

INFORMAL SECTOR VENDORS IN THE WORKPLACE

MACROPOLICY UNIT NATIONAL ANTI-POVERTY COMMISSION

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I. BACKGROUND: THE INFORMAL SECTOR

The Philippines for a long time now has been struggling with its economy. Economic growth as well as price (inflation) indicators might suggest improvements, however, problems with an important economic and human development indicator persists - employment. The country has consistently had a high unemployment rate, as well as underemployment rates. Unemployment refers to the situation wherein one seeks for a job but cannot find any, while underemployment is that situation wherein one works for less than the regular number of hours (operationalized as working less than 40 hours per work), hence, lower wages. This has led to a vast number of Filipinos who do not earn income, or earn very meagerly since work hours are limited.

One unique feature of developing countries is a consistently high underemployment rate which usually is more problematic than unemployment. As can be seen from the table below, unemployment rates have been checked, going above the “alarm level” (10 percent) only a few times in the past two decades. The Philippines for one has always had underemployment rates which have been constantly twice that of unemployment rates, prior to the last two years in which underemployment has seen a substantial decline. The table below shows yearly data of unemployment and underemployment statistics in the Philippines from 1981 to 2001¹

Year	Unemployment Rate	Underemployment Rate
1981	8.7	23.9
1982	9.4	25.5
1983	7.9	29.8
1984	10.6	36.4
1985	11.1	22.2
1986	11.1	28.4
1987	9.1	24.2
1988	8.3	23.3

¹ The unemployment and underemployment rates reflect October estimates for each year.

1989	8.6	23.2
1990	8.1	22.1
1991	9.0	22.1
1992	8.6	19.9
1993	8.9	21.4
1994	8.4	20.9
1995	8.4	19.8
1996	7.4	19.4
1997	7.9	22.8
1998	9.6	23.7
1999	9.4	22.1
2000	10.1	19.9
2001	9.8	16.6
<i>Source: National Statistics Office</i>		

This situation, as pinpointed by many, has led to the beginnings of the so-called informal sector (IS) and to its constant increase in magnitude and proportion to the labor force. It is the non-opportunity to earn income from formal jobs, as well as mediocre wages earned that have caused many of them to start income-generating activities on their own, either as the principal source of income, or as a means to supplement it (Yu, 2001).

This seems plausible as underemployment figures for the early eighties (1981 to 1984) range from a low of 23.9 percent to a high of 36.4 percent which means to say that on the average, at least a quarter of the labor force did not have full-time jobs which normally results in lower wages. Finding other sources of income becomes an imperative in this case.

The informal sector, however, is not that clear cut - it has had a variety of meanings. Two of these come from the International Labour Organisation (ILO) and one from a Philippine law signed in 1997 (Republic Act No. 8425 – Social Reform and Poverty Alleviation Act). RA 8425 gives a brief and more general definition while the ILO gives a comprehensive and detailed definition

For RA 8425, “Workers in the Informal Sector” refer to “poor individuals who operate businesses that are very small in scale and are not registered with any national government agency, and to the workers in such enterprises who sell their services in exchange for subsistence level wages or other forms of compensation” (Republic Act 8425, 1997).

The ILO definition refers to workers in the informal sector as (Yu, 2001):

very small-scale units producing and distributing goods and services, and consisting largely of independent, self-employed producers, some of whom also employ family labor and/or a few hired workers or apprentices; which operate with very little capital, or none at all; which utilize a low level of technology and skills; which therefore operate at a low level of productivity; and which generally provide very low and irregular incomes and highly unstable employment to those who work in it. They are informal in the sense that they are for the most part unregistered and unrecorded in official statistics; they tend to have little or no access to organized markets, to credit institutions, to formal education and training institutions, or to many public services and amenities; they are not recognized, supported or regulated

by the government; they are often compelled to operate outside the framework of the law, and even where they are registered and respect certain aspects of the law they are almost invariably beyond the pale of social protection, labor legislation and protective measures at the workplace.

Recently, however, the ILO has left it up to each member country to define the informal sector in their own manner. Sometime in April of this year, the Philippines, through an inter-agency body composed of representatives from Metro Manila Local Government Units (LGUs), national oversight and government line agencies, and the informal sector, drafted the would-be Philippine definition of the country's informal sector. At this time, the definition is still in the process of approval by the National Statistical Coordination Board (NSCB) which will decide whether to approve or disapprove the definition put forward.

