Designing Inclusive Decision - Making Process for Street Vendors

CDAF Project Report

Promoting Inclusive Governance for
Informal Workers in Cali, Colombia

Street vendors, in principle, have a variety of legal and policy instruments that they can rely on to demand inclusion in economic life in the cities that they operate in. The International Labour Organization's Recommendation 204 and the New Urban Agenda point to pathways to formalization[1], while the longstanding International Covenant on Economic, Social and Cultural Rights (ICESCR) outlines a variety of economic rights that all are entitled to[2].

In practice, however, inclusion can be difficult to realize. The informal nature of street vendors' work means that they operate, at least in some ways, outside of the formal legal and regulatory structures established by the state, making their status and livelihoods fundamentally precarious[3]. The state, for those who operate in the informal economy, is so often a source of exclusion rather than empowerment. Change, at this level, is urgently needed.

This report offers reflections on how economic inclusion can, and indeed must, be grounded in political inclusion for street vendors. It emerges from the project "Promoting Inclusive Governance for Informal Workers in Cali, Colombia", for which a major survey of street vendors in Cali was conducted[4] and policy proposals from informal workers' organizations were collected[5], and represents a combination of lessons learned when planning and carrying out the project and an outline of principles on which future engagement can be carried out.

1. International Labour Conference, "Recommendation 204: Recommendation Concerning the Transition from the Informal to the Formal Economy, Adopted by the Conference at its One Hundred and Fourth Session, Geneva, 12 June 2015"; and United Nations, "New Urban Agenda." Habitat III: United Nations Conference on Housing and Sustainable Urban Development, A/RES/71/256, 2017.

2. For the relevance of the ICESCR for informal work, see: Young, Graeme, "De-Democratisation and the Rights of Street Vendors in Kampala, Uganda," *The International Journal of Human Rights* 22, no. 8 (2018): 1010; Young, Graeme, "Reconceptualizing Informal Economic Governance: Implications from Cape Town, South Africa," Hungry Cities Partnership Discussion Paper No. 38, January 2020, 7-9; and Young, Graeme and Jonathan Crush, "Governing the Informal Food Sector in Cities of the Global South," Hungry Cities Partnership Discussion Paper No. 30, April 2019, 13-14.

3. Street vendors, like other informal workers, have also been impacted by the COVID-19 pandemic. See Chen, Martha, Erofili Grapsa, Ghida Ismail, Mike Rogan and Marcela Valdivia with Laura Alfers, Jenna Harvey, Ana Carolina Ogando, Sarah Orleans Reed and Sally Roever, "COVID-19 and Informal Work: Distinct Pathways of Impact and Recovery in 11 Cities Around the World," WIEGO Working Paper No. 42, Women in Informal Employment: Globalizing and Organizing, 2021; and Martínez, Lina and Graeme Young, "Street Vending, Vulnerability and Exclusion During the COVID-19 Pandemic: The Case of Cali, Colombia," *Environment and Urbanization* 34, no. 2 (2022): 372-390.

4. Martínez, Lina, Graeme Young, Valeria Trofimoff, Isabella Valencia, Nicolás Vidal, Andrés David Espada, Esteban Robles. "The Hardships of the Poorest During the COVID-19 Pandemic: Data About the Socioeconomic Conditions and Governance of Informal Workers." Data in Brief 40 (2022); and Martínez and Young (2022).

5. POLIS, "Intervenciones para Trabajadores Informales en el Espacio Público: Una Construcción Colectiva para Atender un Problema Olvidado," Datos en Breve N.42, Observatorio de Políticas Públicas, Universidad Icesi, Cali, Colombia, Agosto 2021. An English version of this report will soon be available. Project outputs can be found on "Conexión Inclusiva," https://www.icesi.edu.co/polis/sppagebuilder.php?id=131&view=page.

