

Table 1A: Household Characteristics by Region and Business Ownership

	Whole Sample		Northeast		Central	
	No Business	Business	No Business	Business	No Business	Business
Observations	2282	593	1253	185	1029	408
% of sample	79%	21%	87%	13%	72%	28%
Median Household Size	4	4	5	4	4	4
Median Age of Head	51	47	50	46	54	48
Years of Schooling: Head						
0 – 3 yrs. %	21	11	20	9	21	12
4 yrs. %	65	65	66	60	63	67
5 – 16 yrs. %	14	24	14	31	15	21
Years of Schooling: Most Educated						
0 – 3 yrs. %	3	0	3	1	4	0
4 yrs. %	19	13	19	11	19	14
5 – 16 yrs. %	78	86	78	88	77	86
Primary Occupation of Head						
Inactive %	13	8	10	9	17	8
Farming – rice %	41	26	60	44	19	17
Farming – not rice %	19	11	10	4	31	14
Livestock and Shrimp/Fish %	2	17	1	5	2	22
Construction %	5	2	5	3	4	2
Skilled work %	4	22	2	23	5	22
Admin. and Gov't work %	3	5	2	6	4	4
General Labor %	9	4	6	2	12	5
Other %	4	5	4	4	5	5
Median Annual Income*	40,000	102,450	27,420	55,680	64,800	130,450

* Median Annual Income includes income from wages and salaries and net income from farming, livestock and business activities. Income is measured in current (1997) baht. At the time of the survey, \$1 was equal to approximately 25 baht. Currently, \$1 equals approximately 38 baht.

Table 1B: Current Wealth* by Region and Business Ownership

	Whole Sample		Northeast		Central	
	No Bus.	Bus.	No Bus.	Bus.	No Bus.	Bus.
<u>Real Assets - % who have</u>						
House	97	93	97	95	96	92
Household Assets	93	99	89	99	97	100
Untitled Land	66	67	73	70	57	66
Titled Land	44	36	45	52	43	29
Agricultural Assets	62	70	78	82	43	65
Business Assets	0	83	0	77	0	87
Savings in Goods	49	37	71	69	21	23
Savings in gold	70	85	57	69	86	92
<u>Total Current Real Wealth (1,000's of baht)</u>						
Mean	1,381	3,760	1,202	1,410	1,599	4,825
Standard deviation	4,073	8,776	3,893	3,209	4,273	10,200
Median	517	1,119	483	789	563	1,461
<u>Financial Assets - % who have</u>						
Savings in Financial Institutions	58	76	56	73	60	77
Loans owed to household	10	16	11	20	8	14
<u>Total Financial Assets (1,000's of baht)</u>						
Mean	26	125	9	40	46	163
Standard deviation	142	789	45	297	203	928
Median	0.5	5	0.4	2.9	1.0	7.7
<u>Financial Liabilities - % who have</u>						
Debts to Commercial Banks	3	9	2	8	3	9
Debts to BAAC and Ag. Coop.	34	40	40	54	28	34
Debts to Others	32	30	36	37	27	27
<u>Total Financial Liabilities (1,000's of baht)</u>						
Mean	33	149	28	81	40	180
Standard deviation	102	797	100	192	103	951
Median	6.0	23	10	23	0	22

Table 1C: Additional Household Characteristics by Region and Business Ownership

	Whole Sample		Northeast		Central	
	No Bus.	Bus.	No Bus.	Bus.	No Bus.	Bus.
<u>% who are currently members/customers of institutions/organizations</u>						
Formal Financial Inst.	40	67	34	55	48	73
Village Inst./Org.	35	40	41	51	29	36
Agricultural Org.	50	56	56	74	43	48
Money Lender	15	14	16	14	14	14
ROSCA	3	9	0	0	6	13
<u>% who were members/customers of insitutions/organizations 6 years ago</u>						
Formal Financial Inst.	15	29	11	18	19	34
Village Inst./Org.	12	13	14	14	10	13
Agricultural Org.	26	32	26	36	26	30
Money Lender	4	4	4	4	4	4
ROSCA	0	2	0	0	1	3
<u>Inheritances received from 6 to 10 years ago 1,000's of baht</u>						
% who received	13	16	15	19	11	15
mean (if received)	191	1,009	117	124	319	1,501
std. deviation	410	2,676	206	212	604	3,239
median (if received)	72	79	56	44	104	120
<u>Current wealth from land and agricultural and household assets 1,000's of baht</u>						
mean	876	3,241	405	559	1,450	4,456
std. deviation	3,046	9,295	661	641	4,411	11,000
median	238	603	212	336	306	884
<u>Wealth from land and agricultural and household assets 6 years ago 1,000's of baht</u>						
mean	699	2,211	329	405	1,150	3,030
std. deviation	2,759	6,444	645	553	4,002	7,622
median	130	225	125	180	140	304

