

## CHAPTER III

### THE HAWKER BUSINESS IN BANGKOK

Shigeru Itoga

#### 1. Introduction

As an approach to the informal sector, this chapter deals with the hawker (“haap-ree” and “phaen-loi” in Thai word). This kind of business can be considered to be easily accessible for anyone. On the other hand, as the population of Bangkok is increasing with the inflow of the low income people who are coming from countryside, the demand for low price food might be growing. Thus we can see the hawker business is still booming in Bangkok. The issue here is to investigate the existence conditions for this business through the interview. Most of the persons interviewed are the hawkers who sell rice and ready made accompanying dishes (“khaw kaeng”).

#### 2. Regulation by Municipality

The business conducted by hawkers in Bangkok is within the jurisdiction of the Theesakit which is a Municipal body.

For the purpose of taking care of and putting in order this business, there has been a royal decree (“phrarachbanyat”) put in force in the year 1960. This royal decree has had no penal regulations. But on the 26th of January 1990. The new law was enacted to add the penalty clauses which empowered Theesakit to arrest and fine those who disturbed the order. This law has been put in force since 26th of february 1990. The motive for such regulations is to get out of the way of pedestrians on the footpath. The contents of regulations are as follow.

1. Prohibit making business near the bus stop, footbridge and the footpath which has a width of less than 2 metres. At the place permitted, one must keep it clean all the time.
2. Prohibit making business getting over guard-rail.
3. Prohibit making business on the footbridge and flyover.

4. Make hawkers from dumping or leaving enchaining equipment on the business spot.

5. Prohibit making business at the important place such as anniversary monument, Taksin statue or Sanam Luang.

6. Prohibit making business where there have never been hawkers before.

From the point of view of job creation, the economic planners recommend the policy to help the activity of the informal sector. But there are also dissenting views.

Governor Chamlong is well known as a promoter of his campaign to keep the city clean. Unfortunately the hawkers are often seemed to be the obstacles to such campaign. In last September the Commerce Ministry opened the 200 discount store as a measure to help low-income earners amid the increase in cost of living. Then in November, Governor Chamlong sent a letter to Commerce Minister asking him to suspend the project.

On the 30th of October 1992, one member of the Metropolitan Assembly criticized the Metropolitan administration, saying that they treated the poor hawker badly by collecting a heavy fine.

While the World Bank meeting were held at the Queen Sirikit Center last year, government has prohibited the 800 street vendors from hawking for 9 days in the vicinity of the center. The vendor complained that they lost money 300 baht a day.

### **3. Business Conditions**

The scarcity of job opportunity in country side has pushed people out of the village. And the expansion of the urban economy has pulled work force from country side to Bangkok. As the economy of this country expands, the volume of employment in Bangkok might be growing. The business managed by hawkers also are sustained by these factors. Hawkers are still playing a significant role in the Bangkok society. They are supplying low priced food for growing population of Bangkok.

The population of Bangkok Metropolis is 5,620,591 at the end of the year 1991. This figure comes from registration records made at

the administration office. Many people moving from the countryside does not go to register in Bangkok. So, the registration figure is too small as an actual figure of habitants.

According to the statistics of Theesakit (1989), the number of hawkers is 21,383. Of which the number of hawkers for daytime is 15,226, for nighttime is 2,239 and for whole day is 3,918. As the authorities who have done this research admit, this figure is too small.

From the observation, the main factors which make this kind of business profitable are summarized as follows.

The place where clients exist enough is essential. For example, at the entrance of path where passersby traffic is heavy, near factory, near school, near construction site, etc. They do business on the street. So they cause the troublesome for traffic.

The clients are not only low-income persons but also middle-income persons. This phenomena could be explained by the existence of peculiar tradition of eating for Thai people. According to the household survey (N.S.O., 1988), the expenditure for prepared food is almost equal to food prepared at home in Bangkok Metropolitan household.

The price of food must be low. Ordinary one dish costs 7 to 15 baht. It is not easy to raise the price for hawker because he is afraid to lose the clients. Everybody complains that the price of raw materials is going up. The price index shows that the rise of food is much bigger than that of non-food in recent years. At this time the price increase is a hot issue because during rapid growth period there is an inflationary tendency and this year the introduction of value added tax would push the prices up. They must buy raw materials from the market merchant. They feel that the price rise comes from the government policy.

To look at their origins, most of the hawkers who are coming from countryside have not enough fields for family to eat or no fields. And they have low level of education. Among the 28 persons who are interviewed, 17 persons have finished only 4th grade of elementary school and 5 others have finished elementary school at 6th grade. With such level of education, they might have had difficulties to get a job at modern factory or company.

According to the National Statistical Office's survey about the in-migrants into Bangkok (1988), most of the in-migrants are employed by

private factory and the share of sales own account worker is merely 3.3%.

