

CHAPTER 3

INDUSTRY STRUCTURE AND PROPERTY RIGHT

This chapter looks at the structure of the hired-motorcycle service business from a number of characteristics of the industry. These characteristics include types of owner, owner's profession and location of the hired-motorcycles and their competitors. These general manners are later linked to the behavior of the industry and of a firm in subsequent chapter. Besides, the dominant characteristic of this informal business is that it lacks legal status. The feature of business setting up will, hence, be investigated so that the process of informal property right appropriation, appropriate activity to protect the right as well as the conduct of the police will be disclosed.

3.1 Meaning of "Win"

A group of hired-motorcycles operating on one route is called "Win". The name is derived from the fact that each motorcyclist has to queue up for a passenger. Usually, on the way back to their parking terminal, motorcyclists will try to reach the parking place as fast as possible because the more slowly they drive, the longer queue they will be. That is, the park become the winning post like horse race. Furthermore, their uniforms, waistcoat or jackets are called "Win-coat" and the manager of the group is the "Win-head" who is either the Win-owner or the Win-manager. Therefore, in this study, "Win" means a group of hired-motorcyclists. "Win-coat" means their uniform. However, "Win-head" means the owner of a Win while

"Win-Manager" represents the manager of a Win owned by a group of Win-coat owners. The distinction is necessary since their status is different.

3.2 Structure of the Industry

3.2.1 Number of Hired-Motorcyclists and Wins in Bangkok.

According to the survey of the Department of Land Transport, in 1988, the hired-motorcycle service have been available in 21 out of 24 districts. There were the total number of 10,268 motorcyclists from the total 892 routes all over Bangkok.¹ These figures, however, has been underestimated since a lot of sample Wins set up before 1988 are neglected by the Department. In 1988, the Royal Thai Police Department reported that there were the 16,051 hired-motorcyclists with 479 routes.²

Unfortunately, the two surveys did not provide the data of routes and motorcyclists in each district of Bangkok Metropolis. This study, hence, conducts a survey by using Bangkok map and, then, selecting samples from 19 police station areas in 16 districts of Bangkok. However, the data, as pointed out in the methodology part, can be obtained only from some motorcyclists and some Win-heads who cooperate with us. Therefore, the sampling method cannot be applied and the purposive survey method is used instead. As a result, the

¹The Department of Land Transport, Ministry of Communications, Unpublished data. The three districts which were reported unavailable for the service are Pranakorn, Prompab-Sattruphai and Samphanthawong.

²Metropolitan Police Bureau, "The Role of Hired-Motorcycles in Urban Areas and Control and Supervision of the Royal Thai Police Department, August 1988.

first-round purposive survey consists 48 sample Wins with the total numbers of 2,600 hired-motorcyclists as shown in the Table 3.1 and Figure 3.1.³ The sample accounts for 10 percent of routes and for 16 percent of motorcyclist population reported by the Royal Thai Police Department.⁴ As regards the second-round survey in January 1990, the study conducts the interview from 157 motorcyclists from the 41 first-round sample Wins which are the 0.09 percent of the motorcyclist population in 1988. It should be noted that 7 Wins are excluded from the second-round survey because of the inability to collect the data.

3.2.2 Characteristic of the Industry

(1) The Type of Owner: Hired-motorcycle Wins can be classified by the type of owner (see Table 3.2) into 2 groups:

- (a) Wins owned by a single owner, and
- (b) Wins owned by group of motorcyclists.

Most Wins, 40 Wins or 83 percent of 48 sample Wins, are owned by single-owners. Most of them are of medium size, i.e., 52 percent, having between 31-70 Win-coats. Notably, all of the group-owned Wins are not large. 7 out of the total 8 group-owned Wins are small. The average number of Win-coats of the group-owned Wins is only 15, which is less than the average of 22 of small single-owned Wins.

³Some Wins share exactly the same common routes. Similarly, a Win-coat may be used by more than one motorcyclist.

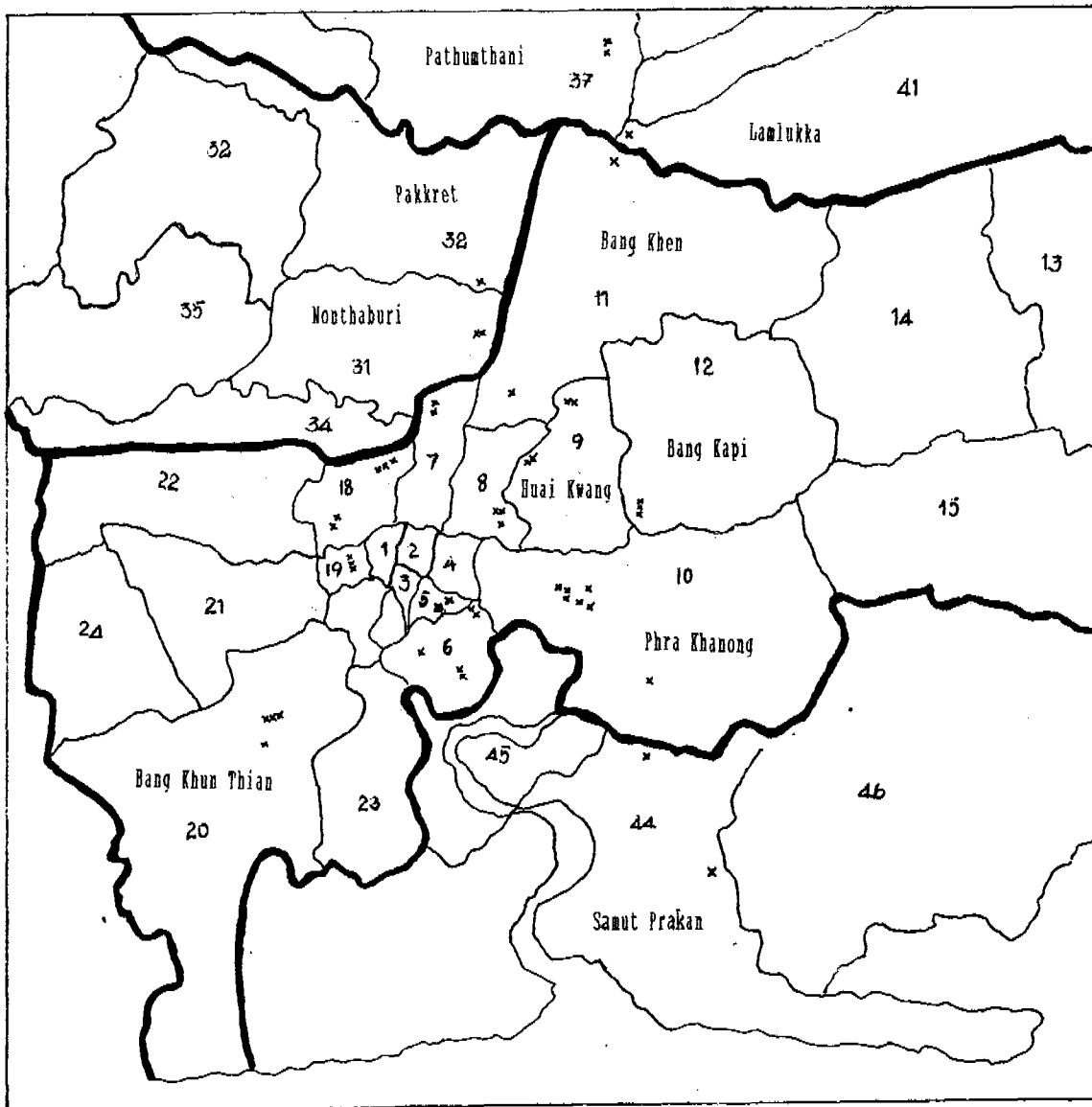
⁴The Royal Thai Police Department is given a more credit by this study for the reliability of the data since the Department can collect the data from the police stations in Bangkok. In addition, no explanation is got from the Department of Land Transport as the data of the total routes and motorcyclists are got by personal contact.

