“Service Nomads: Interim Masters of Imperfect Markets”

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SERVICE NOMADS: INTERIM MASTERS OF IMPERFECT MARKETS

by David Nemeth

The following is a limited discussion of central-place theory in relation to the workings of the peripatetic system of production within the market economy of developing commercial societies. Walter Christaller's central-place theory has long been a popular geographical tool valuable in studies of urbanization and markets; and has been widely used in Third World development studies (Berry and Fred 1961; Berry (a)(b) 1962; Skinner 1964, 1965). Central-place theory may also be used to help investigate what Joseph Berland (1984:2) has described as

the ecocultural validity of a distinct peripatetic's niche: a regular demand for specialized goods and services that sedentary and pastoral nomadic communities cannot, or will not, support on a permanent basis.

I want to begin this discussion by defining my terms. I will then review central-place theory, and relate it to questions that have been and are still being asked about the existence, location and significance of economic exchanges between specific peripatetic and sedentary peoples throughout the world. I have done field work among Rom Gypsies in the United States, and among peddlers and circus people in South Korea, and will draw on these experiences for my examples.

Definitions

The title of my paper--"Service Nomads: Interim Masters of Imperfect Markets"--is meant to be a reasonably accurate summary of the main ideas I want to cover below. "Nomads" refers to peoples whose economies of resource exploitation require their spatial mobility. Note: Both natural resources and social resources are exploitable through nomadic strategies.

"Service Nomads" refer to those spatially-mobile peoples who are observed to primarily exploit resources in the social environment (Salo 1982:276). Peoples described in the literature as "service nomads" sometimes have been identified also as "economic nomads" (Acton 1974:257), "commercial nomads" (Acton 1981:2), "craftsmen nomads" (Hubschmannova 1972:58), "non-food producing nomads" (Rao 1982:115), "floating industrial populations" (Nemeth 1970:43), "peripatetic tribes" (Varady 1982:54), and, most recently, as "peripatetics" (Berland 1983:51). However, I have here decided to follow Robert Hayden's example (1979:295) and to speak of "service nomads". Let's consider them as such, and their economies of exploitation as a system of production called "service nomadism".

Economists often lump services together as "tertiary" activities in their analyses of regional markets, and it is generally accepted that central-place theory is "fundamental to any understanding of the role and location of tertiary activities" (Getis and Getis 1970:343). Christaller's theory deals principally with central places, which are spatial distributions of towns and cities that support tertiary, or service,
activities, but the theory may also throw some indirect light on the spatial activities of service nomads. This is because central-place theory seeks to explain how centers of production are arranged (King 1984:7), and service nomadism as a system of production is characterized mainly by the mobility of its service centers.

These "service nomads" can be further described as "interim masters of imperfect markets". "Markets" can be defined, following Fernand Braudel (1982:223) as "all types of exchange that go beyond self-sufficiency". Markets, aside from having exchange functions, are also places; for example, entire regions in which a wide variety of goods and services can be bought and sold. A growing regional exchange economy usually constitutes a market area that is actively expanding along its frontiers, while intensifying and integrating its internal centralized market functions in a systematic fashion. There seems to be progressive commercial development in the typical regional market, where an era of mobile traders has usually preceded an era of fixed markets.3

Within the superstructure of any regional market economy, service nomadism constitutes one of many possible infrastructures of socioeconomic life (Braudel 1982:136). The magnitude and distribution of service nomadism within a developing market area is closely related to the capacity of service nomads to respond as intervening opportunists to whatever imperfections there are in the regional market system.

There are no "perfect markets", since many of the inputs in production systems are unknown and perhaps unknowable. For example, how does one measure the magnitude and significance of non-economic factors like personal loyalty and sense of obligation within firms? In general, spatial and temporal variations in demand for goods and services in a developing commercial society would seem to prevent consumer needs from ever being efficiently satisfied on a regional scale. This exchange inefficiency is manifest in both immature and unstable markets. Instead of perfect markets, there are obvious gaps in demand and supply that more characterize market imperfections.

Ethnographers like Judith Okely (1983:49-50) have described service nomads as "filling gaps" in regional demand and supply, and there is some economic theory about imperfect markets called "gap-filling", involving entrepreneurs. According to Harvey Leibenstein (1968:81), "gap-filling" entrepreneurs

frequently come from groups which have fairly large extended families who are often engaged in trade and they are disproportionately recruited from elements of the population that in some sense or other are looked upon as "outsiders"....

Economic theories of entrepreneurship have yet to offer special insights into service nomadism, however.4 For this we can turn to central-place theory.

