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## **Managed Informality: Regulating Street Vendors in Bangkok**

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### **Abstract**

Thai laws aim at curbing street vending, which business elites and middle classes perceive as deviant to modernist conceptions of the city. And yet, street vendors thrive throughout the city. Focusing on the relationship between the district administration and the vendors, we examine the goals, the means and the effects of everyday regulation of street vending. We document how the district administration produces and maintains informality by creating a parallel set of rules where street vendors enjoy negligible rents and little competition. We provide detailed empirical evidence on earnings, rent, fines, and rules regarding commercial real estate. The district administration’s policy of “managed informality” results in a situation where more established informal vendors control less established ones. We hypothesize in the conclusion that the district administration’s parallel legal system adjusts to the population’s expectations in a political system where the law has little popular support.

### **Introduction**

The policing of informal street vending is a risky business. In 2010, a city employee from a provincial town in Tunisia confiscated the produce of a street vendor who self-immolated in protest, sparking revolutions and civil wars across the Arab world. Most of the time, the regulation of informal street vending involves more mundane endeavors and results. It is an important issue because informal activities, once thought as remains of pre-modern economies, continue to thrive in poor and rich countries. Informal economic activities often are a challenge to modernist conceptions of the city (Swanson 2007, Tonnelat 2007, Valverde 2011). These modernist conceptions are often the ideological basis of national legislations hostile to informal

entrepreneurship. Attempts at regulation are often supported by the middle and upper classes who claim to defend modernity, legalism and public safety (Anjaria, 2006; Austin, 1994; Bhowmik, 2003). Regulation is opposed by people involved in informal activities who defend their right to earn a livelihood (Anjaria, 2006; Austin, 1994). Street vending is one of the activities at the center of these struggles (Bhowmik, 2005; Stamm, 2008; Swanson, 2007; Turner & Schoenberger, 2012).

The article focuses on the management of street vending by the district administration in Bangkok (Thailand). The contrast between tiny stalls selling grilled meat and skyscrapers and international malls is a defining feature of the Thai capital that reflects the contrast between Bangkok as imagined by law-makers and Bangkok as it is. The traditional retail sector in Thailand, which include street vendors and fresh markets, is the largest food provider of the country; more than half of all food bought in the kingdom is bought in market stalls or street push-carts (Gorton, Sauer, & Supatpongkul, 2011; Shannon, 2009). Less than 10% of the hundreds of thousands street vendors who work in the country are formally authorized (Yasmeen & Nirathron, 2014). Since the army has seized power in 2014, police commanders and military officers have promoted a law and order agenda (Wongsamuth, 2015), which in Thailand means aggressively curbing street vending. Similar attempts by previous governments have been unsuccessful so far (Yasmeen & Nirathron, 2014). In fact, the everyday regulation of street vending is the business of local authorities, not the central state. Local lobbying groups, for instance the Facebook group “saynostall” (12 ,000+ members as of October 2015), are quick to consider these local authorities (hereafter, the “district administration”) corrupt and inefficient. Are they?

Recent work in urban planning have suggested that informality can be actively produced and maintained by state agents (Roy 2005) and used as a tool for regulation. Roy’s work focuses on housing and land management, but the idea of state agencies producing and maintaining informality can be applied to informal economic activities. This article presents one such situation of what we call “managed informality”, where the local authorities actively and purposefully organize legal grey zones. Our argument is based on a case study of Soi Rangnam, a busy market street in Bangkok. Street vending is a thriving business in Soi Rangnam, contrary to what Thai law demands, and vendors express little discontent despite their legal insecurity. We show how the interplays of formality and informality create economic winners and losers.

Focusing on the relationship between the district administration and the vendors, we examine the goals, the means and the effects of everyday regulation of street vending. We document how the district administration produces and maintains informality by creating a parallel set of rules where street vendors enjoy negligible rents and little competition. We provide detailed empirical evidence on earnings, rent, fines, and rules regarding commercial real estate. The district administration’s policy of “managed informality” results in a situation where more established informal vendors control less established ones. We hypothesize in the conclusion that the district administration’s parallel legal system adjusts to the population’s expectations in a political system where the law has little popular support.

