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COMPARATIVE STUDY OF INFORMAL LABOR MARKETS IN THE URBANIZATION PROCESS: THE PHILIPPINES AND THAILAND

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INTRODUCTION

CULTURALLY, socially, and politically, the Philippines and Thailand are completely different, but in the economic sphere until the end of the 1970s, the two exhibited such similarity that they could have been called twins. During the 1980s, however, the difference in the economic progress of the two countries widened greatly. Today Thailand has achieved the status of a quasi-NIE while the Philippines continues to struggle with an economy that is verging on economic stagnation. Yōnosuke Hara has emphasized the importance of comparing the two countries [2, pp. 116–17]. He comments that in Thailand the owner farmer has largely predominated which has given the country's social structure a more homogeneous and egalitarian aspect; in this sense the society is closer to the East Asian societies which possess incentives that induce the people of the society to work hard. In contrast to this, the Philippines with its large stratum of landless laborers coexisting with an extensive system of medium and small tenant farmers and a system of large-scale plantations (haciendas) has come to have an uneven social structure composed of heterogeneous social strata; in this sense Philippine society is closer to Indian and other South Asian societies.

However, in order to understand the mechanism through which these contrasting social structures brought about the difference in economic performance in the two countries, we need to undertake a multifaceted examination that encompasses not only analyses of development planning and industrial policy but also micro analyses of rural and urban economic behavior. Relying on field surveys, this study will try to further clarify the differences in the social structures of the two countries through an analysis of the effects that urbanization has had on the urban informal labor market. Essentially it seeks to comprehend the urban labor market by approaching from another angle Hara's argument that the labor market in the Philippines is extremely segmented while that in Thailand is one of free movement be-

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tween sectors with educational attainment effectively acting as a signal of labor quality.

Underlying the analysis in this study is the following theoretical background in development economics. Lewis's theory of unlimited labor supply [6], later elaborated by the dual economic development model of Fei-Ranis [1] and Jorgenson [4] and modified by Harris-Todaro's theory of rural to urban migration [3], was the pioneering work in development economics and opened the way for progress in the debate on the urban informal sector. However, the urban informal sector that Lewis hypothesized is completely different from that set forth by the International Labour Organisation. Lewis, at least in his analyses, regarded the sector as equal with the rural sector. He saw it as a sector which supplied an unlimited amount of labor to the capitalist sector at a wage rate where a markup was added to the average wage rate equal to the institutional subsistence wage rate. In the Lewis model, the correct way of understanding the urban informal sector economy would be to comprehend it not as the market economy premised on the price mechanism but rather as the customary economy where traditional norms predominate. This idea as it pertains to the urban informal sector in the Philippines has already been examined by this author [7].

Through a comparison of the Philippines and Thailand, this study seeks to understand the dynamic process of the urban informal labor market which arises in the course of urbanization in developing countries. Section I looks at the rural to urban migration in the urbanization of the Philippines and Thailand. Following this, Sections II and III look more closely at the formation of the urban informal labor market in each of the countries based on the results of field work studies undertaken by the author in slum squatter areas in both countries. At the same time these sections examine the impact of urbanization on the labor market. Some general conclusions which can be drawn from the comparative analysis in this study are set forth in the final section.

I. RURAL TO URBAN MIGRATION IN THE PHILIPPINES AND THAILAND

Behind the urban labor market in both the Philippines and Thailand lies the migration of population from rural to urban areas. This section will examine this migration using the shift of population from rural areas to the capital metropolitan area as an index of urbanization in both countries.

A. *Rural to Urban Migration in the Philippines*

Reliable statistics on internal migration to the Manila metropolitan area (Metro Manila) are available for the three periods of 1970–75, 1975–80, and 1985–90 (Table I). According to these, migration to the capital during the 1970–75 period

TABLE I

POPULATION MOVEMENT TO THE METRO MANILA AREA

	1970–75		1975–80		1985–90	
	No.	%	No.	%	No.	%
Region total:						
Gross migration out of the region	895,159	100.0	980,808	100.0	1,163,650	100.0
Gross migration to Metro Manila	310,824	34.7	393,723	40.1	461,240	39.6
Net migration to Metro Manila	155,087		180,318		128,319	
Cordilla Administrative:						
Gross migration out of the region					27,476	100.0
Gross migration to Metro Manila					5,989	21.8
Net migration to Metro Manila					1,921	
Rate of migration (‰)					1.87	
Ilocos:						
Gross migration out of the region	92,867	100.0	91,709	100.0	76,647	100.0
Gross migration to Metro Manila	49,511	53.3	44,354	48.4	36,031	47.0
Net migration to Metro Manila	38,002		30,740		20,439	
Rate of migration (‰)	12.14		9.03		6.31	
Cagayan:						
Gross migration out of the region	35,985	100.0	37,989	100.0	50,444	100.0
Gross migration to Metro Manila	19,352	53.8	16,629	43.8	21,366	42.4
Net migration to Metro Manila	16,021		11,378		15,076	
Rate of migration (‰)	8.84		5.49		7.08	
Central Luzon:						
Gross migration out of the region	81,044	100.0	96,342	100.0	121,221	100.0
Gross migration to Metro Manila	32,778	40.4	53,254	55.3	66,478	54.8
Net migration to Metro Manila	7,942		8,909		10,208	
Rate of migration (‰)	2.03		1.98		1.86	
Southern Tagalog:						
Gross migration out of the region	125,795	100.0	119,801	100.0	158,197	100.0
Gross migration to Metro Manila	47,253	37.6	78,340	65.4	105,453	66.7
Net migration to Metro Manila	−6,261		−14,537		−68,416	
Rate of migration (‰)	−1.29		−2.57		−9.51	
Bicol:						
Gross migration out of the region	82,118	100.0	103,134	100.0	135,078	100.0
Gross migration to Metro Manila	44,958	54.8	53,594	52.0	62,644	46.4
Net migration to Metro Manila	34,219		36,503		44,731	
Rate of migration (‰)	11.11		10.94		12.11	
Western Visayas:						
Gross migration out of the region	70,026	100.0	109,231	100.0	112,729	100.0
Gross migration to Metro Manila	32,519	46.4	45,888	42.0	52,541	46.6
Net migration to Metro Manila	15,239		34,187		33,802	
Rate of migration (‰)	3.93		7.88		6.82	
Central Visayas:						
Gross migration out of the region	110,581	100.0	119,180	100.0	113,695	100.0
Gross migration to Metro Manila	26,230	23.7	23,891	20.1	30,745	27.0
Net migration to Metro Manila	19,419		17,412		19,169	
Rate of migration (‰)	6.05		4.85		4.57	
Eastern Visayas:						
Gross migration out of the region	65,643	100.0	102,192	100.0	93,515	100.0

TABLE I (Continued)

