious, Hong Kong appears to conform to the model of the open economy (re: consumption and income) as outlined by Filquera (1981). The situation is, however, altered somewhat by various factors at various levels. All of these factors conspire to shape the level and type of change in the patterns and norms of Hong Kong's dietary regime.
The basic parameters and requisites for the emergence of a globally articulated mass market are present. Changes within the local social formation (i.e. the indirect route to change) have made Hong Kong a prime locale for the development of the industrial palate.

Changes in local expenditure and consumption patterns interact with various larger trends through a number of conduits. At the local level these include, the import/export profile, the local food production economy and the local food distribution system. These areas provide a framework for the next part of the paper as well as being indicators of, and contexts for change.
CHAPTER IV.

CHANGES IN THE HONG KONG FOOD SYSTEM.

A. THE HONG KONG IMPORT/EXPORT PROFILE.

1. Imports.

One way in which generalizing global forces effect and reflect changes in local food consumption patterns is in the import/export profile for foodstuffs. As Hong Kong is relatively free of trade restrictions one might imagine it would conform to the rationale of the Hecksher-Ohlin-Samuelson theorem on international trade specialization. As Hong Kong is a highly urbanized industrial colony it might be expected to present a declining level of food-self-sufficiency. The response to such speculation is rather ambiguous. The Hong Kong import/export profile over the last 30 years has been one of remarkable general stability in its broad parameters but also of some important shifts in its intricacies and dynamics.

In terms of food self-sufficiency (or in the inverse, dependency) the data are quite contradictory. Chau (1983) has asserted that Hong Kong's self-production has remained fairly constant at around 20% of consumption since 1960 (though he
provides no units). There is, however, a great deal of data which would suggest otherwise. As the following sections illuminate, the value and volume of imports is rapidly increasing, while the quantity of local production is declining. The conclusion is that Hong Kong's level of self-sufficiency is static in terms of value.

One possible reason for the maintenance of local self-sufficiency (in terms of value) is the Cantonese cultural fixation with 'Xin' (or freshness). This predilection is manifested in a premium of 30% paid for (fresh) local produce (Chau 1983). Further, the value of local produce (ie. the types of goods produced) is rapidly increasing as the local production sector (discussed in the next section) increases the value-addition and capital intensity of its goods.

Table 8 outlines the broad parameters of the Hong Kong import/export profile. The key features to be noted here are the three-fold increase in the value of imports and, even more surprisingly, a five-fold increase in re-exports. These figures support the proposition that Hong Kong's food system is becoming increasingly enmeshed in an international milieu and is moving 'up-market'.

One can designate two broad trends which are at the base of the contradictory statistics: the value of imports is
rapidly climbing and the value of local production is keeping pace. In other words the Hong Kong food system as a whole is moving 'up-market'. (These increases far outstrip general inflation-or inflation in staples). Within this balanced setting there is a great deal of change in the import/export profile. This change is found in the types, value and 'sourcing' of foodstuffs.

<table>
<thead>
<tr>
<th>Table 8. Import, Re-exports and Retained Imports -- Foodstuffs (HK$ Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1976</td>
</tr>
<tr>
<td>Imports*</td>
</tr>
<tr>
<td>Re-exports*</td>
</tr>
<tr>
<td>Retained Foodstuffs*</td>
</tr>
<tr>
<td>Exports**</td>
</tr>
</tbody>
</table>

Notes:
1. Retained imports are derived by subtracting the re-export statistics from the corresponding import statistics. Since no account is taken of the trading margin and other charges involved in the re-exports, the resulting values of retained imports are understated to that extent.

2. Inflation for foodstuffs over this period was 100%.

   * - includes all foodstuffs
   ** - includes only food.


i) Changes in the Types of Foods Imported.

The foodstuffs showing the greatest increase in import levels (in both total value and total volume) tend to be
industrialized food types. In terms of percentage increase, (1980-1985) the big 'gainers' in the import regime were:

1) Tea and Coffee
2) Live Poultry
3) Fish and Fish Preparations
4) Other Foodstuffs
5) Meat and Meat Preparations
6) Wheat

Groupings showing a notable percentage decline were:

1) Sugar
2) Cattle
3) Rice
4) Vegetables
5) Swine

(Derived from Hong Kong Review of Trade 1985)

The contrast in these two sets of foods is really quite striking. The latter grouping (except cattle) epitomizes traditional cuisine (eg. rice, vegetables and pork). The former grouping seems more representative of a rather more industrial palate. These trends are dealt with more extensively in the section on food consumption patterns per se. At this point the concern is with the evolution and nature of the Hong Kong food import regime as a larger dynamic.

b. The 'Sourcing' of Suppliers.

A key feature of this dynamic is the sourcing (geographical specialization and specification) of food imports. By way of example, China is far and away the major supplier of foodstuffs to the Hong Kong market. Approximately
### Table 9.
Hong Kong Foodstuff Imports
Unit Value Index For 1981-1985
Selected Foodstuffs 1981 = 100

<table>
<thead>
<tr>
<th>Foodstuff/Year</th>
<th>1983</th>
<th>1985</th>
<th>1985 QI*</th>
<th>1985 HK$ Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>* Fish and Fish Preparations</td>
<td>128</td>
<td>131</td>
<td>132</td>
<td>3,424</td>
</tr>
<tr>
<td>* Fruit</td>
<td>132</td>
<td>155</td>
<td>94</td>
<td>2,900</td>
</tr>
<tr>
<td>Meat and Meat Preparations</td>
<td>122</td>
<td>117</td>
<td>132</td>
<td>2,535</td>
</tr>
<tr>
<td>* Vegetables</td>
<td>143</td>
<td>141</td>
<td>86</td>
<td>2,083</td>
</tr>
<tr>
<td>+ Swine</td>
<td>115</td>
<td>120</td>
<td>103</td>
<td>1,598</td>
</tr>
<tr>
<td>+ Milk, Butter, Cheese Eggs</td>
<td>112</td>
<td>109</td>
<td>114</td>
<td>1,152</td>
</tr>
<tr>
<td>+ Rice</td>
<td>95</td>
<td>83</td>
<td>107</td>
<td>895</td>
</tr>
<tr>
<td>Tea and Coffee</td>
<td>139</td>
<td>172</td>
<td>162</td>
<td>565</td>
</tr>
<tr>
<td>Sugar</td>
<td>68</td>
<td>58</td>
<td>113</td>
<td>228</td>
</tr>
<tr>
<td>+ Cattle</td>
<td>102</td>
<td>95</td>
<td>82</td>
<td>210</td>
</tr>
<tr>
<td>Live Poultry</td>
<td>125</td>
<td>132</td>
<td>131</td>
<td>484</td>
</tr>
<tr>
<td>Wheat and Flour</td>
<td>114</td>
<td>127</td>
<td>117</td>
<td>399</td>
</tr>
<tr>
<td>Others</td>
<td>118</td>
<td>125</td>
<td>134</td>
<td>3,132</td>
</tr>
<tr>
<td>Foodstuffs (Total)</td>
<td>120</td>
<td>123</td>
<td>115</td>
<td>20,752</td>
</tr>
</tbody>
</table>

* Quantum Index 1981 = 100 (volume)

* indicates decline in Chinese share of the market
+ indicates increase in Chinese share of the market

Source: Hong Kong Review of Overseas Trade in 1985

### Table 10.
Imports From China as a Percentage of Total Imports, Selected Foodstuffs.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1959</td>
<td>17</td>
<td>63</td>
<td>53</td>
<td>49</td>
<td>62</td>
<td>41</td>
</tr>
<tr>
<td>1965</td>
<td>27</td>
<td>88</td>
<td>67</td>
<td>51</td>
<td>66</td>
<td>53</td>
</tr>
<tr>
<td>1970</td>
<td>25</td>
<td>80</td>
<td>56</td>
<td>45</td>
<td>51</td>
<td>51</td>
</tr>
<tr>
<td>1975</td>
<td>41</td>
<td>91</td>
<td>59</td>
<td>42</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>1980</td>
<td>38</td>
<td>96</td>
<td>57</td>
<td>38</td>
<td>36</td>
<td>44</td>
</tr>
</tbody>
</table>

Source: Chau 1983:188
one-half of all food imports (40% of total consumption) comes from China at below world prices. Interestingly, China's role as a supplier of cheap staples seems to be becoming re-inforced. Table 10 illustrates some trends in food imports from China. If one compares Table 10 with Table 9 some illuminating features emerge. The areas in which China is showing the greatest loss of market share: Fruits, Vegetables and Fish products, are amongst those showing the greatest increase in value on Table 9. Indeed, in general terms one can almost posit an inverse relationship between the 'growth' in value of a consumption sector and the percentage of that sector coming from China (see Tables 9 and 10). China's share in the 'growth' or high value-added food groups is declining. China is becoming primarily a source of less expensive, or transport-limited goods while Hong Kong looks further afield to specialized producers for an increasing share of its import needs.

The nature of the Hong Kong import regime becomes more explicit if one examines some specific foods, as done in Table 11. These food groupings exemplify the generalized trends found in food imports in general. Notable features include the geographical distancing of sources, the relative concentration in the number of sources and the variation of value by source.
Table 11
Selected Imported Foodstuffs 1985

a) Chicken fresh, chilled, frozen

<table>
<thead>
<tr>
<th>Nation</th>
<th>kg (000)</th>
<th>$Hong Kong (000's)</th>
<th>Average Price/kg</th>
<th>Concentration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) U.S.A.</td>
<td>14,502,</td>
<td>133,952.</td>
<td>9.2</td>
<td>#1 = 60%</td>
</tr>
<tr>
<td>2) China</td>
<td>2,794,</td>
<td>24,250.</td>
<td>8.6</td>
<td>1-5 = 91.7%</td>
</tr>
<tr>
<td>3) Denmark</td>
<td>2,221,</td>
<td>19,951.</td>
<td>8.9</td>
<td></td>
</tr>
<tr>
<td>4) Brazil</td>
<td>1,416,</td>
<td>12,365.</td>
<td>8.7</td>
<td></td>
</tr>
<tr>
<td>5) Netherlands</td>
<td>1,397,</td>
<td>12,863.</td>
<td>9.2</td>
<td></td>
</tr>
</tbody>
</table>

b) Prepared cereal, breakfast foods

<table>
<thead>
<tr>
<th>Nation</th>
<th>kg (000)</th>
<th>$Hong Kong (000's)</th>
<th>Average Price/kg</th>
<th>Concentration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Australia</td>
<td>244</td>
<td>4,830.</td>
<td>19.7</td>
<td>#1 = 40%</td>
</tr>
<tr>
<td>2) U.S.A.</td>
<td>156</td>
<td>2,303.</td>
<td>14.7</td>
<td>1-5 = 95%</td>
</tr>
<tr>
<td>3) Belgium</td>
<td>57</td>
<td>1,158.</td>
<td>20.5</td>
<td></td>
</tr>
<tr>
<td>4) U.K.</td>
<td>55</td>
<td>714.</td>
<td>12.9</td>
<td></td>
</tr>
<tr>
<td>5) China</td>
<td>45</td>
<td>291.</td>
<td>6.6</td>
<td></td>
</tr>
</tbody>
</table>

c) Vegetables preserved, canned/not canned

<table>
<thead>
<tr>
<th>Nation</th>
<th>kg (000)</th>
<th>$Hong Kong (000's)</th>
<th>Average Price/kg</th>
<th>Concentration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) China</td>
<td>13,431</td>
<td>52,766</td>
<td>3.9</td>
<td>#1 = 71%</td>
</tr>
<tr>
<td>2) Taiwan</td>
<td>3,259</td>
<td>12,998</td>
<td>4.0</td>
<td>1-5 = 94%</td>
</tr>
<tr>
<td>3) U.S.A.</td>
<td>2,687</td>
<td>18,699</td>
<td>7.0</td>
<td></td>
</tr>
<tr>
<td>4) U.K.</td>
<td>1,594</td>
<td>8,508</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5) Canada</td>
<td>774</td>
<td>4,711</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: derived from *Hong Kong Trade Statistics, 1985*
Increasing levels of circulation have had a good deal to do with the emergence of these trends. In the present day era of fast, efficient global transportation and high-technology food processing and preparation, distance to source is becoming an increasingly less significant factor in trade. For example, irradiation and super-cooling have greatly diminished the perishability of fruits and vegetables. This has allowed distant countries to enter the local market. This situation is exemplified by the present trends in the imports of fruits and vegetables from China and the USA (see Table 12).

One result of the expansion of market horizons is that producers and consumers come to specialize at a global scale in products and sources respectively. Hong Kong is no exception to this trend. Hong Kong imports 80% of its wheat flour from one source - Japan (though Japan grows very little wheat); some 70% of Hong Kong's imports of evaporated/condensed milk comes from the Holland. Consistently the share of Hong Kong's imports of specific items accounted for by the top five sources is over 90%. (Source: Hong Trade Statistics 1985)

c. Variations in Value.

Another feature of Hong Kong's import regime is the variation of value within food-grouping by source. Usually food imported from developed countries is more highly valued.
Though these variations appear in branded goods as well as typically non-branded goods, the variations are more pronounced in goods which may be subject to branding. By way of examples, frozen chicken (see Table 11) shows a mild price gradient between DC and LDC sources. Breakfast foods, however, show a huge divergence in value/kg. Typically the divergence is between cheap low value-added imports from China and more expensive, branded products imported from specific, often distant, usually 'core' sources.

---

**Table 12.**
Imports Levels, Vegetables and Fruit, Selected Countries (HK$ Million)

<table>
<thead>
<tr>
<th>Country/Year</th>
<th>1983</th>
<th>1984</th>
<th>1985</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>2,075</td>
<td>1,897</td>
<td>1,918</td>
<td>-7.5%</td>
</tr>
<tr>
<td>USA</td>
<td>1,217</td>
<td>1,259</td>
<td>1,372</td>
<td>+12.7%</td>
</tr>
</tbody>
</table>

Source: Hong Kong Annual Digest of Statistics 1986 Edition

---

**Table 13.**
Imports by End-use by Main Supplier Foodstuffs (HK$ Million)

<table>
<thead>
<tr>
<th>Supplier/Year</th>
<th>1976</th>
<th>1979</th>
<th>1982</th>
<th>1985</th>
<th>%Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>3,352</td>
<td>4,520</td>
<td>7,941</td>
<td>8,797</td>
<td>+162%</td>
</tr>
<tr>
<td>USA</td>
<td>798</td>
<td>1,259</td>
<td>2,152</td>
<td>2,944</td>
<td>+271%</td>
</tr>
<tr>
<td>Japan</td>
<td>359</td>
<td>611</td>
<td>1,125</td>
<td>1,488</td>
<td>+314%</td>
</tr>
<tr>
<td>Thailand</td>
<td>477</td>
<td>668</td>
<td>844</td>
<td>1,008</td>
<td>+111%</td>
</tr>
<tr>
<td>Australia</td>
<td>357</td>
<td>553</td>
<td>789</td>
<td>846</td>
<td>+137%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>6,925</td>
<td>9,968</td>
<td>16,785</td>
<td>20,752</td>
<td>+200%</td>
</tr>
</tbody>
</table>

Source: Hong Kong Annual Digest of Statistics 1986 Edition
The increasing proportion (in terms of value) of processed, non-traditional foodstuffs from core countries in Hong Kong's import profile is indicative of two sets of processes. These might be termed 'direct' and 'indirect'. The direct set is based on the marketing and market advantages of food T.N.C.'s and the structural constraints of the articulation of the world and local food systems (e.g. storage techniques). The indirect set occurs via the changing life-styles, needs and wants of the people of Hong Kong as the colony undergoes rapid industrialization, urbanization and social change.

As mentioned above, and as illustrated by Table 13, 'industrialized' countries are supplying an increasing amount (in value terms) of Hong Kong's imports. The relative advantage of industrialized countries lies, not surprisingly, in industrialized foodstuffs (Goody 1982; Horst 1974). These foodstuffs tend to be highly processed and capital intensive in nature. Processed food items have often already moved through the product cycle (see UN 1981:148). Thus, they reach developing countries (like Hong Kong) as mature goods with a low margin and an integrated marketing plan. They are, therefore, often highly competitive.
The conduits which link 'core' and developing countries are often food T.N.C.'s. Food transnationals are coming to control an increasing share of the global food trade (Clairmonte and Cavanagh 1982a, 1982b; George 1978; U.N. 1981). They aim to vertically integrate their operations to control and shape all areas of the food system (from agri-business to marketing) (Howe 1983). Transnationals often seek to standardize products. This is one way that the process of convergence occurs via the import regime.

