

BANGKOK'S RED ZONES

One of Southeast Asia's most dynamic hubs for global businesses, Bangkok boasts innovative entrepreneurial communities and a thriving trade economy that stimulates the interplay between markets across the region. But Bangkok is also a city with a long tradition of street vending and more than 100,000 vendors flood the streets regularly, offering cheap goods and services to local people and tourists alike. The ubiquitous food stalls that line the city's streets along with makeshift street kitchens and a large variety of stalls selling nick-nacks, clothes, electronic gadgets, CDs and videos represent the continuation of a long-standing tradition of informal trade in the country. In the eighteenth and nineteenth centuries, when Bangkok was known as the Venice of the East, hawkers typically operated from boats along the many waterways across the city. As canals were covered over and made into streets towards the end of the nineteenth century, skiff-borne vendors turned into sidewalk entrepreneurs selling their products from street-side carts. Many segments of the population are still dependent on these services as they have to eat out on the street or buy food by the small dish in food markets.

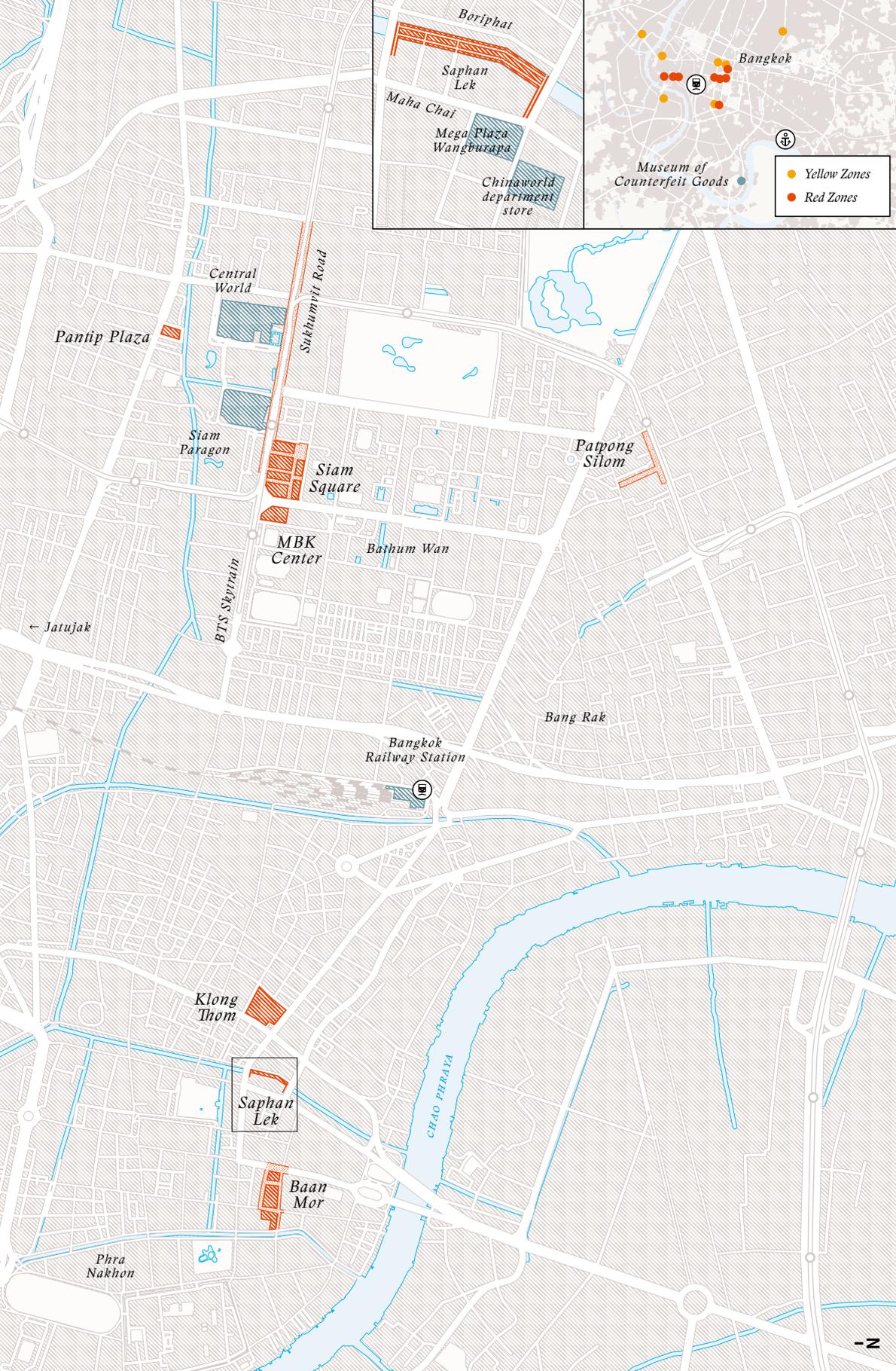
The municipal authorities have demarcated around 300 sites in the city where licensed vendors are allowed to go about their business at particular times on particular days – far too few to accommodate the rising number of people for whom street hawking has become the only way to earn a living, especially in the wake of the Asian financial crisis that hit the city in 1997 as well as the more recent global financial crisis. Over the past two decades, the number of informal street vendors in Bangkok has increased dramatically. The socio-economic composition of this group has also changed, with not only the urban poor but also people from middle-class backgrounds who have lost their jobs or young aspiring entrepreneurs who cannot afford to rent a space in one of the city's mushrooming malls setting up stalls on the pavement outside their homes or along the busy roads that lead from shopping centres to the nearest Skytrain station.

