

ROUTLEDGE STUDIES IN TRANSPORT,
ENVIRONMENT AND DEVELOPMENT

Cars, Automobility and Development in Asia

Wheels of change

Edited by
Arve Hansen and
Kenneth Bo Nielsen



Cars, Automobility and Development in Asia

Wheels of change

Edited by Arve Hansen and
Kenneth Bo Nielsen

First published 2017
by Routledge
2 Park Square, Milton Park, Abingdon, Oxon OX14 4RN

and by Routledge
711 Third Avenue, New York, NY 10017

Routledge is an imprint of the Taylor & Francis Group, an informa business

© 2017 selection and editorial matter, Arve Hansen and Kenneth Bo Nielsen; individual chapters, the contributors

The right of the editors to be identified as the authors of the editorial matter, and of the authors for their individual chapters, has been asserted in accordance with sections 77 and 78 of the Copyright, Designs and Patents Act 1988.

All rights reserved. No part of this book may be reprinted or reproduced or utilised in any form or by any electronic, mechanical, or other means, now known or hereafter invented, including photocopying and recording, or in any information storage or retrieval system, without permission in writing from the publishers.

Trademark notice: Product or corporate names may be trademarks or registered trademarks, and are used only for identification and explanation without intent to infringe.

British Library Cataloguing-in-Publication Data

A catalogue record for this book is available from the British Library

Library of Congress Cataloging-in-Publication Data

Names: Hansen, Arve, editor. | Nielsen, Kenneth Bo, editor.

Title: Cars, automobility and development in Asia : wheels of change / edited by Arve Hansen and Kenneth Bo Nielsen.

Description: Abingdon, Oxon ; New York, NY : Routledge, 2017. |

Series: Routledge studies in transport, environment and development

Identifiers: LCCN 2016011428 | ISBN 9781138930704 (hb) |

ISBN 9781315680286 (ebook)

Subjects: LCSH: Automobiles--Social aspects--Asia. | Automobile industry and trade--Social aspects--Asia. | Economic development--Social aspects--Asia.

Classification: LCC HE5688.A6 C37 2017 | DDC 303.48/32095--dc23

LC record available at <https://lcn.loc.gov/2016011428>

ISBN: 978-1-138-93070-4 (hbk)

ISBN: 978-1-315-68028-6 (ebk)

Typeset in Goudy
by Wearset Ltd, Boldon, Tyne and Wear



Printed and bound in Great Britain by
TJ International Ltd, Padstow, Cornwall

Cars, Automobility and Development in Asia

As the gravity of the world economy shifts east, many Asian countries are experiencing rapid economic and social transformations. The private automobile is a core driver of many such transformations through strategies of industrialisation; but also, crucially, as one of the ultimate individual consumer products acting as a powerful agent in restructuring social practices and urban spaces.

Cars, Automobility and Development in Asia explores the nexus between automobility and development in a pan-Asian comparative perspective. The book seeks to integrate the policies, production forms, consumption preferences and symbolism implicated in emerging Asian automobilities. Using empirically rich and grounded analyses of both comparative and single-country case studies, the authors chart new approaches to studying automobility and development in emerging Asia.

Cars, Automobility and Development in Asia is a valuable resource for academics, professionals and researchers working on automobility, cars, industrial development and development more broadly in Asia. It is also of interest to sociologists, political scientists, development researchers, urban planners and economists working on similar questions and challenges in other world regions.

Arve Hansen is Research Fellow at the Centre for Development and the Environment, University of Oslo, Norway.

Kenneth Bo Nielsen is Postdoctoral Research Fellow at the Department of Sociology, University of Bergen, Norway.

Routledge Studies in Transport, Environment and Development

Sustainable Transportation in Natural and Protected Areas

Edited by Francesco Orsi

Cars, Automobility and Development in Asia

Wheels of change

Edited by Arve Hansen and Kenneth Bo Nielsen

Contributors

Editors

Arve Hansen is Research Fellow at the Centre for Development and the Environment, University of Oslo, Norway.