The success of standardized imports is facilitated by changes in the 'indirect route' to change. This route is shaped in the local dynamics of social change. Changes in life-styles or family cycles within the context of urbanization and industrialization may necessitate shifts in dietary patterns. As the basic nature of these changes is broadly similar to what was experienced in the industrialized countries, products from those countries may find niches with relative ease.

e. In Summation.

Thus, it appears that the Hong Kong import profile reflects the dynamic interaction of macro and micro level forces within the context of rapid social change. The result of this interaction is that the Hong Kong food system is
increasingly characterized by a high level of value-addition and international specification of 'sources' for a changing spectrum of food types.

2. Re-Exports.

Hong Kong is becoming increasingly linked to an emergent network of the global food system, and is developing its role as regional sub-centre. This trend is manifest in the increasing importance of the re-export and export of (largely 'industrial') food products.

The value of re-exported foodstuffs increased from 1 billion HK$ in 1976 to 5 billion HK$ in 1985. Though this growth rate (at least in the 1980's) is not particularly striking when seen in the context of Hong Kong's entire re-export sector (see Graph 3), it illustrates an increasing integration and interaction with an industrial world food system.

The re-export sector is more impressive if one considers the value of the goods handled. In terms of unit value (Graph 4) one should note that the food sector is a leading growth area. Yet again one sees the escalation in the value (-addition) of foodstuffs which are entering and/or being transhipped via the Hong Kong food system. The increase in the
Graphs 3 and 4.

value of foodstuffs is not merely indicative of a basic inflationary tendency in all foods. Indeed, over this same period the value of imports from China was up only 10% (Hong Kong Review of Overseas Trade 1985).

It is, however, important not to impute too much emphasis with regard to Hong Kong's re-export sector at present. Hong Kong's role as re-exporter is not, perhaps, as advanced as one might imagine. Re-exports mainly involve transhipment of food to or from China. (especially sea-products -- which are often canned in Hong Kong or vegetables which are trans-shipped to Singapore). Hong Kong's role as a regional centre in the world food system is still in a nascent stage.

3. Food Exports.

Hong Kong's role as an exporter of foodstuffs is markedly more industrialized. Local Hong Kong interests are moving to take on a regional role in the export of specific processed foodstuffs. An example of this process is Hong Kong's increasing control of China's imported beverage market as seen in Table 14. Table 14 imparts some sense of the rapidity with which changes in the world food (and beverages) market/system can take place. Two interesting features stand out in this table. The first is the scale and speedy development of Hong Kong's dominance of China's beverage imports.
Another feature of note is the rapid decline in the share of the USA in the Chinese market. One wonders if this decline is not likely to be the result of a shift of US capital 'offshore' to set up branch plants in Hong Kong.

Table 14
Comparative Share of Hong Kong's Principal Export Commodities in Main Markets -- Beverages in China

<table>
<thead>
<tr>
<th>Country</th>
<th>% Share of Total Imports into Market</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1983</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>38.7</td>
</tr>
<tr>
<td>France</td>
<td>15.7</td>
</tr>
<tr>
<td>USA</td>
<td>17.3</td>
</tr>
</tbody>
</table>

Source: Hong Kong Review of Overseas Trade in 1985

4. In Summation.

From this brief look at Hong Kong's food import/export profile it seems clear that Hong Kong is becoming increasingly enmeshed in a global food system. Further, the value (-addition) of the goods entering and leaving the local food system has increased markedly. The increasing levels of capital intensity, value-addition, and internationalization effect and reflect the increasing impact of the world food system -- and thus, are the catalysts and characteristics of convergence.
B. The Industrialization of a Local Food Production Economy -- The Hong Kong Case

It seems useful to use the Hong Kong case to outline the micro-level dynamics of the process of capital intensification in the production sphere of a local food system. In this way one can also illustrate how complex and multi-layered the process of industrialization of foodstuffs is. It is not simply a matter of external dictates, but also of a complex melange of local variables. However, underlying this complexity is the increasing pervasiveness of capitalist regulation, the relevance of which increases with the growth in capital intensity.

In Hong Kong, the conjunction of international and local forces has led, in general, to an intensification of food production. This intensification is characterized by shifting product types and increasing capital and technological inputs into existing crops. The intensification process permeates the food system as a whole -- from the paddy bund to the food processing plant. It is indicative of the shift of 'agriculture' to 'agri-business' and of food from staple to industrial commodity.
1. **In The Fields**

   a. General Trends\(^{10}\).

   In the fields the situation is not quite as stark or linear as characterized above. In Hong Kong, the intersection of various forces effecting the local space-economy has led to the paradoxical results of increasing land-use intensification and increasing land abandonment (Sit 1981; Yeung 1985b:20).

   Agricultural lands around the urban core are undergoing pressures similar to those found in other peri-urban areas in conditions of rapid urban growth and industrialization.

   In Hong Kong these include, (1-3 after Sit 1981)

   1) pressure on flat land from industry (eg. to lease land to small factories)
   2) rising labour costs
   3) speculation in regards to 'new towns' development
   4) the impact of reservoir construction (Hays 1983)
   5) contractual difficulties with traditional tenants (Strauch 1984:205) (i.e., monetization of agrarian social relations)

   Perhaps ironically (in 'laissez-faire' Hong Kong) the catalyst which converts these pressures into land abandonment is often considered to be the government (Yeung 1985b:20). A government land-freeze has left a good deal of land in limbo, between agricultural and industrial usage -- abandoned. The abandonment of land is an important trend in itself\(^{11}\).
However, for this paper's purpose it serves to highlight the object of main concern, the intensified use of the remaining land base.

Agriculture in Hong Kong is highly productive (Wong 1985; Wade 1981; Yeung 1985b; Sit 1981) and it is becoming more so. The process of agricultural intensification in Hong Kong is occurring in two ways. These are: 1) shifts in the types of products grown; and 2) changes in production techniques (eg. level of inputs). Clearly these two sets of changes are interwoven. Both are manifestations of the capitalization and eventual industrialization of agriculture. These trends lie at the base of agri-business (Davis and Goldberg 1957) and thus provide a major impetus for the convergence of available food types. In Hong Kong they appear as a generalized intensification process.

Anderson captures the process of intensification through product shifts well by writing:

From then [1966] on to 1974-75 the trend to specialization continued with rice becoming almost extinct. The vegetables too began to give way: more and more fields went into even more specialized, high-capital, high value-added agriculture -- notably flower farms ... the future of farming in the NT [New Territories] is evidently to produce frank luxuries and to become more and more specialized. (Anderson 1977b:2)

The collapse of the rice-production sector most strongly illustrates the tendency to increasingly intensive and high
value agricultural production in Hong Kong. Hong Kong rice production was once famed for its technique and quality. However, as Schiffer's data have shown, by 1980 local production accounted for only .02% of the level of imports (Schiffer 1984:23). While 1600 metric tons of rice were produced in 1970 only 70 tonnes were produced in 1980 (Hays 1984:61-62). Clearly one can not overstate the shifts in the agricultural space economy. Agricultural land-usage devoted to rice fell from 70.3% to 0.4% in just under two generations (see Graph 5).

The flip-side of the precipitous decline in rice production is the shift to more 'intensive' crops. Intensive in this sense refers to the level of capital and technological inputs, the type of crops and, at base, the return on capital (ie. productivity) to investment in agriculture. This process has undergone a number of stages. At various periods different crop regimes have become dominant as the agricultural sector responds to a wide gamut of forces.

Graph 5 indicates the first wave of change in the Hong Kong agricultural space economy. This phase was characterized by increasing land-use for more intensive crops like vegetables, fruits and fish production. Table 15 illustrates some of the parameters of the second wave of intensification. Of note here is the relatively poor performance of vegetables
production since 1975 and the growth of even more intensive sectors. The second wave of change is characterized by high protein, high intensity products such as chickens, pigs and fish products. These products exemplify the processes of intensification and industrialization.

Salt water fish ponds are the culmination of the process of intensification of 'brakish paddy' land into high-intensity aqua-culture. Livestock, particularly the two biggest growth areas of chicken and pork is traditionally among the more industrialized food sectors.

Graph 5.

![Changes in Agricultural Land Use 1954-1979](image)

Table 15. Per Capita Local Production of Selected Foodstuffs

(Units)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(Kg's)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vegetables</td>
<td>41.0</td>
<td>43.0</td>
<td>39.0</td>
<td>34.0</td>
<td>29.0</td>
<td>28.0</td>
<td>-31%</td>
</tr>
<tr>
<td>Rice</td>
<td>0.8</td>
<td>0.3</td>
<td>0.02</td>
<td>0.01</td>
<td>NA</td>
<td>NA</td>
<td>-100%</td>
</tr>
<tr>
<td>Field Crops</td>
<td>1.8</td>
<td>0.8</td>
<td>0.6</td>
<td>0.5</td>
<td>0.3</td>
<td>0.3</td>
<td>-83%</td>
</tr>
<tr>
<td>Milk</td>
<td>1.1</td>
<td>1.0</td>
<td>0.8</td>
<td>0.9</td>
<td>0.8</td>
<td>0.5</td>
<td>-54%</td>
</tr>
<tr>
<td>Fruit</td>
<td>0.5</td>
<td>0.7</td>
<td>0.2</td>
<td>0.9</td>
<td>0.9</td>
<td>0.2</td>
<td>*</td>
</tr>
<tr>
<td>Fish, Crust.</td>
<td></td>
<td>33.0</td>
<td>37.0</td>
<td>33.0</td>
<td>34.0</td>
<td>34.0</td>
<td>+3%</td>
</tr>
<tr>
<td>(Head)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pigs</td>
<td>0.8</td>
<td>0.09</td>
<td>0.11</td>
<td>0.08</td>
<td>0.07</td>
<td>0.11</td>
<td>+38%</td>
</tr>
<tr>
<td>Cattle</td>
<td>0.0003</td>
<td>0.0004</td>
<td>0.0004</td>
<td>0.0002</td>
<td>0.0002</td>
<td>0.0001</td>
<td>-66%</td>
</tr>
<tr>
<td>Chicken</td>
<td>2.3</td>
<td>3.3</td>
<td>3.3</td>
<td>3.3</td>
<td>2.9</td>
<td>2.6</td>
<td>+13%</td>
</tr>
</tbody>
</table>

* too much production instability

Source: Derived from Data in the Hong Kong Annual Digest of Statistics 1986, 1985

(Horst 1974). In Hong Kong these activities have indeed become more commercial and specialized (Sit 1981:137-138).

Perhaps the ultimate step towards industrialized agriculture is in the production of non-edible consumer products. In 1976-77 the value of flower production was 35.5 million dollars (H.K.). This was second only to vegetables and was four times the value of fruit production and six times the value of rice production (by 1982 the value of flower production had climbed to 73 million H.K.$ - Hong Kong 1985).
Finally, it is important to underline the fact that not only are the types of products grown changing but so too are the techniques of growing. Hong Kong has experienced a shift of technique from hand-labour (Faure 1984), through primary mechanization (e.g. power-tillers etc.), to 'bio-technologies'. For example, hydroponics\textsuperscript{12} is becoming increasingly popular in Hong Kong (Yeung 1985b:33). Hydroponics, a type of farming which is independent of soil conditions, is perhaps the culmination of the intensification (and rationalization) process. This method relies on,

scientifically controlled mixtures of plant nutrients and water to be supplied to vegetables and fruits as these are required. On the same amount of land, multiple tiers of vegetables and fruits can be grown, thus increasing production levels several times. (Yeung 1985b:33)

b. Sources of Change.

The reasons for this process of specialization and intensification are various. They include: 1) increasing local land values; 2) monetization of the agrarian sector; 3) increasing wage levels in Hong Kong; 3) government policy; 4) increased local demand for more expensive foods; and 5) the impact of new cultivators recently emigrated from China. None of the variables has preeminence, they act in toto, increasingly within the context of a broader world food system (e.g. via import competition or technology transfer).
The impact of Chinese immigrant agriculturists from Guandong illustrates the depth of interaction within this complex of forces and gives one some idea of how the intensification process occurs in situ through the example of one fragment of the larger dynamic. Most writers agree that the impact of an 'invasion' of vegetable and pond farmers (Sit 1981:241) from China is one factor in the changing structure of the Hong Kong food production sector. Yet (like transnationals) these people were not independent agents freely altering the course of Hong Kong food production. They are agents reacting to, and defining the shifting nature of the local food system in the context of the changing social formation. They first had a need for capital, saw a potential market and moved to fill it.

One reason for the need for capital was that the new immigrant tenants rented land on a monetary basis (a departure from the past). To the renters, their expertise and capital needs required a shift to more intensive vegetable and fish production. Vegetable farming increased cash flow nine times (Sit 1981:127) while decreasing the amount of land needed for production. The drive behind this new production logic was the awareness of a decline in the value of rice due to competition from cheaper sources and an increasing market for more expensive foodstuffs. Strauch, for example, (1984:192) has
written that these immigrants were "seeking fields suitable for markets." Competition from lower priced rice imports, and the increased value of land, in conjunction with market shifts and local knowledge, thus led to a change in production priorities and a change in the local food system.

The Hong Kong government was an active supporter of these changes through the auspices of the "Vegetable and Marketing Organization" and the targeting of agricultural loan funds. Sit has asserted that this organization was,

founded to promote the transformation of the agricultural economy from one heavily based in rice production to one of vegetable and fish pond culture. (Sit 1981:75)

Plainly put, it would seem that there was no money to be made in rice anymore. In Hong Kong one sees in microcosm the replaying of trends which continue around the world: the agricultural sector becomes increasingly capitalized. Faced with a global market of (often subsidized) competition, highly advanced agricultural techniques and transport modes, and high local land prices, local rice producers lost much of their advantage of locale. As the relative price of rice -- 'the staple' -- declined, producers turned to more highly valued, capital intense products.
The result of the processes of capital and technological intensification are that agriculture becomes less place-specific (Harwood 1977), dependent on other resources (i.e. fertilizers), and requires a higher capital return (i.e. return on value-added). Agriculture thus becomes increasingly immersed in the logic of the global market. This 'logic' leads to geographical rationalization.

c. In Summation.

Rationalization leads to the geographical specification and specialization of production niches. These niches are, however, part of a larger global production matrix, rather than a purely local eco-cultural one. As the breadth and depth of the global market increases it comes to rationalize all facets of food production, and thus, ultimately impinges on food consumption. It is within this broader context that individual agents act and local variations are played-out. These local variables can reinforce or redefine the overlying structural parameters (e.g. the new immigrants need for, and move to more intensive vegetable crops).

Thus, through changes in the agriculture sector seem to be rather linear (i.e. intensification) the processes which combine to shape the resultant dynamic are complex and interactive. In some sense it is the depth of this process
which provides the overall continuity of change, and its seemingly ineluctable nature. In the fields then, the combination of micro and macro forces has led to an increasing intensification, perhaps ultimately industrialization of food production.

2. The Hong Kong Food Industry.

The capital intensification process does not start or stop at the farm gate (or the paddy bund). Food processing is one of Hong Kong's fastest growing 'industries'. Per capita value-addition in food processing in Hong Kong is amongst the highest of all middle income LDC's. (UN 1981:142)

The data given in Table 16 show some of the trends and traits of the food processing sector. Though the number of establishments (and employees) dropped, gross output increased 380% from 1976 to 1982. Further, gross fixed capital formation, or 'plant' increased 300% and value addition was up 330%. These growth rates outstrip the rate of inflation over this period (i.e. 60%-World Bank 1983).

The Hong Kong food processing industry presents a profile which will become a common theme in the remainder of this paper. It is characterized by two kinds of establishments which have distinct characteristics. As Table 17 shows, the
sector as a whole is dominated by large establishments (in terms of total output, total value-added and total sales). These large establishments are the most productive. The biggest producers extract 10 times more value addition per employee than the smallest grouping. However, the smaller establishments create more value addition per unit sales than the larger ones. The variance in value addition per unit of sales is a reflection of a number of factors.