Table 3.1
 Surveyed Area and Number of Sampled Wins

Area	Road/ Area	Code	Number of Sample
1	Jaransanithwong	JS1-3	3
2	Jaransanithwong	JS4-5	2
3	Sukhumvit	SV1-6	6
4	King Rama IV	PRS1-2	2
5	Huay Kwang	HK1-2	2
6	Lad Pao	LPI-3	3
7	Donmueng	DMRW1-3	2
8	Phahonyotin	PHYTI-2	2
9	Sansen	SS1 & BKB1	2
10	Silom	SL1	2
11	Nonthaburi	NIBR1-2	2
12	Pakkret	PK1	1
13	Taksin	TS1-3	3
14	Bangkae	BKM1-4	4
15	Sathupradit	ST1-3	3
16	Sukhumvit	SV7-8	2
17	Srinakarin	SNKR1	1
18	Petchburi	PCH1-3	3
19	Ramkhamhaeng	RKHI-3	3
Total Sample Wins			48
Total Number of Win-Coats			2600

Source : Survey

Figure 3.1
Sample Distribution



- | | | |
|-------------|------------------|----------------|
| 5 = Bangrak | 8 = Phayathai | x = Sample Win |
| 6 = Yannawa | 18 = Bangkok Noi | |
| 7 = Dusit | 19 = Bangkok Yai | |

Note: The District numbers are in accordance with Figure 2.1 & Figure 2.2.

Table 3.2

Type of Win-Owner classified by Size of the Wins

Size	Number of Win-Coat	Type of Win-Owner		Number of Win	
		Group	Single	Total	Percentage of Total (%)
Small	≤ 30	7	7	14	(29.2)
Medium	31-70	1	24	25	(52.1)
Large	> 70	-	9	9	(18.8)
Total		8	40	48	(100.0)
Percentage of Total		(16.7)	(83.3)	(100.0)	

Source : Survey

(2) Profession of the Present Owner

Besides the type of owner, the characteristic of the business can be classified according to the profession of the present owners as shown in Table 3.3. We can see that hooligans plays important role in this business. They own 27 percent of the samples. The second largest groups of owner are the businessmen and motorcyclists. Most of the motorcyclists are only Win-managers. Other owners include government officials, both civil servants and military officials. Policemen, as law guardians, have the most important proportion compared with other government officials.

(3) Location of the Win

(3.1) Location: Alternatively, if considering locations, the location of hired-motorcycle Win can be classified according to the parking place into 3 groups (Table 3.4):

- (a) Sidestreets or Sois,
- (b) Crowded area,
- (c) Main roads.

Most Wins, either of single owner or group owner, are located at the entrance of Soi (or lane). The Soi-entrance Wins accounts for 77 percent of the sample. Hence, the characteristic of the business is mainly to serve demand to enter or leave the Sois. Furthermore, it is found that there is always only one Win at each Soi-entrance (Figure 3.2). In the opposite, in the crowded area, one Win locates so close to another Win that it will take only a few minutes for a passenger to walk from one Win to another (Figure 3.3). Only 4 percent of the sample Wins locate on roadsides of the main streets (Figure 3.4). Notably, both of the main-road sample Wins, SL1 & SRW1, are of small size. No group owned Win locates at a crowded place.