## **Regulating street vending**

In urban research, informality encompasses two main fields of inquiry: housing (for instance Smart 2001, Varley 2002, Roy 2005, Davis 2006 and McFarlane 2011), and informal economic activities aimed at generating income (for instance, Duneier 1999 and Venkatesh 2006). Informal economic activities have been studied as survival strategies (Hart 1973), as exploitative relationships (Castells and Portes 1987), or as defiant entrepreneurship in the face of excessive regulation (De Soto 1990). Street vending is a typical form of informal economic activity.

Street vending can be defined as small-scale retail activities taking place in the public space. Street vending encompasses single individuals selling cheap goods displayed on the sidewalk as well as large street restaurants employing a dozen people and generating steady profits (Aloysius Gunadi, 2008; Bhowmik, 2005; Illy, 1986). It is often associated with African, Latin American or Asian cities, but it exists in most large cities around the world, including in Europe and North America, though at a smaller scale (Austin, 1994; Devlin, 2011; Duneier, 1999; Venkatesh, 2006). Some street vendors own their businesses, others are salaried workers (Cross, 1997). Many street vendors are relatively poor, come from marginal populations (often international or internal migrants) and engage in this activity by necessity rather than choice. These patterns can be found in the global South (Anjaria, 2006; Bhowmik, 2005, Reid, Fram, & Guotai, 2010) and in North America (Austin, 1994; Duneier, 1999). However, in some countries such as Thailand, street vendors have higher-than-average incomes and opportunities for upward mobility (Kusakabe, 2006).

Street vending is an especially visible concern for public authorities, since vendors operate in the public space and therefore become an image-management issue where they work. Street vending is typically studied as a survival strategy which endures excessive policing (Anjaria, 2006; Austin, 1994; Bhowmik, 2005; Bromley, 2000; Cross, 2000; Devlin, 2011; Illy, 1986; Stamm, 2008; Swanson, 2007; Teltscher, 1994; Tonnelat, 2007; Yatmo, 2008). Public authorities perceive vendors as backward and harmful to a city's public image because public officials around the world tend to be influenced by a modernist understanding of informal activities (Bromley, 2000; Swanson, 2007; Yatmo, 2008). Urban policies against street vending claim to "foster neat, 'globally acceptable' cities in order to attract investment and raise them to international standing" (Didier et al. 2013: 146). Middle classes and business owners mobilize, often with success, to obtain stricter policies against street vendors (Anjaria, 2006; Devlin, 2011; Stamm, 2008; Timothy & Wall, 1997). In Chicago (Venkatesh, 2006), Manila (Illy, 1986), Mumbai (Anjaria, 2006), New York (Devlin, 2011), Quito, Guayaquil (Swanson, 2007), Mexico and Lima (Stamm, 2008) as well as Cusco (Mackie et al. 2014), scholars depict law enforcement as oscillating between harassment and leniency. Periods of tolerance and compromise alternate with bursts of harassment and evictions whenever street vending comes back on the political agenda. Inconsistent policy enforcement is an unfavorable context for economic activities and vendors consider their relationship with law enforcement officers as a key problem (Devlin, 2011; Kusakabe, 2006).

The literature emphasizes the conflicts between the state and the vendors, which are mediated by the ability or inability of the lawmakers to enforce the rules they edict. In this picture, law enforcement agents are either abusive or corrupt and switch from one to the other depending on the short-term priorities of their superiors (Anjaria, 2006; Bhowmik, 2005; Cross, 1998; Illy,

1986; Stamm, 2008; Turner & Schoenberger, 2012). This account, we argue, obscures issues of policy implementation by lower levels of government. In fact, at the aggregate level, the actual strength of the enforcement of legal norms determines the size of the informal economy (Kus 2010). This means that scholars should be attentive at the actual policies implemented by local authorities and their street-level bureaucrats. As Didier et al. (2013: 150) argue, there is always a gap between official discourses decrying street vendors, and the fact that informal actors are actually supported by different levels of government. Conversely, vendors are overwhelmingly described as victims of state repression, neoliberal reordering of space, neomodernist visions of the city and revanchist policies. Such picture homogenizes street vendors and does not do justice to the diversity of their various degrees of informality and economic autonomy. In spite of decades of anti-street vending law-making, street vendors thrive in Bangkok: “[the] most observable fact about Bangkok is its street vendors. Almost every street in the city has street vendors selling an array of items – clothes, curios, electronic items and a wide variety of cooked and raw food” (Bhowmik, 2005: 2258). We seek to resolve this paradox by examining the goals, the means and the effects of the regulation of street vending in Soi Rangnam, Bangkok.