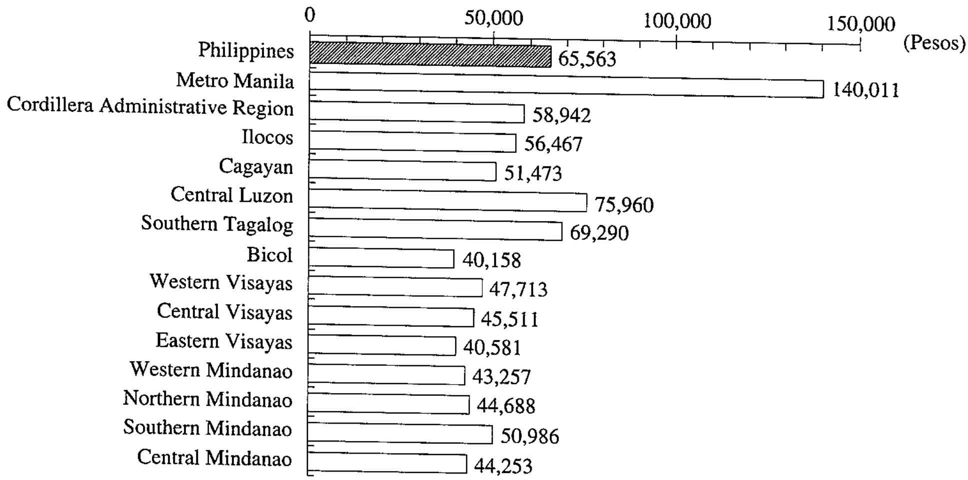
	1970–75		1975–80		1985–90	
	No.	%	No.	%	No.	%
Gross migration to Metro Manila	33,717	51.4	50,919	49.8	46,150	49.4
Net migration to Metro Manila	15,486		40,645		31,395	
Rate of migration (‰)	6.22		15.06		10.72	
Western Mindanao:						
Gross migration out of the region	50,821	100.0	38,462	100.0	60,639	100.0
Gross migration to Metro Manila	5,794	11.4	5,126	13.3	6,456	10.6
Net migration to Metro Manila	4,899		3,846		4,809	
Rate of migration (‰)	2.50		1.68		1.69	
Northern Mindanao:						
Gross migration out of the region	53,447	100.0	58,866	100.0	73,338	100.0
Gross migration to Metro Manila	4,935	9.2	7,216	12.3	11,089	15.1
Net migration to Metro Manila	1,566		3,141		5,583	
Rate of migration (‰)	0.73		1.24		1.78	
Southern Mindanao:						
Gross migration out of the region	63,965	100.0	64,113	100.0	75,329	100.0
Gross migration to Metro Manila	5,799	9.1	8,949	14.0	9,108	12.1
Net migration to Metro Manila	1,696		4,434		4,303	
Rate of migration (‰)	0.69		1.46		1.10	
Central Mindanao:						
Gross migration out of the region	62,867	100.0	39,789	100.0	65,342	100.0
Gross migration to Metro Manila	7,978	12.7	5,563	14.0	7,190	11.0
Net migration to Metro Manila	6,859		3,660		5,299	
Rate of migration (‰)	3.42		1.69		1.95	

Sources: [5] as well as unpublished material available at the National Census and Statistics Office in the Philippines.

accounted for 34.7 per cent of all internal migration among regions; this rose to 40.1 per cent during the 1975–80 period. Migration to Metro Manila in the 1970s accelerated, and during the 1985–90 period, it remained at around the 40 per cent level. Since 1975 the gross number of migrants to the capital has greatly increased or remained at a high level not only from Southern Tagalog and Central Luzon on the outer reaches of Metro Manila, but also from Bicol and the Eastern and Western Visayas.

However, in order to fully understand what number of migrants are remaining for long periods of time in low-income urban districts and how much the urban informal sector is expanding, we have to look carefully at the difference between the gross and net number of migrants. This is because numerous field studies have pointed out the reverse flow phenomenon of former migrants moving out of Metro Manila and back to Central Luzon and Southern Tagalog which lie close to the capital metropolitan area. During the 1985–90 period, the number of people who migrated to Metro Manila from Central Luzon and Southern Tagalog came to 66,478 and 105,453 respectively making them the top two regions in the gross

Fig. 1. Average Annual Family Income by Region, 1991



Source: [9].

number of migrants moving to the capital. But because there was also a large reverse flow of migrants from Metro Manila back to these two regions, the net number of migrants from Southern Tagalog to Metro Manila during the period came to −68,416, and that from Central Luzon, when the regions of Mindanao are excluded, was the next lowest after Southern Tagalog.

Table I and the income figures presented in Figure 1 suggest that the migration from rural to urban areas since 1970 has been one of movement from Central Luzon and Southern Tagalog which have comparatively high income levels, lie close to Metro Manila, and has been composed of migrants who use the farming off-season to go to the capital for short periods to work. However, migrants from the poorest regions (Bicol and Eastern Visayas), which lie comparatively far from Metro Manila and are the home provinces of many migrants, in most cases stay for long periods of time in the slum districts of the capital, and these poorer migrants tend to work in the urban informal sector.

B. *Rural to Urban Migration in Thailand*

Before 1980 migration from the countryside to the greater Bangkok metropolitan area was primarily the flow of labor that had been pushed out of the rice-producing regions. The most conspicuous migration was that from the granary centering on the province of Ayutthaya. But as can be seen from Table II, since 1980 population movement to Bangkok has undergone a substantial change. During the 1955–60 and 1965–70 periods, the migrants from the Central region made up 60

TABLE II

POPULATION MOVEMENT TO GREATER BANGKOK

	1955–60		1965–70		1975–80		1986–88	
	No.	%	No.	%	No.	%	No.	%
Center:								
Gross migrants	81,214	61.8	166,181	55.6	144,397	42.4	24,320	24.2
Return migrants	40,006	62.2	82,823	63.7	115,355	67.7	n.a.	n.a.
Circulation rate (%)	49.3		49.8		79.9		n.a.	
Net migrants	41,208	61.5	83,358	49.4	29,042	17.0	n.a.	n.a.
Northeast:								
Gross migrants	26,745	20.4	66,813	22.4	119,661	35.1	48,669	48.4
Return migrants	8,890	13.8	23,592	18.2	20,059	11.8	n.a.	n.a.
Circulation rate (%)	33.2		35.3		16.8		n.a.	
Net migrants	17,855	26.6	43,221	25.6	99,602	58.5	n.a.	n.a.
South:								
Gross migrants	9,464	7.2	29,242	9.8	33,556	9.9	7,807	7.8
Return migrants	6,529	10.2	8,867	6.8	14,033	8.2	n.a.	n.a.
Circulation rate (%)	69.0		30.3		41.8		n.a.	
Net migrants	2,935	4.4	20,375	12.1	19,523	11.5	n.a.	n.a.
North:								
Gross migrants	13,947	10.6	36,555	12.2	43,178	12.7	19,689	19.6
Return migrants	8,900	13.8	14,646	11.3	20,945	12.3	n.a.	n.a.
Circulation rate (%)	63.8		40.1		48.5		n.a.	
Net migrants	5,047	7.5	21,909	13.0	22,233	13.0	n.a.	n.a.
Total:								
Gross migrants	131,370	100.0	298,791	100.0	340,792	100.0	100,485	100.0
Return migrants	64,325	100.0	129,928	100.0	170,392	100.0	n.a.	n.a.
Circulation rate (%)	49.0		43.5		50.0		n.a.	
Net migrants	67,045	100.0	168,863	100.0	170,400	100.0	n.a.	n.a.

Sources: [11][14].

per cent of the gross migrant population moving to Bangkok while those from the Northeast accounted for 20 per cent. However, during the 1975–80 period, the reverse flow of migrants from Bangkok back to the Central region reached 80 per cent while at the same time that going back to the Northeast decreased. As a result the net number of migrants remaining in Bangkok from the Northeast swelled to more than three times that from the Central region. In the 1986 through 1988 period, even in the gross number of migrants, more than twice as many came from the Northeast as from the Central region. Meanwhile the number of migrants coming from the North also continued to increase, and during the 1986–88 period they accounted for 20 per cent of the gross number of migrants moving into the Bangkok metropolitan area.

What the above indicates is that since around 1980 the rural to urban migration in Thailand has, like in the Philippines, come to be predominantly that of people from the poorest regions flowing to the capital metropolitan area. The Northeast covers an area of 168,854.3 square kilometers, second only to the North in size, and has a population of 19,575,949 people, the largest regional population in the country. It accounts for more than a third of Thailand's total area and population. However, in per capita gross regional product (8,343 baht) and in average monthly family income (3,067 baht), the Northeast is the lowest among the regions (Table III). The biggest cause for the region's endemic poverty is the severe natural conditions. The low fertility of the red laterite soil that is characteristic of the major rice-growing areas of the Northeast and the extreme shortage of water that prevails during the region's dry season have persistently shackled efforts to raise agricultural productivity. The annual output of unmilled rice during 1988–89 was 307.28 kilograms per rai; only the North produced less at 241.45 kilograms per rai. Having no other industry to turn to, the low productivity of the Northeast's agriculture continues to be the region's overriding problem. This situation can be likened to that prevailing in the Eastern Visayas and in Bicol in the Philippines.