The remainder of this report is divided into three sections. The first draws a connection between political and economic inclusion, outlining six core components of economic inclusion—adequate income, access to social programs, access to finance, access to space, supportive and reasonable laws and regulations, and access to employment—and the conditions that are necessary for economic inclusion to be realized—political will, institutional space for dialogue and institutional capacity, all of which much rest on a firm foundation of democratic politics. The second section then turns to important considerations in designing a meaningful engagement process that will effectively link political and economic inclusion. Different forms that engagement can take and the

actors that might be involved are considered. The final section of this report raises key issues that may accompany engagement processes: questions of participation and representation, practical challenges that may emerge, competing interests that make consensus or compromise difficult, political divisions and questions about the scale of change that decision-making processes can and should aspire to. Each of these, where they emerge, will need to be adequately addressed if engagement processes are to be successful. The section concludes by stressing the importance of patience, practicality and ambition as virtues in the face of the challenges that are likely to emerge in inclusive decision-making processes.

01.

From Political to Economic Inclusion

From Political to Economic Inclusion

Political inclusion and economic inclusion are mutually constitutive and reinforcing. The promise of one cannot be realized without the other: it is necessary to have political institutions and processes in place that will translate popular opinion into policy, and it is only through such mechanisms that a broad set of interests can be addressed, values can be served and needs can be met. Putting this relationship into practice requires engaging with some of the biggest questions in politics: how democracy can most effectively protect and maximize the rights of all members of a community, what opportunities for compromise and consensus might exist in decision-making processes and how the public can play a role in policymaking.

1.1 Defining Economic Inclusion

If economic inclusion is to follow from political inclusion, then what, precisely, it entails should not be predetermined. Instead, it should emerge from the processes of deliberation, dialogue and debate that are fundamental to democratic politics. Nevertheless, within the broad scope of how economic life might be organized to ensure that the benefits that it brings are both widespread and open to all, it is still possible to highlight what its core components might be in the context of street vending. Six are particularly relevant:

• **Adequate income:** Economic inclusion, at its core, is about ensuring that everyone is able to acquire the resources they require to meet their needs. For street vendors, the ability to earn an adequate income is fundamentally dependent on the ability to conduct their activities under favourable conditions.

• **Access to social programs:** Income alone cannot satisfy all household needs, particularly for the urban poor. Access to social programs is also crucial, including education, health care, housing and income support, subsidies for food and other essential expenses, pensions and unemployment insurance. Informality, however, is often defined by a lack of access to these forms of support[6].

• **Access to finance:** The inability to access the formal financial system can present a major livelihood challenge for street vendors[7]. Affordable credit is essential for allowing vendors to expand their activities and make them more sustainable.

6. This is the case throughout Latin America. See, for example, Altamirano, Melina, "Economic Vulnerability and Partisanship in Latin America," *Latin American Politics and Society* 61, no. 3 (2019): 80-103.

7. See, for example, Martinez, Lina and Juan David Rivera-Acevedo, "Debt Portfolios of the Poor: The Case of Street Vendors in Cali, Colombia," *Sustainable Cities and Society* 41 (2018), 120-125.

- **Access to space:** Street vendors require access to urban space to undertake their livelihood activities. Busy streets, sidewalks and other public places that large numbers of people gather in or pass through are, for street vendors, particularly valuable business locations because they provide a comparatively high access to potential customers. While trading on the street comes with significant challenges, the permanent structures that vendors have, in some cities, been relocated to can bring new problems and, if not properly designed and effectively run, may be less desirable than trading on the street, even in restrictive circumstances[8].

- **Supportive and reasonable laws and regulations:** Street vendors often face restrictive laws and regulations that limit their ability to engage in their livelihood activities. Forms of repression, harassment by authorities and uneven enforcement patterns are all common and can pose significant challenges to an already vulnerable group. Economic inclusion demands that legal and regulatory systems support, rather than harm, the livelihoods of the poor. This can encompass a number of different things: the ability to register a business, access any required permits, pay taxes and fees that accompany trading (and other taxes and fees that might be relevant), and adhere to any regulatory requirements in a way that is simple and does not impose significant time and financial burdens. It also, significantly, means the ability to trade without harassment. Street vendors, like everyone, should be able to access any legal support they might need to understand, protect and enforce their rights.