In Bangkok, a legal framework exists for street vending, but most vending happens outside of it. Thai street vending law has been reformed by almost each successive administration since the 1960s (Kusakabe, 2006). The last important reform in 2004 (under the Thaksin premiership) pushed for the formalization of informal activities, including street vending and informal motorcycle taxi services (Sopranzetti, 2013; Thongrun, 2005). Lawmakers’ explicit objective was to favor the integration of street vending and other informal activities into the formal sector (Kusakabe, 2006), using the pretext of protecting informal actors from thugs and gangs (Sopranzetti, 2013).

### **Research design: a case study of Soi Rangnam (Bangkok)**

Bangkok combines strict official regulation and thriving street businesses (Bhowmik, 2005; Kusakabe, 2006). The city shares a similar history with many other “new” metropolises in the global South. It developed rapidly during the second half of the 20<sup>th</sup> century, from about 700,000 inhabitants in 1947 to 6.5 millions in 1990 to 14 millions in 2014. The population growth was fuelled by rural-to-urban migration from Thai provinces, as well as migration from neighboring countries (Myanmar, Laos and Cambodia in particular). The city’s infrastructure and administration struggled to keep up with the increasing population, resulting in heavy traffic, important air pollution and development of a large informal sector (Askew, 2004). One manifestation of the informal sector in Bangkok is its numerous streets filled with street vendors. Soi Rangnam is one of them. It is a 700-meter long street with two shopping malls, a night market, dozens of restaurants, twelve bars, five massage parlors, a park, a university and a high school. The sidewalks of the street are buzzing with street vendors at all hours of the day, and the place is locally known as a dinner area, attracting large crowds after dark. The location is similar to other street markets, but is larger and more well-known than most. The concentration of a great number of activities in a limited space creates conflicts over space allocation and over priorities in law enforcement. These conflicts and their resolutions are an opportunity for social science to assess local mechanisms of regulation at work. Local urban issues in Bangkok are the responsibility of the district administration. There are 50 districts in Bangkok, which are run by unelected politicians appointed by the (elected) mayor of Bangkok. The district administration is supposed to enforce Thai laws at the local level with its uniformed

street agents, the *thetsakit*. *Thetsakits* are under the direct authority of the district administration and are independent of regular police forces.

The case study, done by the first author, consisted of four months of direct observation (six days a week, four hours a day, for a total of about 384 hours of observation) and forty-two semi-structured interviews (forty vendors and two district officials). Time spent socializing with street vendors allowed the researcher to develop a friendly relationship with most of them. Trust was crucial in revealing detailed economic information during interviews. Field notes were systematically taken during observation, recording location, time and date for each entry. The forty semi-structured interviews with street vendors were done over a six-week period. The interviews were semi-structured and based on an interview guide, which was adapted during the course of the fieldwork to account for new information as it appeared. The majority of the street vendors interviewed displayed no sign of defiance and were happy to let the researcher enter their world. Out of forty-seven vendors contacted, only seven declined to answer. Of the vendors who refused, three were busy, and four did not specify a reason. We have no reason to believe that these vendors had characteristics different from the respondents. Two Thai-native interpreters were trained to adequately probe the respondents and assisted with the interviews. They were particularly helpful when they spoke the vendors' regional dialect. About 40% of the hundred vendors of Soi Rangnam were interviewed during the fieldwork.