The proposed national definition of the informal sector is:

“Units engaged in the production of goods and services with the primary objective of generating employment and incomes to the persons concerned. It consists of household unincorporated enterprises which are market and non-market producers of goods as well as market producers of services.

- These enterprises are operated by own account workers who may employ unpaid family workers, as well as occasional/ seasonally hired workers
- These enterprises may also be owned and operated by employers which may employ less than ten employees in a continuous basis
- Treatment of particular cases
 1. Quasi-corporations are not included
 2. Household helpers are not included
- Units engaged in professional services not included”

Typical examples of workers in the informal sector include *pedicab* drivers, *sari-sari* store sellers, market vendors, sidewalk vendors, small-scale construction workers, and landless peasants.

In recent years, the IS has substantially grown in number. The informal sector accounts for at least 50 percent of the total labor force, given the different methods employed. Some methods like the so-called ‘residual approach’ go as high as estimating that in 1988, the IS accounted for 85 to 90 percent of the total work force in the private sector and in 1993, 81.12 percent (Yu, 2001). In 1995, it was estimated that for NCR alone, the informal sector already numbered to around 520, 000 persons (Guerrero, 1995). A recent estimate puts the informal sector close to 20 million at around 19,580,000 in the year 2000 – more or less 70 percent of the labor force².

It can also be safely said that the IS has a substantial contribution to the economy. A study estimated that in 1993, the IS contributed to around 30 percent of the total Gross National Product (GNP), or 225 billion pesos. In addition, the NSCB has estimated that from the years 1987 to 1993, around 45 percent of the Philippines’ Gross Domestic Product (GDP) was from the IS (Canlas, 2002).

² Presented by Teresa Deveza (UNDP-ILO Consultant for the Informal Sector) - estimate derived using Labor Force Survey figures.

The fact that the IS contributes by providing employment to those unemployed and underemployed in formal work and contributes to the country's economy has made the government recognize and take into consideration workers in this sector.

II. SCOPE AND OBJECTIVES OF THE STUDY

Apart from being huge in number, the workers in the IS are also not homogenous – they are a mixed group. Currently, the IS, as determined by the organized portion³ of the sector, is further subdivided into five subsectors. These are: 1) vendors; 2) home-based workers; 3) small transport workers; 4) construction workers (small-scale); and 5) others⁴. The agriculture, fisheries, and forestry sector has suggested that some in their ranks be included in the informal sector⁵.

This study will focus on the subgroup vendors. Recent controversies and issues concerning them and corresponding LGUs have cropped up, hence the need for a study on these, mainly in relation to an executive order targeting the security in their workplace – more of security of tenure and viability of operations that is, rather than health or physical security.

This study will present the IS vendors' current situation and issues concerning security in their workplace while LGUs' issues and perspectives will also be presented. Related laws and issuances will be briefly presented and discussed⁶.

The final objective of the study would be to propose recommendations in order to promote the interest of the IS vendors with regards to their workplace with an attempt to take into consideration LGU concerns. This study will be limited to three areas only - Quezon City, Caloocan, and Muntinlupa.

For this purpose, IS vendors will be defined as those who are *either ambulant vendors or peddlers, market vendors without stalls, market vendors with stalls, or street vendors* who fall within the definitions of the IS as written above. It should be noted that majority of the IS vendors are those without stalls.

III. GENERAL ISSUES AND CONCERNS OF VENDORS IN THE WORKPLACE

Different issues regarding the workplace have already been documented and discussed by IS representatives in meetings, assemblies, and planning workshops. In July last year, the IS vendors advocated for two things⁷. These were:

³ The IS is largely unorganized. Representatives of organized IS groups have represented the sector in the National Anti-Poverty Commission body.

⁴ This refers to those workers categorized under the IS but do not fit into the four concrete subsector categories.

