

# *Policy on the Streets*

## **A Handbook for the Establishment of Sidewalk-Vending Programs**



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Finally, I dedicate this handbook to the street vendors at MacArthur Park. It is their creativity and commitment that have made this Handbook a reality. They have been patiently going through all the hoops that have been placed in front of them, and I have learned to love and appreciate each of them as friends: Maurilio, Dina, Elba, Rocio, Connie, Beatriz, Eduardo, Reyna. I salute them for their tenacity. I trust that they, and others who follow them, will be rewarded for their efforts.

— *Grace Roberts Dyrness*  
*June 2001*

## *Foreword*

**I**n 1998 when I began my work with street vendors I was drawn into a world that is for the most part not seen by residents of Los Angeles. While residents may encounter vendors in the course of a day, seldom do we get a glimpse into the realities of the lives that they live. These are mothers, for the most part, and fathers. People who live in constant fear of the police, in fear of having their merchandise confiscated and losing all that they own. Many of them do not speak English, or they may speak it poorly. But they are also extremely hard working and entrepreneurial. And they are anxious to somehow forge their way into the formal economy of our city and become respected business people and citizens.

What began as a volunteer activity working with a coalition of individuals and organizations developed into a major research project for my doctorate in Planning and Development Studies at the University of Southern California. I embarked on an undertaking that would not only help me understand the framework within which these vendors operated, but would also serve as a tool for a city in planning programs that would seek to promote solutions for street vendors.

My research took me down a long road of investigating ways in which street vendors are part of the scene in other cities around the world. I wanted to know what role they play in other economies. Most importantly, I wanted to learn what were the major issues that would impact any planning program that involves street vendors.

The result of that research is in this volume. I have written this theoretical framework in a paper that is included as Appendix B to the present work. In it I sought to look at informal economic activity in various parts of the world, drawing a link between the global perspective and the local implementation. I knew that a most important need of people working in the informal sector of the economy is to become in some way legitimate, to move into the formal economy in order to prosper and not just survive. This took me to examine ways that people who had been illegal had succeeded in becoming legal and to draw lessons from those examples that could be applied to the context of MacArthur Park. I also addressed the issues of immigrants and the role that they play in informal economic activity. I specifically looked at issues of vending both in other countries and particularly in Los Angeles. And finally looked at the importance of thinking in terms of gendered planning, since most of the street vendors are women and any project must therefore take their concerns and issues into consideration.

Writing that paper helped me think through the implementation of a plan the city of Los Angeles has to establish sidewalk vending districts for illegal vendors. I began to understand the important variables needed to make that plan successful. This research, coupled with the actual experience of working on the establishment of the first formalized sidewalk vending project, has been the basis for the present handbook.

The MacArthur Park Sidewalk-Vending Project has proceeded on a hit and miss course of action. The only guidance that it has ever had has been the Ordinance passed by the City of Los Angeles in 1994. This policy was written but no one had been able to implement it. Our efforts in MacArthur Park should be the basis for understanding the pitfalls and the strengths of implementing the Ordinance.

This became my all-consuming task: document the work we were doing, put it into a theoretical framework that would lend insight into the way a sidewalk-vending project should be planned and implemented, and write a handbook that would serve as a guide to anyone in any city who might want to establish such a program. Appendix B in the Handbook is an attempt to summarize the most important insights gained during the research phase of my work.





## *How to Use this Handbook*

**T**he *Table of Contents* that follows is long and detailed. To help the reader use this Handbook, here is a brief introduction to each of the sections. Readers are encouraged to consult those sections that apply most directly to their own community context and challenges.

The Handbook is written primarily for city administrators who are seeking to set up programs that will effectively assist street vendors to legitimize their businesses and become successful entrepreneurs. Each city will have its own administrative and governing system; nevertheless, while the model used in this Handbook is in Los Angeles, the general concepts can be implemented in other cities as well. Community groups and non-profit organizations may also find the Handbook useful if they choose to partner with a city in providing a legalized structure for sidewalk vendors.