Accepting then that there are only imperfect markets in the real world, it is to the extent that such market imperfections exist, and are chronic and prolonged, that opportunists or entrepreneurs like service nomads may "intervene" by filling gaps, and establish their so-called "peripatetic's niche" within the regional economic superstructure.
Since the imperfect regional market is so unstable, the "niche" occupied by service nomadism is forever insecure and belongs to whoever has become knowledgeable and motivated enough to anticipate or recognize and respond to the economic opportunities that arise from market imperfections. That might be, for example, the Gypsies in areas of Yugoslavia, where William Lockwood reports that there is a common saying: "if you want to know what's going to be scarce next, see what the Gypsies have to sell" (1985:97; see also Petrovic 1937). Those, like Yugoslavian Gypsies, who have mastered the skills of interim occupancy, have probably also acquired some cultural inertia in vacating that socioeconomic niche so long as it remains viable from the occupants' cultural perspective. The "interim masters of imperfect markets" are therefore likely to be the members of minority ethnic groups; those born into the ranks of service nomadism and those most likely as individual entrepreneurs to adapt successfully to the specific requirements of its productive economy (Leibenstein 1968).

Central-Place Theory

In 1826 Johann Heinrich von Thunen developed several models of land use and marketing for an agrarian society (Thunen 1966). One such model, somewhat modified for this discussion, is depicted as Figure 1. Here, concentric circles of land use focused on a market center. The epicenter of exchange is surrounded by zones of intensive agriculture, dairying, extensive agriculture, and an outermost zone of ranching and pastoralism. In 1933, Walter Christaller hypothesized that "the location of each market center or central place in an agricultural region would be determined by the competitive features of the market economy" and, ideally, that all areas of demand in the market region could be serviced proportional to demand (Smith 1976:12). The major components of this regional market were 1) the major market center, or central place, 2) smaller dependent centers which also provided goods and services, and 3) a surrounding rural hinterland.

In Christaller's model, a place is "central" with respect to the "distribution of people or activities to which it is related" (Morrill 1970:13-14). The function of a central place (i.e. an urban place), the reason it exists, is to exercise power and to act as a center for the exchange of goods and services. Power can be exercised in order to promote the efficiency of exchange, or in other ways that are economically less efficient but nevertheless affect the exchange system in a regional market. Consider, for example, economically inefficient ideological reasons that nevertheless perpetuate central planning and its political power.

In describing this central place model as it relates to a lesser developed economy, one might point out that within its idealized market area economic activities at the central place can be characterized as "planned trade with only accidental subsistence", while economic activities in the frontier zone farthest from the central place can be characterized as "planned subsistence with accidental trade" (McCarty and Lindberg 1966:212).

It was in such an economic zone as is represented in the outermost ring on the Thunen land use model that Frederik Barth, on observing relationships between pastoral nomads and sedentary agriculturalists in the Middle East, noted also the existence of some subsistence patterns in his study area that were neither pastoral nor agricultural, yet nomadic. These he termed "the aberrant cases" of nomadic non-pastoralists (Barth 1973:11). Let us now look more closely at the role of these service nomads in a regional economy.
Figure 1.

ZONE C
ranching, pastoralism, wilderness

ZONE B
extensive agriculture

ZONE A
intensive agriculture and dairying

CENTRAL PLACE

THUNEN LAND USE MODEL AND ZONES OF DEMAND DENSITY IN A REGIONAL MARKET

Revised after Plattner, 19
The Role of Service Nomadism in the Regional Economy

Central-place theory assumes that increasing dependency relationships between once-dispersed and self-sufficient peoples in an agricultural society will nurture the growth of a regional market. Initially, service nomads perform a primary role serving the needs of consumers who are unable or unwilling to travel in order to satisfy their needs and demands. Such service nomads also create increased needs and demands by their agency of trade, and thereby facilitate the growth of the regional market.

Charles Good (1972:210) speaks of this phase of regional market growth dominated by mobile vendors as a critical benchmark along a continuum of commercial modernization when market functions are "spatially mobile and move along a given series of locations (market sites) according to a pre-established temporal pattern". During this phase, mobile vendors not only dominate regional trade, but are very skilled and organized, having regular itineraries. Territorial behavior, for example, partly explains their distributions and movements within the regional market (Nemeth 1970). James Stine (1962:76) diagrams this phase in the growth of regional exchange, where temporal staggering of spatially mobile markets permits mobile vendors to combine sales and production efficiently (see Figure 2).

