

"It's impossible to afford this kind of living":

Globalizing and Organizing

Impacts of the Cost-of-Living Crisis on Street Vendors in Bangkok, Thailand

We were just recovering from COVID-19 for about 4 months and then we encountered this situation. It can't even be considered recovery; we haven't had the chance to recover yet" (female street vendor leader).

s the global economy recovered from COVID-19, the onset of the war in Ukraine disrupted global markets, driving up costs of energy, food and fertilizers. In March 2022, the UN's Food Price Index reached its highest level since 1990. In Thailand, inflation was 6 per cent in 2022 – the highest level in more than 20 years. Food and non-alcoholic beverages were the dominant drivers for high inflation. Compared to July 2022, the price of these items increased by 1.5 per cent in July 2023, with sharp increases in eggs and dairy products (+10.4), fruits (+9.9), vegetables (+6.4), non-alcoholic beverages (+4.3), flour and rice products (+1.7). Low-income households in Thailand spend, on average, almost half their income on food and non-alcoholic beverages, meaning price increases represented significant shocks to household expenditure (Likitpattanakul, 2023: 2).



Street vendor at Bang Khun Tien District. Photo Credit: HomeNet Thailand

66 Things have become so expensive, and the prices keep going up every day, forcing me to take loans. The government doesn't control the prices and allows them to keep rising. As a vendor. I have no choice but to raise my prices when the costs increase and, as a result, sales have been affected. It used to be manageable, but now it's impossible for anyone to afford this kind of living" (male street vendor).

This leaflet shows how the crisis is affecting street vendors in Bangkok, drawing on exploratory research conducted between June and October 2023¹ with street vendors who sell food in Bang Khun Tian District, Rat Burana District, Ratchathewi District, the Silom area in Bang Rak District, the Bobae Market, and the Mooban Nakkeela Community Market. The data was collected by HomeNet Thailand.



Street vendor at Bang Khun Tien District. Photo Credit: HomeNet Thailand

Vendors in the focus groups have spent, on average, 19 years in this occupation. Many have operated in the same location for many years Thailand's government approved measures worth and have regular clients. A typical vendor in the THB 27.4 billion (USD 763 million) to ease costfocus groups earned THB 16,200 monthly (USD of-living pressures and sustain consumption. In 450), with 12 out of 22 earning less than that. Eight in ten said this amount was less than what spending on pandemic-related relief measures. they were earning at the beginning of year 2023. Due to their lack of income security and exclusion Rising prices affect them both at the business from most social protection measures, workers in and household levels. In particular, vendors informal employment remain disproportionately emphasized increased costs of raw materials and the inability to raise prices accordingly, or

How is the Cost-of-Living Crisis

parallel, however, the government reduced its

Impacting Street Vendors?

vulnerable to economic shocks.

Data was collected by HomeNet Thailand in four focus group discussions with 22 street vendors (17 women and 5 men). In addition, workers filled out a short guestionnaire, and in-depth interviews were conducted with worker leaders. The findings are not representative but indicative. For the full report, covering four occupational sectors – domestic workers, home-based workers, motorcycle taxi drivers, and street vendors - see https://www.wiego.org/publications/shouldering-burden-impacts-cost-living-crisis-workers-informal-employment-bangkok



Street vendor at Bang Khun Tien District. Photo Credit: HomeNet Thailand

concern about doing so, due to lower demand for their products and services and lower purchasing power within their customer base.

Street vendors reported that the three main strains on their households were rising food costs, electricity or water bills, and education expenses. A typical street vendor in the focus groups spent just under half of their monthly earnings on food. Seven in ten said food costs were higher in mid-2023 than at the beginning of the year, consistent with data from the Consumer Price Index.

As a result, the majority of vendors reported having to reduce individual or household food consumption to cope. When I take my child out for noodles, it is like 50 baht for each bowl. Sometimes, my child eats more, and the price goes up from 60 baht to 70 baht. I keep thinking about it, and sometimes I choose to skip a meal so my child can have something to eat. I do not want to let him know that I only have this much cash and that I have to cut back on spending" (male street vendor leader). **6** The cost of raw materials has increased, but I have to keep selling at the same price. If I raise prices, customers won't make purchases. Regardless, I can't increase my prices. I can't cut any corners either. I have no choice but to accept it" (female street vendor).

