



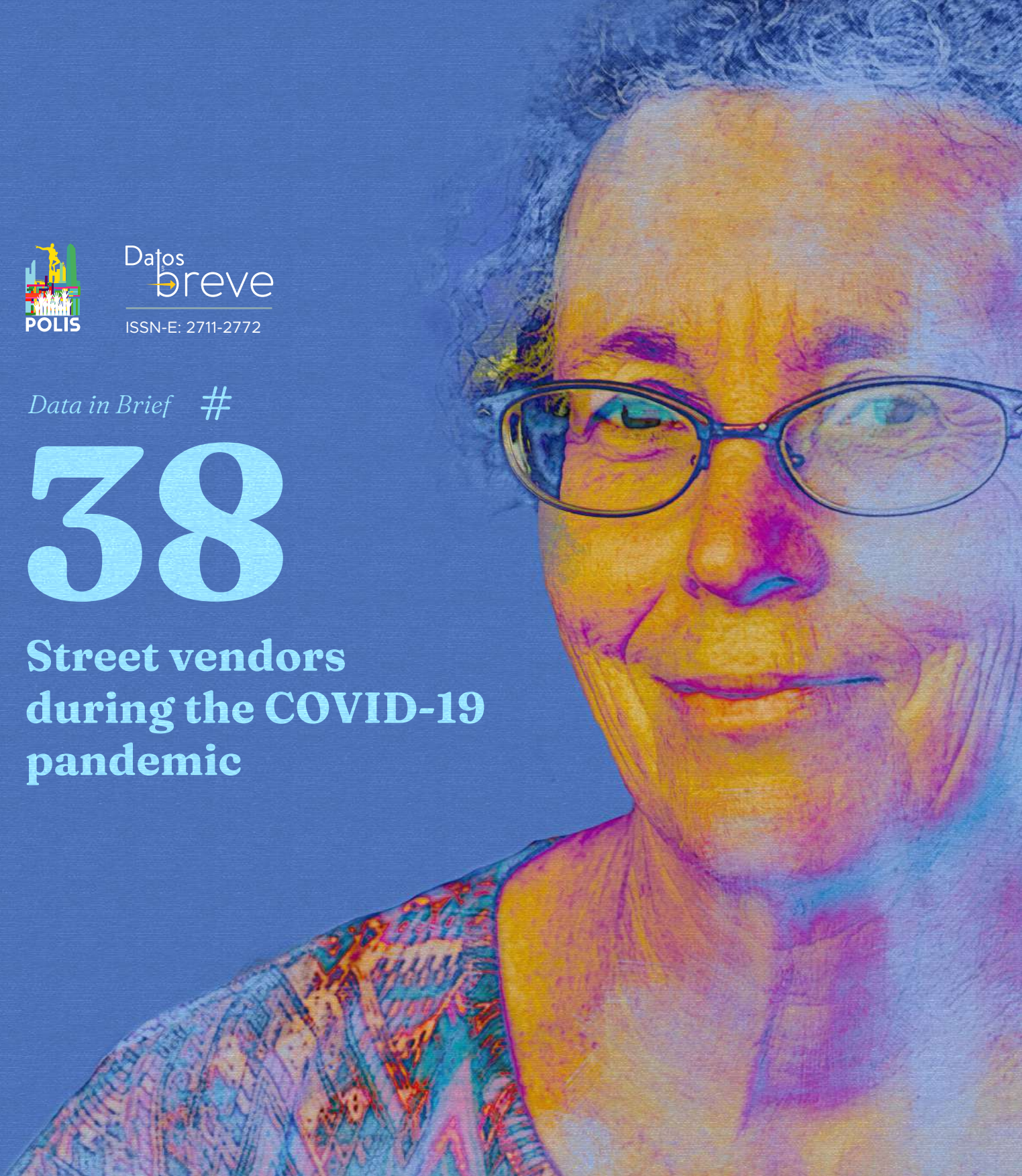
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Data in Brief #

38

Street vendors during the COVID-19 pandemic



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The Public Policy Observatory (POLIS) is a research center dedicated to understanding and improving the quality of life in the Pacific region. We conduct applied research on urban, social, and educational issues to provide evidence to help public policymakers make better-informed decisions.



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Street vendors during the COVID-19 pandemic

#38

In Latin America, 53% of the working age population are informal workers (OIT, 2018). Although the informal economy has workers of different socioeconomic statuses, 72% are poor (CEPAL, 2020). The COVID-19 pandemic exposed the fragility of informal employment. In Colombia, in line with regional trends, 50% of the population are informal workers (DANE, 2021). One of the most representative groups in the informal sector is street vendors, who have been among the most vulnerable to mobility restrictions imposed by the pandemic or, more recently, by the Paro Nacional¹, since their economic activity requires interaction in the streets to generate income.

