STREET VENDING

Threat to Social Order or Employment Opportunity?

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Monitoring and Analysis

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Context

• Timor-Leste is heavily dependent on oil and gas, but petroleum revenues have fallen by more than 66% since 2012.
• Rapid annual population growth rate at 3.8%.
• Half of the Timorese population lives on less than US$1.33 per day (2011).
• 58% of children under age 5 are moderately or severely stunted (2011).

Objective

1. Identify why street vendors choose to work in the informal market instead of government sanctioned marketplaces.
2. How can the Timorese government improve the lives of workers who lack job security and legal protection?

Methodology

1. Surveyed 85 street vendors to gather baseline data on the demographics, income-levels, source of goods, work strategies, and perceived challenges and prospects of informal street vendors.
2. Collected 203 surveys from expatriates who lived in/are living in Dili to learn about their perception on street vendors.
3. Interviewed the Ministry of Tourism and Market Department on the city's regulations on street vending, the establishment and conditions of marketplaces, and previous attempts and outcomes of relocating street vendors.

The migration of vendors from the marketplace towards the town center suggests a great demand for goods in the untapped informal sector.

Findings

<table>
<thead>
<tr>
<th>Daily profits</th>
<th>Average working hours per day</th>
<th>Education level</th>
<th>Income spending</th>
<th>Job security</th>
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<tbody>
<tr>
<td>39% of participants earn less than 10 per day</td>
<td>12 hours</td>
<td>50% of participants have never attended school</td>
<td>49% of participants use their income to pay for education for self or family</td>
<td>19% of participants pay authorities daily in order to obtain job security</td>
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96% of vendors work the same routes everyday.

82% of surveyed foreigners hope to see street vending continue in the future.

Opportunity

• Allow street vendors and consumers to determine the location of future marketplaces.
• Improve working conditions for vendors (e.g. repair wooden carts, supply water and electricity consistently in marketplaces, and improve the city’s infrastructure).
• Provide training opportunities for vendors without schooling to acquire new skills.
• Consider legalizing street vending and implement some regulations such as vending times, location, and hygiene protocols to benefit sellers and consumers.

Policy Recommendations

Findings on Vending

What are your top reasons for choosing to become a street vendor?

Freedom and flexibility in operation 25%

This is my only available occupation gives my experience 23%

Generates a steady income for my family 43%

Pratical retail experience 3%

Starting up requires little capital 5%

Don’t have to pay rent 5%

Provides an employment opportunity 1%

Modes of Vending

On Foot 23%

Bicycle 1.2%

Car 34%

Stationary Cart 38%

What can the government do to make your job easier and improve your business?

I don’t know 5%

Lessen things as they are 12%

Offering professional, local food 19%

Selling goods without licences and fees 25%

Establish more alternative locations where vendors can sell goods without licences and fees 25%

More access to credit to expand my business 17%

Improve the city’s infrastructure 2%

1. This study is dedicated to improving the lives of the poor and underprivileged citizens of Timor-Leste. 2. Special thanks to all staff members of La’o Hamutuk, my ISP advisor Dr. Leah Anderson and my advisory visitor Dr. Larycia Hawkins.