The first of these factors is that it is in the nature of large production complexes to seek a small margin on each sale (this is their competitive edge). Yet perhaps one can carry this a step further. The larger establishments seek a mass-market. They trade market 'fit' for volume of sales and standardization. They attempt to bring the market to themselves, through price, advertising and other marketing techniques. Smaller establishments, on the other hand, need a smaller market. Thus they tend to 'go to' or to serve a particular market niche. It is in this awareness of, and accommodation to segments of the market that smaller establishments eke out their profit. Therefore, the tendency in markets dominated by large establishments is towards standardization, and the inverse is likely to be true where smaller establishments predominate.
### Table 16.
Hong Kong, Food Processing Industry

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Establishments</td>
<td>689</td>
<td>1,190</td>
<td>1,153</td>
<td>1,127</td>
<td>971</td>
<td>928</td>
</tr>
<tr>
<td>Average Number of Persons Engaged</td>
<td>NA</td>
<td>15.2</td>
<td>16.6</td>
<td>17.3</td>
<td>16.7</td>
<td>23.3</td>
</tr>
<tr>
<td>Gross Output (million HK$)</td>
<td>NA</td>
<td>1,244</td>
<td>2,389</td>
<td>NA</td>
<td>4,722</td>
<td>5,498</td>
</tr>
<tr>
<td>Value Added (million HK$)</td>
<td>NA</td>
<td>381</td>
<td>710</td>
<td>NA</td>
<td>1,251</td>
<td>1,317</td>
</tr>
<tr>
<td>Gross Fixed Capital Formation</td>
<td>NA</td>
<td>45</td>
<td>97</td>
<td>NA</td>
<td>135</td>
<td>158</td>
</tr>
</tbody>
</table>

Sources: U.N. Yearbook of Industrial Statistics
Vol. 1 General Industrial Statistics various editions
* Source: Hong Kong Survey of Industrial Production 1984
note: where these sources overlap they demonstrate compatibility.

The trend in the Hong Kong food processing sector seems to be to larger, more productive establishments (see Tables 16 and 17). In terms of the preceding argument, it is also apparent that the ratio of gross-output to value-addition is declining. This implies a move towards mass-market production and away from the Hong Kong norm of small establishments (Peattie 1985). One possible result of this process is likely to be a standardization of product. Further, this standardization is likely to have an international bias for three reasons. These include: 1) the type of capital goods brought in (i.e. technology transfer); 2) the need to expand markets (to go
international -- eg. beverages to China); and 3) increasing levels of foreign investment.

Table 17.

<table>
<thead>
<tr>
<th>Value of Gross Output</th>
<th>Gross Output</th>
<th>&lt;100</th>
<th>100-499</th>
<th>500-999</th>
<th>1000-1999</th>
<th>2000-4999</th>
<th>5000-9999</th>
<th>100,000-199,000</th>
<th>&gt;100,000</th>
</tr>
</thead>
<tbody>
<tr>
<td># of Establishments</td>
<td>1.0% of Total Establishments</td>
<td>2.15</td>
<td>212</td>
<td>173</td>
<td>27</td>
<td>19</td>
<td>28</td>
<td>11</td>
<td>13</td>
</tr>
<tr>
<td>% of Total Output</td>
<td>2.1% of Total Output</td>
<td>23.2</td>
<td>19</td>
<td>22.9</td>
<td>18.6</td>
<td>3.0</td>
<td>3.0</td>
<td>1.2</td>
<td>1.4</td>
</tr>
<tr>
<td>% of Total Employees</td>
<td>3.1% of Total Employees</td>
<td>2.1</td>
<td>2.9</td>
<td>6.5</td>
<td>10.1</td>
<td>3.7</td>
<td>5.7</td>
<td>16.9</td>
<td>16.9</td>
</tr>
<tr>
<td>Value Added Per Employee</td>
<td>4.3% of Total Value Added</td>
<td>5.3</td>
<td>12</td>
<td>16.1</td>
<td>16.1</td>
<td>5.6</td>
<td>6.0</td>
<td>17.3</td>
<td>21.9</td>
</tr>
<tr>
<td>Value Added Per Sales Unit</td>
<td>4.2% of Total Value Added</td>
<td>1.4</td>
<td>2.0</td>
<td>5.5</td>
<td>10.1</td>
<td>3.3</td>
<td>5.7</td>
<td>16.9</td>
<td>16.9</td>
</tr>
</tbody>
</table>
| Source: derived from Hong Kong: 1994 Survey of Industrial Production.
The internationalizing nature of the food processing industry is apparent in trends in foreign direct investment (FDI) (after Hung 1984). FDI in the food and beverage "manufacturing industry" increased from 5.4 million to 386.7 million Hong Kong dollars from 1971 to 1981. This increased the food and beverage sector's share of total FDI from 0.79% to 5.7%. In percentage terms the increase in FDI in the Hong Kong food and beverage sector was 7,061%. This rate of growth even outstripped the electronics sector.

3. In Summation.

Clearly the local food production economy is becoming increasingly enmeshed and constrained in a larger production matrix. The nature and logic of this production/consumption matrix leads to standardization. This examination of the Hong Kong case has demonstrated how the process of capital intensification occurs in situ. It is the result of a wide range of factors, but is underlain by permeation of the global capitalist mode of regulation into the local milieu. The importance of this impingement is not solely confined to the production sector, as the following sections outline it also greatly impacts the realms of circulation and consumption.
importance of this impingement is not solely confined to the production sector, as the following sections outline it also greatly impacts the realms of circulation and consumption.

C. CHANGES IN THE HONG KONG FOOD DISTRIBUTION SYSTEM.

In many ways the nature of the changes in the Hong Kong food distribution system provide a suitable analogy for an underlying prospectus of this thesis. The distribution system acts as linkage between, and a context for the interaction of micro-level choices and constraints and more macro-level variables. In Hong Kong this is perhaps particularly explicit due to the fluidity and adaptability of the commercial sector.

Changes in distribution networks are critical to the texture of the industrialization/convergence process because part of the nature of the expansion of the circulatory sphere is that "a whole series of agents now intervened between the producer and consumer." (Goody 1982:166) These interveners are important for they are the conduits through which foodstuffs find their way to the consumer (see Bucklin 1976:59-60). They are often very sensitive to the dynamics of the interplay of the requisites of the industrial palate and local communities. They are agents within the local milieu who by their actions define and redefine the discourse between the world industrial food system and the agency of local consumption.
The Hong Kong food distribution system is in fact a very complex multitude of overlapping networks of distribution. However, one can identify two basic kinds of 'sectors' which are in some sense identifiable by the products they purvey. (Though these groupings are not clearly demarcated nor mutually exclusive.) The first is the more traditional Chinese produce, livestock and rice marketing system. This sector tends to be government-regulated and deals mostly in foodstuffs from the New Territories or China. It is characterized by a diffusion of product from large 'markets' to numerous very small scale sellers (often Hawkers) (Hong Kong, Establishments in Wholesale, Retail and Import/Export Trades, Restaurants and Hotels. 1979.)

A second 'sector' is that which handles mostly processed, preserved and/or foreign foodstuffs. This grouping is more tightly articulated with the global food system. The degree of concentration of ownership is higher in this sector than in the more traditional sector. The 'outlets' of this sector tend to be (though not exclusively) grocers or supermarkets (and increasingly, of late, convenience stores such as 'Seven-Elevens').


Because shifts in the ecology and economy of food selling
are most apparent at the retail level this analysis will focus on retail outlets.\textsuperscript{13} A number of surprising and at times apparently contradictory trends seem to be emerging in the Hong Kong food retailing sector. One sees a trend towards bigger establishments, exemplified by supermarkets, a proliferation of smaller establishments - in fresh fruit and vegetable (FFV) sellers; and more recently a move to a third type of establishment the convenience store, an amalgam of some of the characteristics of the two dominant types. Graph 6 illustrates the changes in numbers of establishments by 4 broad groupings from 1974-1984. This graph quite vividly shows the two major growth areas in terms of numbers of establishments -- the fresh fruit and vegetable (FFV) and supermarket sectors.

The decline in the traditional 'grocery' sector is also of interest but will be addressed here largely in terms of changes in the FFV and supermarket sectors. Perhaps the most notable general trend to be gleaned from the graph in regards to the traditional 'grocery' outlets is the resilience of the Chinese provision sector. This relative stability illuminates a theme, changes in the food retailing/distribution system tend not so much to be simply the result of a repudiation of traditional goods but are also linked to the ecologies and economies of differing kinds of retail outlets.
Source: *Hong Kong Survey of Wholesale, Retail ... 1984.*

2. Comparing Retail Types.

There are some rather interesting comparison to be made in regards to the 'nature' of different outlets. Of particular
note are the rather stark differences in the two growth areas of FFV and supermarkets. Few areas exemplify the divergence in the nature of these two kinds of establishments as much as the number of employees per establishment. Table 18 illustrates the vast differences in the size of these of two sorts of outlets.

<table>
<thead>
<tr>
<th>Types</th>
<th># of employees</th>
<th>&gt;10 emp.</th>
<th>&lt;5 emp.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supermarket</td>
<td></td>
<td>84%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Fresh Fruit and Vegetables</td>
<td></td>
<td>4.1%</td>
<td>88.2%</td>
</tr>
<tr>
<td>Groc's of Chinese Prov.</td>
<td></td>
<td>6.1%</td>
<td>64.4%</td>
</tr>
<tr>
<td>Groc's of General Prov.</td>
<td></td>
<td>5.8%</td>
<td>76.9%</td>
</tr>
</tbody>
</table>

Source: Hong Kong, Survey of Wholesale, Retail ... 1984.

Clearly supermarkets represent a radical departure from the Hong Kong norm of small enterprises (cf. Peattie 1985) yet the FFV sector seems to epitomize that model. The differences between these two types of outlets go deeper than the number of employees. (see Table 19) The inter-relationship of value addition per unit sales, sales per establishment and gross margin per establishment is most telling (see Table 17). The smaller (see above) more numerous FFV outlets get more 'value' from every sales dollar. They have twice the level of value-addition per unit of sales that the supermarket does. This is one reason for the proliferation of this kind of outlet.
The overall value-addition and sales per establishment are far lower for FFV outlets than supermarkets. This is part of the nature of each. The FFV has a lower turnover and smaller market but by directly serving a market (eg. by location) it extracts the maximum value-addition. The supermarket is the inverse. The nature of these two very different 'niches' can tell one much about the food system in Hong Kong as well as the more general question of the modernization of food systems. The FFV goes to, and adapts to the market. The supermarket through price, diversity and marketing seeks to bring the consumer to it. This is a critical distinction.

<table>
<thead>
<tr>
<th>Retail Types</th>
<th>VA/Sales</th>
<th>VA/Est.</th>
<th>GM/Sales</th>
<th>GM/Est.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supermarkets</td>
<td>11.7</td>
<td>294.1</td>
<td>13.6</td>
<td>343.3</td>
</tr>
<tr>
<td>Groceries of Chinese Provisions</td>
<td>15.9</td>
<td>53</td>
<td>16.9</td>
<td>56</td>
</tr>
<tr>
<td>Groceries of General Provisions</td>
<td>16.7</td>
<td>32</td>
<td>18.3</td>
<td>35</td>
</tr>
<tr>
<td>Fresh Fruits and Vegetables Sellers</td>
<td>27.1</td>
<td>26</td>
<td>28.8</td>
<td>28</td>
</tr>
</tbody>
</table>

VA - 'Census Value Added'
GM - Gross Margin
Est - Establishment

Source: Derived from data in 1982 Hong Kong Survey of Wholesale, Retail and Import/Export Trades, Restaurants and Hotels
3. The Supermarket in Hong Kong.


The most covert manifestation of the mass-market in the food retailing sector is the supermarket. It represents what is to some the vanguard (e.g. Kaynak 1982:246) and to others the dull homogenization of the mass-market. Newcombe (1977:336) for example, writes that, "supermarkets are the same in Hong Kong as they are throughout the rest of the world".

Graph 7.

In Hong Kong the numbers of supermarkets increased from 62 in 1974/75 to 655 in 1984/85. Yet even this growth does not tell the whole story because it is the nature of supermarkets that they do more business with fewer outlets. Thus, perhaps Graph 7 gives a more accurate picture of the growth of the Hong Kong supermarket sector. Supermarkets have increased their share of the Hong Kong food retailing market from negligible levels in the late 1960's to approximately 55% today. (SCMP 9/1/86)

b. A Case Study.

The vibrancy of the supermarket sector is particularly evident if one focuses on a specific chain. The Wellcome chain, and its direct parent firm, Dairy Farm, seem the archetypal exemplars of the process of growth, capitalization and internationalization of this facet of the Hong Kong food system. From 1981 to 1985 Wellcome Supermarkets increased its share of Hong Kong food sales from 8 per cent to 13.7 per cent.

Dairy Farm had small beginnings. When it was founded in 1886 it was strictly a supplier of fresh milk. From that time it expanded into general dairy products (1896), into ice production (1918), then into a joint venture with Lane Crawford Ltd. (U.K.) to open its first two supermarkets (1960). In 1964 Dairy Farm bought the Wellcome Company, then primarily a food
wholesaler (with one supermarket). In 1972 Diary Farm was acquired by Hong Kong Land. Since that time it has greatly expanded both within the Hong Kong market and internationally, acquiring (in 1979) the Franklins Food chain in Australia. Presently Dairy Farm is 'de-merging' from Hong Kong Land in order to give investors a chance to realize some of Dairy Farm's "profitability and growth prospects which were submerged in the context of Hong Kong Land's large and asset-dominated balance sheet" (Hill and Knowlton Asia Ltd. 1987:3).

The recession resistant nature of the food industry is evident in Dairy Farm's relationship with Hong Kong Land:

Ultimate controlling shareholder Jardine Matheson wants Dairy Farm listed (de-merged and floated on the stock exchange) in order to unlock its market worth. In recent years Dairy Farm has been constrained by parent Hong Kong Land, which wholly owns it. Cash-flow rich Dairy Farm has had to subsidize Land to the tune of an estimated 33 percent of Land's cash flow in the 1982-84 property squeeze. (SCMP 1/9/86)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>HK$m</td>
<td>HK$m</td>
<td>HK$m</td>
<td>HK$m</td>
<td>HK$m</td>
</tr>
<tr>
<td>Sales</td>
<td>872</td>
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<td>1,302</td>
<td>1,785</td>
<td>2,201</td>
</tr>
<tr>
<td># of Est.</td>
<td>50</td>
<td>61</td>
<td>73</td>
<td>86</td>
<td>104</td>
</tr>
<tr>
<td>Footage(000)</td>
<td>227</td>
<td>300</td>
<td>372</td>
<td>455</td>
<td>602</td>
</tr>
<tr>
<td>Share of HK Food Sales %</td>
<td>8</td>
<td>9.1</td>
<td>9.5</td>
<td>11.2</td>
<td>13.7</td>
</tr>
</tbody>
</table>

Source: Barclays de Zoete Wedd 1986
Dairy Farm's parent firm is now a Bermuda holding company. The Chairman of Dairy Farm states that this new structure, "primarily reflects the company's existing and potential international spread of business..." (ibid). Dairy Farm is now a very large and booming concern. Total sales in 1986 were HK$ 10.2 billion, that was a 20% increase over 1985. Its Hong Kong operations, while not at the scale of the Australian enterprise, exhibited markedly better growth, increasing from HK$ 1.1 billion in 1981 to HK$ 2.7 billion in 1985. The lion's share of this growth was a result of the success of the Wellcome chain. Table 20, above, illustrates the retailer's phenomenal growth.

This growth shows few signs of abating. Wellcome plans to open 20 new outlets in Hong Kong during 1987 (Diary Farms International Holdings Ltd. 1986). Further, Dairy Farm is exhibiting a tendency to expand via vertical integration as well. Turnover in its manufacturing and trading division increased from HK$ 240 million in 1981 to HK$ 408 million in 1985.

c. Supermarkets and Market Control.

The rapidity of growth in the supermarket sector is indicative of the state of flux within the Hong Kong food system. It is also indicative of the market 'momentum' of
supermarketing in Hong Kong. The two major chains in Hong Kong are 'Wellcome' and 'Park n' Shop' (the latter controlled by the another 'hong', Hutchison-Whampoa). These two chains are coming to dominate the Hong Kong supermarket sector.

Ian Wade, a managing director of Wellcome's parent company claims that "the two major chains are now so big that (they) virtually dictate the market." (The Bulletin Oct. 1986:51) They have increased their market share through a number of aggressive marketing tactics. These include: 1) predatory price competition: "As in price competition anywhere else small operations suffer. 'If you're bigger you can afford to spread your problems.'", Wade says; 2) monopolizing selling rights; in Hong Kong the large retailers are establishing direct ties to producers in the international market place and are even developing their own brand names; 3) lines of credit are also biased towards larger retailers, suppliers offer the big chains 120 days' credit, while the smaller operations only get a 90 day term. (The Bulletin Oct. 1986:51) Large supermarkets can adopt these tactics because of their size. Further, it is these kinds of tactics which increase their size.