Street vendors in Soi Rangnam do not come from disenfranchised, stigmatized minorities, unlike most street vendors in western cities. Almost all of them are Thai citizens, the only exception in our sample being two employees on a big stall, who were Cambodian nationals. A majority of Thai vendors are internal migrants from rural areas, especially the poorer northeastern regions. Rural northeastern migrants make up the bulk of Bangkok's unskilled workforce. The region has its own dialect, close to Lao language, and some recent immigrants are not fluent in standard Thai. A majority of vendors citywide are women (Yasmeen & Nirathron, 2014), and this reflects in our sample: 25 women, 13 men and 2 couples (each couple counted as one respondent). Vendors were sampled to cover as many different situations as possible. Field observation revealed that there were three types of street vendors in Soi Rangnam:

- (1) *Fixed, registered vendors* who do not have permanent stalls but always set up their shops at the same place. In Soi Rangnam, fixed vendors sell food or drinks, excepting one who sells beauty products.
- (2) *Mobile, unregistered vendors* who sell from a pushcart or a motorcycle and move from spot to spot. Some only sell in Soi Rangnam and alternate between a few locations in the street, following the customers or avoiding the municipal policemen. Others cover a larger area and follow a circuit from vending zone to vending zone, stopping on the way only to serve a customer who hails them.
- (3) *Market vendors* who operate in a market area in front of a local mall, the majority of whom sell clothes or accessories.

Two semi-structured interviews with district officials were done a few months after the initial study. Because both officials held the same views, but one was more eloquent than the other, we quote only one official, hereafter "the district official".

### **Thai laws and their enforcement by the district administration**

According to Thai law, vendors have to operate in designated areas, at designated times. Each zone has its own schedules, as well as a limited number of slots, hence only a certain number of vendors are allowed to operate in a given area. The Bangkok Metropolitan Administration (BMA) decides on where zones are open for business (Kusakabe, 2006). According to the district administration, these zones have not been modified since 2005 in Soi Rangnam: “The city’s central districts are saturated with vendors. New vendors can only legally settle in the suburbs, where sidewalks are less congested” (district official). Vendors have to pay a yearly “cleaning fee” of 100BHT (3.3\$), and street vendors who sell food are subject to inspection by the district health department. The law stipulates that vendors cannot work on Mondays so that weekly street cleaning can take place. The status of authorized vendor does not protect them from eviction and does not entitle them to compensation if the local administration wants to reclaim the land.

In Soi Rangnam, the district administration promotes goals of public space cleanliness and orderliness similar to Thai law, but subverts the spirit of the law, by promoting and nurturing street vending. The district administration enforces some of the Thai laws. The Monday holiday, for instance, is efficiently implemented by the *thetsakits*, the district policemen. Those who challenge the rule face sanctions—of the four vendors that had ever been fined (in our sample of 40), two had been because they were working on Mondays. However, the district administration in Soi Rangnam does not respect the letter of the law in three important ways.

First, none of the vendors we have met in Soi Rangnam had the status of legal vendors. Mobile vendors are fully illegal and unauthorized. Fixed vendors, registered with the district administration, are “waiting for regularization”, in administrative parlance. They are registered with the district administration and allowed to work in the street in the same conditions as legal vendors, but do not have a legal status.

Second, the district administration does not strictly enforce the law governing everyday vendor operations. Soi Rangnam is a busy, crowded marketplace. The district tolerates large stalls on the sidewalk, while the law intends for each spot to be used by one vendor. Vendors register several spots under different names (usually relatives) to create larger vending spots.

Third, the legal vending zones are not respected. One of the busiest vending locations is illegal because the sidewalks are too narrow. Two persons can hardly cross at the same time and part of the road is occupied by the trucks used as storage and transportation for the largest stalls, which is against Thai regulations. Fixed vendors, who are aware of their illegality, are nonetheless registered with the district administration.

Instead of enforcing Thai laws, the district administration enforces its alternative set of rules. The district administration has devised a special category of vending activities: “waiting for regularization”, which are illegal but tolerated. This category is a regulatory innovation that allows the district administration to mask the illegal nature of certain vendors and distinguish them from “truly” illegal vendors who are not only breaking the law but also the administration’s own rules. In this article, these vendors “waiting for regularization” will be referred to as “registered” (with the district administration), as opposed to unregistered vendors,

who are unauthorized neither with the BMA nor the district administration. In Soi Rangnam, “truly” illegal vendors are the mobile ones, who sell from their pushcarts because they cannot do otherwise. Mobile vendors are not illegal because they are mobile; they are mobile because they are unauthorized by the district administration. Mobility is a strategy to avoid fines and harassment. The rules of the district are stable over time, known to the vendors. However, the local rules do not seem to be written and they are not made public, in spite of our multiple requests.