Because migration statistics at the province level for Thailand were not available, a close comparison with the Philippines has not been possible, but at least in the rate of migration, even that for the Northeast, where 2.58 persons per thousand migrated during the two years from 1986 through 1988 (the highest rate in Thailand), was lower than the rate for the Philippines. According to a survey the author carried out in 1991 in villages in the three provinces of Nakhon Ratchasima, Ubon Ratchathani, and Khon Kaen, most of the farm households had nonagricultural side jobs. During the dry season they went to Bangkok or to nearby provincial towns for short periods of time to work, and this was the biggest source of their annual cash income.[1] These short-stay urban workers from the Northeast do not show up in the migration statistics, but it can be inferred that their number has now reached the scale where it can no longer be ignored.

This inference is not at all in contradiction to Sopon's argument that slum dwellers in Thailand are no longer people who have migrated from the countryside [10]. Up until around 1970 the permanent slum population was made up of people from the Central region who had been compelled economically to leave the countryside, and these families have moved into their second generation in the slums. But the migrants from the Northeast, although they are moving into the slums, are not coming as permanent residents but are only coming to work for a short period of time in the city. In schematic terms, the urban informal labor market in Thailand is formed of low-income temporary migrant workers and comparatively higher-income slum dwellers. This schema leads one to suspect that the Thai urban labor market presents a complete contrast to the situation described in the Philippines where temporary migrant workers come from rural areas with a comparatively high level of

[1] From Thailand Small-scale Irrigation Project (Post-Evaluation of Official Development Assistance by the Ministry of Foreign Affairs) carried out during September 1–23, 1991, by the author along with Hideki Esho (Hosei University) and Masahiko Gemma (Waseda University).

TABLE III

STATISTICS FOR THE REGIONS IN THAILAND

	Area		Population (1989)		Pop. Density (1989)	1987 Per Capita GRP (Baht)	1988 Monthly Household Income (Baht)		1988–89 Land Productivity (Unmilled Rice) (kg/rai)	Total Migration to Bangkok (1986–88)					
	km²	%	No.	%			Total	Rural Area		No.	Rate of Migration (‰)	Males		Females	
												No.	%	No.	%
Central Bangkok	1,565.2	0.31	2,859,492	5.18	1,849.92										
Bangkok suburbs	6,193.0	1.21	5,832,843	10.44	941.84	71,566	7,877	n.a.	574.82	8,358	1.49	3,801	45.5	4,557	54.5
Center	16,593.4	3.23	2,812,370	5.03	169.49	18,742			447.03						
East	36,502.5	7.11	3,633,554	6.50	99.54	31,094	4,200	3,800	431.16	24,320	2.58	9,820	40.4	14,500	59.6
West	43,047.1	8.39	3,269,183	5.85	75.94	19,795			493.91						
North	169,644.3	33.06	10,872,752	19.45	64.09	13,185	3,400	3,057	241.45	19,689	1.86	7,755	39.4	11,934	60.6
Northeast	168,854.3	32.91	19,575,949	35.03	115.93	8,343	3,067	2,733	307.28	48,669	2.58	17,171	35.3	31,498	64.7
South	70,715.2	13.78	6,996,250	12.52	98.94	17,506	3,959	3,288	357.09	7,807	1.16	2,491	31.9	5,316	68.1
Unknown										629		251	39.9	378	60.1
Totals	513,115.0	100.0	55,888,393	100.0	108.92	23,021	4,106	3,093	343.44	108,843	2.06	41,038	37.7	67,805	62.3

Sources: [11] [12] [13].

income while low income slum dwellers come from rural areas where the level of income is likewise low.

II. THE LABOR MARKET IN THE PHILIPPINES

In this section I would like to undertake a reexamination of the Philippine labor market through a comparison with the labor market in Thailand. The data comes largely from surveys carried out in 1985 and 1994,[2] as well as from a supplementary study published in 1991 by Nakanishi [7]. The location of the surveys was a squatter area within the Manila metropolitan area which the author has continuously conducted participant observation since 1985. The location was made up of fish ponds until 1960 after which it was filled in, and from 1968 people began to move into the area on a large scale turning it into a squatter area.

The population of the area at the time of the 1985 survey was 253 households made up of 1,215 people (643 males and 572 females); in 1994 this had increased to 334 households with 1,616 people (836 males and 780 females). The average monthly family income in 1985 was 1,582 pesos, and in 1994 this had risen to 1,814 pesos (at 1985 prices), but as always this was below the level to satisfy basic needs. Judging from its outward appearance, the living standard of the study area seemed to improve over the ten years. This was due in part to the rise in income, but a bigger reason was the admittedly illegal expansion of water and electricity to the area. At the time of the 1985 survey there was only one communal water main serving the area. Then from around 1989 water pipes were laid by an illegally contracted developer, and by 1994 most of the households in the area had the use of running water. Almost all of the houses also had electricity, the majority of these using it illegally. There was also a remarkable profusion of home electric appliances. At the time of the first survey about 25 per cent of the households owned televisions and fans; by 1994 over 60 per cent had these.

A. *Rural to Urban Migration into the Study Area*

From data on the home regions of the household heads living in the study area, it can be seen from Table IV that the top four regions they came from remained the same in both surveys; these were the Eastern Visayas, Bicol, Ilocos, and the Western Visayas. But there was an especially great increase after 1985 in the number of new household heads coming into the area from the Eastern Visayas (27 people) and Bicol (25 people). These two regions as previously noted have the lowest per capita family income in the Philippines (Figure 1).

[2] The 1985 survey, "Rural-Urban Migration in the Philippines" (under the direction of Akira Takahashi), was carried out from July 17 to December 20, 1985, and was funded by a grant from the Japanese Ministry of Education, Sciences, Sports, and Culture (1985 Monbusho Overseas Scientific Research Program).

TABLE IV

HOME REGION OF HOUSEHOLD HEADS IN THE MANILA STUDY AREA

	1985		1994		1985–94				
	No.	%	No.	%	Net Increase	Remained	Departed	Newly Independent Household	Newly Arrived Migrants
Total	253		334		81	140	113	69	125
From Manila	86	34.0	91	27.2	5	47	39	27	17
From the regions	167	66.0	243	72.8	76	93	74	42	108
Ilocos	31	18.6	42	17.3	11	20	11	11	11
Cagayan	1	0.6	1	0.4	0	1	0	0	0
Central Luzon	14	8.4	23	9.5	9	8	6	8	7
Southern Tagalog	8	4.8	13	5.3	5	2	6	0	11
Bicol	23	13.8	45	18.5	22	15	8	5	25
Western Visayas	30	18.0	42	17.3	12	20	10	7	15
Central Visayas	11	6.6	20	8.2	9	5	6	4	11
Eastern Visayas	43	25.7	53	21.8	10	20	23	6	27
Mindanao	6	3.6	3	1.2	–3	2	4	1	0
China	0	—	1	0.4	1	0	0	0	1

Another noteworthy point is the concentration of new households arriving in the area during the years of 1989 and 1990 which were hard hit by economic crisis. In these two years 5 households from the Manila metropolitan area and 39 households from other regions came in the study area. Among the latter, 8 households were from Bicol and 10 from the Eastern Visayas. In 1988 the ratio of per capita family income in these two poorest regions and in Manila compared with the national average stood at: Bicol 0.66, Eastern Visayas 0.63, and Manila 1.96; in 1991 these figures had changed to 0.61, 0.59, and 2.12 respectively indicating a widening gap between the richest and poorest regions in the country. Moreover, the Gini coefficient of the annual average family income in Bicol and the Eastern Visayas rose from 0.3876 and 0.4041 respectively in 1988 to 0.3910 and 0.4149 in 1991. From these sets of figures alone it can be seen that during the period of economic stagnation in the Philippines from 1988 to 1991, the economic gap widened both between the regions and within the regions. One of the direct causes for this can be found in rural development. From the time of the Aquino government, land reform efforts were applied to the coconut plantations widely seen in these two poorest regions, but to date these efforts have shown practically no progress. A look at the occupations of the new arrivals into the study area before they migrated shows that most of those who came from Bicol and the Eastern Visayas had been plantation workers and landless agricultural laborers, and all of them said that they had migrated because of the difficult life in the countryside.