* Wealth is measured in 1997 baht. Current and past household and agricultural asset values are found by depreciating the purchase price at the rate of 10% per year. The wealth measures exclude inheritances received between 6 and 10 years ago. At the time of the survey, \$1 was equal to approximately 25 baht. Currently, \$1 equals approximately 38 baht.

Table 1D: Business Characteristics

	Whole Sample	Northeast	Central
# of Businesses per Household - %			
one	82	89	79
more than one	18	11	21
Year Established %			
1 – 5 years ago	63	68	60
6 – 10 years ago	20	21	21
11 + years ago	17	11	19
Businesses completely owned by hh - %	97	96	98
# of Workers - %			
1 – 2 people	71	77	68
3 – 5 people	23	18	26
> 5 people	6	5	6
% who are family workers	94	96	93
% who paid for work during past year	10	6	11
% who needed additional start-up funding	29	29	30
Amount of additional funding needed			
mean	130,995	51,915	170,207
std. deviation	363,616	179,793	421,609
median	20,000	7,250	30,000
Sources of additional funding – average % from each source			
Savings	41	41	42
Selling land/other assets	1	2	1
Store credit	1	2	1
Commercial Bank	6	5	7
BAAC	15	16	14
Agricultural Cooperative	4	1	6
Production Credit Group	0	0	0
Other Organization	4	5	3
Relatives	4	3	4
Non-relatives	1	3	1
Moneylender	3	5	2
Gift	0	0	0
Employer	3	5	2

Table 1E: Number of Different Types of Businesses by Region

Business Type	Whole Sample	Northeast	Central
Shop	154	81	73
Mechanic/Repair Shop etc.	20	8	12
Services (haircut, laundry, etc.)	14	1	13
Sewing/Silk/Embroidery	26	12	14
Rice Threshing	19	18	1
Restaurant/Noodle Shop	31	11	20
Transport and Construction	31	5	26
Rent room/house	8	0	8
Shrimp/Shrimp and Fish/Fish	157	25	132
Trade: Crops/Fruits/Vegetables	17	2	15
Trade: Livestock and Products	66	6	60
Trade: Food	12	6	6
Trade: Manufactured Goods	12	5	7
Trade: Unspecified	8	5	3
Other	31	11	20
Total	606	196	410

Table 1F: Initial Investment by Region and Business Type, 1,000's of 1997 baht

Business Type	Whole Sample			Northeast			Central		
	mean	sd	median	mean	sd	median	mean	sd	median
Shop	77	224	16	53	108	16	105	306	16
Mechanic/Repair Shop etc.	155	277	31	182	401	23	135	163	84
Services (haircut, laundry, etc.)	144	349	20	25	0	25	158	367	14
Sewing/Silk/Embroidery	35	75	10	42	104	5	30	48	17
Rice Threshing	65	59	47	69	60	59	12	0	12
Restaurant/Noodle Shop	64	144	7	37	36	32	70	160	6
Transport and Construction	697	1089	278	1227	1675	855	582	932	181
Rent room/house	303	546	104	-	-	-	303	546	104
Shrimp/Shrimp and Fish/Fish	145	366	50	8	7	9	150	372	51
Trade: Crops/Fruits/Vegetables	190	301	4	230	0	230	184	325	0
Trade: Livestock and Products	294	665	46	72	122	3	308	683	48
Trade: Food	9	15	1	5	9	0.7	15	21	5
Trade: Manufactured Goods	70	164	20	118	217	21	10	11	10
Trade: Unspecified	51	100	5	87	127	37	3	2	4
Other	151	268	38	62	85	34	212	333	44
Total	164	451	32	103	381	19	190	476	38
Initial Investment	Northeast	Central	Buriram	Sisaket	Lopburi	Chachoengsao			
mean	103	190	144	60	131	220			
std. deviation	381	476	513	130	275	550			
25 th percentile	4	6	7	3	5	12			
50 th percentile	19	38	29	13	14	48			
75 th percentile	75	138	78	50	90	143			
# of businesses	185	408	103	82	148	260			