Kenneth Bo Nielsen is Postdoctoral Research Fellow at the Department of Sociology, University of Bergen, Norway.

Contributing authors

Daniel Fleming is Associate Professor Emeritus at the Department of Social Sciences and Business, Roskilde University, Denmark.

Kaoru Natsuda is Associate Professor of Development Economics at the College of International Management, Ritsumeikan Asia Pacific University, Japan, and Visiting Scholar at the Institute of East Asian Studies, Charles University, Czech Republic.

Beth E. Notar is Associate Professor of Anthropology at Trinity College, Hartford, USA.

Joshua Hotaka Roth is Professor of Anthropology and Asian Studies at Mount Holyoke College, USA.

Henrik Sjøborg is Associate Professor at the Department of Social Sciences and Business, Roskilde University, Denmark.

Rolando Talampas is Associate Professor at the Asian Center, University of the Philippines Diliman.

Stefan Tetzlaff is Postdoctoral Fellow based at the Centre for South Asian Studies (CEIAS), School for Advanced Studies in the Social Sciences/ National Centre for Scientific Research (EHESS-CNRS) in Paris, France.

John Thoburn is Emeritus Reader in Economics in the School of International Development, University of East Anglia, UK, and Visiting Professor at Ritsumeikan Asia Pacific University, Japan.

Peter Wad is Associate Professor at the Copenhagen Business School, Denmark.

Harold Wilhite is Professor of Anthropology and Research Director at the Centre for Development and the Environment, University of Oslo, Norway.

Acknowledgements

The idea for this book has been slowly germinating ever since we, in 2012, sat down to co-author a short, comparative article on car use and transportation in Vietnam and India for *Tvergastein*, the outstanding students' journal of the University of Oslo's Centre for Development and the Environment. At the time, co-editor Nielsen had, over a decade and a half, been observing how an ever growing array of new car models were increasingly displacing the once-iconic Ambassador car from India's roads, while co-editor Hansen had closely observed how cars had begun to squeeze out the equally iconic Honda motorbike from Vietnam's urban traffic. Clearly, a growing number of cars on Asian roads were indicative of not just a newfound economic confidence and capacity, and changing consumer aspirations, among important social strata; they were also effecting important changes in how people move around, where and how far they go, and creating new avenues for the expression of social identity and difference. From these stray observations a shared interest (and eventually this book) emerged in exploring how the car is changing Asian societies, economies and forms of politics in a context in which 'the Asian century' is upon us.

First and foremost we would like to thank our contributors, who responded so positively to our invitation to join the project. Thanks especially to Roli, who joined us late in the process and who worked overtime to meet our increasingly inflexible deadlines, and to Kaoru Natsuda for his input to the sections on Japan and Korea in the opening chapter titled 'Wheels of change'. We also extend our gratitude to the University of Oslo's Centre for Development and the Environment for hosting us while we worked on this book. A warm thanks to the entire team at Routledge for responding so munificently to our initial book proposal, and for taking a keen interest in the progress of the project over the last 18 months.

The chapter by Kenneth Bo Nielsen and Harold Wilhite titled 'The rise and fall of the "people's car": middle-class aspirations, status and mobile symbolism in "New India"' was originally published in *Contemporary South Asia* in 2015 (see www.tandfonline.com/loi/ccsa20#.VrteYfl97IU). We are grateful to Taylor and Francis for their kind permission to include it in this book.