Of course, a handbook is only one component of any program. Without the commitment of certain key actors and the facilitation of various bureaucracies, nothing will happen. But even with these groups and key players, a guide is needed that will eliminate much of the hit and miss of innovative programs. This Handbook is just such a guide and will facilitate the implementation of a sidewalk-vending program.

*Introduction.* The growth in numbers of street traders and hawkers poses particularly difficult challenges for any city government. How to respond to that challenge is linked to the issue of legitimizing the economic activity of these vendors. This section describes the efforts of the city of Los Angeles in its attempt to set up a program to address this challenge.

*Chapter One, Legal and Administrative Environment* describes the type of legal and administrative environment that is needed to successfully implement a policy for street vendors. While the chapter focuses on the administrative framework within the city of Los Angeles, focusing on the various city and county departments that have been essential to the angeleno project, users of this Handbook will have to contextualize the information to their own cities and its legal structure using the information herein as a guide.

*Chapter Two, Organization and Procedures* details the need for some legal ordinance that gives the authority for the establishment of sidewalk vending programs and thus ensure the protection of those involved. It also requires strong community participation, with some sort of a Community Advisory Council composed of stakeholders in the surrounding community and gives a rationale for why each are needed. The selection of the location is vital to the type of community council that will be formed. Each community boasts a unique combination of individuals, institutions, and organizations that if

brought together can be a dynamic force for change in the neighborhood. Finally, this chapter demonstrates the need to select a non-profit organization that will be responsible for the management of the program.

*Chapter Three, Administration and Management.* This chapter describes every facet that is needed to implement the program. It includes the essential components such as funding, vendor selection and training, the establishment of solid fiscal policies, the selection of types of merchandise and carts, and ends with the way the program can be a force for community organizing and social cohesion.

*Afterword* is a small conclusion that affirms the content of the Handbook and cautions those who implement it to make sure that there is a continuous evaluation and re-evaluation of the program so as not to stifle the dynamic character of its participants.

*Contact Information* is a list of three contact organizations that can provide additional information about sidewalk vending programs. The first is the one within the City of Los Angeles, housed in the Community Development Department. The second is the non-profit organization that was selected by the City of Los Angeles to administer and manage the program. The third is an international organization that works on behalf of street vendors.

*Selected Bibliography.* Should the reader desire to do further research on any particular aspect that has been referred to in the Handbook, this section provides a list of references that will be helpful for understanding more about the informal sector activity and about street vending in particular.

*Appendix A, A Brief History of Street Vending in Los Angeles.* Because the model Sidewalk Vending Program that is used in this Handbook is located in Los Angeles, the reader might find it useful to understand the historical context of vending in the city and how this sector has grown and changed over the years.

*Appendix B, Local Street Vending, Its Role Within the Informal Sector, and the Broader Context of the Global Economy.* This essay sets the context for street vending. It looks at the relationship between the global economy and local street vending, attempting to trace the presence of street hawkers and traders to global economic issues and how that affects cities such as Los Angeles with its large immigrant population. Street vendors form a part of the informal economy of such cities so this section looks at the informal sector and then addresses the fact that in their majority, street vendors are women. This fact has implications for any policy on street vending and its implementation.

## *Table of Contents*

Acknowledgements .....	iii
Foreword .....	iv
How to Use this Handbook .....	vi
<b><i>Introduction:</i></b> HOW TO LEGITIMIZE STREET VENDORS .....	1
<b><i>Chapter One:</i></b> LEGAL AND ADMINISTRATIVE ENVIRONMENT .....	4
City Council or other such structure .....	5
Community Development Department .....	5
Police Department .....	6
County Department of Health & Vehicle Inspection Program .....	6
Department of Transportation .....	7
Department of Public Works .....	7
Department of Parks and Recreation .....	7
<b><i>Chapter Two:</i></b> ORGANIZATION AND PROCEDURES .....	8
Regulation and Licensing (Ordinance) .....	8
Selection of Location .....	10
Formation of a Community Advisory Council or Equivalent (Representation) ..	11
City officials .....	11
Non-profit organizations .....	11
Vendor representatives .....	12
Merchants .....	12
Local Residents .....	12
Local Religious Institutions .....	13
Educational and academic institutions .....	13
Selection of Non-profit organization to manage .....	14
<b><i>Chapter Three:</i></b> ADMINISTRATION AND MANAGEMENT .....	16
Funding the Program .....	16
Selection of Vendors .....	17
Incentives for vendors to join program .....	17
Criteria for selection .....	18
Application procedure .....	18
Contract .....	18
Fiscal Policies .....	19
Credit and Financing for Vendors .....	19
Fees for licenses and permits .....	20
Fees for administration and management services .....	20
Insurance and savings services .....	20