- **Access to employment:** While some street vendors may choose to continue to engage in their activities under more favourable conditions, others may instead prefer formal employment. Governments must also prioritize the provision of formal employment opportunities, including by providing access to the forms of support people might need to access the formal labour market—for example, education, training and job placement—and must, more fundamentally and in line with ILO Recommendation 204, seek to maximize formal employment through macroeconomic policy[9].

8. Young (2018).
9. International Labour Conference. Also see Young (2020), 20-22.

1.2 The Three Pillars of Economic Inclusion

Economic inclusion rests on three pillars: institutional space for dialogue, institutional capacity and political will. These, in turn, must be built on a firm foundation of democracy. This relationship can be visualized as a three-level structure as illustrated in Figure 1 below: economic inclusion, at the top of the structure in yellow, rests on the three pillars in orange, which themselves sit on the base in gray. Everything in the structure is fundamentally supported by what lies beneath it. If any individual pieces were missing, the structure would weaken and fall apart.

To translate a democratic foundation into economic inclusion, three things must therefore be present:

Figure 1: Pillars of Economic Inclusion

• **Institutional space for dialogue:** There must be structures in place in which dialogue can occur. These may be designed and run as part of a specific engagement process, but bespoke institutional spaces should complement, rather than serve as a substitute for, more permanent spaces that build representation, discussion and debate into political decision-making at all levels.

• **Institutional capacity:** Institutional space for dialogue requires a certain amount of institutional capacity. A government must have the ability—including the requisite levels of trust and goodwill—to oversee participatory decision-making processes and implement decisions that emerge from them.

• **Political will:** Finally, and crucially, introducing and overseeing a decision-making process and implementing the decisions that arise from it demands a certain amount of political will. If this will is absent, these processes are doomed to failure, and the possibility of future success may be harmed if governments fail to follow through with responding to clear public demands for new policy directions.

Polis
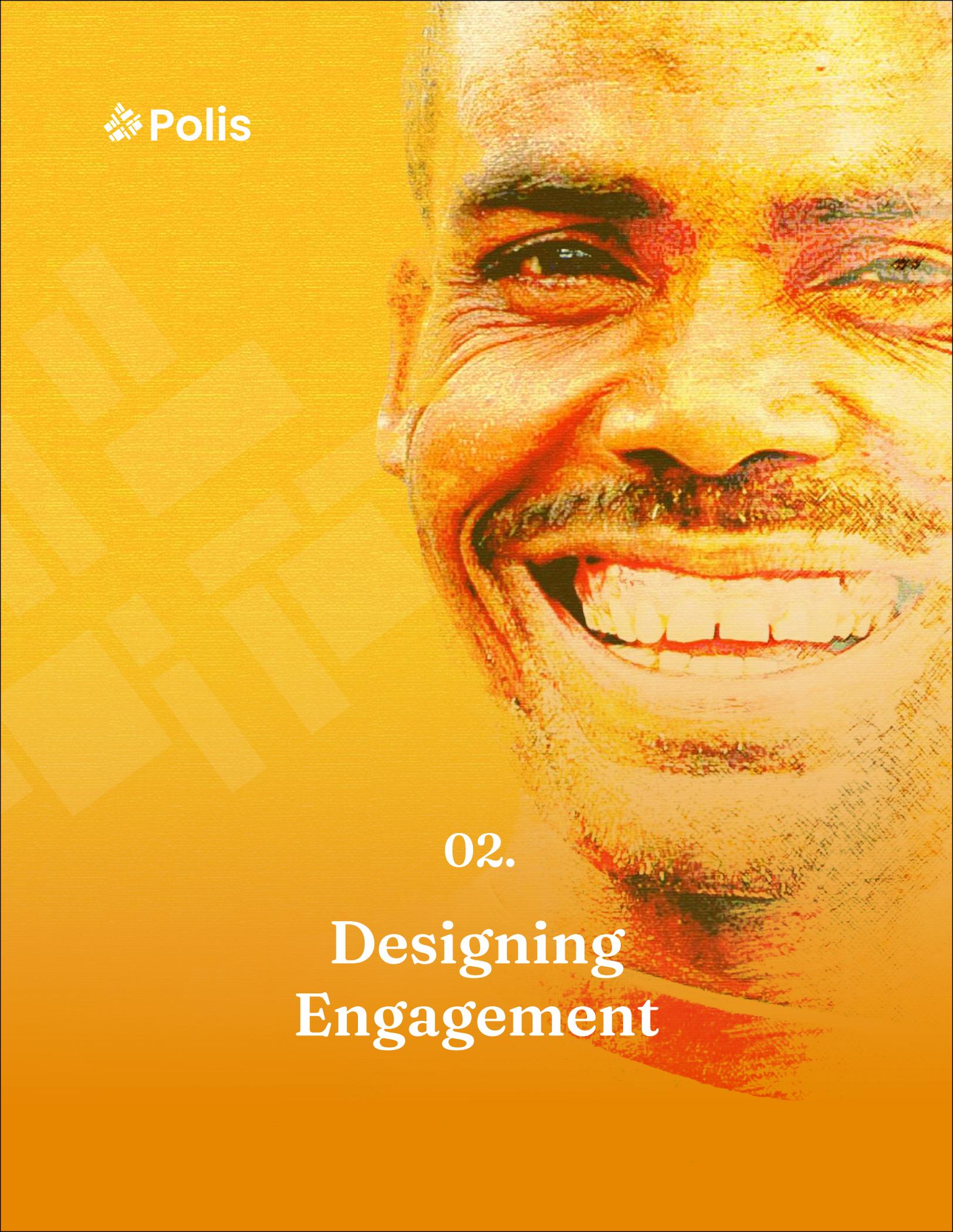
02.