Table 3.3
Profession of Present Win-Owner

Profession	Type of Win-Owner		Number of Win	
	Group	Single	Total	Percentage of the Total (%)
	Motorcyclist	7	4	11
Navy	1	1	2	(4.2)
Soldier	-	1	1	(2.1)
Airman	-	2	2	(4.2)
Police	-	4	4	(8.3)
Civil government official	-	4	4	(8.3)
Businessman	-	11	11	(22.9)
Hooligan	-	13	13	(27.1)
Total	8	40	48	(100.0)

Source: Survey

Table 3.4

Location of Wins classified by Type of Owner

Location	Type of Win-Owner								Number of Win	
	Single				Group				Gross Total	Percentage of Gross Total (%)
	Small	Medium	Large	Total	Small	Medium	Large	Total		
	Soi	4	20	6	30	6	1	-	7	37
Crowded Area	2	4	3	9	-	-	-	-	9	(18.7)
Main-road	1	-	-	1	1	-	-	1	2	(4.2)
Gross Total	7	24	9	40	7	1	-	8	48	(100.0)

Source: Survey

Figure 3.2

Location of Hired-Motorcycle Win: Soi

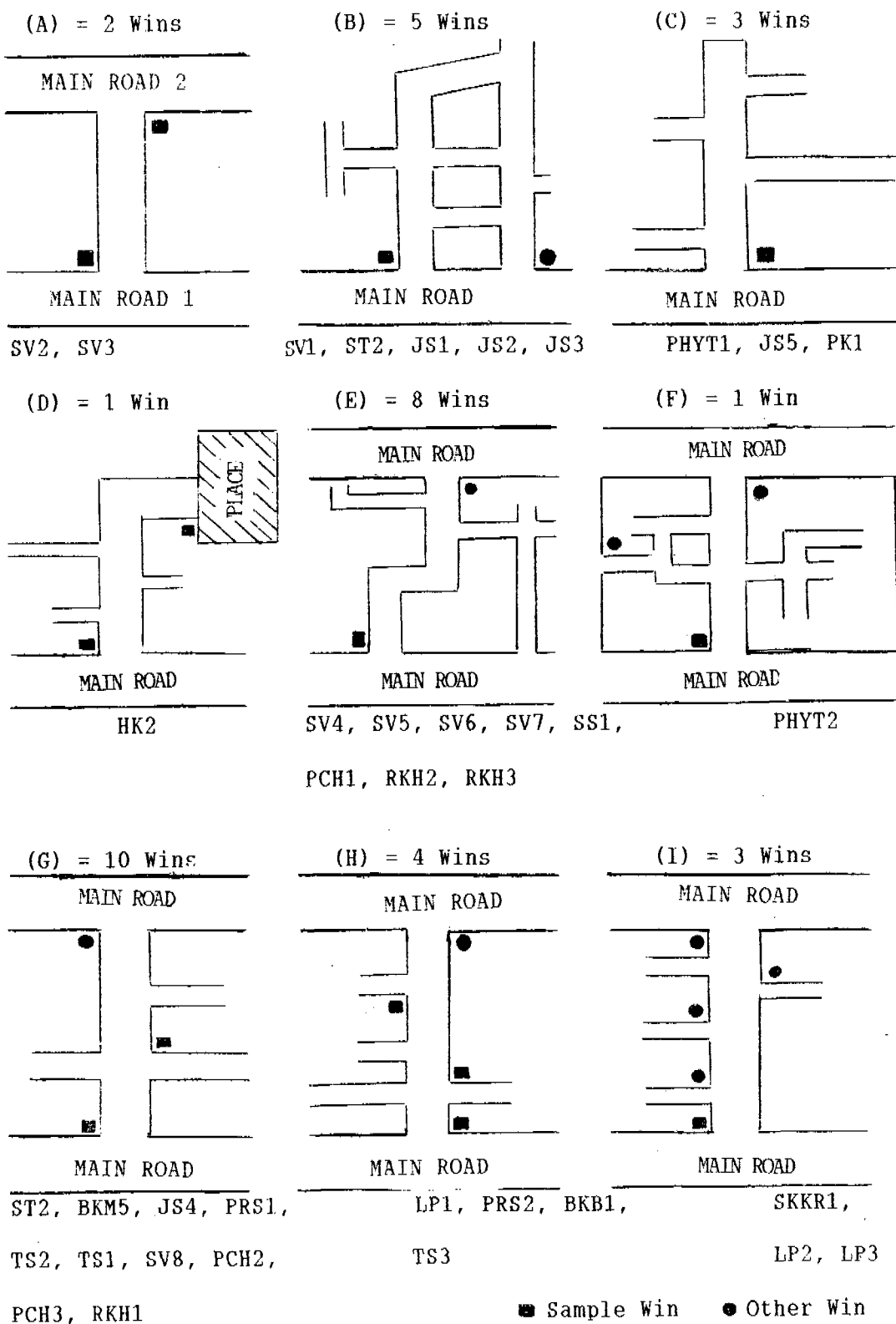


Figure 3.4

Location of Hired-Motorcycle Win: Main-Road

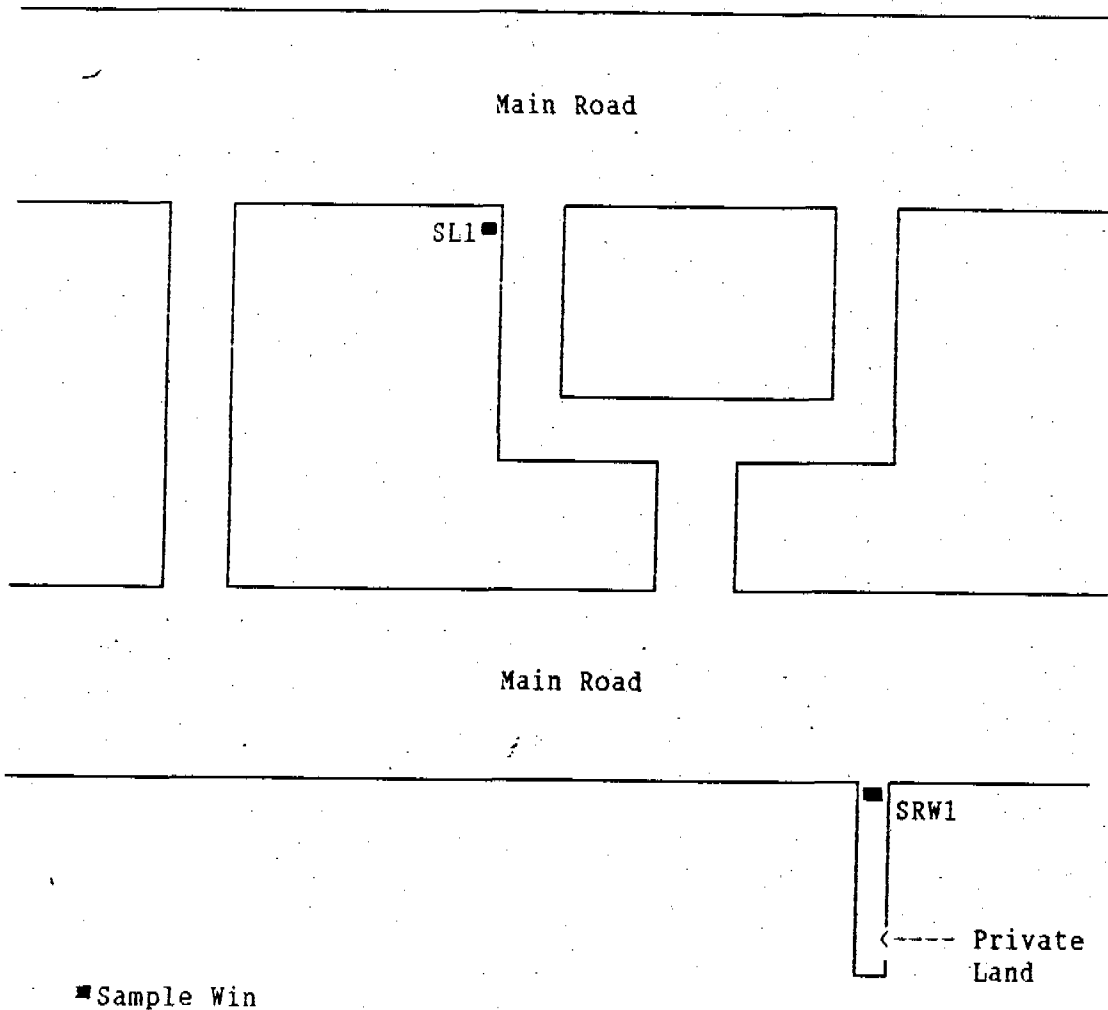
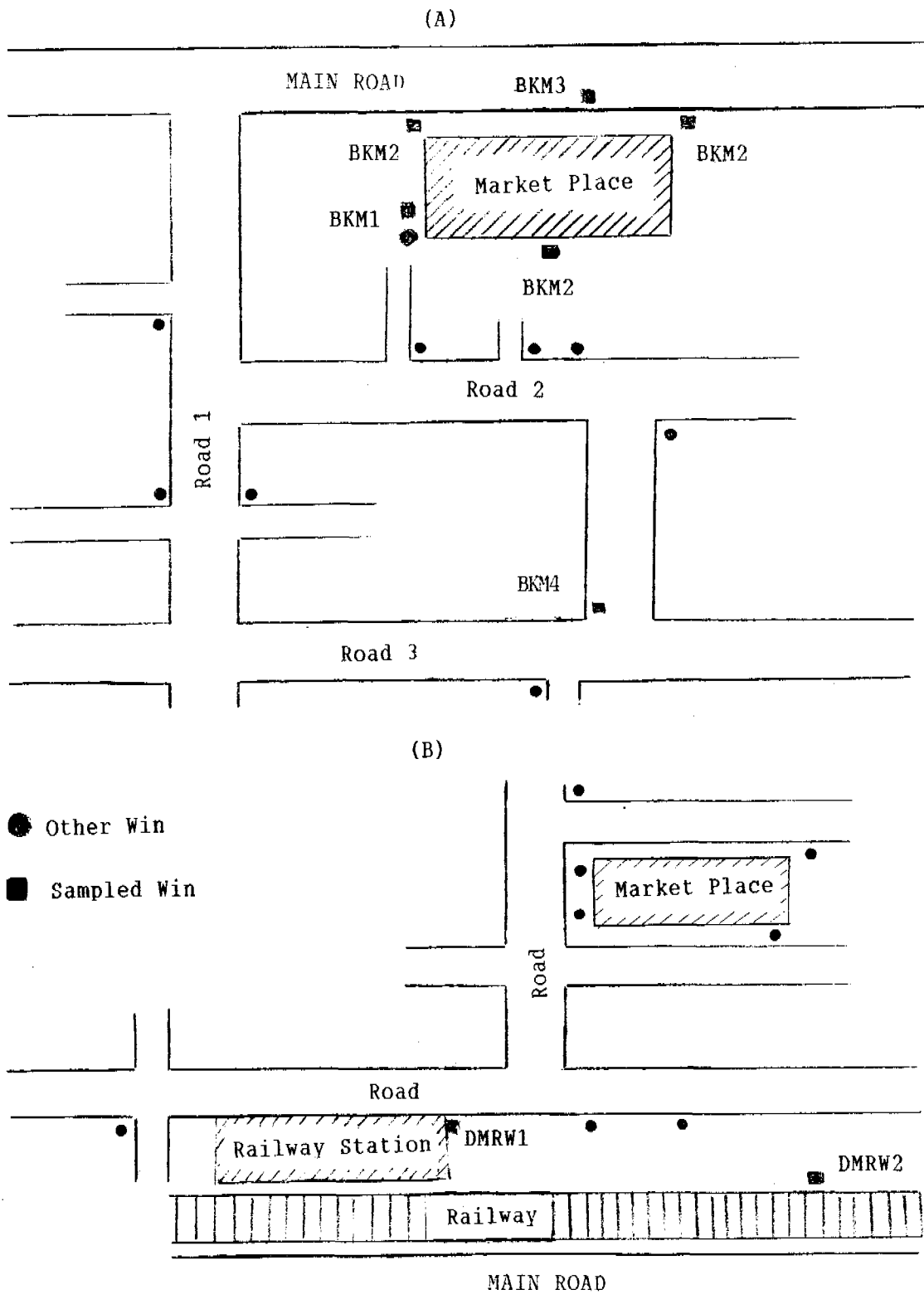


Figure 3.3

Location of Hired-Motorcycle Wins: Crowded Area



(3.2) Competitors in a Location

Different location of Wins leads to different situation of competition faced by each Win.

