

# Informal entrepreneurs: Street vendors, their livelihoods and the influence of social capital



*Fruit vendor in Manalili street, Cebu City, 13-6-'07*

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After my initial ideas were modified thoroughly, my research internship in Cebu was agreed upon and after finishing the research proposal I was off to Cebu. Because the informal sector was an area of expertise I was not familiar with in practice I needed some time getting acquainted with it. As anticipated my insight has grown considerably during the research internship and the subsequent thesis writing, since it was a very interesting exercise in all angles of research, not at least the hardships. The process benefited my understanding a lot, and hopefully will add some information to the ongoing insights in this lively side of economy, where statistics lose their power to mutually beneficiary relations; the hardly quantifiable rationale of social capital, which is a concept in development, while it is already so apparent throughout the economy of Cebu and the rest of the world.

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*Jeepney passengers, Cebu City, 17-4-'07*

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## **Executive Summary.**

### *Research*

In this research the main question: *To what extent does organization among the street vendors contribute to the realization of their goals and what are the consequences for their livelihoods?* Has been researched

### *Abstract of conclusion*

Street vendors have desired goals. These goals surprisingly are not situated in the realm of entering the formal sector. Rather they want to expand their business and carry on within the same framework they are acting in. Street vendors are satisfied with the efforts of their union CCUVA and with the 'maximum tolerance policy of local government. The main goal of the street vendors is to improve their business and expand their business and revenues in order to improve their livelihood. The current policy is one of status quo on the legal side, where officially vendors are illegal, but managed within a policy of maximum tolerance, with no priority for local government to change the situation. CCUVA and other organizations are at the heart of negotiating a participatory process that includes local government and street vendors represented by their organizations alike. They made progress but the goals are not yet met.

### *Context*

In Cebu City, the capital of the Central Visayas in the Philippines street vendors are omnipresent. The metropolitan area of Metro Cebu, comprising 5 cities, hosts some 2 million inhabitants. Cebu City itself fosters some 798,000 of them (NSO, 2007). Of those 798,000 city dwellers, at least 40,000 are street vendors, or informal entrepreneurs. This implies that about 5% of the inhabitants of Cebu City are street vendors. In practice this number might be even higher, since a, by definition, hard to measure amount of street vendors is 'unorganized' and thus not included into statistics. For this research, specifically the vendors in old downtown Cebu have been researched, divided into two strata: fruit and cut-flower vendors.

### *Street vendors as informal entrepreneurs*

Street vendors are part of the informal sector of the economy. They enjoy the benefits of being informal, such as savings on zoning, tax and other costs. At the same time they experience the pitfalls such as threat of demolition, lack of legal protection and lower efficiency of capital use. On the one hand street vendors in Cebu City face notorious eviction, threat of demolition of their stalls from the local government, on the other hand they can use their profits solely for improving their business or maintaining their livelihoods. In practice they do often have a fixed working place and pay a 6 pesos fee called 'arcabala' every day. This illustrates the ambiguous position they are in or 'shady' practice that street vendors are subject of.

### *Social capital*

An important variable in the livelihood provision of street vendors is a widely debated one: the notion of social capital. A definition of social capital is: the expected returns to social relationships. Or: relationships with and between others to help individuals to accomplish goals they cannot achieve on their own. Social capital has aspects on both the individual level (investments, relationships, reciprocity, resources) and collective level (trust, norms, cohesion). Marginalized people suffer the most from a decline in social capital, since it directly influences their livelihood.

Street vendors rely for a very important part on their individual social capital in executing their business. They have trusted relations with their suppliers, often family or 'suki'. A suki is a trusted relation, with whom a regular exchange of business takes place, based on trust and mutual agreements.

The communal version of social capital is mainly membership of a street vendor's organization. These geographically bound groups of street vendor's principal task is to negotiate the vending space for vendors. Since they are illegal by law, this form of social capital is essential in maintaining their livelihood.

#### *Street vendors organizations*

In Cebu the overarching framework of street vendor organizations is CCUVA, the umbrella organization that is managing all the smaller vendor organizations and acting as a permanent representative towards the local government.

Besides CCUVA there are several cooperatives providing favorable loans to street vendors. There are also NGO initiatives geared towards the improvement and ease of street vendors. Finally DTI and the local government make work of easier access for business registration. This is still problematic for street vendors since they lack a formal vending place.

#### *Local government*

The position from local government towards street vendors is ambiguous. It changes often with every new mayor and political fashion. Generally speaking the negotiations between CCUVA and local government authorities mean shelter for the street vendors. CCUVA is institutionalized since its ideas and policy-influence are recorded.

#### *Conclusion*

Street vendors have desired goals. These goals surprisingly are not situated in the realm of entering the formal sector. Rather they want to expand their business and carry on within the same framework they are acting in. Generally speaking can be concluded that the micro-business of street vending is more than a sponge for less fortunate dwellers, it can be a career for people coming from poor backgrounds, and ultimately it can be a life achievement and desired goal as well.

An important result that is achieved through the cooperation of street vendors is the fact that their voice is now heard at policy level. This mainly is the accomplishment of CCUVA. CCUVA is also responsible for the creation of some order in the chaotic scene of street vendors in Cebu City. Through their stimulating efforts in creating and maintaining street vendors organization a equal division is made of street vendors activities throughout old downtown.

Street vendors are satisfied with the efforts of CCUVA and with the 'maximum tolerance policy of local government. Their main goal is to improve their business and expand their business and revenues in order to improve their livelihood.

#### *Outlook*

As long as there is a thriving informal sector and an ill-managed or too small formal sector the phenomenon of street vending will be part of the informal sector of economy. The social capital of street vendors provided by their extended family and suki networks, sense of community and political voice through their organizations and representing umbrella organizations such as CCUVA provides the street vendors with a framework for maintaining and improving their situation without losing the benefits of informality. This raises the question whether strong institutions are the most important factor in managing economic growth and livelihood improvement.

# Chapter 1. Introduction

## *Research outline, conceptual model, methodology and regional context*

This thesis tries to shed some light on the legal environment, supply chains, social networks and political and organizational policies and incentives that influence the livelihoods of street vendors working in the cut-flower and fruit 'business' in Old Downtown Cebu City. The thesis is based on interviews with relevant stakeholders and street vendors and a questionnaire conducted among 96 street vendors in the downtown area of Cebu City, followed by extensive literature review and data analysis. The research was executed during a fieldwork in april-july 2007. Literature review and analysis of the fieldwork outcome have been done in the subsequent period.

The motive to start this research project was to contribute to the research project of the Urban Research centre Utrecht (URU) about divergent relational economies in the central Visayas region. In the central Visayas relational economies are existent, as they are throughout the world. Relational economies are based upon principles of the institutional economy approach, in which is stated that the norms and relations between actors in a region shape the transaction costs between firms. Preferences change over time and market information is seldom complete. This creates a dependency on other actors that is supposedly best met by institutions providing norms and help firms, or street vendors in the light of this research, to organise their relations with other economic agents. (van Helvoirt, 2009)

This organization and the access to it is one form of social capital, that can be denominated as an important factor in a relational economy.

The, for this research, chosen form of relational economy is present in the informal sector, or more lyrically: the shady side of economy where statistics lose their power to mutual beneficiary relations.

When the relational aspects of the informal entrepreneurs in Cebu are drawn, similarities to both small and medium enterprises and also larger companies can be determined, as well as the value of the social capital in the micro-business performance. In the case of street vendors the social capital is probably a vital asset, since they are illegal and face eviction posed by the local government. Besides this possibility for comparison also an insight in the livelihoods of street vendors is given.

### **Relevance**

The relevance of this project exists in two areas.

- 1) to gain insight in the informal sector in Cebu in a quantitative manner and contribute to the research project researching the divergent relational economies in the Central Visayas, and:
- 2) to identify measures and means to facilitate an improvement in the working conditions and livelihood provision of street vendors in Cebu City.

Academic relevance is brought to bear by the fact that social capital in the informal sector is a subject of research that has a lot of interest from the side of academe and also policy side. It is apparent through the abundance of literature and policy design, or efforts towards policy design that are present in this field. Street vendors have not been heavily represented in this literature, which is why research in this field is in an early stage, but interesting nevertheless.

Besides the intrinsic value this study draws on sources from almost ten years ago, when the last serious research was done concerning street vendors in Cebu by Felisa U. Etemadi and Giselle Yasmeen. Recommendations then made by Etemadi towards the local government were scarcely executed and it might be opportune to see if these recommendations are still valid and interesting for policy makers and stakeholders in the vendor situation at present.

### **§ 1.1 Outline and research design**

Literature review on street vendors and the importance of their organization let me to the point of departure of a comparison between organized and unorganized vendors resulting in the following main question: *To what extent does the rate of organization among the street vendors benefit the realization of their goals and what are the consequences for their livelihoods?*

After my initial interviews with CCUVA and Gerry Marquez, City consultant on urban poor in april 2007 shortly after my arrival in Cebu City, I reached the apprehension that virtually the whole population of street vendors was organized, which steered me to the belief that it would not be a distinctive factor.

This translated, after consultation with the host organization, the University of San Carlos, to a change in my main research question into:

*To what extent does organization among the street vendors benefit the realization of their goals and what are the consequences for their livelihoods?*

In this way the focus has changed from the distinction between organized and unorganized vendors into the benefits of being organized in street vendor associations. In the theoretical framework (chapter 2) the main concepts 'informal sector', 'livelihood' and 'social capital' are operationalized.

Although it seems to be only a slight adaptation at first sight, this altered the scope of the research significantly, since the dichotomy of unorganized and organized vendors were a sound basis for comparison in relation to the benefits and constraints of being 'organized'. With the change in focus, the emphasis became the exploration of organized vendors and their situation, without comparing it to a 'significant other'. To still be able to add a comparison in the research I decided to research two different 'types of vendors' which represent two groups of products with different supply and demand channels. This choice was made to be able to compare the performance of these two groups and in that way accentuating the differences within the population of street vendors in Cebu.

#### **§ 1.1.1 Hypothesis and Research Questions**

The research design was made using the earlier mentioned main question as point of departure. Since the distinction between formal and informal sector seemed to be the most interesting unit of analysis a hypothesis was formulated as well, forged out of literature review in writing the thesis outline before leaving for the fieldwork.

##### Hypothesis:

Street vendors want to become part of the formal sector

The hypothesis suggests that the goal of street vendors lays in the realm of becoming part of the formal sector. In chapter 3 this hypothesis is tested against the results from the questionnaire.

Main Question:

*To what extent does organization among the street vendors contribute to the realization of their goals and what are the consequences for their livelihoods?*

From this question six sub questions were derived, together composing an answer to the main question. The sub questions are divided into descriptive questions (see table 1.1), sketching the context and situation of street vendors, their livelihood and the influential factors, and analytical questions analyzing these contexts (see table 1.2).

**Table 1.1 Descriptive sub questions**

<b>Question:</b>	<b>Methodologies used:</b>	<b>Answered in chapter:</b>
What are the characteristics of fruit and cut-flower vendors? (What is the build-up of their livelihood? Income? Background? Relation with suppliers/buyers?)	-Questionnaire -Transect walk (defining location of two strata of vendors) -Interviews with street vendors Observation	3
What is the local policy on street vending and how does this affect the livelihood of street vendors?	-Literature review -Interviews -Archival research	4
What are the goals and practices of street vendor organizations?	-Literature research -Interviews with key persons and relevant stakeholders	5

**Table 1.2 Analytical sub questions**

<b>Question:</b>	<b>Methodologies used:</b>	<b>Answered in chapter:</b>
What are the consequences of the strategies of street vendor organizations for the street vendors?	-Questionnaire -Interviews with relevant stakeholders	5
How do local policy and street vendors organizations influence each other?	-Questionnaire -Interviews	4,5, SWOT
What is the role of formalization in the wishes and needs of vendors, as well as in the goals of street vendor organizations and local government policy?	-Questionnaire -Interview with key persons	3,4,5, SWOT

These sub-questions lead in various directions:

1. The actual way street vendors in Cebu City are executing their business: *the every day practice and its dynamics*. Operationalized through observation, literature review and a questionnaire.

2. The policy towards street vendors in Cebu City and the way they adapt to and cope with this: *the political component*. Operationalized through interviews, observation, literature review and a questionnaire.

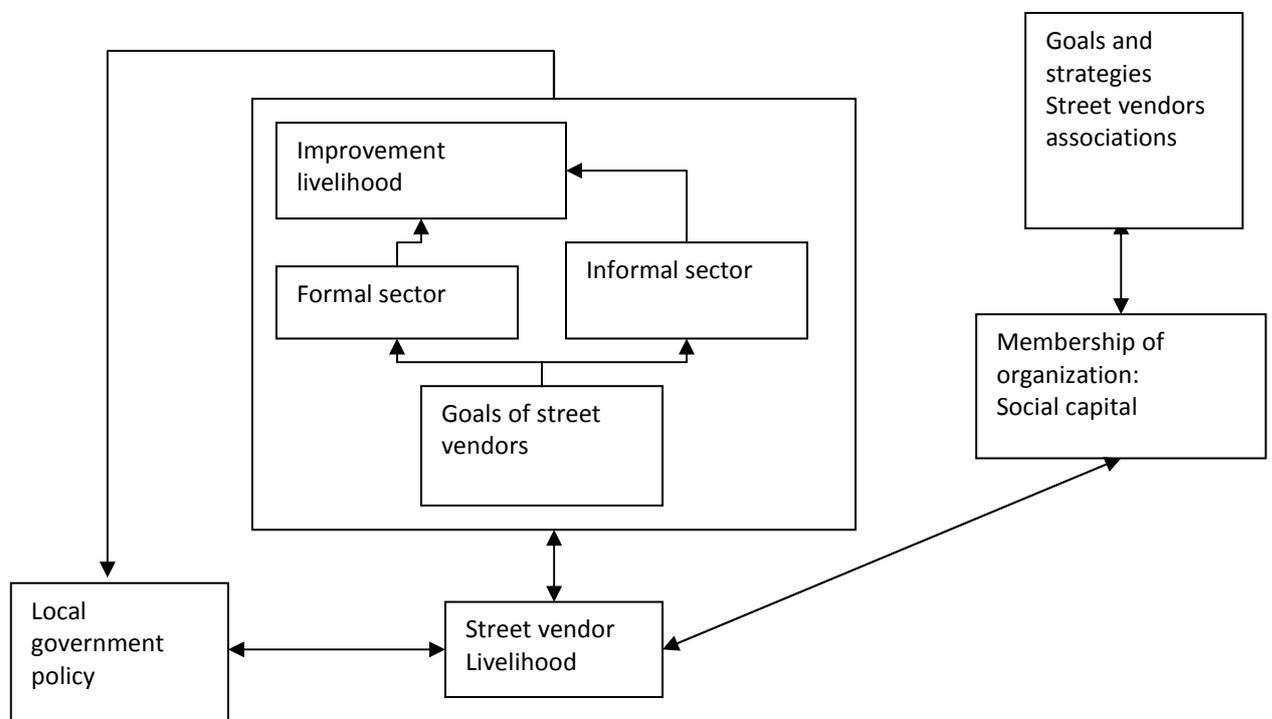
3. The role that is played by the street vendor organizations in both mediating the policy and influencing the success street vendor businesses: *the organizations as social capital component*. Operationalized through interviews, observation, literature review and a questionnaire.

4. The identification of what street vendors want for the future of their livelihoods, and the consequence of the influencing factors for this goal: *the goal achievement*. This is operationalized by the questionnaire and interviews.

### §1.1.2 Conceptual model and actor oriented approach

The possibilities and constraints that are occurring in these fields relate to the conceptual model in which it is operationalized that street vendors want to improve their situation, either within or outside the informal sector. The goal achievement, or wishes for the future of street vendors, is what is thus ultimately researched, with the focus on the role of their organization membership as a strategy and influencing factor in achieving their goals.

Figure 1.1 Conceptual Model



Through this conceptual model, the main question is structured. For structuring the build up of the sub questions in the thesis I made the main actors or 'stakeholders' in this model be the point of departure, which shapes the contours of an *Actor oriented approach*.

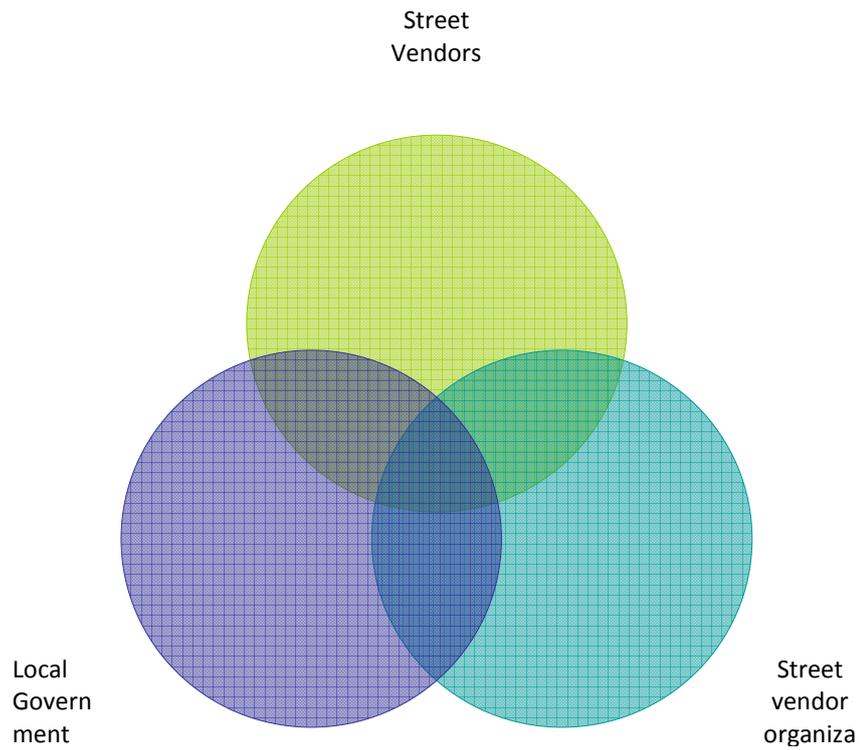
The main focus derived from the proposal was the influence of social networks on the livelihoods and goal attainment of street vendors. This question is the thread that binds the thesis. To operationalize the question through three 'stakeholders' in the tangible and intangible livelihood of street vendors the analytical framework becomes apparent at an actor-oriented level.

Various actors can be identified as influencing the situation of street vendors in Cebu, the most important ones are:

- Street vendors
- Local government (through policy and operated by market authority, urban poor consultant, DTI)
- Street vendors organisations.
- Buyers and suppliers
- Cooperatives (Kamansi, CEMVEDCO, FTMPC)
- Other stakeholders: NGO's , national government (policies)

The three main 'stakeholders' or 'influencing factors' regarding the situation of street vendors are the units of analysis in the thesis. They are indicated in the figure as focal points. In the conceptual model they are represented as a Venn Diagram, since all actors influence each other. The sub questions are designed to gain insight in the way this influence takes shape and influences the street vendors' livelihoods.

**Figure 1.2 Venn Diagram of mutual influence of main actors in thesis**



*Unit of analysis*

The analysis is based on two geographical levels (which are reviewed in chapter 7 SWOT):

- Micro level: street vendors
- Meso level: street vendors organizations (with CCUVA as overarching organization) and local government

## § 1.2 Methodology

After the initial proposal was approved I aimed at three steps of research, being:

1. Obtain information about where to research the street vendors. Mapping the amount of street vendors, their characteristics and the organizations they are member of. Why are they street vendors? What do they want to change in their economic situation? Do they want to become part of the formal sector (by starting a business) or do they want to stay street vendors (informal sector)? What are the main constraints to reach their goals? What is the policy of the local government on street vending?.

All these questions were asked in several interviews and made quantifiable through a questionnaire among fruit and cut-flower vendors

2. Research the goals of the organizations that were mentioned in the research population. How does the organization help the street vendors in improving their livelihood? How does it protect their livelihood?

Interview NGO's or other organizations, stakeholders involved in this subject

3. Analyze into what extent the organizations meet the wishes of the street vendors. And analyzing what the street vendors want to change in their situation.

Limited by time-constraints because of a late execution and processing of the questionnaire results, the feedback on the questionnaire results has been very limited. Still triangulation is possible because of the following methods used:

### *Quantitative methods:*

A questionnaire (transcript Annex I), which provided quantitative data regarding the street vendors and their livelihoods. Research population: 96 street vendors in downtown Cebu City. Both fruit and cut-flower vendors.

### *Qualitative methods:*

- Interview. Interviews with key persons: street vendors, local government representatives, CCUVA leaders and street vendor organizations leaders.

Interviews with relevant stakeholders: cooperative leaders, microfinance program, government line agencies

- Literature review. Through policy research, archival research and obtaining secondary sources like newspapers and academic sources through desk research.

- Transect walk. A transect walk that mapped the research area and gives an overview of the geographical spread of street vendors in the area of research.

### **Focus**

What ultimately provides 'social capital' are the stakeholders, the people, organizations etc. involved in shaping the livelihood. This includes direct contacts with buyers and suppliers as well as influencing factors such as policy makers and executors. The tension between policy (makers) and street vendors and their organizations is what is taken as the focus of the analysis.

### § 1.3 Regional context

The regional context gives a short but comprehensive overview of the region in which the research was situated. It aims to give an insight in the history and economic development of the Visayas region and Cebu City. The background of the present day situation in Old Downtown Cebu City, where the street vendors are operating their business at a daily basis, in that way earning their livelihoods and shaping their future goals in the meantime. They operate both in the streets and in the market areas, mainly Carbon Market, the oldest market in the south side of Old Downtown. The focus is put on that area, the heartland of informal vendors in Cebu, first (§ 1.3.1), subsequently zooming out to the Barangay level (§ 1.3.2), the City level (§ 1.3.3), the Metropolitan level (§ 1.3.4) and concluding with the regional level (§ 1.3.5). Location, population, history and administrative topics will be highlighted throughout the chapter, drawing a picture of the larger regional context in which street vendors find their livelihood.

#### § 1.3.1 Market areas around the city

Carbon market is the largest and oldest market in Cebu City. It exists for over a century already. Where the market is located nowadays, there used to be a coal depot where trains unloaded their coals. The depot, the railway and the coals have ceased to exist in the meantime. Carbon market is still here.

Carbon market is a thriving area where hundreds of vendors operate from their fixed stalls and vending spaces and many ambulant vendors try to find a place as well.

It is a busy, noisy and, in the eyes of many, dirty market place with literally hundreds of fresh foods, ranging from the core consisting of vegetables, fruits and sari-sari, via meat and dairy products to flowers, clothing, apparel and everything in between.

Within the city and the region the market is known for its competitive prices. Still many regard it as an unsafe area at night. It forms a big contrast with the Ayala and SM malls, the huge modern shopping centers in other parts of the city. In a way it shows the huge diversity and the enormous differences in both development as well as wealth-distribution in the city of Cebu.

*“Carbon market may be downtown Cebu’s inconvenient version of the posh supermarket in malls, but to the vendors, it’s their precious gem in the very heart of Cebu”, concludes an article in the Cebu Daily newspaper (Cebu Daily, 2009).*



*Carbon market, 17-4-'07*

### § 1.3.2 Old Downtown: the Barangay level

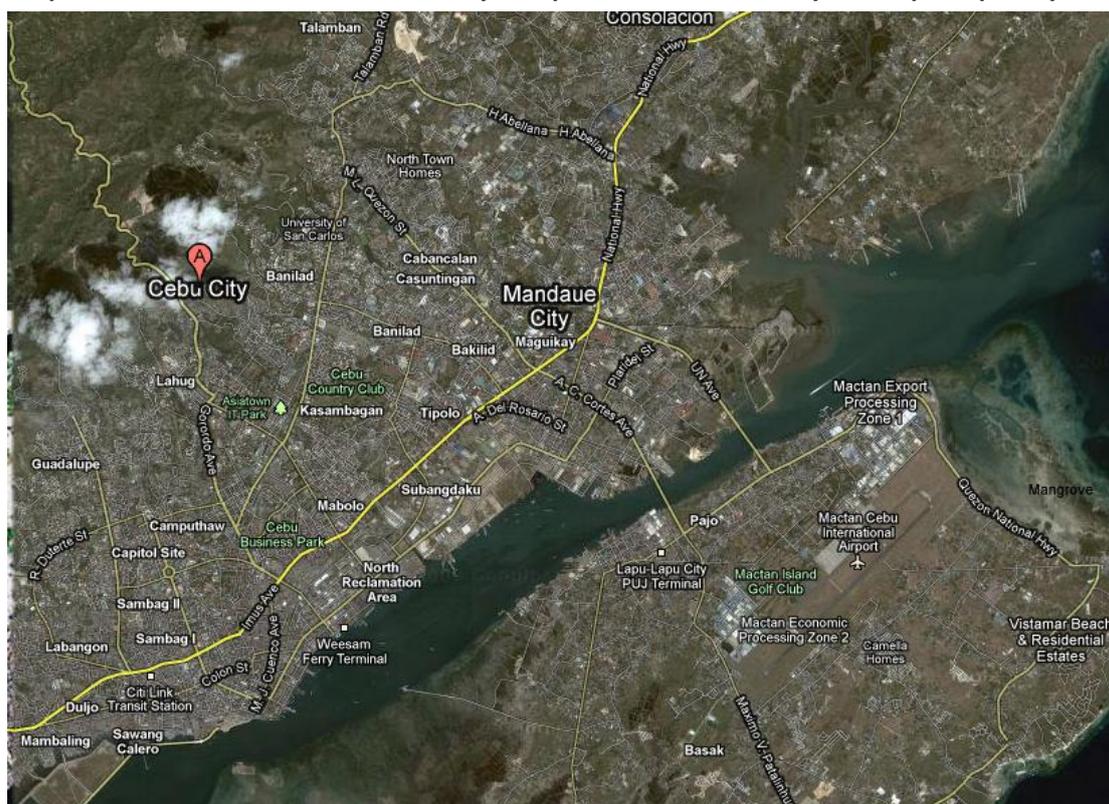
The Barangay is the smallest administrative division within the Philippines. Usually it exists of only a few streets, and forms a little neighbourhood. Barangays date back to the communal way of living that was in place before the Spanish conquerors entered the Philippines in the 16<sup>th</sup> century. Usually thirty up to one hundred families lived together in small villages, which were named Barangays. When cities originated under Spanish administration, the Barangay was incorporated as administrative division.

#### **Barangay administration**

Barangays are managed from the Barangay hall and by the 'Barangay Officials', headed by the Barangay Captain. Barangays are treated as the smallest Local Government Unit, and have legislative power. The Barangay Tanod is the policing force within the Barangay. Both the Barangay captain and tanods are elected, usually every three years.

### § 1.3.3 Cebu City: stage of Philippine development

**Map 1.1 Aerial view of Cebu City and parts of Mandaue City and Lapu-Lapu city**



Source: Google maps

#### **Location, population, characteristics**

Located in the centre of the Philippine archipelago the 'Queen City of the South' Cebu, famous for its sweet mangoes and hardworking people has a moderate tropical climate without a distinct wet and dry season, on a yearly basis the average temperature is around 27°. Summer reaches it peak in the months of april and may and the wettest season is

september. Besides for touristic purposes, this makes the city enjoyable and thriving for its inhabitants as well. According to the latest census Cebu City hosts 798,809 inhabitants (NSO, 2007), with a birth rate between 2000 and 2007 of 1,46. Based on projections and birth rate in 2010 around 812,499 people live in Cebu City (World Gazetteer, 2009)

Cebu City is situated on the eastern coastal belt of the island-province of Cebu. It is in the core of Metro Cebu, neighbored by Mandaue City on the northwest and Talisay City on the southeast side, in the eastern side the city faces a mountain rim and on the western side the island of Mactan lies within shooting distance, and is bridged through the Mandaue-Mactan and Marcelo Fernan bridges to the mainland. The core of the city is situated on a coastal plain, which still encompasses only 15% of the land area of the municipality. 80% of the terrain is mountainous, rising up to 800 meters. The mountainous area has become unproductive due to the adverse effects of soil degradation and erosion. Intensive land use by the dense population is a major contributor to this phenomenon. Besides this the weak to the hinterland, with few feeder roads have weakened the opportunities for agricultural use. Still many fruits and flowers find their origins in the vicinity of Cebu City. The land use in the metropolitan core is also very intensive and ever more intensifying as the city is growing. Land reclamation projects are one way to create more space for economic and demographic growth.

The old districts of the city feel the demographic pressure, which is in one way represented by the amount of street vendors present in the streets. The Central Business District of Cebu City hosts many service-oriented businesses, alongside some international companies. Cebu City is the largest commercial and service center of the southern Philippines (van Helvoirt, 2009).

### **City Government**

Cebu City is governed by city hall, composed of the mayor, vice-mayor and sixteen councilors of which eight represent the northern and eight represent the southern region of the City. Each official is elected publicly for a three year term. The day to day administration of the city is handled by the city administrator. At the time of the research (2007), Tomas Osmeña was Mayor (and is still to date, 2010), Michael Rama was Vice-Mayor and Francisco 'Bimbo' Fernandez was the city administrator. With the mayor and city administrator interviews were conducted throughout the course of the research. In chapter 4 more information regarding the local government and its policies towards street vendors specifically can be found.

### **History and economic development**

From its conception as Sugbu, until its rise to the second largest metropolitan area in the Philippines, Cebu has always had the name of being 'outward oriented'. Earliest recordings identify it as a regional trading hub were the local animist and Islamic tribes traded with Malaysia, Indonesia and Chinese merchants.

The outward from Europe entered the small natural port in the strait of Mactan for the first time in 1521. Famous explorer Fernão de Magalhães or Ferdinand Magellan, a Portuguese in service of the Spanish king Carlos I, sailed into the port of Cebu. Subsequently he baptised the chieftain of Cebu Rajah Humabon and his people and presented them as a gift the Santo Niño a replica of an image of the Holy Child Jesus. To this date, the Santo Niño is a sacred figure in Cebu. A basilica was built on the place where the replica was found after the next Spanish guest, and this time conqueror, Miguel Lopez de Legazpi had conquered Humabon's cousin and successor in Cebu in 1565. The first Spanish visit had ended with the death of

Magellan, when he acted in a dispute between Humabon and the ruler of Mactan island Datu Lapu-Lapu.



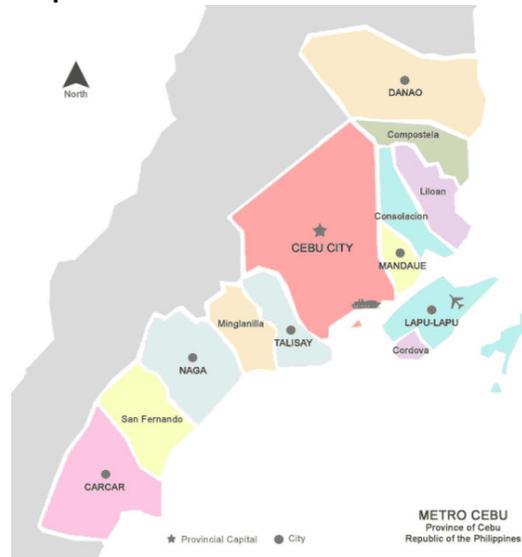
Santo Nino, source: Flickr.com creative commons

Between the Spanish rule and today the City has grown enormously through a combination of favourable geographical location and smart management. The natural port of Cebu today carries 80% of domestic shipping in the region, the City serves as the commercial hub and rally point for goods coming in from Manila and the rest of the world via its port and Mactan International Airport. It is the educational centre of the Southern Philippines with 6 universities, and hosts the bulk of financial institutions and their supporting business, as well as most government line institutions in the Southern Philippines. Besides that it is the hub for tourism to the region, it hosts several large shopping malls and retail outlets, amongst them 22 supermarkets (Colchero, 2008) which form strong competition for the street vendors, and hosts a growing number of IT related companies, both domestic and international. It has grown to be the socio-cultural and religious centre of the region as well (van Helvoirt, 2009), thriving on its rich heritage, as described before, and the core function of the city within the region.

The political leaders of Cebu have influenced the enormous development of the city since the 1940's. they took maximum advantage of the favourable geographical assets of the city (coastal plain, central node of the region, natural harbour), by investing in major infrastructural projects that created an attractive environment for both local and external investors. The two Special Economic Zones, the Mactan Export Processing Zone I and II draw a considerable amount of Foreign Direct Investment towards the city (van Helvoirt, 2009). The most recent infrastructural project however, the drymaking of a large strip of land between Cebu City and Talisay City, known as the South Reclamation Project, did not yet gain a lot of investment and is burdening the local government finance with an excessive loan from the Japanese Development Bank (Van Naerssen, 2008)

### § 1.3.4 Metro Cebu: second largest metropolitan area of the Philippines

Map 1.2 Metro Cebu



Metro Cebu, Source: Wikimedia Commons

#### Location, population, characteristics

The before mentioned 'highly urbanized areas' within metro Cebu are: Cebu City, Mandaue City and Talisay City. The fact that they are denominated this way is important, it means they are classified as 'independent cities'. Independent cities have their own legislative branch called *Sangguniang Palingsod*. They have legislative powers defined by the Local Government Code, which was enacted in 1991. Normally the legislative branch of the province, or *Sangguniang Panlalawigan* surpasses this. But an independent city has two major differences:

1. The legislation brought to bear by the *Sangguniang Palingsod* is no longer subject to review by the provincial *Sangguniang Panlalawigan*.
2. The city stops sharing tax revenues with the province.

This is important because it underlines the power of local government in the municipalities in Metro Cebu. Especially in Cebu City there is an odd struggle between the provincial Governor Gwen Garcia and the Mayor of Cebu City Tommy Osmeña. Because the location of the provincial capitol is in the center of Cebu City (van Naerssen, 2008)

#### Economy

A large share of Small and Medium enterprises defines the biggest economic engine outside the Export Processing Zones in the metro. These SME's are largely export oriented and regionally owned they produce furniture, toys, gifts, housewares, fashion, accessories, garments and processed foods for the global market. The cities of Mandaue, Lapu-Lapu and Talisay dominate this sector, that is the traditionally forms the backbone of local economy. (van Helvoirt, 2009, pp86)

### § 1.3.5 Region VII, Central Visayas and Cebu Province

**Map 1.3** Central Visayas



Central Visayas region, source Wikimedia Commons

#### **Location, population, characteristics**

The Central Visayas are the central part of the Visayas, one of the three main island groups in the Philippines, and therewith in the centre of the Philippines. The other two main island groups are Luzon in the North, where the capital region of Manila is situated, and Mindanao in the South.

The region is divided into four provinces: Cebu, Negros Oriental, Bohol and Siquijor. For more than statistical purposes there are also three 'highly urbanized areas' appointed. These are: Cebu City, Lapu-Lapu City and Mandaue City. The three cities also form the main core of Metro Cebu. The total land area is 15,875 km<sup>2</sup>. The island of Cebu accounts for 4,468 km<sup>2</sup> of this area.

6,398,628 people live in Region VII, according to the census of 2007 (NSO, 2007), of which 2,314,897 live in Metro Cebu, which accounts for 20% of the land area of Cebu Province. The region has a population density of 403/km<sup>2</sup>. Between 2000 and 2007 the average growth rate of the population was 1,59%, which is far below the national average of 2,04%. The economy of the region is dominated by the main island of Cebu, more specifically the metropolitan region of Cebu, which contributes a mere 80% of the Gross Regional Domestic Product of the Central Visayas region. All socio-economic indicators of the region are heavily influenced by Metro Cebu (van Helvoirt, 2009).

The main language that is spoken in the region is Cebuano, commonly referred to as Visayan. It is a regional language spoken in the Visayas region. Next to Cebuano most people speak English as a second language, English is an official language in the Philippines and therefore educated from primary school onwards. Early school leavers tend not to be able to speak it, and amongst street vendors the proficiency in English is relatively low.

## Chapter 2. Theoretical Framework

### *Relationships matter*

In this chapter some the core concepts underlying the informal businesses of street vendors are elaborated upon.

The two main tiers are concepts in debate: informal economy (§ 2.1) and social capital (§2.3). Being a part of the informal sector street vendors rely on their social capital for an important part of their livelihood provision. Theories and literature, more specifically aimed at street vendors and their organizations are also taken into account. Another subject for review is livelihood, since it is the quintessence of street vendors business. Livelihood and the livelihood approach are discussed in §2.2

#### **§ 2.1 Informal economy**

The informal economy has been a contested concept ever since its ‘birth’, when it was first mentioned in the research of Keith Hart and subsequently entered into a common term by ILO as the denominator for the way some African urban economies functioned. It has always been a contested concept and has been in and out of fashion many times. Still today it is a valid concept and more recognized since it covers the vast amount of economic units and workers that remain outside of the world of regulated economic activities and protected employment relationships.

To stress the difference: it might be useful to define the formal economy

- Formal economy: comprising the regulated economic units and protected workers
- Formal regulatory environment: comprising government policies, laws and regulations

(Alter Chen, 2007)

*To define the informal economy various definitions can be quoted:*

A convenient and comprehensive definition comes from Portes, Castells and Benton. They conclude there is one central feature of informal economy: “it is unregulated by the institutions of society, in a legal and social environment in which similar activities are regulated.” Because of the existence of the ‘formal’ economy the notion of an informal economy is existent. The dichotomy that is created in this way is by definition in a constant flux, since every change in the institutional ‘boundaries’ of regulation of economic activities produces a realignment of the formal-informal dichotomy (Portes et. Al, 1989)

*A more expanded definition:*

Not only enterprises that are not legally regulated but also employment relationships. This was defined by the Women in Informal Employment: Globalizing and organizing (WIEGO), together with the International Labour Organisation (ILO).

(Alter Chen, 2007)

*Restrictions*

Variations in the form and effects of informalization processes reflect the character of the specific social and economic order in which they occur. The image in flux of a specific place or space is dependent on factors such as: economic history as well as the character of the state authority and its interaction with private interests. (Portes et. Al, 1989)

Portes (et al., 1989) thus conclude: “there is no great secret in the diversity of the formal-informal interface. Every concrete situation has in common the existence of economic

activities that violate or bypass state regulation, but what these are varies according to the history of state-society and state-economy relations.

#### *Size of informal sector*

Compiling statistics on the size, composition and contribution of the informal economy is hampered by the lack of sufficient data. But estimates and official figures come to a composition of about 50-75 % of non-agricultural employment in developing countries (Alter Chen, 2007, 5)

#### *Contested Subject*

The 'informal sector' is a contested subject according to many scholars, one of them is Giselle Yasmeen, who did extensive research in the field of street food vendors and is in that respect relevant for this research. In her study *Workers in the urban informal food sector: innovative organizing strategies* (2001), she states: There are many disputes if formal-informal dichotomy is useful because there are numerous overlapping enterprises that straddle the line between formal and informal. The Informal-formal sector model might be thought of as a conceptual continuum with many hybrid enterprises exhibiting features of both sectors. (Yasmeen, 2001)

#### **Change in development theories, change in view on informal sector**

This contesting of the dichotomy of formal-informal sectors is widely around in development studies literature. In a broader context it can be related to the changing paradigms in development thinking, as is illustrated in this paragraph. Since there has been change in the paradigms of development, so there has been change for the views on informal sector as well. When the dichotomy formal-informal was created the modernist paradigm was the dominant paradigm in development theories. In short this meant that less developed countries were seen as 'lagging behind' the developed countries, but had the possibility to overcome this backward position by modeling themselves like developed nations and spurring their own economic growth in that way. From that angle came the notion that informal sector is a traditional economy that will wither away and die out with modern industrial growth. In more recent views, where the post-modernist paradigm has taken place, stating that development is multi-layered, site specific and multiscalar, it is observed and taken into account that the informal economy is expanding with modern industrial growth.

Similarly the former, modernist if you like, dichotomy of a separate formal and informal sector is replaced by the notion of an interlinkage between formal and informal enterprises. The informal sector produces for, trades with, distributes for and provides services to the formal economy. Besides that it is not marginally productive, as viewed in the classical view but it is a major provider of goods and services of lower income groups and it produces a significant share of GDP.

The significance for the local economy is differently valued as well. Before the informal sector was viewed as a reserve pool of surplus labour, nowadays much of the rise in informal employment is due to decline in formal employment or to the informalisation of former formal employment relations. Neither is it made up only of street traders and very small-scale producers (although this is the unit of analysis for this research), but made up of a wide range of informal occupations.

The common view of the entrepreneurs in the sector was that of entrepreneurs who ran illegal and unregistered enterprises in order to avoid regulations and taxations. Nowadays the view is that the informal sector is made up of non-standard wage workers as well as entrepreneurs and self-employed persons who produce legal goods and services, albeit through irregular or unregulated means. Most entrepreneurs and the self-employed are

amenable to, and would welcome efforts to reduce barriers to registration and related transaction costs and to increase benefits from regulations. And most informal wage workers would welcome more stable jobs and workers' rights.

On a policy level few attention was given to informal work since the view was that work in the informal economy is comprised mostly of survival activities and thus is not a subject for economic policy.

Currently in the developed world this view has changed, research shows that Informal enterprises include not only survival activities but also stable enterprises and dynamic growing businesses, and informal employment includes not only self-employment but also wage-employment. All forms of informal employment are attracted by most (if not all) economic policies.

(Alter Chen, 2007, pp 5)

In my own words informal sector is that segment of society that comprises both non-formal workers as well as the institutions and morale that keep it going. Operationalized for this thesis it serves as the basic denomination for the situation in which street vendors now conduct their business, their status is: informal entrepreneur.

### §2.1.2 Informal entrepreneurs

As shown in the previous paragraph, the view on informal sector workers is shifting a lot, at least in development thinking. The actual situation in developing countries still can be very different, as chapter 4 shows, elaborating upon the view of the local government on informal entrepreneurs.

In the study *Informal Politics: Street Vendors and the state in Mexico City*, Cross identifies a series of benefits and pitfalls of being active in the informal sector as opposed to the formal sector.

**Table 2.1 Benefits and costs of formal and informal sector** (Cross, 1998, pp. 33)

	Informal	Formal
Benefits	Savings on labor cost (insurance, pension, minimum-wage) Saving on zoning costs (rent or purchase of commercial or industrial space) Saving on tax costs Savings on other costs (health, safety, environment, etc.)	Investment incentives (Generally focused on capital levels) Legal protection (protects capital investment)
Costs	Lack of formal incentives Danger of 'discovery' (-> lower efficiency of capital since it is a small business) Lack of legal protection (risk of harassment, eviction)	Higher labour costs Cost of zoning Taxes Health, safety, environmental regulations

The informal sector is important to low income urban dwellers in Cebu, because large numbers of the workforce earn their income this way. A significant area of activity is

informal street vending.