Stuart Plattner (1976:73) has elaborated on Stine's model of mobile vending this way: A mobile firm survives by increasing the maximum range of the service it offers; it stays in business full-time "by offering part-time services to more than one demand area". Where demand for goods and services is low, a mobile firm may have to visit many demand points in order to survive. As regional consumer demand increases, the mobile firm may have to relocate less often. Eventually, the firm may be able to remain fixed and survive as a centrally-placed establishment.

Despite the existence of central-place establishments alongside mobile vendors in a regional economy, the consumer benefits so long as the mobile vendor is there on schedule to eliminate whatever physical distance lies between the consumer and the goods and services the consumer demands. Stine's incisive observation is that through the agency of mobile vending, the consumer is able to free himself from the discipline of space by submitting to the discipline of time (Stine 1962:70). Even unscheduled visits by mobile vendors can trigger impulse buying and customer satisfaction. Thus, a skilled and persuasive service nomad can probably survive anywhere in a regional market, at whatever its stage of development.

The predictable growth of the regional exchange economy within given geographic boundaries as population increases is characterized by the increase of centrally-placed sedentary traders who have chosen for efficiency's sake to free themselves from relocating near each of their customers, and have made a rational economic decision to locate near enough to some of them to run a profitable establishment business without having to relocate. The logic for an establishment becomes even greater as local demand and the economy continue to grow, and as the central-place function becomes more complex, encompassing, and powerful. However, by not becoming sedentary, the mobile trader is not necessarily acting irrationally, since he is still competitive.

As the competition between the sedentary trader and the mobile trader intensifies, central-place power can be turned against the mobile vendor, and the
Figure 2.

A PEDDLER'S CIRCUIT

The Firm is Mobile in Seven Locations

after Stine, 1962
peripatetic niche comes under siege. Both Nemeth (1979) and Kaprow (1985) have described how the productive economies of service nomadism can be regulated out of existence. If we are going to use the term "peripatetic's niche", we must realize that some form of succession is implied in the concept.

The defeat of service nomadism by central place functions is not inevitable. Due to war, disaster, and such, the tendency for the gradual replacement of nomadic service functions within a regional market may be stalled, or even reversed. Central-place functions do often collapse in times of stress, and the opportunity exists for the mobile vendor to intervene, and to more actively seek out whatever unsatisfied demand is created by the faltering market (Benedict 1972).

While not yet defeated, the declining productivity of service nomadism worldwide seems real enough. The once-dominant and highly organized mobile vendors within their growing exchange societies have long facilitated the progressive development of integrated market systems, and of a hierarchy of central places within regional markets. They did this while successfully creating more demand, and by promoting trade. By their success and productivity they have also sown the seeds of their own economic decline. There are at least three possible strategies, however, whereby service nomads as individuals and as groups can slow the gradual decline of their productive economy. First, service nomads can still live active social lives while passively waiting for recurring market imperfections to revitalize their economies. Second, they can actively experiment with innovative "gap-filling" in order to survive, making cultural adjustments if necessary in order to adapt to those progressive changes in regional economies that open up new opportunities for entrepreneurship. Third, some service nomads may place such a high value on their traditional cultural integrity that they may seek to emigrate away from advancing market economies locally, to immature or unstable regional markets elsewhere, "gap-filling" in traditional ways wherever they may go. The forced deportations of service nomads would also have the same consequences—protecting the old productive economies of service nomadism, and even causing them to spread.

Some Examples: American Rom Gypsies; Korean Peddlars and Circus Folk

Let's turn from the models and consider some case studies. A decade ago I carried out fieldwork among some Rom Gypsies of the Ganesti clan in the United States. They specialized in the tinplating, by hand, of kitchen equipment; mainly bakery bowls and other kinds of metal food processing containers. One tinplater named Toma worked in the Los Angeles metropolitan region during the winter months of the year, and during the summers he serviced two cross-country routes. He alternated yearly between them. This was because his "demand cycle" was keyed to his customers' need for mixing-bowl repairs at two-year intervals. His itineraries are mapped in Figure 3.

As a service nomad in a very competitive market, Toma was able to handle most of his problems with other Gypsies through Gypsy social and economic conventions. His most dangerous competitors, therefore, were the non-Gypsy establishment businessmen who hoped to maximize their profits by prying Toma from his own productive economic niche. They often used the power of non-Gypsy society against him. As an example, I shall paraphrase parts of one establishment tinplater's letter of complaint, filed with the public relations officer of an international trade organization whose members include establishment tinplaters and their suppliers.
Figure 3.