We reconstituted these unwritten, unofficial rules from field-observation and interviews with vendors and district officials. The rules are as follows: Some areas are off-limits for vending, even if their location and size differ from what Thai law says. The district administration registers vendors and requires them to register for a specific section of the sidewalk. They have to pay a monthly “fine”, proportional to the size of their business and how long they intend to use the space each day. This “fine” is significantly higher than the legal yearly “cleaning fee”. Vendors have to ensure that their carts’ surroundings are clean and ordered. Four vendors in our sample reported that they had received a formal warning for not keeping their space clean enough. These are district rules, not based on Thai law, and are enforced by the district administration’s *thetsakits*. Vendors receive receipts, have their name written on lists and are openly informed of the rules by uniformed officers.

In sum, street vendors in Soi Rangnam routinely break the law, in compliance with the district’s rules. The most important interference of the district administration with street vendors is its control over commercial real estate—the sidewalk.

### **Real estate rules in Soi Rangnam**

The district administration declares which zones are open for business and which are not. It decides which vendors can use how much of the space and at what time of the day. The district administration registers vendors for a specified section of the sidewalk and requires them to pay a monthly fee, which is referred to as a fine by the vendors. There is a morning and an evening shift, and vendors who want to sell the entire day have to pay double fee. While some vendors are not registered, all the *fixed* vendors are. In Soi Rangnam, the monthly fine (the rent) is 400 BHT (13\$) per month per shift, and can be increased up to 1200 BHT (40\$) per month per shift for larger stalls (location is irrelevant). The fee’s amount is at the discretion of the district officials, but the money goes to the Bangkok central administration.

The fee is very low. All the vendors declared a daily net income over 200 BHT (7\$), and all registered vendors but two earned daily profits superior to 400 BHT (13\$). More than half earned more than 1000 BHT (33\$) per day. For all vendors but the poorest, the fee costs less than a day’s work; it is thus negligible, and has not significantly increased in the past ten years. To get an idea of the gap that exists between the fee set by the administration and the market rent of Soi Rangnam’s vending locations, we compared fees with the rents paid by vendors operating on privately owned street locations. In the night market in front of the local shopping mall, vendors are not subject to the rules of the district administration and pay market price for their stalls. A middleman who manages the market for the owner of the mall sets the rent. The price of each stall depends on its size and location in the market. The stalls are open for bidding, and the middleman can terminate an ongoing contract if he finds a vendor ready to pay more for

a given location. These businesses are about twenty meters away from one of the most dynamic spots of Soi Rangnam, which allows for comparison. The rents are significantly higher than the fee: market vendors pay between 25,000 BHT (833\$) and 60,000 BHT (2,000\$) of rent per month—50 to 64 times more than the registered vendors' fee.

The first vendor to register for a given spot (and still “waiting for regularization”) becomes its only legitimate user. If another vendor tries to use it without at least a tacit agreement, she/he is removed by the district police. *Thetsakits* make sure that spots are occupied by their legitimate user. Vendors are not allowed to rent or to sell their spot. Yet, the district administration acknowledges that implementing these rules is difficult and that some vendors have bought their spot from a registered user, in violation of both the law and local rules:

“When [vendors] sell their stalls, they can sell it for 300,000 or 400,000 baht [9-12 000\$]. They agree on the sale without telling the officers, and keep the same names on the records. For example, Mr. Kunlaya will be registered for the emplacement but not actually the one selling. Officers don't want to intervene, because they know that those vendors bought their stalls for a very high price. So sometimes they just let them be.” (District officer)

The sale prices indicated by the district official are very close to market prices for commercial real estate in the area. This is economically anomalous, since Soi Rangnam stalls do not come with property rights, and can be evicted at any time by the administration. The legal uncertainty associated with informality should lower the price of the stalls. As a matter of fact, none of the vendors we interviewed in Soi Rangnam declared having illegally bought their spot. Here we must acknowledge a limitation in our data collection: maybe we did not ask enough vendors, maybe some vendors lied because they feared eviction; or maybe the district official was speaking of transactions occurring in other parts of the district (which encompasses other street vending areas). Insisting that these transactions are forbidden, the administration estimates that more than 70% of the vendors are the legitimate users (yet still “waiting for regularization”) of their stalls, and that this district enforced the ban more strictly than other districts.