### **Street vending**

Street vending can be seen as both a survival strategy and an additional form of income, depending on the motives and livelihood situation of the particular street vendor.

Since street vending is a visible form of informal economic activity, it makes use of the public space, namely the streets; it automatically is subjugated to formal forces, being the local government, the maintainer of public space. (Cross. 1998)

According to Yasmeen (2001, pp 8) there are some general characteristics of informal street vendors, it appears they are:

1. typically women
2. not included in statistics, since difficult to gather data from unregulated economic activities and an overall lack of recognition of this sector overall
3. they come from poorer parts of the country (?)
4. revenues accruing from the enterprise (often more generous than factory world and even some white collar jobs) are largely invested in human capital, particularly education of kin and supporting family members in rural areas  
Profits are not typically reinvested in the enterprise

### **Street vendor's organisations**

In order to better meet their needs, street vendors have organized themselves into organizations that represent them and coordinate the streets. These organizations form the social capital of street vendors , this is elaborated further in § 2.3

### **Conclusion**

Street vendors are part of the informal sector, the classical side of it, to put it bluntly. They have an occupation that operates outside the legal frameworks of society and has little interaction with it. Besides that they are informal entrepreneurs, since they have their own business and strive for their own independent livelihood provision. The costs and benefits of informality are more extensively researched and are looked back upon in the conclusion. The wish of street vendors to either become part of the formal sector or stay within informality is an important point of departure of this research and will be addressed in the conclusion as well.

## **§ 2.2 Livelihood approach**

Their livelihood is the quintessential reason for street vendors to do what they do. In order to keep their households going, and ultimately to provide a better future for themselves and their children the sometimes risky profession of street vendor is chosen. The lack of other opportunities is a motivator as well. In development theory there is a research approach named: livelihood approach, that gives a framework for measuring simple but complex groups such as informal street vendors in an urban context.

The livelihood approach offers a more dynamic view on poverty, one in which poverty is seen as a process, rather than a static concept. It takes into account the local perception of poverty.

The livelihood framework offers a useful multi-dimensional or participatory approach to poverty, because it is people-centered, holistic (non-sectoral) and grounded in the multidimensional reality of daily life. Households construct their livelihoods within a broader

socio-economic and physical context, using all sorts of social and material assets: People try to gain access to five types of capital assets: natural, human, social, cultural and produced capital. They combine and transform these in different ways in order to build a livelihood for themselves this is the general view. Specific for the urban area Moser (1998) identified an 'asset vulnerability framework'. These include: labour (most important asset for urban poor), human capital, productive assets (often housing but in the case of street vendors market stalls), household relations and social capital. With these assets new light can be shed on the dynamics of poverty and the diversity of strategies and opportunities to deal with poverty in an urban context.

When looked at social, economic and political structures it is clear that street vendors hold a vulnerable position within society. Consequently, the social context or the social and institutional embeddedness of street vending needs to be revealed.

The importance of social networks and human capital for the activity of street vending, the households behind the street vendors and the multi-locality of the livelihood of street vendors can be included in this approach.

It indicates as well that work and status aspirations of vendors need to be taken into consideration for the analysis of the socio-economic position of street vendors.

For example: street vendors may earn more than some workers in the formal labour market, but this income does not necessarily compensate for the lower employment status.

In the research these extra factors are taken into account when the variable of 'goal achievement' comes to the front. The goals of vendors lay in the improvement of their livelihood, but the factors contributing to this are broader than economic factors alone.

### **Conclusion**

Livelihood provision is what street vending is about, it is therefore that it is at the core of the research and part of the theoretical chapter, it comprises more than income alone.

Throughout chapter 3 an overview of the livelihoods of street vendors will be given.

### **§2.3 Social Capital**

*by 'social capital' I mean features of social life – networks, norms and trust – that enable participants to act together more effectively to pursue shared objectives. (Putnam, 1996, in Field, 2008, pp 35)*

*Social capital refers to connections among individuals – social networks and the norms of reciprocity and trustworthiness that arise from them. (Putnam, 2000. In Field, 2008, pp 35)*

This is how eminent thinker in the field of social capital Robert Putnam describes the concept after having done research in the field for over ten years. John Field, editor of *Key Ideas in Sociology: Social Capital* is even more concise: *relationships matter* (Field, 2008, pp 1)

The concept of social capital, that has its origin in sociology, is growing in importance since it has been adopted by theorists from different academic fields, such as economics and geography. It is still a widely debated concept, that has different schools of practitioners, but the concept has heuristic value, according to Schuller (Schuller 2007, in Field 2008). Field concludes in *Social Capital*: "despite important developments still more needs to be done before the concept achieves any kind of theoretical maturity." (Field, 2008). This underlines the fuzzyness of the concept. The relevance of the concept is acknowledged as well: "what social capital brings to social theory is an emphasis on relationships and values as significant factors in explaining structures and behaviour." (Field, 2008)

Theorists in the field of social capital all seem to agree on the definition that social capital comprises expected returns to social relationships: *relationships with and between others help individuals to accomplish goals they cannot achieve on their own*. Social capital has aspects on both the individual level: investments, relationships, reciprocity, resources and collective level: trust, norms, cohesion, and the opportunities produced by it can occur at different levels of social structure. (van der Gaag, 2005, pp 4)

#### *Individual social capital*

The individualist definition of social capital: a person's social skills. This can mean a long list of contacts, a facility for dealing with others, or charisma. People's stock of social capital can be measured by the number of organizations (clubs, charities, religious groups etc.) to which they belong. (van der Gaag, 2005)

#### *Communal social capital*

Social capital is an additional pool of resources embedded in the social networks of individuals, which can help to achieve individual goals in conjunction with or instead of personal resources (van der Gaag, 2005).

Robert Putnam first mentioned the terms 'bonding' and 'bridging' social capital.

*Bonding* social capital denotes ties between alike people in similar situations; such as immediate family, close friends and neighbours. (Woolcock, 2001, pp 13)

It provides undergirding specific reciprocity and mobilizing solidarity, while serving as a kind of sociological superglue in maintaining strong in-group loyalty and reinforcing specific identities.

*Bridging* social capital encompasses more distant ties of alike persons, such as loose friendships and colleagues. (Woolcock, 2001, pp 13)

It is better for linkage to external assets and information diffusion (Putnam 2000. In Field, 2008, 22-3)

In this research the fellow members of street vendors organizations can be mentioned in this respect.

*Linking* social capital reaches out to unlike people in dissimilar situations, such as those that are entirely outside the community, thus enabling members to leverage a far wider range of resources than are available within the community.

(Woolcock, 2001, pp 13)

Sabatini (Field, p 57) noticed: bridging and linking social capital are positively associated with higher income levels, while bonding social capital is associated with lower average incomes.

Despite the not yet unambiguous academic discourse the relevance of social capital is important for this thesis, as becomes clear from the chosen path for shaping this thesis.

#### **Social capital for poorer sections of society**

One of the 'founding fathers' of social capital as a sociological phenomenon is James Coleman, he is particularly important in the application of the theory to poor and marginalized people. Besides this he is one of the movers and shakers in the WorldBank definition of social capital, which is the most widely used definition on policy-level, especially towards developing countries.

Coleman first showed that the concept of social capital was not only limited to the powerful but also conveyed real benefits for the poor and marginalized. According to Coleman social capital represents a resource because it involves the expectation of reciprocity, and goes beyond any given individual to involve wider networks whose relationships are governed by a high degree of trust and shared values.

#### *Remark*

If people are only linked with people like themselves, then everyone in the network pretty much knows what everybody else knows and there is nothing very new to be learned. In slow changing times this is fine, since a common core of knowledge can be ever refined. On the other hand, if people or organizations are networked with diverse others, then they are going to learn and keep learning new things, not already in their repertoire of knowledge and skills. In a fast-changing world, the power of network links to unfamiliar people and organizations is crucial (Gee, 2002. In Field, 2008, pp. 87)

For the situation in Cebu this might apply. One can argue that organized street vendors are a homogenous group with a shared occupancy. At the same time there is a lot of competition among vendors, and with other actors such as supermarkets as well.

Steel identifies in her study concerning social mobility of Street Vendors in Cusco, Peru that social capital has its downsides for vendors as well. Street vendors have to invest in their social network in order to be able to benefit from it. She concludes that street vendors social capital reserves are not based on the principles of solidarity, but rather on reciprocity. When there are unbalanced power relations between vendors or among vendors this can negatively influence their social capital. She concludes: "the most successful vendors are the ones that know how to dissipate the negative aspects of social capital. The most established vendors know how to take full advantage of the social safety net of relatives, colleagues, suppliers and buyers." (Steel, 2008)

#### **§2.3.1 Social capital in this research**

In this research social capital means the pool of human resources an individual possesses, be it family, friends or trusted relations with buyers and/or suppliers.

For the research the concept of social capital is operationalised in three measurable ways:

- Membership of street vendors association (bridging ties)
- Personal relations (bonding ties)
- links with suppliers and clients (bridging and linking ties)

#### *Organization membership as social capital*

Membership of an organization is one form of social capital. Through the membership of an organization people can obtain more benefits, since the organization provides them with the network of its members.

A street vendor can benefit from his membership, while it can give measurable benefits to the participating street vendors and can lead directly and indirectly to a higher level of well-being. An organization may provide opportunities such as the use of services, training, and possibility for participation, information and networks.

#### *Personal Relations*

Personal relations can be seen as endemic or overarching to organization membership and links with suppliers, but in this context it can be seen as the 'direct' side of social capital. The

amount of friends among other street vendors or in general, the amount of suki (trusted relations) a street vendor has.

#### *Links with suppliers and clients*

Street vendors mostly have trusted suppliers and clients, the term used in the Cebuano context is 'suki'. Vendors usually have suki. Often multiple, depending on the type of goods they are selling. A suki is a regular supplier, or a regular buyer. Since there is a mutually beneficiary relation, the suki can be seen as a trusted part of the network of a vendor. Often suki are found through family or other bonds. Clients can become Suki as well, or create opportunities before unknown to vendors, they can form linking ties to business opportunities.

### **§ 2.4 Conclusion for the research**

Street vendors are informal entrepreneurs, since they operate as entrepreneurs, but without legal backing and thus outside the formal sector. This gives them both opportunities as setbacks, according to various literature. An important mechanism which enables them to do their business is within the concept of social capital. Trust, norms and cooperation within their sector enables street vendors to better defend their interests and protect their livelihoods. In the subsequent chapters this is elaborated, with the focus on social capital in chapter 3, goal attainment and chapter 5, where the different ways in which street vendors are organized are discussed.

The informality of street vendors is explained via this chapter, the chosen operationalisation for the social capital component, and the definitions of livelihood, street vendors and street vending in Cebu serve as a guideline throughout the thesis.

## **Chapter 3. Street vendors in Old Downtown Cebu City**

### ***"Trying hard to make ends meet"***

This chapter aims to shed light upon the 'typical' street vendor in Old Downtown Cebu City. Because the research population has been divided into two strata, fruit vendors and cut-flower vendors, a sketch of these two 'types' of vendors will be given, as well as the everyday practice and the way they operate their micro-businesses (§ 3.1 up to § 3.4). Besides the street vendors themselves, also the supply- and value-chains they are part of have been researched and are discussed in § 3.5. Finally the 'goal achievement', or what street vendors want with their future and how they aim to achieve this is discussed in § 3.6. The important variable of their social capital, which is interwoven throughout the chapter, will be discussed more in depth in chapter 5. In § 3.7 a short insight in the image of street vendors is given.

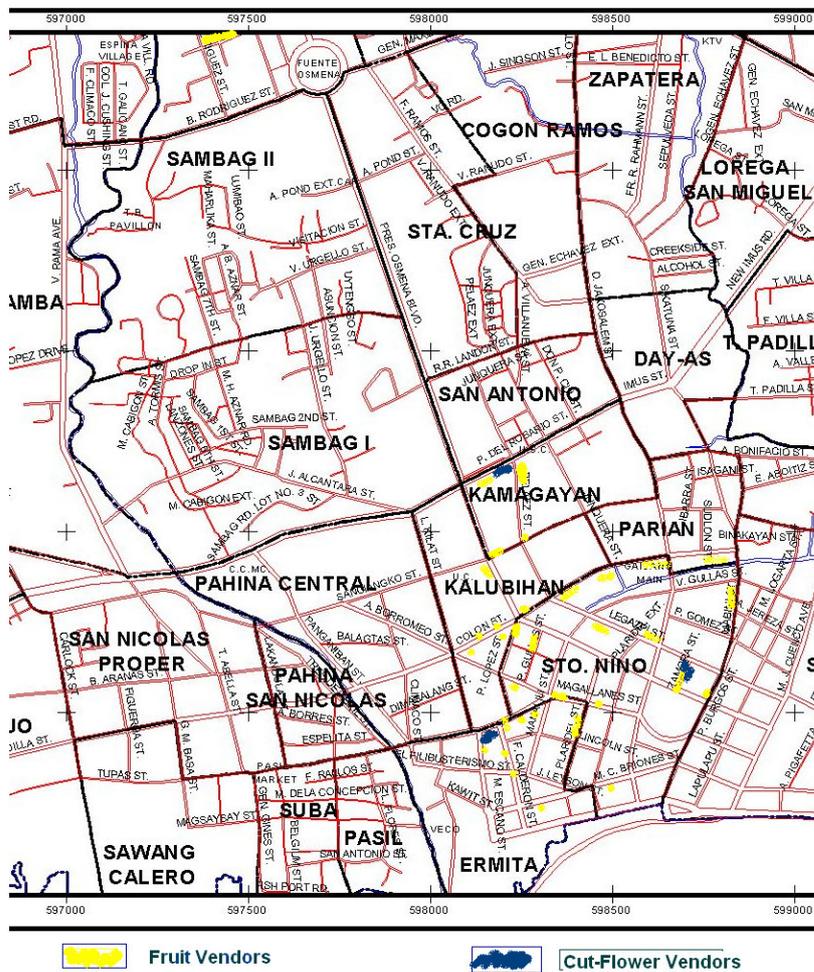
A complicating factor in researching 'the street vendor' is the fact that they are not included in statistics, since it is difficult to gather data from unregulated economic activities and an overall lack of recognition of the sector. Therefore this chapter leans on self-gathered statistics, obtained through a survey conducted with 96 fruit and flower vendors in downtown Cebu City during the fieldwork for this research in 2007, it is referred to as SPSS Data set throughout the chapter.

#### **§ 3.1 Location**

In the city center of Cebu City street vendors are omnipresent. Located mainly in the market area of Carbon Market, around the churches of Santo Niño and T. Padilla and alongside Colon, P. del Rosario, Pelaez and Manalili streets.

Cut-Flower vendors are mainly located in Freedom Park, the northern tip of Carbon Market, another, smaller, concentration is found on P. del Rosario. Fruit vendors are found on almost every street corner with concentrations on Fuente Osmeña and P. del Rosario. Where there are concentrations of one type of vendor, they are always organized in an organization, and every organization is a member organization of CCUVA.

**Map 3.1 Map with spread of Street Vendors in Old Downtown**



Source: map, Cebu City Planning Office. Location vendors: Transect Walk, 5-5-'07

Besides the fixed stalls with regular vendors, there are also ambulant fruit vendors active in the area.

### § 3.2 Types of vendors

There are many types of vendors, generally they are women who seek to extend the household income. But vendors range from men and women engaged in survival activities to farmers who are part time vendors and are generating big profit margins as vendor and wholesaler. Maria Pino, president of CCUVA, the street vendor's union (see §5.3) said: "Some don't have jobs or are fired from their job. Some find their job doesn't earn them sufficient income. There are also teachers, construction workers, tendiro/tendirea's working in supermarkets, guards and so forth. There are drivers whose spouse are vendors. Often vending generates more money then operating a jeepney, so in the end the husband will help his wife with the vending business." (interview Pino, 2007)

#### ***Cut-flower vendor in Freedom Park***

*Eleonora Mabini*

Miss Eleonora Mabini is a flower vendor with a fixed stall, she pays a daily arcabala to the local government (see also chapter 4) of 12 pesos. In return she is guaranteed her vending

space. Since she is a vendor on Carbon Market, which is a designated vending space of the local government, she is not in a very difficult position. Negotiations about arcabala and other related issues concerning her livelihood are done by the organization of which she is a member: FMTPC. Miss Mabini grows flowers as well, on her farm in Busay, the mountain Barangay just outside the city of Cebu she own a farm where she mainly grows flowers, and some mango's and vegetables, mainly for own use as well. She is a vendor, a farmer and a trader with wholesalers at the same time, and divides her profit margins in the most economical way, by diversifying her activities. In this way she optimizes her suki network (see §3.4 and §5.1 for more about sukis) and diversifies her activities, she relies on her family for operating the whole business and providing transport and manpower.

### ***Fruit vendor on Colon***

*Chariest Fuentes*

Chariest Fuentes is a fruit vendor on Colon street, the oldest street in the Philippines. She mainly sells banana's and mango's, depending on the season she varies her choices somewhat. Perhaps the most striking (and profitable) feature of her little stall is the Banana Q installation. With this installation she roast the banana's turning them into a sweet and tasty snack, which is a popular type of 'pungko-pungko', or fingerfood provided by street vendors in Cebu. Besides her activities as a street vendor she is also the President of the Youth Delegation of CCUVA, and in that respect I met her during a visit to the People's Forum, where different sectors of the urban poor were engaging the Candidates elections in april 2007. Colon vendors often buy their supplies n the malls along Colon street (interview Pino, 2007)

### ***Flower vendor on P. del Rosario***

*Candelaria C. Oliveira*

Miss Oliveira is a flower vendor on P. del Rosario street, she operates her business nearby Santo Rosario church. Many people buy flowers at her place to 'brighten up their day' or to place them in the church. She works with orders as well, making bouquets for individual buyers, who take them to their homes or give them away. I bought a bouquet at her stall to visit a friend in Talisay who fell ill during the course of my research.

### ***Ambulant fruit vendor, met at corner Sanciangko/ Junqueira***

*Rodemio Elano*

"I should have worked harder in school", is the statement of Rodemio regarding his current status. When I met him and handed over the questionnaire this ambulant vendor was operating a handcart, filled with Pinya's , or pineapples, he obtained them from his suki wholesaler at Carbon Market. He sells fruits that are in the season and relatively cheap in bulk, by working long hours he barely earns enough to support his wife and child.

### §3.3 Basic Characteristics of fruit and flower vendors in Old Downtown Cebu

Out of the 96 respondents 54 (or 56,25%) were fruit vendors and 42 (or 43,75%) were cut-flower vendors. The fruit vendors are spread all over old downtown, as indicated in figure 1, whereas the cut-flower vendors are mainly concentrated in Freedom Park, P. del Rosario and around the churches.

Most important indicators: 73,5% of the vendors is female. 78,5% of the vendors is member of an organization.

A quick glance at the highest values of several indicators derived from the survey among the vendors in Old Downtown Cebu is given in table 3.1:

**Table 3.1 Overview of basic characteristics of street vendors, sorted by highest frequency**

<i>Indicator</i>		<i>% Fruit</i>	<i>% Flower</i>	<i>% Total population</i>
Fruit or Flower vendor?		56.25%	43.75%	100%
Gender	<b>Female</b>	72.2%	73.8%	72.9%
Age	<b>21-40</b>	50%	45.2%	47.9%
	<b>41-60</b>	31.5%	50%	39.8%
Educational grade	<b>Elementary</b>		42.9%	40.6%
	<b>Secondary / Highschool</b>	40.7%		35.4%
Place of birth	<b>Metro Cebu</b>	59.3%	85.4%	70.5%
	<b>Outside Metro Cebu</b>	40.7%	14.6%	29.5%
How long in Cebu?	<b>16 or more years</b>	79.6%	92.7%	85.3%
How long street vendor?	<b>16 or more years</b>	46.3%	57.1%	51.0%
"	<b>Less then 5 years</b>	18.5%	19%	19.8%
Marital Status	<b>Married</b>	79.6%	76.2%	78.1%
Number of persons in household	<b>4-6</b>	42.6%	54.8%	47.9%
	<b>7-10</b>	33.3%	33.3%	33.3%
Relation to head of household	<b>Spouse</b>	50%	50%	50%

Source: SPSS Data set

The variable 'place of birth' was found to be not a normal divide according to the Chi<sup>2</sup> test. As is visible in the output there is a significance difference between the place of birth of fruit and cut-flower vendors. A far bigger amount of cut-flower vendors is born in metro Cebu. A clear explanation can not be derived from the statistics. A possible explanation is the high incidence of fruit traders coming from other parts of Cebu and even Mindanao to trade fruits via channels that they have connections with. Another explanation can be found in the fact that the mountain barangays of Busak and Mubay are concentrations of flower growers, mainly for the Freedom Park vendors. This could indicate that flower vending is a family business. This is important since it suggests that flower vendors have stronger family ties in their business, and in that way stonger networks of bonding social capital.

#### **Summary of 'average vendor in Cebu City'**

The typical vendor in Cebu City has not changed much since Yasmeen's research in 2001, only more young fruit vendors (Almost 20% is in the business for a period shorter than 5 years, equally divided over the two strata) found their way onto the streets of Cebu. The typical vendor in Cebu City is female, aged 21-40 (fruit vendors) or 41-60 (flower vendors), her highest educational grade is elementary school, although 35.4% of the population finished secondary school as well. She is member of an organization, and enjoys the social capital coming with that. Almost all flower vendors come from Metro Cebu, and seem to have at least closer family ties, and probably stronger, than fruit vendors, of which 40.7% originate from outside the metro. 85.3% of the population lives in Cebu for more than 16 years and 51% has been a street vendor for more than 16 years already. They are married (78.1% of total), and 50% is the spouse in a family with between 4-10 children (81.2%), 20% calls themselves 'parent' rather than 'spouse', cumulative almost 70% of the vendors has children to nurture, and only 15% of the population sees themselves as the 'decision maker' in the household. Also 10% of total vendors lives in a family with 11 or more persons in the household.

(Source, SPSS data set)



*Carbon Market, Fruit vendor filling out questionnaire, 14-6-'07*

### §3.4 Livelihood

The livelihood of street vendors is basically their income and their means of support, these are mainly of a financial nature, which is why their income and the start-up capital of their businesses are discussed in this paragraph.

#### §3.4.1 Income and profit margins

In order to acquire solid information about the livelihoods of street vendors an assessment of their financial situation was part of the survey. By asking how much they spent for their daily stock and comparing this with the daily sales an image can be sketched of the profit margins of street vending in the two strata.

**Table 3.2 Expenses to acquire daily stock and daily income compared**

Daily stock expenses / sales on average working day		<i>Fruit</i>	<i>Flowers</i>	<i>Total</i>
	less than 500	11.1%	23.8%	16.7%
		13.0%	16.7%	14.6%
	501-1000	14.8%	23.8%	18.8%
		25.9%	35.7%	30.2%
	1001-1500	16.7%	23.8%	19.8%
		20.4%	14.3%	17.7%
	1501-2000	7.4%	9.5%	8.3%
		9.3%	9.5%	9.4%
	2000+	50.0%	19.0%	36.5%
		31.5%	23.8%	28.1%
	Total			96 / 100%

Source: SPSS Data set

From table 3.2 it becomes clear that a big proportion of street vendors earns less than they spend on an average working day. This suggests that they are not at all certain of a steady income through street vending.

Through the Chi square test it becomes clear that there is a significant difference between the everyday spending between fruit and flower vendors. Specifically in the region 2000+ in daily expenses fruit vendors are highly represented. This might indicate they have to buy more goods in bulk, since they cannot rely on their own plot of land, or family.

Another indicator of this is the way suppliers are paid. The incidence of cash payment is much higher among flower vendors (72.7% against 44.2% among fruit vendors), this can be denominated also as another indicator of the stronger financial position of most flower vendors, as opposed to the fruit vendors who buy more on credit (55.8% against 27.3% of the flower vendors).

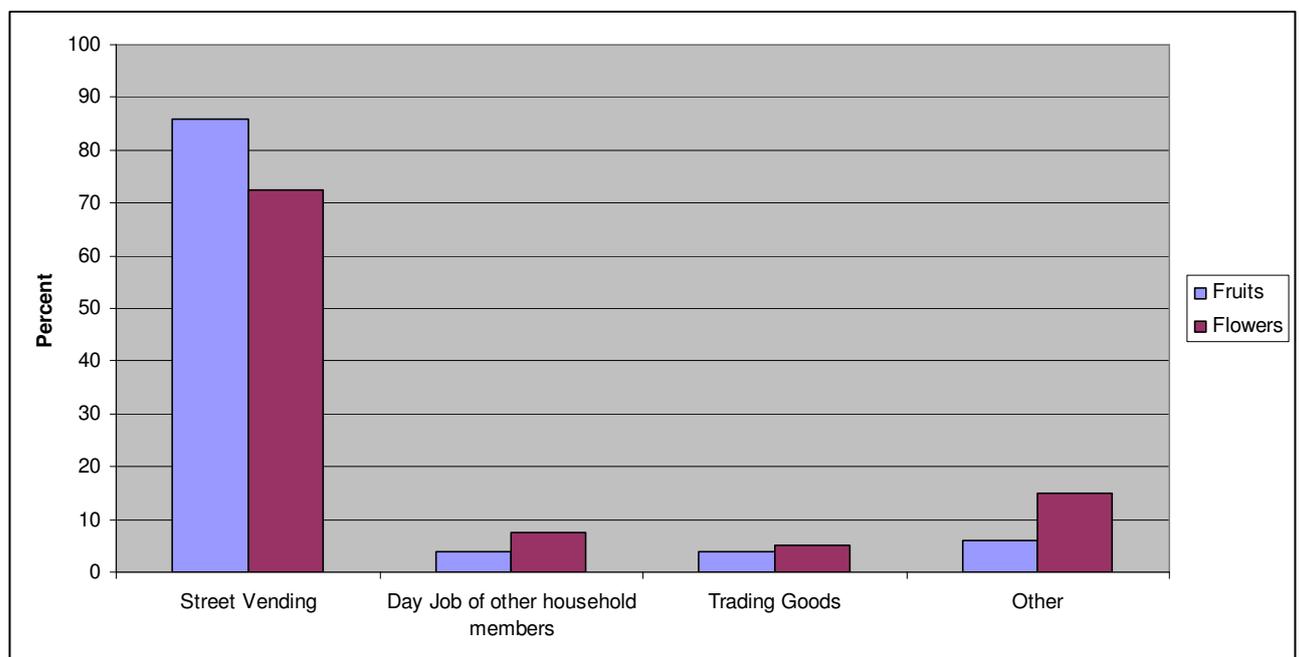
### Main source of income

When the vendors were asked which source of income was the most important in their household, 73 out of 90 or 80% (86.6% among fruit vendors and 72.5% among flower vendors) of all vendors in the population answered: street vending. See also figure 3.2.

Two conclusions can be drawn from this fact. 1. Street vending is most often the most important source of income for street vendors livelihoods  
2. Since most vendors are women, they seem to be the ones responsible for the biggest share of the income in their households, even though they do not consider themselves the household heads. This again indicates that street vending can be a profitable form of extra income, and that it is a rather feminine business as well.

18 vendors (or 25%) mentioned they have other sources of income. 16 of them specified their additional incomes: among them 10 are into farming (vegetables, poultry, animals, mango's), 1 owned a sari-sari store, 2 were flower-arranger, 2 were lenders and 1 had a 'business', with no more specifications.

**Figure 3.2 Most important source of income in household (total percentage)**



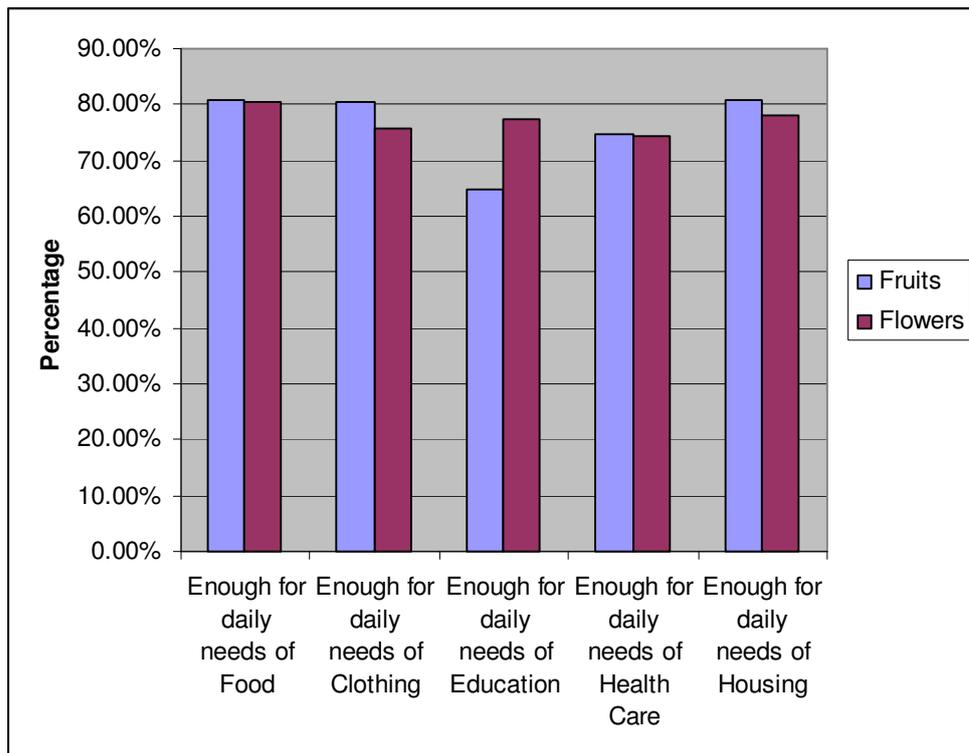
Source: SPSS Data set

In figure 3.3 it becomes clear that roughly 80% of the vendors in Old Downtown receive enough income to provide for their daily needs in different categories. The only real outlier in the figure is the sufficiency for daily needs for education for fruit vendors, this is about 60%. Education can be seen as a secondary need, not a primary survival need.

Based on this data you can argue that roughly 20% of the population of street vendors can not meet their primary and secondary daily needs.

According to Yasmeen education is an important asset in the Philippines. Parents preferably send their children to private schools, since public school have a bad image and far less quality. Education is an important policy issue related to livelihood concerns. Subsequently large parts of the revenues gained from the enterprise are invested in human capital, particularly education of kin and supporting family members in rural areas. Profits are not typically reinvested in the enterprise. (Yasmeen, 2001)

**Figure 3.3 Sufficient income for daily needs?**



Source: SPSS Data set

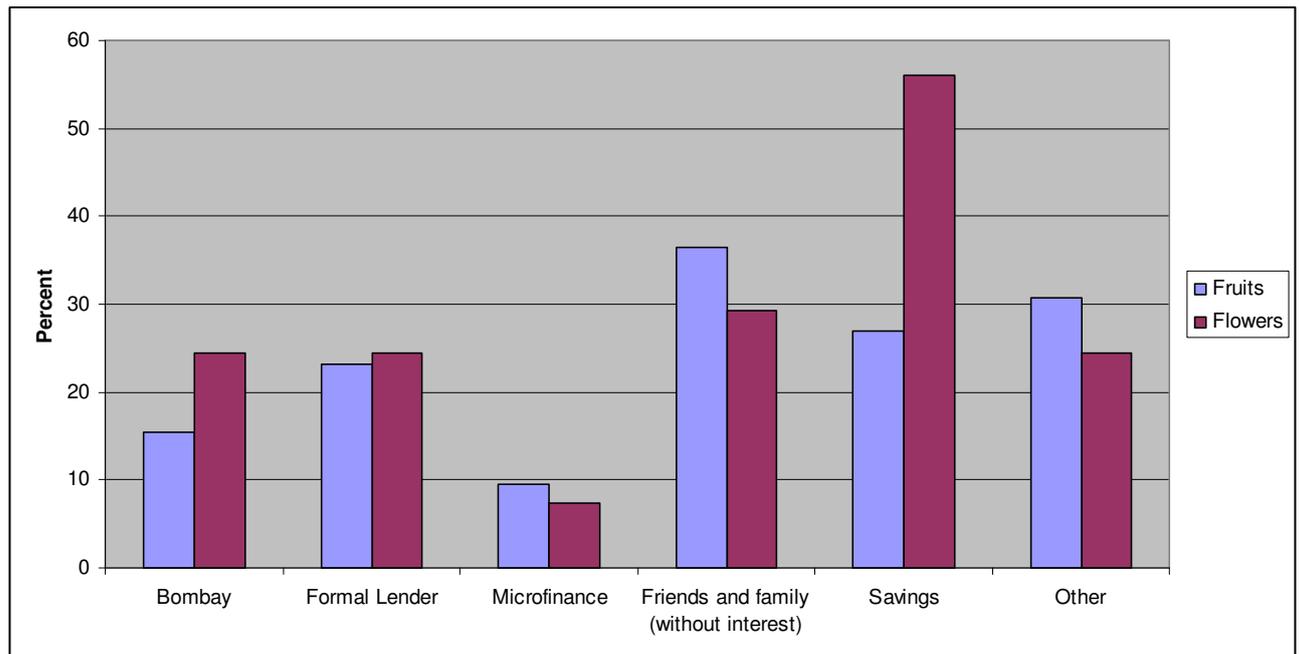
### **Conclusion §3.4.1**

It appears from this paragraph that the researched population in Cebu draws their household income mainly from their street vending activities. This income on average is sufficient to provide for the daily needs, although still roughly 20% of the vendors is seriously poor, since they can hardly provide their daily needs. Education and health care are expensive and more difficult to access for street vendors, which in the overall picture still categorizes them as being marginal city dwellers.

### §3.4.2 Initial working capital

Vendors have started their business in one way or another, they all needed some sort of start-up capital or assets. These sources of initial working capital were divided into groups and the vendors were asked to indicate which sources they used as initial working capital, and which they thought were the most important sources of capital to start their business with. In figure 3.4 and 3.5 the results are visible. The different forms of initial working capital are described hereafter.

**Figure 3.4 Sources of initial working capital**



Source: SPSS data set

In figure 3.4 different possibilities and strategies for the start-up of a street vending business have been operationalised by asking the vendors what the sources for their initial working capital were. First the different sources are elaborated upon:

#### **Bombay**

Bombay are a typical phenomenon in the streets of Cebu City. These lenders operate through supplying credit with very little assessment of what the vendor intends with the loan and whether he or she is able to repay the dues. The pitfall is the precondition, which is usually 5/6, or 6 pesos back for every 5 pesos lent. In other words, the interest rate is around 20%. Besides this the period for reimbursement is often 40 days or even 1 month. Bombay are used for small loans only in general, but can become very big burdens in a very short time span for unlucky vendors.

#### **Formal lender**

A formal lender is an accredited business or bank that specializes in lending. In Cebu there is a range of pawnshops that combine their business with lending activities, the most well-known and widespread example is M.Lhuiller, which can be found throughout the city. Besides lending small amounts of money, the premises for the due money is the collateral of the vendor, in the form of watches and jewellery.

### ***Microfinance***

Becoming increasingly well-known and, especially since the inventor and first large scale operator Grameen Bank won a Nobel peace prize for the initiative, throughout the world viewed as a bonafide and responsible way of lending money to small businesses is the microfinance scheme. In Cebu not many microfinance schemes are available for street vendors, which explains the low incidence of this very favourable way of lending money from a trustworthy party.

### ***Friends and Family (without interest)***

Perhaps the safest way of borrowing money is through family and friends. This can be seen as an important indicator of social capital as well. Relatively risk free, since there is no rent involved. Terms and conditions about repayment or profit-sharing are negotiated on a personal level and based on trust. Conflict over payment may still arise, but are settled in an informal way.

Yasmeen adds to the picture that Overseas workers have created a source of investment-capital for the creation of micro-enterprises as well. (Yasmeen, 2003) Since the Overseas workers, who send remittances account for a significant share of capital flow towards the Philippines this is an important notion to be made under the category 'friends and family'.

### ***Savings***

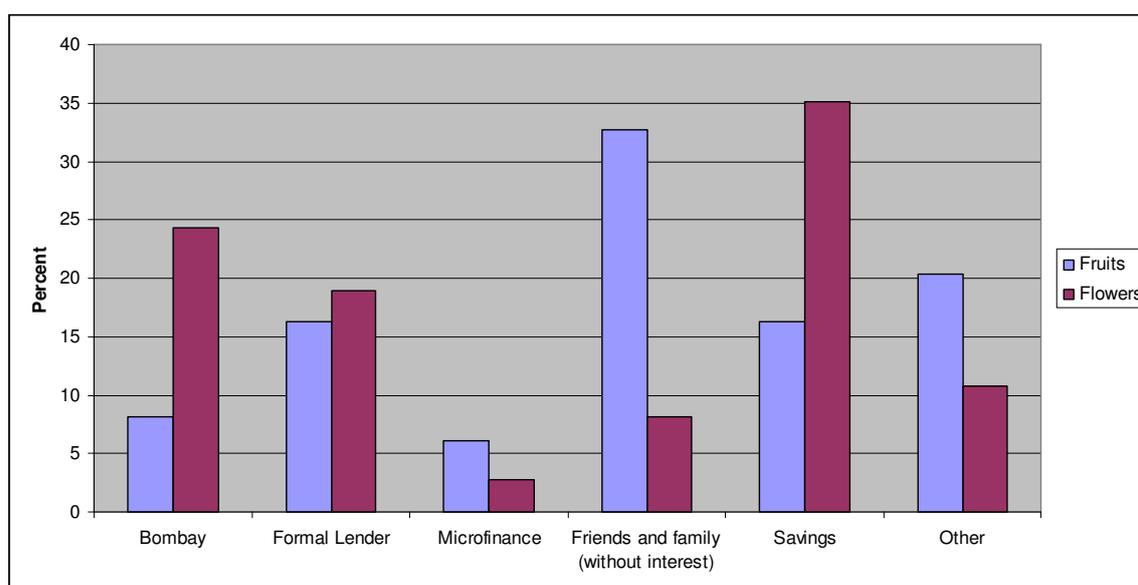
Savings are the most reliable source of start-up capital, since no loan or collateral is needed in order to be able to invest it.

***Other possibilities*** and means of start-up capital were defined by vendors in varying ways: 6 opted for 'lending', with an incidence of 1 'lending in Carbon' and 1 'lending from other vendors'. 5 (or 5,4% of the total population) had received a consignment, very likely from family members abroad. In the Philippines a big proportion of the national income is due to consignments of workers abroad or 'overseas workers'.

Further more 6 vendors indicate it comes from their own capital: 'buy and sell' or 'net sales' are mentioned. 3 own a farm as well ,and receive income from that, consequently they can be seen as vendors who sell their leftover fruits, perhaps because they can get a higher price selling it directly in stead of via a trader. 1 vendor indicates he or she 'gets it from the owner and pays later', this may be denominated as a suki-credit situation.

2 vendors lend money from a cooperative (which can be placed under 'formal lenders' as well), and 1 lender lent money 'from my other business'

**Figure 3.5 Most important source of initial working capital**



Source: SPSS Data set

As figure 3.4 makes clear, the sources for the business startup capital are very diverse among the street vendors. What does not become entirely clear out of the figure is the division for the total population (see table 3.4).

**Table 3.4 Percentages of total population (fruits and flowers combined)**

	<b>% Total</b>
<i>Bombay</i>	15.1
<i>Formal Lender</i>	17.4
<i>Microfinance/NGO</i>	4.7
<i>Friends and family (without interest)</i>	22.1
<i>Savings</i>	24.4
<i>Other</i>	16.3

Source: SPSS Data set

The incidence of relying on Bombay and Savings is significantly higher among flower vendors. Fruit vendors are for a very large part dependent on loans from family and friends, mostly without interest. These kinds of favorable loans can be seen as a form of social capital, in the way that this provides them with benefits, and is due to their relations. Another striking feature is the fact that Bombay defeat the formal lending institutions in the case of flower vendors.

Possible explanations for these phenomena might be found in the fact that flower vendors only avail for very short term loans, because they seek to buy extra stock in busy times. From this figure it seems that fruit vendors have stronger forms of social capital than fruit vendors, since they are engaged in smarter lending schemes.

### **Conclusion §3.4.2**

Strikingly flower vendors appear to rely less on their social capital in the case of business start-ups than fruit vendors. On the other hand they rely most on their savings, indicating that their capital is larger already.

### §3.5 Supply and value chains

The supply and value chains of which street vendors are part span a great length and come in a variety of ways. By means of the survey, the transect walk and interviews an insight in the complexity and variation in these chains is given from the viewpoint, or departing point of the street vendor, be it a cut-flower or a fruit vendor in Old Downtown Cebu City. See also Annex III for the result of a fieldwork identifying the supply and value chains of mango's coming from the Cebu hinterland, serving as an illustration of a typical supply and value chain in the Cebuan context.

#### §3.5.1 Suppliers

Vendors have different suppliers, of which some are trusted (*suki*), and others vary. Some characteristics of the suppliers are being given, like the origin. Besides that the amount of suppliers and the frequency of dealing with them are being discussed in this paragraph.

First a description of the different types of suppliers that vendors deal with is given:

##### *Wholesaler*

Wholesalers are common suppliers for 'big' as well as 'small' vendors. They are large buyers of goods who sell it in smaller amounts to retailers. In Cebu there are different wholesalers active. Most wholesalers are based on Carbon Market, where street vendors and regular clients buy their share from the wholesalers. Some wholesalers are producers themselves, others have trusted relations with farmers and big clients. In general they have a powerful position towards vendors who are reliant on them, on the other hand there is competition between wholesalers as well, that is why they position themselves as *suki* as well, allowing payment in installments and varying by seasonality or sales.

##### *Farmer*

Farmers are, obviously, producers of goods that can be sold by vendors. Some farmers from nearby Barangays are vendors themselves, because of the higher profit margins per piece of retailed products, as opposed to selling it to wholesalers or other intermediates. Other farmers sell their goods to wholesalers or directly to vendors.

##### *Family*

Often vendors have family that produces a certain good. In this way the supply and value chain remains a family business, with a high relation of trust and control over the price.