YEARLY ALTERNATING ITINERARIES OF AN ITINERANT ROM WIPETINNER. CIRCA 1960.

Route A:
Los Angeles, California; Portland, Oregon; Tacoma, Washington; Seattle, Washington; Spokane, Washington; Missoula, Montana; Butte, Montana; Helena, Montana; Billings, Montana; Casper, Wyoming; Rapid City, South Dakota; Grand Island, Nebraska; Lincoln, Nebraska; Omaha, Nebraska; Topeka, Kansas; Oklahoma City, Oklahoma; Los Angeles, California.

Route B:
Los Angeles, California; St. Louis, Missouri; Indianapolis, Indiana; Detroit, Michigan; Windsor, (Canada); Buffalo, New York; Pittsburgh, Pennsylvania; Akron, Ohio; Canton, Ohio; Findlay, Ohio; Youngstown, Ohio; Marietta, Ohio; Dayton, Ohio; Louisville, Kentucky; Madison, Wisconsin; St. Paul, Minnesota; Los Angeles, California.

Reproduced from Nemeth 1982:36
We have trouble with the Gypsy Tinners. They misrepresent what they are putting in the vessels and mixing bowls. We have found in numerous cases that pure lead, zinc, silver paint, and even balance weights off car rims is what they are using. These metals are very highly toxic. The Gypsies I have encountered are mostly after the money, and do not care about sanitation factors at all. They prefer to work by themselves so that what is put on these mixing vessels cannot be noticed until they are gone. They work without business cards. In the old days, the Gypsies did some very fine work. No more. I am the seventh generation in the retinning business, myself....

The roots of the anti-Gypsy hostility that Toma experiences seem related to conditions prevailing in the regional market economy that affect all tinplaters, mobile and sedentary.

With the example of Toma in mind, we can now observe how Plattner (1976) has used central-place theory to describe where two competitors—one a service nomad, and the other a service establishment—might dominate within discrete areas of a developing regional market (Figure 4).

Plattner's observation generally holds true for the example of Ganesti tinplaters I studied (Nemeth 1970; 1982). Yet, his diagram may be misleading insofar as itinerant peddling of specialized goods and services, while highly profitable in zone B, is probably only one of several viable economic strategies mastered by a given group of service nomads (Forde 1963:461). Their other industries and occupations might explain why members of the group may also succeed as intervening opportunists both within zone A, and far from the central place in zone C. Also, owing to the variability of service nomadic skills and the special needs of different client groups, high population in central places alone may not equate with high demand for nomadic services. There is, in fact, no necessarily exclusive zone for service nomadism within a regional market, and this is especially so in a highly developed and urbanized commercial society like the United States. What Sharon Gmelch has said about Travellers in England and Wales must therefore also apply to service nomads in general; namely, that they "have always been linked to cities" (1982:348).

My fieldwork in Korea is ongoing, and my conclusions more tentative. The work there is interesting, in part, because Korean peddlers were the study group that inspired Stine's model of mobile vending; which he introduced into the literature over 20 years ago (Stine 1962). Yu-Won-dong (1978:130-131) describes traditional Korean peddlers, called nabolbun, who bought necessities at distribution centers or directly from producers, and toured with their articles in local markets, in villages, and in hamlets located in remote mountainous areas...they engaged in peddling with these local markets as the center of their activities. They connected producers with consumers.
DISTANCE FROM CENTRAL PLACE

Zone C
Zone B
Zone A

HIGH

ECONOMIC DEMAND PER UNIT AREA

ZONE: Mobile firms, small businesses, and low-income residents dominate.

ZONE: Established businesses dominate.

ZONE: Monopoly or oligopoly supply, few small businesses, or high-income residents dominate.

THRESHOLD INCOME FOR PEDDLING

INCOME OF ITINERANT PEDDLERS

INCOME PER DAY FOR PEDDLING

MARKET CENTER: Intensive agriculture, dairy farming, extensive agriculture, ranching, pastoralism, wilderness.

Figure 4.
Thus they accelerated the exchange of goods between different regions, and within the same economic region.

Besides peddlers, there are still small circuses in South Korea, but their entertainment value is not high. Most of these are poor, yet legal, excuses for hawking sweets and notions to captive audiences. It was not always so: Under the caste system of dynastic Korea, travelling entertainers belonged to endogamous groups of outcastes that included skilled performers called sadang and kwangdae, who are probably related to bands of vagabond puppeteers and butchers called yangsugok. The caste system was legally abolished almost 100 years ago, ending a long-institutionalized minority group monopoly on outcaste occupations. Herbert Fassin (1956:229-230) has reported on the outcome:

[since the] breakdown of the traditional system, although [outcaste occupations] still tend to be looked down upon, they are no longer monopolies...[the outcastes] are being oppressed by the capitalists who put large sums of money into [their businesses] and are driving them out; therefore they are losing their traditional occupations and are being left only with the odium that has hitherto attached to them.