Of 122 people questioned about their reasons for migrating from their home regions (excluding 45 people who said they had merely accompanied their family's move), 78 people (63.9 per cent) said they were looking for work; 58 of these people (47.5 per cent) also said it was due to the low wages in the countryside; and 20 (16.4 per cent) mentioned unemployment.

B. *The Employment Structure in the Study Area*

Looking at employment conditions of the residents as expressed in interviews during the 1994 survey, of the total population of 1,616 people, 632 fell within the economically active population ranging between the ages of 15 and below 65; 512 residents were employed (which included those who were underemployed), and 120 were unemployed. The unemployment rate (19 per cent) exceeded the 1985 figure which was partly because many people who collected junk for a living or who worked as temporary construction laborers regarded themselves as unemployed.[3] Regarding the occupations of the residents, the number of people who worked regularly as scavengers (i.e., junk collectors), which at the time of the 1985 survey had numbered at least 110 people, had decreased to 21 (Table V). However, there were people who spent time working as scavengers but who regarded themselves as unemployed, and even today residents working as construction laborers and laundry women (*labandera*) frequently also spend time collecting junk.

Replacing scavengers as the single largest occupation were temporarily employed construction workers (86 people) and factory workers (74 people: 48 males and 26 females). Their terms of employment could be divided broadly into those who were guaranteed the legal minimum wage (145 pesos per day at the time of the survey) and those who were not.[4]

Of the 86 people who worked as temporary construction laborers, 34 earned the minimum wage. Among households living permanently in the area from before 1985, 17 of 36 people (6 of 14 household heads) earned the minimum wage, and among new households that became independent of their slum-dwelling families after 1985 it was 5 people of 8 (4 of 7 household heads). However, among newly arrived households who moved into the study area after 1985, there were many who worked as construction labor assistants, and far fewer of these people, only 12 of 42 (only 6 household heads of 27) earned the minimum wage. This suggests that new arrivals into the area start as scavengers and move on to become construction labor assistants.

[3] Particularly in the interviews there were many scavengers who hid their occupation.

[4] However, real wages were falling, and the significance of the legal minimum wage was different from that in 1985. At that time the legal minimum wage for unskilled laborers in the capital metropolitan area was 57.08 pesos per day. When that is calculated at the April 1994 Metro Manila consumer price level, it equals 150.21 pesos daily, greater than the legal minimum wage of 145 pesos at the time of the survey (in August 1994).

TABLE V

TYPES OF EMPLOYMENT IN THE MANILA STUDY AREA, 1994

	No.	Average Daily Wage (Pesos)	Average Age	Average Years of Schooling
Construction worker	86	138.90	28.97	6.43
Factory worker (male)	48	144.78	32.54	8.49
Sari-sari store owner	30	143.58	33.77	7.19
Labandera	30	88.25	44.13	5.83
Tricycle driver	26	143.46	31.19	6.83
Factory worker (female)	26	141.07	29.58	8.85
Vendor (female)	16	138.86	43.88	5.59
Metro aide (male)	15	140.33	39.20	6.50
Scavenger (male)	15	99.64	36.33	5.29
Pedicab driver	15	105.30	28.47	6.73
Welder	14	166.85	32.14	6.00
Electrician	12	175.14	33.75	7.54
Contract fisherman	11	278.67	37.82	6.18
Carpenter	10	155.36	49.40	6.05
Jeepney driver	10	202.00	44.20	6.40
Vendor (male)	10	115.00	36.10	7.10
Metro aide (female)	10	125.70	50.80	4.25
Kargador (stevedore)	9	134.33	31.67	7.28
Mechanic	9	214.32	33.44	8.50
Painter	9	153.89	34.22	7.78
Security guard	8	129.55	35.63	8.75
Self-employed fisherman	7	88.79	47.43	4.64
Scavenger (female)	6	77.12	49.50	2.88
Maid	6	34.09	29.33	7.67
Overseas contract worker	5	264.00	31.60	7.30
Broker	4	185.00	48.75	8.88
Junkshop owner	4	231.82	37.00	7.38
Metro Manila commission driver	4	117.77	34.25	6.88
Sewer	4	97.50	30.50	8.63
Buttery man	3	116.97	46.33	7.00
Cook	3	120.61	32.67	5.17
Irregular worker in municipality	3	133.33	38.00	11.83
Policeman	3	120.45	37.33	11.67

Note: Side jobs are included. Forty-seven people had other occupations.

The same was true of factory workers. The terms of employment for unskilled laborers in Metro Manila is sharply divided into the two categories of regular employment guaranteeing the legal minimum wage, annual vacation, and fringe benefits, and temporary employment which guarantees none of the above. Of the total of 74 factory workers, 42 (56.8 per cent) were in the first category; among the permanent resident households, 61 per cent (17 of 28 workers) were engaged in regular employment, and among the newly independent households, 67 per cent (8 of 12 workers) were. In comparison, among newly arrived households, 50 per cent

(17 of 34 workers) had regular employment. Reflecting this, the average daily wage for a permanent resident household, a newly independent household, and a newly arrived household was 147.37 pesos, 150.07 pesos, and 142.17 pesos respectively. Following the author's complete survey of the study area, he took a sample survey of 74 residents of whom 45 replied. It showed that those working at tiny (less than 10 workers), small-scale (10–49 workers), medium-sized (50–99 workers), or large-scale (100 or more workers) companies numbered 3, 19, 8, and 15 respectively. Thirty of the respondents had regular employment, and all but one who worked at a cottage industry earned the legal minimum wage or higher. The remaining 15 respondents worked at temporary jobs and none earned the minimum wage.

Other commonly held occupations were: small sundry-goods store (*sari-sari* store) owners (30 people), laundry women (30 people), tricycle (a motorcycle with a sidecar for passengers) drivers (26 people), vendors (26 people: 10 males, 16 females), scavengers (21 people: 15 males, 6 females), and pedicab drivers (15 people). It is comparatively easy to take up such work as laundry woman, vendor, scavengers, or pedicab driver as there are no entry barriers to these jobs, and during the ten years the typical occupation for newly arrived households and newly independent households shifted away from junk collecting to construction work, vending, or pedicab driving. But this represented no significant change in the types of occupations held by the residents in the study area; self-employment or employment in a miscellany of service jobs which have long been viewed as typical occupations in the urban informal sector continued to account for a large amount of the employment.

C. *The Labor Market and Social Behavioral Relations*

Supported by the above discussion, this section will focus on the junk-collecting business where in the 1985 survey a patron-client relationship in its typical form could be observed. It will examine how the socioeconomic relationships of the study area residents have changed.

In the junk-collecting business in the study area during the 1980s, the middleman (*bodega*) who bought up junk was different at each junkshop, and this meant that there were differences in the prices that each shop paid scavengers for their junk. For their part, the scavengers possessed all the information about the price differences among the junkshops, and without the existence of some sort of non-price factor, a junkshop owner would not have been able to maintain a stable employment relationship with a scavenger.

Examining this non-price factor linking dealer and collector, the author found that coming from the same home area was an important element, and the contract between the two was a two-way relationship whereby the junkshop owner undertook to: (1) provide the scavengers with the necessary pushcart free of charge, (2) make available interest-free loans, and (3) give all possible assistance to the scavenger's household in times of emergency, while the collector undertook to: (1) deliver to the junkshop all the junk materials his family collected at the price set by the owner (furthermore, scavengers frequently tacitly overlooked cheating on the part of the junkshop owner when weighing the delivered junk) and (2) make all possible effort to introduce another collector to the dealer when changing to another occupation or moving out of the area.[5]

This contract was based on a patron-client relationship for the purpose of avoiding uncertainty, and in this sense for both parties concerned there is a sort of "rent" forth coming. This is different, for example, from the high interest–high wage (low tenancy rate) arrangement in the sharecropping system; it can be interpreted better as a form of "interlinkage deals." Lending to the scavenger at low or interest-free rates was indispensable for the junkshop owner if he was to secure a stable employment relationship with the scavenger, but it was a risky burden on the owner.[6] To offset this, a "debt of gratitude" (*utang na loob*), a mode of behavior grounded in traditional norms, was employed. Along with this there was agreement between the two that the owner would pay a low daily price (the scavenger's wage) for the delivered junk.