##### *Carbon Market*

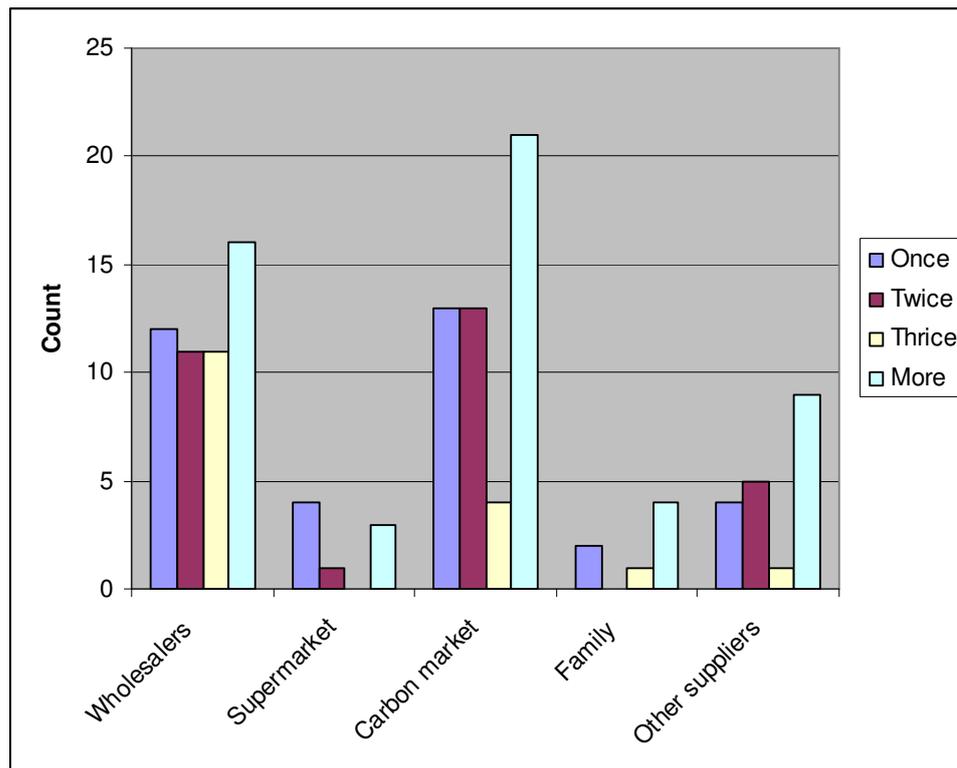
Some vendors, mainly the less fortunate ones, buy their stock at Carbon Market, near their vending place. Because in Carbon Market there are more wholesalers, they sell their fruits (and some flowers) at market price, after which the vendor cuts the fruit nicely up to turn it into a take-away alongside Colon, or one of the other streets in Old Downtown.

##### *Supermarkets*

Supermarkets are incidentally used as suppliers when vendors are out of stock or other suppliers did not manage to deliver. Competitor is in general a better word to describe supermarkets, as will become apparent further on in this paragraph.

In figure 3.6 the types of suppliers and the amount of times a week vendors buy from them is represented (for the whole population)

**Figure 3.6 Times of week buying stocks (total population)**



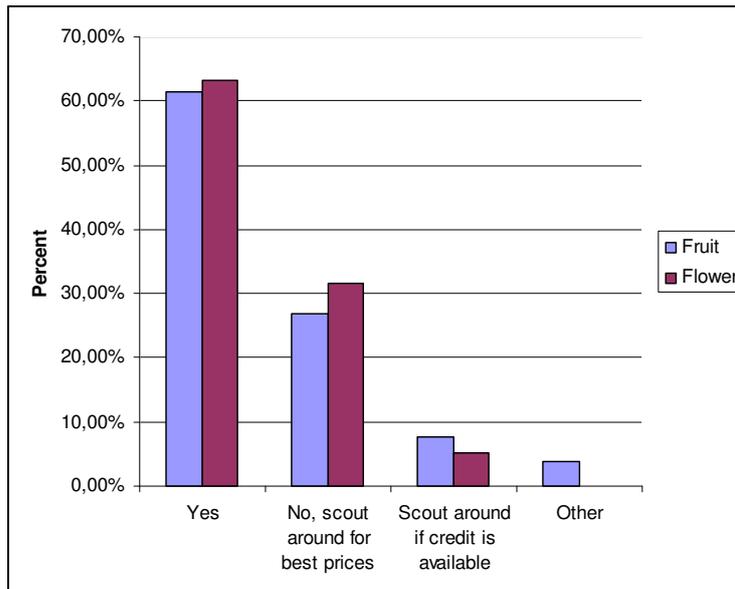
Source: SPSS Data set

A portion of 82% of all vendors (or 79% of fruit and 85% of flower vendors) obtain their stocks from more than one suki wholesaler. Among the 'other' suppliers, the mountain Barangay of Busay was mentioned 6 times among the flower vendors. 3 of them named Freedom Park as a source for their stock, this indicates that Freedom Park serves as a supplier for ambulant street vendors as well. 4 fruit vendors mentioned 'dim sum fruit world' as the supplier for their stocks. One time Mindanao was mentioned and 1 time Dumaguete and Bacolod. This could be indicating that the vendor has family bonds within these other provinces.

**Suki**

Not a type of supplier, but a type of relationship with a supplier is denominated by the term Suki. It is very important in the Cebuan context. A Suki is a trusted supplier, with whom one maintains a steady relationship. A vendor commits him or herself to buy regularly from the Suki supplier, and in return the supplier provides good and steady prices and sometimes the possibility to supply goods on credit. Since there is a mutually beneficiary relation, the suki can be seen as a trusted part of the network of a vendor. Often suki are found through family or other bonds. A suki is not a fixed 'fact'. If the prices are not so favourable any more, or if another suki comes into the picture by offering cheaper commodities or more favourable arrangements, market force will thrive over the relation with the suki (interview CCUVA, 8-6-2007). In figure 3.7 the use of suki suppliers is quantified by asking if vendors always use the same suppliers, and thus suki:

**Figure 3.7 Always same supplier (suki)?**



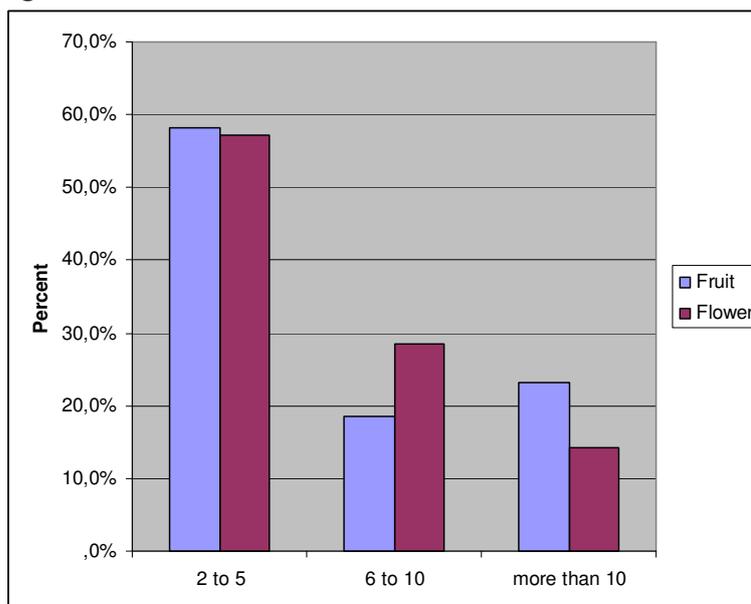
Source: SPSS Data set

The biggest share of vendors use the same suppliers always, around 30% of the total population does not generally use suki suppliers.

To another question in the survey directed in this way the vendors answered if they buy different products from different suppliers. The flower vendors seem to have fewer diversification in their supply chain, since 59,9% responded negatively to this question. Fruit vendors were positive: 65,9% of them use different suppliers for different items they sell.

In figure 3.8 the amount of suki wholesalers is indicated, in this respect suki means, suppliers with whom business is done on a regular basis.

**Figure 3.8 Amount of suki wholesalers**



Source: SPSS Data set

Most vendors seem to have several 'suki' wholesalers (2-5 has the highest incidence as can be seen in figure 3.6), this indicates that there seems to be a diverse market with different

players, which suggests a reasonably fair market, with probably competitive pricing.

Supermarkets complain about the fact that street vendors often sell their goods with competitive prices (Pino, 2007), this is another indication that vendors should be having favorable prices. On the other hand, as was indicated before, sales often seem to be behind the stock purchases, which implies there is a very strong competition going on in the streets of Old Downtown Cebu. Besides competition between vendors there is one big competitor to mainly fruit vendors: the supermarket. Supermarkets are the biggest competitors of the fruit vendors. For matters of convenience, and often the possibility to offer cheap bulk products, supermarkets take the lion's share of customers from them. Since they are legitimate these establishments are also backed by local government, and often file complaints against vendors, maintaining a competitive stance against the informal entrepreneurs. Besides that they learn from vendors. They see the way street vendors handle their business and they take over certain elements. To differentiate themselves more, vendors prepare their fruit hand ready by already slicing their fruits or offer plastic bags, which costs them extra money and effort. At the same time they should keep their margins below supermarket prices, which often proves to be hard for many vendors. (Pino, 2007)

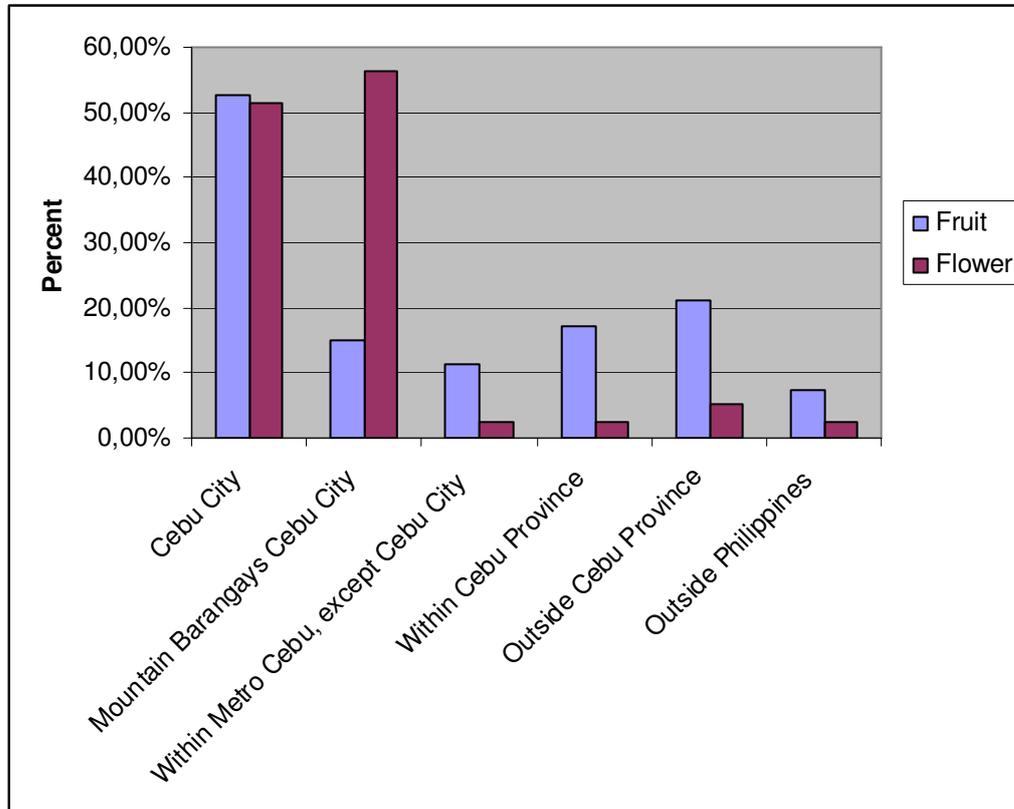


*Supplies underway to Carbon marke, 29-6-'07*

### Origin of supplies

Where do the supplies for the vendors come from? In figure 3.9 the origins of the suppliers are described:

**Figure 3.9 Location of Suppliers**



Source: SPSS Data set

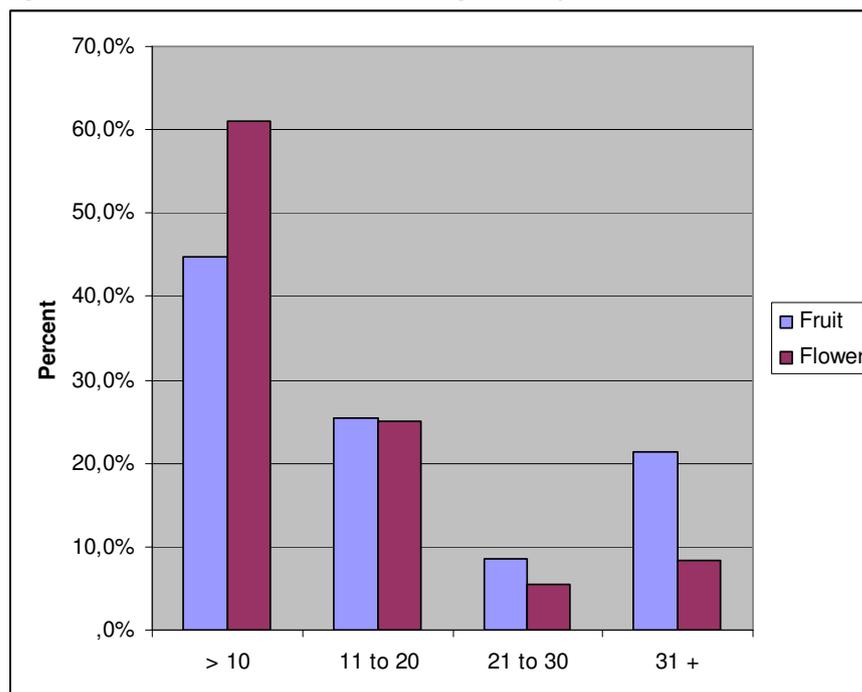
Most of the suppliers for street vendors are located within Cebu City. Notable is the fact that a very big amount of suppliers of flower vendors come from the mountain Barangays of Cebu City. This is a known fact (see for instance, Hendriks, 1994 and Etemadi, 2001), the mountain Barangays of Babak and Busay are well-known for their many flower growers. Fruit vendors mainly obtain their stocks in Cebu City. This means they retrieve it from Carbon Market, and the there present wholesalers. This also implies that fruit vendors are more dependent on collective sellers. Although one might easily state that the farmers in the mountain Barangays where flower vendors obtain their stocks can be viewed as wholesalers in their own respect. Often the flower vendors and growers are very closely linked, through family ties for instance (Hendriks, 1994).

### §3.5.2 Buyers

Besides the 'upstream' relations with suppliers, the 'downstream' relations with buyers are another essential feature of the livelihood build-up of street vendors. Are there trusted buyers, how many buyers are there and what do they spend are questions addressed in this paragraph.

To the question *Do you have regular buyers?* 84,9% of fruit and 87,8% of flower vendors answered positively, in figure 3.13 is visible how many regular buyers the vendors indicated they have.

**Figure 3.13** Amount of regular buyers

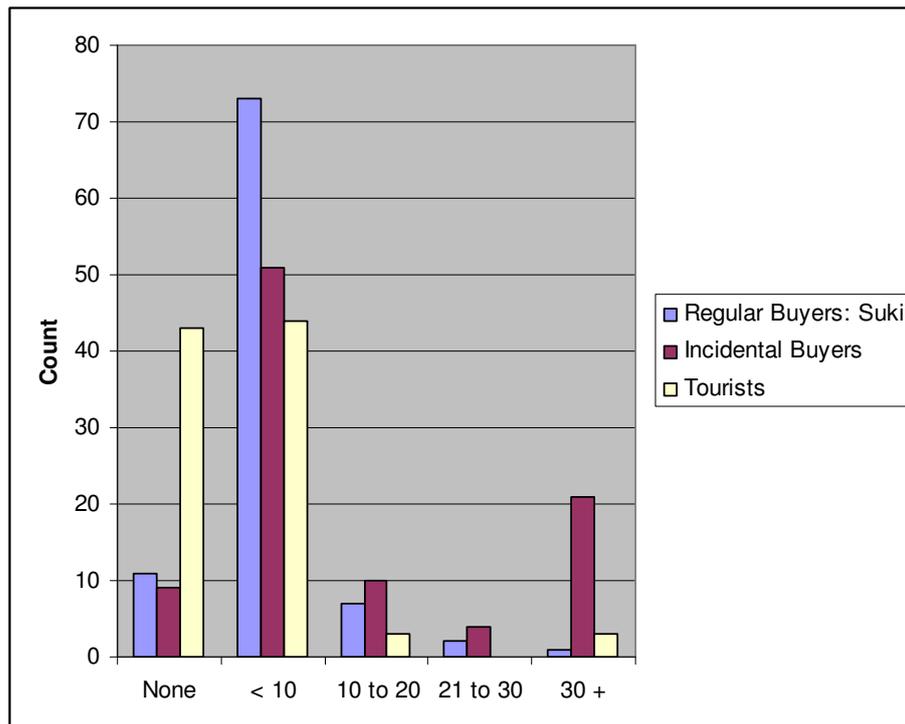


Source: SPSS Data set

Almost 90% of the vendors have regular buyers, > 10 has the biggest proportion for both strata: 45% for fruit-vendors and 61% for flower-vendors respectively. What is also interesting is the fact that 21,3% of the fruit vendors (opposed to 8,3% of flower vendors) had 31+ regular buyers.

These regular buyers form the most important source of steady income for the vendors. The proportion of their importance for the livelihoods of vendors comes to fore when the types of buyers are related to the amount they spend (see figure 3.14 and 3.15). To make the division between suki buyers (regular buyers) and other buyers I let the vendors state the amount of 1) suki buyers, 2) incidental buyers and 3) tourist buyers. These figures make clear that the suki buyers are the most important, since they spend the most, although incidental buyers are the most common group.

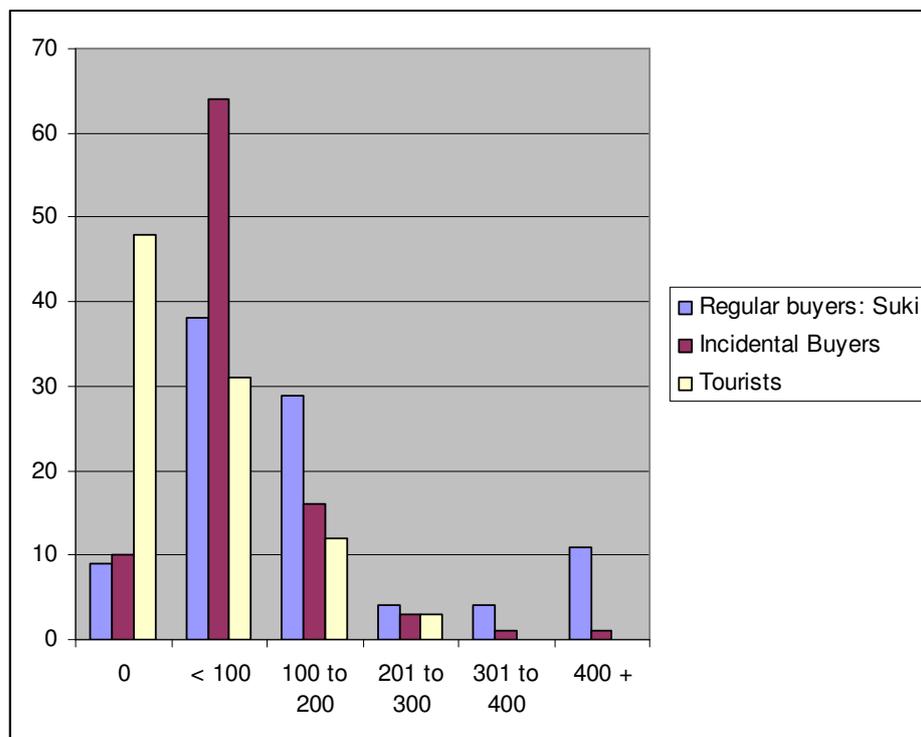
**Figure 3.14 Types of buyers and spending (whole population)**



Source: SPSS Data set

Further more it becomes apparent from these figures that on average street vendors have less than 10 regular and incidental buyers, or suki and by-passers. This seems on the low side, especially since the average spending per regular client is between 0 and 200 Pesos.

**Figure 3.15 Average spending of customers (whole population)**

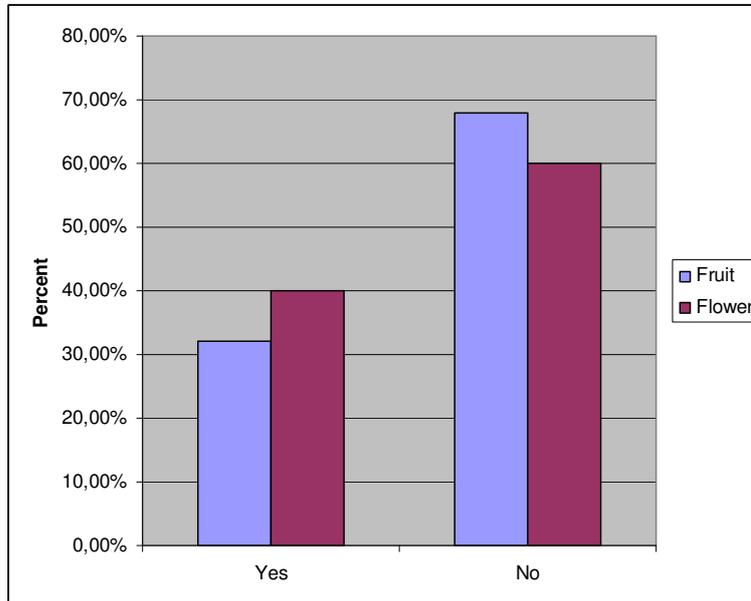


Source: SPSS Data set

### 'Big time' clients

In addition to the regular clients or suki clients spending a lot, the question was: *Do you have any 'big time' clients, that buy large amounts from you on a regular basis?* (see figure 3.16)

**Figure 3.16** Big time clients?



Source: SPSS Data set

According to the survey about 36% of all interviewed vendors in Old Downtown have one or more regular 'big time clients'. Out of the survey some clients became apparent: 5 were flower shops, 2 restaurant owners, 2 office workers, 2 funeral services, 2 wedding/party planners, a hotel, the canteen of USC, 1 fruits stockholder and the Metro Gaisano department store were named.

### Conclusion of §3.5 supply and value chains

The suki is an important factor in the livelihoods of both flower and fruit vendors. Both in supplier as in buyer relations the trusted or suki relationship is an important cornerstone for the street vendor business for both fruit and flower vendors.

Flower vendors have shorter and more controlled supply and value chains. For fruit vendors it depends on the family bonds and possession of the fruit vendor if his or her supplies come from the Cebu hinterland, or in bulk from as far as Mindanao. For the flower vendors in this research area all flowers come from the hinterland of Cebu, mainly the known mountain barangays Busak and Babak I and II, which implies they are more part of a closed system in which external social capital on the supply side is less important, in regard to buyers the situation is similar, although fruit vendors face more competition from supermarkets than flower vendors.

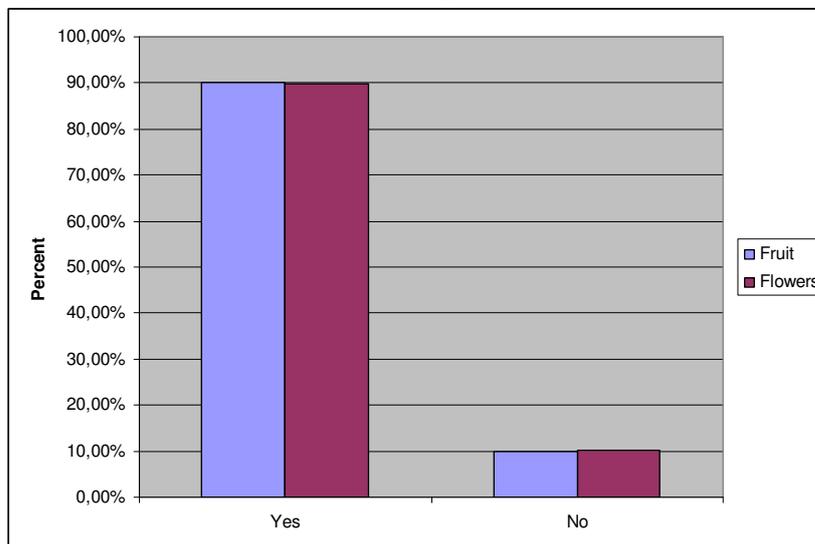
### §3.6 Goal achievement

An integral part of the questionnaire was the semi-structured paragraph concerning 'goal achievement'. This term is also reflected in the main question of the thesis and is aimed at the desire of vendors to improve their livelihood. The ways in which they aim to do this and their strategies and (perceived) possibilities are taken into account in this paragraph, divided in their desires (§3.6.1) and their capability to achieve them (§3.6.2).

#### §3.6.1 Desires

It does not come as a big surprise that about 90% of all street vendors answered they would like to make changes in the current way they are fulfilling their livelihood (figure 3.17). The fact that 10% in both strata is satisfied with the current situation is perhaps more striking. It underlines the fact that street vending does not necessarily is a last resort in the fight against extreme poverty, but can be viewed as an additional or steady base for an income.

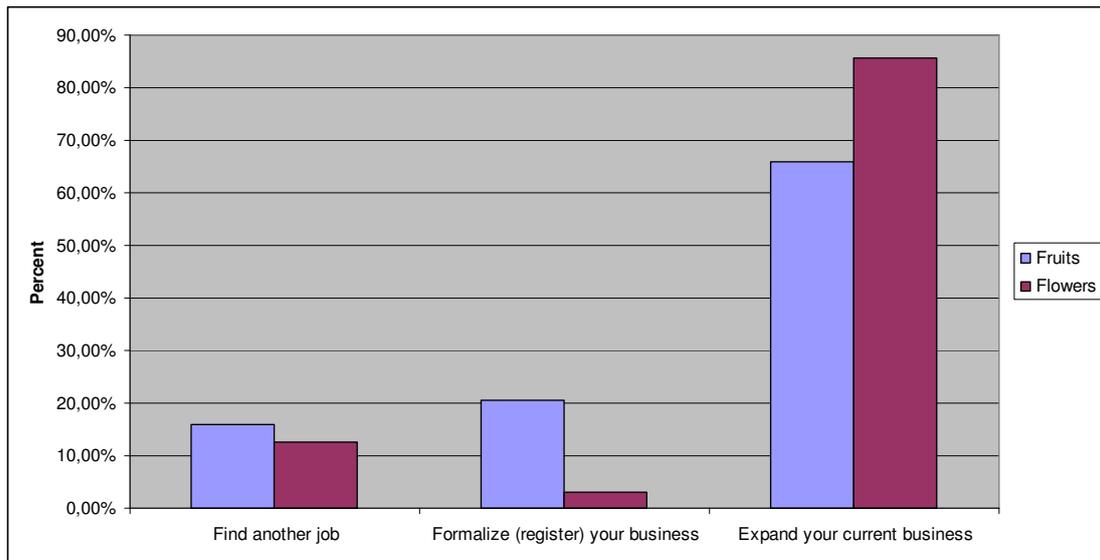
**Figure 3.17** Desire to make changes in current livelihood situation



Source: SPSS Data set

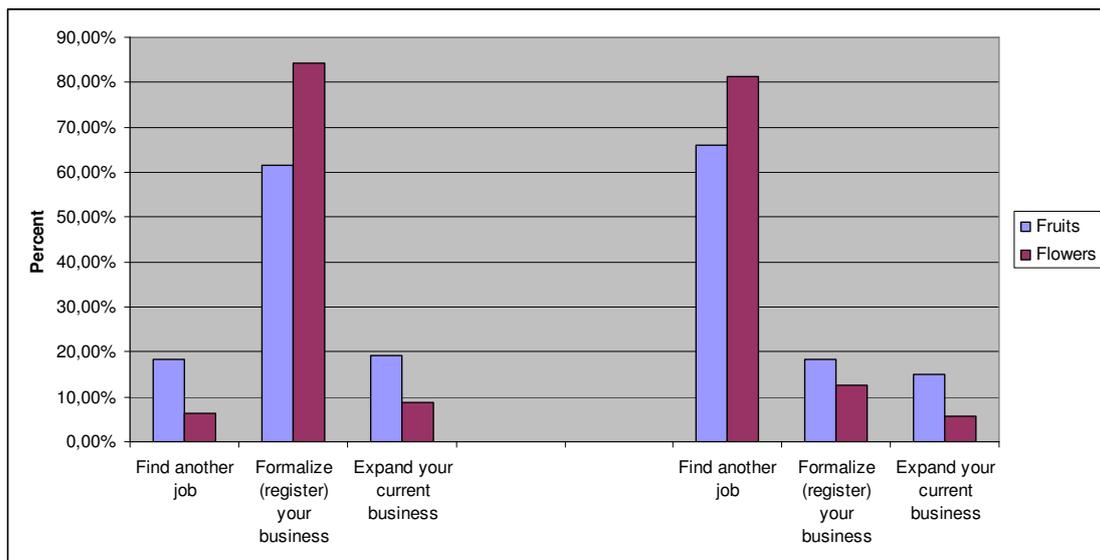
Still most vendors do desire change in their situation. What kind of change they desire is the interesting question. This was operationalised through asking the question: *what change in your livelihood do you desire?* Three options were given, being: 1. Find another job, and exit the profession of street vendor. 2. Register your business, start paying taxes and thus 'formalize' your business, and 3. Expand your current business, by making a bigger stall, higher profit margins or other means to expand the current size of your business and income. The respondents were asked to rank these three options in order of preference. This resulted in the outcome as represented in figure 3.18 and 3.19:

**Figure 3.18 What change in your livelihood would you desire, RANK #1?**



Source: SPSS Data Set

**Figure 3.19 What change in your livelihood would you desire, RANK #2 and #3?**



Source: SPSS Data set

What becomes clear from figure 3.18 and 3.19 is that there is a strong clustering of especially flower vendors that filled out the same order of preferences. By far the most desired form of change in the future is to expand the current business. Flower vendors have a stronger desire for this than fruit vendors, but both strata favorite this option by far. The fact that flower vendors are stronger in favor suggests that they in general have stronger businesses, and perhaps as well stronger ties with suppliers and buyers, which gives them more stability and thus more incentives to desire a future in street vending as it is.

The central hypothesis for this thesis is about the incentive for formalization of street vendors

*Street vendors want to become part of the formal sector*

According to the answers in figure 3.18 this statement is largely falsified. Off course some remarks can be placed by the method of asking this question, but it becomes very clear that a large part of the respondents chooses the benefits of informality over the benefits of formality when asked for their future desires.

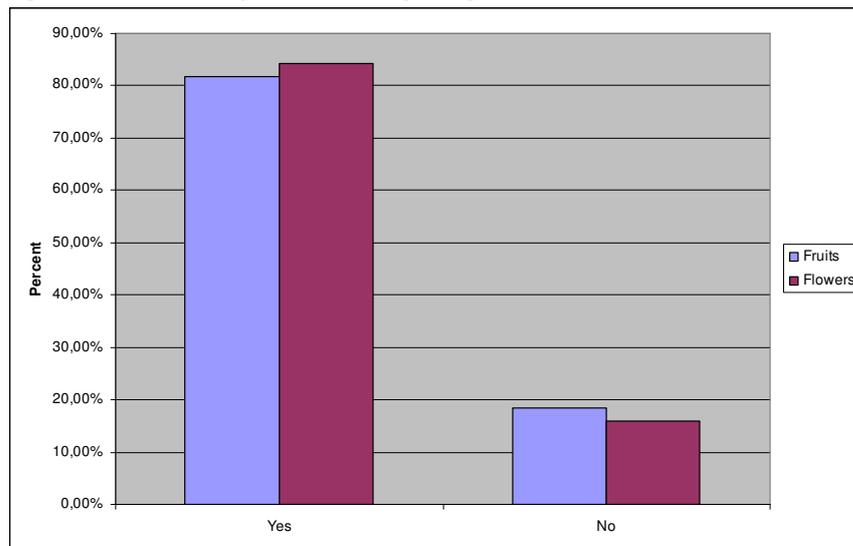
**§3.6.2 Capability**

Besides the desires or wishes of street vendors in relation to their goals for the improvement or maintenance of their livelihood, there are also the needs as well as the possibilities and constraints in realizing these goals.

In the survey this was operationalized by asking open questions following out of the ranking they made for their desired goals, aimed at the formalization of their businesses. The answers to these open questions serve as a lead on the needs, possibilities and constraints to formalize their businesses as viewed by the street vendors themselves.

To the two open questions about the needs and constraints for formalizing all 96 vendors gave an answer. The question about opportunities was answered by only 54 vendors (or 56,25% of the whole population). This has to do with the fact that they first had to answer the question if they considered their goals realistic and obtainable (see figure 3.20), if they answered positively they were asked to give their ideas about opportunities.

**Figure 3.20 Do you consider your goals realistic and obtainable?**



Source: SPSS Data Set

For matters of clarity the answers were labelled in categories with more or less the same answers.

The answers to the questions were divided into categories matching the three principal stakeholders influencing the situation of street vendors in Cebu City, as mentioned in the conceptual model these are: the street vendors, the local government and the street vendors organizations headed by CCUVA.

**Table 3.3 Needs for formalizing business, divided over stakeholders**

<i>Street vendors</i>	63
<i>Local Government</i>	9

<i>CCUVA (and own organization)</i>	2
<i>Other</i>	8

Source: SPSS Data Set

To the question: *If you want to formalize your business, what do you need to obtain this goal?* 8 vendors answered: “hard work”. 21 mentioned ‘capital’ as their principal need to obtain this goal, 3 of them mentioned “savings”, the others “money”, “capital” or “huge capital”. 8 vendors were already satisfied with the current situation. 2 vendors explicitly asked for ‘support’ for the capital they needed, without specification where it should come from. 2 vendors sought the capital injection from the local government. 2 others mentioned local government as well, but with different arguments: “Government should not be after us charging and fining, instead they should give more selling hours”, “negotiate with local government”. 4 vendors mentioned that demolition should stop, 1 vendor expressed the need to “obey the law”.

2 vendors indicated that CCUVA might be of help giving them a proper place to sell. The other vendors mainly answered in the direction of business operation. 6 were in need of an ‘own stall’ or vending place. 4 wanted to attract more customers and increase their sales. 4 thought of better cooperation with each other and with suppliers. There were some interesting strategies mentioned as well: “technology and use the right strategies”, “Entertain the customers well, so they come back again”, “I can export to other countries”, “Good relationships and marketing strategies”. 1 vendor put the hope on her children: “that all my children will graduate”. And 1 vendor sought the formalizing goal in “unity of prices”, a price policy thus.

What becomes clear of the answers is that most vendors see the needs for formalizing principally in their lack of capital or in the improvement of their own business execution. Recurring themes like ‘no demolition’ and ‘owning a stall’ are the most noted remarks in the direction of the government. Relatively few vendors see cooperation, or the help of street vendors organizations as the pathway to formalizing their business.

The question: *what are the constraints in obtaining this goal?* , was again mainly answered in a personal way, thus putting the emphasis on the street vendors own business execution.

**Table 3.4 Constraints in formalizing business, divided over stakeholders**

<i>Street vendors</i>	68
<i>Local Government</i>	22
<i>CCUVA (and own organization)</i>	1
<i>Other</i>	5

Source: SPSS Data Set

33 vendors answered lack of capital, again “no money” as the biggest constraint in the possibility to formalize their business. 3 others specified this into “lending”, which has a high interest and is an unfavourable option from that risk perspective. 4 mentioned that business was going slow or sales were bad, so no growth. 3 had problems with their products “when fruits turn overripe we can’t return it to the supplier”, “damaged products” and “no flowers to sell” were the comments stated in this respect. 4 stated their health problems as a constraint of which 3 had had an illness and 1 was an alcoholic. 3 vendors mention their lack of education, here basic needs seem to be the obstacle.

2 had problems with their family, 1 with other vendors “envy from other vendors”. 2 sought the problem in “misfortune”. 1 just needed “to work harder”. 3 others called it “vices”. 1 wanted to “improve the vending space, proper ventilation should prevent customers from transferring”

Local government is for 5 vendors “hindering their business” or “trying to capture us”. 13 mention “demolition” as the principal constraint. 3 see the “lack of vending space” as the biggest constraint, where local government could be supportive.

1 vendor mentions “disunity in the cooperation” as a constraint, this can be seen as a problem considering CCUVA, since they are the maintainers of unity in the cooperation between street vendors and their organisations.

1 vendor says “lack of financial support”, but does not state where it should come from. 1 vendor mentions “unknown groups asks for a share of the profits”. And 1 vendor puts his trust in God: “nothing if you only pray to God and ask his help” is the answer to what constraints are to be found in order to formalize.

Insufficient funds are the principal constraint for vendors when it comes to formalizing their business. Slow business and insufficient sales are another constraints, as well as lack of basic needs like education and health problems. The policy of the local government is also a big constraining factor for many vendors. Demolition, lack of designated vending space and hindering action for their businesses are stated by the vendors.

The question: *what are the opportunities to realize your goals?*, was less frequently answered as explained earlier. Again the street vendors see their personal behaviour or entrepreneurial skills as the most important factor, as shown in Table 3.5.

**Table 3.5 Opportunities for realising wishes, divided over stakeholders**

<i>Street vendors (and own organization)</i>	36
<i>Local Government</i>	3
<i>CCUVA (and street vendors organizations)</i>	3
<i>Other</i>	11

Source: SPSS Data Set

11 vendors state that “perseverance”, and “hard work” are the best opportunities for realizing their wishes and goals. 10 say “more money” is the best opportunity. 3 want to lend money, and 2 want to save money. 3 see ‘good management’ as the best chance: “proper guidance of the business”, “expand the business, not just flowers” and “good strategies in the business” are their responses. 1 vendor leaves it to the regular clients: “if our regular clients will increase their usual order”. ‘Education for their children’ is seen as the best opportunity by 2 vendors.

Local government is mentioned under ‘opportunities’ with again the known arguments: 1 vendor states that stopping demolition is the best opportunity, 2 vendors see government help as the most important.

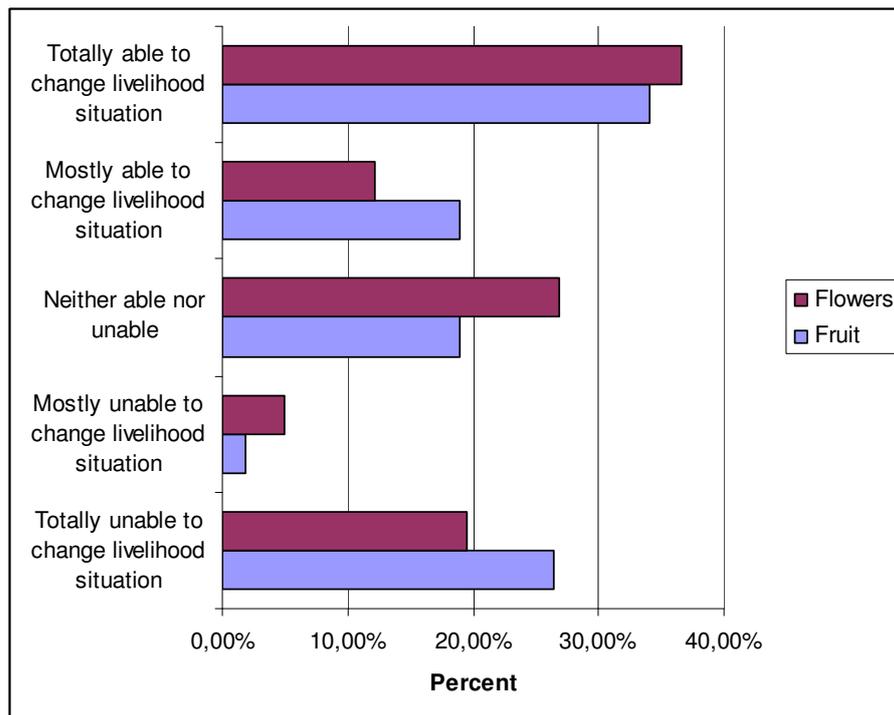
“If our leader will do something” is the response of 1 vendor, meaning probably the leader of his or her organization. 2 vendors want better coordination of the supply of goods, something that is coordinated, among others, by CCUVA.

8 vendors rely on God himself for opportunities, “God” or more elaborate phrases like “if God will give me a chance to fulfill my dreams” and “if the Lord will have mercy on us” were found. 2 vendors do not think about opportunities: “time will tell”.

Hard work and more capital are the two, often interlinked, opportunities that street vendors see for the realization of their goals and wishes. Local government is hardly mentioned, neither is CCUVA or the own organizations. God sticks out as a guide to the opportunities in this respect.

Next to the question what your desires for the future are rises the question if vendors see a realistic perspective for that future. Do street vendors feel they have the capability to make the changes they desire? When asked, the answer was mainly positive (see figure 3.21)

**Figure 3.21 Do you feel that you have the ability to change your livelihood situation?**



Source: SPSS Data set

Around 35% percent of both types of vendors feels ‘totally able’ to change their livelihood situation, another 25% sees this the opposite way. Again it becomes clear that flower vendors are a bit more positive about their future than fruit vendors.

**Conclusion of §3.6**

The hypothesis made for the research is largely falsified by the statements of the street vendors. They do not prefer to be part of the formal sector, rather they prefer to expand their business and become more successful entrepreneurs within their current situation. If this proves one thing it is that first and foremost street vendors are entrepreneurs and enjoy the benefits of street vending more than the pitfalls. Further more the largest part of the vendors seems to feel capable of realizing her or his wishes. In both cases flower vendor state their case stronger, which again points in the direction of a stronger position in the market, and a stronger stock of social capital for flower vendors in old Downtown Cebu.

### §3.7 Image of street vendors and street vending in Cebu City

Street vendors have the image of being a contribution to the regular selling points for groceries and other goods. The *Carendaria* and other street foods- sellers even enjoy a reputation of providing cheap and good dinner.