Another source of market advantage for the chain supermarkets is through the technologies of retailing. For example, these chains have introduced the latest in storage and inventory control technologies (eg. 'just-in-time inventory
control'). The big chains are also importing new in-store production technologies, especially for their bakeries. For example, Dairy Farm, the owner of the Wellcome chain has just entered into a joint venture agreement with 'Mrs. Field Inc.' to locally produce and distribute a variety of baked goods. Mrs. Field is a global corporation with 380 outlets worldwide. (SCMP 25/9/86) Park N' Shop has inked a similar deal with Fuji Bakery -- Japan's largest with 2,000 retail outlets. (The Standard 4/13/86) High levels of capital and technological inputs have made supermarkets more competitive and changed the nature of food retailing in Hong Kong.

d. The Supermarket In Situ, Effects and Needs.

The retailing and marketing techniques of the larger supermarkets have increased their market share, largely at the cost of a decline in the numbers of small-scale supermarkets and/or grocers. Yet perhaps more importantly the techniques of the large chains have changed the way competitors are likely to do business. The success of supermarketing has forced competitors to change their retailing techniques and products. In this sense the supermarkets have acted as catalysts of capitalization. The impact of the supermarket goes even deeper than this. Their presence reflects and effects changes in the nature of the consumer and consumption.
In Hong Kong the supermarket is more than an indicator of 'westernizing food retailing', it "marks a radical departure from the past" (Leeming 1977). It is a concrete feature in the local spatial and socio-economic fabric. It interacts with its locale. Perhaps it would be more apropos to say that they interact with their milieu.

A key feature of the nature of supermarkets is that they are usually parts of chains. Indeed the "growth of multiples, of shops that were organized in branches along national (and international) lines," is the basis of what has been termed the "second retailing revolution". (Davis 1966, cited in Goody 1982:168) The importance of the fact that supermarkets are generally chain stores lies in the consistency this brings to the marketplace. Supermarkets adopt a marketing scheme (closely linked to the types of goods they purvey) and use it in all outlets. In this way they facilitate the geographical dispersion of a given mode of marketing and enhance the process of standardization of product. Kaynak feels that these outlets act in a manner similar to Schumpeter's 'innovating institutions'. He writes that:

The competitive situation in the market is never the same after such institutions enter the marketplace; they are institutions that seem to differ not only in degree but in kind.(1982:247)
This assertion seems particularly valid in the supermarket case. Supermarkets require shifts in local consumption practices and they offer incentives to bring these changes about: by pricing of packaged goods, diversity of produce, providing a wide range of goods and services and by taking advantage of the marketing and advertising programs of branded goods. Yet to succeed, the supermarket requires changes in consumers' purchasing patterns. The extent to which the market is conducive to supermarketing is described by the level of 'outreach'.

i) Supermarket Outreach.

'Outreach' describes a complex totality of social and infra-structural changes which are facilitated by, and facilitate the growth of the supermarket sector. It covers things such as the decline in the role of local grocer as community centre to increased income levels to the increasing pervasiveness of media exposure. Outreach is a reflection of the 'fit' between the nature of the supermarket as retailer and the consumer. Although both adjust, the dominant tendency is for the consumer to adapt to the nature of the supermarket, spurred on by convenience, cost and marketing incentives.

The supermarket requires 'outreach', changes in consumption patterns. For example, as Goldman writes,
The major factor limiting outreach is that in order for consumers to reap the benefits of low price and wide selection offered by the supermarket they have to change their basic shopping habits ... the supermarket shopper adjusts for this increase in travel distance and time by reducing shopping frequency. (Goldman 1974:65)

Goldman's assertions informs this discussion in a number of ways. Centrally, it states the necessity of change in consumer's habits, patterns and incomes. From the nature of supermarket shopping one can identify some important variables in the success in supermarket 'outreach.' Broadly put, these include increased income levels, changes in the timing of payments (i.e., weekly or bi-weekly as apposed to daily) changes in household technology, and spatial variables. All three areas are inter-related but income levels have primacy.

Because supermarket shopping is premised on fewer, bigger shopping trips it is dependent on increased income levels in order to facilitate the purchase of more than a few days' food at one time. A corollary to this is the importance of the increased ability to purchase appliances (and/or storage space) in order to keep food in between less-frequent shopping trips (eg. refrigerators) and to process the food when required (eg. blenders).

As outlined earlier, income levels have increased considerably in Hong Kong over the last 25 years. This increase was especially evident among the upper-middle income
groups. This is quite important because this group of people are usually the initial target market for supermarkets. (Goldman 1974) They are often quite internationally oriented and are taste-setters. Earlier in this discussion the role of these people in disseminating consumption patterns was outlined. Among the trends noted was the increased expenditure on consumer durables. Among these durables are household appliances.

Figures on the ownership of specific household appliances such as refrigerators are not available. However, expenditures on "Furniture, furnishings and Household Equipment" are increasing rapidly. Expenditures under this heading increased 100% from 1976 to 1985 (at constant 1980 market prices -- Hong Kong Annual Digest of Statistics 1986). By 1985 they accounted for 12% of total private consumption expenditures. One can only infer that at least part of these expenditures went towards refrigerators and other food appliances. The increased usage of household appliances is critical to the outreach of supermarkets, the emergence of industrialized foods (Goody 1979), and the convergence of food consumption patterns.

A third set of factors which impact outreach may be termed 'spatial'. 'Space' impacts outreach in terms of 'the neighbourhood effect', market size, communication levels and transportation. The neighbourhood effect is a critical
variable, it refers to the scale of the market. Part of the emergence of the industrial palate is found in the changing scale of the marketplace; away from the personal scale and towards the 'mass' scale. An example may serve to illustrate this point. Traditionally the local grocer was the personal guarantor of the quality of his or her goods. This role was very important because the quality of goods was often highly variable and adulteration was rampant (Goody 1982:173). Now, however, as foods have become much more standardized and branded, and there is a greater density of information flow on the nature of goods, the importance of this role is declining. As Goody has written,

... the shopkeeper was no longer the one who selected and certified the product; that was done by the producer and packager, by the name and the advertisement. (1982:173)

Another spatial factor is the friction of transportation. Transportation facilities are integral parts of the ecologies and economies of centralized supermarkets. In Hong Kong private transportation is quite limited. Hong Kong tends to rank low in terms of private automobile ownership (Yeung 1985a).

The lack of private transportation in Hong Kong is at least partially ameliorated by public and private transit and Hong Kong's high densities. Supermarkets are most frequently found in areas of high density (and high income) or a high
throughput of population (e.g. Peak and Central respectively -- Hong Kong Survey of Wholesale, Retail... 1986).

The average number of households per outlet tends to be much higher for supermarkets than for other outlet types. The presence of supermarkets is also much more uneven in spatial terms. The number of households/outlet for supermarkets ranges from 578 (in Central district) to 23,187 (in Lei Yue Mun district -- Establishments and Employment in Wholesale Retail and Import/Export... 1979). This variance is a reflection of the variability of 'outreach'.

Outreach also refers to changes in the types of goods consumed. Consumers need to switch to packaged goods in order for the supermarket to fully exploit its market advantages. The linkage between the supermarket and the types of goods it sells is exemplified by the trait of 'selective adoption'. Research indicates that even when supermarket shopping becomes widely adopted, very few consumers in LDC's buy all their goods in them.

A number of writers have observed that the supermarket in developing countries turns out to be mostly a seller of grocery items. [i.e., packaged foods] (Goldman 1984:25)
4. The FFV, Selective Adoption, and the Competitive Niches of Retail Types.

'Selective adoption' also appears to be prevalent in Hong Kong, and exemplifies some of the strengths and weaknesses of the supermarket sector. In Hong Kong the wet markets, as FFV outlets are called, have tenaciously held onto their share of the produce market. The viability of the traditional produce sector has a number of sources. These lie mainly in pricing, flexibility, quality control and location. "Wet markets provide the widest range of fresh foods at very low prices ... supermarkets on the other hand, only have a limited selection and their prices are usually much higher." (The Bulletin Oct. 1986:53)

Hong Kong Councilman Lee Chik-yuet, an authority on the topic of FFVs, feels that their success is a result of their flexibility. He notes that,

Market traders are much more flexible in their business style. They don't have to fix what and how much they sell. When they go in the morning to pick whatever they want to sell for the day, they can take the freshest merchandise.(ibid)

Smaller retailers also purchase smaller lots and, therefore, wastage may be less of a factor in their price structure. As they have a smaller inventory these traders can also go to the market. Small produce vendors are much more responsive to shopper's needs. They are keenly aware of local
produce requirements. They occupy a niche where it is critical to know precisely who needs what, and when. In Hong Kong the traditional cultural predilection for fresh produce has acted to enhance the viability of this sector. The booming growth of the FFV sector is indicative of the fact that change in the food system is not a uni-linear process -- local variables count.

The response of the supermarket sector is illustrative of its inherently capital-intensive and international bias. In order to lower prices Park N' Shop now 'sources' direct from producers in the U.S., Australia and Europe. They seek to increase their selection and freshness via capital intensive modes of transportation. "We have 25 tons of fresh produce coming in by air every day." (Ian Wade, The Bulletin 1986:52)

Thus, one may again assert the interdependence of the local supermarket economy and the world food product industry. The growth of the supermarket sector is indicative of the health of the market for branded, processed foodstuffs in general.

Judging by present trends one might imagine an increasingly dualistic food retailing sector. In this view supermarkets, being more tailored to (indeed dependent on) the selling of highly processed, branded and usually imported
foodstuffs will inevitably destroy the small scale grocery sector. The resultant profile would be one of a large scale supermarket sector and a small scale produce sector. This is by no means certain.

It seems probable that the FFV outlets will themselves change. As McGee has argued regarding Hong Kong's hawkers in general, it seems only a matter of time until capital penetration relegates the hawker to a picturesque memory. (McGee 1973) This process may be hastened by improvements in supermarket produce maintenance and cost reduction or more directly, through the increasing impingement of the global food system in the produce market. The point is that one should not carry dualisms too far. Neither sector has a perpetual monopoly on the goods they tend to sell.

The local supermarket is both a reflection and a source of changes in local food consumption patterns, The supermarket presents the consumer with (often) lower costs, wider selection and a stability of product but requires that the consumer adapt to its imperatives. Thus, the supermarket is a local agent of change (one among many). However, the supermarket is not the only harbinger of the impingement of the global food system.
5. The FFV Sector, The Convenience Store and the Penetration of the World Food System.

a. The FFV sector

Interestingly, it is possible to argue that the FFV sector is itself an excellent example of the depth of penetration of the world food system. In many ways the FFV outlets illustrate the thesis of conservation - dissolution (Bettleheim 1979). In most areas of Hong Kong one can reiterate Leeming's (1979) thoughts on Yaumati: "Most of the community's fruits and vegetables are sold by hawkers" (Leeming, 1977:81). Increasingly, these micro-scale outlets are themselves becoming enmeshed in the larger global food-system. This is particularly true in the case of vegetables (recall the increasing role of the USA in vegetable imports). From 1975 to 1984 sales (in tonnage) at Cheung Sha Wan Imported Vegetable Market (which is a source of supply for hawkers) increased 65%. (Hong Kong Annual Digest of Statistics 1986.)

The inter-relation of micro and macro is, indeed, quite explicit in the nature of the vegetable sector. The share of imported versus local vegetables is increasing. Further, more and more of these vegetables are coming from 'core' sources, particularly the USA. (Recall the dominance of food transnationals in global food circulation -- UN 1981:51) Yet one also sees a proliferation of small fresh fruit and
vegetable sellers. In unison these two trends exemplify the interaction of scales and the increasing depth of penetration of the world food system into the day to day lives of people of Hong Kong. This process is the beginning of the wedge where incoming foods are likely to become increasingly capital intensively produced (as are locally produced foods). The increasing levels of capital intensity and internationalization of the local produce market is indicative and supportive of an increasing role for large transnational vendors (see Clairmonte and Cavanagh 1982a, 1982b) and provides an entre for the emergence of the industrial palate and the convergence of consumption practices.

Another, perhaps more relevant, example of the problems of viewing the supermarket as the only vanguard of the global industrial food system may be outlined in terms of the selling of processed and packaged foodstuffs. This area is no longer the bailiwick of supermarkets alone. They are no longer the sole vanguard of the mass-market in processed foods.

b. The Convenience Store.

In very recent times Hong Kong has witnessed the growth in numbers of a third sort of retail outlet -- the convenience store. One could, in fact, say that the growth of convenience stores has been explosive. In 1981 there were 8
'Seven-Elevens' in Hong Kong, by 1986 there were 200 (Asian Business 8/87:54). What is all the more surprising is that this growth occurred alongside the boom in supermarkets and a general contraction in the number of food retail outlets from approximately 10,000 in 1983 to 8,000 in 1986.

In many ways the boom in convenience stores is quite understandable. The convenience store represents a hybrid of the large scale, highly capitalized supermarket selling packaged, branded goods and the local small scale enterprise (the Hong Kong norm). It differs from traditional grocers in a number of ways. The most central of these are its capital investment, and use of retailing technologies (eg. self-service etc). Linked to these characteristics is the fact that these outlets are franchises. Vendors buy an intact marketing and retailing program which has been perfected abroad.

Franchise outlets are a prime source of convergence. Part of 'the package' is the standardization of process and product. One advantage of franchised retail types is in the 'science of selling',

The biggest bonus of all is in the system, a carefully laid out set of rules for marketing, service and advertising that, with hard work almost guarantees success. (Asian Business. 8/87:54)

Or, in the words of one Hong Kong franchisee:
You do not have to think about a lot of things. You just do what the system tells you. (Ibid)

The situation is not quite as clear cut as the above citations may suggest. Franchised convenience stores have not experienced untrammelled success in Hong Kong. In the early days of the introduction of Seven-Elevens in Hong Kong the failure rate was almost 40%. Yet despite the early attrition Seven-Elevens and their system of marketing goods are now very successful. One source of this more recent success is the companies stringent screening of franchisees. Now the company is not just interested in who is willing to buy a franchise, but is looking at other variables as well. Among these are sincerity, managerial skills and "a stable family with plenty of relatives who can help out in the tough 24-hour-a-day operation." (Ibid) In this latter requisite one gets a good insight into the interdependence of global forces and enterprises and local social relations.

Franchise food stores try to meld the strengths of local individuals with the science of selling to project their market through space. In doing so they extend the logic of the industrial palate and serve to distribute industrial food products. These products are often those of equally international food T.N.C.s (eg. Coke, Hostess). In this way
the global franchiser and local entrepreneur enhance the process of converging consumption patterns.

4. In Summation.

In conclusion then, it is apparent that the Hong Kong food retailing system is deeply articulated with the global food system. In many ways it acts as a conduit for changes and forces in the global food-system as a whole to interact with local consumption.

The Hong Kong food distribution system is in a state of flux. Rapid and unprecedented changes are revolutionizing the way an increasing share of Hong Kong's food is being sold. Though the 'cultural filter' of Cantonese dietary preferences has resulted in a good deal of growth in the seemingly more traditional fresh fruit and vegetable sector, these developments may be but a stop along the way to a fuller industrialization and internationalization of the food system. However the health of the FFV sector also shows the importance of local contingency, the fact that value addition is not necessarily always achieved by technological and capital inputs (e.g., by location) and that there are multiple modes of infusion for the world food system. The same may, in part, be said of the success of the convenience stores. Although these outlets seem to be more explicity conduits for the
introduction of global consumption norms their success is also due to the Hong Kong tendency to small establishments and the continued importance of locale in the Hong Kong milieu.

The supermarket is the clearest example of the emergence of the industrial palate. The tremendous increase in the supermarkets' sales indicates the increasing importance of industrial processed foods in the local food system and the emergence of a mass market in foods. The economic power of the supermarkets and the lure they hold for shoppers willing to change the way they shop have deeply effected the nature of the local food system. These outlets make the most of their advantages of scale, but in doing so they downplay the importance of geographical variability, thus, convergence is enhanced.

Trends outlined in this thesis suggest that the nature of various retail outlets may effect the consumption patterns of consumers. These changes are facilitated by the competitive edge of, for example, supermarkets and convenience stores. The retail outlets and the goods they purvey are acutely inter-related so changes in one area (eg. locale of purchase) enhance the prevalence of another (eg. types of goods purchased). Changes in the retail sector effect and reflect changes in the primary focus of this paper -- consumption patterns.
CHAPTER V.

CHANGING FOOD CONSUMPTION PATTERNS.

To this point the paper has outlined the context and constitution of the Hong Kong 'food-system'. It has focussed on describing the complexity of the interaction of scales through, and within various facets of the food system (eg. imports). The discussion has been most concerned with the 'logic', in a sense, the inevitability of capital intensification and convergence. Yet these broad brush-strokes have painted a rather circumstantial and deterministic image which has perhaps led the viewers eye away from the subject of the piece. The background is intact, it is now necessary to conclude by sketching-in some of the rather more human detail to find out how the trends outlined above are shaped by, and impact individual consumption choices.