Contents

<i>List of illustrations</i>	vii
<i>List of contributors</i>	viii
<i>Acknowledgements</i>	x

PART I

Introduction	1
---------------------	---

1 Wheels of change: cars, automobility and development in Asia	3
---	---

ARVE HANSEN AND KENNETH BO NIELSEN

PART II

Driving development: car industries and national development	15
---	----

2 Comparative policies for automotive development in Southeast Asia	17
--	----

JOHN THOBURN AND KAORU NATSUDA

3 The Asian automotive industry and labour organising	37
--	----

PETER WAD

4 Revolution or evolution? The making of the automobile sector as a key industry in mid-twentieth century India	62
--	----

STEFAN TETZLAFF

5 Proton – Malaysia's national car project: between success and failure?	80
---	----

DANIEL FLEMING AND HENRIK SØBORG

PART III

Contested car cultures: consuming automobility	101
6 <i>Doi moi</i> on two and four wheels: capitalist development and motorised mobility in Vietnam	103
ARVE HANSEN	
7 Transport and mobility: the Filipino <i>via crucis</i>	120
ROLANDO TALAMPAS	
8 The shared road: cars, pedestrians and bicyclists in Japan	134
JOSHUA HOTAKA ROTH	
9 Car crazy: the rise of car culture in China	152
BETH E. NOTAR	
10 The rise and fall of the 'people's car': middle-class aspirations, status and mobile symbolism in 'New India'	171
KENNETH BO NIELSEN AND HAROLD WILHITE	
<i>Index</i>	191

Illustrations

Figure

8.1	Passenger kilometres (in billions) on buses, trains and passenger cars in Japan	137
-----	---	-----

Tables

1.1	Production, sales and motorisation rates in South, East and Southeast Asian car producing countries	6
1.2	The leading Asian motor vehicle manufacturers and their global ranking in 2014	6
2.1	Total vehicle production, 2000 and 2014	17
2.2	Assemblers, parts suppliers and employment in ASEAN automotive producers	25
2.3	GDP per head, and population, in ASEAN automotive producers, 2013	26
4.1	Distribution of motor vehicle factories in India and average daily employment, 1950–1961	71
5.1	Import duties on automotive vehicles (CBU)	83
5.2	Mean monthly household income of top 20 per cent, middle 40 per cent, and bottom 40 per cent of household by ethnic groups and strata, Malaysia, 2012	91
5.3	Percentage distribution of households by items used urban/rural, Malaysia, 2012	92
5.4	Number of motor vehicles registered by type, Malaysia, 2009 and 2013	93
7.1	Registered land vehicles in the Philippines, 2007–2012	126
9.1	The ten largest automakers in China with their joint venture, Fortune 500 ranking and 2014 profits	156
9.2	2014 top ten best selling passenger cars in China (including SUVs and MPVs/multipurpose vehicles)	157
9.3	German luxury car sales, China and US compared, January to September 2015	158

Part I

Introduction

1 Wheels of change

Cars, automobility and development in Asia

Arve Hansen and Kenneth Bo Nielsen

The private car is one of the most powerful commodities to emerge from the technological progress of the last centuries. The relative freedom, comfort and convenience associated with owning a car have become central to expectations of development and modernity worldwide. The private car is, perhaps, the closest we get to a truly global 'blueprint of modernity', and increases in car ownership ratios are among the most predictable changes in consumption patterns resulting from economic growth and increasing affluence (see Medlock and Soligo 2002). The automobile industry has, in turn, played a central role in the history of both capitalism and (albeit to a lesser extent) socialism, and is a defining part of the regionalising and globalising production processes of contemporary capitalism.

After decades of rapid economic growth in the Asian region, the car is entering Asia at full speed, rapidly displacing or replacing other modes of transportation, most notably in the large urban conglomerations. While a few East Asian countries – particularly Japan and South Korea – are long-established leading players on the global car scene, new Asian countries are joining the race for a piece of what Drucker (1946) famously labelled 'the industry of industries'. The growing number of cars on Asian roads simultaneously indexes a newfound economic confidence, altered modes of industrial-technological production and capacity, new forms of urbanisation, and rapidly changing consumer aspirations and practices among important social strata, first and foremost the emerging middle classes. Yet in spite of these visible trends – and barring the several studies of the emergence and consolidation of the auto industry in key Asian economies (for example Doner 1991; Gallagher 2006; Wad 2009; Shimokawa 2013; Natsuda *et al.* 2015) – the role of the car in contemporary 'emerging' Asia has received little academic attention. *Cars, Automobility and Development in Asia* is an attempt to give the car the attention we think it deserves in Asian development, in a context in which Asia is not just home to half the global population, but also to some of the world's largest, and fastest growing, economies. The chapters in this book, individually and collectively, seek to chart new ways in the study of automobility and development in emerging Asia through an integrated perspective that incorporates the policies, production forms, labour regimes, consumer aspirations and symbolism that are implicated