Everybody answers that he has no will to change his business. One of the reason is that he can easily have a daily cash income because the sale is quite good so far. It is also interesting that there seems to be a tendency for some Thai people to want to do his own business.

Because of the easy accesibility to business, there are growing competition between hawkers or between them and other type of store such as fast food store. There have never been seen the chain system of hawker. But many of them feel that the investment cost is going up and the profit is going down. The initial investment cost ranges from 2,000 baht to 18,000 baht. The daily expence for raw materials costs 1,500 baht. The rough average of profit is 400 baht per day.

#### 4. Conclusion

We could agree to take the hawker business as one sample of informal sector from our observation in regarding the definition, for example, by Dr. Pasuk (1991) who argues many aspects of the problem such as ease of entry, reliance of local resources, family ownership, small scale operation, labour intensiveness, skills learned outside the formal school suestem, unregulated and competitive markets.

Concerning with the sub-contract system on which she or Dr. Voravidh (see the paper in this volume) lay stress, there seems to be no importance in hawker business. Of course they must buy raw materials from middle-man. But this relation is horizontal as Dr. Voravidh calls. As many hawkers told, they choose this business because they can enjoy ownership.

In regard to the aspect of urban poor, many of the hawkers get good income. Save that they work for long hours in the midst of exhaust fumes, the business is not bad.

Anyway, the hawker business is observed to be still important for people and hawkers will not be wiped out abruptly. On the other hand, for them the obstacles are emerging. In the future, hawkers might disappear as the income level is going up. But, for the moment, government will better to arrange the place for them, to keep the price of basic foods stable, and offer low interest lending.

## Appendix. Some examples

The followings are the result of the interview, asking about the age, place of birth, parents' profession or ownership of land, educational level, initial investment (for handcart, oven, pot, plate, and so on), everyday expenses for raw materials, rent paid to Theesakit or the land-owner, profits,

A : 50 years of age. Phichit province. Rice growing. 4th grade of elementary school. 6 years ago, she started hawker business on the path where there are many cold storage factories. The clients are young factory workers who get salary of minimum wage. Expenses for raw materials is 1,000 baht and the sales figure is 1,200 baht a day. No need to pay rent for business spot, but has to pay water charge because she uses water of factory. She has no will to change her business.

B : 52 years of age. Phichit Province. 20 rai. 4th grade of elementary school. Until the age of 25, he helped his parents to grow rice. After marriage, he felt that the revenue from this work is not sufficient and moved to Lopburi first, then to Bangkok in 1982 to make his business as a hawker. He makes the curry dishes at home and bring them with the handcart to the spot on the street where passersby traffic is heavy. Initially he invested 3,000 baht. The expenses for fresh materials is 4,000 baht every day. The profit per day is 1,000 baht over. Monthly ground rent is 200 baht. The family size is 7 persons. One child is going to school. The others finished school and had a experience to work at the company. But they do not like to continue working to be employed by other person and now they are assisting their parents because they feel pleasant. His greatest concern is the price increase of materials. He wishes to have his own house.

C : 62 years of age. Uthaitani province. 15 rai. 4th grade of elementary school. Until the year 1956, she helped her parents to grow rice (15 rai of rice fields). Then she came to Bangkok with her husband. At first she worked as a sewer. In 1967, she started hawker business to sell curry and rice at market. Initial investment cost is 2,700 baht and pay for raw materials 1,500 baht every day,. Profit per day is about 700 baht. Her concern is also the price increase of raw materials. Although the general prices are going up, she could not raise the price of curry. Most of the clients are coming from countryside and not afford to take expensive food. And also, there are some stalls standing side by side. So, she is afraid to lose clients, if she raises prices.

D : 25 years of age. Bangkok. Junior high school. Her parents also are hawkers. Now, she and her family carry on hawker business at amusement quarter. The clients are workers of the night who earn good income. She must pay key money 5,000 baht every year and 2,500 baht every month. Before, she gets 800 baht of profit, but now only 500 baht. Her concern is the time restriction for trade.

E : 35 years of age. Prachinburi Province. 3 rai. 4th grade of elementary school. At first she started business as a hawker selling beans cake at market. She earned more than 100 baht a day. After 20 years, she was obliged to sell her house and land in order to get out of debt. In the year 1986, she moved to Bangkok and began to sell curry and rice. The amount of initial investment was 7,800 baht and cost for raw materials at that time was 1,300 baht. Now, it costs 2,000 baht. She must pay rent 50 baht a day. She gets profit 600 baht a day. She must take care of her 3 children who are going to school. She has no will to change her profession because the curry and rice have a good sale. Her concern is the price rise of materials. She asks government to control prices.