As outlined above, as Hong Kong has developed and income levels have grown the average level of expenditure on food has declined. However, though food has come to occupy a smaller fraction of the Hong Kong expenditure matrix it is still the predominant expense (the more so the lower the income level). Food consumption and expenditure patterns are still a central part of the lives of most of the people of Hong Kong.
There are two distinct areas of change in the consumption habits of the people of Hong Kong. The first is the changing locale of eating. The second is the change in the types of the foods found in the Home Shopping Basket (HSB). These two themes are the focus of the remainder of this part of the study.

A. Meals Bought Away From Home (MBAH)

One of the major shifts in the food consumption patterns of the people of Hong Kong is in the locale of eating. Average expenditure on meals bought away from home (MBAH) increased from 7.5% to 19% of total expenditures between 1963/64 and 1984/85. (derived from Hong Kong Report of the Household Expenditure Survey 1984/1985. and Hong Kong, The Household Expenditure Survey 1963/64 and Consumer Price Index) This trend is symptomatic of the process of 'modernizing' food consumption patterns, and illustrates several key features of that process.

One can conceive of changes in the locale of eating as being something of a bridge between the rather structural variables outlined above (e.g. the requisites of supermarket shopping) and actual changes in food consumption; it is representative of both. The change in the venue of eating is
at once a change in food consumption patterns and it is
directly linked to the dynamics of a particular sector of the
food economy - the restaurant sector. To examine some of the
dynamics of the increasing trend 'to eat out', this section
will consider recent changes in the restaurant industry.

The restaurant industry has a number of unique features
which make it relevant to the discussion of this thesis. First, the restaurant represents an option whereby the consumer
can trade convenience and time-savings for money. The
restaurant thus adds value by delivering the required
commodities in an edible form at a time and a place which are
acceptable, if not pleasant in themselves (e.g. decor). Secondly, the clientele of the restaurant sector as a whole
tend to be wealthier than most. Thus, restaurants tend to
serve that sector of society most often identified as being the
least traditional and who act as foci of status emulation.
Thirdly, restaurants are relatively less susceptible to
'technological drag' than are household kitchens. The very
layout and the appliances found in traditional kitchens can
prove a limiting factor to new food adoption. Fourthly, as
restaurants are private enterprises they need to be highly
responsive to the market. The restaraunteur needs to be an an
astute social scientist. In many ways one can allow his or her
business acumen to inform a discussion on changing tastes.
Changes which are critical to his or her business.
which are critical to his or her business.


There are some significant trends developing within the Hong Kong restaurant sector (hawkers are omitted from this analysis due to a lack of data). These trends take two forms - continuity and change. In the former instance there is a continued burgeoning of sales in the restaurant sector (see Graph 8). In the latter case, there appears to be a notable

Graph 8.

Value of Total Receipts
(by Restaurant Type)

Source: Hong Kong Survey of Wholesale, Retail ... various years.
change occurring in the types of restaurants frequented (and in the types which show the most profit). Both of these trends reflect modernizing consumption and make the restaurant sector an important and useful analytical category in an analysis of the Hong Kong food regime.

The reasons for the growth in the restaurant sector are various. First, the Cantonese of Hong Kong have traditionally placed a great deal of emphasis on 'eating out' (Anderson 1977a, 1977b, Salaff 1981:209, Newcombe 1977:341). Indeed the propensity for dining out is a feature of even the lowest income strata's dietary regime (Chau 1980:499). The meal out is an important social repast on neutral grounds. As Graph 8 indicates this tradition is growing rapidly.

Other sources of the growth in the restaurant sector most likely lie in in the areas of increased income and changes in family structure (ie. in the indirect route). As more women enter the work force their families' incomes increase, however, the time available for household chores decreases. This characteristic trait of industrialized societies has been referred to as the propensity for people to become income rich and time poor. This rather bald assertion has some utility if one conceives of it in a relative manner. The increase in incomes and decrease in time available for chores such as cooking is a source of the increase in expenditures on MBAH.
It is into this niche that many restaurateurs move. They add value by saving time and labour (among other things) for the consumer. In essence the consumer trades back some of his or her income for more time. This is one facet of the nature of the restaurant business, but it is a critical one for this paper's purposes (it indicates the monetization of the routines of life).

In this view the consumer not only visits the restaurant for social purposes but also to make a transaction: money for time. In this context the consumer is likely to want to spend the least he or she can and devote the least time to the process. This is of course the role of the fast food outlet, however, that is to jump ahead in the argument. For the moment, one can assert that the increase in MBAH reflects the consumers willingness to purchase value-added in food (be that value-added a result of decor, the patrons, the 'image' or the speed of service of the restaurant). In Hong Kong the proclivity to purchase value-added in food is distinctly manifest in the robust growth in the restaurant sector as a whole. Graph 8 illustrates the generalized growth for the restaurant sector as a whole. The unadjusted growth-rate from 1977 to 1985 was 380%. A good deal of the buoyancy in the sector as a whole seems to be the result of growth in the Chinese Restaurant Sector (CRS). This trend is indicative of
the fact that the process of modernizing consumption is not solely made of repudiating traditional tastes.

2. The Chinese Restaurant Sector.

Restaurants in the CRS tend to be larger than either non-Chinese or fast-food restaurants. They also tend to do a higher volume of business per establishment. For instance (see Table 21 below), the level of sales per establishment in the CRS in 1983 was twice that of both non-Chinese restaurants and the fast food sector (FFS).

<table>
<thead>
<tr>
<th>Type of Outlet</th>
<th>Sales/Est.</th>
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<tbody>
<tr>
<td>Chinese Restaurant</td>
<td>HKD 3,860,000 / Est</td>
</tr>
<tr>
<td>Non-Chinese Restaurant</td>
<td>HKD 1,550,000 / Est</td>
</tr>
<tr>
<td>Fast Food Shop</td>
<td>HKD 1,690,000 / Est</td>
</tr>
</tbody>
</table>

Source: *Hong Kong, Survey of Wholesale, Retail... 1984*

The fact that CRS outlets are larger than the other types may seem to contradict some of the assertions made in this paper about the importance of 'scale' of operation. This is not really the case, and an explanation of why this is not so may serve to crystallize that facet of this paper's argument.

Scale is an important variable in the convergence process. At the micro-level, however, sheer size is not enough. Each
CRS outlet sits within a market rather than spanning a market. The internal dynamics of the individual outlet are unlikely to dominate any market sectors and therefore the convergence process may be traced more directly to 'exterior' structural forces rather than 'interior' market control (as may be the case with large food TNCs). Thus, the route to convergence through an individual, or small group of companies controlling the market, is not present.

Secondly, in terms of the food industrialization/convergence nexus, scale is not the key variable. What is important here is the level of capitalization, how value added is achieved. Until very recently the CRS was by far the least capitalized of the three major restaurant types (Table 22).

Capitalization of process is a key part of the emergence of the industrial palate (and thus convergence) especially at the micro-scale (as it is indicative of the increasing relevance of capitalist patterns of regulation). An important addendum to this assertion is the importance of the level of linkages between local and international actors (recall the vegetable seller linkages). The Hong Kong CRS exhibits neither of these traits very extensively and seems to dominate the market. What does this say about the ineluctable nature of capital penetration?
3. Comparing the 'Health' of Restaurant Types.

What it says is that the process is not linear but multi-levelled. Further, the industrialization and change in the Hong Kong food system is less visible (at present) in the big picture than if one looks a bit closer. The CRS is not as 'healthy' as some of the above figures might suggest. If one examines the growth, and 'health' of each sub-sector a different picture emerges. The growth-rate for the CRS from 1977 to 1985 was 340%, yet for the fast food sector (FFS) it was 1,181%. Granted the FFS began from a minute base and the absolute increase in sales is minimal when compared to the overall growth in the CRS, but this does not deny the trend. For example, even if one compares the most recent data (when the 'base' of the FFS is at its greatest) the difference in growth rates is most striking. Using the quarterly averages from October 1984 to September 1985 as base 100: the value of the receipts for Chinese restaurants in the second and third quarters of 1986 was 108, for the FFS it was 131. (Report on Quarterly Survey of Restaurant Receipts and Purchases. various issues) Further, sales per establishment are increasing faster in the FFS (30% from 1980-1983) than the CRS (10% from 1980-1983). (Hong Kong Survey of Wholesale, Retail... various editions) The 'health' of restaurant sectors can in some ways be discerned by the gross surplus per establishment.
Table 22. Characteristics of Restaurant Types

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<thead>
<tr>
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<tbody>
<tr>
<td><strong>Gross Surplus/Establishment (HK$)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chinese Restaurants</td>
<td>215,000</td>
<td>232,149</td>
<td>205,405</td>
<td>99,212</td>
</tr>
<tr>
<td>Non-Chinese Rest</td>
<td>96,427</td>
<td>119,497</td>
<td>73,111</td>
<td>103,567</td>
</tr>
<tr>
<td>Fast Food Rest</td>
<td>163,129</td>
<td>206,866</td>
<td>158,506</td>
<td>171,428</td>
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</table>

**Compensation for Employees, (pay/emp. HK$)**

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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Chinese Restaurants</td>
<td>22,138</td>
<td>25,638</td>
<td>29,716</td>
<td>32,966</td>
</tr>
<tr>
<td>Non-Chinese Rest</td>
<td>21,044</td>
<td>26,387</td>
<td>28,085</td>
<td>31,912</td>
</tr>
<tr>
<td>Fast Food Rest</td>
<td>23,029</td>
<td>24,329</td>
<td>27,156</td>
<td>27,363</td>
</tr>
</tbody>
</table>

**Capitalization Ratio**
(Gross Addition to Fixed Assets/Est. over Compensation to Emps./Est.)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Chinese Restaurants</td>
<td>14.9</td>
<td>14.5</td>
<td>14.7</td>
<td>20.2</td>
</tr>
<tr>
<td>Non-Chinese Rest</td>
<td>20.5</td>
<td>18.0</td>
<td>20.1</td>
<td>20.0</td>
</tr>
<tr>
<td>Fast Food</td>
<td>50.6</td>
<td>61.1</td>
<td>49.1</td>
<td>53.7</td>
</tr>
</tbody>
</table>

Source: Derived from data in Hong Kong, Survey of Wholesale, Retail, and Import/Export Trades Restaurants and Hotels, various years.

Table 22 indicates that the FFS has surpassed the CRS in terms of gross surplus per outlet. Importantly, it also seems to have been quicker to rebound after the generalized slowdown of 1982. Clearly an analysis of the FFS can tell one much about what is happening in the Hong Kong restaurant sector, and where and how people are increasingly eating out.
4. The Hong Kong Fast Food Sector.

The fast-food outlet does indeed seem to be the paragon of the processes being discussed in this paper. The sector is certainly one of the most high profile areas of convergence. There is no shortage of hyperbolic magazine or newspaper articles on the success of fast foods in Asia, or Hong Kong. The FFS seems a popular and highly visible icon for the less visible concerns of this paper.

In many ways the fast food outlet's characteristics are reminiscent of those of the convenience stores (they are indeed, very similar). Fast food outlets tend to be small (89% have fewer than 20 employees); they are also highly capitalized (see Table 22). The high level of capitalization may be linked to another characteristic: declining relative wage rates (in regards to other restaurant types). These traits are in some sense merely descriptive, not diagnostic. They tell one what the FFS looks like, not necessarily how it succeeds.

The three key areas for success in the fast food sector in Hong Kong, and generally are as follows. 'Branding', though linked to an international (e.g. McDonalds) not a national (e.g. U.S.A.) image (Fujita 1986) is critical to the success of fast food franchises. The consumer must be able to identify the outlet and the products it purveys. Secondly, location is
also important. In Hong Kong "the position is everything" (SCMP 4/7/86). Prime positions are in the CBD but as the market expands and competition deepens franchises disperse geographically, bringing the industrial palate with them. Thirdly, and most importantly, using the 'production system' (Fujita 1986: 26, Hirst 1983) is the key to the expansion of the fast food sector. McDonalds for example has 25,000 operating manuals (Fujita 1986).

The production of guaranteed standardized and branded food is the key to the fast food outlets origins and success (Hirst 1983; Fishwick 1978; or cf. Belasco 1987). It is the "science of selling" which gives the fast food shop its market advantage, and which also ultimately leads to the rationalization of available food types - and thus to the convergence of consumption patterns.

In Hong Kong the leader in the fast food industry is a local company called 'Cafe de Coral'. Though this company is ostensibly local, it fits quite smoothly into the mold of the globally franchised fast food outlet (with whom it competes). The competition in the FFS is fierce. In 1985 Cafe de Coral had a 21% market share. However, the market is growing so fast that Cafe de Coral management feel it must expand at a rate of at least 20%/annum to keep up (SCMP 5/18 1986). To do this it
will need to build seven new outlets at two to three million US$ each this year.

As the company's founder and managing director attests:

It is very expensive to maintain the companies' growth ... [But] ... Cafe de Coral has no choice, but to expand as fast as it can, otherwise its leading position will be taken up by its competitors. (SCMP 4/8, 1986)

Clearly, maintaining market share is an expensive proposition in a booming fast food industry. This is one reason why franchising is so popular and why very large (often self-financing) TNC's are generally so successful. They provide the techniques and products which have already been developed elsewhere (this trait can be viewed in a manner similar to the product-cycle hypothesis). Thus, the TNC's cost of expansion is very low and is often disproportionately devoted to marketing. The competitive edges, international image, and production systems of the well developed fast food franchises in some ways force the competitors to mimic certain facets of their marketing approach. Thus, convergence is enhanced.

The sheer capital intensity of the enterprise of entering the fast food market requires a scientific approach to selling - to the manufacture of food in a distinctly industrial manner. What one might assert to be the case then, is that the fast food outlet becomes a very small scale food processor (as are
all restaurants) and one which is very much integrated into the production and maintenance of the industrial palate. Its success marks the penetration of the process of the industrialization and thus the convergence of food consumption patterns.

The Hong Kong fast food sector exemplifies the interplay of local economies and ecologies with the imperatives of international capital. At one level the nature of "franchising" epitomizes the relationship of transnational capital and the local bourgeoisie. At another, the very introduction of highly capital intensive and 'scientific' production and marketing techniques elicits a response from local competitors to do likewise. Thus the local entrepreneur acts as the local agent of change in a much larger framework.

An intriguing illustration of the process of competition bringing about change is seen in Table 22. Although the variability of these figures leaves them inconclusive, one might assert that there has been a notable increase in the capitalization of the CRS. This may or may not be due to the growth of the FFS, whatever may be the case, the competitive milieux in which individual managers have found themselves, led them to increase their rate of capitalization. The rate of capitalization, as discussed above, is a critical variable in
the process of industrialization and convergence of food consumption.

5. In Summation.

The rapid growth of the FFS is indicative of the two key changes in food consumption patterns among the people of Hong Kong. Both the types of food consumed and the place of consumption are undergoing major shifts. Eating meals outside of the home presents a useful metaphor for the changes in local food consumption patterns, they are increasingly less enveloped in the traditional context of home and family and more ensconced in the context of the industrial palate. These shifts are the response to (among many things) the marketing power of fast food outlets, the impact of status emulation, the 'efficiency' of the production schemes of chain-restaurants, the increasing level of value-addition in the food system as a whole, the increasing stress on the time-economies in the home, and the local predilection to dine out. Thus, the sources are many; but the result is the adoption of increasingly common global consumption norms.

B. Changing Consumption Patterns at Home

Changes are also occurring in the 'home shopping basket. Changes in home consumption profiles are one's most accurate
gauge of the result of the balancing of choice and constraint. In fact, it is through consumption that the influence of the tangible and intangible forces outlined above become manifest. In light of this centrality, one might well ask just how one defines consumption. For this section of the paper's purposes consumption is considered to be the act of consumption/purchase. Such an approach has drawbacks. Clearly the act of purchasing food is not the end of the food cycle. Goody (1982), for example, proposes three stages after the purchase (these are cooking, eating and cleaning-up). Changes in the distribution of food or chores in any one of these areas is likely to be illuminating. It would, for example, be very useful to have a coherent data set on absolute (i.e. quantity of) consumption by income group and within the family. In this way one would get closer to the very functioning and dynamics of changing food consumption patterns. Such information is not at present available. Fortunately, due to the specific focus of the present paper this data shortfall is not as crucial as it might have been if one were looking at changing food distribution.