Debt will be with us for our entire lives" (female street vendor).

What has Exacerbated the Crisis for Street Vendors?

Restrictions to access public space have compounded vendors' vulnerability and were identified as the most important livelihood barrier. The eviction and relocation of vendors was a prominent issue in Silom and Bobae. Vendors in Silom were asked to reduce the size of their stalls. They were then relocated to nearby alleys and eventually prohibited from vending altogether. This process had significant impacts on their sales due to lower demand – especially from tourists, lower access to pedestrian traffic, and decreased visibility of the market. Vendors 66 It's a unique period where the government is evicting people who are trying to earn a livelihood. They seem about to overlook the struggles of the common people. If you obstruct their plans, they will forcefully remove you" (female street vendor leader).



are struggling to cover the costs of alternative marketplaces as a result of onerous rental fees in commercial areas; fees have increased three to

In addition, climate-change-related events, such as flooding and droughts, have had a direct impact on the price of certain food products, causing a shock to supply chains and lowering vendors' earnings. Similarly, excessive heat creates challenges for storing specific food products. Vendors described how recent flooding caused a decrease in demand and damaged their worksites and stalls.

four times their original costs.

Vendors struggle hard every day. They don't have any other jobs. They keep pushing day by day because they can't switch to another profession. They're older now and the only skill they have is selling [goods]" (male street vendor leader).

Digital technologies are another concern for vendors. In particular, older vendors described the challenges they face in adapting to cashless payments and online selling. These digital barriers limit vendors' ability to adapt their livelihoods.

Street vendor at Bang Khun Tien District. Photo Credit: HomeNet Thailand

How are Vendors Coping?

Vendors reported increased harassment from authorities, causing them to change their vending time and relocate stalls more frequently. Vendors are also lowering the prices of their goods, reducing their stock, selling goods in smaller quantities and sharing vending spaces in privately owned areas, all of which negatively affect their earnings. In many instances, vendors stated they are coping by drawing down on their limited savings.

While most of the interviewed vendors <u>enrolled</u> <u>in Article 40</u> of Thailand's Social Security Fund during the pandemic, six in ten said they were not



6 We hope for support from the new government, particularly in addressing the significant issue of livelihoods" (female street vendor leader).

Street vendor at Bang Khun Tien District. Photo Credit: HomeNet Thailand

Please allow us to coexist with pedestrians. We can adapt ourselves. We only need a vending space" (female street vendor).

contributing monthly. Unaffordability as well as limited awareness and perceived inadequacy of the benefits were the most common reasons for not registering. Article 40 enables self-employed workers to voluntarily contribute to social security and, depending on the level of their contributions, to access compensation for lack of income due to an accident, illness or disability, a funeral allowance, a lump-sum old-age benefit and a monthly child allowance.

Concerns over a Cycle of Debt

Almost half of the vendors interviewed had borrowed money in 2023. The main reasons were to cover business expenses, rent, and children's education. Loans ranged from THB 10,000 (USD 280) to THB 30,000 (USD 840). Among borrowers, the majority had an informal loan with interest rates as high as 20 per cent monthly. Vendors also mentioned borrowing from the Government Savings Bank and the Thai Credit Bank, but reported obstacles to accessing formal credit, including lack of collateral or guarantor, and insufficient income and assets. Older vendors mentioned facing age discrimination given the age limits attached to accessing government loans.

Concerns over Physical and Mental Health

To make ends meet, vendors are working longer hours, which impacts their physical health and emotional well-being. Many vendors described how concerns about covering household expenses were impacting their mental health. In some instances, vendors mentioned foregoing medical treatment to cope with these increased expenses. Despite the universal health coverage in Thailand, vendors described difficulty in I'm feeling a lot of stress. I can't sleep, [I'm] feeling down, [I] don't want to talk to anyone. I won't tell my family my struggles. No matter what, I need to push harder" (male street vendor leader).



Street vendor at Bang Khun Tien District. Photo Credit: HomeNet Thailand

accessing health-care services, long waiting times for health services, the inability to take time off work, and high expenses associated with caring for ill family members.

Another health-related concern is related to air pollution, which has been linked to the need for medical treatment.² Street vendors are exposed to air pollution daily, with elderly vendors being particularly vulnerable.