in Asian automobilities. The questions we examine are: What role does the car play in different Asian economies? How does the car industry figure in Asian economic development? Why are cars so popular, why do people buy them, and how do they drive them? What potential and actual consumer aspirations and identities do they tap into, and how do they impinge on the everyday lives of Asians in different contexts? We address these, and related, questions through a combination of comparative multi-country and in-depth single-country case studies covering India, China, South Korea, Thailand, Malaysia, Indonesia, the Philippines, Vietnam and Japan, thereby engaging with both the already mature capitalist countries, as well as some of the most rapidly growing Asian economies. What these countries all have in common is that they, although to very different degrees (see Table 1.1), produce cars within their national borders.

The chapters that follow take the reader through the dense traffic of Manila and Hanoi; onto the shared Japanese road; inside the Indian Tata Nano; and to Chinese auto expos and drag racing; and they analyse the car industry as a site for policy making, labour organising, industrial evolution, and nationalist aspirations. In the remainder of this introduction we contextualise these overarching questions and cases, before we present a brief overview of the book's contents.

Cars: yesterday, today and tomorrow

Although a wide range of innovative horseless carriages predated it – from Cugnot's three-wheeled *fardier à vapeur* in 1769 to the rather explosive early British steam cars – the modern motor car as we know it is broadly considered an invention by Karl Benz and Gottlieb Daimler in Germany towards the end of the nineteenth century. The 'age of the car' properly started when sales 'soared' and Benz, in 1894, sold a full 136 vehicles (Parissien 2013). Later, France became the global centre of car production, with Armand Peugeot as one of the early pioneers producing bicycles, tricycles and, eventually, automobiles. In the early twentieth century Peugeot produced over 10,000 vehicles per year, with strong competition from other pioneers, such as the Renault brothers. But it was Henry Ford's assembly lines that paved the way for modern mass production. His Model T Ford became the first 'global car' and the first car that cost less than the average annual wage (Parissien 2013).

Adolf Hitler was inspired by Henry Ford when setting things in place for the production of the German 'people's car', the Volkswagen. But it would nevertheless take a long time before Europe would catch up with the US again, even if European countries remained important automobile producing countries throughout the twentieth century. In 1960 the largest shares globally of the automobile industry were represented by the US (with more than 50 per cent of total production), followed by Germany, the UK, France, Italy and Canada (Dicken 2011). Since then, the gravity of the world economy has been shifting eastwards and so has automobile production, even if that development seemed very unlikely around 1960. Just as there was a time when no one expected that the US would emerge as the leading car manufacturer in the world (Parissien

2013), certainly no one expected Japan to later do the same. As Ha-Joon Chang (2008) writes, when Toyota – originally a manufacturer of textile machinery – in the late 1950s tried to sell its ‘Toyopet’ cars in the US, it was a major failure and had to be withdrawn from the market. Producing cars was at the time largely seen as something that should be left to the already developed countries, with little room for new actors.