⁵ Weeks after the April (2002) session on defining the IS, the agriculture, fisheries, and forestry sector used the definition crafted in April and defined the IS in their ranks

⁶ A limitation of the study is the acquisition of a limited number of local legislation acquired – most of these were acquired from compilations of civil society groups. It proved difficult to access the LGUs' local legislation (ordinances, resolutions, etc.)

⁷ These issues were from the Civil Society Sectors and Government Consultation which transpired in 3-4 May and 24-25 July 2001

1. The finalization and implementation of Executive Order No. 452 (EO 452) for security of vendors' livelihood, security in their workplace, and security from police harassment and
2. An EO outlining government policy on protection and recognition of informal sector, emphasizing security of livelihood and workplace.

There is the existence of EO 452 ("Providing for the Guidelines that will Ensure the Security of Registered Vendors in the Workplace") that was already signed in October 1997 during the time of former President Fidel Ramos, but at that time (July 2001) had yet to have its Implementing Rules and Regulations (IRR) which would provide the legal basis for the implementation of the law. This particular executive order aims to protect IS vendors as well as consumers by registering them and designating viable workplaces for them.

From the IS representatives in January 2002, the following issues concerning vendors were raised⁸:

1. IS is not given recognition by LGUs;
2. Demolitions without court orders and harassment from police (i.e. violence and extortion) occur;
3. There has been an increasing number of vendors which brings about competition and lack of space;
4. Non-implementation of EO 452 in the national and local levels;
5. Existence of local ordinances that run counter to the EO and prejudice vendors;
6. Some LGU officials are unaware of the existence of EO 452 or do not honor it; and
7. There is this seemingly lack or absence of political will from the agencies involved in the implementation of EO 452

As observed, majority of their issues refers to EO 452 and its implementation. The IRR of the said EO has been finalized and signed just late last year, however, vendors have questioned its slow implementation. They have even cited the non-implementation and seemingly lack of interest of LGU officials in supposedly 'pilot' areas.

Out of these issues and concerns, the IS vendors have made some demands during their sectoral meetings last January and April this year⁹. These are the following:

1. There should be a strict implementation of EO 452;
2. A Task Force on EO 452 should be formed;
3. Laws that are "friendly" to vendors (i.e. Magna Carta on vendors) should be enacted;
4. DILG should craft a resolution to implement EO 452;
5. Orientations and capacity-activities should be given to LGUs for awareness and recognition of the IS and EO 452;

⁸ These issues were from the Sectoral Assembly of the Workers in the Informal Sector conducted in 11-14 January 2002.

⁹ These requests/ demands were made during the Sectoral Assembly of the Workers in the Informal Sector conducted on 11-14 January 2002 and during the Sectoral Council Planning of the Workers in the Informal Sector conducted on 10-12 April 2002.

6. The IRR of EO 452 should be reviewed and updated– guidelines must be improved, provisions which cannot be implemented should be identified, and strategies to be implemented at the local level should also be identified; and
7. Monthly meetings on EO 452 committed by the DILG since October 2001 should push through.

Mercedes Nicolas, president of a national vendors group, KATINIG, and the head representative of the vendors in the NAPC Sectoral Council for the WIS confirmed these general issues in a recent meeting. She said that aside from lacking capital and being heavily indebted, IS vendors face issues related to the workplace in the form of harassment and abuse from government personnel, either from the police or from *barangay* officials. She said that vendors typically face sudden and arbitrary arrest which in some cases the police even steal or destroy their merchandise in front of them. In some instances, when vendors are arrested, policemen do not even bother to explain to them the reason why they are being arrested, which is stipulated in the law.

She added that policemen and officials make a lot from “protection money” (*lagay*) which she cites is another reason why vendors still continue to vend in illegal sites. She said that perhaps the officials of the LGUs are intentionally not trying to clear illegal areas from vendors because of the money they are getting from it. Unknown to many but the sentiment of the street vendors is that they are willing to pay taxes or registration fees (in the case of EO 452’s implementation) over protection money to the police since these will turn out to be cheaper.

IV. SITUATION IN THE WORKPLACE

Quezon City

Sometime in the middle of the year, two areas in Quezon City received attention due to an outcry of vendors in Nepa Q-Mart and in the Commonwealth area. President Gloria Macapagal-Arroyo made a surprise visit to NEPA Q-Mart which gave the vendors a chance to air out their complaints on the slow implementation of programs – this included the weak application of EO 452. Another trouble-some area is Commonwealth in which vendors inside the markets who have legitimate spaces and stalls are complaining against other vendors who are vending “illegally” to their demise.