¹. The wave of protests that started to sweep across Colombia at the end of April (<https://www.bbc.com/news/world-latin-america-56986821>).



10.000

*Street vendors
in Cali.*

In Cali, street vendors have been a subject of public debate for decades. In 2019, the Cali Mayor's Office did a georeferencing exercise and estimated that there were approximately 10,000 street vendors in the city. The local government, with this information, knew the number of street vendors in the city but could not obtain detailed data about this population because georeferencing was an observation exercise, not a characterization exercise. Today, the local government knows that the crisis probably increased the vulnerability of 10,000 street vendors but does not know to what extent it did so. The lack of technical information of street vendors in the current crisis has limited their ability to carry out targeted interventions. Therefore, the vulnerability of this group is increasingly critical.

We know the first step towards public policy intervention is to have data that contribute to problem understanding the problem that is being addressed. For this reason, researchers at the Public Policy Observatory (POLIS) of Icesi University and the Center for Sustainable, Healthy and Learning Cities and Neighborhoods at the University of Glasgow in the United Kingdom surveyed 750 street vendors in Cali to analyze how the pandemic has affected their quality of life in different ways. Our objective is to show what issues public policy interventions should focus on to contribute to the socioeconomic recovery of this population in the post-pandemic period.

This Data in Brief aims to contribute to a better-informed public discussion about how the crisis has affected this population. The document has five sections.



An aging population

Street vendors are getting older. Thirty-six percent of women and 27% and men are over the pension age². Around 90% of street vendors in this age range do not contribute to health or pension. People over 60 years in the Americas region³ have been the most affected by the pandemic (PAHO, 2020). Therefore, 30% of surveyed street vendors belong to a high-risk population for Covid-19. This data highlights their fragility at the individual and household level because 73% claim that they are household heads and their households have, on average, four people.

-

2. In Colombia, the pension age for women is 57 years and for men 62 years.

3. The Americas region includes Latin America and the Caribbean, the United States, and Canada.

51

average age.

81%

live in socioeconomic strata 1 and 2.

33%

belong to an ethnic minority (Afro-Colombian or native).

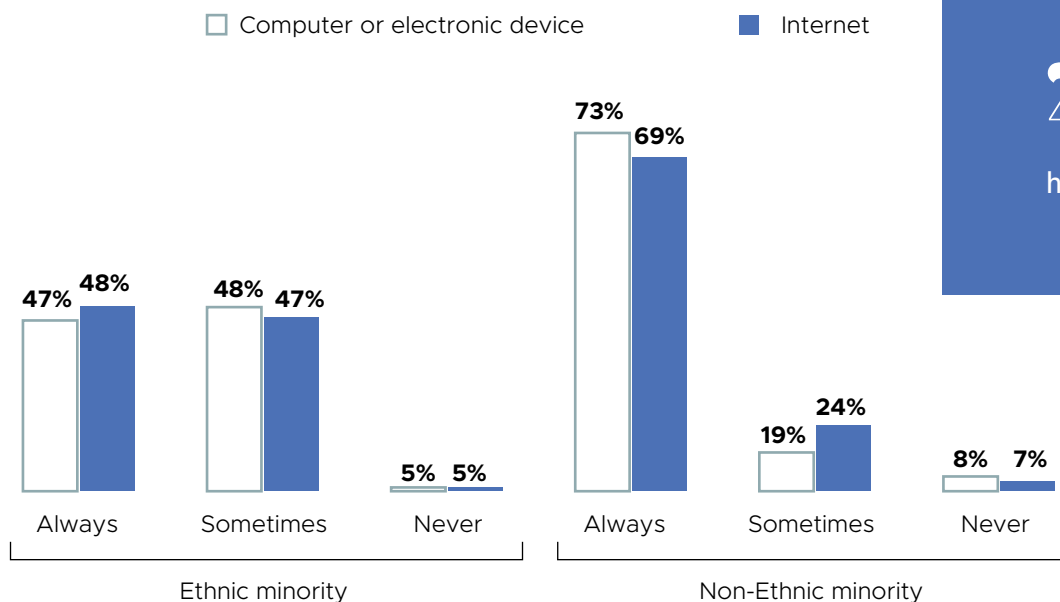
School dropout

According to UNICEF (2020), one-third of school-age children worldwide (463 million) did not have access to online education during the pandemic due to the lack of technological infrastructure -internet or computer- at home. Additionally, some children had to support their families financially. These situations have led to an increase in school dropouts. Although the dropout rates showed a downward trend at the national and local level last year⁴, 22% of street vendors with school-age children affirmed that their children dropped out of school during the pandemic.