Designing Engagement

Designing an effective engagement process requires taking several factors into consideration. Many of these will be specific to local context and the unique issues, power dynamics and opportunities that might define it. Nevertheless, it is still possible to highlight some of the important issues that will have to be taken into consideration, weigh the potential benefits and challenges that accompany different approaches and establish broad principles upon which engagement can be constructed.

Participation in democratic decision-making can take a variety of forms, some of which are fundamentally more empowering than others[10]. Regardless of how a participatory process is designed, openness, transparency, equity and ensuring that participants are truly empowered to shape policy are all vital. It is possible for the issue(s) to be considered in advance. For street vending, the six issues outlined above as central to economic inclusion are all potential topics that an engagement process could be organized around. The chosen problem at hand can inform the engagement process: if it is a budgeting problem, a participatory budgeting process can be introduced; if it is a planning problem, a participatory planning process can be established. More broadly, it would be possible to set up an engagement process around a more open question, such as how to more effectively integrate street vendors into urban development. This would have the distinct benefit of allowing participants to determine what specific issues to focus on without presupposing what effective outcomes might be.

The question of who should be involved in a decision-making process surrounding a particular issue can, broadly, be answered in five ways:

• **Open participation, random selection:** Decision-making might be made open to all members of the public, with participants selected through a fairly designed random process. The notable strength of this approach is that all members of the public, regardless of their individual involvement in the issue or their background, have an equal chance of being selected, making it more likely that such a group will more accurately reflect popular opinion surrounding a given issue. This could not only ensure that any decisions that are made take into account, insofar as possible, the diversity of views that exist in society, but also give these decisions a strong degree of legitimacy with the broader public.

---

10. Arnstein's ladder of citizen participation provides a useful framework for thinking about empowerment and forms of participation. See Arnstein, Sherry R., "A Ladder Of Citizen Participation," *Journal of the American Institute of Planners* 35, no. 4 (1969): 216-224.

- **Open participation, voluntary self-selection:** It is also possible to open decision-making processes to all members of the public, but to base participation on voluntary self-selection rather than random chance. This would likely lead to greater participation by individuals and groups with a greater interest in the issue at hand. It could also, crucially, lead to greater participation by individuals and groups with a greater capacity and/or ability to participate as a result of factors surrounding time, resources, expertise and connections. It may also lead to a high level of participation, which may have an impact on the forms of engagement that are practically possible.