Issues and concerns of LGUs against IS vendors

Different issues against the IS vendors have been raised by the Quezon City (QC) LGU, which as stated above has been having problems in the Commonwealth area as well as in NEPA Q-Mart.

They claim that the QC LGU has an ongoing identification of alternative vending sites for those IS vendors who sell at the informal flea market at *Manggahan*. It was said that it would already be hard for the Commonwealth market to accommodate them since the market has reached its limit already.

Also mentioned were the current efforts at clearing of premises not designated as vending sites. However, QC has not been successful in clearing the illegal market since they

say that vendors still choose to ply their trade along Commonwealth Ave. Even after demolitions, the vendors return and re-build their makeshift stalls. As a result of the involuntary evacuation of vendors, clashes between them and the police have happened, and even murder. They claim however, that even those who have stalls inside the Commonwealth Market also have operations in *Manggahan* to have a stake in both areas.

Issues and concerns of vendors

For the market vendors, the main issue is with regards to competition. They say that their operations have been non-viable due to the nearby informal market (*Manggahan*) which lures customers away from them. They also claim that Mayor Belmonte has a lack of political will since his constituency has failed to demolish illegal structures and relocated vendors to appropriate vending sites. Also, traffic enforcers ignore the vendors' presence, maybe due to the *lagay* system which they say exists. Police and barangay *kagawads* have been collecting money from the vendors.

For those vendors within the vicinity who do not have legal areas such as stalls, the *Manggahan* market is still a profiteering place since the people go there instead of the market. It has been noted that there is no alternative vending place yet for these "illegal" vendors.

Implementation status of EO 452 and its IRR

As observed, Quezon City is the first LGU within NCR that has enacted an ordinance in line with EO 452. This is through local ordinance no. 993 approved in February 2001 and in effect since December of that year which is *an ordinance providing for the regulation and security in the workplace of registered street vendors, in accordance with executive order no. 452, entitled "Security of Registered Vendors in the Workplace" signed on October 24, 1997.*

Recognizing the contribution of street vendors, Quezon City has provided this local law in support of EO 452, regulating street vending. As stipulated in the ordinance, street vendors in Quezon City should register within sixty days of the ordinance (following stipulated guidelines). After this, a Vending Permit, which will be a pre-requisite for vending, shall be acquired by the vendors.

Under the ordinance, a council composed of QC officials with four representatives of known vendor groups will be formed. This Council will be in-charge of designating and assigning workplaces, from the conduct of the survey. It will also be in charge of monitoring compliance with the ordinance.

Also, vendors, while waiting for the approved vending sites and are occupying areas not designated as vending sites, should be provided with temporary workplaces. In addition, vendors will be encouraged to organize themselves for empowerment.

Other laws, orders, ordinances, etc. related to security in the workplace of IS vendors

- Ordinance No. 1074 – an ordinance prohibiting sidewalk vendors or any person from selling or vending their wares or merchandise within the premises of pedestrian overpasses, providing penalties for violation thereof, and for other purposes. (Approved on November 20, 2001)

The aim of the ordinance is to free pedestrian overpasses from obstruction to the flow of pedestrians and to keep the cleanliness of the structure. With this, it has been declared illegal to sell in any part of pedestrian overpasses or even within its stairs.

Caloocan

Issues and concerns of LGUs against IS vendors

Two major issues against IS vendors, particularly sidewalk vendors are presented by the Caloocan LGU. One is that the vendors cause traffic since they use the sidewalks as their vending places, hence pedestrians are forced to occupy a portion of the road itself. This limits the available road space and causes congestion and “choke points” in certain areas. The LGU claims that even the vendors know and attest to this.

The other concern is with regards to littering, which destroys the cleanliness of the place. It also promotes flooding since it was claimed that generally, these sidewalk vendors leave their refuse in the streets and even throw the trash directly into canals in which majority are made from plastic substances. These clog the canals, which make them potentials for flooding.