Along with the proliferation of street trade, the number of sites that have been designated by the

Thai authorities as “red zones” has multiplied as well. These closely monitored areas include popular inner city areas like the Klong Thom night market, Sapan Lek and Baan Mor shopping areas, Patpong and Silom, Mah Boon Krong (MBK) Center and the Sukhumvit area, which have been increasingly subjected to raids due to international concerns about the high levels of piracy and counterfeiting activities. Such regulation runs counter to the earlier recognition of informal street vending as integral part of urban development in Bangkok and has sparked fierce controversies between local authorities, landlords, street vendors, consumers, NGOs and copyright industries over issues of legality, income generation, land use and access to inexpensive goods and services.

During the years of economic recession in Asia, street vending was encouraged as a solution to unemployment, whereas during the economic boom it was portrayed as a threat to cleanliness and order. With the onset of the global economic crisis, policies on street vending changed again as more pressure was put on governments, especially in emerging economies, to curb copyright piracy and counterfeiting activities. In its 2007 Special 301 Report, the United States Trade Representative (USTR) and the businesses it represents directed harsh criticism at the weak nature of Thailand's legislation governing book and software piracy, bootleg disc production and in-transit goods from China that enter Thai customs territory at places such as the Rong Klua and Friendship Border Markets at the Aranyaprathet border crossing with Cambodia (see pages 184–189). As a result, Thailand was placed on the USTR's Priority Watch List of “notorious markets”, reflecting the report's assessment of the reputedly deteriorating protection and enforcement of intellectual property rights in the country.

Since then, officers from Thailand's Department of Special Investigation together with local and national police have been routinely raiding shops in “notorious” malls and seizing tens of thousands of items. In 2012 alone, a reported six million products were impounded. In February 2013, after six years





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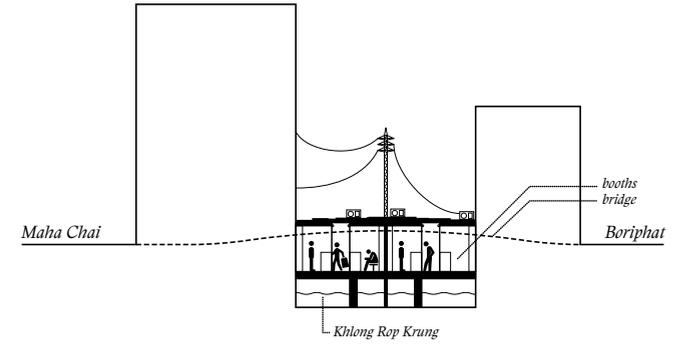
of enforcement actions, political debates, changing governments, awareness campaigns and anti-counterfeit policies, the International Intellectual Property Alliance (IIPA), a major lobbying group that exerts a strong influence on the USTR's decisions, eventually agreed to Thailand being moved to the lower Watch List status in recognition of "increased levels of cooperation and political direction". But despite Thailand's designation of 2013 as the Year of Intellectual Property Rights Protection, its creation of a National Task Force and its contribution to the establishment of an ASEAN IPR Enforcement Coordination Centre, when the final decision was made in April 2013, the country was kept on the priority list for the seventh consecutive year. In response, the *Bangkok Post* ran a series of indignant editorials about the USA's continuing pressure on Thailand to adopt carbon copies of its own copyright laws and on Thailand's legislators to react favourably to its demands. This ongoing international row notwithstanding, there are more down-to-earth policies that govern street vending operations on the ground: People who are forced into earning a living as hawkers simply cannot afford to pay fines for selling illegal goods and, when caught by police, tend to accept imprisonment over monetary sanctions. Given the numbers of unlicensed vendors in Bangkok, custodial sentences would put an enormous strain on government budgets. In the end it is thus cheaper to turn a blind eye to illegal vending at street level.