- **Limited participation from predetermined group, random selection:** Participants could be selected randomly from a predetermined group rather drawn from society more generally. This could ensure that a decision-making process includes representatives of all groups who have an interest in the issue at hand.

- **Limited participation from predetermined group, voluntary self-selection:** It would again be possible to make participation from members of a predetermined group voluntary. This would raise similar issues to a process based on voluntary open participation.

- **Limited participation from predetermined group, invited non-random selection:** A decision-making process can also involve individuals who have been specifically invited to participate. This could be done in a way to ensure representation and facilitate dialogue between influential actors, but it is crucial to ensure that this is not done in a way that excludes potential participants and reproduces existing power hierarchies.

In the context of street vending, the constellation of actors that could be involved is considerable: government bodies and agencies at different levels with relevant powers and responsibilities; organizations representing street vendors and other groups of informal workers; individual street vendors; civil society groups; formal businesses and informal businesses; and other community residents in areas where street vending takes place. While participatory processes do not necessarily need to be led by the government[11], the three pillars outlined above are still necessary to make change a reality.

---

11 Mayka, Lindsay, "Society-Driven Participatory Institutions: Lessons from Colombia's Planning Councils," *Latin American Politics and Society* 61, no. 2 (2019): 93–114.

03.

Key Issues

Key Issues

Designing and undertaking a participatory decision-making process raises a number of key issues that need to be addressed. Five that are particularly relevant are outlined here:

• **Participation and representation:** The question of who can claim to speak for a group of people is crucial to consider. The fact that an individual or group claims to represent others does not necessarily mean that this is true, and they can represent certain interests and perspectives that are not aligned with, or even contradict, those of others. No group, including street vendors, should be assumed to be homogeneous. Care must be taken to ensure that the views of some are not unfairly treated as representing the views of all.

• **Practical challenges:** Participating in inclusive decision-making processes brings a number of practical challenges, the most notable of which surround time and resources. While these concerns can be relevant for all participants, it is important to recognize that they are not equally distributed. This is particularly true for street vending, when some (potential) participants could have little ability to take time away from work and forgo the income that would bring; other obligations surrounding care work that could make participation difficult, particularly for women; and little familiarity with how to engage in formal processes or even awareness that such opportunities exist. Experiences of poverty, discrimination and mistreatment may also make some reluctant to participate, either due to a lack of confidence, a fear of engagement with actors and/or institutions that might be viewed as a source of hardship rather than possible collaboration or a lack of faith that engagement will lead to positive outcomes.

• **Competing interests:** Street vending can be defined by significant competing interests between informal workers, between informal workers and formal businesses, between informal workers and residents and between informal workers and the state. Engaging with it as a public policy issue may require engaging with issues surrounding class, gender, migration and other significant socioeconomic divisions. The potential difficulties involved in reconciling these differences should not be underestimated.

• **Political divisions:** Just as competing interests can serve as an obstacle to inclusive policymaking, so too can political divisions. Engagement processes do not take place in a vacuum; those involved may still have their own political interests and allegiances, especially if the issues under discussion are heavily politicized. Overcoming pre-existing political commitments may prove to be a significant challenge.

• **Scale of change:** Given the nature of the problems that surround street vending, the scale of change that may be necessary could be considerable. It is important to address not only the immediate problems that define street vending, but also the deeper injustices that are at the root of informality. Change on such a scale could face significant resistance, whether in the form of bureaucratic inertia or more active opposition.

The obstacles that stand in the way of meaningful political inclusion are therefore considerable. That does not mean, however, that they are insurmountable. While public policy so often fails to meet the ambitious objectives that are set out for it, particularly when doing so involves engaging with entrenched forms of inequality and divisions, success is still possible. In the face of the challenges that any inclusive decision-making process is likely to experience, the importance of three virtues stands out:

• **Patience:** Change is unlikely to happen quickly. And there is, of course, no guarantee of success. Popular programs take time to construct, and an approach that focuses on identifying spaces for common ground, making incremental gains and achieving short-term victories to build trust and co-operation has much to offer.