What vendors emphasized is the inheritance of vending locations through kin, which is tolerated by the district administration. We asked fifteen registered vendors how they obtained their stalls. Seven had been vending at the same location since the opening of the street for business, and six had inherited their stalls. Since the monthly fee is negligible and revenue potential is high, vending spots are extremely profitable. Vendors have a strong incentive to keep a registered location as long as they can, and to pass it to their kin. When vendors retire, they look for someone in the family to take over the business. A couple selling grilled meat explained that they had given up their factory jobs when their aging aunt could not work in the street anymore. Her spot was so valuable that it was enough to motivate a radical career change for the couple.

The real-estate policies of the district administration protect established vendors from the market pricing of their locations. It artificially maintains low rents, and has an important impact on the business of street vendors in Soi Rangnam. If the fee was a rent free from regulation, profitability would decrease. Because smaller stalls are less profitable, many smaller vendors would disappear and be absorbed by larger stalls. Retail prices would increase in an effort to

maintain the profits despite the rent increase, and food vendors may be replaced by businesses with more potential for high profit margins. There would be a much faster turnover of owners and managers of the stalls. In the night market where merchants pay full market rent, food vendors had all started their businesses less than a year ago, while the average for registered vendors in Soi Rangnam was seven and an half years.

The district administration has aligned its goals with the goals of the established vendors to obtain their collaboration by subverting the legal rules. Overall, the district administration enforces rules that are more favorable to street vendors than Thai laws. These rules seem to have the same objective than the law: maintain orderliness and cleanliness in the streets. District administration rules are one of the reasons why street vending is attractive in Soi Rangnam: they not only protect vendors from the national state's regulation, they also protect the vendors against harmful effect of market mechanisms. The district administration's rules prevent the commodification of sidewalks by preventing vendors to really own public space. As a district official puts it: "You have to understand that [the vendors] are not given any rights on their vending spots. Whenever the authorities want to free a zone, they will not have to compensate anyone".

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### **Two-tier informality: registered and unregistered street vendors**

Street vending in Soi Rangnam is not a survival strategy for the poor, especially for registered vendors who pay the monthly fee to the administration. They are not the objects of state repression, and they are economically well-off. One-third of our respondents earn incomes high enough to be considered middle class in Thailand. In Bangkok, the minimal wage is 300 BHT (9.4\$) per day, and less than 40% of the population in Bangkok earns more than 13,000 BHT (406\$) a month. In our sample, the average net income of the vendors is over 1,500 BHT (46\$) per day; it ranges from 200 BHT (6.3\$) to 5000 BHT (156\$) per day. None of the vendors are among the 20% poorest of the city, and nine out of thirty-one<sup>1</sup> are among the 20% richest; only two earn less than minimal wage.

Consider the case of Noy, a registered vendor: she is 22-years-old and has been selling for less than a year. She has a pushcart and sells noodle soup. She works part time—she studies cooking at university—and intends to open a restaurant once she has the capital to do so. Her parents pay her rent, and they paid for her cart (as well as a brand new iPhone that complements her not-yet-old Blackberry). She earns above 1000 BHT (31\$) per workday. Noy rents a wooden two-story house in a nearby alley as a cooking space. The house is large enough to accommodate a small restaurant, but Noy prefers to sell from a cart in the main street where she has better access to customers. She is not the only one to see larger profit opportunities in street vending: according to her, five to eight neighboring houses are similarly used for cooking by fellow street vendors who run highly profitable businesses.

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<sup>1</sup> Among our forty respondents, nine did not share complete income data. Two because they had worked for less than a month, one because the interview was cut short, and six because they did not want to share such information.

Registered vendors (fixed) have a better situation than unregistered mobile ones. Fixed vendors benefit the most from the rules enforced by the district administration, and actively collaborate with the district police officers, the *thetsakit*.

Unregistered vendors (10 out of 40 in our sample), all of them mobile, are unauthorized according to both Thai law and district administration rules, but *thetsakits* do not actively try to remove them. The district administration does not consider street vending to be a major nuisance:

“The [law] forbids all form of violence towards vendors, since they are not criminals. It considers that they are just people trying to run a business to make ends meet. (...) Illegal merchants are sometimes arrested and fined, but at times we just pretend we don’t see them. Even when officers do arrest them, vendors argue that they got to work somehow, and since officers are not cruel, they will mostly let them go” (District official).