Issues and concerns of vendors

In Muntinlupa, the IS vendors are questioning the supposedly slow implementation of EO 452 explained briefly below. They are also questioning the perception of the LGU that their presence causes traffic – they claim that it is the presence of illegally parked vehicles along the roads that is the cause and not them. They are pressing for EO 452 so that they can already vend legally.

Implementation status of EO 452 and its IRR

In Caloocan, vendor groups cite Mayor Rey Malonzo as the weak link in the implementation of EO 452. According to them, he always claims that there is already a proposal for efforts in compliance with the EO but the staff are not aware of it. Even the high level staff are close-minded, Ms. Nicolas said. To cope with this problem, the vendors result to “politicking” with the mayor’s wife since they say that she is eyeing a spot in the next elections – for example, the vendors were able to commit from her to sponsor a year’s worth of Philhealth contributions for them.

Anyway there is a glimmer of hope because the last time Ms. Nicolas checked, the Task Force on the IS for Caloocan was to be convened already, with one representative per subsector as identified earlier. It was advocated by the organized sector of the vendors that for each LGU, a Task Force for the IS was to be created. Ms. Nicolas is suggesting that the so-called Inter-Agency Council which will be tasked to implement EO 452 should fall under this Task Force.

Amelia Chavez of the City Planning Office mentioned that the crafting of a local ordinance supporting EO 452 is already in the works, however, even without the local ordinance, they are already putting in place some of its features. She mentioned that the city has recently begun its survey of vendors which she said will be a pre-requisite for their

subsequent registration. Alongside, they are also beginning to spot possible alternative sites with the help of vendor groups. She mentioned the holding of a “Vendors’ Summit” which aimed to provide multi-dimensional forms of assistance to the vendors. It aims to raise awareness of the vendors on ‘tenure’ matters (survey and registration procedures, etc.) as well as aims to provide orientation on health insurance mechanisms and useful tools, such as livelihood trainings. The summit was supposed to be conducted early in July but it was postponed due to the uncooperative weather.

Other laws, orders, ordinances, etc. related to security in the workplace of IS vendors

- Resolution No. 1237 - a resolution authorizing the city mayor to enter into an agreement with qualified private entities for the establishment of “tiangge” stalls in available areas along 10th avenue for district II and the vicinity of North Caloocan in District I. (adopted on December 5, 2001)

This resolution states that the mayor can enter into an agreement with qualified entities for the objective of providing business opportunities to qualified constituents of the city. This will include IS and non-IS vendors.

- Resolution No. 0761 - a resolution authorizing the city government to extend the lease for one (1) year, but not exceeding December 31, 1999, a portion of the city plaza as *tiangge* site and exposition venue for products and merchandise. (approved on April 8, 1999)

A portion of Caloocan’s plaza was leased as a *tiangge* site during the Christmas season in 1998. This had favorable results both to the city and to the vendors. The resolution wanted the trading activity to be extended at only a charge of 100 pesos per stall daily. Preference was given to the Caloocan City Employees’ Cooperative so that employees of the City government could avail of the same opportunity.

- Ordinance No. 075. “An ordinance expropriating the present 7th avenue market site and retaining its current use in the interest of the public and general welfare and appropriating funds therefore. (approved on October 9, 1990)

This ordinance has been of benefit to market vendors since the city expropriated the market site in which the mayor was given authorization to use the necessary amount from the city’s General Fund to acquire the site. Under the ordinance, the present vendors, administered by the 7th Avenue Vendors’ Association was to be given priority.

- Ordinance No. 0165.

In Chapter 7, traffic obstructions are discussed and prohibitions are presented. It states that “any article, object, or thing that impedes pedestrian traffic on main thoroughfares shall not be allowed” It adds that “business establishments shall not store or use as display of their merchandise the sidewalk alleys or main thoroughfares. Vendors and peddlers shall ply their trade in a manner that will not impeded vehicular or pedestrian traffic. Whenever practicable, they shall use portions of the sidewalk immediately adjoining the building or structure. No sidewalk vendor or ambulatory peddler shall be allowed on Rizal Avenue Extension from the Monumento Circle up to the north corner of 11th Avenue.”