Table 2A: Entrepreneurship and Constraints by Wealth and Education

Schooling	Wealth			
	Lowest Quartile	Second Quartile	Third Quartile	Fourth Quartile
	Whole Sample			
0 – 3 years #	<i>146</i>	<i>148</i>	<i>130</i>	<i>110</i>
No Business	93	87	87	85
Business	7	13	13	15
Constrained	43	58	64	47
Unconstrained	57	42	36	53
4 years #	<i>442</i>	<i>458</i>	<i>482</i>	<i>489</i>
No Business	85	82	83	68
Business	15	18	17	32
Constrained	60	56	59	48
Unconstrained	40	44	41	52
5 – 16 years #	<i>157</i>	<i>87</i>	<i>107</i>	<i>119</i>
No Business	78	67	69	61
Business	22	33	31	39
Constrained	50	61	58	62
Unconstrained	50	40	42	38
	Central Region			
0 – 3 years #	<i>72</i>	<i>76</i>	<i>72</i>	<i>47</i>
No Business	89	82	79	79
Business	11	19	21	21
Constrained	27	63	48	59
Unconstrained	73	37	52	41
4 years #	<i>214</i>	<i>227</i>	<i>228</i>	<i>259</i>
No Business	79	73	75	57
Business	21	27	25	43
Constrained	50	54	40	47
Unconstrained	50	46	60	53
5 – 16 years #	<i>78</i>	<i>52</i>	<i>58</i>	<i>54</i>
No Business	76	62	66	50
Business	24	38	34	50
Constrained	58	61	46	66
Unconstrained	12	20	51	21

Table 2A: Entrepreneurship and Constraints by Wealth and Education, Continued

Schooling	Wealth			
	Lowest Quartile	Second Quartile	Third Quartile	Fourth Quartile
	Northeast			
0 – 3 years #	63	78	67	59
No Business	97	94	93	93
Business	3	6	7	7
Constrained	100	57	57	50
Unconstrained	0	43	43	50
4 years #	219	242	241	241
No Business	92	90	88	83
Business	8	10	12	17
Constrained	88	50	64	71
Unconstrained	12	50	36	29
5 – 16 years #	77	40	52	59
No Business	79	75	77	66
Business	21	25	23	34
Constrained	38	60	65	59
Unconstrained	62	40	35	41

Table 2B: Median Net Savings by Wealth and Education

	Wealth			
	Lowest Quartile	Second Quartile	Third Quartile	Fourth Quartile
Whole Sample				
No Business	-500	0	0	0
Business	-3,389	-6,775	-4,927	-5,100
Constrained	-10,456	-14,800	-7,115	-28,497
Unconstrained	0	0	0	700
Central				
No Business	0	0	0	0
Business	-12,000	0	0	0
Constrained	-20,218	-20,812	-15,111	-19,843
Unconstrained	0	114	98	1400
Northeast				
No Business	-1,000	-1,000	0	1,490
Business	700	-10,238	-14,239	-6,564
Constrained	-361	-7,619	-9,000	-7,010
Unconstrained	4,500	-14,600	-18,791	-5,200
	Education			
	0 – 3 years	4 years	5 – 16 years	
Whole Sample				
No Business	0	0	-100	
Business	-3,279	-2,622	-11,087	
Constrained	-14,745	-14,000	-15,611	
Unconstrained	700	0	-3,387	
Central				
No Business	0	0	0	
Business	-9,700	0	-19,922	
Constrained	-23,398	-15,245	-20,218	
Unconstrained	1,100	400	0	
Northeast				
No Business	0	0	-2,757	
Business	0	-10,238	-6,669	
Constrained	0	-9,000	-5,782	
Unconstrained	-3,030	-14,800	-7,387	