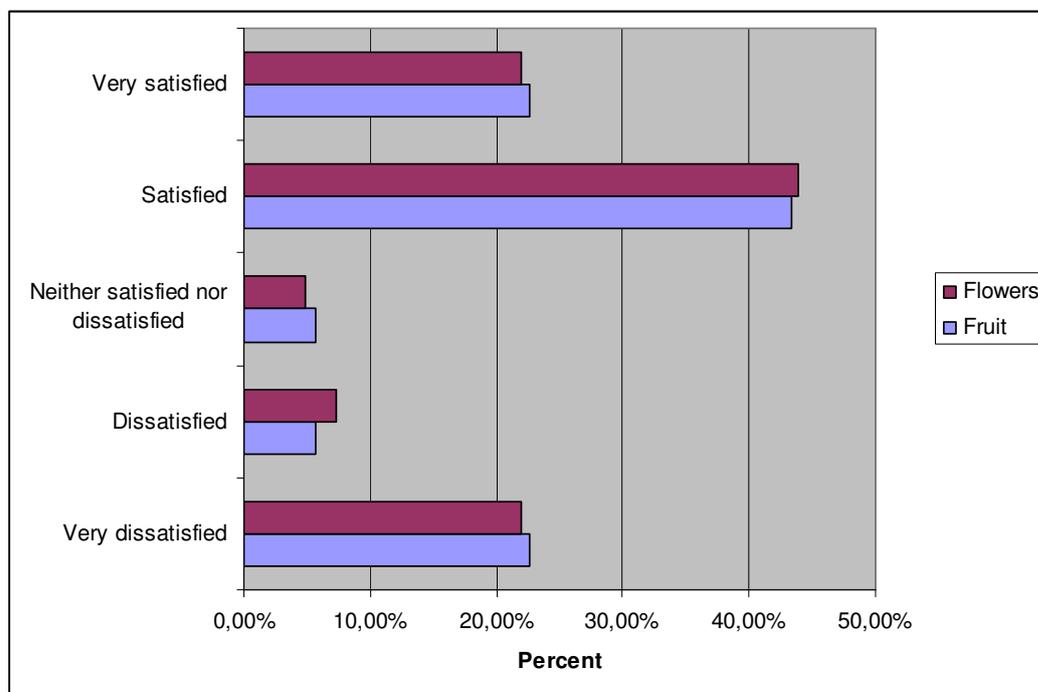
The uniformity that is given to street vendors through the fixed measurements of the stalls and the identical parasols that are spread among the street vendors population by the local government gives an organized and colorful image in the streets of Cebu.

At policy level there is a different image of street vendors. Legally speaking they are, with the exception of stall owners in Carbon Market, illegal encroachers of the city streets (see also chapter 4 for more information about local government policies concerning street vendors). Off course it is recognized that street vending is a source of income for urban poor, who might have no other option than selling goods in the street. Alongside with Trisikad drivers and Jeepney-drivers they form the appearance of small scale informal entrepreneurs in the streets of Cebu City.

What is important in the way they are perceived might be of influence on the image in City Hall and has an effect on future policies and approach to street vendors. Especially since there is a tight rope between a 'maximum tolerance' policy and the 'expulsion of street encroachers', which is in the hand of the local government to be executed.

In order to get insight in the self-image of street vendors the satisfaction with their job was measured (figure 3.22), this shows that 65,9% of the street vendors is either satisfied or very satisfied with their current job. A little bit more then 20 % is very dissatisfied with what they are doing to provide for their livelihood.

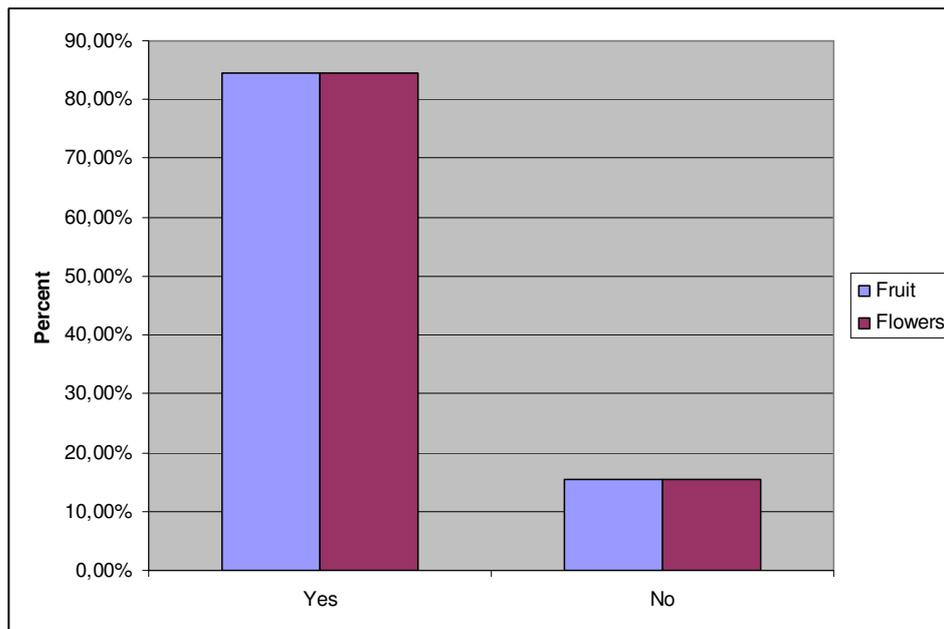
**Figure 3.22 Are you satisfied with the fact that you are a street vendor?**



Source: SPSS Data set

The street vendors were asked to reflect on their role in the streets. Do they see themselves as contributing to a positive image of street vendors in the streets of Cebu? The question proved to be provoking, only 39 out of 96, or 41% of the respondents answered the question (see figure 3.23). The result is the only question that is exactly in balance between the two strata of street vendors in the research area: 84,6% of the fruit- and flower vendors in Old Downtown Cebu City considers him- or herself to be making a positive contribution to the image of street vendors. That means no case of low self-esteem at all.

**Figure 3.23** Do you feel you are making a positive contribution to the image of street vendors?



Source: SPSS Data set

Most vendors that left comments to this question said their support existed out of ‘helping the poor’. “We can help the poor and those who can’t afford to buy expensive fruits especially in the market”, was one of the comments that fits this category of answers. Out of the 24 responses, 5 were similar to the stated comment.

3 vendors mentioned ‘keeping the stalls and the street clean’ as an important factor contributing to the image of street vendors. 7 gave varying answers that can be denominated under the category ‘proper business execution’, like “it should be at the right price”, “give assistance to buyers” and “selling properly”. “Good and honest vendors” was the downright comment of one vendor.

Other comments were diverse, varying between: ‘following the rules of government’ to ‘making the customers satisfied’ and “just hard work”. ‘Cooperation’ was only mentioned once. Finally one vendor stated: “I am lucky enough”.

There were also some negative responses to the question: do you contribute to the image of street vendors? 5 vendors commented negatively to the question. 2 of them put the blame on local government: “Arresting us” and “I can’t help it, because I have no right in City Hall” were the comments. 2 sought the fault in themselves: “because there are a lot of carts in the streets” and “I lacked determination” were their respective comments.

### **Conclusion of §3.7**

Street vendors do not like to answer questions about their image, if they do so they see themselves generally as a positive contribution to the streets of Cebu City. Especially in their role of providing poor citizens with affordable goods is their positive image visible, according to themselves. The ongoing difficult relation with local government is seen as a negative contribution to their image. Vendors are in general satisfied with the fact that they are performing their occupation in the informal sector. 65,9% is either satisfied or very satisfied with the fact that they are an informal entrepreneur.

### **§ 3.8 Conclusion of the chapter**

Street vendors in Cebu City have very different characteristics making them a heterogeneous group, still they can be denominated a homogenous group in economic and legal terms, since they operate more or less in the same informal way. They can also be divided by product group, based on the items they sell, which has been done in this research. Fruit vendors in general seem to have a harder time buying and selling their stocks on the street. Flower vendors are more accepted and established and have less competition from supermarkets for instance. Fruit vendors find innovative service oriented strategies to still maintain their businesses. Suki relationships are vital to all vendors, be it with their suppliers, clients, family, farmer, wholesaler or colleague, this will be elaborated more in chapter 5, where the social capital of street vendors is elaborated upon. General remarks regarding the goal achievement are: vendors like to expand and optimize their businesses, generally like what they are doing and strive to improve the image of street vendors, since they are proud of their businesses.

## **Chapter 4. Local government Policy**

### *"They give us the opportunity to sell"*

This chapter aims to give an overview of the role the local government, more precisely the Cebu City Government, fulfills in the livelihood provision of street vendors in Old Downtown Cebu. The Cebu City Government has a great influence on the livelihoods and goal attainment of vendors in the city since it operates the policies designed towards vendors, and consequently is creating policies to 'solve the vendor problem'.

#### **§ 4.1 Introduction: policy making to meet the street vendor situation: 1980-2007**

In Cebu, where the urban economy is viable enough to sustain ongoing construction, and where property is therefore a valuable commodity, access to space is the number one issue facing sidewalk vendors. Many of their mobilization efforts are geared towards securing access to space by employing a strategy of forming associations that have validity under Philippine law. (Yasmeen, 2003).

Street vending is illegal by law in the Philippines. The Department of Justice has expressed its opinion and the Supreme Court has ruled that public streets and sidewalks are property for public use, which means they are not to be used for commerce. It may not be subject of lease or other contract. This is embodied in Cebu City Ordinances 1186 and 1085.

In practice there is a different situation. The Local Government has been implementing a policy of 'maximum tolerance' towards the street vendors from Mayor Osmeña's first term (1988- 1995) onwards. Maximum tolerance can be described as 'the unwritten regulations or guidelines that must be followed by vendors instead of outright demolition or eviction' (Etemadi, 2001, pp147). City officials in Cebu have come to accept the reality that this sub sector of the informal economy provides an alternative livelihood to the unskilled labour force and to those who could not be absorbed by formal employment. It is recognized that instead of depending on government welfare or resorting to theft, the street vendors try to earn a decent living. (Etemadi, 2001)

Since the situation of street vendors on the streets of Cebu has been acknowledged as a 'problematic development', as early as 1948 (see also §4.2), local government has tried to design policies to deal with vendors. From the principal conception of the word street vendor in policies onwards there has been a negative attitude towards street vendors. Consecutive ordinances have all stated the 'illegality' of vendor's activities.

In recent years the institutionalization of street vendor representatives, most tangibly stimulated by CCUVA and the forming of cooperatives, has accelerated a process of creating more of a legal framework that actually acknowledges the fact that there are street vendors and they do have a function and stake in the inner city's economy.

#### **Vision of local government**

The principal viewpoint of Local Government, as articulated by Bimbo Fernandez, City Administrator, to the 'vendor situation' nowadays, (paraphrased): "when the effects of the economic policies start to take effect the economic development will solve the vendor problem." Taking into account the current trends in population growth and economic development, this can be viewed as a very optimistic statement.

The notion presented by Fernandez is close to the official vision of the Cebu City Government, as stated on their website. The Cebu City government proclaims the vision during their mandate as: “a financially dynamic, pro-active and self-reliant City Government responsive to the needs of its constituents”.(website: [www.cebucity.gov.ph](http://www.cebucity.gov.ph))

City consultant of the Urban Poor Gerry Marquez elaborated on the policy of the local government of Cebu City concerning street vendors. “Sidewalk vending is an illegal activity in Cebu. But there is a policy of ‘maximum tolerance’ as long as there are no significant complaints of companies in the vicinity or pedestrians that get obstructed by the presence of sidewalk vendors in the streets.”

These sidewalk vendors are the most in need to be organized as they do not have access to stalls from which to sell their own wares. They are, therefore, the most frequently harassed and displaced by police and municipal officers (SPEED, see also §4.3) because they are defined as encroachers of public space. At the same time, however, many of the vendors occupying the footpaths pay a daily fee called arcabala to the Local Government Unit (LGU) for which they receive a receipt. This makes the status of encroachers ambiguous, since they are –in a way- tenants. (Yasmeen, 2003)

#### **§ 4.2 Historical roots of local government policy towards street vendors**

Since the decentralization policy in the post-Marcos era became a fact through the Local Government Code of 1991 much has changed for municipalities or Local Government Units, as they are called in the Philippines. Broadly speaking, decentralization is the transfer of power, authority, responsibility or the discretion to decide from the central institution to the lower or local levels of a government system. The decentralization process is interesting in this context, since it underlines the fact that the Cebu City local government is the single most important institutional party involved in the situation of street vendors in downtown Cebu City.

Despite this fact, the national legislation is still leading in the design of local policy. Therefore the national government and national legislation is still an important actor in policy development towards street vendors.

##### **§ 4.2.1 Actors in developing legislation and policy towards street vendors**

The most important official policies on national and municipal level, shaping the politics towards the situation of street vendors are discussed in this paragraph.

##### ***National Government***



In 1997 Executive order No. 452 was installed. The Executive order, issued on the national level was entitled: “Providing for the guidelines that will ensure the security of registered vendors in the workplace.”

It covers all cities and municipalities nationwide and is intended apply to all ambulant

vendors and street vendors, with and without stalls. It foresees in the marking of designated vending spaces where fees can be asked from vendors selling their stock. All vendors in a municipality should be listed in order to be subject to fee-charging and to ensure their legal position in order to be able to govern the issuance of business permits for 'fixed stall holders' to operate their businesses. Ambulant vendors are subject to a simplified version of registration. Vending space may be assigned to vendors with a business permit, according to the local government.

Next to this, vendors are encouraged to organize themselves into organizations for their mutual aid, benefit and protection for other legitimate purposes. Assistance to the Vendors Association is given by local government agencies, financial institutions and local government units. And LGU's shall include in their plans, programs and activities efforts that are supportive of the concerns of vendors associations.

Important cornerstones of this executive order where, according to Etemadi, the fact that public streets and sidewalks are property for public use; hence, 'outside the commerce of man'. Further more that obstruction or interference with the free passage on any public highway is 'nuisance' per se and may be summarily abated without judicial proceedings. Also it provides for the adoption of the guidelines that will ensure the security of registered vendors in the workplace (although the implementation of rules and regulations are still pending, in 2001) (Etemadi, 2001).

This means that on a national level the policy insist that work is made of 'formalization' of vendors, since they are registered in their workplace. Outside these registered vendors, it is wild west for vendors, since they are breaking the law by obstructing free passage in areas outside the commerce of man. Strictly juridical this order does not provide any security of livelihood provision for the unregistered vendors at all.

***Cebu City Government (local government)***

On the local level there is an ample history of consecutive ordinances having a say about the street and sidewalk vendors of Cebu. See Table 4.1 for a concise overview. In §4.2.2 the most important ordinances will be discussed.



Generally speaking, in Cebu, the local government exercises full power over the situation of vendors in legal terms, since they are operating 'illegal businesses'. Practically there are so many of them, and there are not enough other opportunities for them, thus a policy of tolerance is practiced. The policy incentives and ordinances executed over the course of the last 60 years, from the first official policy until the most recent, towards the vendors are discussed in this paragraph. Since the mayor has an important role in decision making and manages the governing of the chartered city Cebu (see §1.3), their names are included in the table as well.

**Table 4.1 Overview of Ordinances concerning the policy towards street vendors**

Ordinance No.	Year of issuance	Acting Mayor	Contents in 1 sentence
74	1948	Miguel	Prohibits use and obstruction of passage ways below the

		Revithan	arcade
211	1956		Refines prohibition to: <i>for the purpose of storage, selling merchandise, parking space, or to open or place anything that will be an obstruction to pedestrians</i>
1017	1979	Florentino Solon	permitting and regulating the business of sidewalk and ambulant vending in certain designated places in the City of Cebu. Imposing arcabala fee for using space
1085	1981	Ronald Duterte	Prohibition of the use and obstruction of the passageways below the arcades by sidewalk vendors
1186	1985	Ronald Duterte	Repealed everything from ordinance 1017, and made sidewalk vending illegal by law. <i>"henceforth, it shall be unlawful for any person whether natural or juridical, to sell or vend in retail or otherwise, any goods, articles, merchandise or commodities or engage in any business or trade in any sidewalk or portion of the streets within the City of Cebu"</i>
1222	1986	Ronald Duterte	Abolished parking area in Freedom Park in favor of street vendors clogging space in Carbon Market
267	1990	Tommy Osmeña	First step in participatory approach. <i>"The Cebu City Integrated Vendors Management Study Committee is tasked to study and determine the effects and impacts on:</i>  <i>a) designating vending areas</i> <i>b) issuance of business permits and other pertinent business documents;</i> <i>c) regulations on health and cleanliness;</i> <i>d) revenue generating rules and regulations pertaining to the activities of the hawkers, sidewalk and ambulant vendors;</i> <i>e) prosecution of violators in accordance with relevant regulations, rules and ordinances."</i>
1481	1993	Tommy Osmeña	Demolition of illegal building, structures or contraption erected in any public place within Cebu
96-09 Executive Order (Office of the Mayor)	1996	Tommy Osmeña	Creation of the <i>Cebu City Regulatory Body on Street, Sidewalk and Public Vending (RBSSPV)</i> , which is primarily responsible in the regulation, management, control, supervision and monitoring of street, sidewalk and public vending activities in Cebu City
	1999	Alvin Garcia	<i>Cebu City Integrated Vendors Management Study Committee</i>
00-003 Executive Order (Office of the Mayor)	2000	Alvin Garcia	Creation of <i>Technical Working Committee to Study the Plight of the Street, Sidewalk and Public Vendors</i> , to regulate street vending
00-1229	2000	Alvin Garcia	Suspension of Ordinance No. 1186 (which was still official policy)
01-3718	2001	Tommy Osmeña	<i>"It cannot be denied that for valid economic reasons, some people are engaged in street or sidewalk vending as a means of livelihoods as it is one of the simplest form of businesses since one does not need a big amount of capital. In fact, in several big cities all over the world, it is not uncommon to see the existence of street and sidewalk vendors."</i>

(Etemadi, 2001, and Ordinances obtained at City Hall)

#### § 4.2.2 History of policy towards street vendors through consecutives ordinances

The most important ordinances are discussed in greater detail in this paragraph.

##### **Ordinance number 74, 1948**

This was the first ordinance to regulate the removal of persons displaying items on the streets and thereby disturbing passer by's. The name 'street vendor' or 'sidewalk vendor' was not yet plotted:

An ordinance prohibiting the use and obstruction of the passage ways below the arcades.

##### *Section 1. Prohibition.*

*It shall be unlawful for any person or group of persons or persons to utilize the passage way below the arcades for purposes of storage, parking space, or to open or place anything that will be an obstruction to pedestrians passing through the space below the arcade.*

##### *Section 2. Penalty.*

*Any person or persons violating this ordinance shall be fined not exceeding P200,00 or shall be punished by an imprisonment not more than six months, or both such fine and imprisonment at the discretion of the court.*

##### **Ordinance 211, 1956**

In 1956 an amendment was made instigated by Florencio s. Urot, the same Uriot who was president of the Philippines when ordinance 74 was installed.

This amendment took place under the rule of Mayor Sergio Osmeña Jr., who is the father of the current Mayor Tommy Osmeña.

The first section of ordinance 74 was changed into ordinance 211:

### *Section 1. Prohibition*

*It shall be unlawful for any person or group of persons to utilize sidewalks and the passage way below the arcades for the purpose of storage, selling merchandise, parking space, or to open or place anything that will be an obstruction to pedestrians passing through the sidewalks an/or the space below the arcades.*

This statement is quite close to the root of the policy as it is still executed nowadays. It implicitly qualifies the street- and sidewalk vendors as 'encroachers', a designation still used nowadays.

### **Ordinance No. 1017, 1979**

In 1979, ordinance number 1017 was issued. This was the first ordinance to acknowledge sidewalk- and street vendors as a part of the streets of Cebu and provided a regulatory framework, and thus an actual policy towards them. It is therefore useful to cite certain parts of it:

An ordinance permitting and regulating the business of sidewalk and ambulant vending in certain designated places in the City of Cebu.

*Whereas, sidewalk and ambulant vending has become a way of life to many poor inhabitants of the City of Cebu;*

*Whereas, while the City of Cebu is cognizant of the constitutional guarantee affording all citizens irrespective of their social standing in society equal opportunity to earn their livelihood by and through lawful means, it is likewise cognizant of its duty to preserve, maintain, uphold, and promote te safety, health, order, and peace of its communities and inhabitants;*

*Whereas, it has been observed that sidewalk and ambulant vendors proliferating different areas in the City of Cebu are engaging in their businesses and trade in a manner affecting and prejudicing the safety, health, order and peace of the communities and inhabitants of the City of Cebu, thus, necessitating regulatory matters;*

*The Sangguniang Bayan of the City of Cebu by virtue of the powers vested upon it by the law do hereby ordain that:*

*(...)*

#### **Section 7.**

*Persons covered by this ordinance and engaging in their business and trade pursuant hereto shall be subject to the payment of daily "alcabalas" at the rate now being imposed; except on days when said persons do not ply their trade.*

#### **Section 8.**

*For the issuance of a mayor's permit the applicant shall pay a fee in the sum of thirty pesos per annum.*

#### **Section 9.**

*For violation of any of the provisions (..) the following penalties are herby imposed:*

- (a) First offense, an administrative fine of Ten Pesos*
- (b) Second offense, an administrative fine of Twenty Pesos*
- (c) Third offense, the cancellation of the permit, and, a fine of not less than Fifty Pesos nor more than One Hundred Pesos or imprisonment of not more than fifteen days, or both, at the discretion of the Court.*

#### **Section 10.**

*All ordinances, rules and regulations, orders or memoranda inconsistent with or contrary of this ordinance are hereby repealed and of no effect whatsoever.*

*Signed by Mayor Florentino Solon, jan. 25, 1979*

**Ordinance No. 1186, 1985**

In 1985, the Sangguniang Panlungsod of the City of Cebu, on motion of Member Renato Osmeña, the uncle of Tommy Osmeña, approved ordinance No. 1186.

The ordinance repealed everything from ordinance 1017, and made sidewalk vending illegal by law. The most important parts:

***“Whereas, Ordinance No. 1017 allows sidewalk and ambulant vendors to sell, vend, display, or engage in their business or trade in certain designated places in the City of Cebu;***

***Whereas, implementation of said ordinance has only resulted in congestion and clogging of streets thereby affecting public safety, health, and peace and order of the community;***

***Whereas, it is the duty of the City of Cebu to preserve, maintain, and promote the safety, health, and peace and order of the community and its inhabitants.***

*Now, therefore, the Sangguniang Panlungsod of the City of Cebu, in a regular session assembled, hereby ordains that:*

***Section 1. – Ordinance No. 1017 permitting and regulating the business of sidewalk and ambulant vending in certain designated places in the City of Cebu is hereby entirely repealed and rendered of no effect whatsoever; henceforth, it shall be unlawful for any person whether natural or juridical, to sell or vend in retail or otherwise, any goods, articles, merchandise or commodities or engage in any business or trade in any sidewalk or portion of the streets within the City of Cebu.***

***Section 2. – All existing sidewalk and ambulant vendors (...) shall desist from selling or vending or from engaging in their business or trade in these areas after thirty (30) days from notice of this repealing ordinance.***

***Section 3. – The Market Committee is hereby empowered to designate appropriate areas at the Carbon Public Market, T. Padilla Public Market, Warwick Barracks Market, Freedom Park, Taboan Public Market, and other places in the outskirts of the City of Cebu as places where the persons mentioned in Section 2 hereof may be permitted to engage in business or trade, subject to the approval of the City Mayor.***

*(..)*

***Section 5. – This ordinance shall take effect upon its approval.***

*CARRIED UNANIMOUSLY (member Aballa abstained)*

*Attested by Mayor Ronald R. Duterte and Acting Presidential Officer Rodolfo Y. Cabrera*

**Ordinance No. 1222, 1986**

Issued in 1986. Abolished a parking area in Freedom Park and designated the space to accommodate ambulant vendors that were causing clogging in Carbon Market by displaying their goods in the streets.

**Executive Order No. 267, 1990**

In 1990, after President Marcos had left the Presidential Office due to the People's Uprising, Tomas Osmeña was elected and serving his first term as acting Mayor of Cebu. He made an effort in promoting dialogue and co-creation in policy for the vendor issue. Resulting in executive order No. 267 in which The Integrated Vendors Management Study Committee is created.

To solve the ongoing issues around vendors a Study Committee was set up, consisting of City Government representatives such as the coordinator of the City Planning & Development Council, the commander of the Cebu City Police Station, the City Attorney, the City Health Officer and a Mayor's representative. But also with four vendor's representatives, including Felicisimo Rupinta (currently Barangay Captain of Ermita and founder of CCUVA) and Maria Pino-Buanghug, co-founder and acting president of CCUVA.

This was a premiere: consulting representatives in a official study group that was aimed to advice the Mayor on the following issues, and thus the first time that a participatory approach was chosen by Local Government represented through Mayor Osmeña. Important parts:

***"Section 2. – DUTIES AND RESPONSIBILITIES.***

*The Cebu City Integrated Vendors Management Study Committee is tasked to study and determine the effects and impacts on:*

- a) designating vending areas*
- b) issuance of business permits and other pertinent business documents;*
- c) regulations on health and cleanliness;*
- d) revenue generating rules and regulations pertaining to the activities of the hawkers, sidewalk and ambulant vendors;*
- e) prosecution of violators in accordance with relevant regulations, rules and ordinances."*

**Resolution No. 00-1229 Creation of the Cebu City technical Working Committee for the recognition and security of street traders in the workplace, 1999**

Suspending Ordinance No. 1186, awaiting the results of the study committee to implement a regulatory ordinance concerning street vendors.

In response to the ever growing amount of street vendors, especially during the economic crisis of the mid-1990's the City Government created the Cebu City Regulatory Body on Street, Sidewalk and Public Vending in 1996. With the aim to regulate, manage control, supervise and monitor street, sidewalk and public vending activities in Cebu City (Etemadi, 2001)

One of the recommendations of the regulatory body was the conduct of a study on street vending for evaluation purposes. In order to base policy on these findings. In 2000 the Cebu City Technical Working Committee to Study the Plight of the Street, Sidewalk and Public Vendors was created.

**Resolution No. 01-3718, 2001**

"It cannot be denied that for valid economic reasons, some people are engaged in street or sidewalk vending as a means of livelihoods as it is one of the simplest form of businesses since one does not need a big amount of capital. In fact, in several big cities all over the world, it is not uncommon to see the existence of street and sidewalk vendors."

This conclusion of the Technical Working Committee was Another step in recognizing, on a policy level, the existence and value of street vendors in the streets of Cebu.

**§ 4.2.3 Interference from CCUVA: reaction on ordinances and pressure**

During the beginning until the mid-eighties, when CCUVA was formed, the situation for street vendors became increasingly difficult. The regime of acting Mayor Duterte was hostile towards vendors, stalls were regularly demolished and his mandate ultimately resulted in the notorious ordinance No. 1186, which to date is still officially in place.

In the following years CCUVA became experienced in resisting demolitions, although often unsuccessfully. This prompted the leaders to take a more cooperative role towards local government. Strategy and negotiation with local government became more important for CCUVA. When Tomas Osmeña entered the City Offices for his first term as mayor in 1988, CCUVA had a few years of pro-active negotiation in its experience.

Osmeña began his term by proposing the complete phasing out of street vendor activity in the city. The vendors responded by strengthening their lobbying efforts with the administration. Progress was made by CCUVA and in 1990 The Cebu City Integrated Vendors Management Study Committee was installed, which was made up of representatives from local government as well as CCUVA.

The Committee concluded that street vending activities should be legalized in some areas of the City (Carbon market, and the public market areas). The Supreme Court repealed this decision. The City Government then installed the 'maximum tolerance – policy' which encompasses that a vendor shall not be removed unless an official complaint is filed by another public space user. Meanwhile ordinance 1186 remained the official policy.

Resulting from the ongoing difficulties between vendors and local authorities, accompanied by intensive lobbying by CCUVA, at some point in 1997 even supported by an initiative of

CARE and USAID to increase their lobbying and organizational skills, finally in 2000 the Local Government agreed to install a technical working committee to recommend new practices regarding the policy towards vendors. The 'Technical Working Committee to Study the Plight of the Street, Sidewalk and Public Vendors' was installed and made its recommendations.

In July 2000, CCUVA organized a large demonstration of street vendors outside City Hall to demand an end to demolitions of their premises. The Mayor agreed to meet the leaders who presented him with a petition. He explained that he did not order demolitions except where street vending was in clear breach of the regulations, such as vending on the highway rather than the sidewalk, and vending after permitted hours. He agreed to endorse the petition, subject to those limitations. The street vendors left, feeling that they had scored a victory, whilst the Mayor's view was that he had not agreed to anything which was not already the current policy. This raises questions about whether the Mayor is actually in a position to deliver on his promises, and is able to control the activities of the city government officials who may be carrying out demolitions which contravene the stated policy. (Etemadi, 2001)

#### **Conclusion of § 4.2**

It appears that street vendors were never very popular among the city government officials, only through coordinated cooperation between vendors association, resulting in the foundation of the Cebu City's Vendors Association (see § 5.3 for more about CCUVA) a dialogue was started, but to date still frustrated by demolitions. The regulations are clear and the bottom line seems that city mayors to date do not want to make concessions to that basic rule.

In paragraph 4.3 the actual everyday policy and its dynamics are further explained.

### § 4.3 Actual execution of policy in Cebu in 2007 and relation with and attitude towards local government policy of street vendors

In practice, the policy concerning vendors is one of 'maximum tolerance'. Within the designated market places vendors are legitimate (§ 4.3.1), outside they are 'encroachers' and subject to the 'unwritten policy of maximum tolerance' (§ 4.3.2).

#### § 4.3.1 Market Areas

There are five designated market areas throughout Cebu City, where vendors are allowed to vend their goods paying only arcabala to the city government and the Barangay. The arcabala is usually around 6 pesos depending on the size of the stall or vending place, the fee for the barangay varies per barangay.

The designated market areas within Cebu are: Carbon market, which is composed of 5 units: Unit I to III, Warwick barracks and Freedom Park. Outside of these designated areas there are 5 additional market places throughout the city: Lahug public market, Taboan market, Ramos market, Banawa public market and the Pasil fish market. In these markets there is no threat for demolition.

#### Carbon Market

The Carbon market area is closely monitored by the Market Administrator. Arcabala is collected everyday, and the fixed stall holders in this area, are taxed and licensed, so monthly fees are collected, varying in their installments. Records are kept of this initiative. Daily an amount of 16.500 pesos is collected in the Carbon market area. An official record of this is kept, as to which vendors the fee is collected from. The rent for a fixed place on the market is dependent on the size of the stall, ranging from 2m<sup>2</sup> up to 7,5 m<sup>2</sup>, costing a fee of 3p to 27p per day. (Interviews Market Administrator, 27 and 29-6-2007)

Map 4.1 Designated market areas, Cebu City



#### Legend

- A= Carbon Market (with Freedom Park)
- B= Taboan Market

- C= Banawa Public Market
- D= Ramos Market
- F= Lahug public Market
- H= Pasil Fish Market

(E,G, J are in Mandaue City and I in Talisay)

A tripartite agreement has given way to the latest policy on street vending in the Carbon Market area as of 27-1-2006. The market authority uses this policy as a guideline for managing the Carbon Market complex.

The treaty was signed between: Cebu City Market Authority (LGU), CCUVA (see also §5.3) and the cooperative CEMVEDCO (see also §5.4).

#### **Frame 4. Tripartite agreement on regulation of Carbon Market**

<i>POLICIES</i>	
1.	<i>Twenty-four hour vending allowed at selected areas</i>
2.	<i>At these selected areas, vending space shall only be one meter from the gutter towards the middle of the street from 6am up to 6pm</i>
3.	<i>One and a half meters to two meters wide passage ways are to be provided for the stalls or business establishment at the back, at all times</i>
4.	<i>Permanent and closed structures are not allowed</i>
5.	<i>Umbrellas are to be used only when there is rain or if it gets too hot</i>
6.	<i>Street and sidewalk vendors' displays must not exceed four feet from the ground or in height</i>
7.	<i>Only merchandise display are allowed and no mini-bodegas allowed in the streets and sidewalks</i>
8.	<i>cleanliness and orderliness are to be maintained at all times</i>
9.	<i>ID system shall be implemented</i>
10.	<i>Only registered voters of Cebu City are allowed to vend in designated market areas</i>
11.	<i>Vendors are to sign a deed of undertaking</i>
12.	<i>Respective association president's attention shall be called upon in the event of any violation by any member vendor</i>
13.	<i>Sanitation and garbage, drainage, orderliness and physical arrangement, parking and traffic management, peace and order and security shall be for every vendor, stallholder and business establishment owner and worker concern</i>
14.	<i>Street/sidewalk vendors where allowed/regulated should pay daily prescribed arcabala and secure special business tax</i>
15.	<i>Any violation of the above mentioned policy shall be dealt with sanctions that will be determined by the council.</i>

Besides arcabala, vendors can also be subject to special business taxes. These taxes are usually imposed on stall owners and collectively met by the street vendors organizations. The management of this regulation is done by both the market authority of City Hall and teams from CEMVEDCO and CCUVA checking on these and their own regulations.

#### **§ 4.3.2 Outside Carbon Market**

Ordinance no. 1186, issued in 1985 to this date still cornerstones the official City Policy regarding street vendors. The ordinance states the following: "It shall be unlawful for any person whether natural or juridical, to sell or vend in retail or otherwise, any goods, articles, merchandise or commodities or engage in any sidewalk or portion of the sidewalk or portion of the streets within the City."

### **Maximum Tolerance**

In practice there is a policy of 'maximum tolerance' which means that street vending is allowed, as long as there are no major problems with encroaching of the street, obstructing pedestrians and traffic and causing problems with establishments in the vicinity (Interview Marquez, 3-5-2007). This 'maximum tolerance' policy (see table 4.3) leaves room for Local Government to maintain control over the vendor population, while at the same time granting them vending space and room for self-control. Still it can lead to demolition operations without proper consulting. Such as during the ASEAN summit in January 2007, when hundreds of vendors were expelled from Colon street in order to give the street a 'cleaner look' and install decorative street lights.

In general the execution of policy by the City Government regarding street vendors although is one of acknowledging they are there, but 'managing' them within the illegality of this ordinance, which gives the power to still demolish the vendors at will (Interview Fernandez, 20-6-2007).

### **Zero Growth**

Another policy concerning street vendors is that of 'zero growth'. The master list of street vendors provided by the research done by professor Etemadi for the Technical Working Committee to Study the Plight of Street Vendors serves as the basis for this policy. The list was drafted after a study conducted under her lead. The master list was intended to serve as input towards drafting a regulatory ordinance concerning street vendors. This has not been realized to this date.

For the policy towards street vendors the list has a major importance, since the list is used as the official document of 'registered vendors' in Cebu City. If a vendor is not on list, they are not viewed as a listed vendor, which means they are not considered to be eligible for the 'maximum tolerance'-policy. They can be evicted without prior notice. In practice this is seldom enforced. The in- and outflux of new vendors is very big and the capacity of SPEED, the local vendor police (see box 4.1) is not big enough to maintain control over every change (Interview Marquez, 3-5-2007).

### **Box 4.1 SPEED**

#### **Definition of SPEED**

SPEED (Squatter's Prevention Encroachment Elimination Division) is the 'vendors police' servicing the local government. It seeks to support areas in remaining tidy and acceptable for other users of the public space. Often vendors see them as patronizing and disrespectful. SPEED conducts 24-hour monitoring and surveillance on illegal vending. It is authorized to seize, gather and keep the construction materials of the demolished structures subject to redemption; demolish stop and curtail recent and new violations of existing laws, ordinances and regulations versus illegal vending, illegal structures, obstruction and encroachment of public places and waterways. On the whole, the relation between the vendors and SPEED has remained distant but cordial. Although in different cases vendors have protested against the absence of a due process in demolition activities by SPEED. (Etemadi, 2001, Yasmeen, 2003)

In effect the maximum tolerance policy thus leaves momentum for vendors to be replaced through informal systems. CCUVA will sometimes keep an eye closed, and City Hall will never know (interview M.C. Briones vendor, 14-6-2007). Some vendors without a vending space will get the space of a vendor that leaves. The recommendation for the replacing vendor is made by the organization that operates within that area (interview CCUVA, 29-6-007)

**Table 4.3 ‘Unwritten Policy’ of “Maximum Tolerance” Towards the Street, Sidewalk and Ambulant Vendors**

<b>One-side Vending</b>	Vending on one side of the street only; permitting the vendors to sell in designated areas
<b>Zero Growth</b>	- No new vendors are allowed after the master list is finalized by February 9, 2001 - Each vendors is limited to one stall or structure
<b>Time</b>	From 6.00p.m. to 6.00 a.m
<b>Stall, structures</b>	<ul style="list-style-type: none"> <li>- Light and temporary structures</li> <li>- Uniform color</li> <li>- Size of table 2x3ft, 3x2ft, 3x6ft, depending on the area</li> <li>- Edges of the table should not extend beyond allowable distance</li> <li>- No new structures or extension</li> </ul>
<b>Distance from the street</b>	1.5 metres from the gutter of the street
<b>“Off limits”</b>	<ul style="list-style-type: none"> <li>- Danger Zone</li> <li>- No encroachment on the main streets</li> <li>- Entrance of buildings or establishments</li> </ul>
<b>Traffic</b>	<ul style="list-style-type: none"> <li>- No obstruction of traffic</li> <li>- Clear passageways for pedestrians</li> </ul>
<b>“Clearing of the area” or “Demolition”</b>	<p>-No demolition unless there is a formal complaint filed at the Office of the Mayor, City Attorney, SPEED, or any other government agency</p> <p>- Process of clearing the street/sidewalk/public places of illegal vending:</p> <ul style="list-style-type: none"> <li>- Complaint is received by the Office of the Mayor, City Attorney, RBSSPV or Speed.</li> <li>- The Mayor or Attorney refers the complaint to the RBSSPV (Regulatory Board on Street, Sidewalk and Public Vending) or SPEED (Squatter Prevention Encroachment Elimination Division)</li> <li>- RBSSPV or SPEED deliberates on the complaint during their weekly meetings</li> <li>- SPEED conducts field inspection and makes initial remarks addressed to the concerned vendor; and prepares report to RBSSPV, the Mayor, the City Attorney, as the case may be, for their information and guidance.</li> <li>- The RBSSPV / SPEED invites the respondents to a meeting and asks them to comment on the complaint, making them understand the rationale of the complaint and advising them to do something before it is too late;</li> <li>- When negotiation fails, RBSSPV calls the complainant and the respondents to a meeting for dialogue;</li> <li>- When negotiation fails, RBSSPV recommends the eviction of the vendors, their vending paraphernalia and the confiscation of goods, especially when vendors refuse to vacate the place voluntarily.</li> <li>- The Mayor issues notice of removal, clearing of demolition to SPEED for appropriate and immediate action;</li> <li>- The SPEED, as a matter of procedure, issues First, Second, Third</li> </ul>

	<p>and Final Notice. When the affected vendors ask for reconsideration, they are usually referred to the Mayor for decision. When the Mayor acts favourably, then demolition is not carried out; but when the Mayor rejects any further negotiation, demolition is carried out after processes had been exhausted by the SPEED/RBSSPV;</p> <ul style="list-style-type: none"> <li>- Affected vendors usually comply voluntarily, especially when the SPEED personnel already position themselves in the area after various measures had been exhausted;</li> <li>- When vendors object and stand their ground, SPEED conducts the demolition, and confiscates vending paraphernalia and commodities. These are deposited at the SPEED office and are released to claimants upon payment of penalties.</li> </ul>
<b>Cleanliness / Sanitation</b>	<ul style="list-style-type: none"> <li>- keep surroundings clean, arrange structures orderly</li> <li>- Dispose garbage properly</li> <li>- “Stalls” or structures are not to be used as sleeping quarters</li> </ul>
<b>Relations</b>	<ul style="list-style-type: none"> <li>- Courtesy to customers</li> <li>- Discipline among members</li> </ul>
<b>Fees</b>	<ul style="list-style-type: none"> <li>- Arcabala: Average 5 pesos, highest 15 pesos, lowest 2 pesos</li> <li>- Arcabala can be both an entrance fee (for commodities brought into the public markets and its immediate surroundings) and a space rental for the use of an open space within the immediate surroundings of the markets, streets, sidewalks and public places.</li> <li>- The amount of Arcabala is legislated by the city council. However, the amount to be charged is computed by the Market Appraiser based on the approved measurement provided for in the Market Tax Code. An increase in the amount of arcabala is done through a public hearing. During the public hearing, the vendors will bargain as to the amount of arcabala and other fees of the market.</li> <li>- Collection of arcabala is based on the rates that are provided for in the City Ordinance No. LXXIII. An appraiser conducts an appraisal of the commodity or space and issues an appraisal slip (white copy, original) to the payee (supplier, consignee, vendor) and to the Market Collector (pink copy, duplicate) which guides him or her in the collection. The collector issues a Cash Ticket to the payee, then makes a collection report for the submission to the City Treasurer or his or her authorized representatives.</li> <li>- Proper accounting is based on the collection report prepared and submitted by the collector to the City Treasurer. Accountability of the collector is being audited or checked through the Cash Tickets issued and the Actual Remittance</li> </ul>
<b>Penalties</b>	<ul style="list-style-type: none"> <li>- 500 pesos for violating anti-loitering ordinance</li> <li>- 300-350 pesos redemption of confiscated goods</li> </ul>

(Etemadi, feb. 2001. In: Profile of Street and Sidewalk Vendors in Cebu City, report for Cebu City Technical Working Committee to Study the Plight of Street, Sidewalk and Public Vendors)  
Source: Etemadi, Felisa U. (2001) Urban Governance, Partnership and Poverty: Inclusive and Pro-Poor Governance in Cebu (draft), UK: University of Birmingham

The policy of ‘maximum tolerance’ does not leave much room for, for instance, formalization of street vendors or for growth of their business, since every vendor is limited to one stall, and growth of stalls or hiring of additional employees is not allowed. Still vendors do enjoy more security since the process of demolition is slightly more institutionalized and CCUVA is there to keep an eye on local government. But, do they object against the policy as it is laid out at present? This is answered in the next paragraph.