4. In 2020, the school dropout rate was 1.9%, the lowest in the last five years (Alcaldía de Cali, 2021).

The pandemic highlighted the digital gap in the education system. In 2018, 33% of households in Valle del Cauca had a desktop, laptop, or tablet in their homes, and 70% had internet access (DANE, 2018). This data may indicate the connectivity difficulties students from the most vulnerable socioeconomic strata have faced in the pandemic. In Cali, for example, in August 2020, some schools in Siloé (one of the poorest neighborhoods in the city) -Colegio Benjamín Herrera, Campestre Siloé, and Colegio Eustaquio Palacios- estimated that 15 out of 20 of their students did not have optimal internet access (El Espectador, 2020). Graph 1 shows that street vendors' children also have had access barriers to technological tools. Street vendors who identify as belonging to an ethnic minority group - Afro-Colombian or native - have had the most significant difficulties accessing these devices.

Graph 1. Street vendors children with access to technological tools to study virtually



40%
have school-age children.

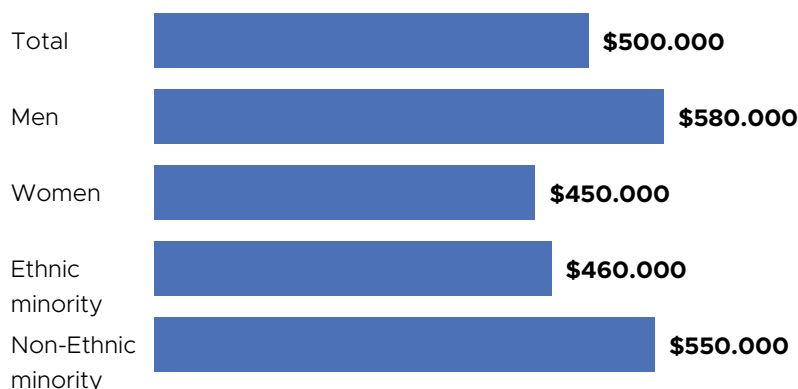
Closer to the poverty line

The poverty line in Colombia is 90 USD⁵ per month (DANE, 2021). Households that have a lower income than this amount are considered poor. In previous years, street vendors in Cali's city center, fruits and vegetable vendors in Santa Helena's market, and the vendors on the public transport system (SITM-MIO) earned profits above a minimum wage or, at least, close to this value. Currently, street vendors' income is 55% of the minimum wage - their monthly earnings are on average 135 USD. Our data also show that the impact of the pandemic on street vendors' income varies between different population groups. Men earn, on average, 29% more than women and people who do not recognize themselves as an ethnic minority -white or mestizo- earn, on average, 20% more than those who identify as a member of an ethnic minority group -Afro-Colombian or native-.

Thirty-three percent of street vendors are below the poverty line, and vendors who belong to vulnerable groups (women, Afro-Colombian, and native people) are closer to the poverty line. Even though street vendors can carry out their activities again, increasing their income requires more than flexible mobility measures. They need the whole economy to recover because the formal and informal sectors are interdependent. However, the economy remains contracted compared to pre-pandemic levels. Therefore, government intervention to support street vendors is imperative to prevent their life quality of life and that of their families from deteriorating further.

5. Exchange rate: 3700 COP per dollar.

Graph 2. Average monthly earnings by gender and ethnic minority



74%
could not work on the streets for at least three months during the quarantine.

Financial inclusion

Twenty-one percent got credit during the pandemic. Informal loans (family, friends, or day-to-day loans) are more prevalent than formal loans (banks or microfinance institutions) (see Graph 3). Street vendors face financial exclusion because they have access barriers to entering the regulated financial system. The Cali Mayor's Office has the Public Policy of Economic Development to promote financial inclusion through the national program Banca de las Oportunidades. Nevertheless, this local policy has not been implemented yet. Street vendors, for several years, have used day-to-day loans as a source of financing. In the current circumstances, these lenders would worsen the situations of poverty street vendors are in.

33%

before the pandemic
had debts.