Yet a few East Asian countries were to prove these predictions wrong. The automobile industry played a central role in the successful industrialisation of Japan and South Korea in particular, the early forerunners in Asian car production. Toyota and Nissan were both established in the early 1930s, and even if World War II delivered a serious blow to the Japanese car industry, the role played by Japan as an emergency supplier for the US Army after the outbreak of the Korean War in 1950 facilitated a quick recovery (see for example Flink 1988). In the decades that followed, protective industrial policies provided fertile ground for the Japanese car industry to expand, both at home and abroad. Today, Toyota, Nissan, Honda and Suzuki all figure in the top ten of the world’s largest producers of passenger cars (see Table 1.2) and are well-known car brands the world over.

South Korea joined the league of leading car nations later, following the implementation of the country’s first automotive industrial policy in the 1960s. In the 1970s Korean companies such as Hyundai and Daewoo successfully linked up with leading multinational producers, and in 1976 the first Korean-designed vehicle was manufactured (Auty 1994). Again, while no one could have predicted that the small Hyundai auto repair shop would later evolve into a leading auto producer (Chang 2008), South Korea had in fact been producing trucks and cars for 20 years before it started exporting them (Amsden 2001). Hyundai is today the world’s third largest manufacturer of passenger cars.

Asia now accounts for more than half the total manufactures of cars globally. As is to be expected, the growth has been most spectacular in China, where 23.5 million new cars hit the road in 2014 alone (OICA 2015a), a number that is expected to climb to more than 30 million within the next few years. This corresponds roughly to every adult citizen of a large European country acquiring a new car every year, a number that is truly staggering in both relative and absolute terms. In fact, Chinese car production alone represented approximately a quarter of the total global production in 2014 (OICA 2015b). But, as Table 1.1 shows, a range of other Asian countries are also emerging as car producers – particularly India, Indonesia and Thailand, but also Malaysia, the Philippines and Vietnam. And, as Table 1.2 illustrates, we find a full 16 Asian motor vehicle manufacturers in the global top 25.

Car manufacturing plays a central role in the economic development aspirations of Asia’s late-industrialisers, but the significance and impact of cars extend far beyond the spheres of industrial production and policy. Millions of new cars are registered every year all across Asia and, in a region otherwise known for its diverse streetscapes of motorised and non-motorised vehicles on two, three or four wheels, the private car is rapidly taking the driver’s seat in the fields of

Table 1.1 Production, sales and motorisation rates in South, East and Southeast Asian car producing countries

Country	Automobile production (2014)	Total new vehicle sales (2014)	Cars per 1,000 inhabitants (2013)
China	23,722,890	23,491,893	91
Japan	9,774,665	5,562,887	603
South Korea	4,524,932	1,661,868	394
India	3,840,160*	3,176,763	20
Thailand	1,880,007	881,832	208
Indonesia	1,298,523	1,208,019	77
Malaysia	596,600**	666,465	397
Taiwan	379,223	282,130	312
Pakistan	146,130**	146,882	15
Philippines	77,628	269,492	35
Vietnam	48,871	133,588	21
Bangladesh	536	51,900**	4

Source: compiled by authors based on OICA statistics (2014, 2015a, 2015b).

Notes

Total new vehicle sales includes all four-wheeled vehicles.

* Missing numbers for BMW, Mercedes, Audi and JLR.

** OICA estimate.

Table 1.2 The leading Asian motor vehicle manufacturers and their global ranking in 2014

Global rank	Group	Country	Total production*
1	Toyota	Japan	10,475,338
4	Hyundai	South Korea	8,008,987
6	Nissan	Japan	5,097,772
8	Honda	Japan	4,512,769
9	Suzuki	Japan	3,016,710
13	SAIC	China	2,087,949
15	Changan	China	1,447,017
16	Mazda	Japan	1,328,426
17	Dongfeng	China	1,301,695
18	Mitsubishi	Japan	1,262,342
19	BAIC	China	1,115,847
20	Tata	India	945,113
21	Geely	China	890,652
22	Fuji	Japan	888,812
23	Great Wall	China	730,570
24	FAW	China	623,708

Source: compiled by authors based on OICA statistics.

Note

* The number includes LCV, HCV and heavy buses.