Training and Education . . . . .	21
Curriculum . . . . .	21
Types of Merchandise and Carts . . . . .	22
Food and beverage items . . . . .	22
Merchandise . . . . .	22
Carts . . . . .	23
Signage . . . . .	23
Storage of Carts and Merchandise . . . . .	24
Community Organization . . . . .	24
 <i>Afterword</i> . . . . .	 26
 <i>Contact Information</i> . . . . .	 27
 <i>Selected Bibliography</i>	
Useful References . . . . .	28
Informal Sector Activity . . . . .	28
Street Vending . . . . .	29
Additional References . . . . .	30
 <i>Appendices</i>	
 <i>Appendix A: A BRIEF HISTORY OF STREET VENDING IN LOS ANGELES</i> . . . . .	 34
 <i>Appendix B: LOCAL STREET VENDING, ITS ROLE WITHIN THE INFORMAL</i>	
<i>SECTOR, AND THE BROADER CONTEXT OF THE GLOBAL ECONOMY</i> . . . . .	36
Street vending as an issue	
Relationship between global economy and local street vending	
Women as street vendors.	
The informal sector of the economy	
 <i>Appendix C: ORDINANCE FOR THE ESTABLISHMENT OF SIDEWALK-VENDING</i>	
<i>DISTRICTS WITHIN THE CITY OF LOS ANGELES</i> . . . . .	43

## *Introduction*

### **How to legitimize street vendors**

**W**hether in Mexico, Manila, Nairobi, Rome, New York or Los Angeles, the palpable dynamism of the city is partly due to the many street vendors that are plying their trade, persuading customers to buy their wares, and in this way fashion a living for themselves. These street vendors are part of the often-unrecognized economy of the city, what economists call informal economy. It is not just a small portion of a city's economy, but has been growing and is often more than 50% of some cities' population. While this increased economic activity in the informal sector involves more and more people trying their luck in business out on the streets, the problems of street vendors have not changed much over time. What has changed is the increased recognition being given—even by economists—to the role of the informal sector as a vital and vibrant part of the economy of a city. There is an acceptance, however reluctant, that the informal economy is not going to go away anytime soon.

Nevertheless, city officials and planners have a difficult time reconciling their hopes and plans for the city with a desire to provide economic opportunities for the increased numbers of the urban poor. An international campaign to help governments focus on the particular needs of street vendors has resulted in the Bellagio International Declaration of Street Vendors (see box p.3),<sup>1</sup> which sets forth some recommendations to accomplish this.

The issue at hand then is how does a city create a means through which these vendors can become legitimate so that they will not suffer the perils of informality, while at the same time retaining the benefits that the informal sector provides, such as flexibility and creativity? The challenge is to routinize and legitimize the activity without stifling the entrepreneurial spirit of the people involved.

This has been the challenge that has resulted in the MacArthur Park Sidewalk-Vending Project. This is one implementation of the policy enacted in 1994 in Los Angeles. As a very local effort, it is an example of how the recommendations of the Bellagio Declaration can be put into practice in a developed country, and how it is linked to other efforts around the globe.