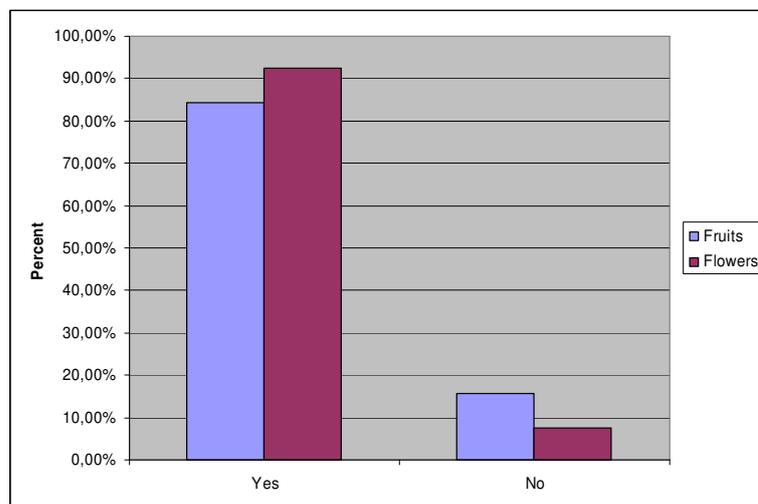
### § 4.3.3 Role of street vendors

Street vendors have an important stake in the situation on the streets of Cebu. Since they enjoy both pitfalls and benefits of informality (as argued in chapter 2), in the Cebuan context this means they are recognized but not formalized (outside the market areas), this implies both constraints as benefits for their situation.

#### *Satisfaction with and meaning about local policy of street vendors*

When asked, cut-flower and fruit vendors in downtown Cebu City state they are very satisfied with the local government policy towards them. 84,3% of the fruit vendors and 92,3% of the flower vendors expressed their satisfaction with current policy. An explanation for the differences between the two groups could be found in the clustering of flower vendors in Freedom Park, where daily arcabala fees are in place and no demolition took place in recent years. Whereas in Colon street just six months prior to the research a big demolition action had taken place.

**Figure 4.1** Are you satisfied with local government policy?



An overwhelming 87,8% (Fruits 84,3%, Flowers 92,3%) of all vendors stated they are satisfied with the Local Government policy.

#### *No*

11 vendors explained why they answered ‘no’ to this question.

3 mentioned ‘demolition’. 3 vendors speak of harassment: “sometimes we are harassed”, their people are always after us and give charges without any reason” and “they are always after us and ask fines, we are tired of it” were the comments.

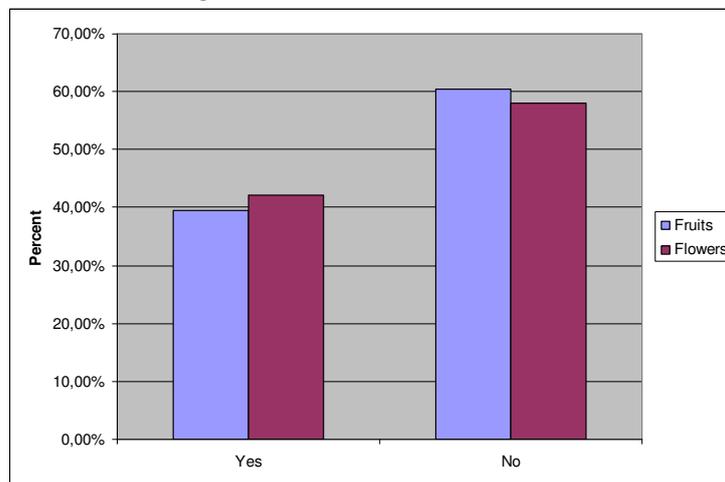
1 speaks of inconsistent rules: “there are rules that cannot be applied to others organizations. Some rules are not followed by other member of our groups”.

1 is just not content with the way things are organized: “no proper organization of the stall owners, snatchers around the area greatly effect our income, overload vendors (many competitors)”. 1 calls the local government “thrifty” on its spending for street vendors. 1 speaks about corruption: “I don’t want to register, because there will still be corruption”

*Supportive in desired goals*

Another issue handled in the questionnaire was the extent into which local government is supportive towards the wishes of vendors in fulfilling their desired goals. In Figure 4.2 it becomes clear that a minority considers the local government to be a positive influence on their desired goals. Again flower vendors are more positive in this respect, 42,1% thinks LG has a positive influence on their future. Of the fruit vendors 39,5% shares this opinion. The fact that the vendors seem overwhelmingly positive about the policy of local government, while they are far more negative about the impact it has on their future goals might be explained from the idea that the bad policy is a given fact, and vendors have some sort of fatalistic attitude towards government policies concerning them.

**Figure 4.2 Do you consider the local government to be supportive in your desired goals?**



Source: SPSS Data set

With an open question in the survey: *In what way is local government supportive or not supportive in reaching your desired goals?*, this is further researched.

62 vendors (or 65% of the research population) answered the question. The results are classified in table 4.4

**Table 4.4 Local Government supportive or not supportive to vendors?**

Local Government supportive (freq.)	Loc. Gov. not supportive (freq.)
Providing vending space (9)	They benefit from vendors, do not support them (5)
Help during, or preventing demolition (4)	Demolition (5)
Setting rules (4)	Hardly present (5)
Lend money (2)	No help (4)
Give things (2)	Self-reliance, no pro-active mentality (3)
Consultation (1)	Pressure to work harder (2)
Negotiation with CCUVA (1)	Bad policy (1)
Coordination with CCUVA (1)	Broken promises (1)

Protection (1)	Safety situation bad (1)
Self esteem (1)	Arrest vendors (1)
Provide education (1)	Only organized vendors supported (1)
<b>Total 27</b>	<b>Total 29</b>

Source: SPSS Data set

In table 4.4 answers to the question that were similar have been grouped. It is interesting to take out some quotes from the questionnaire in order to elaborate on certain aspects.

### **Supportive**

The fact that local government reserves and provides places for vending is the most important reason local government is seen as beneficial for the vendors' situation: they provide us space and a place to sell our products". At the same time demolition takes place, but sometimes with mild consequences: "they give help during demolition".

The responsiveness of local government comes to bear in its consultancy of the vendors: "hearing all the things that we wanted", says one vendor. Also the coordination with CCUVA is mentioned: "alignment with the CCUVA for protection from demolition".

The acceptance and pride for street vendors sounds through in the next comment: "they give importance to the vendors in the nearby streets".

### **Not supportive**

From the vendors that criticized local government most mentioned something that directs to local government only demanding things from vendors without giving anything in return, which is according to the law the logical position of local government. Given the situation off course it is not. Arcabala can be a burden for instance: "they make us pay 5 pesos when we can barely make ends meet", as well as demolition and business licenses: "we are sometimes demolished and the expenses for getting our business permit is getting higher every year". "local government are selfish" is a blunt statement which nicely puts the opinion into words.

Another side is the negative perception of the governments responsiveness: "If you ask them they will support you but if you don't they won't, coz they wouldn't know your problems". This shows that local government is not actively involved in catering the problems of vendors. An explanation for this might be found in the analysis of a vendor: "Because if a big-time business will complain against us, we will be demolished"

The image rises from this paragraph, that the policy of the local government is not geared towards the benefit of all vendors, but rather, like officials put it in interviews as well: "keeping the status quo" (interview Fernandez, 2007). At the same time, the vendors do not seem to be overwhelmingly negative about this situation, which leaves room for questions. In the next paragraph an analysis is made of this status quo in comparison with a similar study.

### **§ 4.3.4 Stakes in relation between vendors and local government in a comparative perspective**

It has been argued in chapter 2 that street vendors have benefits from the absence of a coherent policy towards them, besides the obvious adverse effects on their situation. Both parties, street vendors and local government have stakes in formulating certain policies.

As Roever put it in her analysis of street vendors and state intervention *Negotiating Formality: Informal Sector, Market and State in Peru*, there are incentives for and incentives against different forms of policy-making for local government as well as street vendors. In this table, some of those incentives are identified for the Peruvian situation, and generalized in table 4.5. Arguably they can be compared to the Cebuan situation as well, which is done in this paragraph to add a comparative perspective in order to create a broader view on the situation in Cebu.

**Table 4.5 Incentives for and against policy design towards street vendors (Roever,2005)**

<u>Issue</u>	<u>State officials</u>		<u>Street vendors</u>	
	Incentives for	Incentives against	Incentives for	Incentives against
<b>Taxation</b>	Generates revenue Legitimizes expulsion of those who fail to pay	Legitimizes vendor claim of right to occupy streets Constrains ability to expel those who pay	Legitimizes claim of right to occupy streets Constrains ability of state to expel those who pay	Imposes monetary cost Does not guarantee right to occupy
<b>Licensing &amp; authorization</b>	Facilitates clientelism, vote-buying Facilitates enforcement of related regulations	Generates administrative costs Legitimizes vendor claim of right to occupy streets Constrains ability to expel those who have recognition	Legitimizes claim of right to occupy streets Constrains ability of state to expel those who have recognition	Can impose monetary and bureaucratic costs if license required Implies requirement to comply with regulations
<b>Inducements &amp; concessions</b>	Facilitates cooperation, enforcement of agreements Fosters stability	Constrains policy Legitimizes vendor claim of right to occupy streets Constrains ability to expel vendors covered by agreements	Creates potential for better policy Establishes channel for voicing demands Legitimizes claim of right to occupy streets	Limits autonomy for base associations Cedes negotiating authority to federations Requires cooperation across organizations

(Roever, 2005, pp. 8)

Compared to Cebu this overview of issues between state officials (local government in this case) and street vendors underlines the two policy situations present in Cebu. In the designated market areas there is a situation of taxation and licensing and authorization, generating revenue for the local government and legitimate rights for vendors to occupy their space. Just around market areas there is a system of licensing in place, generating some income and administrative costs for local government and moreover for CCUVA. Because in comparison to the situation in Peru, in Cebu CCUVA plays the role of negotiating space with local government and as a consequence regulating the space of the organized vendors with local government. The issue of inducements and concessions is thus settled between CCUVA and the local government, which leaves a new role for CCUVA and an incentive for local governments to occupy themselves with other priorities. For the vendors it means that the negotiating is done through a voicing channel, being CCUVA. CCUVA then is busy with licensing and authorization of its member organizations, legitimizing their claims to occupy certain parts of the streets, but only in the agreement reached with local government, being

the 'maximum tolerance policy'. The third party in this table should be CCUVA in the case of Cebu, which at the same time leaves question marks as to whose stakes are best met in this relation. It appears as though the entity of CCUVA outweighs the formalization possibilities for vendors and leverages this responsibility from local government. Vendors then are either not aware of adapted to this situation and opt for the only useful option: maximizing their profits within the maximum tolerance policy.

### **Conclusion of § 4.3**

The maximum tolerance policy leaves room for local government to impose its will, and it does not guarantee street vendors a secure livelihood provision, unless they have a vending spot in one of the designated market areas. Still the vendors seem rather positive about the policy of local government. This might partly be explained from the fact some interviewees sell their products at markets, and partly because in the course of time the position of local government towards vendors has improved, with less frequent demolitions. If this is only a blindfold presented by a smart policy of 'maintaining the status quo, until economic growth will solve the problem' seems a probability. It is thanks to organization amongst street vendors that they are taken into account in the first place, the power of one vote, directed by CCUVA seems to be an important tool in securing their livelihood. Support from local government is very scarce.

The role of CCUVA is important in voicing the demands of vendors, but at the same time it is granting the local government incentives to leave the situation as it is, and again maintain the status quo.



*CCUVA members supporting candidate-mayor Tommy Osmeña in rally, Cebu-City, 9-5-'07*

#### § 4.4 Outlook for, and direction of local policy

In a short interview, Mayor Osmeña said this with regard to the 'vendor problem': "vendors are endemic to the streets, economic progress will solve the problems concerning them." (interview Osmeña, 30-6-2007)

At the People's Forum 2007 he said, following the informal arrangements that were arising between shops and vendors: "We can not allow stores to rent out space to street vendors." In other words, city government wants to keep the policy towards street vendors (dying out policy) in their own hands.

In april 2007, in the midst of the electoral struggle between acting Mayor Tomas Osmeña and his adversary Mary Ann de los Santos, a 'People's Forum' was organized to let different sectors from within the city of Cebu consult the candidate mayors and let them comment on their interests. It was announced: 'a multi-sectoral consultation with various sectors – with representants of children, youth, elderly persons, urban poor, farmers, fisher folks, informal labour, business, academe, NGO's and media'. Osmeña won the elections a month later, supported by CCUVA amongst many others. Interesting during this Forum were the comments of Osmeña regarding the reconstruction of Carbon Market, which sheds some light on the reasons for not realizing the proposed Carbon Market complex just yet. Osmeña : "Public markets are losing their purpose, they should focus on wholesale rather than retail. Besides that downtown Cebu is dying because of the traffic. We should allow different markets to sprout out." In other words, according to Osmeña Carbon Market has lost its importance and is more like a roadblock inside the city than a thriving market area.

Statements like these illustrate the vision of City Hall and Mayor Osmeña as the principal of it. If it were to choose so it seems, not much is to hope for the vendors in receiving legal recognition anytime soon.

##### **Future Carbon Market Complex**

As stated by the city planning and development coordinator Paul Villarete vendors are not taken into account in the city master plan. The South Reclamation Project, which is aimed at creating 80.000 jobs for the economy of Cebu is closer to a solution while it is aimed at creating more formal employment. (Interview Villarete, 29-6-2007)

For several years there is a proposed plan to build a big parking building combined with a roofed market space on the grounds of what now is Carbon Market. The project proposal aims to cover up roughly the area of Carbon Market that is now known as Warwick Barracks with a four-storey market-building, where vendors that are now licensed to sell in Carbon Market will get a new vending space. On what is now Freedom Park, a parking building will arise next to the new market area. Due to lack of funds the project will not be realized in the near future, but it remains a projected plan in addressing the 'vendor problem' (Interview Reston, 27-6-2007)

Besides the vendors, there would be 'formal' shops, possibly occupied by wealthier vendors, room for the cooperatives such as CEMVEDCO and Kamansi, and off course the office of CCUVA would get an upgrade.

Lack of funding and political priority already slows down the implementation of this plan for years. CCUVA would embrace the 'proposed future Carbon Market complex', since it will provide better shelter and location for the vendors in Carbon Market.



*Proposed future Carbon Market complex, CCUVA office (own collection, 22-6-2007)*

## Chapter 5. Street vendor organization

### ***"Problems in the sidewalk, they will face it, and solve it"***

In this chapter the organization of street vendors is discussed. As became clear in chapter 2 the type of social capital central to this research is operationalized as organization membership of street vendors. There are two types of street vendor organizations: the smaller geographically organized street vendors organizations (§5.2) and the overarching organization managing the smaller ones and negotiating with local government CCUVA (§5.3). Both are measured in terms of the social capital they provide to street vendors, combined with the other relations street vendors have in providing their livelihood, being cooperatives (§5.4). Then the relation between two important actors in the livelihood of street vendors is reviewed from the standpoint of CCUVA: CCUVA and local government (§5.5). Ultimately this chapter compares the actors that shape the social capital, and therewith the livelihoods, of street vendors, working towards a conclusion regarding the main question: *to what extent does organizations among street vendors benefits the realization of their goals?*, which will be answered in the subsequent conclusion.

To measure social capital is not an easy nor a completely measurable challenge. In the theoretical chapter the elements that are chosen for this research are elaborately explained. Referring back to chapter 2 then, it is clear that street vendors possess different forms of social capital as operationalized in this research, which are:

- membership of associations

The membership street vendors have with their local street vendors organization, but also the overarching federation CCUVA (discussed in. §5.2 and §5.3)

- Personal relations.

Street vendors know their fellow vendors, often have extended families for whom they are operating and who help them in executing their businesses. (§5.1)

- Links with suppliers and clients. (already discussed in §3.5)

The amount of suki buyers and suppliers, the trust between those parties and the stability this generates.

### **§5.1 Personal relations of street vendors**

In the personal sphere of street vendors three pivotal elements can be identified: the suki relations with family, clients and suppliers. The trust that is the central element of these relations and the stability that is sought by entering and maintaining these relations. All three elements are elaborated upon in this context.

#### *Suki*

The term suki is central in the social capital of street vendors when it comes to the personal level. Suki refers to the relationship itself, but also to both the trading partners involved, buyer and seller. Producers, retailers, wholesalers and consumers alike can all be suki. The relationship has to be developed over time since both parties have to show mutual trust, sukis are an important part of the social capital of vendors as well. The main purpose to establish suki relationships is to secure regular supply and disposal of products. Suki implies living up to cultural factors, norms and values, as well. *Utang na Loob*, the debt of gratitude and *pakkisama*, the maintenance of smooth interpersonal relations are important cultural traits in this respect. (Hendriks, 1994)

#### *Stability*

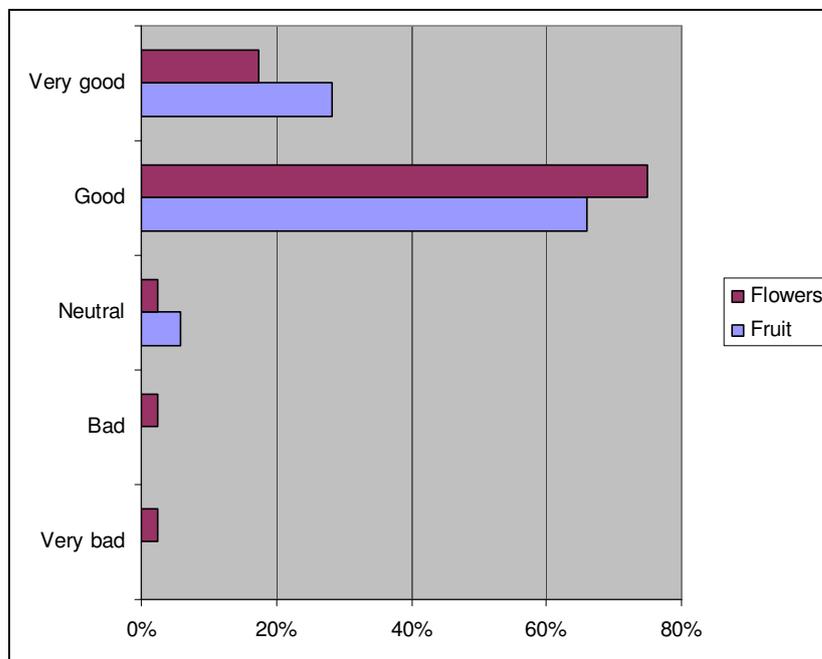
Stability is a good common denominator of what social capital means for the average street vendor. His or her relations are at the core of executing their businesses in a manner in which both can be anticipated on the future and where the present can be met with more ease. In this way, their social capital is of great importance.

*Trust*

Trust is the main thrust in the social capital scheme. Relationships are based on trust, when they are not monetarised, put in a contract or written down in any other way. Thus trust is a pivotal element among the social capital of street vendors.

Good relations with other vendors are a different way to measure the concept of trust. In the questionnaire the vendors were asked to which amount they trust their colleagues, by rating their relationships with them and asking if they share important matters with each other. In Figure 5.1,

**Figure 5.1** How do you rate your relations with other street vendors in general?



Source: SPSS Data set

‘Good’ was the rating with the highest frequency, 70% of the vendors indicated this (Fruit 66%, Flower 75%), fruit vendors were even more positive because 28,3% of them indicated ‘very good’ (Flowers 17,5%), only 2,2% of the total population had a negative response to this question, those two were ambulant flower vendors.

It appears from these answers that there is a great deal of good fellowship among the street vendors in Cebu City. It seems that they do not live in a very competitive atmosphere in which they are fighting each other off the streets. This is illustrated by the fact that most vendors are in the position of being a member of a street vendors organization and/ or a cooperative. The cooperative attitude is thus institutionalized. But if it is entirely true what they stated, is hard to say for sure. Although the joyful nature of Cebuanos can have something to do with at, combined with other cultural factors that are commonly associated with the Philippine people such as the *Banayihan*, social spirit to help your community. The strong family ties and the social drivers such as *Pakkisama*, meaning harmony, *Hiya* meaning

shame, *Amor propio* or concern for the self image, *delicadeza* or sense of honor and *Utang na Loob* which is a mechanism in which one is indebted to someone who has helped him or her. Its literally translation is “a debt of ones inner self”. These are at the core of accommodative values in the Philippines, and might explain certain answers and traits. At the core of these self values is the *kapwa*, which means shared person hood or shared self. A Filipino, in this case a Cebuano, always operates from the family bonds, and sees a problem as not only his or her own, but one of the family.

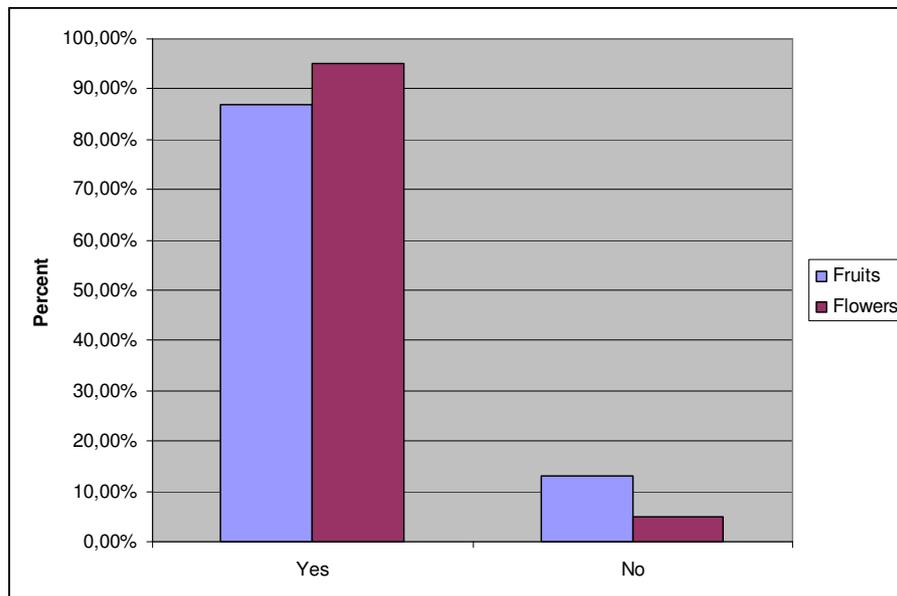
These cultural factors are of importance. What is of most importance for the livelihood is off course the income of street vendors. This income is jeopardized by the attitude of the local government to them which is capricious. In order to withstand local governments inconsistency, there is a need for cooperation.

### *Need for Cooperation*

Street vendors have a need for cooperation, because of their special position towards the local law, as well as to other endeavours that take place in the streets. The most obvious form of cooperation is the fact that they form street vendors association and become a member of CCUVA or a cooperative, this is further elaborated in the subsequent paragraphs of this chapter. Their cooperation on an individual level is elaborated upon in this paragraph.

In Figure 5.2 the amount of vendors that have some form of cooperation with other vendors is shown:

**Figure 5.2 Do you cooperate with other street vendors?**



Source: SPSS Data set

An amount of 90,3 % of all vendors said they cooperate with other vendors (Flowers 95%, Fruits 85%).

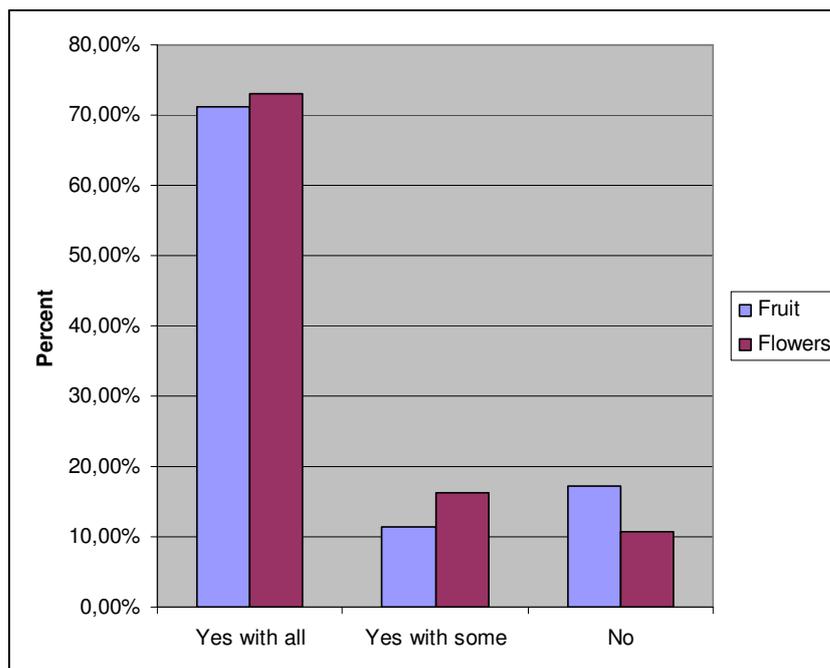
The vendors were asked why there was no cooperation with other street vendors, when they answered no to the question. 7 vendors responded, of which 2 indicated that they “sold different goods”. 1 indicated that there were not much vendors around. Another said he or

she was only occupied with her own vending place and 1 vendor said “just ok, because they are selling in the evening”, so no business was harmed and no need for cooperation.

*Sharing knowledge through cooperation*

Most vendors cooperate on a regular basis with each other, interesting in the case of their livelihood provision is to see whether they share business and credit information, so essential information about their business with other vendors. In figure 5.3 is the response to this question given:

**Figure 5.3 Do you share business information and information about your credit situation with other street vendors?**



Source: SPSS Data set

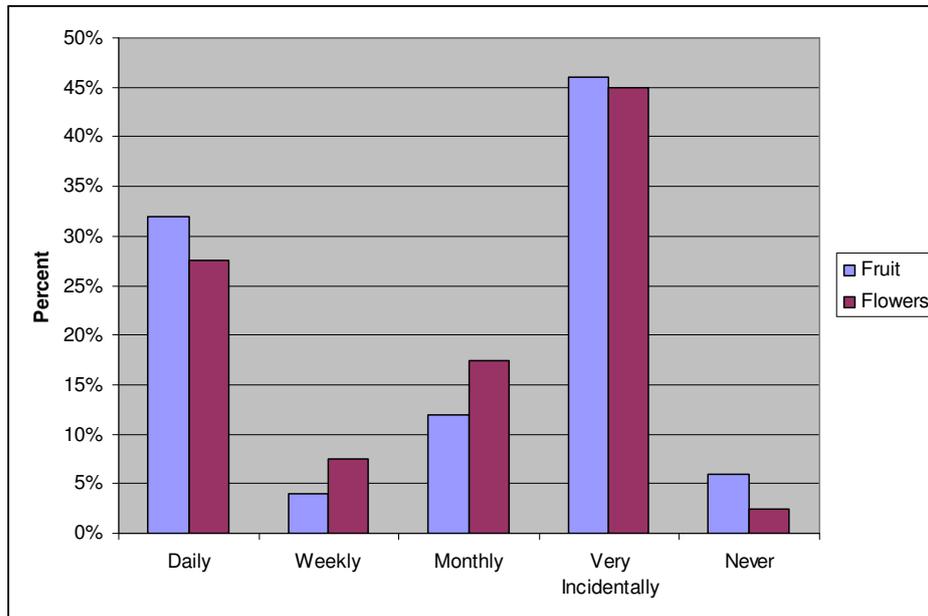
Yes, with all, answered 71,9%, with some 13,5% (Fruit 11,5%, Flower 16,2%) and ‘no’ 14,6% (Fruit 17,3%, Flower 10,8%)

*No*

10 vendors elaborated upon the reason why they did not share business and credit information with other vendors. 2 of them state “because business is a competition”. 3 have a lack of trust in other vendors: “they might be jealous”, “I don’t boast what I got, I might get a hold-up” and “I don’t know the character of the other vendors”. 1 only shares information about income, not about lent money. 1 thinks “it’s just a waste of time, it is personal matter”, 1 states “not important”. 1 is an outlier, stating: “they already knew”, underlining the fact that he or she is actually very open about the business.

Again the trustworthiness of fellow vendors seems to be high in the opinion of the individual vendors. If this trust is operated on a daily basis becomes clear from figure 5.4

**Figure 5.4** How often do you have contact with other vendors concerning business matters?



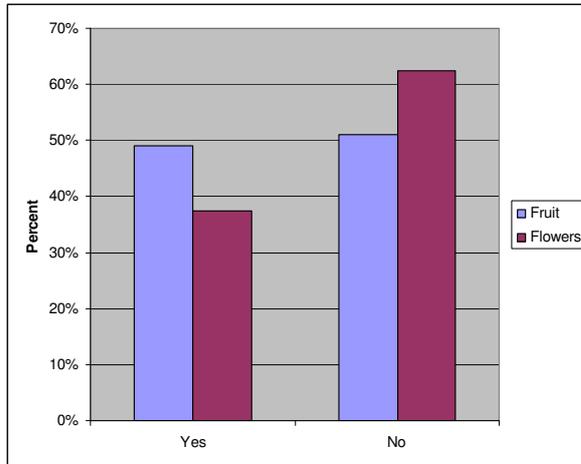
Source: SPSS Data set

45,6% indicated they very incidentally have contact with other vendors concerning business matters. 30% stated they have daily contact with each other (Flowers 27,5%, Fruits 32%). 'Never' was the case for 6% of the fruit vendors and 2,5% of the flower vendors. Some patterns seem to be revealed here. Almost halve of the vendors, with no important difference between fruit and flower vendors, have daily contact with each other concerning business matters. This indicates that they share their knowledge and information with their neighbours on a daily basis. Another big group states they share this kind of information 'very incidentally' which implies it is either not their priority, or other vendors are not that directly involved in the business. Only a very small percentage never shares any information. It seems as though a high level of trust is present among the vendors in general.

*Cooperation with other businesses*

Street vendors are mostly organized in groups and organizations. Their direct competitors or buyers and suppliers are companies in the vicinity of their stall or vending place. The amount of cooperation with non street vendors was measured, see figure 5.5:

**Figure 5.5 Do you cooperate with businesses (non street-vendors) in the vicinity of your business?**

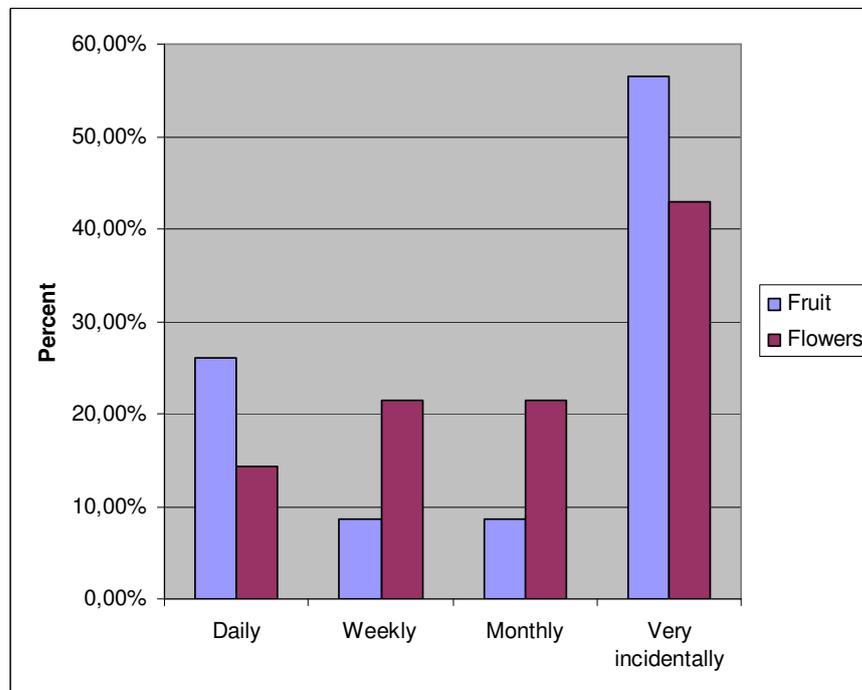


Source: SPSS Data set

44% of the vendors (Fruits 49%, Flowers 37,5%) cooperates with nearby businesses. Fruit vendors do it significantly more, which can be explained by the fact that they occasionally buy some extra stocks at supermarkets, or sell their items to offices and restaurants. Flower vendors do the same, but in a more widespread area, not necessarily with nearby stores alone.

The frequency of these activities are described in figure 5.6:

**Figure 5.6 How often do you cooperate with non- street vendors in your vicinity?**



Source: SPSS Data set

Only the 44% of the vendors (N=37) that indicated they do business with companies in the vicinity answered this question.

26,1% of the fruit vendors cooperates with other businesses on a daily basis, 14,3% of the flower vendors as well. 21,4% of the fruit vendors does it either weekly or monthly, opposed to 8,7% of the flower vendors. 51,4% of the vendors (Fruits 56,5%, Flowers 42,9%) very incidentally cooperates with companies in the vicinity.

### **Conclusion of §5.1**

It appears that there is a very high level of trust among the vendors in the streets of Cebu City. The explanation appears to be situated in both cultural as organizational factors. The cultural traits of Philippine people make cooperation and mutual respect a logical factor in daily behaviour for their livelihood. What is notable is the fact that most street vendors have good relations with other businesses in the vicinity of their stall as well.

In the following paragraphs more attention will be paid to the organizational structures of street vendors, which basically forms their social capital in relation to their livelihood in an measurable way.

## §5.2 Street vendor organizations

*“The principal reason for organizing into a street vendor’s organization is twofold: the need to work together and unite so that they can resist the continuing harassment and demolition attempts against them on the one hand, and from that: to be able to negotiate with the local government as a group.” (Etemadi, 2001, pp 68)*

### *Organization*

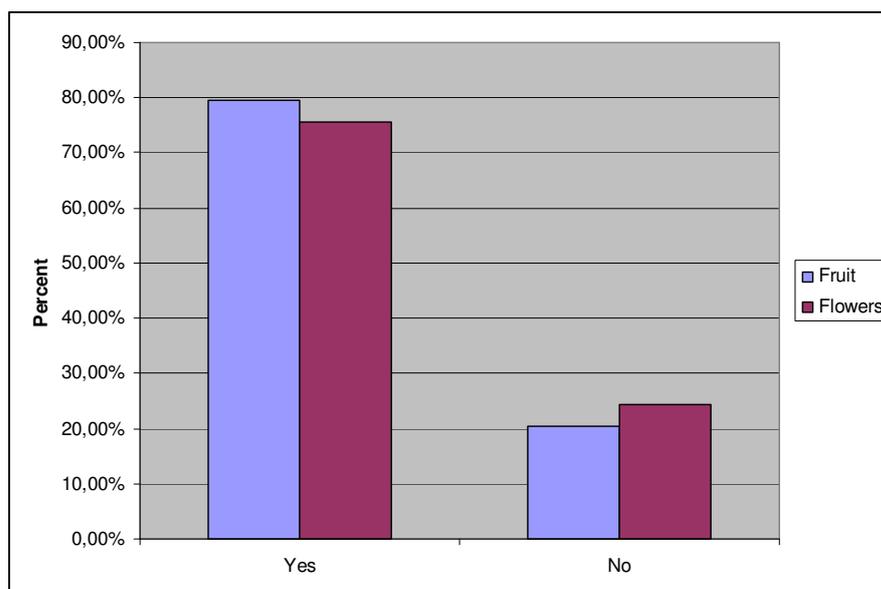
Street vendor organizations in Old Downtown Cebu City are often organized on a geographical scale, mostly a street or part of a street. Some groups are composed on one particular commodity sold by all vendors. For instance the Juan Llorente Fruit Vendors, organized in the JLMPC. But most organizations cater to a variety of ‘types’ of street vendors. Under the umbrella of CCUVA, 69 street vendor organizations are present in Cebu City. The main reason for starting an organization is empowering the vendors in preventing the City government from demolishing establishments. Through CCUVA a lot of matters from the Street Vendor’s organization are being addressed. The board of street vendor’s organizations is democratically elected yearly, monitored by CCUVA. Negotiations with the SPEED team, the demolition team of City Government, are done firstly with the organization leader, and if deemed wanted supported by CCUVA. In accordance with City government and the organizational policy of CCUVA every Street vendor’s organization agrees upon specific policies regarding size of stalls, distance from separate stalls, distance from the sidewalk and companies in the vicinity and the maintaining of cleanliness in the surrounding area.

Although every organization has some specific rules depending on the geographical setting they are based, roughly said the policy is nearly the same throughout all street vendors organizations (CCUVA, 30-6-2007).

The Cebu City Master list of Organized Street Vendors, drafted by scholar Felisa Etemadi in 2001 and adopted as the official database of organized and unorganized vendors in Cebu City states there are 4.915 street vendors in total in Cebu City, of which 3.923 or 79,8% is organized into a street vendors organization. 80% of these organizations are a member organization of CCUVA, that catered 65 organisations (in 2007 there were 68 member organizations). (Etemadi, 2001)

This number is still valid for the situation in 2007, in response to the question if they were member of an organization (see figure 5.7) 77,9% of the vendors answered ‘Yes’ (Fruits 79,6%, Flowers 75,6%). Far more striking is the fact that 22,1% of the vendors (Fruits 20,4%, Flowers 24,4%) indicated they were not a member of any organization. This contradicts very much with the information that comes from government line officials (see chapter 4). 6 vendors mentioned why they were not member of an organization. 3 stated they “seldom sell goods here”, 2 stated they were “just new here” and 1 said “I don’t like it, I don’t join”.

**Figure 5.7 Member of an organization?**



Source: SPSS Data set

### **Internal Organization**

Within street vendors organizations there is a mixed experience in organizational development (Devas, 2004). Leadership struggles often mean that groups come together, and become a member of CCUVA, but only to break up and leave some years later.

The grouping into an organization has nevertheless proved itself with positive outcomes, most importantly greater security for street venter organizations.

For instance TVA (Tobacco Vendors Association) and LVA (Lahug Vendors Association) are succesfull examples. In the case of CPATODA (Cebu Port Authority Trisikad Drivers Association), leaders have been vulnerable to pressure from local politicians, who made agreements with individual members that provoked division within the membership of the association and weakened their unity and capacity. Despite these deliberate attempts to divide the members, the association had some success by resisting repressive enforcement and winning some concessions of the Cebu Port Authority. (Devas, 2004)

### **CCUVA policy**

CCUVA has a standard policy for all its member organizations.

Unfortunately it 'is not written down' according to CCUVA board members, when asked for it at their office. This has to do with the fact that CCUVA creates a specific policy per street vendor organization, in cooperation with the organization. After a meeting with all its members the policy is agreed upon.

The standard policy in general comprises these rules.

Maximum number of vendors in designated area

6 am to 6 pm market hours

size of stalls - checheria's, 2ft-3ft  
 - fruits, 2ft- 4ft

21 vendors indicated which organization they are a member of. 40 vendors of a total of N=96 indicated that they were member of CCUVA. The vendors that indicated they were

member of a street vendors organization, in general are also a member of CCUVA, since their organization is affiliated with CCUVA. The majority of street vendors Group are affiliated with CCUVA.

**Table 5.1 Member organizations of CCUVA, june 2007**

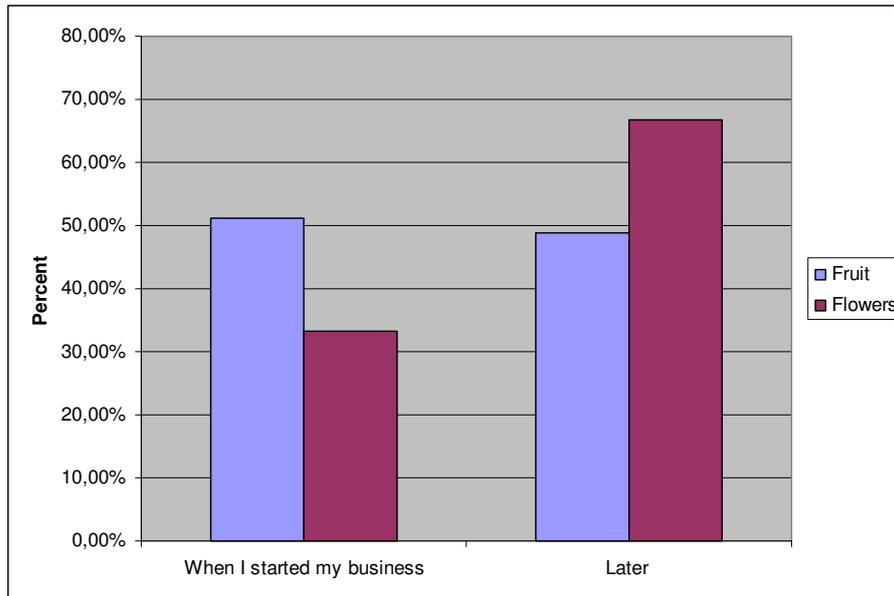
Org. No.	Name	No. of respondents in survey
1	LAVO	
2	SIVA	
3	TSBVA	
4	FREESVA	2
5	ZVA	
6	MVG	
7	LLOFVA	2
8	VEAVA	
9	AFVA	1
10	OBVAI	
11	CASAVA	
12	ADFVA	
13	MTVA	
14	FIMEVA	
15	UVOC-M	
16	UCPSTA	
17	NBVA	
18	WBSVA	
19	CIFCA	
20	FPCSVA	
21	FIMEVA-E	
22	MSVO	3
23	PDSVA	2
24	PUSVA	2
25	MAVO	
26	MACSVA	
27	MAVTA	
28	TPVA	
29	AMCVV	
30	MFVA	1
31	SNAVA	
32	JAVA	3
33	LVA	
34	PVO	
35	PAVA	
36	ROSVVA	
37	SNSVA	
38	UCPVA	
39	UPSVA	
40	CCSACTA	
41	RCSVA	
42	FFVA	2
43	FEVA	
44	AVO-II	
45	GICI	
46	LESVA	

47	LARSIAN	
48	FOBVA	
49	RSVA	
50	SSVA	
51	TVA	
52	JOIPUVA	
53	CWJRGPA	
54	UCMVA	
55	TESVA	
56	MAMNTM	
57	SIMOVA	
58	PPRVA	
59	CDSVA-I	
60	CDSVA-II	
61	TSVA	
62	PPVA	1
63	SNFVA	2
64	BESTMVA	
65	NAMASATO	
66	CSVA	
67	ESVA	
68	SURPLUS	

### Natural tendency to become member of a s.v.a

In order to see if there is a natural tendency to become member of a street vendors organization when vendors start vending in Cebu, the question was asked when they first entered an organization, at the start of their business or in a later stadium (see figure 5.8)

**Figure 5.8** When did you become a member of an organization?

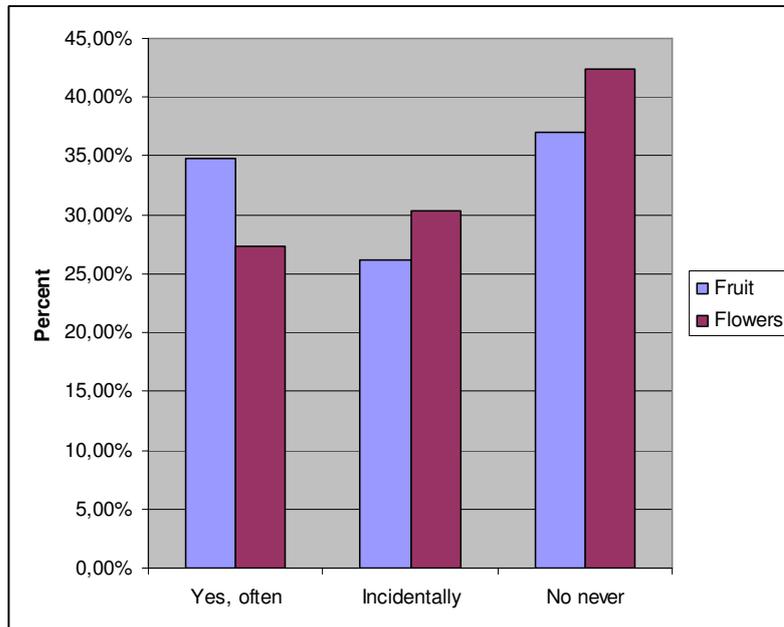


Source: SPSS Data set

44% of the vendors (Fruits 51,1%, Flowers 33,3%) became member of an organization when they started their business. 56% (Fruits 48,9%, Flowers 66,7%) became a member in a later stadium. The time it took for them to become a member was not measured. Especially the low incidence of registering at starting their business is remarkable.