F : 26 years of age. Pathumthani Province. 6th grade of elementary school. She has neither house nor land, living at her aunt's. She was a laborer in the field and got wage 80 baht a day. After married, she lived for 2 years with her husband who died by car accident. Then she moved to Bangkok in the year 1988 and bought pushcart to sell fish-ball and grilled cuttlefish. Initial investment for this business was 2,000 baht and for materials 200 baht a day and got profit 200-300 baht a day. After 1 year, she invested 6,000 baht to start selling curry and rice. For raw materials she paid 800 baht a day at that time but now she pays 1,000 baht. The profit is 400-500 baht a day. Everyday the foods are sold out. The rent for business spot is 50 baht a day. She has no will to change her business. The request to government is to control prices.

G : 52 years of age. Ubonrachathani Province. 4th grade of elementary school. She has neither house nor land. She and her husband were construction laborer and must follow wherever her employer goes for 20 years. The family got salary 7,000-8,000 baht a month but it was not enough to take care of family (6 persons). In the year 1990, she entered into Bangkok with her husband and she stopped to work as a laborer. She looked for a job to help family finances and decided to be a hawker. Initial investment is 2,500 baht and expense for raw materials is 700 baht. The profit is 200 baht a day. ows a debt interest is 20% a month.

H : 17 years of age. Prachinburi Province. No land. Junior high school. Her father is a tenant farmer and gets revenue 1,700 baht a month. This is not enough for her family and she decided to move to Bangkok with her mother 2 years ago. She started a hawker business with the initial investment 5,000 baht. The expense for materials 2,500 baht a day and the profit is 300-400 baht.

I : 38 years of age. Bangkok. Cake seller. 4th grade of elementary school. Worked as a cake seller for 15 years. And worked as a cake-sack maker for 7 years with monthly salary of 400 baht. 4 years ago, started hawker business. Initial investment was 1,500 baht. Expenses for raw materials 1,000 baht. 700 baht a month for rent.

J : 30 years of age. Prachinburi Province. 30 rai. 4th grade of elementary school. After growing rice 5 years, moved to Bangkok in 1977. Worked as a cook at a hospital for 7 years getting a monthly salary of 350 baht, and at a restaurant for 7 years with a monthly salary of 6,000 baht, then started a hawker business in 1991. Initial investment 6,000 baht. Expenses for materials 2,500 baht a day, rent 4,000 baht a month.

K : 27 years of age. Nongkhai Province. Elementary school. No land. Field laborer. Field laborer for 6 years and in 1983 moved to Bangkok. Worked as a server at a restaurant for 4 years with a monthly salary of 1,200 baht. Then started hawker business four years ago. Initial investment was 5,000 baht. Expenses for raw materials is 600 baht. Profit is 200 baht.

L : 32 years of age. Kanchanaburi Province. Father planted sugarcane. Mother helped household to sell curry and rice. Because the number of children is so many, father sold his land and moved to Bangkok in 1981. Initially she invested 10,000 baht for equipment and expended for materials 2,000 baht a day. Now the expense for raw materials is 5,000 baht. Profit is 300-400 baht. The spot is adjacent to canals and the owner (DOH) demands the pay.

M : 23 years of age. Ayuthaya Province. 15 rai of land. Helped parents to grow rice for 7 years. After married, she moved to Bangkok in 1988 and started hawker business. Initial investment amounted 4,500-5,000 baht. Daily expense 500 baht at that time, now 700 baht. Rent costs 70 baht a day. Profit 200 baht a day.

N : 48 years of age. Surathani Province. 4th grade of elementary school. Rambutan growing for 10 years. In 1964 moved to Bangkok and began to sell curry and rice. Initial investment amounted 18,000 baht Daily expence 2,000 baht at that time, now 3,000 baht. No rent because acquainted with land owner. Profit is 1,000 baht a day.

O : 32 years of age. Samutprakan Province. 24 rai of land. In 1981 moved to Bangkok and started hawker business. Initial investment amounted 3,500 baht. Daily expence 400 baht at that time, now 700 baht. Rent 70 baht a day. Working hour 11 hours.. Profit 300-400 baht. She hopes that in future she opens the restaurant in home country.

P : 37 years of age. 4th grade of elementary school. Khonkaen Province. Helped to grow rice and in 1978 moved to Bangkok. At first she worked as a sewer at factory with daily wage 40 baht for 2 years and then at the textile factory. From 1083 she began the hawker business. The site is located in school. Her husband works in school. Initial investment costs 10,000 baht. Daily expences at that time 300 baht, now 1,600 baht. Rent 360 baht a month.

## References

- National Statistical Office (1988), Survey of Migration into The Bangkok Metropolis.
- National Statistical Office (1988), Report of the 1988 Household Socio-economic Survey, Bangkok Metropolis, Nonthaburi, Pathumthani and Samutprakan.
- Bangkok Post, November 8, 1991.
- Matichon, November 1, 1991.
- Pasuk Phongpaichit (1991), "Nu, Nit, Noi and Thailand Informal Sector in Rapid Growth", in Human Resources Development Strategy, Chira Hongladarom and Shigeru Itoga ed., Tokyo, Institute of Developing Economies.