Table 2C: Median Initial Investment in Business by Wealth and Education

	Wealth			
	Lowest Quartile	Second Quartile	Third Quartile	Fourth Quartile
Whole Sample				
Business	20,378	18,401	31,884	44,005
Constrained	17,661	28,473	39,060	55,436
Unconstrained	37,236	15,238	13,329	42,413
Central				
Business	25,985	29,876	37,878	51,401
Constrained	21,764	47,773	41,707	93,567
Unconstrained	51,401	11,922	33,478	43,695
Northeast				
Business	14,118	10,617	19,018	34,953
Constrained	14,118	9,311	24,885	34,953
Unconstrained	14,218	15,238	12,088	33,343
	Education			
	0 – 3 years	4 years	5 – 16 years	
Whole Sample				
Business	20,498	29,876	37,236	
Constrained	16,360	32,097	29,876	
Unconstrained	39,263	16,917	33,827	
Central				
Business	34,822	36,413	40,040	
Constrained	19,130	47,498	41,707	
Unconstrained	45,898	23,360	41,789	
Northeast				
Business	20,532	14,699	32,062	
Constrained	12,130	14,817	11,355	
Unconstrained	35,420	11,355	25,547	

Table 3A: Probit Estimates of Having Started Business in Last Five Years

	Whole Sample		Northeast		Central Region	
	dF/dx*	Z-statistic	dF/dx*	Z-statistic	dF/dx*	Z-statistic
Age of Head	-0.0100	-3.18	-0.0087	-2.43	-0.0098	-1.92
Age of Head Squared	0.0001	2.65	0.0001	2.18	0.0001	1.44
Years of Schooling – Head	0.0055	2.27	0.0099	3.60	0.0001	0.03
# of Adult Females in household	0.0059	0.75	0.0112	1.19	-0.0019	-0.15
# of Adult Males in household	0.0163	2.25	0.0010	0.11	0.0325	2.78
# of Children (< 18 years) in household	-0.0067	-1.26	-0.0131	-2.07	0.0049	0.58
Wealth Six Years ago†	0.0083	5.76	0.0075	0.69	0.0086	4.76
Inheritance received between 6 and 10 years ago‡	0.0619	3.20	-0.0359	-0.38	0.0714	2.95
Wealth*Inheritance‡	0.0000	-0.91	0.0000	0.47	0.0000	-0.81
Member/Customer in Organization/Institution Six Years Ago						
Formal Financial Inst.*	0.0257	1.54	0.0135	0.62	0.0138	0.57
Village Inst./Org*	-0.0347	-1.89	-0.0482	-2.50	0.0055	0.17
Agricultural Org.*	0.0576	3.86	0.0506	2.82	0.0637	2.68
Money Lender*	0.0142	0.45	0.0337	0.87	-0.0072	-0.15
ROSCA*	0.1625	1.88	NA	NA	0.1472	1.53
Observed Frequency	0.1290		0.0869		0.1708	
Predicted Frequency at mean of X	0.1193		0.0767		0.1606	
Log Likelihood	-1019.85		-392.56		-605.21	
Pseudo R-squared	5.99%		5.31%		6.57%	
Number of Observations	2821		1404		1417	

*dF/dx is equal to the infinitesimal change in each continuous independent variable. For dummy variables it is equal to the discrete change in probability when the dummy variable changes from 0 to one. Dummy variables are marked by an asterisk.

†Wealth six years ago is made up of the value of household assets, agricultural assets and land (excluding land inherited between 6 and 10 years ago). Number in table is estimated coefficient multiplied by 1,000,000.

‡Number in table is estimated coefficient multiplied by 1,000,000.