Though the topic of this paper is overtly concerned with diet; nutrition is beyond its purview. What is important here is not so much the quantity or quality of food or nutrients consumed, but rather the results of the interaction of consumer choice with an over-arching food system. The focus here is on
changing preferences and tastes within a set of constraints. With some caveats these changes can be discerned by shifts in priority within a family's entire consumption/purchase decision profile (i.e. 100% of expenditures). As most people in Hong Kong must purchase their food, the relative weightings of expenditure by foodstuff grouping should be broadly indicative of the interplay of choice and constraint as manifest in purchase decisions.

1. The Home Shopping Basket.

The home shopping basket (HSB) is that section of the expenditure on foodstuffs which excludes expenditures on meals bought away from home (MBAH). Simply put: \( HSB = \text{Total foodstuff expenditures} - \text{MBAH} \). The HSB is a useful category because it allows one to examine a differentiated totality within which shifting 'shares' may be discerned. There are no data on the specific food types consumed in restaurants. The HSB represents 100% of a given (in this case home food) consumption decision profile. In this paper, analysis will look at changes in the 'share' of various food products within this totality.

There is no \textit{direct} correlation between shifting food preferences and changes in expenditures. What expenditure patterns do is give one some indication of broad trends within
a shifting market of changing supply, demand; prices and incomes. (This point will be more fully discussed in the following section on foods showing a decline in expenditure shares.) The weakness of the 'share of expenditure' approach: its susceptibility to variances in prices and total expenditure levels, is also its strength. What is important is how people prioritize their food consumption/purchase choices.

With these cautions and concerns in mind one can turn to the data set. Table 23 lists the food-groupings gaining an increasing share within the HSB between 1963/64 and 1979/80, ranked by nominal percentage change. This refers to their actual increase in percentage share of the HSB.

Changes in expenditure patterns as seen in Table 23 are supportive and reflective of shifts we have noted elsewhere in this analysis, and of our assertions about the industrialization of the Hong Kong food system and diet. Few of the 'growth-areas' in expenditure distribution could be termed traditional (e.g. pork, rice products, and fresh vegetables, though these are still important portions of the expenditure profile).
Table 23
Foodstuffs Increasing Share of Home Shopping Basket Expenditures
From 1963/64 to 1979/80
All Surveyed Population

<table>
<thead>
<tr>
<th>Rank</th>
<th>Foodstuff</th>
<th>Nominal Change %</th>
<th>% Rate of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1)</td>
<td>Fruit, Fresh</td>
<td>4.69</td>
<td>100.4</td>
</tr>
<tr>
<td>2)</td>
<td>Meat/Poultry, Frozen</td>
<td>3.26</td>
<td>N/A*</td>
</tr>
<tr>
<td>3)</td>
<td>Fish, other</td>
<td>3.23</td>
<td>587.3</td>
</tr>
<tr>
<td>4)</td>
<td>Confectionery</td>
<td>1.40</td>
<td>170.7</td>
</tr>
<tr>
<td>5)</td>
<td>Meat/Poultry Tinned</td>
<td>.95</td>
<td>N/A*</td>
</tr>
<tr>
<td>6)</td>
<td>Meat, other</td>
<td>.91</td>
<td>18.4</td>
</tr>
<tr>
<td>7)</td>
<td>Foods, other</td>
<td>.61</td>
<td>14.8</td>
</tr>
<tr>
<td>8)</td>
<td>Fruit, other</td>
<td>.57</td>
<td>203.6</td>
</tr>
<tr>
<td>9)</td>
<td>Tea, Coffee, Soda, Juices</td>
<td>.48</td>
<td>25.0</td>
</tr>
<tr>
<td>10)</td>
<td>Biscuits</td>
<td>.27</td>
<td>33.0</td>
</tr>
<tr>
<td>11)</td>
<td>Milk, fresh</td>
<td>.20</td>
<td>36.4</td>
</tr>
</tbody>
</table>

* This grouping, not in 1963/64 tables.

Sources: Derived from Report of the Household Expenditure Survey ... 1981, 1965
### Table 24

**Foodstuffs Decreasing Share of Home Shopping Basket Expenditures**

**From 1963/64 to 1979/80**

**All Surveyed Population**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Foodstuff</th>
<th>Nominal % Change</th>
<th>% Rate of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Rice</td>
<td>-8.4</td>
<td>-56.0</td>
</tr>
<tr>
<td>2.</td>
<td>Eggs</td>
<td>-2.9</td>
<td>-61.5</td>
</tr>
<tr>
<td>3.</td>
<td>Beef, local</td>
<td>-1.3</td>
<td>-30.2</td>
</tr>
<tr>
<td>4.</td>
<td>Dried Sea Products</td>
<td>-1.0</td>
<td>-40.5</td>
</tr>
<tr>
<td>5.</td>
<td>Pork local</td>
<td>-1.0</td>
<td>-8.5</td>
</tr>
<tr>
<td>6.</td>
<td>Milk Powder</td>
<td>-0.8</td>
<td>-32.8</td>
</tr>
<tr>
<td>7.</td>
<td>Freshwater Fish, Fresh</td>
<td>-0.6</td>
<td>-9.9</td>
</tr>
<tr>
<td>8.</td>
<td>Breadcakes</td>
<td>-0.5</td>
<td>-10.0</td>
</tr>
<tr>
<td>9.</td>
<td>Beans/Peas</td>
<td>-0.4</td>
<td>-65.5</td>
</tr>
<tr>
<td>10.</td>
<td>Sugar</td>
<td>-0.3</td>
<td>-36.6</td>
</tr>
<tr>
<td>11.</td>
<td>Vegetables, Other</td>
<td>-0.2</td>
<td>-19.5</td>
</tr>
<tr>
<td>12.</td>
<td>Vegetables, Fresh</td>
<td>-0.1</td>
<td>-1</td>
</tr>
<tr>
<td>13.</td>
<td>Other Cereals</td>
<td>-0.1</td>
<td>-4.9</td>
</tr>
</tbody>
</table>

Indeed, the food groupings showing gains have tended to be of the more processed and value-added types (e.g. more so than cereals, eggs etc.) The leading growth sector is fresh fruits, these fruits are increasingly coming from further and further a field. Frozen meat and poultry are amongst the original industrial foods (see Horst 1974). 'Fish other' includes processed, canned, and frozen fish. 'Fruits other' are solely preserved and/or processed. Confectionery products are of course processed and exemplify a second underlying trait--branding. Most of the foodstuffs showing an increasing share of expenditures are subject to branding; they are processed, 'international', and highly capitalized 'industrial-food' types.

The groupings showing a declining share of expenditures in the population as a whole tend to be more traditional. The food groupings showing a decline in share of expenditures are listed in Table 24. The reader will note the local, traditional low value-added and 'staple' nature of these foodstuffs. In fact this listing seems almost an inventory of traditional food types. The consistency of the traditional nature of foods showing a decline is so marked that it raises some concerns about just what this data set is telling one.

One might well wonder whether the perceived drop in the share of expenditures is not likely to be due to a decline in
the price of these goods or an overall increase in real income levels. Such events might cause the proportion of expenditures given over to traditional staples to drop. This is because staples tend to be price and income inelastic.

In general it has been shown that underpriced food from China has allowed Hong Kong a unique immunity to the food price inflation that so often accompanies rapid industrialization (Chau 1983:197). Chinese policies have suppressed the price of staples in general, especially in comparison to other foodstuffs. While rice prices rose about 2.5 times from 1963 to 1985 foodstuffs in general increased approximately 3.5 times. Some foodstuffs experienced even more rapid price climbs. Oranges, for example, increased in price over 4.5 times from 45 cents in 1968 to 2.03 HKD per piece in 1985. In such a situation if one's tastes remained constant (and ability to purchase was not a problem) than the share of rice would decline and the share of oranges would increase. This is not, however, to say that the data are of little use, quite the contrary is the case.

The probability of uneven price changes fits within the parameters and nature of the present argument for at least three reasons. First the decline in the relative price of rice may be a reflection of a lack of demand (though it is more likely to be a result of a lack of demand and over supply).
The second reason is perhaps more crucial to the present argument. The decline in the relative price of rice is only to be expected, as the rest of the food market becomes more capital intense and contains more 'value-added'. Food prices in general are increasing because of general inflation, but also due to the increased levels of processing and value-addition. This tendency occurs unevenly. Traditional staples like rice are not as subject to these latter pressures as are other areas such as livestock or more processed goods.

Finally the relative decline in the price of staples is critical to the whole process of intensification/convergence. This is true in both the consumption and production spheres. An increase in income levels relative to the price of staples leaves more income available for discretionary spending. This in turn increases the potential for shifting consumption patterns. The increase in discretionary spending also creates an available market niche for transnational and national vendors. The generalized tendency for the relative value of staples to fall over the long-term is a source of the continuing need of producers to add value, and of the ability of consumers to purchase that value-added.

Yet another point to come out of the analysis of expenditure data is the need to place them in context. For
example, one can show that the decline in rice's share of expenditure is in fact due to decline in overall consumption levels by examining data from other elements of the food system (similar analysis also confirms the downward trend in other staples). Per capita rice imports and local production have plummeted. Thus, by examining the 'food system' as a whole one can assert that there has been a decline in rice consumption.

Rice has been singled out because it has experienced the greatest decline in expenditure levels (though it still occupies a large proportion of expenditures) and because it is the centre of the traditional meal. The Chinese word for meal and rice is 'fan'. Other foods are merely 'sung'--additives.

Clearly, from the evidence on expenditures Hong Kong food consumption patterns are undergoing a radical transformation. The general nature of this change is away from traditional staples (exemplified by rice) and towards foods containing more value-addition and processing. These foods also tend to be more international in nature. It would seem that overall expenditure patterns do confirm the nature of the processes outlined above. Yet there is need to look more explicitly at the internal dynamics of the change. One way of doing this is by looking at differences in expenditure levels by expenditure cohorts.
a. Analysis by Expenditure Cohorts.

Comparing expenditure levels overtime for specific target cohorts is extremely, if not prohibitively difficult. Therefore, the attempt here is to discern the impact and variability of food preference patterns by expenditure level at a given time. Beginning with the 1963/64 data two expenditure cohorts have been abstracted.

1963/64

<table>
<thead>
<tr>
<th>Cohort</th>
<th>% of exp. on foodstuffs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Upper Expenditure Cohort (UEC)</td>
<td></td>
</tr>
<tr>
<td>1963/64-2,000,2/499/$ biweekly</td>
<td>26</td>
</tr>
<tr>
<td>2) Lower Expenditure Cohort (LEC)</td>
<td></td>
</tr>
<tr>
<td>1963/64-300-399/$ biweekly</td>
<td>56</td>
</tr>
</tbody>
</table>

Note: Cohorts defined as per Hong Kong Statistics Department.

Table 25 below illustrates the differences in expenditure patterns by expenditure cohort. The emergent scheme is not very surprising. LEC expenditures tended to emphasize locally produced, traditional staples (in this they likely had little choice). The UEC tastes tended to the cosmopolitan. Again, one must allow that the higher absolute levels of expenditure leaves more room for non-staples (due to staples inelasticity) but this does not explain the types of alternatives adopted. UEC preferences show a strong international bias. UEC preferences tend to become models for the diffusion of consumption patterns to the rest of society.
Table 25
1963/64 Differential Allotment of Expenditures

<table>
<thead>
<tr>
<th>A. LEC % exp. notably &gt; UEC</th>
<th>B. UEC % exp. notably &gt; LEC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rice</td>
<td>Sea Products dried</td>
</tr>
<tr>
<td>Fish, Saltwater, Fresh</td>
<td>Biscuits</td>
</tr>
<tr>
<td>Fish, other</td>
<td>Poultry</td>
</tr>
<tr>
<td>Vegetables, Fresh</td>
<td>Meat, other</td>
</tr>
<tr>
<td>Fish, Freshwater, Fresh</td>
<td>Fruit, Fresh</td>
</tr>
<tr>
<td>Vegetables, others</td>
<td>Fruit, other</td>
</tr>
<tr>
<td>Beans/Peas</td>
<td>Coffee, Soda, Juices</td>
</tr>
<tr>
<td></td>
<td>Milk, Fresh</td>
</tr>
<tr>
<td></td>
<td>Butter, Cheese</td>
</tr>
<tr>
<td></td>
<td>Confectionery</td>
</tr>
<tr>
<td></td>
<td>Foods, other</td>
</tr>
</tbody>
</table>


The reader may note a rather startling fit between Tables 25 and 23. All foodstuffs for which data were available in 1963/64 (except fish, other) which showed an increase in their share of consumption (Table 23) are to be found on Table 25, which shows the 1963/64 food preferences of the upper expenditure cohort. So while consumption patterns do differ between cohorts at a given time there is also an apparent essential holism. Though one need assert no direct casual linkage; this apparent 'trickle-down effect' conforms to the consumption models outlined by Filguera (1981), Kumar (1978), Armstrong and McGee (1985) and others.

The problems with comparing specific expenditure cohorts (especially with the Hong Kong database) over time are so extensive that one can only gingerly point to some perceived
variations in consumption patterns between expenditure groups and overtime.

At base the tendencies are for changes in the UEC expenditure profile to be towards even more expensive branded 'luxury' foods (e.g. confections), within the LEC the trend has been towards food containing value-added also. However, this trend is itself set in a shift towards greater apparent consumption levels of more 'basic' foods (though not necessarily 'traditional' e.g. milk, red meat). Increased incomes have allowed the poor of Hong Kong to purchase food coming from more distant sources (e.g. vegetables from the U.S.) They have also brought the poor's consumption practices within the web of the international food system and food transnationals.

The direct impact of the global food-system is more prevalent as one moves up the expenditure ladder. It is also more prevalent as one moves forward through time. The conclusion to be reached, therefore, is that one is witnessing the diffusion of consumption patterns across income levels within the spatial confines of Hong Kong over time.

In terms of the Home Shopping Basket, the daily consumption patterns of the people of Hong Kong are changing. These changes are indicative of much larger trends lying below
the societal surface. These trends are shaped by the interactive forces of the world food-system and 'social change' (i.e. the direct and indirect routes to convergence) occurring within the context of the local milieu.
A. THINKING ABOUT CONVERGENCE.

Advertising is becoming internationalized rather than Americanized -- the only trouble is telling the two apart. (David S. Nicoll, cited in Anderson 1984:87)

Despite the seeming acuity of Nicoll's observation it is important to emphasize that convergence is not westernization. This is so because the process is not simply one of unilinear cultural domination. Though cultural domination is an important ingredient in the mix which results in convergence, its roots lie deeper than that. Convergence is a process whereby there is a unification of global consumption norms. These consumption norms are global not merely national. For example, in marketing McDonald's in Asia the emphasis is on the international brand name not the nation of origin. (Fujita 1985)

Despite the global nature of the process, local variables and actions are not inconsequential. Local place is the cauldron where global trends are played out. These trends have many sources at many levels. To examine this subtle and multivalent process and totality one needs to use an equally
1. Convergence as Discourse.

Having worked through the analysis it now seems useful to reflect and to see if one can discern any broader theoretical propositions. A useful way of conceptualizing socio-cultural change (including shifts in consumption practices) is in terms of an evolving 'discourse'. In this usage, the term discourse refers to the sum of the inputs and interactions of various actors within a given set of social milieux. As Thrift has written,

... social activity in any region takes place as a continuous discourse, rooted in a staggered series of shared material-situations that constantly arise out of one another in a dialectically linked distribution of opportunity and constraint, presence and absence. (Thrift 1983:38)

It is the evolving totality which encompasses and expresses the interplay of agency and various structures. A discourse must be seen as an active category, local inhabitants are not passive 'dupes' but active participants. What this concept may lack in precision it makes up for in veracity and utility.

The analogy of a discourse is useful for a number of reasons. Firstly, it implies the importance of interaction and does not posit any primary and/or determining causal relationships. A discourse requires at least two participants
and is the expression of dialectical interaction. Yet it is also more than this, it is both the product and the context of multiple levels of social interaction. This is also true of the convergence process, it is not simply a matter of western hegemony, but rather it is the summing of various inputs within the context of an evolving totality.

More critically, the main utility of the concept of discourse lies in the way one can use it to draw out the central dynamics and constituents of convergence in an integrated manner. This can be done through conceiving of the discourse in linguistic terms. Along these lines one can envision the elements of a discourse to be constituted by grammar and vocabulary. These two terms may be employed to help underline the basic parameters of converging consumption patterns within the setting of the discourse that is the food system and the more general discourse of local place.

a. Grammatical Structures and Food Systems.