Muntinlupa

Issues and concerns of LGUs against IS vendors

Gary Llamas, OIC of the Business Permit and Licensing Office of Muntinlupa, acknowledged the pressing problem of vendors. He said that Muntinlupa wishes to keep the vendors off the streets for the city' sake. One particular problem was that there was a large volume of vendors in the city and a substantial number were non-Muntinlupa residents. He said that they were more after the sake of the vendors residing in the city than those vending in Muntinlupa but live in other areas.

It could also be deduced from its ordinances that like the other LGUs, Muntinlupa sees the street vendors as potential threats and causes of traffic, both for vehicles and pedestrians by being "obstructions."

Issues and concerns of vendors

For Muntinlupa (including Alabang), there are both issues within vendors and issues raised against the LGU. For within vendor issues, there is the problem of fierce competition resulting to violence. There is this seemingly clash of the Muslims and the Christian vendors - a fight for space, leadership in organizations, and even for customers.

The problem with the LGU is typical of the issues other vendors are facing in different localities. There is heavy extortion going on. Also, they claim that they are even being used in politics sometimes since they are huge in number. Some of the vendors, already offered alternative sites, are worried that the proposed sites may not viable for business.

Implementation status of EO 452 and its IRR

It was expressed that there is hope for the vendors, especially those vending in the streets. A recent move by the Muntinlupa LGU was for a registration of 200 vendors to be awarded stalls. These people were chosen from two vendor groups picked by its leaders. The allotted space is a 1,000 square-meter lot which is a privatized jeepney terminal.

It was also committed by the LGU that they would facilitate the preparation of a new inventory of registered vendors for identifying potential stall owners with a specific priority for Muntinlupa-resident vendors. To further give a boost to the IS vendors' participation in decision-making, it has been agreed that each of the heads of the vendor groups mentioned above will sit in an interim Inter-Agency Council.

Other laws, orders, ordinances, etc. related to security in the workplace of IS vendors

- Ordinance No. 02-033 - an ordinance repealing Kautusang Bayan Bilang 88-09 and 88-09A and providing the scope of coverage of "obstructing traffic" on all streets and sidewalks within the City of Muntinlupa, and increasing penalties for violation thereof. January 2002.

This ordinance provides a general guideline prohibiting obstruction to roads traversed by cars. As observed, there is a big number of vehicles who pass by the Muntinlupa area daily. The ordinance enumerates objects or activities that are considered to obstruct the traffic. The list, among other things or activities, includes vending or offering goods or

merchandise for sale from or on a vehicle or pedestrian, stopping a vehicle for the purpose of displaying products or goods, or for advertisement purposes; and placing of pushcart on sidewalk or street.

- Ordinance No. 88-10 – an ordinance prohibiting any person from sidewalk vending within the vicinity of Muntinlupa (approved on June 13, 1988).

This ordinance prohibits any person from vending in sidewalks within Muntinlupa City. Corresponding penalties are outlined in the ordinance.

V. ASSESSMENT AND RECOMMENDATIONS

As can be observed, the main issue of IS vendors regarding the workplace is security in terms of tenure and a viable workplace. They wish to be free from harassment and extortion and are even willing as they say to pay taxes or registration fees in exchange for this security. They are banking on the implementation of EO 452 which they claim will solve these problems of theirs. Many vendors, especially those who belong to organized groups, have strongly advocated for the full implementation of EO 452 by the LGUs. As Ms. Nicolas points out - if only the LGUs will implement it fully, there wouldn't be any problems or issues like these anymore.

It seems as of the present, the implementation of this EO in the local level is only in its infancy stage. From the data presented above, the three LGUs have made different efforts which are in line with the objectives of the EO. Two of the LGUs have begun implementation of vendor-related actions while only a single LGU has successfully crafted a supporting local ordinance for this purpose.

As said earlier, though Muntinlupa and Caloocan have no concrete ordinances yet supporting EO 452, their current actions such as awarding of stalls and spaces, surveying and registration are in line with the EO. As of recent information, QC also has begun the survey and registration of vendors.

Existing laws and ordinances in these three LGUs as presented earlier indicate that there are a number of laws prohibiting informal vending but it seems the LGUs lack laws providing for alternative sites and for the promotion and protection of the IS vendors. So far, only one of them has crafted a supporting ordinance which is a pre-requisite for this. It is commendable that Quezon City already has a supporting local ordinance – this is already an important start as it creates the enabling environment. Time will tell if this will succeed and will be for the benefit of the IS vendors or not.