The above-described form of relationship predominated in the junk-dealing business from 1985 (and likely before that time as well) to 1990, but during the 1990s it underwent a major transformation. The number of scavengers dropped sharply. Of the 49 household head junk collectors in the business in 1985, there were only 5 at the time of the 1994 survey who worked within the above-described patron-client relationship. Twenty-six of the original 49 had moved out of the area, and 10 others had changed occupations. But these developments did not come about solely because of decisions by the scavengers. There was the debt of gratitude they held toward the dealers, and this made it difficult for them to simply leave

[5] Briefly explaining the inherent norms in the patron-client relationship between the junkshop owner and the scavenger, the *utang na loob* (debt of gratitude) reciprocity is the principle behind the contract relationship between the owner and the scavenger. The tangible and intangible benefits that start with receiving a loan from the owner are acknowledged by the scavenger as obligations expected to be repaid, but these are obligations that cannot be repaid, and as such the scavenger is only expected to provide repayment in some form acceptable to the community to which he belongs.

In the Philippines, a person who has received a favor is expected by the community to perform his duty of repaying the person who provided the favor. If left unfulfilled, the recipient incurs social sanction and is referred to by the members of the community as a "walang hiya," a person with no sense of shame. Among Filipinos self-respect is held in highest esteem, and shame is something to be avoided at all cost. Therefore such a lack of awareness of one's obligations carries the meaning of inflicting deep intolerable pain.

[6] According to the native Manila junkshop owners interviewed in the 1994 survey, a fair number of the scavengers they had lent to had absconded without repaying. But for the junkshop owners from outside Manila, the probability of this happening was low. This was likely due to the restraints that scavengers felt in their relationship with fellow junkshop owners from the same home region.

the business. To understand the transformation, we need to look at a number of exogenous factors that changed conditions in the junk-dealing business.

One was the economic recession that had set in at the end of the 1980s which sent prices for comparatively high-priced scrap materials such as scrap iron and plastics into a long-term decline. This had a serious impact especially on small junkshop owners who had a small business clientele. Another factor was the restrictions that came to be applied on the work routine of the scavengers. In Malabon Municipality, where the author did a survey in 1992, a total ban was placed on work that used pushcarts and on nighttime junk collecting because of traffic and public security problems. This put a great limitation on both the kind and amount of junk materials a junkshop owner could accumulate. If an owner was to continue dealing in the same volume and variety of junk materials as previously, he was compelled at the least to make the additional investment of purchasing what could be called a junk-collecting *trishaw* (a bicycle with an attached sidecar) to provide to his client scavengers. This was a further blow to small-scale, capital-scarce junkshop owners. Yet another factor was the wider choice of occupations that had opened up to newly arriving migrants. Migrants from Bicol and the Eastern Visayas who had come into the area during the 1980s came to have as a group a certain degree of economic power because they acquired social behavioral relations as assets within the community. By using their horizontal socioeconomic relations, migrants from the same home region could get employment information from within their own group.

All these changes brought hardship for the junkshop owners, and they caused employment difficulties for newly arriving migrants. Moreover, these changes could only work to break up an owner's relationship with his established client scavengers, and owners had little choice but to scale down or close their businesses.

Meanwhile there was the entry of new junkshop owners in the junk-collecting business. One reason was that the closure and bankruptcy of established owners lowered the barrier to the entry of new owners. With the breakup of established business relationships, it was no longer possible for established owners to set prices that hindered the entry of new owners. At the same time anyone who had the means to invest in a *trishaw* was able to become a junkshop owner. During 1991 and 1992, 2 new people (from Metro Manila) became junkshop owners. However, the owner-scavenger relationship in the junk-dealing business had been transformed, and there was no longer the patron-type status and authority that had once come with being an owner. In 1994 the 2 new owners were only running small-scale businesses that relied on family members for collecting as well as on irregular collecting done by women and children.

Thus there has taken place within the junk-dealing business in the study area a substantial breakdown of the vertical patron-client type of relationship that had previously existed. Is it possible that this change could become an opportunity to break out of the "vicious circle of poverty" inherent in the urban informal sector which this author has previously argued [7]? Or can it be regarded as a sign of a breakdown in the customary economy predominant in the study area and the shift of the urban informal sector toward a market economy?

The jobs that have now replaced junk collecting as the principal occupation in the study area are construction and factory work, and these two occupations need to be examined if we are to see how the economic mechanism in the study area has changed. Here we will examine people working as construction laborers using information gained from survey interviews.

Construction laborers can be divided into two broad levels based on the sort of work they do. At the higher level are the *mazon* who handle regular work; at the lower level are the *piyon* who assist the *mazon*. *Mazon* are paid the legal minimum wage (145 pesos per day) or more while *piyon* who assist in the work of the *mazon* earn on average only 107.5 pesos. Newly arrived migrants most often get jobs as *piyon*. At the time of the first survey in 1985, a construction laborer was synonymous with a *piyon*. Then construction investment picked up, demand for construction workers grew, and the number of workers rising to the rank of *mazon* rose. However, when the 1985 daily wage of 42.8 pesos is recalculated at the March 1994 Metro Manila consumer price level, it equals 112.7 pesos, which means that the real wage of a *piyon* has fallen.

Construction laborers from the study area were not employed on construction sites directly. They were taken on from a labor-contracting company whose supervisor (*capitalista*) employed laborers through a day-labor boss (*contratista* or *agente*), and it was the latter who hired residents in the study area. The day-labor bosses were all from outside the study area, but when they were from nearby areas, they made use of connections with area residents from the same home region. For example, a day-labor boss living in a neighboring area who was from Aklan Province in the Western Visayas always hired the largest labor gang which was led by a construction worker living in the study area who was from the same home province.

In 1985 there was only a single labor gang made up solely of workers from the Western Visayas; in 1994 just counting those ascertained by the author, there were nine. Each of these gangs had its respective leader, and they had become better organized. Five of the 9 gang leaders also held positions as foremen over regular workers (*mazon*). Four of the leaders came from the Eastern Visayas, 2 from Ilocos, and 1 each from the Central Visayas, Western Visayas, and Metro Manila. Six of these leaders had been the children of scavengers, and they used their friends and acquaintances from their junk-collecting days to form their labor gangs. These groups also carried on recruiting efforts among new laborers. According to an informant from a labor gang made up of Eastern Visaya workers, his group was always providing information on Metro Manila to the home region in an effort to expand their membership; and all 13 people (10 being household heads) from households newly arrived from the home region joined one of the four Eastern Visaya labor gangs. Thus the labor gangs in the study area were making themselves more effective groups, and each was expanding the amount of information it possesses.

Another difference from 1985 was that in 1994 construction labor gangs were not being subcontracted only for work on roads, bridges, and other civil engineering projects. They were also being contracted for work on the construction and repair of private homes and buildings outside of the study area. At the sites the workers formed teams made up of relatives and mutual home-area colleagues that teamed up with carpenters, electricians, painters, and other craftsmen; and although the bonds of these teams were not as strong as those of the labor gang, they worked to increase the numbers of these kinds of contracted laborers.