(a) Indirect Competitors for Soi-Entrance Win

At the entrance of the Soi, there is always only one Win. However, this does not mean that there will be only one Win in a Soi, particularly if the Soi, regardless its distance, is an access between two main roads. Figures 3.2: (E) to (I) reveal that 26 Wins or 70 percent of Soi-entrance Wins have competing Win at the opposite entrance of the same Soi. Only in a dead-end Soi with short-distance that one Win is observed (see Figure 3.2: (C) & (D)).

The hired-motorcycle Win in the Sois has an indirect competitor in the sense that some extent of its market as well as its original route will be segmented whenever there is a new coming Win. In addition, a Win may face competition from other modes of transport service at the same entrance.

(b) Direct Competitors of a Crowded-Place Win

In the crowded area, there are always more than one Win in the area. From the Figure 3.3, each Win is not so far from others that it takes a passenger a few minutes to walk from one Win to the other nearest Win. The Win in this location, hence, faces direct competitors: motorcyclists of other Wins operating the same kind of service on the same routes. For example, BKM1, BKM2, and BKM3 take most of their passengers to the same areas behind the marketplace (ROAD1, ROAD2 and ROAD3). Besides, all the sample Wins have other public modes as competitors because the crowded area are always the terminal of minibus, Sam-lor and Silor-lek.

(c) The Main-road Wins and Other Transport Mode Competitor.

A little difference is in the case of the Win locating at roadsides of main streets because the location of the Win may be far from another nearest Win, compared with the crowded area case. However, locating on a main-road, a Win faces other modes as competitors, e.g. buses, minibuses, taxis and Sam-lor. (Figure 3.4)

Up to now the general characteristics of the business are revealed. Next, the study will look at the aspect of setting up a Win and the property right protection which is very important for the general existing characteristics as presented above.

3.3 Setting Up of Business

The process of setting up a Win generally begins from groups of 4-5 motorcyclists. Some group have Win-owners at the beginning while others have only Win-managers elected by the group. How the process of setting up the Win is and whether it is easy or difficult to occupy a route depend on the characteristic of the originator as well as the location.

3.3.1 Type of Originator

Broadly classified, the originators in 77 percent of the samples are local people. (Table 3.5)

(a) Local People: Local people are major originators in 77 percent of the samples. Undoubtedly, they have information advantage on the geography of their areas as well as the density of demand. However, the process of business setting-up may face obstruction. In the case of a vacant route which is not available for other public transport mode, local people can occupy the route arbitrarily without obstruction. The motorcyclists wearing Win-coats

Table 3.5

Type of Originators and Pattern of Business Setting up

Type of Originator	Pattern of Setting up			Number of Win	
	Arbitrary	Contact	Unknown	Total	Percentage of Total
Local residents or people working in the area	18	8	11	37	(77.1)
Outsider	8	3	-	11	(22.9)
Total	26	11	11	48	(100.0)

Source : Survey

just park their motorcycles at the entrance of Sois and may place a notice "Hired-motorcycle" to promote their business. Some groups even distributed small leaflets to people in the area in their first day of operation.

Predictably, the Win establishment becomes more difficult for an entrance of a sidestreet or Soi already available for other public transport modes such as in-soi minibus (Two-row) or Silor-lek. The originators, hence, have to contact or reconcile first with the owners of other modes whose income would be affected. Definitely, the background of the originators such as being hooligans or policemen is very important for the success. Some groups of motorcyclists contacted the policeman in the area to be a arbitrator when they were first disturbed by those rivals. Some let the drivers of other modes enter the Win after the drivers realized the pleasant income earning of the hired-motorcyclists. Some even pay monthly fee to the other mode's owner to calm down the unsatisfaction. 10 sample Wins from the survey revealed the case for the finally successful cases. (Table 2.9) In some areas, there may be endeavor to set up hired-motorcycle business by some people but failed. This is not observed in our survey.

(b) Outsiders

23 per cent or about one-fifth of sample Wins are found being set up by outsiders. In contrast to the process of the local people, all of the originators who are outsiders (except JS3 Win belonging to a traffic police inspector) would not set up the business in the Soi and crowd area where other transport modes already exist. They would survey the area before the setting up so as to roughly count

the number of people leaving or entering the Soi during peak-hours and to check whether there are other modes.

Warrant navy officials are the important originators in 6 out of 11 Wins set up by outsiders. Gathering as a group consisting of 2-10 navy officials who own motorcycles, they operated the service in many Sois as their part-time work without initial obstruction. None of them asked for the permission from the relevant police station to begin the service.

Some originators who are civilians asked the traffic police inspector for permission before beginning the service in the relevant police station area. No one was refused by the police.

Comparing between the navy officials and the civil, we can observe that the military status can facilitate the settlement.

3.3.2 Characteristics of the Originator

Generally speaking, the hired-motorcycle business is mainly originated by powerful people: those having powerful supporters or being government officials. These kinds of persons have comparative advantage in protecting their informal right on the one hand and in controlling or governing their motorcyclists on the other. Therefore, to be the potential originator must have at least one of the following quality. (Table 3.6).

(a) Influence

Hooligans are usually found to be Win-heads in 21 percent of the sample Wins. Most of them are local residents and can set up the Wins without first receiving the polices' permission. This reflects that they have to originally protect the informal property right by themselves.

Table 3.6

Profession	Pattern of Business Setting up			Number of Win	
	Arbitrary	Contact	Unknown	Total	Percentage of Total (%)
	Motorcyclist	9	7		
Navy	7	-	-	7	(14.6)
Soilder	1	1	-	2	(4.2)
Airman	1	-	-	1	(2.1)
Police	1	-	-	1	(2.1)
Civil government official	2	-	-	2	(4.2)
Businessman	2	-	5	7	(14.6)
Hooligan	3	3	4	10	(20.8)
Total	26	11	11	48	(100.0)

Source: Survey

(b) Contact and Connection

In contrast to the military originators, the civil originators need some protection from the policemen.⁵

Out of the total 48 sample Wins, 18 were set up by motorcyclists. Out of these 18, 6 contacted some police in the relevant station for permission to operate the motorcycle service. Some motorcyclists contacted only the owners of other competing transport modes. However, they personally know some policemen in the relevant police stations. Other Win-heads contacted the responsible police station after they ran the business for nearly a month. The police usually grant all of these originators the permission to provide the service. As a result, informal property right on the route is established. For the Win-heads who are businessmen, most of them do the business on transportation. Even though the process of setting up the business is not known by the survey, the motorcyclists in these Wins reveal that their Win-heads have already had connections with some commissioned policemen before they do motorcycle service business. Therefore, we can believe that the setting up were not obstructed by the police.