To see if the organization excludes vendors that are not organized, the vendors were asked if they cooperate with unorganized vendors as well:

**Figure 5.9 Do you cooperate with unorganized vendors as well?**



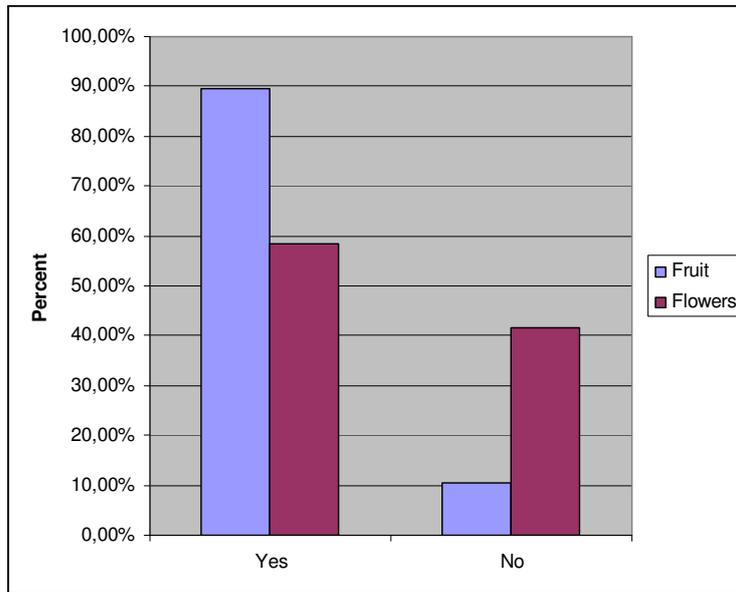
Source: SPSS Data set

The cooperation with unorganized vendors is fairly evenly distributed between the two strata. 39,2% of the vendors states that they never cooperate with unorganized vendors, which leaves 60,8% that does, of which 31,8% often. This indicates that there are still many unorganized vendors present in the streets of Cebu City, and they are omnipresent as well.

#### *Cooperation through organization*

The interesting part of being organized is if it gains the vendors extra benefits. The principal reason for organization is clear, but do vendors have other benefits and reasons for being a member of their respective organization? Figure 5.10 shows the number of vendors that have some form of cooperation through their organization:

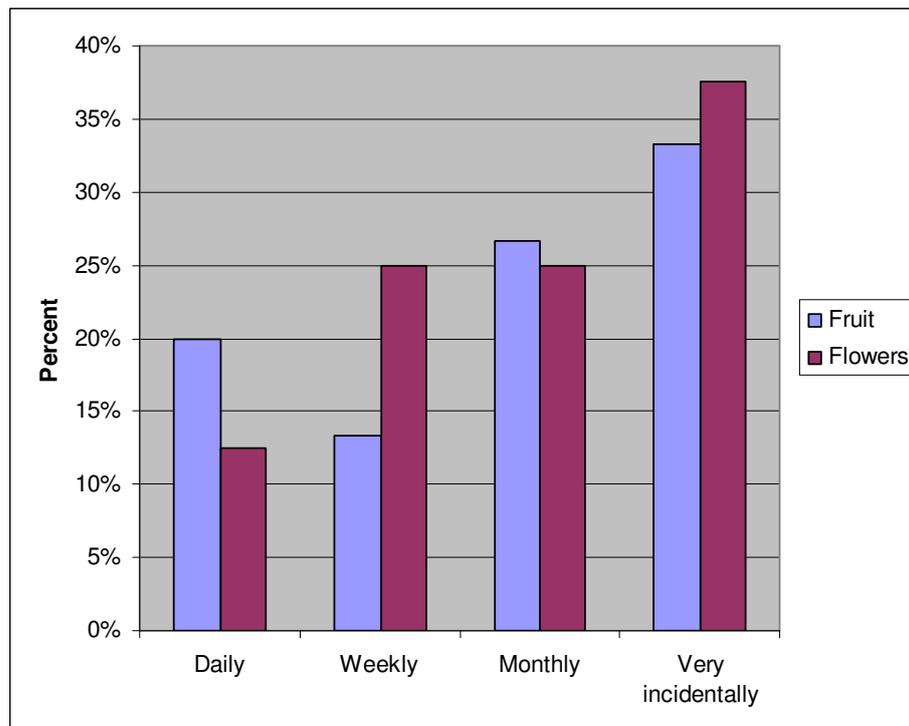
**Figure 5.10 Do you cooperate with other vendors that you know through your organization?**



Source: SPSS Data set

89,5% of the Fruit vendors answer positively, opposed to 58,3% of the Flower vendors (77,4% of the total population). This indicates that flower vendors seem to operate more through their direct suki than through an organization. The reliance on the organization is higher among fruit vendors. In figure 5.11 the incidence of different forms of cooperation is stated:

**Figure 5.11 How often do you cooperate through your organisation?**

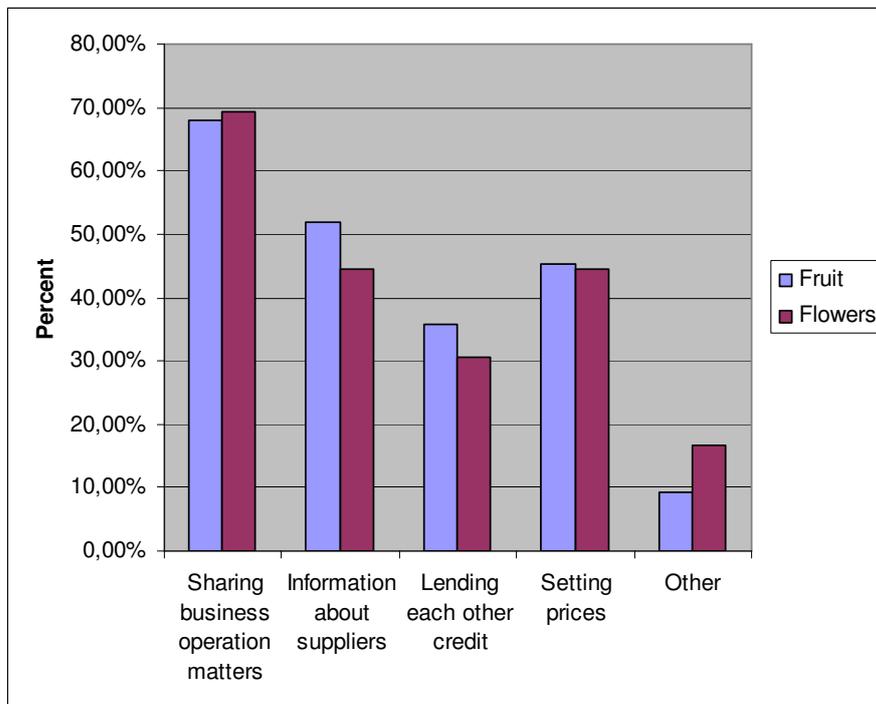


Source: SPSS Data set

The division between fruit and flower vendors in the incidence of cooperation is rather equal, except that 20% of the fruit vendors meets each other through the organization daily (12,5% of Flowers) and 25% of the Flower vendors meets weekly (13,3% Fruits). Monthly (26,1% of total) and 'very incidentally' (34,8% of total) are the most stated answers. The outcome is noticeable since the vendors answer the question 'Do you cooperate with other street vendors?' ( see figure 5.2 in §5.1) far more positively and the frequency (figure 5.3 in §5.1) is much higher. This might have to do with the fact that vendors see the cooperation through their organization more specific as the cooperation with other vendors, and they might only refer to official meetings and such.

In figure 5.12 the types of cooperation are elaborated upon, the vendors indicated that sharing business operation matters is the most common topic to share information about with fellow members of their organization. Information is often shared, when it comes to lending each other credit, only 30% of the vendors has experienced it, probably due to personal financial situations and also to the fact that other solutions are present.

**Figure 5.12 Which forms of cooperation do you have through your organization?**



Source: SPSS Data set

Big differences between the two strata occur in information sharing about suppliers (Fruits 51,9%, Flowers 44,4%) and credit lending (Fruits 35,8%, Flowers 30,5%). In both cases fruit vendors seem more willing to share.

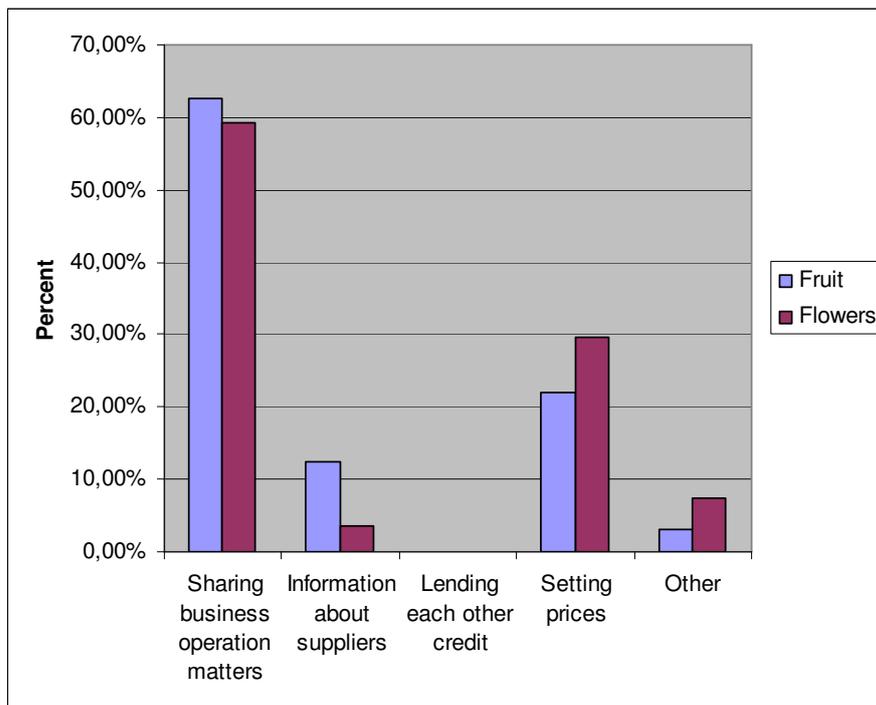
*Other*

6 vendors answered the question which other forms of cooperation they have through their organization. 2 stated "cleaning of our area", 1 said "it depends, they will inform us", 1 was just new.

1 mentioned: “through attending rallies with regard to our situation”. An interesting remark, since it underlines the function of the organization to meet the political needs of vendors as well.

1 said “no competition”, which is an interesting observation, since it becomes clear from the other information that for a large part of vendors the business is harsh, so the organization is doing a good job in this case.

**Figure 5.13 Most important forms of cooperation within own organisation**



Source: SPSS Data set

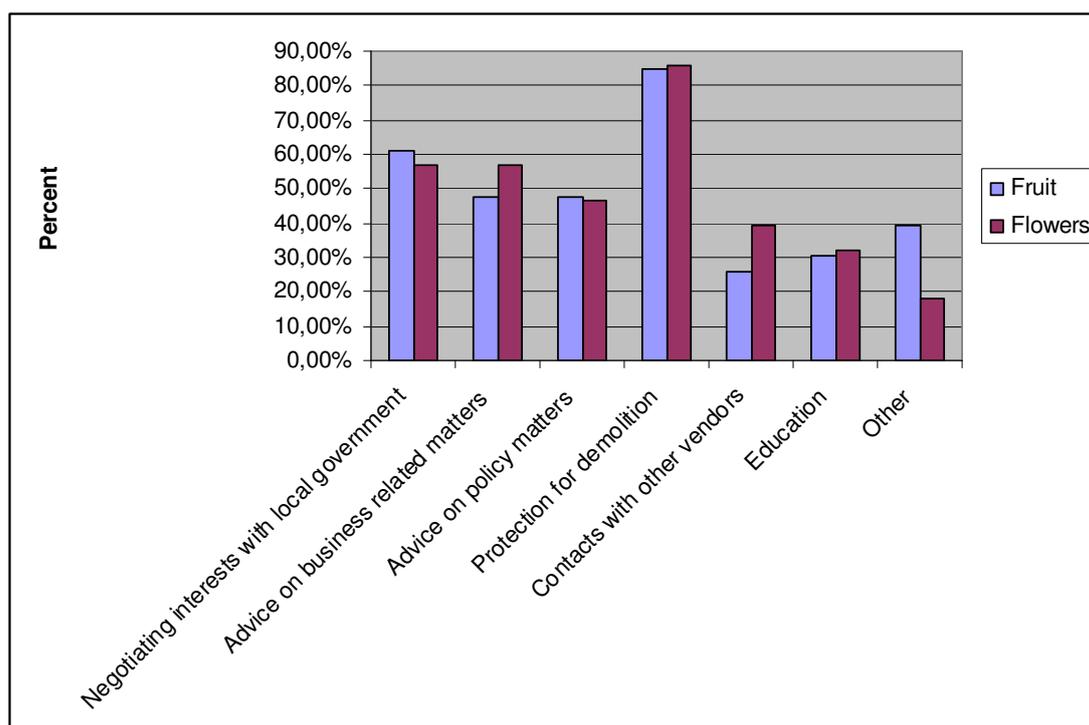
The most important form of cooperation within the organization they are a member of is for both fruit vendors and flower vendors the *sharing of business operation matters*. 61% of all vendors choose that option. Remarkable is the fact that fruit vendors choose significantly more for *information about suppliers* (Fruits 12,5%, Flowers 3,7%) and flower vendors for *setting prices* (Fruits 21,9, Flowers 29,6%) .

This result underlines the fact that business operation and market prices setting are the most important matters that are discussed through the organization, aside from the obvious goal of preventing demolition. In a way it can be said that the organization mainly serves as a sort of business club, in which information is shared and agreements about pricing are made, in order to keep an eye on the steady income of all vendors in the organization.

### **Benefits of membership**

Information sharing and price setting thus are the most used forms of cooperation, but what are the benefits of being a member of a street vendors organization? In figure 5.14 this is visualized and ranked in figure 5.15:

**Figure 5.14 What are the benefits of your membership?**



Source: SPSS Data set

*Protection for demolition* is by far the most named benefit out of the options given in the questionnaire (85% of total). The respondents could fill in as many options as they liked. 60% of the vendors found *Negotiating interests with local government* a benefit and around 50% opted for *advice on business related matters* and *advice on policy matters*.

The two strata of vendors seem to agree on most benefits, noticeable differences are *advice on business related matters* (Fruits 47,8%, Flowers 57,1%), *contacts with other vendors* (Fruits 26,1%, Flowers 39.3%) and the option *other*, which was chosen by 39,1% of the fruit vendors and 17,9% of the flower vendors.

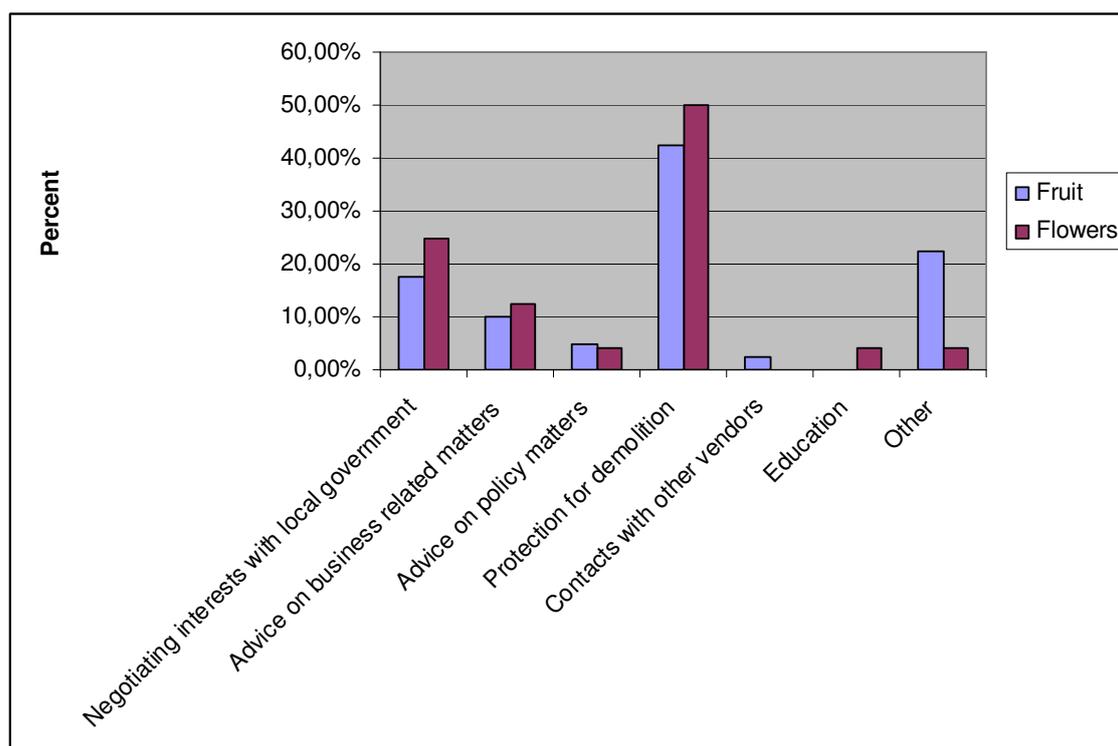
### **Other**

With regards to the other benefits of their membership 25 vendors responded to the open question. 10 named lending as another benefit of their membership.

4 mentioned insurances. 2 were satisfied with the provision of a clean vending space: "collection of 5 pesos for the collection of thrash" and "proper place" were the comments.

1 argued for the basic needs: "giving clothes to the members". 1 did not see the benefit. 1 is interested in buying a lot: "could receive a lot to sell, and can borrow money from the cooperative to buy a lot." This is interesting, since it proves that cooperatives serve as moneylenders in the case of business expansion as well.

**Figure 5.15 What is the most important benefit of your membership?**



Source: SPSS Data set

Again the main goal of the street vendors organizations existence is reinforced by the answers of the street vendors: *Protection for demolition* is by far the most important benefit of organization, 45,3% of the total population (75 vendors answered the question) considers it to be most important (Fruits 42,5%, Flowers 50%). *Negotiating interests with local government* comes in second, with 20,3% of the votes (Fruits 17,5%, Flowers 25%). *Advice on business related matters* is most important for 11% of the vendors. In third place is the category *Other*, with 22,5% of the fruit vendors opting for, most likely, lending as an important benefit. Probably these vendors mean kamansi, the cooperative of CCUVA or a smaller cooperative, formed out of the members of their organization (see §5.4 for more about cooperatives) .

The negotiation process with local government is mainly done by CCUVA, and is more elaborately discussed in §5.3.

The policy that is used by street vendors organizations in order to service and discipline their members is usually determined by CCUVA in consultation with the chairman of the vendor's organization. Examples of this policy are given in §5.3

### **Conclusion of §5.2**

Street vendors organizations are of moderate importance for the vendors in terms of social benefits and cooperation. They gain access to fellow members of the organization easier, but they do cooperate with unorganized vendors and other companies as well. The main reason for becoming member of an organization seems to be the classic one: secure assistance in preventing demolition, and support the negotiations of the organization with local government. It is thus an important source of extra information and the mediator of individual vendors. Basic income is still foremost an individual target.

### **§5.3 CCUVA and its influence on street vendor organizations**

*“Perhaps one of the most creative, successful, and impressive strategies to organize street vendors is in Cebu City where the micro-entrepreneurs have endeavored to organize themselves on their own terms. Here, vendors have formed associations, sometimes cooperatives and federated these associations to form CCUVA.” (Yasmeen, 2003)*

#### **§ 5.3.1 CCUVA**

CCUVA, Cebu City United Vendors Association, is a Non Governmental Organisation that was founded in 1984. Initially it was an organization formed out of 13 vendors organizations in the Carbon market area, with the objective to form a federation of sidewalk and street vendors in order to be able to effectively protect their human rights against government maltreatment. The basis for the cooperation was to mutually defend their interests and resolve problems related to the vendors livelihoods. (CCUVA, 2007)

CCUVA is registered with the Security and Exchange Commission of the Philippines (SEC) since 1996. Registration with the commission is one of the first indicators of institutionalization and makes the member organizations of CCUVA legal bodies and the members legal members. SEC registration in Philippines is reasonably straightforward and does not involve taking a company public or selling shares on the market (like it does in western countries). (Yasmeen, 2003)

#### **Composition and size**

In the meantime CCUVA has grown gradually into a big organization and nowadays caters 68 (2007, red.) member street vendor organizations in Metro Cebu. The amount of individual members is roundabout 10.000 members, representing roughly 25% of the street vendor population in Cebu. Besides that it is the main negotiating partner for local government. The majority of the members of CCUVA are women. This is reflected in the board as well: 17 of 34 board members are women, and the chairperson is a woman, Maria Pino-Buanghog. Women occupy therefore a prominent leadership function in the organization. (Yasmeen, 2003)

#### **Mission and Vision**

Nowadays negotiating vendor’s rights with local government still is the vocation of CCUVA, as stated in their organizational profile CCUVA is *working for the recognition of rights and welfare of the sector*.

Their mission statement is: *‘to unite all sidewalk and ambulant vendors in Metro Cebu and the whole archipelago’*

This is further elaborated by the other goals:

- To uplift the economic condition among its members and develop their sense of responsibility for their family, working place and society as a whole
- Empowerment of the members by raising awareness to their rights
- Linkaging and networking with NGO’s, organizations and LGU’s who understand the plight of street vending
- To enlighten the public to understand the root cause of street vending

The vision behind these goals is: *Sidewalk and Street Vending will be recognized as part of our economic society free from harassment and demolition and protected by the fundamental law of the Philippines.* (organizational profile CCUVA, obtained 11-4-2007)

Operational goals are:

- To have security in the workplace of street and sidewalk vendors
  - To empower the members of the federation to secure the workplace on which their livelihoods depend
  - To develop competent and dynamic leaders that will pursue the ultimate vision of the federation
  - To see to the financial independence so that the federation can stand with its own internal resources
  - Cooperative and active members that selflessly contribute to the success of the federation
- (organizational profile CCUVA, obtained 11-4-2007)

The principal founders of the organization are Maria Pino-Buanghug and Felicisimo Rupinta, currently respectively still the chairwoman and the honorary chairman of CCUVA and chairman of Kamansi Cooperative, the financial branch of CCUVA (see also § 5.4), besides that he is also the barangay captain of Ermita.

CCUVA has a council existing of the presidents of the member organizations, and an executive committee. These both hold regular meetings, monthly or bi-monthly.

### **Support to street vendors organizations**

One of the main tasks of CCUVA is the support and training of the member organizations. The specific support to the different organizations within CCUVA is mainly formed by monthly meetings with every member organization, registering problems, enforcing the rules of CCUVA and keeping track of the organizations functioning (CCUVA, 8-6-2007). There is a monthly meeting with CCUVA for every organization (see frame 5.1 for an impression of such a meeting). Each street vendor's organization has its own organization policy. CCUVA links different organizations together as well, in order to create a more homogenous street vendor community, with a low conflict incidence. "It is a big responsibility for CCUVA to guide the street vendor organizations." (Maria Pino, 2007) in 2007 there were 68 organizations federated in CCUVA.

### **Frame 5.1 Meeting at CCUVA office of JAVA**

Meeting with JAVA (Jones Avenue Vendors Association)

9-6-'07, 17.00 -18.20

Gloria from CCUVA is the meeting leader

10 members of JAVA are present, 18 members in total, so 8 are absent.

According to CCUVA policy there will be punishment if there is a low presence at the meeting next time. CCUVA is monitoring this group through the VAF, Vendors Action Force. After the 3<sup>rd</sup> warning you will be expelled from the organization.

CCUVA will decide when the meetings take place from now on, since there is a very low attendance.

From now on there will be a monthly meeting.

Comment Rosie (daughter Gloria). "They are just quarreling during the meeting. It is not so constructive. Probably that is a reason why the attendance is so low."

CCUVA designs the policy and the organization agrees upon that policy. This happens in

accordance with the elected leader of the street vendor's organization, after the organization wants to join CCUVA. CCUVA then sends a letter of approval to the organization and notifies the local government, in the person of Gerry Marquez, the Urban Poor Consultant. This is elaborated in Frame 5.2. CCUVA from then onwards supports the member organization, most importantly in negotiations with local government, Frame 5.3 illustrates an attempt to solve an imminent threat of demolition for a member organization. These types of negotiations take place directly with the Mayor.

*Two cases obtained from CCUVA: case 1*

Street vendors organization: UPSVA (United Peaceful Sidewalk Vendors Association), that operates from the corner Osmeña Blvd with Colon street up to Gazini Plaza, has become a member of CCUVA, and set out its policy in accordance with the guidelines provided by CCUVA. This letter serves as the official contract between USPVA and CCUVA and grants the organization the support and training of CCUVA and CCUVA the income and extra political voice. See frame 5.2 for the contents.

## Frame 5.2 Policy of CCUVA for USPVA

### Policy of USPVA in order to become a member of CCUVA

1. USPVA members have to pay fee for the association, the barangay and the Cebu City Government
2. Conform the standards for size of stalls: fruit vendors and checherias, 2x3 ft. rubber stamp makers and watch repair 2x2 ft., height of stall maximum 4ft.
3. One vendor one stall policy
4. An umbrella should be used during hot weather and the rainy season
5. The stall and the area around the stall must be maintained clean, following the demands for cleanliness. The litter should be segregated, bio degradable from non bio-degradable garbage.
6. Respect must be paid to pedestrians and customers and you have to help to maintain peace and order in the area.
7. Selling or leasing your stall to others is prohibited
8. If you are not selling anymore, you have to surrender your stall to the association. A vendor should send a notice to the association if he or she wants to stop vending.
  - a) with a maximum of 6 months rest
  - b) his stall should not be replaced by another stall
  - c) if there is not a valid reason to be away longer than six months, the association will not give back the vending space

*(dying out policy, red.)*

9. Zero Growth
10. Drinking and gambling in the working place is prohibited.
11. Arguing or fighting with other vendor is prohibited.
12. There has to be at least 1 meter of space between the vendor's stall and the road
13. Vendors have to stick to the CCUVA regulation #003-series 2005
14. Always wear your ID
15. One side vending (on one side of the street)

If there is a problem with one of the vendors in one of the aforementioned rules, the chairman of the association will report this to CCUVA, and CCUVA will take immediate action.

If the member is acting not according the rules of the federation a penalty follows

1. First offence. Official warning
2. Second offence. Suspension
3. Third offence. Recommendation for demolition and expulsion to the City Government

When you commit a third offence, you are no longer a member of the association and you can be demolished by the City Government (SPEED).

*Signed November 2005 by*

*Benjamin Dela Cruz, USPVA Chairman and Maria Pino Buanghug, CCUVA Chairman*

*Noted by*

*Gerry Marquez, Urban Poor Consultant, Office of the Mayor*

### Case 2

In frame 5.2 an example of the cooperation between CCUVA and the member organizations in order to try and prevent demolition of its members is given:

In June 2006 three vendors associations operating on Escaño street received notice that they would be demolished after complaints from the adjacent stores. Shocked as they were an official letter was sent back through CCUVA in an attempt to let the City Government undo

its decision.

## Frame 5.2 CCUVA Letter to Mayor Osmeña to prevent demolition

*June 15, 2006*  
Hon. Tomas R. Osmeña, City Mayor, Cebu City  
Thru: Mr. Gerry Marquez, Urban Poor Consultant, Cebu City

*Dear Mayor Osmeña,*

*On June 13, vendors of the Muslim Traders Sidewalk Vendors Association (MTVA), Tobacco Sidewalk Vendors Association (TSVA) and F. Escaño Vendors Association (FEVA), all members of CCUVA, have received notice that they will be demolished in the course of the coming month. All organizations have committed themselves to voluntarily show that they want to cooperate with the Cebu City Government.*

*They are now left without income, since the only source of their livelihood is vending. Please let us go back.*

*We will follow the following rules, as stated with CCUVA:*

- 1. 1.5 metres distance from the gutter, stalls no bigger than 2x3 ft. with max. 4ft height.*
- 2. Keeping a distance of at least 3 metres from the stores, being: Lapu Lapu Merchandising, Kings Quality Foods, Celtex Hardware and Grand Cebu Commercial*
- 3. There will not be any cars inside the stall anymore*
- 4. Plastic screens will be at the back of the stalls as usual*
- 5. The sellable items will be arranged properly and presentable*
- 6. There will be cleanliness and order in the surroundings of the stalls, garbage will be disposed properly*
- 7. No drinking and gambling will take place at the stalls*
- 8. Sleeping or cooking at the stalls, or using it as a house is prohibited*
- 9. Officials of the organization, customers and fellow vendors will be respected.*
- 10. Zero Growth, no new vendors in the area through the associations.*
- 11. The associations will collect membership dues, "arcabala" for the City Government and the Barangay.*

*Accept this statement and the governing rules for the peace and cleanliness of the area.*

*Sincerely,*

*Abdhul Kadhira Mohammad, MTVA Chairman*  
*Norma Catay, TSVA Chairman*  
*Aloma Andaya, FEVA Chairman*

*Noted by:*  
*Maria Pino Buanghug, CCUVA Chairman*

This is an example of both the way CCUVA works for its members, how the members work together through CCUVA and how City Government responds to complaints of legal businesses.

### **Activities and regulation**

The exact regulation of CCUVA I could not obtain. The guidelines are written down, but applied specifically for every member organization: "CCUVA operates by its Federational policy. That is the most important policy guiding the organization. CCUVA does not have a lawyer. CCUVA works on their own and try to be a lawyer on their own." (Pino, 2007) Individual vendors can become a member of CCUVA as well: "You need to write a formal letter to CCUVA in order to be accepted. It is the vendors own will to become a member. They are after that associated based on geographical location." (Pino, 2007) So after you become a member, you are placed in one of the organizations, if you are to vend in a certain territory.

CCUVA distinguishes 4 categories of street vendors:

- Ambulant street vendors; moving around
- Street vendors; sell in the streets
- Sidewalk vendors; are staying in a fixed place
- Stall holders; are legitimate, they have a contract for the tenure of their stall, a legal permit and are registered with BIR, the Bureau of Internal Revenue.

In the designated market areas, mostly in Carbon Market, where the office of CCUVA is located in the Unit III Market Building, CCUVA has an important role in maintaining order and cleanliness, with positive results for all parties. In the words of Maria Pino (2007): "It is now more orderly then before. Before it was a chaos. The orderliness is a result of the cooperation between the Local Government, CCUVA, the vendors and the Barangays. The market is much better organized now."

In that process all stakeholders were consulted. There is a smooth understanding between 'implementers of policy' and 'violators'. Markers are put in all areas where there are CCUVA members, so they have the right to occupy that space. These areas are recognized as vendor areas by the local government. CCUVA's vendor action team (CVAT) are present in Carbon Market, they implement the policies of CCUVA. Different organizations monitor each other, they work hand in hand and establish a good working relationship in this way. Another benefit of this streamlining of organization is the fact that competition between vendors will be minimized. (Pino, 2007)

Outside Carbon Market there is a different situation, the 'maximum tolerance' policy is in full force there, and vendors are encroachers, supported and regulated but hardly protected by CCUVA, since local government can easily decide it is time for demolition after receiving a complaint. CCUVA has control over the 'dying out' policy in the way that they suggest vacant spaces to vendors without a proper vending space, without always notifying local government that a member has left the city.

In the words of a vendor: "If there is a vacant space some vendors without space will get the left open space of a vendor that has left an organization and the city. This person is usually recommended by one of the local organizations."

### **Training of vendors skills**

Besides raising awareness and negotiating the vendors interest with local government, CCUVA also provides trainings and seminars to their members in topics such as: leadership skills, simple book keeping and accounting, advocacy skills, media skills and values education, amongst others. (CCUVA, 11-4-2007) They started with that after CCUVA was a beneficiary of USAID, the organization was offered trainings in leadership and promotion of family planning in the mid-nineties.

### **Income**

CCUVA collects dues from its members for administrative purposes and to help support the programs and projects. The monthly dues towards CCUVA will depend on the size of the organization. Every organization collects daily fees from their member, the organization then pays a monthly due to CCUVA.

The amount every organization has to pay, is varying, and not very clearly stated. From an interview with Maria Pino (2007) these rough figures were obtained: The organization thrives on an income of 42,000 pesos a month, gathered from the monthly fees from the member organizations, which are between 300-500 pesos, depending on size of the organization.

### **Regulatory Ordinance**

One of the principal efforts CCUVA has been active with is an ordinance repealing the infamous ordinance no. 1186. A fully prepared proposed resolution is in place since 1999 (Cebu Daily, 20-5-1999), aiming at giving the street vendors a legal status and a business permit. Bound by a zero growth policy in vending spaces, and with the requirement that the stalls won't grow and stay in the spaces they are as of issuance. (Proposed Resolution, CCUVA) The proposed ordinance was supported by several Barangay leaders and City Councilors, up until now City Hall however refused to implement the proposed ordinance. (CCUVA, 11-4-2007). In §5.5 the proposed ordinance is discussed in more detail.

### **State of organization**

Since the first rise of the organization it is now an established party with close links to local government and its member organizations. It is not a very prosperous, given the fact that there are 12 staff members to pay and the way the office is equipped, but very active and influential organization.

### **Political influence**

Being such a large organization, with influence to a very large portion of informal sector workers, CCUVA is a force to be reckoned with for local politicians. Because of this stake, the network that CCUVA represents is supported in the security of tenure and possibility to maintain their livelihood.

Besides the voters it represents CCUVA has a track record with the government and is now a trusted party, or a *suki*, of the local government.

Maria Pino describes this: "Politicians are very interested in CCUVA and the voters united via the street vendors organizations. Many politicians say: we are with you" (Pino, 2007)

A close observation of this is the fact that during the election campaign Bando Osmeña and Senate candidate Magsaysay were collectively supported. During the official gathering of BO candidates CCUVA rallied hundreds of members to march along with the barangays supporting Mayor Tomas Osmeña and his party.

### **Future Outlook and direction of CCUVA**

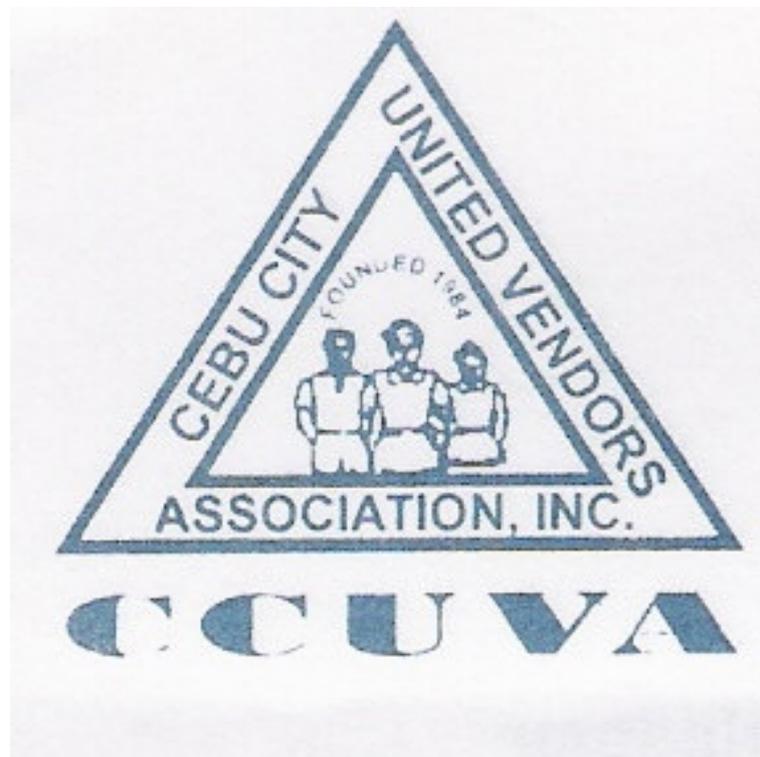
According to the organizational sheet, these are CCUVA's future plans

1. Engaging in policy development and advocacy activities to support legislative and executive measures to address street vendors' problems.
2. Organizing, strengthening and coalition-building among street vendors associations. Also on a national level
3. Facilitating access of street vendors to credit and social services

4. Developing system for children that are street vendors.  
(Organizational Sheet CCUVA, obtained 2007)

To what extent CCUVA is willing to cooperate with many partners is not entirely clear. A remark on that matter was made by Giselle Yasmeen: “The group appears to be quite politicized and participates frequently and quite vociferously in mobilizations and groups on the left.” (Yasmeen, 2003)

From the interviews with chairwoman Maria Pino-Buanghug the word ‘collaboration’ came to the fore: “Collaborating with other groups is a big goal. To cut across with women groups, urban poor groups, nationalist group for welfare. Sometimes they have the same agenda. Also centrist groups are in the picture, we would like to have more say in the national level as well.” Another principle of CCUVA, according to Pino is: “You have to have more friends along the way. Then more people understand and cooperate.”



*CCUVA logo*

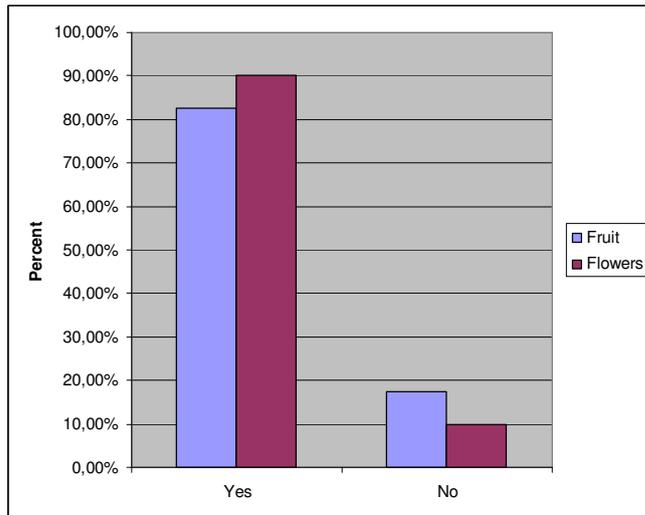
### §5.3.2 Opinion of the street vendors about CCUVA

To obtain information about the amount of cooperation and the extra benefits of this cooperation for vendors they were asked similar questions about the forms and specific benefits of cooperation via CCUVA, their own organization and their own business. In the next few figures and overview of their opinion about CCUVA in this respect.

#### Cooperation through CCUVA

Do vendors think they gain extra cooperation through CCUVA?:

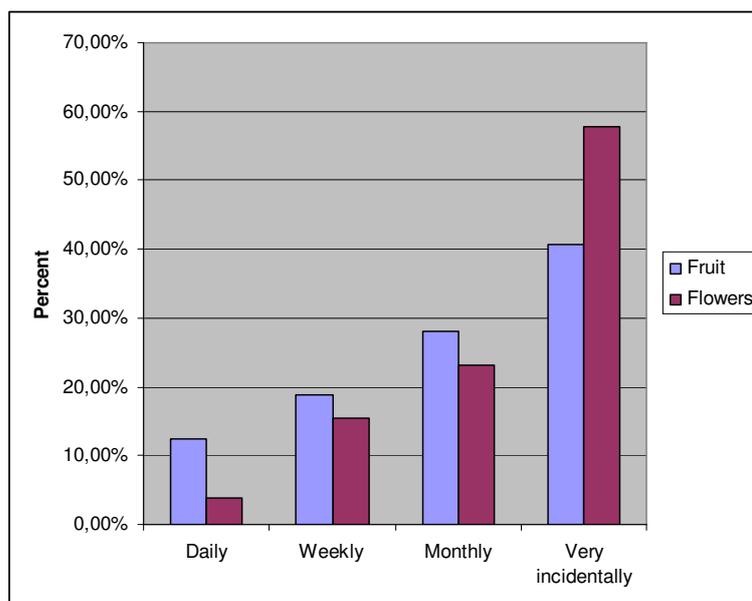
**Figure 5.16 Do you cooperate with other vendors that you know through CCUVA?**



Source: SPSS Data set

85,7% (Fruit 82,5%, Flowers 90%) of the respondents states that they cooperate through CCUVA. This implies that CCUVA is an extra platform for cooperation, as its strives to be. Do the vendors use the CCUVA connection on a regular basis (figure 5.17)

**Figure 5.17 How often do you cooperate with vendors through CCUVA?**



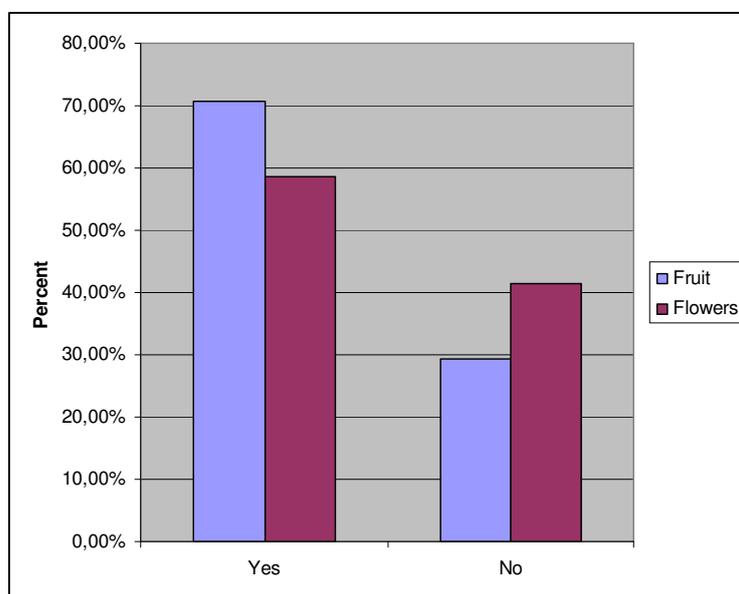
Source: SPSS Data set

48,3% of the vendors (Fruits, 40,6%, Flowers 57,7%) cooperates 'very incidentally' through CCUVA. 12,5% of the fruit vendors engages via CCUVA on a daily basis, opposed to 3,8% of the flower vendors. 17,2% does it weekly and 25,9% on a monthly basis.