III. THE LABOR MARKET IN THAILAND

As in the above section on the Philippines, the study presented in this section is based on the results of a survey of a slum area in the Bangkok metropolitan area where the author spent three weeks in July and August 1992 interviewing households, one week of which was spent living in the study area itself during which time he carried out a complete survey.[7] Though the survey was conducted for only three weeks, it clearly brought out the contrast in the structure of the urban labor market in the two countries due to differences in the nature of their urbanization, in their stage of economic development, and in their socioeconomic conditions. In effect, one can see in Thailand that the urban informal sector is in the process of shifting from a customary over to a market economy.

The study area in Bangkok, like that in Metro Manila, is a squatter area. It is located on the east bank of the Chao Phraya River along New Road. It had been a residential area of rented dwellings which were destroyed in a fire in 1969. The owner of the land was slow to redevelop the area, and people began living in one part which grew into the present squatter area. The people received repeated notices from the landowner, who was living in the United States, calling on them to vacate the land; then in 1989 they were registered by the government as temporary residents. According to that registration there were 108 households living in the area, but as will be pointed out later, this included short-stay residents and people who at the time of the 1992 survey no longer lived in the study area. The actual

[7] This undertaking was the "Economic Development and Rural Transformation in Southeast Asia" project carried out from July 19 to August 31, 1992, with the financial assistance of Japanese Ministry of Education, Science, Sports, and Culture (1992 Monbusho International Scientific Research Program). For a survey of a typical slum in Thailand, see Niitsu [8].

permanent resident population numbered 448 people living in 81 households making it a comparatively small-sized slum area.

A. *Rural to Urban Migration into the Study Area*

Looking at the home regions of the household heads, of the total of 81 household heads living in the study area, 67 (83 per cent) were from upcountry (outside the Bangkok metropolitan area). Most were from the Central region (37 people), the Northeast (15 people), and the North (13 people), making a total of 65 household heads from these three regions. By province the most household heads had come from Ayutthaya in the Central region and Nakhon Sawan in the North (9 people from each). For census purposes, Nakhon Sawan is counted as part of the North, and Nakhon Ratchasima, the home province of 4 household heads, is counted as part of the Northeast. But the two can be considered as both geographically and socioeconomically within the range of the Central region, and when counted as such, there were 50 household heads from the Central region living in the study area which accounted for 75 per cent of the household heads who had migrated from upcountry.

Thus, in contrast to the Philippines, most of the household heads were from the comparatively wealthy Central region located close to the capital (corresponding to Central Luzon in the Philippines), while those from the Northeast, well-known as Thailand's poorest region (corresponding to the Eastern Visayas and Bicol in the Philippines), were comparatively few. This was an important feature of this slum area, and it likewise can be seen in the structure of Bangkok's urban labor market. Most of the migration of people from the Northeast is seasonal and does not appear in the data for the permanent resident migrants.

Nevertheless, the distribution in the study area of a relatively large number of migrants from the Central region and the Northeast is in keeping with the nationwide statistics shown in Section I. As such, the distribution of home regions for the residents in this slum area can be regarded as typical of those for migrants in general coming to the Bangkok metropolitan area (Table VI).

Looking at the reasons that residents in the study area decided to migrate, one was their work situation before migrating which was different from the situation in the Philippines. Among household heads from home regions outside of Bangkok, there were few who had migrated as a dependent family member (Table VII). Moreover, those who had been owner farmers before migrating (30 people) were by far the most; next were those who had been tenant farmers (14 people) followed by those who had been landless agricultural laborers. These latter numbered a mere 6. Rather than indicating that many of the migrants in Thailand are middle-class farmers, this occupational background shows that compared with the Philippines, land reform in Thailand during the 1970s penetrated deeply and that the number of landless agricultural laborers is small. Also the low rate of migration to Bangkok,

TABLE VI

HOME REGION OF HOUSEHOLD HEADS IN THE BANGKOK STUDY AREA, 1992

	No.		No.
From Bangkok	14	From the North	13
From the Center	37	Nakhon Sawan	9
Ayutthaya	9	Phitsanulok	2
Lop Buri	6	Chian Mai	1
Chachoengsao	4	Lamphun	1
Saraburi	4	From the Northeast	15
Suphan Buri	3	Nakhon Ratchasima	4
Phetchaburi	2	Ubon Ratchathani	2
Kanchanaburi	2	Kalasin	2
Nakhon Pathom	2	Sisaket	2
Samut Prakan	2	Roe Et	1
Nonthaburi	1	Surin	1
Prachin Buri	1	Yasothon	1
Phetchbun	1	Loei	1
From the South	1	Maha Sara Khan	1
Surat Thani	1	China	1

TABLE VII

HOUSEHOLD HEAD OCCUPATION BEFORE MIGRATING TO THE BANGKOK STUDY AREA, 1992

	No.		No.
Owner farmer	30	Charcoal burner	1
Leasee tenant	14	Vendor	1
Landless agr. laborer	6	Bus conductor	1
Construction worker	2	Unemployed	1
Rice mill operator	2	Non-economically active population	5
Entertainer	1	Unknown	5

as pointed out earlier, can largely be attributed to the difference in the rural landholding system in the two countries.

Among the many hardships of life that were reasons to migrate, a decisive one was the loss of land because of inheritance by others or the failure to repay loans.[8] The largest number of upcountry household heads who were within the economically active population had worked in farming, forestry, or fishing occupations before migrating, which was the same as in the Philippines. There were comparatively few "step migrants," those who had migrated to regional towns before moving on to Bangkok.

Regarding the route for collecting information when migrating, as was the case in the Philippines, most of the migrants obtained information through kinship rela-

[8] Among those who revealed their reasons for migrating to Bangkok, only 8 said it was because of the hardships of life in the countryside while 22 reported that it was because of problems related to the inheritance of land.

TABLE VIII

THE TIME FRAME OF MIGRATION FOR RESIDENTS IN THE BANGKOK STUDY AREA, 1992

	No. of Upcountry Household Heads Moving to Bangkok Area	No. of Upcountry Household Heads Moving into Study Area	Total No. of Household Heads Moving into Study Area
Before 1959	7	0	2
1960–64	4	0	0
1965–69	9	5	5
1970–74	8	6	7
1975–79	15	11	12
1980–84	6	19	23
1985–89	5	14	14
1990–	5	7	9
Unknown	8	5	9
Total	67	67	81

tions at the time of migrating to Bangkok and the slum area, meaning that relatives are an extremely important source for information.

As to the time period that rural household heads migrated to Bangkok and to the slum area (Table VIII)—since World War II, migration to Bangkok has ebbed and flowed, but unlike in the Philippines, it was greatest during the 1970s and has slackened off greatly since the 1980s. In the case of the study area, however, the number of migrants coming in increased from the 1980s. Of the total number of household heads (81 people) as of 1992, 46 (57 per cent) had come in since 1980; those from upcountry alone numbered 40 (60 per cent). This indicates the fluidity of residency within the capital metropolitan area for the urban impoverished migrant class, a fluidity which is greater in Thailand than in the Philippines. In this study area since 1969 when a concentrated number of people began living in the slum, there has been a constant ongoing entry and departure of residents; when they find better work and a better place to live, they move comparatively easily to another part of Bangkok.

B. *The Employment Structure in the Study Area*

Of the 81 household heads living in the study area, 77 were within the economically active population; 73 of these had employment including those who were underemployed; 4 were involuntary unemployed.

The composition of employment is shown in Table IX. Twenty-seven were stevedores. Nineteen of these worked at a public market on the Chao Phraya River not far from the slum. As regular employed workers, these stevedores earned more than the minimum wage of 120 baht per day. Twelve of the 19 were from the Central region and 4 were from the North. If a migrant had friends or acquaintances

TABLE IX

HOUSEHOLD HEAD OCCUPATIONS IN THE BANGKOK STUDY AREA, 1992

	No.		No.
Economically active population	77	Shopkeeper in public market	1
Employed	73	Bicycle repairer	1
Stevedore	27	Bicycle renting	1
Construction worker	7	Maid	1
Scavenger	6	Shopman	1
Fish vendor	4	Gambling	1
Factory worker	4	Balloon vendor	1
Truck driver	4	Soldier	1
Stall holder	4	Laundry woman	1
Grocer	2	Unemployed	4
Painter	2		
Pedicab (*samlo*) driver	1	Non-economically active population	4
Domestic worker	1	Ill health	1
Mechanic	1	Housewife	2
Security guard	1	Retired	1

among the workers, he could get in as a stevedore comparatively quickly after arrival, and the job could serve as a temporary one until getting a job at a higher level. The remaining 8 stevedores worked at the Klong Toei docks which were far from where they lived but where they were paid piece-rate wages and could earn a comparatively high level of pay (200–300 baht a day). Among the Klong Toei stevedores, as was the case in the Philippines, those from the Central region and from Bangkok formed their own exclusive horizontal social behavioral relations through which they had opportunities for employment.

