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Personal Career with Poverty Problem Solving of Entrepreneur in Dusit Area

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Abstract

This research aimed to find problems and attitude of people who were self-employed. The questionnaire survey and structured interview were used to collect data. There were 200 participants who were street vendors in Dusit District participated in this study. The results found that majority of the respondents were female, middle aged, and used to work as employees in private business sectors before. Average circulation per day was not over 5000 baht, with average 1,000 bath margin. The reasons to be self-employed were to earn income faster and free of being controlled. Problems of being self-employed were: no good location to sell things, no wholesale sources, no financial support from state agencies. Self-employment can be improved by providing support as stated.

Keywords: Private career; poverty

1. Statement of the Problem

According to the National Statistical Office of Thailand’s population survey, the population of Thailand is 64.07 million as of February, 2012. The populations who are labor force are those who are between 15-60 years old, can work or produce products and services to earn personal and national income. Labor force excludes students, monks,
disabilities, and those who are under 15 and over 60 years old. There are three groups of labor force; employed, unemployed, and seasonal labor force. These three groups mean those who are over 15 years old.

The statistics from the National Statistical Office of Thailand showed that during 2008-2012 labor force of the country gradually increased from 37.7 million in 2008, 38.4 million in 2009, 38.6 million in 2010, 38.9 million in 2011, and 39.38 million in 2012. It was estimated that in 2013, labor force will reach 40 million.

The employment rate of the labor force was 37 million in 2008, increased to 37.7 million in 2009, 38 million in 2010, 38.5 million in 2011 and 38.9 million in 2012. It was estimated that in 2013, employment rate will be 39.5, as shown in Figure 1

![Figure 1 Labor Force and Employment Rate 2008-2012](image)

Unemployment rate in 2008 was 520,000, 570,000 in 2009, 430,000 in 2010, 250,000 in 2011, and 270,000 in 2012. It was estimated that the unemployment rate will be 260,000 in 2013.

The labor force divided by educational level was as followed. Primary school and lower were 21.26 million or 55.04 percent. Junior high school were 6.08 million or 15.75 percent, high school were 4.01 million or 10.4 percent, vocational certificate were 1.33 million or 3.4 percent, vocational associate degree were 1.70 million or 4.4 percent, and undergraduate level were 4.23 million, or 11 percent. Employment rate was 38 million. Unemployment rate was 4.3 million. The majority of unemployment was youth labor force 1.9 million or 45 percent of the total unemployed population (National Statistical Office of Thailand, 2012).

The information revealed that in addition to the present unemployment rate, the new labor force is gradually entering labor market and making the unemployment rate higher while the labor market both private and state own did not correspond to the increasing supply of labor.

Thailand launched the first National Economic and Social Development Plan in 1961 and now Thailand is using the Eleventh National Economic and Social Development Plan. More than 50 years of implementing the National Economic and Social Development Plan, Thailand has been emphasizing the strategy to overcome the poverty problem. However, the number of population living in poverty is still high. For example, the Ninth National Economic and Social Development Plan focused on each individual population to be able to have equal opportunity to reach the state services and equipped them with the capability to make their way to be able to take care of themselves. The strategies included creating jobs, increasing minimum wage, and providing equal opportunity to utilize information technology. The Tenth National Economic and Social Development Plan focused on promoting the fair competition in the domestic market for new small and medium entrepreneur to be able to launch their business freely and fairly, providing investment fund and preventing monopoly system. This Plan also strengthened community budget and finance, promoted individual saving and developed SMEs. The decentralization was implemented in promoting income and administration and separating roles of the center government and communities. The Eleventh National Economic and Social Development Plan was developed while Thailand was facing rapid changes of both domestic and international economics and social that effected the well-being of the population. Economic structure could not support the sustainable growth and development of the country. In this plan, the strategies used were building a fair opportunity in social, filling gap between groups of people in different
regions, promoting a fair management of the resources, developing the use of information technology and increasing the capabilities of communities in managing their own problems. During implementing the eleventh plan, SMEs that were main labor market declined. In addition, the policy of the government to increase the national minimum wage to 300 baht in January 2013 also increased the investment budget of employers. Moreover, some labor force do not have right qualifications as desired by private labor market. All these factors resulted in higher unemployment rate. The population did not have enough income to support their families. Debt increased and income gaps happened, as a result, people lived in poverty. To increase income and stabilize the economics and social for better life quality and better opportunity, population of the country need careers to earn income and enhance the family economics.

