



## Why Street-Vendor Relocation Policies Need To Be Rethought

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Many impoverished people in cities across the world make ends meet by selling goods on the street to tourists, commuters, and other pedestrians. Local authorities often treat these street vendors as nuisances because they can crowd public space. To reclaim control over public space in their cities, many officials have pushed policies that evict vendors, confiscate their merchandise, and sometimes even jail the vendors. My research suggests that these punitive policies are not effective and often push street vendors to work “on the run”.

I conducted a study of street vending policies in Lima and Bogota. Both cities aimed at “solving” the employment needs of street vendors by providing them off-street areas to conduct business. These policies did not work as intended, I found, because they placed unnecessary financial burdens on either relocated street vendors or city budgets. Instead, policies should aim to provide safe and stable access to the streets. Such steps would likely improve working conditions for street vendors and ensure that public spaces remain safe and useful for the public. These policies could even bring broader economic benefits for the city than the more restrictive alternatives.

Many cities across the United States are discussing legislation to regulate street vending. To avoid ineffective efforts, U.S. city officials should learn from the successes and failures of the other cities around the world that have already struggled with the same problems.

### Relocation Policies Dismiss Street Vending as a Viable Occupation

Street vendors are the most visible occupational group in the so-called informal economy – that is, the realm of economic activities not regulated or protected by the government. However, empirical studies on street vending have repeatedly challenged the idea that street vending is truly detached from the formal economy or that it is detrimental for the urban poor. In most cities, street vendors contribute to local government revenues by paying sale taxes, daily fees, and permit or licensing fees. Street vending can increase product distribution for recognized brands or channel pedestrian flow in ways that benefit brick-and-mortar businesses. Although vendors tend to be poor, many succeed at making a decent living and securing better options for their children. In many cities across the world, street vendors can earn more than a minimum wage. In some cases, young mothers see street vending as a flexible way to make a living while also caring for children.

Despite such realities, policymakers in Lima and Bogota continue to rely on outdated perceptions of street vending and thus seek to “upgrade” vendors away from the streets. In Lima, public officials seem to believe that street vendors are failed entrepreneurs who have simply been unable to move into the more formal, brick-and-mortar retail sector. Hernando de Soto, a Peruvian economist, argued that vending licenses create incentives that discourage the transition from street to storefront. Instead, he argues, the state should make it easier for street vendors to move their businesses into roofed markets and gain access to financial services that can grow their businesses.

Following these guidelines, public officials in several different municipalities have simplified business registration processes and required vendors associations commit to a three-year savings plan that will qualify the association for a bank loan that will serve to put toward the construction of a roofed market. Some vendors associations have been able to build roofed markets in good locations, but most vendors cannot afford these relocation projects.

Even though vendors in roofed markets earn, on average, more per month than street vendors, this is often because the vendors in roofed markets work twice as many hours. Hourly earnings do not differ significantly

between vendors in roofed markets and those operating on nearby streets. As result, some vendors abandon their stalls. Meanwhile, relocated vendors, often in debt, face unnecessary financial barriers that may inhibit them from improving their working conditions.

In Bogota, authorities treat street vending as a survival strategy. In 2003, the Constitutional Court ruled in favor of street vendors' right to work and requested the city government to stop confiscating merchandise and evicting vendors without providing alternative employment options. In response, the city revamped a dedicated office that offered street vendors new options including start-up funds, training, and temporary licenses in sponsored fairs, transitional vending zones, and planned stalls. The expectation was that these services would turn vending zones into 'recovered' public spaces and vendors will move into built-in marketplaces run by the city or find other employment options.

Despite the wide range of options, most vendors were not well served by these policies. Only vendors working on prioritized areas for "recovery" or "in transition" are likely to be offered social programs. Still, many vendors do not sign up for these programs because they can only guarantee limited-term employment and uncertain economic prospects. Indeed, occupancy rates and sales remain low in city-run marketplaces in which many vendors have been relocated. Meanwhile, unlicensed vendors continue to be caught in non-sanctioned vending areas, facing regular evictions and confiscations of merchandise. As a result, Bogota's investment in these programs have limited impact at improving public space.

Overall, top-down efforts where experts decide what is good for street vendors have not worked. It is important to provide vulnerable workers, like street vendors, opportunities to search for better employment or businesses prospects. However, these policies, by overemphasizing the need for "empty streets" as a precondition, often fail to reclaim public space for actual users and, most importantly, fail to provide more stable and desirable work for street vendors.

## **A Bottom Up Approach to Regulating Street Trade**

Regulating street trade is a challenge across the globe. Many countries have rapidly growing cities and increasingly dense urban cores. In these areas, street vending not only provides on-the-go services to pedestrians passing by, but also creates opportunities for people to slow down and connect. Fruitful regulations should take into account the contributions vendors bring to the sidewalks. To ensure these policies are effective, street vendors themselves should take part in devising them. This will help get incentives right and improve vending sites for all concerned.

Many cities are moving in this direction in their urban design and legislative practices. In Durban, South Africa, Asiye Etafuleni, a non-profit organization, helped create a model solution in the Warwick Junction street market. India is implementing Town Vending Committees to protect street vendors' livelihoods and set up shared guidelines to regulate this activity. In Los Angeles, the Safe Sidewalk Vending Act in 2018 decriminalized street trade. The act requires local governments establish a no-cap licensing system with guidelines that do not limit the choice of areas for vending unless there are health, safety, or welfare concerns. These initiatives require policymakers to give up the quest for full control and instead work to develop general guidelines that resonate with how people and vendors actually use the sidewalks.

**Read more in Lissette Aliaga Linares, "The Paradoxes of Informalizing Street Trade in the Latin American City," *International Journal of Sociology and Social Policy*, Vol. 38, no. 7/8 (2018): 651-72.**