(c) Military Government Official

Government officials particularly warrant navy as mentioned earlier are found to be originators in many Sois. All the navies, being non-local residents, set up Wins arbitrarily in the public Sois. However, in many Sois, the navies' role would be finally

⁵From the Table 3.6, there is only a soldier in the group of military officials (navy, soldier, airman and police). This soldier did not contact the police for the permission. In stead, he contacted other modes' owners.

stopped by the influential of people in the area. This indicates the more importance of the influence in the hired-motorcycle business in many areas. Besides the navy, no other government officers play significant role as originator in the business.

3.3.3) Cost of the Settlement

(1) Capital Requirement

An originator requires low capital investment to set up hired-motorcycle Win. If a Win-head is also a motorcyclist, he must have only his motorcycle to begin the service. If he does not drive a motorcycle, he does not have to invest in any capital requirement. It is the motorcyclists, who have to invest in capital, their motorcycles and Win-coats. Hence, for the first Win-head, the cost of entering into the business in terms of money is low. If he fails to occupy the route, he will not bind himself to pay any sunk cost since he can easily withdraw or exit from the area.

In the case of contacting for the police's permission before beginning the business, the originators do not have to pay any lump sum fee for the route occupation. However, the monthly fee will be paid later after they run the transport service for a while and get reasonable income.

(2) Nonmonetary Requirement

As pointed out earlier, the hired-motoecycle service is the business of hooligans, goverment officials or those who have powerful supporters. Lacking the legal license, these kinds of people have more comparative advantage in protecting the Wins by themselves and in the operation of the service. The hooligans must spent a long time accumulating prestige so as to be respected by people in the area. This is also the case of having the powerful supporters. This

advantage cannot be measured in term of money. However, these factors indeed facilitate the success in setting a Win.

From the process of business setting up, we can see that the business is characterized by easy entry for a potential Win-owner as long as the entry does not affect the original Win directly.⁶ In other words, if the potential entrant occupies another location, he would face no barriers to entry.

However, another important element of barrier to entry is the location. An original Win may have a locational advantage over the other. For example, in the case of a Soi available for a Win at each entrance, one Win may face higher density of passengers than the other Win at the opposite entrance. Similarly, in the case of crowded-area Wins, the Win parking at the entrance of the market can catch passengers easier than the Win at other parks.

3.4 Property Right

Property right of a Win-owner means the right to have ownership on his Win and the right to transfer the ownership. The police are the important player to maintain the property right of a Win-owner.

After a Win is established, the motorcyclists' records must be recorded by the investigation section of the relevant police station. If the service begins without first contacting the police, the police will ask for the records of every operator. But more important, every Win-owner has to pay a lump-sum payment of 800 baht

⁶It should be noted here that the mere transfer of ownership in Win does not constitute entry.

to 8,400 baht for the right to operate on a certain route. In this way the route right is secured.

Besides the police, to protect his economic rent, the Win-owner also have the function to defense his Win from others who seize the Win.

If more passengers use the motorcycle service, the originator who possesses this information can seek for an economic rent to compensate for his information. He can charge an entrance fee by selling Win-coats to new motorcyclists and/or charge daily queue fee during the service provision. Such rental income received by Win-owner may induce potential entrants to their route. Some competitor may even try to seize the entire route. The interesting question, hence, is how the owner protect their property right.

3.4.1 Property Right Protection

There are at least 2 defensive activities in protection. One is the self-defense. The other is to pay monthly fee to the police station responsible for the area.

(1) Self-defense : Self-defense is necessary in the case that a Win is disturbed. The protectors may use force or peaceful negotiation to defend their property. In the case of a group-owned Win, motorcyclists will jointly cooperate with one another to protect the Win as well as to solve other problems affecting the security of the group. (If they fail, the pattern of management may be changed.) The situation, however, may differ in the case of a single-owner. The Win-head may get cooperation from his motorcyclists if he has a good relationship with them such as being friends, taking into account motorcyclists' income and opinion before issuance of new Win-coats. Good relationship among the motorcyclists themselves such as

being friends is also important for the protection⁷.

From the survey, 9 sample Wins have been disturbed⁸. Some original Win-heads lost the right to manage the Wins after their failed to protect their right. Pattern of management were changed from Win-managers to Win-heads after some group of motorcyclists failed to protect their right. They have had to pay daily fee to the Win-heads. These group-owned Wins are found that they do not ask or contact for the police's permission in advance. Out of these 9 Wins, only 3 Wins were succeed in the right protection.

Furthermore, the above fact indicates that the other 41 wins have not ever been disturbed. One factor explaining for their peacefulness is reputation of the owners. Reputation of Win-heads such as being hooligans, policemen may calm down any intention to disturb the Win.⁹ It has been found unsurprisingly that group of motorcyclists as well as warrant navies were forced to transfer right after the business showed good performance.

(2) Monthly fee Payment to the Police

(a) Amount of the Payment

Amount of observed monthly fees are between 800-8,400 baht per

⁷For instance, NTBR1 motorcyclists helped their Win-head coping with invaders since they respect the Win-head and all of them are local residents. Oppositely, protection of a Win mostly consisting of part-time motorcyclists leaving outside of the Soi become the responsibility of the Win-head individually. As a result, the present JS5 and PHYT1 Win-head has hired some toughs to be his subordinates for the protection.

⁸Those are JS1, SV7, PCH2, JS2, JS5, BKM5, DMRW1, NTBR1 and SV8.