One alternative of solving unemployment problem that causes poverty is to promote the population to get a job. Annual Development of World Bank Report stated the importance of having jobs to do that having jobs were a drive mainly from the growth of private business sectors. Having jobs helped in decreasing poverty problems and decreasing social conflicts. A good job can change a person’s life, and a right job can transform entire societies. This report concluded that having a job effects the economics development of the country in three ways; 1. Increase living standard, especially for the poor and the disadvantaged, (For example, disabilities, old age, and women in some countries). Having a good job and being able to live their lives bring higher income, create higher opportunity in consuming good quality products and services, and improve living standard of themselves and their families. Many countries give priority to creating jobs that match the qualifications of disadvantaged group. 2. Increase productivity. Having a job brings opportunity to develop specific capability and to learn new technology while working in the work place. Many studies found that jobs related to world economics, for example, import export jobs, or tourism industry can better improve qualifications of labor force than domestic jobs. 3. Strengthen social cohesion and unity. Having a job promotes networking between groups and brings identity of each job resulting from networking and yields benefits to the societies (Piriya Polpiroon, 2013). Moreover, if the employees have knowledge in accounting and financial statement and in gains and expenses of the business, they can apply this knowledge to plan to earn more income (Ladda Hirunyawa, 2009).

When populations earn more income, poverty decreases. Society and country share this advantage. However, labor force has to take a part in solving the problem prior to asking for help from others. Those who need a job or unemployed find a job or use supply of labor and create demand of labor by themselves instead of waiting for private and public sectors to employ more employees from both unemployed and new labor force because waiting for being hired will be too late and the situation will getting worse. So, those who need a job should take care of themselves by transforming economic activities into career to solve their problems, to relieve unemployed problem, and at last, to solve the poverty.

Thailand both Bangkok and regions implemented economic activities by both formal and informal sector. Informal sector is a job supply for labor force to create products and services and jobs so informal sector has high capability in creating jobs and careers and an alternative way for those who cannot get a job in formal sector.

As stated above, the researcher was interested in studying self-employment and poverty problem solving of entrepreneur in Dusit area to investigate and analyze the fact and problems of self-employed and conclude the suitable problem solving strategy of self-employed that is a business of informal sector.

2. Purpose of the Study

1. To investigate problems of self-employment and how to solve the problem of entrepreneur in Dusit area

2. To investigate the attitude of self-employment persons toward their career.

3. Scope of the Study

The study on self-employment and poverty problem solving of entrepreneur in Dusit area used research and development strategy using both qualitative and quantitative data. Quantitative data gathered by questionnaire survey. The participants were self-employed persons who are sellers both on public places and at their own houses in Dusit district located within 5 kilometers from SuanSunandhaRajabhat University. The questions asked about economic status and society, investment, income, expenses, details of products and services, problem and obstacles
of self-employment, types of supporting needed from related public and private sectors. Moreover, structured interview was used to fulfil the unreach data from questionnaire survey. There were 200 participants from purposive sampling specified for those who were self-employed persons who are sellers both on public places and at their own houses in Dusit district located within 5 kilometers from SuanSunandhaRajabhat University.

4. Significance of the Study

1. Dusit District was informed about economic and social status, investment, income, expenses, details of products and services, problem and obstacles of self-employment.
2. Related public sectors can utilize the result of the study in planning policy of solving poverty problem in regions and to be considered for implementing the right and sustainable supporting and promoting strategy to overcome poverty problem.

5. Definitions of Terms

Self-employment is a small economic activity based on work force in producing products and services with low budget in investment, no high technology and skills needed, no formal rules and regulations to control the operation of the business, provide goods and services from hand-made or buying from wholesale. The business location is in public places or home office, or rent a place with informal operation.