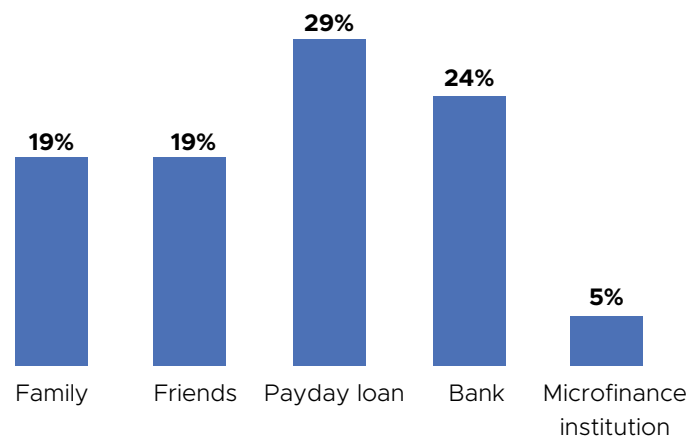
21%

got credit during
the pandemic.

77%

have difficulties
paying debts.

Graph 3. Moneylender of the last credit



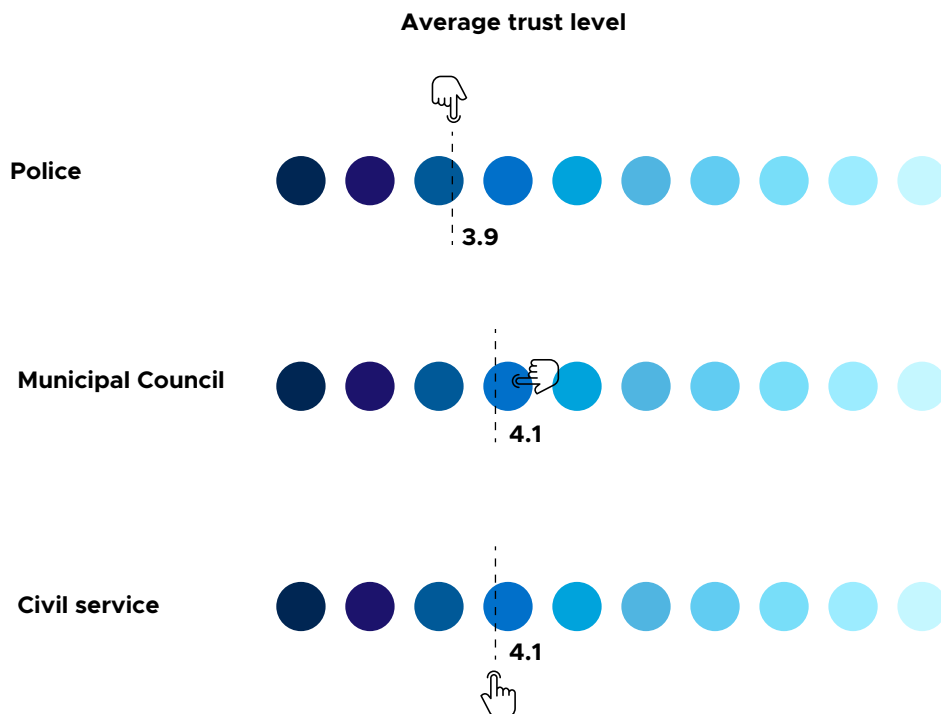
Calculations based on survey data

Institutional trust and need for dialogue

The Universidad de los Andes (2020) estimated that, due to the pandemic, Colombia could go back up two decades in poverty and inequality indicators. Although the National Government created the Ingreso Solidario (a cash transfer) as a social policy instrument to face the crisis, the data suggest there are probably shortcomings in targeted cash transfers since only 23% of our respondents are government subsidy beneficiaries. For this reason, first, street vendors do not feel supported by the government (79%) and, second, their level of trust towards public institutions is low.

Street vendors rate their satisfaction with the mayor's management at 4.6 on a scale of 0 to 10.