In Los Angeles there have been other attempts to bring together illegal street vendors, to give them permits and licenses to operate within a designated district, and

<sup>1</sup> As quoted in Cohen, Bhatt, and Horn, p. 18.

yet allow them to continue to engage in their entrepreneurial activity. These efforts have failed, but the lessons learned have been partly instrumental in the success of the MacArthur Park effort.

In Boyle Heights, East Los Angeles, for example, two different associations of vendors could not agree on the location of the district and were not able to reach a compromise. Although the city is still working on establishing a district in San Pedro, on the harbor, there are no vendors there now and it has been difficult to attract them from other parts of the city. It is this history, and the above efforts in directing the Sidewalk-Vending activity from the informal to the formal sectors, that has determined the production of the present Handbook.

The effort at MacArthur Park is worth documenting, not because it will solve the problems of the informal sector in a city such as Los Angeles, nor because it will completely eliminate illegal street vending, but because it can serve as a model for the establishment of other such districts as partial planning and policy solutions that a city can establish as a way of providing a better way of life for all of its citizens.



# **The Bellagio International Declaration of Street Vendors**

## **Having Regard to the fact:**

- That in the fast growing urban sector there is a proliferation of poor hawkers and vendors, including those who are children;
- That because of poverty, unemployment and forced migration and immigration, despite the useful social and economic service they render to society, they are looked upon as a hindrance to the planned development of cities both by the elite urbanites and the town planners alike;
- That hawkers and vendors are subjected to constant mental and physical torture by local officials and are harassed in many other ways which at times leads to riotous situations, loss of property rights, loss of livelihood, or monetary loss;
- That there is hardly any public policy consistent with the needs of street vendors throughout the world.

## **We urge upon Governments to form a National Policy for hawkers and vendors by making them a part of the broader structural policies aimed at improving their standards of living, by having regard to the following:**

- Give vendors legal status by issuing licenses, enacting laws and providing appropriate hawking zones in urban plans.
- Provide legal access to the use of appropriate and available space in urban areas.
- Protect and expand vendors' existing livelihood.
- Make street vendors a special component of the plans for urban development by treating them as an integral part of the urban distribution system.
- Issue guidelines for supportive services at local levels.
- Enforce regulations and promote self-governance.
- Set up appropriate, participatory, non-formal mechanisms with representation by street vendors and hawkers, NGOs, local authorities, the police and others.
- Provide street vendors with meaningful access to credit and financial services.
- Provide street vendors with relief measures in situations of disasters and natural calamities.
- Take measures for promoting a better future for child vendors and persons with disabilities among them.

Signed by vendors, hawkers, union leaders, lawyers, bankers, architects, planners, and academics from  
11 cities across five continents in Bellagio, Italy, 21-24 November 1995.

## *Chapter I.*

### **Legal and Administrative Environment**

**F**or any project to succeed it is imperative that there be a legal environment that is conducive to that effort. Vendor regulations vary greatly from city to city. For example, in Manhattan, vending cart outlines are stenciled on public ways. In Philadelphia, an ordinance restricts them to four locations on both sides of a single block. Washington D.C. requires that carts be wheeled. San Francisco prohibits sellers from offering the same type of food or merchandise within two blocks or 600 feet of a store or restaurant.


In the main, cities regulate vendors for four main purposes: to improve their image, to protect shops and restaurants, to avoid sidewalk congestion, and to reduce the liability of adjacent businesses.

Regardless of the regulations, without the collaboration of the various departments within the city who are affected by street vendors as well as that of non- government organizations, local businesses, and residents, the road to success will be an uphill climb. The problem often is that in most cities the regulation of street vendors is not the primary responsibility of any particular agency and this results in confusion and overlapping of responsibility.

It is important to stress at this point that the participation of representatives from among the street vendors at every phase of the program is essential. Even while city legislators and administrators are working on an ordinance, or regulation, they must be in conversation with street vendors in order to fully appreciate the constraints and challenges faced by the vendors. Furthermore, the input from the vendors will help assure that the ordinance will accomplish its intended goal. Only the vendors themselves fully understand how policy might impact their activity. They need the reassurance that their activities are being collectively recognized and protected. They, too, will learn about the constraints that city officials have as they must protect the interests of all citizens. The vendors will also be more receptive to any ordinance if they feel that they have helped shape it.