6. Methods

The study on self-employment and poverty problem solving of entrepreneur in Dusit area employed the following research strategies:

1) Specify population and sample
2) Develop research instruments
3) Collect data
4) Analyze data

7. Population and Sample

The researcher used research and development strategy in this study using both qualitative and quantitative data. Quantitative data gathered by questionnaire survey. The participants were self-employed persons who are sellers both on public places and at their own houses. The questions asked about economic status and society, investment, income, expenses, details of products and services, problem and obstacles of self-employment, types of supporting needed from related public and private sectors. Moreover, structured interview was used to fulfil the unreach data from questionnaire survey. The interview conducted by the researcher.

8. Research Instrument

The instruments were questionnaire questions and structured interview. The instruments were developed by outlining the theme of the questionnaire and the structured interview from theory and research studies, then consulted with experts to check the content validity and reliability. The content of the questionnaire were as follow.

1. There were two parts of the questionnaire.
   a. Social and economic status of the respondents
i. 7 biography questions
ii. 6 questions about family
b. Detail of products and services, investment and income
   i. 12 questions about investment and income
   ii. 8 questions about products and services
Total 33 items

2. Structured interview
   a. Introduction questions and living condition
   b. Problems and obstacles of the business
   c. Types of supporting needed from related public and private sectors

9. Data Collection

The researcher gathered the data following the steps below.
1) Outlining the questionnaire questions and the structured interview questions to match the purpose and the scope of the study.
2) Drafting the questionnaire questions and the structured interview questions, then have the draft checked by the experts and edited as suggested.

10. Data analyzing

The quantitative data was analyzed by a software program using a descriptive statistic. The qualitative data was analyzed by using content analysis.

11. Result

1) The analysis of quantitative data collected by questionnaire survey to 200 proposive sampling respondents who were self-employed in Dusit district area located within 5 kilometers from SuanSunandhaRajabhat University revealed that: Social and economic status: 67 percent of the respondents were female, 33 percent male, 68 percent married, 79 percent were middle age (35 years old and older), 4 percent were 24 years old and younger. Home town of the respondents were central Thailand 59 percent and 21 percent were from North East. Education level: 85 percent had lower than undergraduate level, 15 percent obtained undergraduate degree. 70 percent of the respondents lived in Dusit district and most of them did not live at the work place. Majority of the respondents were family head who were responsible for all expenses in the family. Numbers of family members ranged from 1-3 persons. The accommodation of 47 percent of the respondents was rental house, 36 percent own house, and all the rest were living with other people. For the data about debt, 15 percent of the respondents were debt free, 35 percent had less than 10,000 baht debt. Debt between 10,001 -15,000 was 33 percent, 15,001 – 20,000 was 11 percent, 20,001 – 25,000 and 25,001 – 30,000 were only 2 percent. In average, the respondents did not have high debt and the source of debt was formal financial institutes.

2) The analysis of quantitative data about investment and income from selling products revealed as follow. There were 38 percent of respondents worked in Dusit district for 4-6 years, 20 percent worked there for 1-3 years, 19 percent worked there for 7-9 years, 16 percent worked there for more than 10 years, and only 7 percent worked there for less than one year. Daily investment of the participants was not over 5,000 baht. 73 percent of the participants gained average daily income between 1,001-5,000 baht. 63 percent of them earned less than 1,000 baht margin daily.
3) The participants' former careers were as follows: 48 percent private sector employees, 32 percent unemployed, 8 percent state enterprise staff, and 12 percent temporary workers. The reason for being self-employed was to earn income faster and enough. However, 66 percent of them wanted to change their job but there was no opportunity to change. Problems and obstacles of being self-employed were there was no right location 36 percent, no investment budget 31 percent, and no investment source 23 percent. Problems with state officers were not high. However, data from the structured interview revealed that the self-employed used their saving and borrowed money from relatives and informal financial sources to invest. They wanted state support on low-interest loan 44 percent, provided places to sell goods 30 percent, career guidance 12 percent, products providing 10 percent, and close some parts of roads some time for selling goods 4 percent.