⁹For instance, when motorcyclists in many Sois such as PCH3 and RKH2 were asked whether their Wins are ever be disturbed. The answers are "who dares?"

month. There are data on monthly bribe for only 24 wins (see Table 3.7). If the Wins are classified according to the size, the average monthly fee per Win-coat for small, medium and large wins are 78 baht, 82 baht and 58 baht, respectively. The payment of small Wins are not much different from that of the medium. However, economies of scale of the fee is in large Wins, which means that when the number of motorcyclist increases, the average payment per Win-coat will decrease.¹⁰ The amount of fee depends partly on the police's behavior in rent seeking.¹¹ If considering the type of payment, either lump-sum or fixed amount per Win-coat, the average payment basing on the former is cheaper. (see Table 3.8)

(b) Rationale of the Payment

The police are one of the player in this business. One of their important role is to register hired-motorcyclists for passengers' safety as presented in Chapter 2. However, besides being Win-heads themselves, in general, they continue their role to extract some of Win-heads' economic rent by charging monthly fee from the Win-head or the motorcyclist group.

The question is why a Win-owner has to pay the monthly fee to the police in spite of the recently scrutinization that the hired-motorcycles are honest profession or not illegal. Answers are easy.

¹⁰This is not a strong conclusion since the sample in this case is only one.

¹¹For example, LP2 have had to pay 8,400 bhat a month of which 6,000 baht belongs to the traffic police inspector individually while the other amount of 2,400 belongs to the group of police. This traffic police inspector's subordinates even complained the unsatisfactory behavior to LP2 Win-head. Oppositely, police in SV4 and SV5 area charging cheaper fee tell the motorcyclists in advance that they will help them if the Wins are invaded. (see Appendix 3.1)

Table 3.7

Average Amount of Monthly Payment Classified by
Size and Type of Owner

Baht per Win-Coat per Month

Size	Type of Win-Owner				Average
	Single		Group		
	Number of Wins	Average Fee	Number of Wins	Average Fee	
Small	4	88	6	71	78
Medium	12	81	1	83	82
Large	1	58	-	-	58
Average		81		100	74
Total	17		7		

Source : Survey

Table 3.8

Average Amount of Monthly Payment
classified by Type of Payment

Baht per Win-Coat per Month		
Type of Payment	Number Of Wins	Average Amount of Payment
Fixed amount per win-coat	5	131
Lump-sum	17	77

Source : Survey

Note : The total number of Wins in this Table is 22
which differs from that of the Table 3.7 since
the payment of 0 baht is excluded in this Table.

Every Win must pay the police since the hired-motorcyclists, in practice, always break the traffic laws. Moreover, the police who receive the bribe also help preventing other group of motorcyclists from encroaching their market.

According to the survey, most Wins locate on the sidestreets not on the pavement. Hence, motorcyclists can be arrested on the charge of traffic obstruction for vehicles. The question is whether a Win locating on private land also have to pay the fee. Most of the Wins in this case still have to pay the fee because most of the hired-motorcycles do not have complete equipments required by the laws. A lot of motorcyclists do not wear helmets during operation. Further, they voluntarily take windshield-wings out so as to reduce the probability to scape the other cars' paint out while driving on sidestreets or Sois most of which are narrow. Many motorcyclists also use different exhaust mufflers from the legal standard and creating noise pollution. Moreover, the motorcyclists always drive on the wrong lane (the most right lane) of a main street in order to reach the destination faster. These facts make both kinds of Wins pay bribe. If the motorcyclists in a Win cannot run their service peacefully because of policemen's disturbances, the Win-head's property right is worthless because if the motorcyclists' income will decline.¹².

(c) Return for the Bribe

In return for the bribes, the police do not cause trouble

¹²There are only 2 Wins not paying the fee. One mostly operates the service on private road. The other parks on private land. Definitely, they do not get any service from the police.

with the motorcyclists. The followings are some of the examples. The motorcyclists do not have to wear the helmets. They can have incomplete motorcycle equipment and can transport 2 passengers per a trip. Moreover, some motorcyclists can use the motorcycle without license plates to operate the service in the Soi.

Another return for the bribe is that if a motorcyclist is charged as breaking some traffic regulations, fine can be reduced, for instance, from 400 baht to 100 baht. Hence, it is economical. Other return, as mentioned earlier, is that the payment can prevent other people to set up another Win at the same location. The payment, hence, can protect a Win-owner's right. However, it should be noted that this also depends on police behavior and the characteristic of local politics.

Positive Relationship with Types of Service

Types of service are positively related with the payment. Relationship between the payment and types of service are as follows:

(1) Wins within the control of a same police station pay not almost the same monthly bribe.

(2) Wins within the control of same police station may pay different amount of bribe if the types of service from the police station are different.

From Table 3.9, except SV7 and SV8, all the Wins under the control of a same police station pay almost the same amount of bribe per Win-coat. Except TS3, all motorcyclists pay cheaper fine if they are arrested in charge of breaking traffic regulations. However, motorcyclists of these four Wins, i.e. PCH1 & PCH3 and SL1 & SRW1, are also able to violate some traffic regulations. They can violate traffic arrow, red traffic light. For SV7, the 5 motorcyclists who

Table 3.9

Relationship between Amount of Monthly Fee and Type of Service

Win	Number of Win-Coat	Total Monthly Fee (baht)	Fee per Win-Coat (baht)	Type of Service		Other
				Cheap fine	Breaking some traffic regulations	
SV2	25	1000	45	/		
SV3	23	800	35	/		
SV4+SV5*	33	1500	45	/		
SV6**	31	1000	32	/		
PCH1***	15	1500	100	/	/	
PCH3***	32	3840	120	/	/	
SL1	11	3000	272	/	/	
SRW1***	6	1800	300	/	/	
TS1	130	7500	58	/		
TS2	55	3000	55	/		
TS3	70	3500	50			
SV7***	35	3500	150	/		Helping the settlement
SV8**	60	2500	41	/		