Street vending holds a basic legitimacy that protects vendors (Tonnelat 2007). But *thetsakits* cannot allow unregistered vendors to operate freely. They have to create an incentive for registered vendors to accept the monitoring of the district administration. If free riders go unpunished, vendors have no reason to register and pay the monthly fine. To solve this problem, *thetsakit* routinely disturb unregistered street vendors’ business and disrupt their revenue. They threaten unregistered vendors with fines, and occasionally fine them a low amount when breaking specific rules. Out of ten unregistered vendors we interviewed, four had been fined in the past, and three had been warned against or threatened by a fine. These occasional fines and warnings are enough to make unregistered vendors actively avoid *thetsakit*, and move away whenever one shows up. The unregistered vendors confirmed that the officers do not try very hard to catch them, and merely make sure that they move away. Four of the unregistered vendors proudly added that they immediately return to their spots once the *thetsakit* are gone.

The strategy of the *thetsakit* toward unregistered vendors is to force them to be mobile. It prevents them from opening large businesses, such as street restaurants, which are the most profitable. Mobile (unregistered) vendors can only sell products that do not require a lot of preparation, such as snacks, drinks, electronic gadgets or fruits. These products’ profit margin is lower than full meals’. In the sample, unregistered vendors had incomes two to three times inferior to registered ones; the unregistered vendor with the highest revenue was earning 700-800 BHT (21-25\$) per day, less than the average of 1000-1200 BHT (30-37\$) for registered vendors. Unregistered vendors are effectively excluded from the most profitable segments of street vending: in effect, *thetsakits* protect registered vendors from unfair competition and incentivize them to accept the district administration’s rules.

The only way for unregistered vendors to get the enviable status of “waiting for regularization” is social mobilization. Mobilization is usually difficult because since the 1990s, trade organizations are perceived as subversive and are discouraged from existing. There is no association of street vendors of Soi Rangnam, no market leader, no representative. Mobilization nonetheless occurred in 2010. At that time, one of the busiest sections of the street was an off-limit area. Vendors who tried to settle were harassed by *thetsakits*. Vendors were frequently fined up to 300BHT (9\$) and their tools were confiscated; the harassment threatened

profitability. The vendors organized to negotiate with the district administration. The result of the mobilization was that vendors were allowed to register with the district, in exchange for a large “donation”. According to the vendors, this donation was not a bribe, since the money went to the district administration as a moral person. (We could not confirm this from a third party).

Hence, there are degrees in informality in Soi Rangnam. Vendors are unconcerned with their legal status; what matters in their everyday activities is whether they are registered with the district administration and given the (informal) authorization to work. All vendors work in precarious situation. Unregistered vendors are harassed, and registered vendors may be evicted because they lack property rights. Still, vendors are aware that they are better off registered than unregistered. The district administration in Soi Rangnam offers privileges to long-established, registered vendors (yet still “waiting for regularization”). None of the registered vendors complained about the district administration’s rules during interviews. Once they are registered, street vendors support the administration in the perpetuation of the system. Since they respect rules at a cost (the monthly fine, no working on Mondays, etc.), they are incentivized to report free riders. They know the rules and they make sure that unregistered vendors cannot settle permanently. An unregistered mobile vendor reported that she was sometimes “rudely” asked to move away by registered vendors. Another vendor explained that occasionally competitors would call the *thetsakits* to complain about her stall’s dirtiness.

We do not see evidence for the possibility that vendors belong to the political clientele of the district administration. We asked four owners of the large street restaurants in Soi Rangnam if they could introduce us with anyone from the administration, in order to interview officials. None of the restaurant owners said they could, and only a few could even give the surname of one *thetsakit*. We followed once a *thetsakit* inspecting vendors in the street. He only had brief and superficial interactions with them. The conflict between the *thetsakit* and the vendors in front of the shopping mall suggests that the district administration does not even see vendors positively: vendors had to organize and lobby to have their demands considered.