4) The detail of products and services were as followed: ready cooked food and household and office goods. The products were 46 percent handmade, 25 percent buying from wholesale, and 29 percent having a regular outsource. Most of the participants paid cash and they had regular customers. The investment budget source was 60 percent from personal saving and loan.

12. Discussion

This research found that there were more female who were self-employed. This may be because of the natural characteristic of female who are better fighters. Females work harder to live a better life and are willing to sacrifice themselves for better living condition of their family. As a result, females tried harder to be self-employed. Most of the participants were married, middle aged 35 years old and up with under undergraduate education level, lived in Dusit district but not at the work place. Most of the respondents were family head responsible for all family expenses in rental houses. Most of them did not own a house which is one of the four requisites. Only 15 percent of the respondents were debt free and all the rest have debt from formal financial institution loan. However, private or informal loan is important to self-employed persons so related sectors should have clear policy of loan for self-employment.

There were a lot of the respondents who were in this business for more than one year. This data showed that this career was their main source of income for their living. The majority types of products and services were ready cooked food and household goods. The daily investment amount was 5,000 baht. The respondents who earned net income per day lower than 1,000 baht were 63 percent. This data showed that the participants had high expenses resulted in having lesser net income. 48 percent of the participants' former careers were private sector employees, 8 percent state enterprise staff, 12 percent temporary worker, and 32 percent never had a job with the intention to be self-employed. This can be seen that self-employment is a freelance job that can make enough money for a living in a short time. Problems and obstacles of being self-employed were 36 percent of the respondents had no right location to do the business, no investment budget 31 percent, and no investment source 23 percent. This information suggested that related sectors should pay attention on providing places for them to do the job. Investment budget was not prominent because this career does not require a lot of money to do. The respondents needed help from state sectors in providing sources of goods, providing places for selling goods, and providing low interest loan. The respondents were satisfied with their career and did not want to change their job.

13. Suggestion

The result of the study revealed that self-employed persons needed the following help respectively, providing places, finance, and career guidance. Self-employment can help population to earn a living both for self and families and overcome poverty problem by promoting and supporting the population to have a job conveniently. Self-employment created linkages in economic activities, for example, in selling food, a lot of ingredients are needed to cook and selling cooked food. Public utility is also needed, for example, electricity, water, transportation, packaging, and others, as a result, self-employment extend networking activities included forward linkages and
backward linkages. Self-employment is a method of gaining knowledge and skills in careers. Experiences from hands-on activities promote skills and expertise and the person become important human resources in developing the country. Self-employment shows that the population of the country put an effort to help themselves by being self-employed to increase income of the family, and to fight the poverty. After this group of population has tried their own way in fighting with the poverty, State sectors and societies should consider, promote, and support as suggested below.

1. Providing places for selling goods for free, for example, hosting pedestrian zone market by related sectors, rent a piece of land from private sector for vendors to sell goods regularly to promote continuous income earning.

2. There are many organizations that organize vocational training, for example, KanchanapisekAdult Education Center, Bangkok Vocational Training School, Division of Labor Force Skill Development. Related sectors in Dusit District should provide more information about these vocational trainings in hard copy on bill board on the side walk in the area in addition to accessing information about this on line only because some people do not know how to use the computer.

3. The sectors or organizations that offer vocational training courses should specify the target groups of interested persons to be beginners, or experienced participants.

4. There are many organizations both public and private promote self-employment. To be more efficient in promoting self-employment, these organizations should cooperate with each other in the area to be systematic and continuous operation to support self-employment from beginning, on-going, and expanding business.

5. Private sectors or nongovernmental organizations should take an important and concrete role in stimulate and develop self-employment because these organizations can work faster than governmental organizations.

6. Community financial units that are not commercial banks should be established to promote saving and providing loan for self-employment to prevent informal loan.

7. Community should make known the ‘Philosophy of Sufficiency Economy’ of the King of Thailand, and promote the people to implement his Majesty the King to overcome the poverty.

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