A few direct descendent of the ancient travelling entertainers and street musicians still perform, but they now entertain in museum settings supported by government subsidies (see "Performance of Namsadang-nori..."; also Park 1979). Meanwhile, the small travelling circuses of Korea are for the most part very marginal operations; more like gaudy, rough and noisy medicine shows. They do employ many of the otherwise unemployable of Korea: unwanted orphans, the mentally weak and the physically deformed. In this they perform an important socioeconomic function that, however, is beyond the scope of this paper.

**Conclusion**

Barth (1973:11-12) has suggested that "the vital focus for understanding the relations between nomads and sedentary peoples is the differences between their systems of production, in terms of which they adapt and exchange and articulate". Harold McCarty and James Lindberg (1966:39-40) recommend that in studying any system of production, there are these three considerations:

1) First: the activities that are involved in the productive system must be identified in ways that will distinguish them from other kinds of activities;

2) Second: suitable measures of magnitude of the productive system must be developed; and

3) Third: the locations for the productive system must be specified.

Despite some problems, variations on central-place theory have been applied with success to the last item, as we have seen already in Stine's and in Plattner's works. Carol Smith (1976), in addition, has introduced the realistic assumption of imperfect markets into her central-place model, with good results.
Central-place theory also seems to help explain 1) why there is a peripatetic's niche, 2) how this productive niche evolved within the general sociopolitical development of a larger regional market economy, and 3) why this niche so often seems occupied by persecuted minority peoples. Central-place theory may eventually be useful in generalizing about the relations between ethnicity and economics—a problem which has been outlined in concept by Thomas Acton (1981:2).

What we need to do is to further test the model; by creating more systematic and detailed reports of the occurrence of service nomadism where and when we encounter it. Technically speaking, "the presence of a specified magnitude of an identifiable phenomenon in a specified location" constitutes an "occurrence" (McCarty and Lindberg 1966:15). We ethnographers should in the future take greater pains to coordinate our methods for describing peripatetic occurrences, for example, and try and itemize the expenditures of whatever goods and services are making other goods more useful to society, or that are being used by service nomads to satisfy human wants directly. It is in this way that we may eventually be able to comprehend service nomadism as a productive system.8

Notes

1. Service nomadism appears to be an ancient system of production, born of the separation of centers of production and consumption, and nurtured by the commercial development of regional economies and then interregional exchange. Ducet (1968:141) reports that "In a wall painting of Beni Hasan [an Egyptian village] about 1890 B.C., a traveling band of tinkers is depicted."

2. "Service nomadism" seems the most appropriate term for use in this present discussion for several reasons. Primarily, there are some previously published reports on mobile retailers and vendors which have introduced central-place theory (Stine 1962; Plattner 1976). Also, in discussing the nomadic exploitation of social resources as a system of production, "mobile vending" usually falls within the taxonomy of industries as a form of retail trade, and is therefore a type of service.

3. Forde (1963:461) emphasizes that peoples engaged in service nomadism do not live out their lives in abstract economic stages. Instead, they possess specific economies that we, as social scientists, can directly observe and analyze.

4. Leibenstein (1968:82) offers a fascinating conclusion during his discussion of entrepreneurs that would seem to suggest that public education programs may increase the opportunity costs of potential entrepreneurs and alienate individuals from their cultural proclivities, thereby subverting the productive economy of the group. Perhaps this is why Gypsies everywhere have strived to control government-funded education projects aimed at Gypsy "reeducation."

5. One way that central-place functions gradually undermine mobile firms is to create tensions between sedentary and nomadic peoples. Productive service nomads are sometimes disparaged as "economic parasites" or "pariahs" in the literature (Beynon 1936; Petrovic 1937), and suffer accordingly. It is often
overlooked, however, that the tertiary functions of periodic markets and even cities have been at times conceptualized as "parasitic" and harmful to the progressive development of more perfect regional exchange systems (see Getis and Getis 1970:358; see also Hoselitz 1960:185-215; Benedict 1972:133).

6. There is an urgent, unmet need to develop a comprehensive industrial classification code and a dictionary of occupational titles for service nomadism. This would greatly enhance the comparison and classification of service nomads worldwide.

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