### Wishes and desired goals

In chapter 3, §3.6, the individual wishes and goals of street vendors were analysed. It appeared that street vendors in both researched strata were very much keen on expanding their business, and saw their own behavior and responsibility as the main driver in reaching these goals. Some weight was given for the civil society in which vendors operate as well. The next few questions try to shed light on the influence of the actions of CCUVA on the goal achievement of flower and fruit vendors in Cebu, by asking if CCUVA is indeed perceived to be supportive in meeting their wishes (Figure 5.18):

**Figure 5.18** Is CCUVA supportive in your wishes?



Source: SPSS Data set

It shows in figure 5.18 that the opinion among street vendors about CCUVA is quite positive, but still around 30% of fruit vendors and even 40% of flower vendor consider CCUVA not to be supportive in their wishes. In the survey an open question followed this question: *in which way is CCUVA supportive in your wishes?* The following overview gives some insights in the reasons for vendors to appreciate or disapprove the added value of CCUVA for their livelihoods.

53 vendors (or 55%) in Total responded to this open question. The most relevant and frequent responses were put in table 5.1.

**Table 5.1** CCUVA supportive or not supportive to vendors?

CCUVA Supportive (freq.)	CCUVA not supportive (freq.)
Protection from and during demolition (8)	Inconsistency (3)
Helping each other, stimulating cooperation	Pay rent, ask for fees (2)

(5)	
Organizing amenities and having control over street vendors (5)	Strict, no help when you don't obey (1)
Support in time of hardships (4)	No help during demolition (1)
Negotiating with local government, representing street vendors (4)	No help in handling business (1)
Organize member organizations (2)	
Improvement business (1)	
Consulting vendors, understanding problems (1)	
Opportunity for betterment in services (1)	
<b>Total 31</b>	<b>Total 8</b>

Source: SPSS Data set

Among the other responses 4 vendors did not know if CCUVA was supportive or not. 5 vendors indicated they were no member of CCUVA. 1 said: "it depends", without specification. 1 said: "I just don't mind others".

There were two interesting responses. 1 vendor stated: "It depends on the law", which can be interpreted in two ways: either the law that CCUVA prepared and is not yet implemented, or the law as practiced by the local government.

Another vendor stated: "I can not ever see the support of CCUVA for the vendors". This can be denominated as an outlier, on the other hand he or she might be the voice for the 45% of the population that did not answer the question. That is not visible from these results.

In the table similar answers have been grouped together. It is noteworthy to elaborate on some individual responses as well.

### **Supportive**

Demolition, which is the biggest fear and problem of vendors comes to forth as being an important issue on which CCUVA brings relief: "It is only them that help us. No other than" and "in times of crisis they are there" are statements that underline this position. For a lot of vendors CCUVA is an important ally in problematic times.

As well the role of CCUVA as the coordinator and umbrella organization of the smaller street vendors organizations is part of CCUVA's supportive role: "If there are problems, they are the one to solve it, if there are meetings, they provide food" underlines the mediating role that the organization plays within organizations. Another quote emphasizes this: "through extensive conversation and understanding for the problems among its members". This gives credit to the participatory approach of the organization.

There is also another view of CCUVA from the vendors: "To approve the plans of the organization" underlines the more hierarchic attitude that is another function of CCUVA in getting the organizations in one harness.

Another viewpoint comes to bear in the fact that CCUVA influences the selling methods of vendors: "if we talk about selling products, if we cooperate we can do our business in peace", seems to be another strategy of CCUVA promoting equity and cooperation among vendors. CCUVA's power within this realm is emphasized by the notion that they have influence on the prices of products sold by vendors: "help in controlling the prices of the good". One vendor sees an opportunity rather than a fixed quality: "there is a huge possibility that CCUVA would support its members for its betterment".

**Not supportive**

Some vendors made notice of the inconsistency in the support of CCUVA for its members: “but not all the times”, is a quote that puts it best in words. Another vendor pointed out the fact that CCUVA mainly supports the vendors facing problems: “because if I will be renting a good place already, they would not support me anymore”. Whether this is negative is disputable, since CCUVA’s mission is to support vendors in need primarily.

**Conclusion of §5.3**

CCUVA is successful as an organization, it met some of its goals and grew considerably since the start of its forming into a federation in 1984. It is now an established party, and underwent some degree of institutionalization by becoming the first representative of vendors for the local government, and even being a partner in disciplining and regulating the vendor population in Cebu. The vendors are in general positive about the efforts CCUVA is making to meet their needs. Still, on a legislative level CCUVA did not reach a real result to date, since the notorious ordinance no. 1186 is still in place as the official city policy. The support for Mayor Osmeña did not yet realize this much desired goal. Still CCUVA is viewed in the scholarly world as an successful example of a bottom-up approach of uniting the informal sector, which it can be certainly named, although the work is far from done.

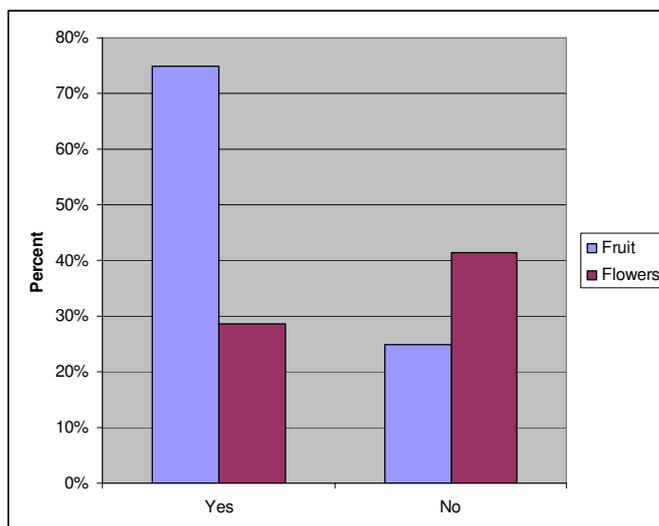
## §5.4 Cooperatives

An important ally for street vendors are the cooperatives that are formed to ensure more financial stability and options for street vendors. These cooperatives can be divided into two groups.

- the small cooperatives ran by single street vendors organizations. Examples of this type are: BBSTM and FTMPC
- Bigger cooperatives that cater the needs of street vendors in general. Examples are Kamansi and CEMVEDCO.

Figure 5.19 illustrates the amount of vendors that are involved in a cooperative. Only 30 vendors answered this question because it was added only during the second day of the survey, when already 66 surveys had been done. An important note is that of these 30 vendors, 22 were flower vendors and only 8 were fruit vendors.

**Figure 5.19** Are you member of a cooperative?



12 vendors (or 36%) answered they are member of a cooperative, out of these vendors 8 mentioned which cooperative they were a member of being:

- Kamansi , 3 vendors
- MPC, 1 vendor
- BBSTM, 1 vendor
- Coop, 2 vendors
- Cooperative of St. Niño Barangay, 1 vendor

1 said “in the area, forgot the name”.

Forming cooperatives is a way to strengthen vendors businesses, besides that it is lucrative for the vendors too, since in the smaller cooperatives they are shareholders, which means they will gain a dividend share if profit is made.

The bigger cooperatives are not aiming at dividend sharing, but mainly at providing a safety net for the unstable businesses and raising funds through collectiveness.

10 % of the declared dividend goes to BIR, the Bureau of Internal Revenue plus an additional yearly fee of 500 pesos. There is no VAT (Value Added Tax, BTW) for cooperatives (Inquirer, 2009)

### **Cases**

As mentioned, cooperatives can be roughly divided into two types. Both of these types will be discussed with a case. A small cooperative servicing only flower vendors is FTMPC, and two big cooperatives servicing any type of vendor: Kamansi, Inc. and CEMVEDCO. All three cooperative are based in or near Carbon Market.

### **FTMPC**

A small cooperative, consisting only out of flower vendors is FTMPC. The FTMPC office is located in the middle of Freedom Park, the Northern part of Carbon Market, between the vendor's stalls of the Freedom Park Flower Vendors.

### **Factsheet FTMPC**

Name	FTMPC Freedom Traders Multi-Purpose Cooperative
Foundation	7-8-1996 by Flower Vendors
Board	7 members
Members	300, all flower vendors
Financing of organisation	Members are shareholders
Lending scheme	5.000P initial, up to 10.000P, only to members Almost 50% of the members have a loan, the others share in the dividend  Loan: 2.5% interest per month, when payments are not met, the fine is an extra 2% per month. After 6 months the membership is terminated.  After 4 months is the maturity date. Payments can be made daily or monthly.  The interest will be cut of from the dividend share.
Extra services	Use of comfort room (3p, with paper 4p) Selling telephone cards
Interest	Cooperatives are exempted from income taxes

(interview FTMPC office, 2007)

### **Kamansi, Inc.**

Kamansi, Inc. is a cooperative operating from Ermita, Cebu and services many vendors, with the lion's share around Carbon Market. In Carbon Market 16.500 vendors are present on a daily basis. Kamansi is closely linked with CCUVA, its president is Felicisimo Rupinta, also co-founder of CCUVA and barangay-captain of Ermita.

The cooperative has a twofold mission:

1. Meet the interest of vendors to vend on a daily basis, despite whatever juridical issue might come up . In short, to protect the livelihood of vendors, maintain the vendor's interest

to sell on a daily basis.

2. Provide financial assistance in terms of capital. Mainly in the form of fixed daily payments, that form a deposit for rough times.

According to Ramon Aboitiz Foundation, that is gearing programs towards urban poor in Cebu, the survival of street vendors is facilitated by Kamansi and CCUVA. Some critical remarks are made as well: “Kamansi has its own systems and mechanisms, they are not very transparent in that way. Kamansi really tries to steer using its power.” (Dignadice, 2007)

#### Factsheet Kamansi

Name	Kamansi, Inc. Kaming Ambulanting Manindahay Sa Sugbo, Inc. <i>Translated: We ambulant vendors of Cebu</i>
Foundation	1990
Board	Felicisimo C. Rupinta General assembly yearly
Objective	Service the vendors - stall owners - sidewalk vendors
Members	6,000 members
Financing of organisation	2.4million Pesos net profit 2006
Lending scheme	Individual loans to vendors Since capital surplus also to 300 others Repayment within 90 days. If you are a good Interest rate 3%  - 40-50 million Pesos capital stock
Extra services	Hospitalization and burial assistance
Interest	No. 1 interest is to sustain cooperative

(interview Rupinta, 2007)

#### CEMVEDCO

Cemvedco considers itself as one of the successful cooperatives in Cebu. It is located centrally in Carbon Market.

Cemvedco officers said they will fight for the continued existence of Carbon, since some members of the political elite in Cebu opt for a dismantling of the market.

Instead of pooling the money of small vendors the more well-off Carbon vendors put together money to lend to the smaller ones

President of the cooperative Erwin Gok-Ong said: “We are running the cooperative like a business enterprise. We see to it that those who need money are not the people who handle the cooperative’s money because that can lead to graft and corruption,” (Inquirer, 2009).

The cooperative is currently involved in financing and marketing business. Marketing is done through Cemvedco’s hog stall inside the market. The cooperative also provides lending services to members. Alongside with money-making Cemvedco is also spending at least 600,000 Pesos per year to maintain peace and order, while spending another P600,000 per year to take care of the market’s sanitation and drainage concerns.

“Carbon market may be downtown Cebu’s inconvenient version of the posh supermarket in malls, but to the vendors, it’s their precious gem in the very heart of Cebu.” (inquirer, 2009)

### Factsheet CEMVEDCO

Name	Carbon Market Vendors Development Cooperative (CEMVEDCO)
Reason for foundation	Threat of phasing out Carbon Market by City Authorities (according to Gok-Ong, former chairman). A need to strengthen the economical and political voice of Carbon Market vendors.
Foundation	2002 Consolidation of: Carbon Market Unit One Vendors Multipurpose Cooperative, Unit 2 Carbon Stallholders Multipurpose Cooperative and Alliance of Third Unit Carbon Market Multipurpose Cooperative
Board	CEMVEDCO consists of 4 chapters with each a board of 5 directors Chapters: 1. Meat and fish vendors (Kamovenco) 2. Grocery items 3. Vegetables and fruits 4. Cut-flower vendors from Freedom Park  The first Chairman was Erwin Gok-Ong, who is a big rice and corns retailer and wholesaler Big board of directors with lots of capital
Objective	Threat of phasing out Carbon Market in 1990's united vendors and stakeholders to form cooperative
Members	1.800 (2009) Ambulant vendors mainly, and vendors on Carbon Market
Financing of organisation	70millionP total assets 300Pesos entrance fee
Lending scheme	a 2-day seminar, 'pre membership – education' where the working of a cooperative is taught the shared capital must have a minimum of 5.000 or: your loan times 2
Extra services	insurance for members and cooperative life insurance
Interest	

(Interview, Jescelle Sato, 2007 and Philippine Inquirer, 2009)

“A successful cooperative should have good leaders, who have principles and the integrity to stand by. We are fortunate in Cemvedco that we don't have corrupt and opportunistic leaders. Money from the cooperative will not go to your pockets. Most cooperatives fail because they have corrupt leaders. In Cemvedco, we are vigilant to take notice of this,”  
Arien Good, Director of Cemvedco (Inquirer, 2009)

#### **Conclusion of §5.4**

Cooperatives are important for vendors, they can provide stability and financial backing for the fluctuate nature of street vending. It is also a form of social capital, since it is about mutually benefiting and reciprocity, but this time not so much based on trust, but on debt. So the social capital in this scheme lies within the fact that cooperatives are based on a form of exclusion, the smaller ones only serve certain types of vendors, and the big ones mainly serve street vendors. Besides your profession, you will still have to bring some collateral though. The conditions are much more favorable than other forms of lending nevertheless, and that is part of the reason of their existence and success.



*Llorente Fruit Vendors Multi Purpose Cooperative, 15-6-'07*

## §5.5 Local Government and CCUVA

*“Inclusiveness means integrating groups, which have been excluded due to either physical, social or economic deprivation or discrimination, into the mainstream by providing them access to services and participation in decision-making in urban governance.”*

(Etemadi, 2001, pp 69)

### **Embedddness of CCUVA in local affairs**

CCUVA is the face and voice to street vendors. Face in the sense that it is the chief negotiator towards local government, and it is the institutional partner in consultations of urban poor groups. CCUVA has its own voice, participates in a weekly radio show and conducted a press conference under the title *Recognition no demolition* with 7000 people attending. “The message of that press statement was: let there be no more demolition. Let the pedestrians and traffic problems caused by street vendors be dealt with by CCUVA.” Due to all these activities “Government officials know CCUVA is here, and here to stay” (Pino, 2007)

CCUVA has relations with churches and lobby with local governments, there they have “friends and enemies.” Other publicly known and respected organizations recognize and affiliate with CCUVA as well, for instance the Rotary Club, people in advocacy, DTI and Social Security System. In this way CCUVA also provides social capital by supporting organizations and representing vendors with many other organizations in a decent manner.

CCUVA is striving to develop itself further. Maria Pino-Buanghug is dreaming of having an own political voice for the organization. Until now only barangay Ermita, with Felicisimo Rupinta as barangay captain, is completely willing to accept CCUVA as an institution. CCUVA has a consultant in Osmeña’s office, this costs a fee. Pino does not want to become a councilor herself: “If you are in the council they own you.”

### **Interaction CCUVA and local government: contacts, interdependencies, institutionalization, agenda-setting**

It is clear that there are still many tensions between the objectives of the Cebu City Municipal Government and CCUVA with respect to the policies and procedures related to street vending. The city is at times seen as trying to reach compromises with vendors over the use of public space. Many vendors accuse the local government officials of duplicity in still demolishing vendor’s stalls, or threatening to do so, even after so-called compromises have been reached. (Yasmeen, 2003)

Etemadi concluded in her study covering the vendor situation in 2001 that there were 3 issues which where of utmost importance:

vendors

1. Government regulation of the vendor sector with clear rules and guideline (fair regulatory ordinances) together with appropriate services.
2. Construction of the Carbon buildings (particularly Unit 2) and the Ramos Public Market
3. Recognition of the public market/vendors as partners in the socio-economic-cultural development of society rather than solely as a source of revenue.

(Etemadi, 2001)

On all three issues promises have been made by the City Government. Until 2007, they were not met, even though Mayor Tomas Osmeña was the first that encouraged street vendors to organize and institutionalize. An executive order from his hand during his first period as acting Mayor installed the Cebu City Vendors Management Council (in 1990, see chapter 4 §1). This council prepared a proposed regulatory ordinance, which was ready to change the situation and prospects of street vendors. Two versions were prepared. One about stallholders in the designated market areas, the other met concerns such as: limitation of time, space and number of vendors

Under the reign of the subsequent mayor Alvin Garcia the regulatory ordinance was studied again, but was not implemented. The opinion of the Mayor was that the streets will flood with CCUVA's proposed regulatory ordinance. Another committee was installed, consisting also of scholar Felisa Etemadi, this resulted in the 'unwritten policy of maximum tolerance', and a master list of street vendors on which the zero growth or 'dying out' policy was based. (see also chapter 4) CCUVA thought it needed to find another councilor to meet their desires. When Mayor Osmeña was re-elected in 2001 he agreed upon reviving the wishes of CCUVA, until 2007 the regulatory ordinance is not yet in place.

In the words of Maria Pino, who is a strong advocate of the installment of a new regulatory ordinance the current policy has some positive and negative aspects.

Positive aspect: the problem for the vendor gets delayed, the shop or so has to send a letter to Urban Poor Consultant Gerry Marquez, which is needed to take the step towards eventual demolition. CCUVA has time to intervene and mobilize their contacts within City Hall (see for example Frame 5.3 in §5.3).

Negative aspect: members of CCUVA think that CCUVA has reached the goal, which is not the case. Because there still is no legal policy, it is all 'unwritten'.

Gerry Marquez, local government's principal executor of the 'maximum tolerance' policy is 'gambling' with the policy, Pino says. "Right now the local government is afraid of giving away some of its power. They impose formal restrictions about size of stalls and uniformity of vending places. In the national policy it says: the sidewalk is beyond the commerce of man." (Pino, 2007)

### **Proposed Ordinance**

In 2002 CCUVA proposed an ordinance to the City Council that surpassed regulatory ordinance No. 1186, which to date is still the official policy towards street vendors.

In 2007 CCUVA was, during election time, again trying to implement this proposed ordinance, and made it part of their support for candidate Mayor Osmeña. He refused to make a strong commitment towards the proposed ordinance, which was supported by councilor Labella, who is a supporter of CCUVA in the City Council.

As Annex II, the largest part of the Proposed Regulatory Ordinance, the version that was made in 2002, and failed to be implemented then and in 2007 is described.

The order was ready made and supposed to be implemented. But mayor Osmeña refused in the end. Until now the situation is a status quo.

#### **Conclusion of § 5.5**

CCUVA has established itself as a party which is taken seriously by local government; at the same time they are not willing to meet the demands of CCUVA. Political opportunism and some form of power use or abuse are being thrown in in order to maintain the status quo in the legislative position of street vendors.

Street vendors are not very much into the power distribution between CCUVA and the local government, while trying to stay afloat. They do rally together if CCUVA asks them to support BOPK, such as was the case in the may 2007 elections, which shows the power of both CCUVA and the current regime in Cebu City.

Street vending has, nevertheless, become more accepted within Cebu City over the last 15 years. Traders are able to find niches in the city from which to make a living without the immediate threat of harassment. The negotiation and organizing skills of the street vendors organizations and CCUVA are much stronger than before. Nevertheless the situation remains far from easy and did not yet come to a satisfying solution for all parties involved.

Demolitions continue, creating immense difficulties for street vendors that are reliant on their only source of income. This still creates uncertainty and unstable situations, from which it is hard to build a future.



*CCUVA members supporting candidate-mayor Tommy Osmeña in rally from Colon to Fuente Osmeña, 9-5-'07*

## **Chapter 6. Conclusion of the research**

### ***Informal entrepreneurs***

The first part of the conclusion reflects on the conclusions of the research regarding the main themes from the theoretical context: informal sector, livelihood and social capital. The second part answers the sub questions, comments to the hypothesis and answers and discusses the main question, followed by a short outlook based on the results of the research.

The point of departure of the research was a clear question: *To what extent does organization among the street vendors benefit the realization of their goals and what are the consequences for their livelihoods?*, surrounded by some very large question marks. Three actors were identified contributing the most to the 'goals' of street vendors: street vendors, the local government and street vendor organizations. Within these three 'categories' there is an enormous variation in background, agenda's, means and goals as well, which shape a myriad of stakeholders, shareholders and actors on many levels. It is most easily condensed into the notion: informal sector dynamics, which contains but not explains the contents. An important conclusion attached to this short analysis is that the sector of street vendors is intrinsically heterogenous, in the sense that every vendor knows or is one of the actors in the myriad of stakeholders. Clearly some homogenous variables such as economic and legal position can be attributed to the population as a whole. This fact makes them, nevertheless, even more vulnerable to the quirks of the surrounding influential factors, such as desires of their organizations, the desires of the local government and unforeseen macro-economic developments. It can thus be said that street vendors develop individual strategies to become successful vendors, but they develop these strategies within the possibilities and limitations of the broader social context they are living in.

#### *Informal sector*

The fact that street vendors are part of the formal sector gains them, drawing from theory, opportunities combined with uncertainties. These were both reflected in the outcomes of my research, since vendors seem to have benefits from being informal, in the sense that they do not pay taxes, except for arcabala, and can reserve their income for other purposes. Besides this they do not express the wish to become a part of the formal sector. If this is because of the income or the absence of knowledge of possible benefits did not become entirely clear, but the incentive to become part of the formal sector is not a top priority for vendors in Cebu. The pitfalls of being an informal entrepreneur, such as possibility of demolition and lack of social security are factors that prevent a steady capital accumulation. The abundance of cooperatives and other legal partners such as CCUVA imply that there is a growing infrastructure present on which vendors can rely, which makes life easier in the informal sphere to some extent.

In the case of Cebu it can be argued that the economic situation prevents the informal sector from diminishing due to problems on a macro-economic scale, combined with lack of funding for the local institutions on a meso-level scale. The regime of Mayor Osmeña has brokered a status quo between different actors on an institutional scale, which leaves a large informal sector that is neither capable nor interested in finding its way into 'formality'.

### *Livelihood*

Street vendors are for 80% of the population dependent on their income from the street vendors activities regarding their livelihood. For 20% it still is not enough to provide for daily needs. This indicates that street vendors are part of a survival economy. Education and health care are expensive and more difficult to access for street vendors, which in the overall picture still categorizes them as being marginal city dwellers. In the broader view of livelihood it appears that vendors are satisfied with their profession, see themselves as a positive contribution to the image of the city and feel capable to decide over their own lives, which suggests that in many cases street vending has a positive contribution to their status.

### *Social Capital in form of organization membership*

Street vendors benefit from their social capital on all three levels: personal, suppliers and buyers relations and organization membership. The most important form of social capital in this research is organization membership. The research shows that the benefit hereof for vendors is mainly the negotiations with local government, and it shows some hints that large organizations also have some pitfalls. Referring to chapter 2, Steel identified possible negative influences if there is a power imbalance between vendors. It appears from the research that this might be the case in the relation between CCUVA and street vendors, since CCUVA exercises some sort of overall influence on the population in order to succeed in its goals. Individual vendors are forced to comply with CCUVA's rules, risking eviction from their organization and get cut-off from vital social capital. It is clear that CCUVA is a union, with its own goals and practices, geared towards the big picture, not to individual vendors alone.

### *Comparison between fruit and flower vendors.*

It is clear throughout the research that flower vendors are richer, better connected and more locally oriented. They enjoy the benefits of informality more than fruit vendors. This can be attributed to the nature of their product. It comes from close by (the mountain barangays) and is traded via suki that are personal relations, or parts of their bonding social capital often. Equal to this fruit vendors have opportunities in becoming successful to the same extent if they have similar conditions as the flower vendors. In general this is not the case, and fruit vendors face more competition, earn less profit and feel less capable of changing their livelihood situation. They are more open to entering the formal sector as well, probably originating from the previously mentioned factors.

### **Answers to sub questions**

In the introduction of the research 6 sub questions following out the main question: *To what extent does organization among the street vendors benefit the realization of their goals and what are the consequences for their livelihoods?*, were formulated. These six questions can be divided into descriptive questions (1 to 3) and analytical questions (4 to 6), in the previous chapters all questions have been answered by touching different aspects of the research questions. For the sake of clarity question 1 to 3 are summarized, drawing from the conclusions made in every chapter. The answers to question 4, 5 and 6 are shortly discussed on main points, since they are more elaborately described in their respective chapters.

Descriptive sub questions:

1. *What are the characteristics of fruit and cut-flower vendors? (What is the build-up of their livelihood? Income? Background? Relation with suppliers/buyers?)*

Addressed in: chapter 3

The average fruit vendor in Cebu City turns out to be a middle aged woman with a family and a husband, already a street vendor for over 16 years and living for at least the same period in Cebu City. Street vending is for most vendors the most important source of income in their household. 20% of vendors state they do not earn enough to meet their daily needs. Suki relations are of vital importance for street vendors, since competition is strong. But although the average street vendor can be described, the main conclusion is that street vendors are not a homogenous group. They are a heterogeneous group with shared characteristics such as a large share of ingenuity, and pride in their jobs. The street vending business offers street vendors personal freedom and independency from both a day job and in other cases their family and house. Absence of fixed costs such as the rent of a vending spot and taxes are important factors. As far as their goals vendors generally like what they are doing to provide for their livelihood and desire to expand and optimize their micro-business of which they are proud.

2. *What is the local policy on street vending and how does this affect the livelihood of street vendors?*

Addressed in: chapter 4

The Cebu City government has the freedom to decide over the legislation towards street vendors. Since the first legislation was made more than 60 years ago there is a tension between the policy and the actual situation. Official policy states that vending is illegal by law. In practice there is a policy of 'maximum tolerance' active, in which local government allows registered vendors to sell their items complying to a written agreement maintained by SPEED and CCUVA, this 'master list' is part of a 'dying out policy', since vendors that leave the city are not allowed to be replaced with other registered vendors. In the designated market areas the situation is different, vendors are allowed to vend if they pay arcabala. The practice is that local government is in its right to remove vendors in almost every situation, leaving the vendors insecure about possible demolition.

3. *What are the goals and practices of street vendor organizations?*

Addressed in: chapter 5

Street vendor organizations are researched in two forms: the geographically bound smaller member organizations of CCUVA and the union and organization in its own respect CCUVA. Street vendor organizations fulfill a role in respect to the control over the small segment they are occupying. Besides that they are the legal entity, through their membership with CCUVA. Through this membership local government contacts the vendors and retrieves information about them.

CCUVA is a federation uniting and representing these street vendor organizations and strives to augment the influence of street vendors on a policy level, and harvested success in that respect, it is the voice of street vendors towards local government and is consulted and

institutionalized in that way. At the same time it strives to augment its own influence by managing the street vendor organizations and retrieving fees from them. The objective of CCUVA is 'security in the workplace', an other objective is 'to unite all vendors'. It appears to have a political goal as well in this respect.

Analytical sub questions:

4. *What are the consequences of the strategies of street vendor organizations for the street vendors? Or (What is the role of membership of street vendor organizations in the maintaining or improving of the livelihoods of street vendors?)*

Addressed in chapter: 4,5

For street vendors the membership of an organization has one clear goal: to secure their livelihood by uniting their voices through organizations in preventing demolition by local government. Other cooperation like exchanging information within the organization and price setting are benefits as well, but shadowed by the main purpose. The structure of membership of organizations that are members of CCUVA fulfills this role clearly. CCUVA has made clear progress in the situation between demolitions for the vendors. CCUVA is more than just an umbrella organization, being involved in policy making and maintaining, by disciplining and empowering their constituent members. An important result that is achieved through the cooperation of street vendors is the fact that their voice is now heard at policy level. This mainly is the accomplishment of CCUVA.

5. *How do local policy and street vendors organizations influence each other?*

Addressed in chapter: 4, 5

The mayor has the final say in the case of demolition, as is stated in the 'unwritten policy of maximum tolerance', which serves as the guideline for policy towards street vendors, apart from official legislation. This provides for an awkward situation of dependent relations. Just viewed from a logical standpoint: the mayor is in control, but the voters are in control of the mayor, so the mayor needs to be responsive to some wishes, since the vendor population is about 40.000 and CCUVA has an important voice in representing these vendors, in fact they are an important ally in election time. At the same time, vendors are not popular in policy terms, as far as the outlook for policy is concerned. This implies a complicated situation of 'relational economy'. In which the clients of the patronage system found a way to exercise some power through democratic ways. To make things more complicated: vendors seem to have a stake in keeping the status quo to some extent as well. So it appears that there are a lot of power imbalances in the informal sector in Cebu City.

In the words of Osmeña: economic progress would solve the vendor problem, this underlines the main concern of the local government is maintaining the status quo, until job creation will hopefully diminish the population of vendors. Exactly how the progress will take place has not yet blossomed.

6. *What is the role of formalization in the wishes and needs of vendors, as well as in the goals of street vendor organizations and local government policy?*

Addressed in chapter: 3, 4 and 5

On a policy level this is clear: the dying out policy is in place. Other stakeholders have to make efforts to alter this. CCUVA does this, and came as far as suggesting a proposed ordinance that would legalize street vendors and set out clear rules for them. Nevertheless street vendors themselves do not prefer to be part of the formal sector, rather they prefer

to expand their business and become more successful entrepreneurs within their current situation. If this proves one thing it is that first and foremost street vendors are entrepreneurs and enjoy the benefits of street vending more than the pitfalls. Further more the largest part of the vendors seems to feel capable of realizing her or his wishes.

This conclusion is also expressed in the outcomes of testing the *hypothesis*:

*Street vendors want to become part of the formal sector*

The hypothesis made for the research has been largely falsified by the statements of the street vendors. They do not prefer to be part of the formal sector, rather they prefer to expand their business and become more successful entrepreneurs within their current situation. If this proves one thing it is that first and foremost street vendors are entrepreneurs and enjoy the benefits of street vending more than the pitfalls. Further more the largest part of the vendors seems to feel capable of realizing her or his wishes. In both cases flower vendor state their case stronger, which again points in the direction of a stronger position in the market, and a stronger stock of social capital for flower vendors in old Downtown Cebu.

The sub questions all set light on a part of the main question, which is analysed to finalize the conclusion of this research.

#### Main Question

*To what extent does organization among the street vendors benefit the realization of their goals and what are the consequences for their livelihoods?*

Street vendors have desired goals. These goals are not situated in the realm of entering the formal sector as has come to forth in this research. Rather they want to expand their business and carry on within the same framework they are acting in. Whether this is because of habitual reasons or intentional reasons is beyond the scope of this research.

#### *Organization*

What is in the scope of this research is the extent to which they benefit from their organization degree, operationalized as being an important part of their social capital. It appears from the research that the organizations provide stability for their livelihood. The street vendors organizations, headed by CCUVA have established a working relation with local government, and a stake in executing the 'maximum tolerance policy'. CCUVA is also responsible for the creation of some order in the chaotic scene of street vendors in Cebu City. Through their stimulating efforts in creating and maintaining street vendors organization a equal division is made of street vendors activities throughout old downtown. Since the goals of street vendors are identified as expanding their business, attention towards that goal needs to be given more by the organizations. At the moment the local government 'dying out policy' is still in place, although it is evaded by the street vendors organizations in a frequent manner. At the same time there is, as identified through the research a 'status quo' situation that is cherished by the local government, while they are busy facing very different issues that are more opportune in their view. Organizations provide by complying with this policy a deadlock to this status quo, since they give the opportunity to local government to remain deaf for their complaints. More progress for the

livelihood situation of street vendors is made through other initiatives such as cooperatives and informal lending schemes to gain capital assets in order to fulfill their expanding dreams.

The remark made here is that the organizations provide a framework which generates shelter and a representation of their interests, but maximal results are not yet reached. In the next chapter, a SWOT analysis, some possible directions into which the main stakeholders can get closer to each other are identified. Meanwhile, street vendors remain the lively and visible side of informal economy in Cebu City, and are a colorful endemic part of the city of Cebu, likely for the coming decades still so, even though no official plans include their legal existence just yet.

#### *Individual street vendors*

Street vendors are satisfied with the efforts of CCUVA and with the 'maximum tolerance policy of local government. Their main goal is to improve their business and expand their business and revenues in order to improve their livelihood.

Every individual street vendor tries and will keep on trying to reduce his or her pitfalls and will look out to expand his or her social networks: by developing their own saving strategies and methods to cope with regular demolition, by developing human capital, and also by improving their social skills in the streets.

Still they can be supported more in their struggles of dealing with the structural restrictions and dynamics that cause their insecure livelihood-provision. Local government seems the first actor that could make a move in this respect, providing street vendors with more legal security, not just 'unwritten policy'. The proposals from CCUVA are in place, it is upon the institution ruling the city to decide whether the informal sector remains informal or becomes institutionalized, and becomes subject for providing statistics on the one hand and a secure working place and livelihood provision for street vendors foremost.

#### *Outlook*

As long as there is a thriving informal sector and an ill-managed or too small formal sector the phenomenon of street vending will be part of the informal sector of economy. The social capital of street vendors provided by their extended family and suki networks, sense of community and political voice through their organizations and representing umbrella organizations such as CCUVA provides the street vendors with a framework for maintaining and improving their situation without losing the benefits of informality. This raises the question whether strong institutions are the most important factor in managing economic growth and livelihood improvement.

## Chapter 7. SWOT-analysis

### *Street vendor livelihoods and their prospects*

In this SWOT-analysis the three main actors shaping the livelihoods and goal achievement of street vendors in Downtown Cebu City, being Street Vendors, Local Government and Street Vendors Organizations (which can be divided into CCUVA as the overarching organization and the geographically organized local street vendor organizations) are analysed on the, Macro, Meso and Micro-level. In this way Strengths, Weaknesses, Opportunities and Threats are identified on different scale levels and search fields are identified in which directions improvement of the situation could be established. Next to the room for improvement, the way in which the three actors can work together on certain issues is made clear as well through this analysis and suggestions in this direction are included in the analysis as well. The point of departure is the improvement of street vendor livelihood.

The ideas are ordered on two system levels and by actor. The aim is to draw out search fields directed at improving the situation for street vendors, the research object of this thesis. Some ideas are inspired by the people's Forum I attended in April 2007, in which the Ramon Aboitiz Foundation, a local NGO supporting different sectors of the urban poor and stimulating participatory approaches presented results of their consultations with street vendors, subsequently followed by an interview with representatives of the Microfinance program and the programme officer in charge of the urban poor consultancies (interview Dignadice and interview Catipay, 19-6-2007). Other recommendations in the analysis are based on interviews with the Department of Trade and Industry (interview Cabagnot, Soria, 8-6-2007). Most are based on findings on the research and ideas formed in the research area.

#### **Macro level**

The macro level encompasses the circumstances that create a stable market. Since these circumstances are beyond the scope of this research no SWOT is made on this level, nevertheless factors such as demographic change in the Philippines, macro-economic developments such as crises and technological development are of course important influencing factors resonating on the meso and micro levels.

#### **SWOT analysis in figure 7.1 to 7.2 Divided by actor**

Street Vendor

Local Government

Street Vendor's Organization

**Table 7.1 Meso level, CCUVA and Local Government**

<b>Strengths</b>	<p><b>Strong organisational structure</b>          - CCUVA as an umbrella and local organisation, street level organisations for street vendors in your niche or vicinity, cooperatives for financial backing on an equitable basis</p> <p><b>Uniformity</b>          - regulated size of stalls and carts, umbrellas provided by local government in matching colours</p>
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<p><b>Weaknesses</b></p>	<p><b>Weak legal background</b>  - official ordinance states that street vending is an illegal activity, therefore a policy of maximum tolerance is in place</p> <p><b>Fluctuating local government intervention policies</b>  - demolition, still to often at will</p> <p><b>Large debts of local government because of SRP-project, no means to invest in urban poor development</b></p> <p><b>Weak position of street vendors in the socio-economic and cultural picture of Cebu in the realm of policy makers</b>  - for instance not one remark concerning street vendors in the city development plan. No attention for the touristic or service-delivering qualities of street vendors.</p> <p><b>Competition of supermarkets, other market parties</b>  - supermarkets are not fond of vendors and lobby for demolition and removal of 'street encroachers'</p>
<p><b>Opportunities</b></p>	<p><b>Stronger legal empowerment</b>  - CCUVA has cooperated in making a draft text for a replacement of the current ordinance, only political will is needed to implement it</p> <p><b>Cooperatives</b>  - Cooperatives operate successfully (CEMVEDCO as biggest success story), when they keep operating in an accountable way more financial stability can be provided which catalyses positive changes in the livelihoods and future of street vendors</p> <p><b>Business registration made easier through streamlining programs (for instance from Department of Trade and GTZ, the German government programme on stimulating small and medium entrepreneurs in the Philippines)</b>  - With easier access to business registration and shorter procedures it becomes more attractive to formalize the business and benefit from legal status in terms of capital investments and the legal protection of those investments for vendors. For local government it means a more steady tax income and a ground to define a more sound and encompassing policy.</p> <p><b>Provide benefits for registering businesses of micro-entrepreneurs</b>  - Street vendors should see (and receive) benefits of registration. Such as: access to credit, access to prime market space and access to education for their children and themselves in areas as business skills and credit management. The social mobility of street vendors could be enhanced and spurred in this way</p>

	<p><b>Recognition on policy level for socio-economic and cultural value of street vendors</b>  - designing policies regarding street vendors in long term city development plans. Recognize the value of street vendors in order to improve their image and dignity.</p> <p><b>Policy that concerns street vendors should be a participatory process</b>  - this thesis already implies this direction, but the policy that is created towards vendors should be made in a responsive and transparent way, consulting the vendors, both through CCUVA as open Fora.  - street vendor associations should be supported by local government, and given a voice, not only through CCUVA but as well through local committees, so they can participate in defining local policy concerning them.</p>
<b>Threats</b>	<p><b>Influx of vendors</b>  - With demographic change and a weakening economy more and more people will try to resort on street vending as an additional or main source of income. This can put a burden on already crowded streets and might become a reason for local government and present street vendors organisations to take unpleasant measures in preventing the streets to get flooded.</p> <p><b>Change of government</b>  - With the current weak legal status a harsher government has many possibilities to make the policies towards street vendors stricter in order to meet demands of more powerful actors, such as supermarkets</p> <p><b>Growing debts of local government (South Road Property debts) preventing any investment in urban poor</b></p> <p><b>Corruption among street vendors organisations and / or CCUVA</b></p>

**Table 7.2 Micro Level, Street Vendors and Street Vendor’s Organizations**

<b>Strengths</b>	<p><b>Quality of goods sold</b>  - fresh fruit and fresh flowers, either bought from a cooperative or through own connections with hinterland or even own farm</p> <p><b>Competitive pricing</b>  - Goods sold are cheaper than in supermarkets, amongst others because of evaded retail taxes and zoning costs</p> <p><b>Order and discipline and strong social capital through organizational structure</b></p>
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<p><b>Weaknesses</b></p>	<p><b>Weak legal background</b>  - official ordinance states that street vending is an illegal activity, therefore a policy of maximum tolerance is in place</p> <p><b>Fluctuating local government intervention policies</b>  - demolition, still to often at will</p> <p><b>Competition from each other</b> - there are many vendors, so competition is strong, organisations level some income</p> <p><b>Possibility of patron-client relations between organizations and vendors because of power balance strongly with CCUVA</b></p>
<p><b>Opportunities</b></p>	<p><b>Diversify the supply chains more</b>  - although supply chains are fairly diverse already, the traders in between ask considerable mark ups to the farm gate price</p> <p><b>Provide materials and collateral support to vendors</b>  - to improve the quality of items sold and the livelihood of vendors, local government could invest (together with other parties for instance) to upgrade the quality of stalls or carts, in order to improve sanitation and quality of the goods sold by the vendors</p> <p><b>Make work of micro finance schemes and control over microfinance providers</b>  - In order to let more vendors slowly expand their collateral or invest in their micro business microfinance seems an ideal change agent. Since it is  - Besides credit: micro-insurance and other social services that are needed (child care, clean environment in markets, education) should be provided in cooperation with CCUVA, other NGO's, cooperatives and social services of the local government.</p> <p><b>Vendor cooperation with supermarkets and shopping malls</b>  - where possible vendors should gain a position within food courts and shopping malls to have a good vending spot and cooperate with local supermarkets, this could generate extra income for supermarkets by asking a fee from the vendors, and bringing extra service to the customer</p>
<p><b>Threats</b></p>	<p><b>Influx of vendors</b>  - With demographic change and a weakening economy more and more people will try to resort on street vending as an additional or main source of income. This can put a burden on already crowded streets and might become a reason for local government and present street vendors organisations to take unpleasant measures in preventing the streets to get flooded.</p>

**A few important search fields for improvement of the situation of vendors:**

#### *On the Macro level*

- Positive or revaluation of locality of economic development, emphasis on local development, next to globalisation of certain areas of economy in a multiscalar, postmodern world.