Table 3B: Probit Estimates of Having Started Business in Last Five Years

	Whole Sample		Northeast		Central Region	
	dF/dx*	Z-statistic	dF/dx*	Z-statistic	dF/dx*	Z-statistic
Age of Head	-0.0096	-3.01	-0.0087	-2.45	-0.0090	-1.73
Age of Head Squared	0.0001	2.50	0.0001	2.20	0.0001	1.27
Years of Schooling – Head	0.0058	2.40	0.0100	3.64	0.0008	0.20
# of Adult Females in household	0.0054	0.67	0.0113	1.20	-0.0039	-0.31
# of Adult Males in household	0.0162	2.22	0.0012	0.14	0.0324	2.74
# of Children (< 18 years) in household	-0.0064	-1.20	-0.0131	-2.07	0.0058	0.67
Wealth Six Years ago ‡	0.0064	3.21	0.0092	0.71	0.0062	2.42
Inheritance received between 6 and 10 years ago‡	0.0625	3.16	-0.0396	-0.40	0.0724	2.92
Wealth*Inheritance‡	0.0000	-0.99	0.0000	0.61	0.0000	-0.94
(Wealth + Inheritance)*Member/Customer in Organization/Institution Six Years Ago						
Formal Financial Inst. ‡	-0.0025	-0.69	-0.0298	-0.85	-0.0023	-0.51
Village Inst./Org. ‡	0.0066	1.26	-0.0085	-0.25	0.0054	0.82
Agricultural Org. ‡	0.0094	2.66	0.0052	0.23	0.0121	2.68
Money Lender ‡	-0.0204	-1.84	-0.0026	-0.04	-0.0246	-1.66
ROSCA ‡	-0.0013	-0.20	NA	NA	0.0009	0.12
Member/Customer in Organization/Institution Six Years Ago						
Formal Financial Inst.*	0.0294	1.62	0.0298	1.03	0.0182	0.67
Village Inst./Org.*	-0.0429	-2.23	-0.0458	-1.98	-0.0067	-0.19
Agricultural Org.*	0.0416	2.63	0.0484	2.26	0.0328	1.27
Money Lender*	0.0431	1.22	0.0372	0.75	0.0404	0.71
ROSCA*	0.1871	1.87	NA	NA	0.1528	1.39
Observed Frequency	0.1290		0.0869		0.1708	
Predicted Frequency at mean of X	0.1194		0.0765		0.1613	
Log Likelihood	-1012.85		-392.11		-599.36	
Pseudo R-squared	6.63%		5.42%		7.47%	
Number of Observations	2821		1404		1417	

‡Number in table is estimated coefficient multiplied by 1,000,000.

Table 4A: Probit Estimates that Business Would be more Profitable if Expanded, Business started in Last Five Years

	Whole Sample		Northeast		Central Region	
	dF/dx*	Z-statistic	dF/dx*	Z-statistic	dF/dx*	Z-statistic
Age of Head	0.0014	0.10	0.0365	1.51	-0.0113	-0.66
Age of Head Squared	-0.0001	-0.51	-0.0004	-1.70	0.0000	0.25
Years of Schooling – Head	0.0062	0.60	-0.0041	-0.27	0.0059	0.44
# of Adult Females in household	0.0476	1.32	-0.0106	-0.17	0.0653	1.49
# of Adult Males in household	0.0108	0.33	-0.0113	-0.19	0.0231	0.57
# of Children (< 18 years) in household	-0.0108	-0.47	-0.0261	-0.58	-0.0038	-0.14
Wealth Six Years ago†	-0.0039	-1.07	-0.0097	-0.10	-0.0026	-0.68
Inheritance received between 6 and 10 years ago‡	-0.0689	-1.80	-2.7500	-1.65	-0.0673	-1.75
Wealth*Inheritance‡	0.0000	1.27	0.0000	1.44	0.0000	1.16
Member/Customer in Organization/Institution Six Years Ago						
Formal Financial Inst.*	-0.0677	-1.02	-0.1300	-1.03	0.0092	0.11
Village Inst./Org*	-0.0598	-0.67	0.0912	0.52	-0.1361	-1.26
Agricultural Org.*	0.0223	0.37	-0.0553	-0.50	0.0414	0.55
Money Lender*	0.2011	1.56	0.0846	0.39	0.2041	1.21
ROSCA*	-0.1240	-0.62	NA	NA	-0.0856	-0.43
Observed Frequency	0.5549		0.6803		0.4917	
Predicted Frequency at mean of X	0.5552		0.6927		0.4898	
Log Likelihood	-240.72		-70.84		-160.16	
Pseudo R-squared	3.75%		7.34%		4.50%	
Number of Observations	364		122		242	

*dF/dx is equal to the infinitesimal change in each continuous independent variable. For dummy variables it is equal to the discrete change in probability when the dummy variable changes from 0 to one. Dummy variables are marked by an asterisk.

† Wealth six years ago is made up of the value of household assets, agricultural assets and land (excluding land inherited between 6 and 10 years ago). Number in table is estimated coefficient multiplied by 1,000,000.

‡ Number in table is estimated coefficient multiplied by 1,000,000.