From interviews only with permanent residents in the study area, there were 7 who worked as construction laborers. As many as 5 had temporary employment, and their working conditions were largely the same as those for short-term seasonal laborers (who will be discussed below), but they reported that they at least earned the minimum wage. These cases also show the job is a temporary one until getting a job at a higher level. Two construction laborers from the Central region answered in interviews that they worked as laborers, but in fact one was a regularly employed foreman who at the same time was contracted as a day-labor boss, and the other managed a family-run subcontractor business.

The above-discussed stevedore and construction labor work was the employment of the permanent residents, and this was different from that of the short-term seasonal laborers who came from the Northeast. The households of these latter laborers do not appear in the data on households in the 1992 interview survey. The reason for this, as will be noted in the following subsection, was because the Central region foremen, managers, and some of the long-term permanent resident households who rented rooms in their homes to these seasonal laborers did not allow these latter to be interviewed. However, one informant who had 6 people from Surin and another 4 from Ubon Ratchathani as room renters at 600 baht a month per person said that all of them were temporary construction laborers. There are now workers who can earn the minimum wage of 120 baht per day, but there are many laborers who are still working at the lower 100 baht (for males) and 70 baht (for females).

C. *The Labor Market and Social Behavioral Relations*

As is clear from the above analysis, the labor market within Thai slums exhibits aspects that are completely different from those in the Philippines. Rather than being a dual structure framework of an urban informal sector and formal sector, or that of new arrivals and long-term residents as in the case of the Philippines, it would be easier to understand Thailand's case if hypothesized as a dual structure labor market composed of settled-type residents from the Central region and circular-type residents from the Northeast.

This structure is suggested by the buying and selling homes and renting of rooms and houses which was so prominently seen in the study area. There were 18 households (22 per cent) who rented houses from house owners from the same home region who were living in other slums. Among the 63 households that owned homes, 9 of them (15 per cent) had purchased these from previous residents. Newly arrived migrants who were not renting from close kin paid around 1,000–1,200 baht per month (which included water and electricity) to rent a house. In due time, if they were able to find some degree of work, they would purchase a house.[9] Later on as they got jobs at higher steps in the informal sector, then found employment in the formal sector, they would sell their house and move to a different place, or if they remained living nearby, they would keep the house and rent it out.

The above-described transition for resident migrants was true for those from the Central region and from the North. Most of the permanent resident households had been residing in the study area since the 1970s and were those who had not been able to find more gainful employment or a better house. At least 3 of these households had houses they rented out to permanent residents from which they earned 5,000–10,000 baht per month in house rent. Newly arrived migrants from the Central region, who formed a lower stratum, began by renting homes or rooms. They started work as regularly employed laborers at a public fish market. Earning about 120 baht a day, they continued to reside in the slum for a long time and moved up to higher socioeconomic strata.

For the migrants from the Northeast, however, there was a high fluidity of residence, and most were seasonal workers who came to Bangkok without their families. They would come in for three to six months during the dry season (the farming

[9] These houses were priced at 10,000 to 20,000 baht depending on property conditions.

off-season) and rent rooms from the permanent residents for 700–1,000 baht per month, rooms which were comparatively smaller than those for Central region migrants.[10] At the time of the survey there were more than 10 households that rented out such rooms, and all of them were families from the Central region. Such households usually have five to ten rooms which they would rent out every year to migrants from the Northeast through word of mouth. According to the previous informant, however, in recent years there had been such a growth in road and building construction and in the demand for labor that there was no longer a need to spread the word to get renters.

From the foregoing discussion a dual structure can be discerned wherein the slum residents were more fully incorporated into social behavioral relations. This can be extended to the employment relationships, i.e., relationships between "employers: Central and Northern residents" and "employees: Northeastern residents." As was noted earlier, a household from Nakhon Sawan managed a family-run subcontractor business, and they employed roomers from the Northeast.

It also should be noted that discrimination existed within the slum. Many of the Central region residents hid the fact that there was a stratum of short-stay Northeastern residents in the slum. This was in part to conceal the fact that they were earning rent from these short-stay residents despite it being a squatter area, but it was also because the Central and Northern residents held feelings of discrimination against those from the Northeast. Even after the author confirmed that these residents were from the Northeast, Central region residents called them Laos and Cambodians who could not speak Thai or referred to them as refugees, and in speech and conduct did not recognize them as members of the community.

As shown above, the labor market in this slum was clearly divided into strata of settled-type residents from the Central region and circulating-type residents from the Northeast, and there was no social ladder existing between the two. But it was only within the stratum of the Central region residents that the labor market could be considered as integrated.

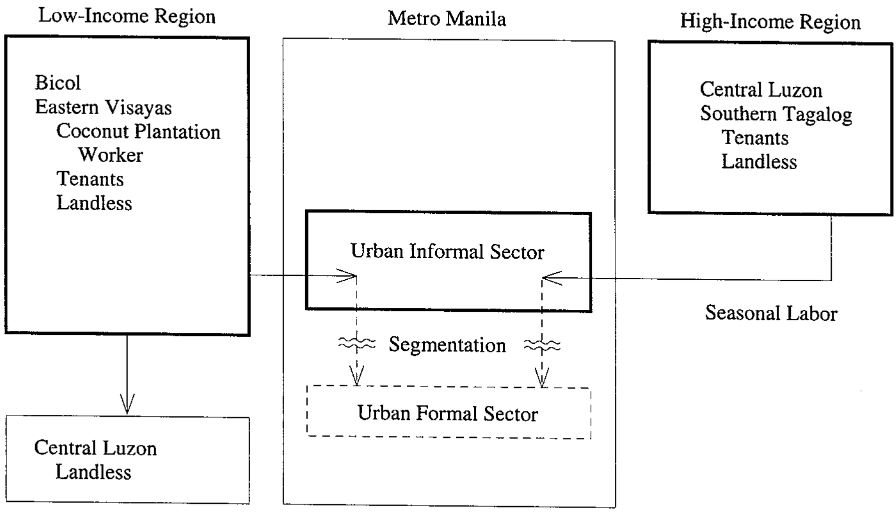
CONCLUSION

The following general points can be concluded from the above comparison of the Philippines and Thailand (Figure 2). Firstly, in the Philippines most of the long-term residents among the migrants who move to the Manila metropolitan area, in both the macro aggregate data and in the study area, are from the Eastern Visayas

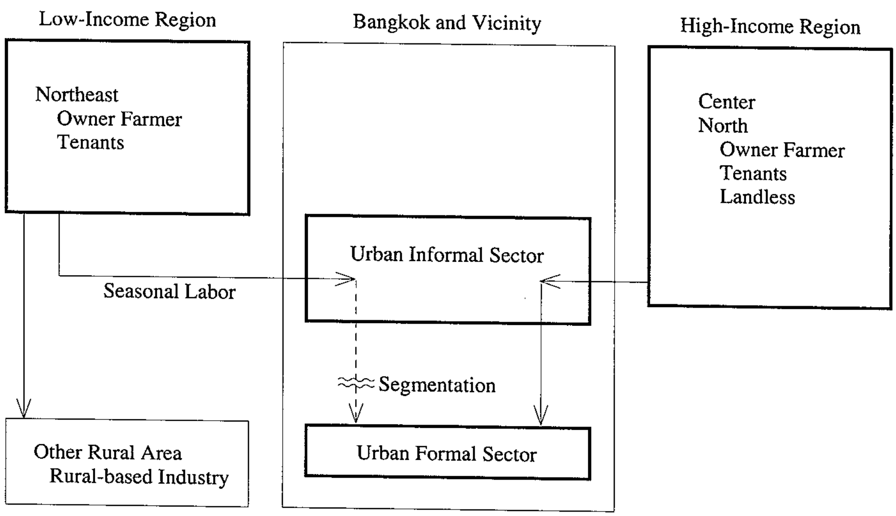
[10] These rented rooms were inside the houses of the Central region house owners, therefore it was difficult to find out about these in the household surveys. Even in the three cases where the author found out, the owners turned down in a roundabout manner his requests to interview the roomers, and he was unable to gather any detailed information on this topic. However, from the previously mentioned informant he was able to get an idea of the general makeup of these rooms.