It is thus advisable for other LGUs to replicate QC's local ordinance or adopt a similar one. Support in the LGU level will give the EO more "teeth." After all, policy-making and implementation of laws, EOs, etc. in the local levels is what matters most. It will also give the LGU the mandate to conduct programs for the IS vendors. It will also serve as the basis from which the vendors can legally demand the different stipulations for their promotion and protection. Without a written document, there may not be enough accountability and vendors may have a weaker chance of succeeding with their reasonable demands. Although, again, the ordinance is only a starting point – implementation will still be the true test.

Assessing the situation, it seems that *a correct and full implementation and local support of EO 452* will solve most of the pressing problems of the IS vendors in terms of security of tenure in the workplace. It is acceptable for an LGU to have ordinances against vending in certain sites that may cause traffic or may seem to promote littering, however, what is important is to think of other opportunities for vendors to continue their businesses. It may be argued that these are made for the city's sake – however, laws should be made for the people's sake in the city – the city is for the people and not the other way around. The IS as a whole, including the vendors, comprise majority of the workers in the country and also in the different local units. More importantly, it provides those without access to formal jobs and regular income (mostly the poor) with incomes to support their expenses. With this in mind, an informal sector friendly environment is deemed to be pro-poor.

The LGU, by adopting these kinds of laws will not be on the losing end simply because the informal sector, including the informal vendors, provide close to a third or even half of the nation's productivity (GNP/ GDP) – this situation may in fact be similar in the local level. Also, if properly implemented, the LGUs will get revenues from registration fees and small-scale taxes from the vendors for its own local treasury. Legalizing and registering vendors would mean additional funds for numerous purposes. It will also discourage extortion and similar corrupt activities.

To stress the point, it is important to reiterate pro-active measures such as Resolution No. 0761, which was adopted in Caloocan in 1999. It extended the operation of a “*tiangge* type” selling place since they saw it was favorable both to the LGU and to the vendors. This supports the hypothesis that given a secure place, even with a small fee, there will be good results for the two stakeholders.

It is thus an imperative to continue the implementation of EO 452 through different efforts with a concrete legislation supporting it. It is also encouraged that if they wish, it can be supplemented with other relevant issuances and programs.

Finally, a number of issues are presented below – these are issues which should be resolved and planned by the respective LGUs together with the vendors. It should be noted that this will only be a preliminary list – certainly there will be more that will appear in the future.

- Operationalization

What is important is for the LGUs to plan how to operationalize the specific mechanics of EO 452. A local ordinance may not be enough – specific operating guidelines should be created.

- Prioritization

Another important issue is to figure out which groups or which vendors are to be prioritized. There has to be a sound selection process and criteria for this. It also has to be decided how to deal with vendors who reside outside the LGU. It is understandable for an LGU to prioritize their ‘own’ vendor residents. It must coordinate with other LGUs, especially if situated near each other to resolve this.

- Selection of vending sites

A very important concern is to pinpoint the different vending sites already, of which some LGUs are already doing or are planning to conduct. It must be bore in mind that the proposed sites should be acceptable to most if not all the vendors and will be a viable place for their businesses.

- Fees

Another important consideration is the amount to be charged for the different processes, such as the registration, permit, and stall/ space rentals. It should neither be very expensive so that it would not cut deeply into the profits while it should not be too low as to encourage additional vendors from occupancy.

- Surplus

One issue to think about is what will be done with ‘excess’ vendors which would fail to be provided with spaces. This is a practical matter since the LGU might not be able to accommodate all the vendors. Along this line, it might be of use to the LGU to consider actions encouraging vendors to try other livelihood opportunities. Such actions may be in the form of skills training and other incentives that the LGU may think of.

- Participation

Of course, in all steps in the planning process, participation from the affected sector – the vendors – is a must. This is to ensure that plans are made in accordance with the needs and interest of the vendors. The LGUs must plan how these will be involved. The process should also ensure that other stakeholders’ (i.e. local residents) opinions are included.