66 Vendors have to keep selling until they pass away because they won't be able to borrow money from anyone, especially at an older age" (male street vendor).

In Thailand, most adults 65 and older continue working, and work informal jobs.³ Focus group findings reflected this – vendors mentioned the inability to stop selling, even at older ages, due to insufficient funds to retire.

Street Vendor Demands

Workers came together in a validation workshop on January 14, 2024, to share priority demands for the government. Street vendor organizations call on the Bangkok Metropolitan Administration to fully recognize vendors' contributions to the city and local economy. Vendors emphasized the key role they play in helping to ensure urban food security and as part of the city's cultural identity. They called for clearer and more transparent regulations for vendors and expressed a

² Since the beginning of 2023, it is estimated that 2.4 million people in Thailand have needed treatment for medical problems linked to <u>air pollution</u>.

³ <u>Ninety-one per cent</u> of those 65 and older are working in informal jobs in Thailand.



A vendor [I know] is barely making any sales, only about two to three hundred a day, but his daily costs are already in the thousands. It's exhausting. He has to sell here from seven or seven thirty in the morning. Then, he has to push his cart [to continue] selling at night. Life is becoming too tiring, too heavy" (male street vendor leader).

Street vendors in Bangkok. Photo Credit: P. Wedel

willingness to comply with regulations. An enabling policy environment would ensure greater stability for vendors' livelihoods.

Ensure Access to Public Space for Livelihood Purposes:

- Ensure fair and transparent regulations on access to public space: Government should uphold the right to work in public spaces. This includes allowing trade on sidewalks and working directly with vendor organizations to discuss public space management.
- **Invest in urban infrastructure:** Street vendors require vending spaces with low rental fees,

water, electricity and waste management services. Vendors also recommend the installation of streetlights as a physical security measure.

• **Invest in workplace infrastructure:** Workplace infrastructure should meet the occupational health and safety needs of vendors and be sensitive to gender, age and climate considerations.

Support Livelihoods:

• **Put inflation control measures in place:** Street vendors demand government intervention to control inflation. This includes price controls on utility bills, essential food items and transport.

- **Provide capital:** Establish an informal economy fund to provide interest-free or low-interest loans for street vendors. Government should address age discrimination by considering the age limits attached to accessing government loans.
- **Provide training:** Provide marketing, vocational and technology training to improve workers' business models and with a particular focus on older and women workers.
- **Provide digital infrastructure:** Government should provide free and high-quality internet services. This is a key enabler for running a business efficiently.

Commit to Worker Participation and Representation in Decision-Making Processes:

- Include workers in urban development and planning processes: This requires laws and policies that promote, protect and regulate vendors' work.
- Promote the participation of workers in institutionalized decision-making processes and social dialogue: At the local level, a commitment to including vendors' voices can lead to more inclusive and comprehensive policy responses that incorporate workers' solutions to issues that directly affect them. Attention should be paid to mechanisms sensitive to gender and diversity and that ensure inclusion, particularly of women vendors.
- Guarantee social control mechanisms: Government should guarantee participation and monitoring from the Federation of Informal Workers in Thailand, civil society and academics to assure social dialogue processes are effective and efficient.







About WIEGO

Women in Informal Employment: Globalizing and Organizing (WIEGO) is a global network focused on empowering the working poor, especially women, in the informal economy to secure their livelihoods. We believe all workers should have equal economic opportunities, rights, protection and voice. WIEGO promotes change by improving statistics and expanding knowledge on the informal economy, building networks and capacity among informal worker organizations and, jointly with the networks and organizations, influencing local, national and international policies. Visit www.wiego.org

About Federation of Informal Workers of Thailand (FIT)

The Federation of Informal Workers of Thailand (FIT) represents over 10,000 informal workers across Thailand. Its affiliates include HomeNet Thailand Association, the Association of Motorcycle Taxi Drivers of Thailand, the Network of Domestic Workers in Thailand and the Confederation of Street Vendors in Bangkok. For more information visit: <u>https://www.facebook.com/informalworkers</u>

About HomeNet Thailand

HomeNet Thailand works closely with FIT in Thailand to improve the livelihoods of informal workers through the strengthening of informal workers' organizations, advocacy for legal and policy change, support to access social protection, knowledge sharing on occupational health and safety, as well as economic empowerment. For more information visit: <u>https://www.homenetthailand.org/</u>