#### *On the Meso level*

- The strong organisational structure of vendors that are member of a street vendor's organization provide a strong informal system that provides support. This system can grow in importance and organisational strength through development from within. As long as there is strong and accountable leadership and transparency among its constituents.
- In particular the cooperatives and their lending schemes provide structural support to the financially weaker groups of vendors. By performing some influence in the market, control over the vendor market is maintained and provides stability. This good example could be backed by local government by supporting and stimulating more of these lending schemes and creating independent control mechanisms towards them.
- Local government can put more focus on registering business from micro entrepreneurs, solve the unclear situation by supporting cooperatives and granting stability towards vendors that abide the law. Legalize the encroaching of the street with an expansion of the arcabala system and make it an official installment or tax in order to create clarity for both parties involved

#### *On Micro level*

- Competitive pricing in combination with the quality of the sold products of street vendors can increase the market share for vendors when demand is growing.
- A positive attitude towards the entrepreneurial spirit of street vendors and the quality and authenticity of sold goods will eventually improve the image and therewith the pride of street vendors. The gross national happiness rate will rise as a consequence, maybe even spreading the idea of a service based economy where large amounts of people all contribute to local systems of trade and agriculture. A sustainable way to provide means of existence and livelihood to a people under strong demographic pressure and with possibly destabilizing economic problems on the rise.
- On a more practical basis: if vendors are used with their advantages and positive images in shopping malls or other formal outlets with their specific qualities a so called win-win situation could develop. Prerequisite is a sound policy and clear contracts between vendors and private parties. Local government and street vendor organizations have an important role in this. It would expand income for all three parties involved, and most importantly it would contribute to the social mobility of street vendors in Cebu City.

#### **Concluding remark**

This SWOT analysis was based on information obtained throughout the course of this research. It is a combination of analysed facts, interview excerpts and ideas of the author in which direction opportunities for improvement can be sought after. This in order to give some recommendations on a policy or practical level related to the outcomes of the research and stimulating a participatory process which is transparent and accountable, two key factors that are sometimes blurred in the reality of the informal sector and the different stakeholders surrounding it as have become clear in this research.

## Recommendations for further research

In this short chapter some recommendations are made concerning possible further research towards the actors in informal sector in Cebu and elsewhere.

*On a theoretical notice:*

Some questions that come to the fore while writing the thesis can serve as input for further research concerning street vendors in Cebu, many more questions can be drawn from the research, but these are highlighted from the authors view:

- Are flower vendors indeed richer because of their favourable geographical proximity of their supply lines combined with their stronger social capital?
- Which implications do the increase of access to cooperatives and other semi formal possibilities to lend have for street vendors and their livelihood provision?
- How can street vendors be pursued to opt for a 'formal' career? Where are the possibilities for that in respect from the preferences and objectives of the three main actors in that process: street vendors, local government and the organizations representing street vendors?

*On a practical notice:*

Stemming from the research results it seems to be very opportune to make more work of actually creating policies and various forms of cooperation between different stakeholders on a more intensive scale. To carry on with that trend is the main recommendation that can be made coming from this research a possible search field distilled out of the SWOT analysis which seems interesting is the following, and final recommendation:

- In this research some search fields have been identified in the direction of participatory processes concerning street vendors, their representatives and the local government. Possibly current competitors of street vendors such as malls and supermarkets could be included in a participatory process resulting in more cooperation and incentives for business registration or just loose contracts for vendors, augmenting their income as well as that of malls and tax receivers. A feasibility study towards this goal, identifying concerning possibilities and constraints is an interesting option towards this possibility.

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Bimbo Fernandez, City Administrator	20-6-2007
Paul Villarete, City Planning & Development Coordinator	29-6-2007
Raquel B. Arce, City Market Administrator	27, 29-6-2007

### NGO's

#### *CCUVA*

Maria Pino,	11-4, 29-6-2007
Celia Quijoy,	8-6, 9-6 2007

#### *Ramon Aboitiz foundation*

Anthony Dignadice - Program Officer	19-6-2007
Tess C. Catipay - CMEDF,inc.	19-6-2007

### Government line agencies

#### *DTI*

Maynard Soria	8-6-2007
Mark Cabagnot	"

#### *Dept. of Agriculture*

Christopher Lucero	5-6-2007
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#### *NEDA*

Lorna Manila - Senior Economic Member	20-6-2007
Raphael Tagalog - Supervising Economic Development Specialist	"
Madelin Estador - Macro economic Development Specialist	"

#### *City Planning & Development*

Gigi de la Serna -planning officer	27-6-2007
Joel Reston -zoning administrator	27-6-2007

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CEMVEDCO, through Jescelle Sato - manager	29-6-2007
FTMPC, Anonymous	29-6-2007
Kamansi, through Felicisimo C. Rupinta -founder	13-6-2007

### Vendors

Members of Llorente Multi Purpose Cooperative	16-6-2007
Vendors in M.C. Briones street	14-6-2007
Vendors in Calderon street	15-6-2007
Vendors in P. del Rosario street	13-6-2007
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Suppliers in mountain Barangays

Barangay Guba. Several fruit farmers, beneficiaries of CMEDFI (during a meeting)	26-6-2007
Barangay Babak II. Leonella Mabini, Cut-flower grower/trader	26-6-2007

**Empirical research concerning this thesis**

Questionnaire, processed in SPSS, referred to as 'SPSS Output'  
Concerning: Basic facts, livelihoods, organization, suppliers and buyers, goals of street vendors. See subsequent Annex I for a transcript of the questionnaire.

# Annex I Questionnaire

This is a transcript of the questionnaire that was conducted in old downtown Cebu among 96 street vendors, it was conducted over the course of two days 14-6-2007 and 15-6-2007. The questionnaire is bi-lingual, with a Visayan translation added to it.

Tjerk Destombes, 0255602. Graduate researcher  
UU – USC, april- july 2007

## Questionnaire

### Livelihood, organization and prospects of cut-flower and fruit vendors in Cebu City

This questionnaire aims to get an overview of the livelihood situation of street vendors in two specified sectors, namely the flower vendors and the fruit vendors. Besides the livelihood situation and future prospects and goals, the influence of social capital on the performance of the micro-businesses is being researched with this questionnaire.

*This questionnaire will take approximately 30 minutes of your time and is aimed at giving insight in the livelihoods of street vendors and their businesses. Following out of the research some recommendations will be made aimed at improving the situation of street vendors. If you fill in this questionnaire in a sincere and sound manner, you are benefiting both the research and the ongoing insight in your situation, which will help accommodate proper handling of your situation.*

Your anonymity is guaranteed.

## 1. Household and livelihood characteristics

### (Personal)

- 1.1 Age: (Unsa man ang imong edad?)
- < 20
  - 21-40
  - 41-60
  - 61 and above
- 1.2 Gender: .....
- Female (Babaye)
  - Male (Lalaki)
- 1.3 Highest educational degree: (Pinakataas na naeskwelahan nimo)
- Primary
  - Elementary school
  - Secondary/ highschool
  - University
  - Technical/ vocational courses
  - Other, *please specify*:.....
- 1.4 Where were you born? (Asa ka natawo/gipanganak)
- Metro Cebu
  - Other place, *please indicate*.....
- If not from Cebu:*  
How long have you been living in Cebu (in years)? (Pila naka ka tuig nagpuyo diri sa Cebu?)
- < 5                       6-10                       11-15     16 or more

1.5 How long have you been a street vendor (***Pila naka katuig nagbaligya dinhi?***)

- < 5                       6-10                       11-15     16 or more

***Household (Kabahin sa imong panimalay)***

1.6 Are you single, married/living with partner, separated or widowed?

***(Ikaw ba ulitawo/dalaga, minyo/ga-live-in, separada/do o balo?)***

- Single (Dalaga/Ulitawo)  
 Married (Minyo)  
 Separated (Bulag sa bana/asawa)  
 Widowed (Nabalo)

1.7 How many persons does your household consist of (including yourself)? (***Pila man mo kabuok sa inyong panimalay apil naka?***)

- <3                       4-6                       7-10                       11 or more

1.8 What is your relationship to the household head (decision-maker of the house)? (***Unsa ang imong relasyon ngadto sa ulo sa panimalay?***)

- I am the decision maker  
 Spouse  
 Parent  
 Child  
 Grandparent  
 Other relative  
 Other, *namely*:.....

***Livelihood (Kabahin sa imong panginabuhì)***

1.9 What kind of items do you sell?

***(Unsa ang imong ginabaligya?)***

- Fruits (Prutas)  
 Cut-flowers (Buwak)

1.10 Where did the money for the initial working capital come from? (***Aha gikan ang kwarta nga imong gigamit nga capital aning imong negosyo?***)

***[RANK according to size]***

- Borrowing from informal lender ...  
(Tinantuhan sa Bombay)  
 Borrowing from formal lender ...  
(Hulam sa pormal nga institusyon)  
 Microfinance initiative (NGO project) ...  
(NGO proyekto)  
 Borrowing from friends and family without interest ...  
(Hinulam sa mga kaila ug membro sa pamilya)  
 Savings (Tinigum nga kwarta) ...  
 Others (uban pa) ...

1.11 How much do you spend for you daily stock (on average)?

(Pila man sa imong bana-bana ang gasto sa imong pag kompra kada adlaw?)

- < 500  
 501 – 1000

- 1001-1500
- 1501- 2000
- 2000 +

1.12 How much is your estimated sales on an average day of vending?  
(Pila man sa imong bana-bana ang halin kada adlaw?)

- < 500
- 501 – 1000
- 1001-1500
- 1501- 2000
- 2000 +

1.13 What are the sources of income in your household? (Unsa man inyong panginabuhi-an?)  
Kun daghan palihog ko ug marka sugod sa pinaka importante, 1-pinaka-importante, 4-dili importante) *If more than one, please rank them in order of importance.1- most important 4-least important)*

Rank:

- Street vending (Pamaligya daplin sa kalsada) ...
- Day job of other member(s) in the household ...  
(Pagpanarbaho sa ubang myembro sa pamilya)
- Trading goods ...  
(Pamaligya sa lain, gawas diri sa imong nahimutangam)
- Other, *indicate which:* Uban pa, palihog ko ug sulat  
.....

1.14 Does your income provide for your daily needs in terms of;  
Paigo ra ba ang imong income para sa adlaw na kinahanglan sa;

Food:  Yes (Oo)      Clothing:  Yes (Oo)      Education  Yes (Oo)  
Pagkaon  No (Dili)      Sinena  No (Dili)Pag-paeskela  No (Dili)

Health Care:  Yes (Oo)      Housing:  Yes (Oo)  
Pagpatambal  No (Dili)      Panimalay  No (Dili)

**Organization membership (Pagka myembro sa organisasyon)**

1.15 Are you member of a street vendor’s organization?  
Myembro kaba sa organisasyon?

- Yes (Oo)
- No (Dili)

If not, indicate why not: Kun dili, ngano man?

.....

If yes: Kun Oo

How long have you been a member? (Kanus-a ra ka nagpa myembro?)

- Since I started the business (Sukad pagsugod sa pagpaninda)
- Since ..... years ( Sukad \_\_\_\_\_ tuiga

1.16 What is the name of your organization? (Unsay pangalan sa inyong organisasyon?)

.....

1.17 What are the most important benefits of your membership?  
Unsay mga importante nga benipisyo nga imong nakuha isip myembro sa organisasyon?  
*Indicate the squares that apply to your situation and rank them 1 to max.6*

Palihog ko ug tsek sa mga benipisyo nga imong nadawat ug i-rank sugod sa pinaka importante sa imong tan-aw.

- Negotiating your interests with local government ...  
Pakigdayalogo sa lokal nga gobyerno
- Advice on business related matters ...  
Tambag/sugyot kalabot sa pagnegosyo
- Advice on policy matters ...  
Tambag/sugyot kabahin sa balaod
- Protection for demolition ...  
Proteksyon sa demolisyon
- Contacts with other vendors ...  
Pagkontak sa ubang tigpamaligya
- Education ...  
Kabahin sa Edukasyon
- Other , namely (Uban pa, palihog ko ug sulat) .....  
.....

**Local government policy (Lokal na Pamalaod)**

1.18 Are you satisfied with the policy of the local government that regulates your business at this moment?

Kontento ka ba sa lokal nga pamalaod kabahin sa inyong pagpaninda sa pagkakaran?

- Yes (Oo)
- No (Dili)

If not satisfied: Explain why you are not satisfied with the current policy

Kun dili ka kontento: palihog ko ug sulat sa imong mga rason nganong dili ka kontento sa lokal na pamalaod.

.....  
.....  
.....

**2. Networks**

2.1 Do you cooperate with other street vendors? (Mo kooperar ka ba sa lain nga mga vendor?)

- Yes (Oo)
- No (Dili)

If no: Why? (Kun dili, Palihog ko ug sulat sa imong mga rason)

.....  
.....

2.2 How often do you have contact with other street vendors concerning business matters? (Kapila man ka makig sulti sa lain nga mga vendor kabahin sa pag negosyo?)

- Daily (Kada-adlaw)
- Weekly (Sinename)
- Monthly (Kada bulan)
- Very incidentally (Panagsa )
- Never (Wala gyud)

2.3 Do you cooperate with other street vendors that you know via: (Mo kooperar ka ba sa uban nga vendor sa pamaagi sa

- |                                    |                                    |
|------------------------------------|------------------------------------|
| CCUVA:                             | Own organization:                  |
| <input type="checkbox"/> Yes (Oo)  | <input type="checkbox"/> Yes (Oo)  |
| <input type="checkbox"/> No (Dili) | <input type="checkbox"/> No (Dili) |

If yes, How often: Kun Oo, kapila man? If yes, How often:

- |  |  |
|--|--|
| <input type="checkbox"/> Daily (Kada-adlaw)          | <input type="checkbox"/> Daily (Kada-adlaw)          |
| <input type="checkbox"/> Weekly (Kada semana)        | <input type="checkbox"/> Weekly (Kada semana)        |
| <input type="checkbox"/> Monthly (Kada-bulan)        | <input type="checkbox"/> Monthly (Kada-bulan)        |
| <input type="checkbox"/> Very incidentally (Panagsa) | <input type="checkbox"/> Very incidentally (Panagsa) |

2.4 What does this cooperation consist of (indicate and rank 1 most important, to least important) (Unsa man nga pakig kooperar ang inyong gibuhat? (Palihog ko ug tsek sa mga pili-anan ug i-rank- 1 pinaka importante – 4 dili importante.)

- |  |     |       |
|--|-----|-------|
| <input type="checkbox"/> Sharing business operation matters<br>Pakig sulti sa mga pagnegosyo                             | ... | Rank: |
| <input type="checkbox"/> Information about suppliers<br>Inpormasyon sa kabahin sa suplayer                               | ... |       |
| <input type="checkbox"/> Lending each other credit<br>Pagpahulam ug kwarta sa mga kauban (dili ang hulam sa Pagpa nukli) | ... |       |
| <input type="checkbox"/> Setting prices<br>Pakig-sabot sa presyo   | ... |       |
| <input type="checkbox"/> Other, indicate (Uban pa...)<br>.....   | ... |       |

2.5 Do you have any form of cooperation with the vendors that are not part of any organization? Adunay pa bay kooperasyon sa lain nga mga vendor nga dili myembro sa inyong organisasyon?

- Yes, often (Oo, kasagaran)
- Incidentally (Panagsa lang)
- No, never (Wala gyud)

2.6 Do you cooperate with companies (non-street vendors) in your vicinity? Adunay ba moy kooperasyon/pakig alayon sa mga kompanya o mga negosyante sa inyong lugar?

- Yes (Oo)
  - No (Dili)
- If yes, how often (Kun Oo, kapila man?)
- Daily (Kada adlaw)
  - Weekly (Kada semana)
  - Monthly (Kada bulan)
  - Very incidentally (Panagsa lang)

2.7 How would you rate your relationships with other street vendors? Unsa man ang inyong relasyon sa uban nga naninda/vendor?

1. Very bad (Dili gyud maayo)
2. Bad (Dili maayo)
3. Neutral (Wala lang)
4. Good (Maayo)
5. Very good (Maayo kayo)

2.8 Do you share information about your business income and your credit situation with fellow street vendors? (Mag sulti-anay ba mo kabahin sa inyong income ug pagpangutang sa inyong mga kauban?)

- Yes (Oo)  
— With all street vendors I am acquainted with  
Sa ako lang mga kaila

- Only within my street vendors organization  
 Sa mga vendor lang sa among organisasyon  
 No (Dili)  
 If no, why? Kun dili, ngano man?  
 .....  
 .....

### 3. Supply chain

#### *Suppliers*

- 3.1 How many times in a week do you buy your products from these suppliers?  
 Kapila man ka sa usa ka semana mopalit sa imong mga suplayer?

	Zero	Once	Twice	Thrice	More
Wholesalers					
Supermarket					
Carbon market					
Family					
Other suppliers					

Please specify which other suppliers you have: (Palihog isulat ang uban pang suplayer?)  
 .....

- 3.2 Do you obtain your stocks from more than one wholesaler (suki)?  
 Nakuha ba nimo ang imong gibaligya sa lain-lain nga wholesaler/tigbaligya?

- Yes (Oo)  
 No (Dili)  
 If yes: How many? Kun Oo, pila man?  
 2-5  
 6-10  
 more than 10

- 3.3 Do you always buy from the same suppliers? (***Pirmi ka bang gapangompra sa mao ra gihapon nga tigbaligya[nga supplier]?***)

- Yes , all the time (suki)  
 Oo, kanunay  
 No, scout around the market for the best prices  
 Dili, mangita pa ug medyo mayo nga presyo  
 Scout the market if there is credit; else go to regular supplier  
 Mangita kun naay magpa utang, kun wala mobalik sa naandan nga supplier  
 Other (Uban pa)

- 3.3 By which means will you obtain your products from your suppliers?  
 Sa unsa nga pamaagi nimo gi kompra ang imong ginabaligya gikan sa supplier?

- Cash  
 On credit (Putang)

- 3.5 Where are your suppliers based?  
 Asa man dapit ang nahimotangan/nag base sa imong mga suppliers?

- Within Cebu city (urban) Diri ra syudad sa Cebu  
 Within Cebu city (mountain barangays) Sa Cebu pero gkan sa bukid nga barangay

- Within Metro Cebu except Cebu City (Diri lang sa Metro Cebu e
- Within Cebu province (Gikan sa probinsya dinhi sa Cebu)
- Outside Cebu province (Gikan sa lain nga probinsya gawas sa Cebu)
- Outside the Philippines (Gikan sa gawas sa Pilipinas)

3.6 Do your suppliers sell other products, other than the ones you get from them?  
 Namaligya ba ang imong supplier ug laing produkto gawas sa imong gi kompra nila?

- Yes (Oo)
- No (Wala)

If yes, please enumerate .....

Kun Oo, Palihog ko ug sulat \_\_\_\_\_

3.7 Do you buy different products from different suppliers?

Mopalit ka ba sa lain-lain nga produkto sa lain-lain nga suppliers?

- Yes (Oo)
- No (Dili)

**Buyers**

3.5 Do you have regular buyers? Naa ba kay regular nga kostomer o suki?

- Yes (Oo)
- No (Wala)

If yes, how many? Kun Oo, pila man kabuok

- less than 10
- 10-20
- 21-30
- 31 and above

3.6 Which type of customers buy at your vending place?

Mark the squares concerned and indicate how many on average per day

Kapila man kaha mopalit ang imong mga customer nga;

<10    10-20    21-30    30+

<input type="checkbox"/> Regular buyers (suki)				
<input type="checkbox"/> Incidental buyers (passing by)				
<input type="checkbox"/> Lumalabay lang				
<input type="checkbox"/> Tourists (Turista)				

3.8 How much do the following customers spend on average?

Pila man ang gastoon sa mga imong customer nga;

	Less than 100	100-200	201-300	301-400	400+
Regular buyers (suki)					
Incidental buyers (passing by)					
Tourists					

3.9 Do you have regular 'big time' clients? Naa ba kay mga matawag nga "big-time" nga kliyente?

- Yes (Oo)
- No (Wala)

If yes, What kind of businesses do they engage? (Kun Oo, unsa man kaha ang ilang negosyo?)

.....  
 .....

## 4. Goals

4.1 Do you want to make changes in your current livelihood? Gusto ka ba nga naay kausaban sa imong panginabuhian karn?

Yes (Oo)

No (Dili)

*If yes; rank the following options: Kun Oo, palihog ko ug rank sa mga mosunod (1- pinaka-importante -3 dili importante)*

\_\_\_ Find another job (Mangita ug lain nga trabaho)

\_\_\_ Formalize your business (be registered and pay taxes and own property rights) (Pagpahimong pormal sa negosyo)

\_\_\_ Expand your business (Pagpalambo sa among negosyo)

4.2 If you want to formalize your business. (Kun gusto kang mahimong pormal ang imong negosyo, unsa man kaha ang mga pamaagi para matuman ang imong mga pangandoy?) What do you need to be able to obtain this goal?

.....  
.....

4.3 What are the constraints in obtaining this goal? (Unsa man kaha ang mga makababag sa pagkab-ot sa imong mga pangandoy?)

.....  
.....

4.2 Do you consider your goals to be realistic and obtainable? (Nag-tuo kaba nga ang imong mga pangandoy matinoud ug posibling makab-ot?)

Yes (Oo)

No (Dili)

If yes, What are the opportunities to obtain your goals?

Kun Oo, unsa man kaha ang mga oportunidad para makab-ot ang imong mga pangandoy? \_\_\_\_\_

4.4 Do you think the city government is supportive in your wishes? Sa imong tan-aw, suportado ba sa lokal nga pang gobyerno ang imong mga pangandoy?

Yes (Oo)

No (Dili)

In what way are they supportive / not supportive? Sa unsa man nga pamaagi nga maka sulti ka nga mosuportar ug dili mosuportar ang lokal nga gobyerno?

.....  
.....

4.5 Do you think CCUVA is supportive in your wishes? Sa imong tan-aw mosuportar ba sad ang CCUVA sa imong mga pangandoy?

Yes (Oo)

No (Dili)

In what way is CCUVA supportive / not supportive?: Sa unsa man nga pamaagi nga maka sulti ka nga mosuportar ug dili mosuportar ang CCUVA?

.....  
.....

## 5. Image.

5.1 Do you believe you have the possibility to make important decisions that can change your livelihood situation? Rate yourself on a scale of 1 to 5. 1 means totally unable to change your life and 5 means having full control over your life.

(Sa imong pagtuo, aduna bay posibilidad nga makahimo ka ug desisyon nga mausab ang dagan sa imong panginabuhian? Gradohi ang imong kaugalingon basi;

- 1. Totally unable to change livelihood situation  
Dili gyud mausab ang dagan sa akong panginabuhian
- 2. Mostly unable to change livelihood situation  
Mura ug dili mausab ang dagan sa akong panginabuhian
- 3. Neither able nor unable  
Dili ko kahibalo kun mausab ba or dili
- 4. Mostly able to livelihood situation  
Mausab siguro ang dagan sa akong panginabuhi
- 5. Totally able to livelihood situation  
Mausab gyud ang dagan sa akong panginabuhi

5.2 Please rate how much you like the work you are doing?

Palihog gradohi ang imong kaugalingon sa kasamtangan nga imong gibuhat?

- 1. Very dissatisfied (Dili gyud kontento)
- 2. Dissatisfied (Dili kontento)
- 3. Neither satisfied nor dissatisfied (Wala lang)
- 4. Satisfied (Medyo kontento)
- 5. Very satisfied (Kontento pag-ayo)

5.3 Do you feel yourself contributing to improve the image of street vendors?

(Sa imong tan-aw aduna ka bay natabang para mo taas ang imahe sa mga naninda daplin sa kalsada?)

- Yes, explain your answer (Kun Oo, unsa man kini?)  
.....
- No, explain why( Kun dili, ngano man? .....)

## 6. Comments

Please leave your comments on the questionnaire. Feel free to add any information that you think is interesting and useful for the research. (Kun sa imong kabahin adunay ka pay importante nga impormasyon nga angay mahibaloan nako, komento o mga sugyot isip usa ka vendor, palihog lang ko ug sulat.)

.....

.....

.....

**Thank you for your cooperation!!**

**Daghang salamat sa imong paghatag ug panahon pag-tubag sa akong mga pangutana!**



## **Annex II Proposed resolution by CCUVA and councilor Labella, 2001**

### **The Sangguniang Palingsod of the City of Cebu, on motion of Member Labella**

#### *Proposed Ordinance*

An ordinance repealing ordinance No. 1186 otherwise known as "an ordinance repealing ordinance No. 1017 entitled an ordinance permitting and regulating the business of sidewalk and ambulant vending in certain designated places in the city of Cebu."

**Whereas**, survival is a moral force to live for a meaningful life, thereby inducing the poor to engage in street trading and sidewalk vending to support their families;

**Whereas**, sometime on 18 February 1985, the Sangguniang Palingsod of the City of Cebu approved Ordinance No. 1186, which among other things, banned street trading and /or sidewalk vending on any street network of the said metropolis except on areas designated by the Market Committee of the same for the purpose of decongesting and/or declogging the metropolitan streets of said informal traders;

**Whereas**, it appears that the deterring force of the aforesaid ordinance seems to have been dulled by the more compelling economic realities which reportedly tend to push an increasing number of people belonging to this economically challenged sector to vend and/or trade on the streets of Cebu City;

**Whereas**, street trading does not only broaden the economic base of the underprivileged but also serves as a vital link in the social distribution and consumption of goods attuned to Article XII, Section 1 of the fundamental law of land which stipulates, ot wit;

"Section 1. the goals of the national economy are more equitable distribution of opportunities, income, and wealth, A sustained increase in the amount of goods and services produced by the nation for the benefit of the people; And an expanding productivity as the key to raising the quality of life for all, especially the underprivileged.."

**Whereas**, under Section 16 of R.A. 71690 otherwise known as the Local Government Code of 1991, the City Government if Cebu may, for enhancing economic prosperity as well as public safety and welfare, enact an appropriate legal measure designed to regulate the operation of street trading and/or sidewalk vending on the said metropolis;

NOW THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED BY THE SANGGUNIANG PALUNGSOD OF CEBU, in session duly assembled:

**Section 1.** Ordinance No. 1186 otherwise known as "An Ordinance Repealing Ordinance No. 1186 otherwise known as "an ordinance repealing Ordinance No. 1017 entitled An Ordinance Permitting and Regulating the Business of Sidewalk and Ambulant Vending in Certain Designated Places in the City of Cebu" is hereby repealed, henceforth, it shall be lawful for any person whether natural or juridical, to sell or vend in retail or otherwise, any goods, articles, merchandise or commodities in selected areas in Cebu City subject to the prescribed guidelines and regulations of this Ordinance.

## **Section 2. Definitions**

*Hawker* – refers to any person whether adult or minor who regularly or occasionally sell and/or vend any goods, articles, merchandise or commodities in selected streets, roads, sidewalks or open spaces owned and /or administered by the City Government of Cebu;

*Sidewalk/Street Vendor* – refers to any person who vend and/or sell any goods, articles, merchandise or commodities on designated areas in the City of Cebu.

*Registered Vendor* – refers to any street trader/sidewalk vendor registered directly to the City government of Cebu or a member of good standing of a local organization of the same recognized by the LGU

*Unregistered Vendor* – refers to any vendor not registered directly with the City Government of Cebu or not a member of any organization of the same recognized by the LGU.

*Business permit* – a permit issued by the Office of the City Mayor to any vendor upon the recommendation of the committee.

## **Section 3. Designation of Vending Areas/Sites**

- 3.1** All existing vending areas occupied by the vendors which have not caused obstruction to traffic, pedestrian and passageways of any establishments.
- 3.2** No vendor is allowed to occupy two or more areas nor a vendor allowed to use a dummy for the same purpose
- 3.3** There will be no additional vendors aside from the existing ones nor extension of any stall or areas allowed to the vendor.
- 3.4** No vending site shall be designated on the sidewalk portion leading to a pedestrian lane or walkway.
- 3.5** Loose vendors shall be given a portion of the remaining designated unoccupied areas for their permanent vending.
- 3.6** The committee shall consider looking for an open market for a specific period of time to sell within the area.

## **Section 4. Issuance of Mayor's Permit**

- 4.1** A business permit shall be issued to any applicant street trader/sidewalk vendor who shall comply with the following requirements to wit:
  - 4.1a** Filipino Citizen
  - 4.1b** member of good standing of their organization/association registered or recognized by the City Government of Cebu.
- 4.2** Any applicant shall submit to the Committee the following documents:
  - 4.2a** A duly accomplished application form
  - 4.2b** A health or Sanitation Certificate to those engaged in food vending
  - 4.2c** A Barangay Clearance duly signed by the Brgy. Captain
  - 4.2d** Police Clearance
- 4.3** The Mayor's permit shall be based upon the recommendation of the committee or local organization or federation of vendors
- 4.4** Any issuance of a Mayor's Permit shall be based upon the recommendation of the committee or local organization or federation of vendors.
- 4.5** The rate of the Mayor's permit shall be determined by the Mayor upon the recommendation of the committee or local organization and federation vendors.

## **Section 5. Terms and Conditions**

- 5.1** Permittee shall in no case be entitled together with the immediate or direct member of his/her family to have more than one (1) vending space.
- 5.2** Permittee shall personally conduct the vending business specified in the permit.
- 5.3** Permittee may alter his/her vending days and hours and even the items for sale as long as this will be duly approved by the local organization or federation of vendors.
- 5.4** Permittee shall at all times wear the ID issued by the local organization or federation while conducting business. In case of closure of business, suspension or revocation of permit the same shall surrender the permit to the issuing organization.
- 5.5** Permittee shall maintain the cleanliness of the street, road, avenue, passageway, alley and/or space occupied by the same through the use of appropriate cleaning paraphernalia.
- 5.6** Permittee shall dispose and/or deposit the refuse or rubbish accumulated in the course of business operation either in plastic bags or any other similar receptable and place the same on a designated area.
- 5.7** Permittee shall be prohibited to throw or dispose any liquid and/or solid waste on the street or floor allotting his/her business area
- 5.8** Permittee shall be disallowed to lease and/or transfer the area allotted to him/her or a portion thereof to any person.
- 5.9** Permittee shall display the original copy of the business/peddler's permit on a conspicuous place within the premises of the business establishment.

## **Section 6. Supervision**

A committee or Body shall be created known as the Cebu City Integrated Vendors Management Council tasked to supervise and regulate the operation of street traders and sidewalk vendors, as well as, ensure compliance and enforcement of the terms and conditions stipulated herein.

The Council shall be composed of the following, to wit:

<i>City Mayor</i>	<i>Chairman</i>
<i>ABC- President</i>	<i>Vice-Chairman</i>
<i>City Attorney</i>	<i>Member</i>
<i>CITOM Representative</i>	<i>Member</i>
<i>City Health Dept. Representative</i>	<i>Member</i>
<i>Business Sector Representative (2)</i>	<i>Member</i>
<i>Vendors Representative (4)</i>	<i>Member</i>

### **6.2 Duties and responsibilities**

The Cebu City Integrated Vendors Management Council shall have the following duties and responsibilities, to wit:

- 6.2a** To designate appropriate site or area for vending
- 6.2b** To supervise the clearing of city streets, sidewalks, alleys, government right of ways, open spaces, and other vending premises.
- 6.2c** To supervise and control the activity of vendors/hawkers in consonance with the provisions in this ordinance.
- 6.2d** To determine the processing and issuance of temporary permits to vendors/hawkers whose business may allowed for economic and social reasons
- 6.2e** To recommend prosecution of illegal vendors found violating this Ordinance
- 6.2f** To develop and prescribe rules and procedures pertaining to the internal operation and management of the Cebu City Integrated Vendors Management Council
- 6.2g** To perform such related functions as may be necessary to ensure effective supervision and control of vendors and/or hawkers pursuant to the provisions of this Ordinance and other related laws.

(...)

*Deputization*

#### **6.4 Deputization**

*The Committee or Body shall deputize members of organized vendors in specific vending areas and establish a Task Force which shall have the following functions, to wit:*

- 6.4a** To regulate the business activities of the vendors in accord to the provisions of this ordinance
- 6.4b** To apprehend violators of the cleanliness program and other policies of the vendor's organization within its area of responsibility
- 6.4c** To coordinate with the law enforcers in the implementation of peace and order in their area responsibility.
- 6.4d** To instill discipline among vendors in the area.  
Composition:
  - 1. Barangay Tanods in every Barangay where there are street trading and/or sidewalk vending activities.

#### **Section 7. Fees and Charges**

- 7.1 On sidewalk vending areas: two pesos (P.2.00) per square meter per day.
- 7.2 The flea market or "Talipapa" vending areas shall have the following rate: five pesos (P5,00) per day.

#### **Section 8. Utilization of Fees**

- 8.1 All fees and charges levied and collected shall be used to finance the City Government's Program in delivery of basic services particularly to the vendors and peddlers sector.
- 8.2 The local organization or federation of vendors shall be provided with a copy of the quarterly collection of the same to ensure transparency and efficiency in collection of revenues.

#### **Section 9. Penalty**

Willful violation on the part of street traders and /or sidewalk vendors against the provisions of this Ordinance shall subject the same to the following, to wit:

<i>First Violation</i>	<i>Reprimand and Stern Warning</i>
<i>Second Violation</i>	<i>P500 (Pesos) Fine</i>
<i>Third Violation</i>	<i>P1,000 (Pesos) Fine and revocation of business permit of license</i>

#### **Section 10. Saving Clause.**

Should any part or parts of this Ordinance be declared invalid or unconstitutional, the other parts not so declared shall remain in force and effect.

#### **Section 11. Repenting Clause**

Any other Ordinance or parts thereof inconsistent herewith are hereby repealed or modified accordingly.

#### **Section 12. Effectivity.**

This Ordinance shall take effect after four (4) consecutive weeks of posting in all offices and departments of the City government of Cebu and at the public posting places of the Sangguniang Panlungsod.

Respectfully submitted:

**Edgardo C. Labella**  
**City Councillor**

## Annex III Official supply and value chains and identified fruit and flower supply and value chains

Figure A1 The supply chain of Mango traders as identified by the department of Agriculture (as of 2005)

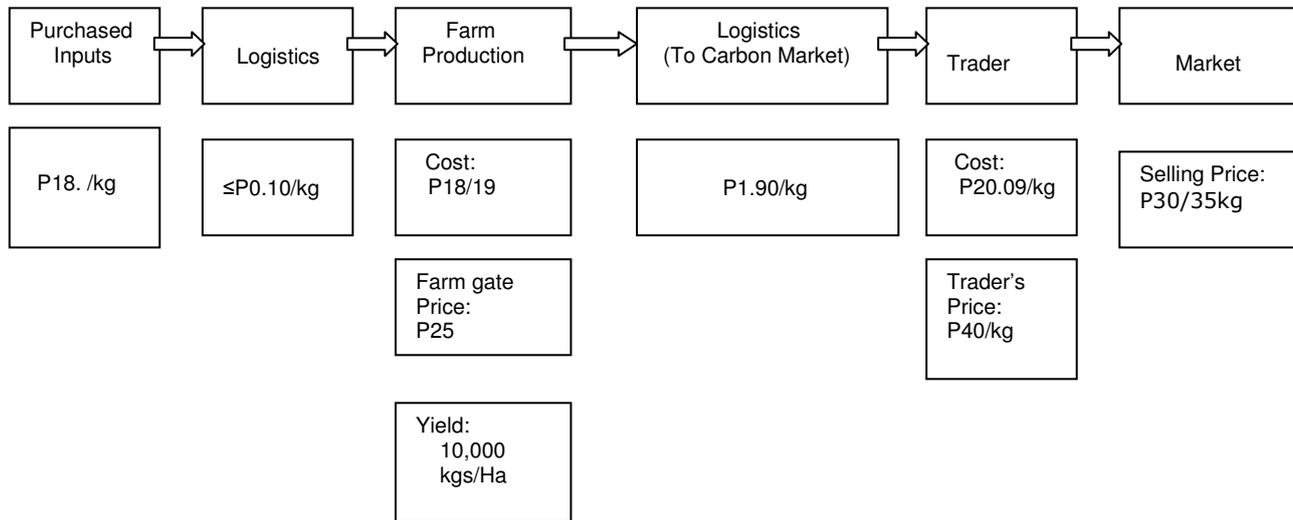
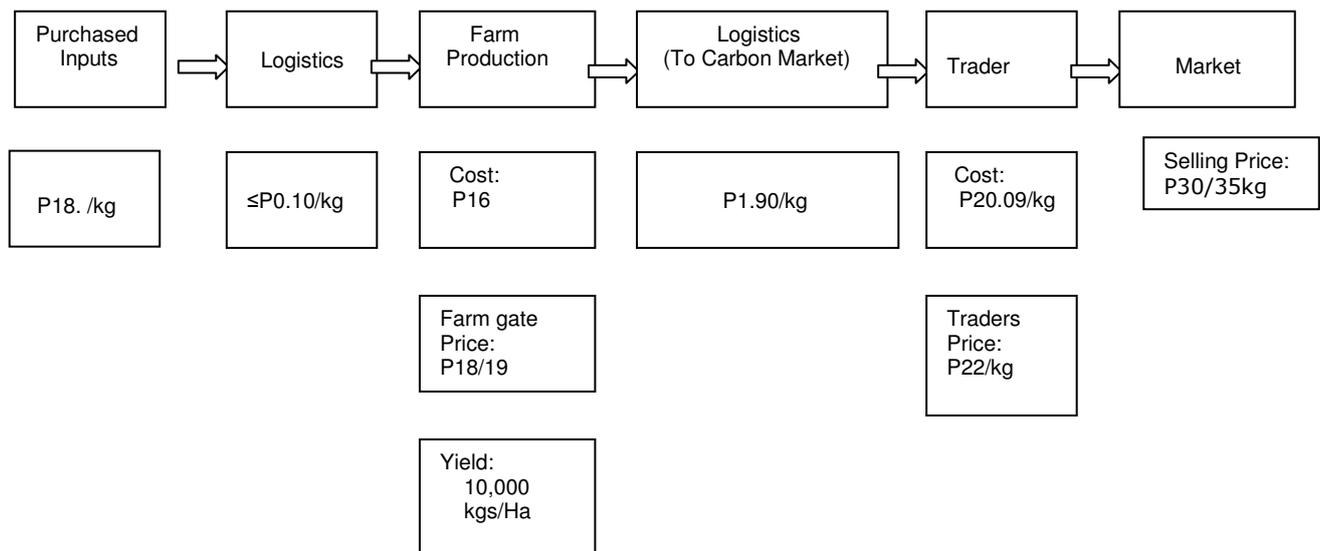
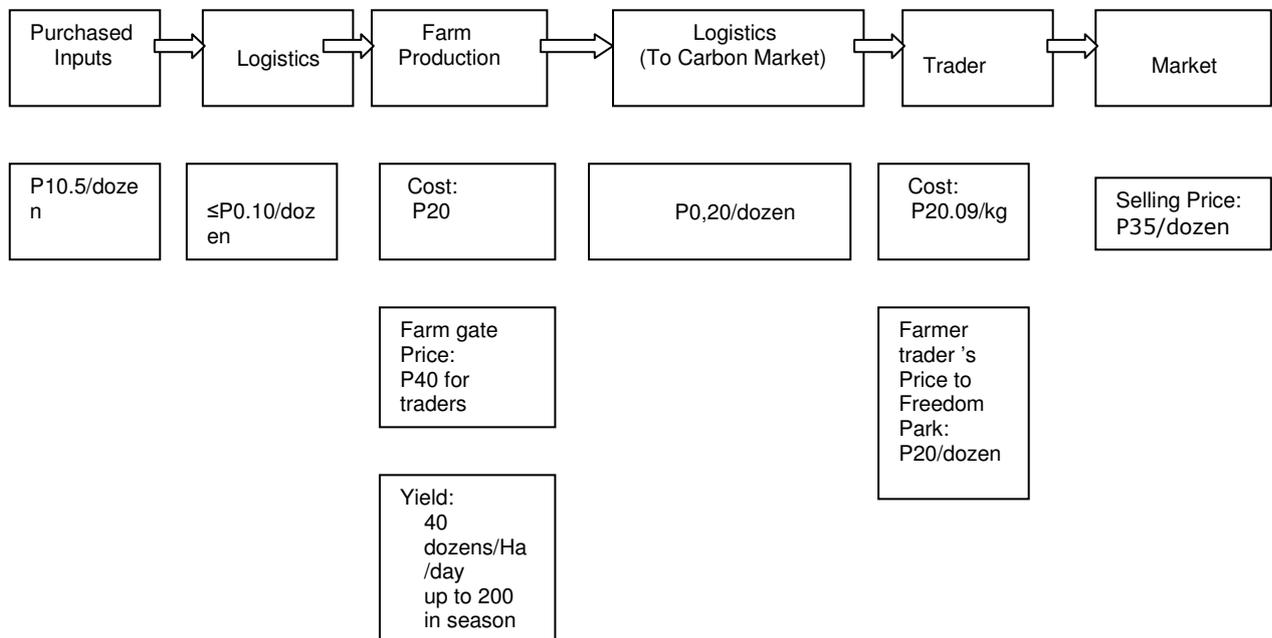


Figure A2 Identified supply and value chain from Mango traders from mountain Barangay Guba (26-6-2007)



The identified supply and value chains of Mango's from the hinterland (see figure A2), received through interviews with mango growers and sellers during a fieldwork with CMEDFI officer (micro finance program form RAFI foundation)26-6-2007, of Cebu City suggest that the margins that are 'made' on the market price are a lot bigger as opposed to the information from the Department of Agriculture (see figure A1). The exact reason for this remains unclear. Possibly the seasonality, the case specificity or the price for fertilizer or seeds has an impact on this matter. Further research could make this clear. During the same field research a flower vendors were interviewed, they explained the typical supply and value chain of cut-flowers from the Cebu hinterland (see figure A3).

**FigureA3. Supply and value chain of a typical mid-sized farmer/trader in Babak II, mountain barangay (26-6-2007)**



Source: Interview Babak II