## **Conclusion**

How come implementing bodies in Bangkok evade the very laws they are supposed to implement? We hypothesize that Thai political system prevents most of the population to substantially influence national politics (Farrelly, 2013; McCargo, 2005). Political power in the country is highly centralized (Baker & Phongpaichit, 2014; Colony, 2010; McCargo, 2008), and heavily influenced by non-elected actors, including the monarchy (McCargo, 2005), the army and the judiciary (Glassman, 2010; Farrelly, 2013; Mérieau, 2014). Elections have proven to be an inefficient channel for governmental accountability, and have been systematically overridden by military-backed coups. As a result, laws can be passed with little to no popular support. Anti-street vending laws fall into this category. They are influenced by modernist ideals which promote the (supposedly) clean and orderly streets of New York, Paris or Singapore as the only reasonable model to follow (Swanson, 2007). The Thai political system allows for these ideals to be made into laws, thus informalizing the vast majority of the retail workforce. But most of the population does not see street vendors as a problem at all. Soi Rangnam is a case of how local authorities (the district administration and its police officers) circumvent locally irrelevant national laws.

We explain thriving illegal street vending in Soi Rangnam by the choice of the district administration to embrace informality. In Soi Rangnam, informality is organized by civil servants, to the point that vendors are unaware of their legal status. A parallel set of rules allows for street vending to be a highly profitable business, while the law is supposed to keep vendors off the streets. Under the district administration's rules, registered vendors enjoy extremely low rent and little competition. As registered vendors benefit from these rules, they help the administration enforce them, which in turn reduces the cost of their implementation. The district administration does not enforce the law, and does not leave the street ungoverned; instead, it manages street vending while keeping implementation costs under control. Registered vendors follow the rules, they discipline deviants, and are at the same time perfectly disrespectful of Thai laws.

By carefully managing different tiers of informality, the district administration achieves the production of a local social order which keeps a number of constituencies happy: vendors make money, the street is not too disorderly for neighbors, and people get access to the street food they like at a reasonable price. Managed informality is a key component of this local social order. Informality is embraced by the administration as a way to avoid having to deal with cumbersome property rights. Because of the absence of law, vendors rely on social mobilization to create, protect or extend their economic activities. We therefore expect that attempts by the district administration to reclaim the space that is occupied by street vendors "waiting for regularization" will result in social conflict.

Soi Rangnam has implications for informality theory. A significant amount of the qualitative literature on informality, defined as escaping state regulation, finds that formal and informal often are intertwined or hybridized, that boundaries are blurred, and so on (for instance McFarlane, 2011; Roy, 2005; Varley, 2002). Soi Rangnam proves no exception here, with its vendors who are illegal and registered, "waiting for regularization" and helping the local police to discipline mobile vendors. But we believe that informality research would benefit from going beyond the unsurprising finding that empirical cases document complexity and shades of grey. What we find of more theoretical interest is an analysis that highlights the winners and the losers of market regulation. Soi Rangnam is a place where economic chances are defined by anonymous bureaucrats and the *thetsakits*. Fixed vendors are today's winners, as their precarious ownership of the vending spots makes their business highly profitable. Because they do not have property rights, fixed vendors can fall back to a less enjoyable position at the district administration's discretion. This aspect of informality, which focuses on winners and losers, vulnerability and precariousness, is perhaps more interesting than placing actors on a formal/informal continuum.

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## Tables

Table 1.

<b>Types of vendors</b>	Fixed vendors from a designated and stable spot		Mobile vendors
<b>Type of space</b>	On public land regulated by the district administration	On private land, such as the night market area	All over Soi Rangnam, typically from a pushcart
<b>Legality according to Thai law</b>	Illegal	Legal	Illegal
<b>Status in regard to the district administration</b>	Registered with the district administration, who calls them “waiting for regularization”	N/A. Outside the jurisdiction of the district administration	Unauthorized
<b>Economic status</b>	Owners of a spot they can’t rent or sell (but police officers sometimes tolerate illegitimate buyers); spots can be inherited	Renters	Neither owners nor renters; cannot claim a spot.
<b>Cost of doing business</b>	Monthly fee paid to the district administration	Rent, set at market price, is 50-64 times higher than the fee paid by vendors “waiting for regularization”	None
<b>Typically selling</b>	Food and meals with high-profit margin	Clothes, accessories and other high-profit margin goods	Snacks and drinks with lower-profit margin