• **Practicality:** Decision-making processes should seek to find solutions to specific challenges that relate to participants' own experiences, perspectives and interests. They must be grounded in real-world issues and achievable solutions.

• **Ambition:** While patience and practicality are, in some ways, virtues that might seem to encourage caution, they should nevertheless not stand in the way of ambitious solutions where these are necessary. Governments overseeing inclusive decision-making processes must be willing to be bold, to try new things and follow wherever the process leads. Entrenched problems are entrenched for a reason. Meaningful solutions may require meaningful change.

Street vendors need to be responsible for their own futures. Governments must create the conditions that allow that to happen.

Acknowledgements

References

Altamirano, Melina. "Economic Vulnerability and Partisanship in Latin America." *Latin American Politics and Society* 61, no. 3 (2019): 80-103.

Arnstein, Sherry R. "A Ladder Of Citizen Participation." *Journal of the American Institute of Planners* 35, no. 4 (1969): 216-224

Chen, Martha, Erofili Grapsa, Ghida Ismail, Mike Rogan and Marcela Valdivia with Laura Alfers, Jenna Harvey, Ana Carolina Ogando, Sarah Orleans Reed and Sally Roever. "COVID-19 and Informal Work: Distinct Pathways of Impact and Recovery in 11 Cities Around the World." WIEGO Working Paper No. 42, Women in Informal Employment: Globalizing and Organizing, 2021.

"Conexión Inclusiva,"https://www.icesi.edu.co/polis/sppagebuilder.php?id=131&view=page.

International Labour Conference. "Recommendation 204: Recommendation Concerning the Transition from the Informal to the Formal Economy, Adopted by the Conference at its One Hundred and Fourth Session, Geneva, 12 June 2015."

Martínez, Lina and Graeme Young. "Street Vending, Vulnerability and Exclusion During the COVID-19 Pandemic: The Case of Cali, Colombia." *Environment and Urbanization* 34, no. 2 (2022): 372-390.

Martínez, Lina, Graeme Young, Valeria Trofimoff, Isabella Valencia, Nicolás Vidal, Andrés David Espada, Esteban Robles. "The Hardships of the Poorest During the COVID-19 Pandemic: Data About the Socioeconomic Conditions and Governance of Informal Workers." *Data in Brief* 40 (2022).

Martinez, Lina and Juan David Rivera-Acevedo. "Debt Portfolios of the Poor: The Case of Street Vendors in Cali, Colombia." *Sustainable Cities and Society* 41 (2018), 120-125.

Mayka, Lindsay. "Society-Driven Participatory Institutions: Lessons from Colombia's Planning Councils." *Latin American Politics and Society* 61, no. 2 (2019): 93–114.

POLIS, "Intervenciones para Trabajadores Informales en el Espacio Público: Una Construcción Colectiva para Atender un Problema Olvidado," Datos en Breve N.42, Observatorio de Políticas Públicas, Universidad Icesi, Cali, Colombia, Agosto 2021.

United Nations. "New Urban Agenda." Habitat III: United Nations Conference on Housing and Sustainable Urban Development, A/RES/71/256, 2017.

Young, Graeme. "De-Democratisation and the Rights of Street Vendors in Kampala, Uganda." *The International Journal of Human Rights* 22, no. 8 (2018): 1007-1029.

Young, Graeme. "Reconceptualizing Informal Economic Governance: Implications from Cape Town, South Africa." Hungry Cities Partnership Discussion Paper No. 38, January 2020.

Young, Graeme and Jonathan Crush. "Governing the Informal Food Sector in Cities of the Global South." Hungry Cities Partnership Discussion Paper No. 30, April 2019.

Polis | UNIVERSIDAD **ICESI** | A OTRO NIVEL

Más información: **observatoriopolis@icesi.edu.c o**
o visítanos en nuestra web

www.icesi.edu.co/polis

Síguenos en nuestras rede s
sociales: **#Polisicesi**