The grammatical aspects of a discourse are broadly similar to those which are sometimes termed 'structure'. This grammar is manifest in the physical structure of the food system but its roots lie deeper and are more abstract. The 'grammatical pattern' of a food system is the result of the interplay of numerous sub-sets of grammars. In this sense, the capitalist
patterns of regulation of this paper are one set of grammatical rules. There are others. These include, as examples, local ecological factors, local business culture, and local taste preferences. It is the mix of these grammatical patterns that structures the food system. One can utilize the concept of grammar to represent the 'logic' of the food system. However this grammar is not some 'super organic' entity which determines the shape of the resultant situation. Grammar is maintained and altered by its constant utilization by numerous 'knowing actors'.

Traditionally the grammar (or the structural context) of food systems was tightly linked to local productive possibilities. That is, the logic of the food system was largely derived from local ecological forces (natural patterns of regulation) such as the carrying capacity of the land and seasonality. These parameters would be fused through local power relations and ideologies (political and cultural patterns of regulation) to result in local consumption patterns.

However, with the coming of urbanization and industrialization the dominance of local ecological factors waned. The basis of this decline was the widening geographical separation of food production and consumption. Paradoxically, as the potential for increased local agency developed another factor was emerging which would take the place of ecology in
outlining the structural contexts of food availability. This new regulatory grammar was more subtle but no less important. It was based in the process of exchange. Eventually, the grammar of the market has come to be etched by the 'invisible hand' of capitalism.

It is the genius of the capitalist marketplace that through the 'free' action of exchange the system is reproduced, in fact driven, by 'free' agents making 'rational' choices. However, as this paper emphasizes, consumers are not completely free agents. Though the process of 'exchange' allows for a seemingly wide range of selection, this selection is none-the-less constrained by the over-arching impact of the 'concrete abstraction' (Harvey 1985) of capitalist patterns of regulation which increasingly come to structure the entire food system. Thus, paraphrasing Poulantzas, one might say that there is a 'relative autonomy' of consumption potentials. Consumers, distributors and producer/processors all employ agency, but increasingly this agency needs to be seen as occurring in the structural context of capitalist patterns of regulation.

These patterns are not solely comprised by the intangible structure of the 'law of the market' (though the drive to accumulate is their source). They may also be found in the more tangible logistics of 'how things get done'. The
capitalist pattern of regulation is manifest in the systems of production and distribution outlined in this paper. For example, the marketing 'science' of the fast food outlet or the convenience store express an adaptation to the parameters of the patterns of regulation of capitalist economics, but they also may carry those parameters through space (though, as the examples indicated, these 'systems' are often dependent on local social support). They are a model of success within the broad patterns of regulation, and they are quite clearly outlined, having been honed by experience. When the local entrepreneur adopts these systems he or she not only facilitates the distribution of industrial foodstuffs but instantiates the reality of the broader framework. Thus, the grammar of the food system need not be seen only as an intangible market force but is also expressed in the techniques and technologies which underlie the industrial palate.

However it is unwise to suggest that these learned systems are the key to the grammatical structure of the food system. This lies in the imperative that capitalism brings to a given sector. The competitive nature of the capitalist pattern of regulation means that in order to succeed one needs to adjust to 'the laws of the market' (in balance with local variables). People must adjust to the 'economics' of their decisions or be marginalized. As Wallerstein has written,
accumulation per se, and tends to eliminate individuals or groups who resist its logic. (1984:27)

Local agents in the food system must increasingly make decisions within the frame of economic (in the monetary sense) parameters. This fact was seen again and again in the present study in the actions of large transnationals, Chinese immigrant agriculturists, local food retailers, restaurateurs and consumers. The grammar of capitalist patterns of regulation has come to impinge on individual choices more and more. The convergence process is a reflection of this growing impact. Increasingly, capitalist market rationality, framed in the context of a global market is coming to dominate the grammar of the Hong Kong food system as discourse.

Grammar provides a framework for, but does not define the nature and specificities of a discourse, this is generated in situ through differing perceptions of the nature of the grammatical imperatives and through the agency of locals, including the agency of consumption. Local agency defines and reconstitutes the structure of the grammar and fills it with the texture of vocabulary.

b. The Vocabulary of the Food System as Discourse.

The utility of the concept of vocabulary lies in the way that it covers the middle ground between structure and agency. In many ways it expresses the manifestation of the interplay of
the structure of grammar and the agency of expression (in this case the act of consumption). In the food sector one can conceive of the 'vocabulary' as being analogous to various foodstuffs within the food system. The most important feature of the discourse analogy for the goals of this paper is the nature of the syntactical relationship between grammar and vocabulary.

c. The Syntactical Relationship Between Grammar and Vocabulary.

The grammar provides the structure; the vocabulary provides the content (in this case the foods produced, circulated and consumed). There is a close linkage between grammar and vocabulary (as well as economic structure and the goods available), yet neither directly determines the other. Within the general grammar of the capitalist world food market the actual constitution (ie. the specific goods available) is not a given.

Though it is often the case that the vocabulary of the global marketplace is a reflection of 'western input' this is not necessarily always the case. The examples of Raegae music and Nehru Jackets come to mind. In fact, the global vocabulary of industrial foodstuffs is particularly eclectic in its 'sourcing' of products. A trip down the aisles of one's local
supermarket will quickly confirm this assertion. One is beset by a variety of frozen (Indian) samosas, packaged (Japanese) noodle-soups and a plethora of preprocessed (Mexican) taco delights.

What is of central relevance is not simply the origin of foodstuffs (though this is important) but their generalized acceptability and marketability, how well they can fit the grammar of the world industrialized food system. The parameters of 'fit' include how easily a foodstuff can be processed (produced), transported (circulated) and thus marketed (consumed) throughout the global food system. The key to convergence lies not simply in the specific types of food consumed, but how they come to be shaped and reshaped within the context and constraints of a world industrial food system.

Certain foodstuffs through historical contingency or planned development, 'fit' the grammatical structure of the world food system better than others. These goods express the texture of convergence but do not necessarily underlie it. This is one reason why this analysis concentrated on the structural context of Hong Kong's changing food system. The surface appearance of the types of foods consumed is important primarily in terms of their relationship and integration with the broader grammatical parameters of the industrial palate.
These parameters are increasingly etched in the stark, placeless rationality of the globally oriented capitalist pattern of regulation.

2. Discourse in Place.

The specific nature of the local setting is also of critical importance. This is because foodstuffs (as vocabulary) must not only 'fit' the grammar of the food sector but must also be able to find a niche in the local social formation as a whole. Indeed, it is in the dominant social patterns of regulation that the indirect and direct routes to consumption changes outlined above meet.

One can also use the discourse analogy at the more generalized and abstract level of the social formation. Within a given social formation the overall grammar is constituted by a number of inter-linked grammars or patterns of regulation (e.g. ecology, tradition/ideology, politics or economics). Some of these tend to be generated locally. These are often very place specific. Others are less distinctly linked to a given place, their roots are more disperse and/or distant.

This latter grouping includes the generalized capitalist pattern of regulation. Indeed the success of capitalism as a social system (Giddens 1984) lies in its geographical
transferability (see Brookfield 1975:26). Yet it is important to maintain that it is not capitalism as 'superorganic' entity that has come to span the globe. Rather, it is the increasing reification of capitalism by numerous actors which 'instantiates' it and brings the internal dynamics of a capitalist market place to bare on local place.

There is a momentum to this trend, so that the more people act in this manner the more the structure seems real, (this may be particularly true in Hong Kong where there is a Chinese tendency to follow precedence in economic matters -- Leeming 1979:7). The more it becomes a primary mode of coming to terms with one's changing environment and thus in interacting with one's environment, the more it effects that environment. If one accepts that we all take part in the construction of the social whole (some much more than others) then the reflexive impact of this development becomes apparent. By acting in the context of capitalist patterns of regulation people reshape the nature of their milieu and thus themselves (Marx, Capital. Vol. 1 p.77, Cited in Harvey 1982:102). The ironic fact is that although the 'world system' provides a context for the diminishment of place specificity as expressed in the convergence of consumption practices, the 'decline of place' occurs in situ.
In very broad terms one can view the convergence process as being indicative of the increasing impingement of a more generalized, indeed globalized set of grammatical imperatives on local places. This perspective is echoed by a number of writers (see as examples, Friedmann and Weaver 1979:168; Harvey 1983:3; Urry 1981:104; or Raffestin and Bresso 1979) However, as this thesis has suggested, the decline of local regulatory patterns can not be seen as a linear progression. This is because people do live in places and in families where other parameters, one's not solely based on economic rationality, come to the fore.

In Hong Kong, experiencing as it is, an unprecedented level of industrialization and social change, the social whole is in a period of extreme flux. This does not mean that capitalist patterns of regulation will continue in a teleological manner to wipe the slate of local place clean, leaving a tabula rasa, rather that in the context of the present study, capitalist patterns of regulation are increasingly evident in the emergence of the industrial palate. Though it is not the sole determinant of individual action in Hong Kong, it seems to be playing an increasing role in the structuring of the actions of individual producers, distributors and consumers of foodstuffs in Hong Kong.
At present as Hong Kong is undergoing a rapid phase of social change, the tendency has been for there to be an increasing industrialization of the local diet, a mass-cuisine for the emergent proletariat. This may not be the end of the road. For example, in the West other forces are reacting to the homogenization of diet. This is seen in the boom in food boutiques, ethnic foods, and public markets. Though these developments still occur in the context of an over-arching capitalist ethos (for an excellent discussion of ethnic fast foods see Belasco 1987) they exemplify the importance of other, local variables in the complex melange of taste and needs; choices and constraints that shape the decisions of individual consumers.

Strong local biases will continue to effect the vocabulary of available foodstuffs. For example, when Kentucky Fried Chicken moved into the Hong Kong market it enjoyed some initial success. However, when they introduced the corporation's usual production techniques the type of fat used was objectionable to local tastes. Within months Kentucky Fried had left the Hong Kong market. Thus, foodstuffs as vocabulary must also fit local tastes. The discourse is thus the result of the interaction of the macro and the micro, the general and the specific, in the uniqueness of each place.
B. POLICY ISSUES.

The trends discussed to this point demonstrate an increasing role for capitalist patterns of regulation in the local milieu. Below, I outline some of the more problematical results of this process. The question which arises is how does one counter these tendencies. If one accepts that capitalism is a system of regulation, then one needs to look for other patterns of regulation to counter the capitalist one. In some societies, the natural development of this counterbalancing, can be seen in explosive fundamentalist revolutions (notably Iran). This eventuality seems unlikely in Hong Kong. The most feasible approach would seem to be a political response. This is not necessarily to suggest an increase in direct state regulation (an equally unlikely probability in 'laissez-faire' Hong Kong) but rather policies designed to build up the strength and vibrancy of the local small scale sector. It is necessary to focus policy on the strengths of 'place', for it is in place that the 'political' counterbalance to capitalist patterns of regulation must arise and does arise. (Dunleavy 1980; Wallerstein 1984; Scott 1985; and Castells 1983)

1. Effects on Poorer Consumers.

The pervasiveness of the impact of the transformation of the food system is a very important point. As the process of
capitalization and increasing articulation with the global food system moves apace it effects a larger and larger share of the population. As certain techniques or goods come to dominate (and shape) the market the number of other potential options declines (e.g. the decline in grocers). When one combines these structural developments with the power of advertising, image-marketing, and status emulation then the convergence process may impact groups who in fact do not have the income to support the new mode of consumption. A food system based on capitalist patterns of regulation is quite obviously not likely to be beneficial to those in a society who do not have capital. It is in this trend that one finds the most pressing problem resulting from convergence.

The central policy issue concerning the increasing industrialization and convergence of food consumption patterns is how they come to effect the very poor. The availability of food types becomes circumscribed as the depth of penetration of the world industrial food system grows. Clearly not all income groups are experiencing the increases in income necessary to support the increased purchase of value-addition. In some societies this group may in fact form the majority. In Hong Kong at present the relatively widespread benefits of growth have enabled much of the populace to experience the fruits and the drawbacks of the industrial palate. However, the
alteration of the local food system may come to effect the range of available food choices to the more marginal members of a given society. These shifts in the local food system may have a negative effect on the food selection possibilities of the poor of a given society who can not afford to purchase the high level of value-addition found in industrial foodstuffs.

Of growing concern to a number of authors is the deleterious health impacts of new foods (See Kaplinsky 1979; Behar 1976; Yaprak 1986; or Chetley 1986). The most high profile topic in this area is the 'baby food' issue. Through advertising and marketing techniques food TNC's (Nestle most notably) have foisted on to many Third World consumers the idea that 'west is best'. Increasing consumption of these highly processed foods in the context of low incomes has resulted in disastrous health consequences. This is because consumers can not afford to completely buy into the new consumption regime. They purchase inadequate levels to maintain health. This tendency most clearly indicates the shift away from traditional cost-effective, home, and healthy food.

International regulation proved ineffective in addressing this problem. The international leviathan of the world market is in many ways unmanageable. The fight against baby food substitutes had to occur in situ. (in the core through consumer boycotts and in the periphery through education campaigns and
local organization -- Chetley 1986) So too with the general case of increasing purchase of other industrial foods of questionable nutritional value and cost-effectiveness. Active local policy frameworks are needed to counterbalance the problem of inadequate consumption levels among the poor.

However, as the Hong Kong study has indicated, the efficiency of capitalist delivery mechanisms, in the context of increasing income levels can 'deliver the goods'. The poor of Hong Kong have increased their consumption of healthy staples as well. The problem lies in the shift towards less healthy heavily processed foodstuffs. As I have argued, though the food system is driven by the production sphere its nuances are the result of consumption parameters. Thus, a key variable is to counterbalance the dominance of advertising, and status emulation and introduce an ethos that emphasizes the importance of healthy alternatives. (as seems to be occurring in the West). This must be done at the local level.

The benefits of processing (i.e., less post-harvest food loss and economies of production, and advanced distribution techniques (again the decline in spoilage and a lowering of prices for packaged, processed foods) can greatly facilitate an improved diet for the poor. It will, however take 'pro-active' policy decisions; ones set in the framework of an understanding of the food system as a whole and emphasizing the 'local' in
the discourse between micro and macro trends to fully reap the potential benefits.

2. Other Policy Issues.

Other policy issues revolve around the employment ramifications of an increasingly capitalized food system for regional small scale market farmers and local hawkers. Whereas western societies saw an evolutionary change in the employment structure of the food sector (except, perhaps, some might argue for 'the enclosure movement'), 'developing' societies, typified by Hong Kong are undergoing a revolutionary change.

It is difficult to gauge the trend in the process of conservation/dissolution. Is one witnessing the collapse of the economically inefficient (in neo-classical terms) but socially beneficial 'involutionary' distribution systems? If so, do the benefits of more efficient food distribution systems counterbalance the loss in employment and local vitality? It can be argued that they do not. The increasing impingement and market control of large scale distributers may be more 'economically rational' but it can be how socially beneficial they are. This is so for two reasons. First, the employment ramifications of this trend are self-evident. Secondly, the growing market control of large scale capital exemplifies a second trend which seems to accompany the process of
convergence in open market, urban and globally articulated areas -- divergence. (on the convergence/divergence nexus see Armstrong and McGee 1985)

In the Hong Kong case it is apparent that despite the growth in the Fresh Fruit and Vegetable sector, the lions share of the local food distribution system is increasingly controlled by the two biggest economic actors in the city: the 'hongs' of Jardine-Matheson and Hutchison-Whampao. Fewer actors are accumulating more of the wealth from the food system. Thus, the convergence process seems to be linked to divergence. The dissemination and homogenization of consumption patterns is mirrored by a concentration and accumulation of control and wealth in the hands of a few. This is perhaps not surprising as it is in the nature of capitalism as a social system that capital accumulates. The situation in Hong Kong is aggravated by the move of the hongs 'off-shore' to international financial centres (Jardine-Matheson is moving its corporate headquarters to Bermuda). Thus, the growing impingement of capitalist patterns of regulation, expressed and facilitated by changes in the food system, may have very deep ramifications for what the french regulationists call the 'regime of accumulation' (see Lipietz 1987). The convergence process at this level supports global, concentrated accumulation not local diffuse accumulation. This tendency needs to be countered.
The second issue, that of the impacts on the local small scale producer is no less critical, but smaller in scale (in the Hong Kong case). Throughout Asia there is a divergence in the desires of urban populations for the cheapest and/or often foreign foodstuffs and the needs of local producers of traditional foodstuffs. Local producers are caught in a double bind. On the one hand they are increasingly immersed in the cash nexus and facing the debts that seem to accompany modern food production techniques; on the other hand there is a declining market for traditional foods.