Fig. 2. Rural to Urban Migration and the Urban Labor Market

A. The Philippines



B. Thailand



and Bicol, and most of these migrants are landless agricultural laborers. On the other hand, most of the migrants who come for short terms to work in Manila are from Central Luzon and Southern Tagalog close to Metro Manila, and many of these migrants are tenant farmers as well as landless agricultural laborers. Thus, urban slums in the Philippines are composed of migrants from the poorest regions of the country, the labor market in the urban informal sector possesses an extremely segmented and closed character, and the mechanism of this market by and large depends on *kababayan* (town mate)-based patron-client relationships grounded in rural traditional norms and between migrants from the same home region. The urban labor market in the Philippines is interconnected with the segmentation of the urban formal sector, and exhibits remarkable inflexibility.

In contrast to the situation in the Philippines, most of the long-term residents living in the low-income districts of the Bangkok metropolitan area are from the Central region and the North where income levels are comparatively high, and most of these residents had been owner farmers or tenant farmers who had to relinquish the rights to their land. On the other hand, most of the migrants who come for short terms to work in Bangkok are from the Northeast, the country's poorest region, and these people are owner farmers with small plots of land or are tenant farmers. This diverging background between Center/North and Northeast migrants has brought into existence a dual structure within the low-income residential areas. The migrants from the Central region and from the North find jobs in the urban formal sector or in the urban informal sector where productivity is comparatively high and there is access to the formal sector; meanwhile migrants from the Northeast find jobs in the informal sector where productivity is low and where access to the urban formal sector is largely impossible. Moreover, this separation between Center/North and Northeast can also be observed in the employment relationships within the low-income residential areas themselves. This dual structure can be looked upon as a development process in a dual economy in which the customary economy is moving to a market economy. The transformation of the labor market occurred because of the emergence of the upper class within the slum as eligible labor in accordance with changes in socioeconomic conditions; it was not because of divergence of the socioeconomic strata within the slum.

However, the above comparative analysis points out the need for reservations about applying the experience of Thailand's economic development and urbanization to the Philippine economy. It suggests that the difference between the two countries is due greatly to the initial difference in the customary economy and in rural conditions. In Thailand there has been comparatively good progress in land distribution and owner farmers predominate while in the Philippines tenant farmers and landless agricultural laborers predominate because land reform has not progressed. But even supposing that land reform were to progress, the high population pressure on the land and the large stratum of landless agricultural laborers and plantation workers that already exist in the Philippines would be a big impediment to assuring flexibility in the urban labor market.

During the 1980s the Philippines fell behind Thailand economically; however, a schematic representation to explain the difference in terms of unilineal economic growth, when limited only to observations in the transformation of the urban informal sector, may be misleading, even if the aspects of this sector are researched and explained. More empirical research will be needed for a clearer understanding of the impact that the difference in primal conditions has on the transformation of the customary economy.

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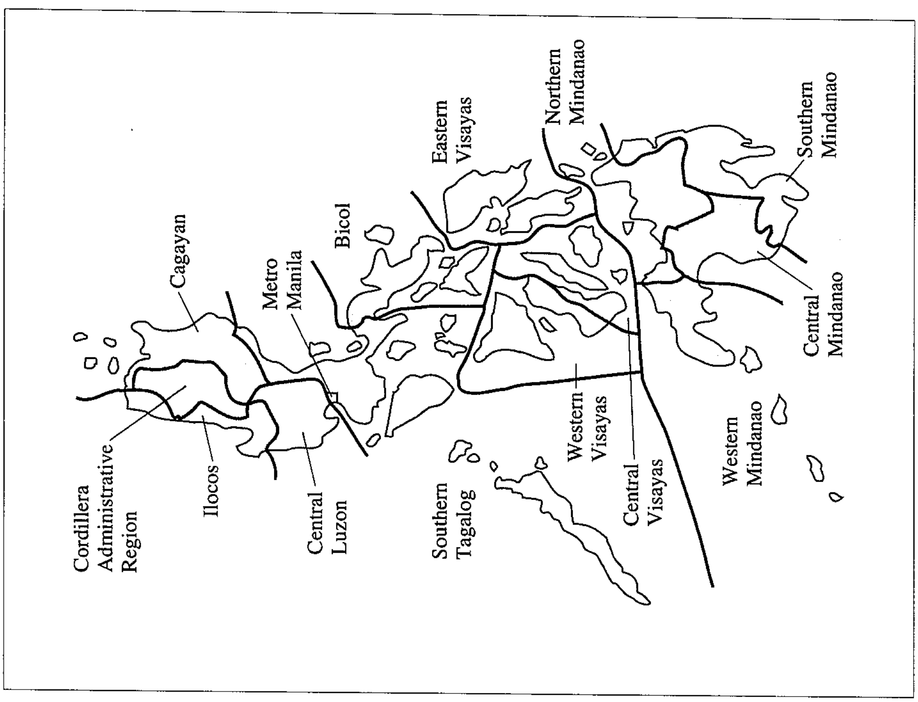
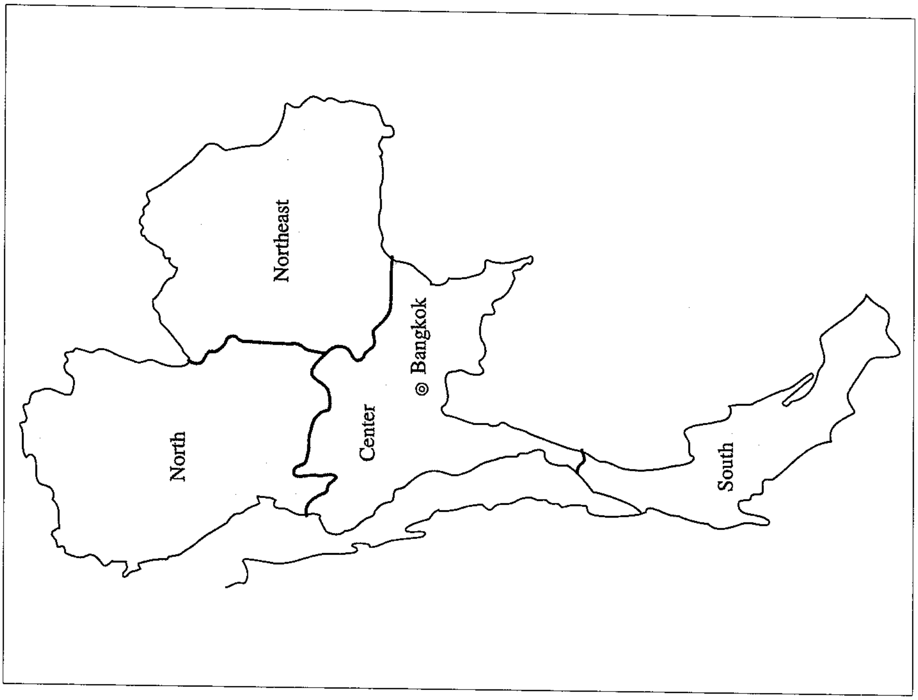


App. Fig. 1. The Philippines



App. Fig. 2. Thailand