But while the activities of retail end sellers could be made, at least in principle, the target of enforcement operations, one of the real concerns is that there is no legal basis for holding landlords responsible for the illegal activities of their tenants. And since there is little incentive for proprietors of commercial complexes to cooperate with the police, it is difficult to uncover distribution channels and money trails and track down major manufacturers of illegal goods. A 2010 survey of shops selling products infringing copyright in Bangkok's MBK Center, an enormous shopping centre housing thousands of tiny stalls, found that individual businesses paid an average of US\$2,000 per month in rent while serving more than 1,000 customers daily.¹ Despite the high rents stallholders have to pay in this mall, they manage to make substantial profits due to the steady flow of customers, well-organized supply chains and



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SAPHAN LEK (IRON BRIDGE) MARKET, STRADDLING KHLONG ROP KRUNG



technological advances that cater to the specific needs of the informal market, such as so-called “media boxes”, hard discs pre-loaded with large quantities of pirated movies and online capabilities to upload new content for a small fee.

While most other markets in Bangkok’s red zones are not located in such innocuous settings, they are equally well-stocked with a low-priced selection of high-end electronic products, DVDs of first-run Hollywood movies, fake luxury watches and video game consoles. The makeshift stalls along the one-metre-wide aisles of Talat Saphan Lek (Iron Bridge Market) sell everything from bootleg software and designer sunglasses to unlicensed cassette tapes and replica firearms. The market is best known, though, for its extensive range of gaming consoles and video games, which vendors copy from game cartridges onto standard computer discs for little more than one U.S. dollar. For such bargains customers are willing to accept the heat and smell in this 200-metre-long labyrinth made up of hundreds of stalls crammed into a cavernous space that stretches between two bridges over the Ohng Ang Canal. Equally vast is the bustling Klong Thom Market (Landfill Canal Market), which is reputedly the place for Thai men to buy porn, sex toys and aphrodisiacs imported from Japan, China or Korea. Built on the site of a former canal, it is difficult to tell where this market starts and ends. Klong Thom occupies an entire grid of tightly packed streets surrounded by four main roads on the northern fringes of Chinatown. Thousands of customers looking for an unpretentious flea market experience come here on Saturday nights to find rarities – such as out-of-print hardbacks, retro-style cameras or mid-century furniture – among the typical

offerings of uninspired clothing, household goods, work tools and cheap electronics.

Growing numbers of tourists are mixing with locals not only in this marketplace but also in other red zones, where stall holders are becoming increasingly dependent on foreign buyers to sell their piles of cheaply produced goods – so much so that sales figures in tourist areas such as Silom dropped by up to 80 per cent during the violent anti-government protests in 2010 and 2013. While in Bangkok’s infamous nightlife district go-go bars and market operators usually feed off one another, Silom’s Patpong Market had to struggle to remain viable during these periods of demonstrations, pillaging and rioting. In light of the periodic losses of profit suffered by the informal sector it may seem opportune to some that the Thai government has recently launched the “Creative Thailand” project, which is promoting the use of the creative economy to move the country forward in line with policies developed by the Thai–U.S. Creative Partnership, an initiative for binational collaborations in the creative industries ranging from the design of “creative city prototypes” to anti-piracy education programmes.² The Bangkok-based law firm Tilleke and Gibbins now operates its own Museum of Counterfeit Goods, which features more than 4,000 goods seized in raids conducted on behalf of the IP attorneys’ well-to-do clients. In the enduring competition over foreign capital, the interests of disparate stakeholders in Bangkok’s commercial life thus converge, not with respect to the actors involved but with regard to the goods themselves.

1 Adam R. Tanelian, “Piracy and Counterfeiting in ASEAN,” 2010.
2 <http://www.creativepartnership.org/>



SUKHUMVIT ROAD



KLONG THOM



KLONG THOM



BAAN MOR