There is no easy answer to the question of the resolution of the competition between local producers and urban consumers especially in a free market. To address the issue one needs to view the food system as a whole. In this light, the circulation and production spheres are linked. Helping the urban sellers of regional food products (i.e., fruits and vegetables) will help the local producers. These people have found a niche in the Hong Kong food space-economy. Government policy can greatly assist in their viability, and thus in the viability of the local goods they tend to sell. (see Bucklin 1986).
3. In Summation.

The increasing impingement of globally oriented capitalist patterns of regulation is a difficult force to resist. Today, in Hong Kong, regional closure (Friedmann 1979) seems an increasingly unviable policy option. One can only hope to temper the impacts of increasing impingement. This needs to be done by enhancing the viability of other patterns of regulation and the expressive capacity of local places in the ongoing discourse over the nature and uniqueness of each community.

B. THE HONG KONG CASE IN SUMMATION.

This paper, through an examination of the Hong Kong case, has sought to make the process of modernizing food consumption patterns more intelligible (though not necessarily simpler). It has tried to maintain a perspective which allows for local contingency (in fact emphasizes it) but does not deny the fundamental nature of the basic trend of convergence. There is then, a coherence to the complexity. In many ways the strength and depth of the process of converging food consumption patterns lie in its multi-valent and multi-focal nature. The convergence process is a complex discourse, yet the discourse has a basic grammar. This grammar is produced and reproduced by various agents acting within the constraints of a myriad of micro and macro-level settings and forces.
These forces and settings are fused into a complex but unified ensemble. The basic rhythms and beat are increasingly shaped by capitalist market forces, but the intricate melody and textures are produced in situ. In Hong Kong, local contingencies have in some respects acted to support the trend to industrialization of food stuffs (eg. the marketing acumen of local entrepreneurs), and in other cases served to slow or alter the process (eg. the predilection for fresh local produce). Yet underlying the undoubted importance of local uniqueness is the increasingly pervasive trend to the capitalization, industrialization and internationalization of the food system and thus, ultimately the tendency to convergence.

As this thesis has demonstrated, the perceived changes in consumption patterns have a number of sources. One can divide the process of changing consumption practices along the lines of two broad generic types of forces which effect the consumption patterns of individuals. One might call these divisions the 'direct' and 'indirect' routes to converging food consumption patterns. The indirect route concerns the types of social change which facilitate the incursion of industrialized food types. In some important ways the general nature of these trends - with local variations - tend to resemble those experienced in 'industrialized' countries. It is not surprising then, that goods or techniques originating in
industrialized countries should find a niche in industrializing ones. These traits were shown to be present in Hong Kong.

Inextricably allied with the indirect route is the 'direct route' towards convergence. This route is much more concerned with the structural dynamics of the articulation of global and local food systems. It is at the macro-level where one finds the main impetuses to standardization; and the formation of a 'world market', but it is at the local level where this impetus is realized.

The direct route to convergence is a result of the competitive advantages and requisites of large scale enterprises and the 'rationality' of food systems dominated by capitalist patterns of regulation. As demonstrated, large scale producers and distributors can gain certain advantages from scale (e.g. a smaller margin per unit of sales) but require that consumers change their modes of consumption. This trait was outlined through examples from the food manufacturing industry as well as in the food retailing sector (i.e. supermarkets).

In this thesis the concern was not specifically with the generalizing tendencies in the global food system, but rather with the meso-scale of interaction. The 'nuts and bolts' of interaction were outlined via a consideration of a number of
conduits (i.e. imports, production, and retail). These conduits provide the framework for the direct route to convergence, and are the contexts for the more direct catalysts of change. This paper has shown how the nature of the local milieux, the economies and ecologies of different parts of the food system, and the interaction of this evolving unity with the 'larger' logic of the world food/economic system (e.g., through import competition, and the transfer of techniques and technologies) leads to a familiar process -- convergence. The indirect route provides the setting, but it is the direct routing which is the most activating. Though the direct route does not determine what people will eat it heavily impacts available choices.

At present the results of the dynamics outlined in this paper have resulted in the emergence of a tripartite division of trends in food consumption. At one level there is the increased consumption of staples among the poor. At another, there appears to be an increased propensity to 'eat-out', to consume food outside of the home. Finally, Hong Kong is at present witnessing the growth in consumption of a new and cosmopolitan mix of foodstuffs. These foods are more explicitly the fare of the industrial palate.

Underlying all these trends are the increasing industrialization and internationalization of the local food
system. In the context of increasing levels of capital input, the 'grammatical' logic of this system is increasingly coming to resemble that found in the world food system as a whole.

Cities are particularly auspicious centres for the penetration of the capitalist ethos. They are usually most closely articulated with the 'world system,' they generally have a very monetized socio-economic structure and they provide the population base needed for (certain) productive and consumptive practices. Hong Kong with its 'open market' is increasingly a paragon of these characteristics.

Hong Kong presents one with the profile of a place where the very nature of the local discourse is changing in scale and in content. Increasingly, due to internationalization, the local discourse is being effected by the inputs of external actors and 'forces' (i.e. the global food/economic system) These externally originating dynamics shape but do not determine the content of the local discourse as expressed in food consumption patterns. This occurs through interaction with a myriad of micro level forces and is expressed in the meso-level reality of the Hong Kong food regime of today.

As this thesis has demonstrated, Hong Kong is undergoing some fundamental changes in the structural nature of its food system and the diets of the population. These changes are
characterized by an increasing level of capital input into the daily meal (from the rice fields to the kitchen). The result of this process, in tandem with more widely based social changes, is reflected in the illustrated shifts in consumption. Hong Kong's food system and the consumption patterns it embraces are indeed coming to mimic those found around the globe, thus, resulting in, and reflecting the processes of convergence and the emergence of the industrial palate in Hong Kong.
1/ The term 'patterns of regulation' is used in contra-distinction and acknowledgement of the French Regulationists' concept of 'modes of regulation' (Lipietz 1987, 1986, 1984; Aglietta 1979). Clearly, the thoughts expressed in this paper have some affinity with the work of the French regulationists. They correctly view capitalism as a social phenomenon. (Aglietta 1979:9; or cf. Meiskins Wood 1981:77) The critical feature of their approach is the assertion of the importance of the reproductive nature of capitalism. By employing the concept of 'a posteriori' functionalism they look at capitalism as a reproductive system. It exists and expands because it works (to a point).

The two key areas of the reproductive nature of capitalism as a social system are what they term 'modes of regulation' and 'regimes of accumulation'. These headings are further divided into a number of sub-groupings and permutations (see Lipietz 1987:12-15 and 32-35). Modes of regulation are further divided into 'departments' or 'elements'. (see footnote 7, page 207, Lipietz 1987) These two groupings are the closest they come to what I have termed patterns of regulation. However, there is an importance difference. They view these departments in terms of the role in the generalized regime of accumulation, not explicitly as the contexts of individual action. They are
Their focus is on the functional nature of a reproducing social system known as capitalism. Despite the disclaimer of 'a posteriori' functionalism, the totalizing nature of their research focus has led them to present what is in the end a functionalist viewpoint. Yet as they argue, this is not a critical flaw in so far as one only accepts theory as a heuristic device. They are not suggesting that the global economy is run by a 'global maestro' (Lipietz 1986:17). Rather, that to come to terms with the evolution of the world capitalist system their approach adopts one perspective which helps in understanding.

In much the same way that this paper has described the symbiosis of capital accumulation and market dissemination, and the concept of patterns of regulation, the regulationists approach social questions through examining a totality of interaction. Correctly placing emphasis on the production of social assets and the distribution of those assets. They also consider consumption to be key to the whole edifice of capitalism (in particular fordism). Their perspective overtly seeks to integrate the production and consumption spheres (see for example Lipietz 1987:30) However, the driving force behind the model they develop is clearly the productive sphere, more specifically the key role played by productivity levels.
Secondly, though they view consumption parameters to be important in the macro-level of mass consumption, they fail to address the more micro-level issues, dynamics and tendencies which are so critical to the whole process of changing consumption patterns.

Though the framework developed by this school seems, at least intuitively useful for the this papers purpose and approach, it is not used explicitly for a number of reasons. First, the subtle if vague concept of patterns of regulation came out of the research before the author became fully aware of the regulationists' agenda. They are simply a way of coming to an understanding of the process of social change in general and in Hong Kong in particular. Patterns of regulation are a useful heuristic device. Modes of regulation on the other hand are part of a different explanatory framework addressing a different issue. The regulationists would support this argument (Lipietz 1987:5), theory is only useful in so-far as it helps one to understand specific instances. Their research focus is primarily concerned with the dynamics of global productive sphere and its evolution. Their framework, is useful in that regard, this paper addresses a different question.

The strength of their perspective lies in the view that capitalism is a social phenomenon, one of many, and in their
emphasis on the patterning and order with which societies reproduce themselves. Left at that, their perspective is a good foundation for thinking about place. The French Regulationists have developed an explanatory super-structure, with each piece having its place in the whole. As I do not want to buy into the whole of this structure for reasons outlined above, it seems unwise to appropriate a part of their language. Further, the goal of this paper is to come to a geographical appreciation of a particular place not to prove or disprove the latest theory in vogue. It was felt that to utilize the whole of their perspective too much time and effort would have been spent on discussing the theoretical ramifications of the myriad complex of forces, actors and traditions that make the dietary pattern in Hong Kong what it is today, rather than the trends themselves. Thus, the paper would have become about the theory rather than the geographical analysis of changing food consumption patterns in Hong Kong.

2/ There is a voluminous anthropological literature on food. Generally, this sub-discipline is called Gastronomy. It can be divided into two types. One genre emphasizes the socio-cultural context of food choice (Jerome et al. 1980; Gifft et al. 1972; Freedman, R. 1976). Another looks at the expressive nature of food consumption (Douglas 1974; Mead 1970, 1964). There is a very surprising lack of work, that integrates
these approaches into the economic realities of food consumption, circulation and distribution. A partial exception to this assertion is the work of Harris (1987) and Ross (1987, 1980) who adopt a materialist approach. Almost all of the Anthropological literature on food habits tends to focus on static dietary patterns, if change is considered it is usually addressed in a very issue specific manner.

3/ The term 'structure' is used here in a rather un-orthodox manner, certainly in an unorthodox Marxian manner. Structure and agency are two sides of the same coin. That is, agency and structure are a duality not a dualism (Giddens 1984:182). Structure is only manifest by individual action (see also for example Castells 1983:XVI) Further, structure is not a complete isotropic surface. Human action is ensconced in numerous social, ideological, economic, biological and emotional contexts. Action is based on one's perception of these structures (though imperfect knowledge of other structural imperatives of other agents and social or physical systems may result in unintended consequences).

Thus one has a wide range of potential outcomes as differing perceptions of individuals and differing sets of structural contexts overlap in space (Giddens 1984:164). The only way to come to terms with this complexity is by examining the resultant reality in a given locale. In this way one can allow
the resultant manifestations of individual actions in situ to outline what seem to be the primary structural imperatives.

4/ This point is of course only partially valid. Clearly there is a political side to the deep relationship between state controlled agriculture (at least until recently) in the PRC and the Hong Kong food system. This is the probable source of the low food prices charged Hong Kong by Chinese authorities. However, unlike most developing societies there is not a direct political contest between the rural producer and the urban consumer. The question is rather more one of geo-politics rather than national politics.

5/ This viewpoint, one which emphasizes the importance of knowing actors is strongly articulated by Anthony Giddens (1984:22). He, and others (e.g., Thrift 1983, 1986) heavily emphasize the importance of 'practical knowledge'.

6/ This point may seem to run counter to the argument that it is capitalist patterns of regulation which are at the base of the convergence process. Those patterns provide a framework for the process. It is, however, industrialization which facilitates the expansion of the industrial palate and leads to the more tangible developments in the food system. Further, the trend to industrialization and the advancement of capitalism are tightly bound.
7/ It is a mistake to place too much emphasis on the intuitive division of agriculture and industry. Traditionally and presently the division is not that explicit. Also it seems important to clarify the distinction between food crops under-going industrial processing and traditional industrial crops such as sisal or rubber. The focus of this discussion is on the industrialization of what are traditionally food crops.

8/ These two processes act in tandem. Increased capital input into food products is a result of both the nature of capitalist production in general (i.e. the labour theory of value) and factors which are specific to food and which are largely market driven. The balance of these two sets of factors would seem to be an interesting research question.

The key feature of food is its perishability, it must undergo some processing to last. Unlike non-perishables this means that, in general, some machinery must be employed to process a given foodstuff (e.g., Ovens, irradiators). More importantly, as large scale producers are in general unable to add value by small scale techniques of meeting multiple market niches, (ironically it seems that advances in the technologies of production may be making this more possible) they need to do this by enhancing their product for the mass market. These means that the economies of scale play an important role. Because they produce for a mass-market, techniques of
mass-production are required. Further, the imperative of value-addition drives the food sector more than most. This is often achieved through industrial processing, packaging and advertising. The drive behind these tendencies is largely the result of market forces in regards to the nature of food.

9/ Though post-modernism is an increasingly popular approach in social geography and of late in industrial geography its widespread applicability seems highly suspect. First one needs to distinguish between the post-modern approach to problem analysis and the assertion of the emergence of a post-modern world (often conflated with post-industrial). The post modern approach is itself a useful way of analysing situations. Indeed this paper might be broadly categorized under that heading. However, there are some real troubles with expanding this viewpoint to assume that all people adopt such a perspective. For the vast majority of the people of the Third World who are either ensconced in a pre-industrial context or an industrial one their lives are often only to structured by the imperatives of the pre-modern or what is often worse the modern world.

10/ One should note that 'urban production' does account for a small part of the food supplies of Asian Cities in general and Hong Kong in particular. (Yeung 1985b). However in Hong Kong this is almost negligible level. Further there is almost no
data on the subject. thus while it is obviously an important research question it will largely be omitted from this analysis.

11/ There has also been a notable rise in the amount of abandoned land. Abandoned land was the second largest agricultural land use in 1979. (Wong 1983) The primary reasons for this abandonment seem to lie largely in the pressures exerted on peri-urban land by rapidly expanding urban areas, exaggerated in Hong Kong by Government regulations (Yeung 1985b) and the development of the new towns (Sit 1981). For the purposes of the present paper this level of abandonment is particularly pertinent in so far as it highlights the increasing level of intensification on other lands.

12/ Unfortunately there is still very limited information on the dynamics and depth of the introduction of hydroponics in the Hong Kong agricultural sector (eg. where the capital is coming from, who controls the means of production). Yet one can assert that the introduction of such 'high-tech' food production techniques is likely to lead to an even more diminished role for local place specificities in the future.

13/ The focus on the retail side of the food distribution system is also a result of a lack of literature on the topic.
What figures could be found suggest that the patterns in the wholesale sector mirror those in the retail sector. Of particular note is the variability in concentration by product type. The most concentrated sectors are the internationally articulated ones (i.e. confections and processed foodstuffs). (Hong Kong Survey of Wholesale Retail and Import/Export Trades.... 1984).

14/ There are some real questions as to whether the supermarket will ever be able to match the freshness available from small scale producers. The shear volume of product that supermarkets move to some extent mitigates against their ability to provide continuous premium quality produce. This fact has two notable repercussions. First, it acts as another drive to the increasing technological input into fruit and vegetable production. Secondly, it may in fact be the case that the supermarket is simply incapable of succeeding in the sale of produce to increasingly discriminating consumers. In Vancouver, the burgeoning growth of 'Produce City' outlets in the context of the growth of 'super-stores', suggests that this may in fact be the case.

15/ The limits of the expenditure profile data, especially over time are of more than technical interest. Beyond the usual problems of sampling validity and reliability endemic to statistical work (especially in a developing country), there
are some concerns specific to the Hong Kong data base. For example, one needs to be wary of overemphasis of the 1964/65 data. This survey had only a 36% response rate. Secondly, the food group classifications used are not clearly delineated nor inclusive of all food types.

It appears that the Hong Kong expenditure surveys were not designed with longitudinal comparability in mind. There is no coherent, continous system of grouping expenditure cohorts (even the range varies). Nor is there any available information on tracking expenditure groups over time. When these drawbacks are set in the contexts of differential inflation and social change one needs to exercize extreme caution in analysing expenditure cohorts' changing consumption patterns.

In researching this paper these data were manipulated in several ways. (each with differing, but compatible results) However no analytical technique attempted could yield the kind of reliability on which one could base conclusions and make assertions. Thus, the conclusions in this section of the paper are not statistically valid but spring from the authors 'feel' for the data set.
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