Table 4B: Probit Estimates that Business Would be more Profitable if Expanded, Business started in Last Five Years

	Whole Sample		Northeast		Central Region	
	dF/dx*	Z-statistic	dF/dx*	Z-statistic	dF/dx*	Z-statistic
Age of Head	0.0018	0.13	0.0377	1.58	-0.0104	-0.60
Age of Head Squared	-0.0001	-0.53	-0.0004	-1.82	0.0000	0.21
Years of Schooling – Head	0.0074	0.71	-0.0039	-0.25	0.0087	0.62
# of Adult Females in household	0.0524	1.43	-0.0065	-0.10	0.0674	1.51
# of Adult Males in household	0.0062	0.18	-0.0201	-0.34	0.0171	0.41
# of Children (< 18 years) in household	-0.0071	-0.30	-0.0240	-0.54	0.0030	0.10
Wealth Six Years ago ‡	-0.0109	-1.33	0.0440	0.29	-0.0080	-0.94
Inheritance received between 6 and 10 years ago‡	-0.0707	-1.76	-2.9200	-1.69	-0.0684	-1.65
Wealth*Inheritance‡	0.0000	1.16	0.0000	1.48	0.0000	1.12
(Wealth + Inheritance)*Member/Customer in Organization/Institution Six Years Ago						
Formal Financial Inst. ‡	-0.0164	-1.40	0.2770	1.10	-0.0235	-1.82
Village Inst./Org ‡	0.0231	1.78	-0.2520	-0.56	0.0302	2.15
Agricultural Org. ‡	0.0097	1.10	-0.1460	-0.71	0.0083	0.90
Money Lender ‡	-0.3670	-1.60	NA	NA	-0.3140	-1.45
ROSCA ‡	0.0196	1.04	NA	NA	0.0227	1.16
Member/Customer in Organization/Institution Six Years Ago						
Formal Financial Inst.*	-0.0311	-0.42	-0.2680	-1.54	0.0822	0.89
Village Inst./Org*	-0.1331	-1.35	0.2017	0.80	-0.2523	-2.11
Agricultural Org.*	0.0073	0.11	-0.0057	-0.04	0.0251	0.30
Money Lender*	0.3977	2.27	NA	NA	0.4262	1.94
ROSCA*	-0.1803	-0.78	NA	NA	-0.1401	-0.60
Observed Frequency	0.5549		0.6803		0.4917	
Predicted Frequency at mean of X	0.5543		0.6997		0.4862	
Log Likelihood	-235.56		-69.96		-154.84	
Pseudo R-squared	5.82%		8.49%		7.67%	
Number of Observations	364		122		242	

‡Number in table is estimated coefficient multiplied by 1,000,000.

Table 5A: Regression Estimates of Initial Investment in Business, Business started in Last Five Years

	Whole Sample		Northeast		Central Region	
	Coeff.	T-statistic	Coeff.	T-statistic	Coeff.	T-statistic
Age of Head	-0.0138	-0.25	-0.0367	-0.38	-0.0566	-0.85
Age of Head Squared	0.0000	-0.01	0.0001	0.09	0.0004	0.60
Years of Schooling – Head	0.1231	3.18	0.1274	2.18	0.1288	2.60
# of Adult Females in household	0.0950	0.71	0.2079	0.84	0.0811	0.51
# of Adult Males in household	0.2249	1.79	0.3339	1.37	0.1233	0.84
# of Children (< 18 years) in household	-0.0449	-0.51	-0.0150	-0.08	-0.0342	-0.35
Wealth Six Years ago†	0.0139	1.03	0.9330	2.39	0.0089	0.63
Inheritance received between 6 and 10 years ago‡	0.1370	0.94	-5.3200	-1.31	0.0760	0.52
Wealth*Inheritance‡	0.0000	-0.96	0.0000	1.18	0.0000	-0.61
Constant	10.2665	6.98	9.9396	3.99	11.8483	6.50
Adjusted R-squared	4.45%		11.95%		2.85%	
Number of Observations	266		83		183	

† Wealth six years ago is made up of the value of household assets, agricultural assets and land (excluding land inherited between 6 and 10 years ago). Number in table is estimated coefficient multiplied by 1,000,000.

‡ Number in table is estimated coefficient multiplied by 1,000,000.