4.6 / 10.0

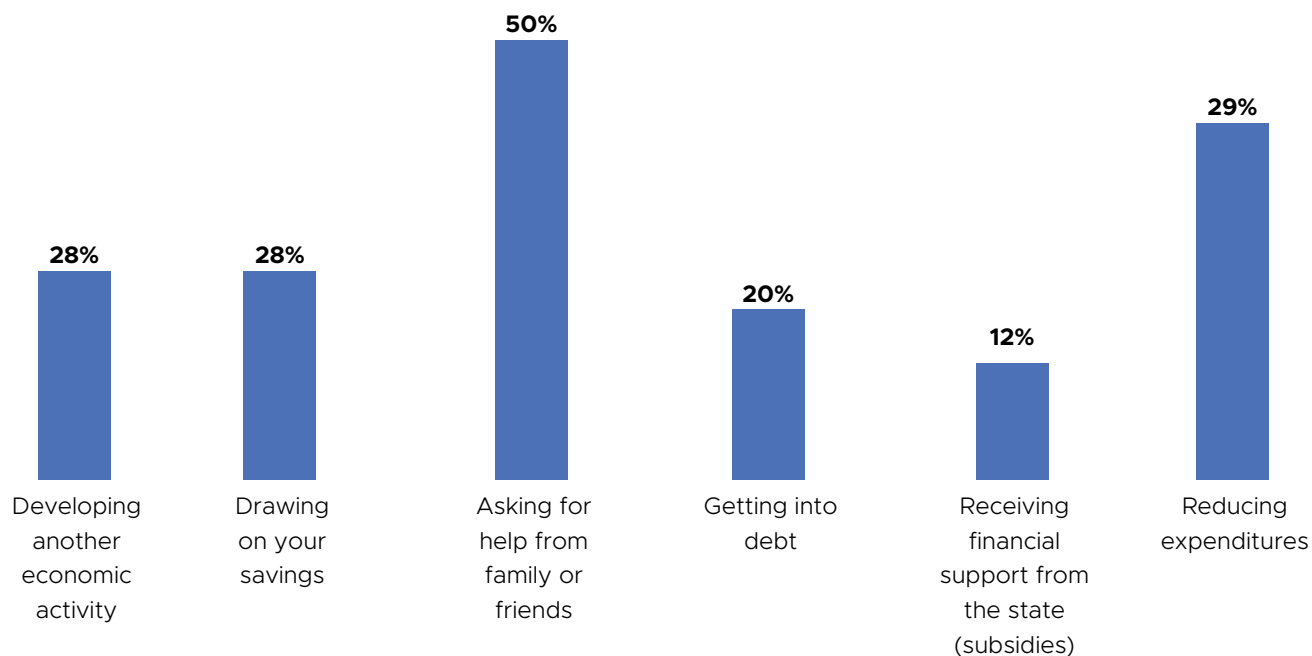


Note: on a scale of 0 to 10, in which 0 means you do not trust an institution at all, and 10 means you have complete trust.

Ninety-eight percent report that their business profits are down. Most of them have compensated their income through help from relatives (50%), reducing expenditures (29%), or drawing on savings (28%), but only 12% have received government subsidies to aid

their economic solvency (see Graph 4). Hence, personal networks have become the primary tool to face the crisis, increasing their distrust of the government.

Graph 4. How have you compensated for your income reduction?



Calculations based on survey data

Historically, the relationship between street vendors and the municipal administration has been tense:

1. Police persecution was, in previous years, a strategy to combat informal sales in public spaces.
2. The Mayor's Office has not created a structured program for street vendors for several years, resulting in a perception of abandonment⁶.
3. In 2018, Cali's Mayor Office tried to carry out a street vendors census. However, this process increased tensions since policymakers did not develop the questionnaire with them.
-
6. In 2017, Metro Cali, the public transport operator, carried out a pilot program, but it did not continue in the following years.

The current crisis should be an opportunity to improve the dialogue between street vendors and the government. When the National Government removed the quarantine, Cali Mayor's Office had to communicate constantly with street vendors to promote safety measures in their workspaces. The local government should use these situations to identify street vendors' needs and carry out an assessment of their socioeconomic characteristics (street vendors' leaders agree to carry out a census only if it is developed with vendors' input)..

Finally, one of the main difficulties that the government encounters is the low level of organization among street vendors, which hinders the implementation of public policies. Our previous research shows that only 10% of street vendors belong to an association, i.e., there are no specific actors capable of representing the collective interests of this group, making negotiations between street vendors and the government difficult. Leaders of street vendors' associations were crucial in contacting this population during the pandemic to carry out our research. For this reason, 70% of the respondents we surveyed belong to an association. This participation in vendors' associations allowed us to understand their socioeconomic situation, access to government subsidies, the magnitude of the income reductions they experienced, and their health, among other things.

PARTICIPATION



39%

affirm that belonging to a street vendors' association increases their political participation.

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Technical information:

Target group:
Street vendors of Cali, Colombia.
Sample size:
750 surveys
Data collection:
Telephone surveys. Street vendors' leaders provided phone numbers.
Margin of error:
95% confidence level and 3.5% margin of error.

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