Source : Survey

Note: * These two wins belongs to the same group of motorcyclists
 ** means the wins also pay monthly fee to another police station.
 SV6 pays another 2,000 baht (64 bant per win-coat) since the win locates in this police station's responsible area.
 SV8 pays another 1,000 baht (17 baht per win-coat) since the regular route is partly in this police station's responsibility.
 *** means the payment is based on an fixed amount per win-coat.

are the originators were initially obstructed by the other modes' owners, Two-row and Silor-lek. They asked for help from a police in the relevant police station to reconcile with other modes' drivers for 2 times at the first week of operation. Differently, SV8 Win-head set up the Win without any help. Further, he has ever protected the Win from invaders for 2 times without any help from the police. Similarly, it is found that the two Win-heads of the same Win pay different amount of fee if they have different characteristics. For example HK1, second Win-head pays more than the first owner since he is not a hooligan but a businessman. It should be also noted here that a Win may have to pay bribe to more than one police stations if the regular route is in more the area of two police stations.

(3) In-Kind Payment

Besides monthly fee, most Wins have to pay in-kind fee. The important item is whisky. However, this expenditure is not regular one. A Win-owner will give the police whenever they ask. This expenditure is, hence, not accounted as a part of monthly fee payment by the survey. Furthermore, some of the in-kind fee create positive externality to the society as a whole. Many Wins are asked to send few motorcyclists to reconnaiter with the police in their area to prevent any criminal cases. All the motorcyclists get no compensation to their opportunity cost.

3.4.2 Pattern of Property Right Transfers

Pattern of property right transfer can reflect the level of price mechanism in the property right market. The pattern, from the survey, can be classified into 3 types:

- (a) By force,
- (b) By selling,
- (c) By other means.

Table 3.10 indicates that there are changes in property right for 19 Wins which accounts for 39 percent of our samples. There are 4 Wins that the former Win-heads were force out by hooligans and police. Out of these four, 3 were originally owned by warrant navy officials. Notably, it is observed that these Wins had never paid the monthly bribe to police stations because the daily and/or monthly queue fee were not collected from the motorcyclists during the period before the force transfer. Hence, the originators of these Wins got no help from the police. On the other hand, there are transaction transfers of 8 Wins. The owners of the other 6 Wins transferred or given their Wins to present Win-heads without charging money.

The observed prices of property right are between 12,000 baht to 170,000 baht. Those prices reflect the expected forgone rent of the former owners. Furthermore, the owners can transfer the right and, hence, are not bound with any sunk cost when they exit the industry. It should be noted that most of the Win-heads who bought the Win from others are businessmen or merchants.

3.4.3 Monthly Fee Payment as the Major Operation Cost of Win-Owners

Both monthly fee payment and in-kind payment are the the major operation cost of a Win-owner. Excluding the in-kind, the average mothly bribe accounts for about 20 percent of a Win-owner's

Table 3.10

Type of Property Right Transfer

Type of Transfer	Number of Wins
Force	4
Price Mechanism	8
Other means	6
Unknown	2
Total	20

Source : Survey

Note : Some Wins were transferred more than 1 time.

average income from collecting daily queue fee.¹³ From the Table 3.11, it is shown that the group-owned Win have given 51.6 percent or half of the income from the queue fee to the police station.¹⁴ The residual money are kept by a committee of the group as central fund to help the member in case of accident during taking a passenger. Comparing with the group-owners, the single owners have dissipated 22 percent of the queue income to the police. Their income after deducing the bribe is, hence, ^{higher} even in the same Win size.

It should be noted here that there also are another types of operation cost. One is the expenditure on cold water for the motorcyclists. This item costs about 15-20 baht per day or 450-600 baht per month. Next is the salary for the queue organisers or queue fee collectors. However, there are only 6 Win-owners hiring the queue organisers. The salary is between 1,200-4,500 baht per month or 2,670 baht on average. Finally, a few Wins locating on a private land have to pay rent to the land owner. The rent are between 600-3,000 baht per month. The income presented in the Table 3.11, hence, still does not deduce for these items.

¹³ Many Win-owners also have income from hiring their own Win-coat and from charging the tea money when there is Win-coat ownership or hiring transfer. The observed tea money are between 100-1,000 baht per each transfer.

¹⁴ In the Appendix 3.1, it is revealed that 2 out of the total group-owned Wins, SV1 and LP3, do not pay the monthly fee. Definitely, the motorcyclists do not get any service from the police station. KH2, PCH1 and SRW1 spend all the queue income on the monthly fee to police station.

Table 3.11

Average Monthly Income of Win-Owner from Queue Fee
and Average Monthly Fee Payment to the Police

	Baht							
	Group-Owned Win			Single-Owned Win				Total Average
	Small	Medium	Average	Small	Medium	Large	Average	
Win-Owner Income	1960 (100.0)	10500 (100.0)	3086 (100.0)	5621 (100.0)	16752 (100.0)	28571 (100.0)	16881 (100.0)	14735 (100.0)
Monthly Fee	1275 (68.5)	3500 (33.3)	1593 (51.6)	1950 (34.5)	3838 (23.0)	7500 (26.3)	3622 (21.5)	3054 (20.7)
Fee per Win-Coat	71	83	74	88	91	58	74	74

Source :Survey

3.5 Conclusion

Hired-motorcycle service business is the industry of the person having influence or the powerful supporters. The service becomes an alternative transport mode for passengers due to its uniqueness of service, i.e. fast and door-to-door service. The business mainly serves the commuting needs of people who live in the Sois.

A group of hired-motorcyclists is called "Win". A Win belongs to either an single owner or a group of motorcyclists. Wins in different locations face different types of competitors. Even though the Wins have different characteristics, they do similar process to have security on property right. That is, they have to dissipate some amount of their economic rent to the police in terms of bribe. The monthly bribe can stop the police's disturbance and get the cheap fine service as the return. Up to now, the study finds that the monthly bribe is accounted for only about 20 percent of the queue income of a Win-owner. However, it is the major operation cost. After deducing other this cost item, residual income is hypothesized as the return to information rent and the characteristic of the business owner.