The following government departments have been heavily involved in the MacArthur Park project in Los Angeles. As other cities seek to implement a sidewalk-

vending project, they will need to include these various departments of city government or similar variations in order to ensure its success.



**City and County Departments that are important to a sidewalk vending program:**

- City Council
- Community Development Department
- Police Department
- County Department of Health/Vehicle Inspection Program
- Department of Transportation
- Department of Public Works
- Department of Parks and Recreation

**City Council or other such structure**

The City of Los Angeles is governed by a mayor and a council representing fifteen different districts. In 1994, this council passed the ordinance for setting up sidewalk vending districts as pilot projects. The support of this council has been vital. Former Councilman Mike Hernandez spearheaded the effort in the MacArthur Park/Westlake area and it has been his office that has worked to make crucial changes through amendments to the ordinance, worked on getting the collaboration of the various other city departments, and secured funding for the project. This support has been essential and any city wishing to implement such a program needs to have this type of political backing.

**Community Development Department**

The Community Development Department is one of the City departments responsible for development and redevelopment of city neighborhoods. In Los Angeles, this department was given the responsibility to oversee the establishment of sidewalk vending districts. This was a step in the right direction, because it located responsibility of street vending in one municipal office. This kind of structure is a way of converging various interests, and can make the establishment of a project much easier, since there would be only one office to deal with.

However, in order to be successful, this department needs to have effective leadership to implement the ordinance approved by City Council. Called the Sidewalk



Vending Administrator in Los Angeles, the city government official who is given this responsibility needs to possess the following qualifications:

- Have a strong understanding of immigrant issues
- Can relate to, and have empathy for people of all races and nationalities regardless of their economic or educational standing
- Understand the role of the informal sector
- Be very acquainted with the ways of street vendors and traders, especially sensitive to the particular issues raised by women vendors
- Possess the ability to forge alliances between the various entities involved such as merchants, government agencies, and vendors.

### **Police Department**

The police are the ones who enforce the regulation of vending activity. In most cities, the police are often so consumed with battling issues of criminal behavior that they are not prepared to allot enough of their personnel to enforcement of laws regulating street vending. They need to be very involved in this project in order to understand what the priorities are and how best to use their own limited force.

In the case of MacArthur Park, the police were brought in very early and began understanding the issues faced by vendors. Priorities have been set and this support has been and continues to be very important since the area is known for all sorts of illegal activity. To protect the vendors and to create an atmosphere that is conducive to shopping, the police have to be very supportive and willing to enforce the laws.

### **County Department of Health and Vehicle Inspection Program**

If the vending district envisions any food items to be sold, then the collaboration of the health department is essential since it is responsible for public health and sanitation. In most cities in the United States the only food items that are allowed on the streets are hot dogs and pretzels. Thus the health department will find itself breaking new ground as it seeks to oversee legalized vending of a variety of different foods. This legalization involves the approval of the types of carts that are used by the vendors.

The project in MacArthur Park has had to establish a commissary where certain cold food items and beverages can be pre-packaged and sold. In addition, it has been necessary to set up a food-processing plant so that the vendors can prepare hot foods for sale. This has been very costly to the project and, without outside sources of funds, would not have been accomplished. Yet the street vendors have felt that the sale of foods is essential to their success and thus have pushed for the health permits that would allow them to do this.

An additional role of the health department is to ensure that vendors have adequate access to sanitary facilities. This access has been a serious problem for vendors and it is an important way in which the city can contribute to their well being and to that of the rest of the city residents. There are a variety of ways in which this can be accomplished: 1) setting up port-a-potties within a close proximity to the vendors; 2) arranging access to public facilities that are close enough for the vendors to use; and 3) enlisting the support of local merchants who have restrooms within their own facilities. This can be one of their contributions to the program.

### **Department of Transportation**

This is the department of the city that monitors the flow of traffic, and as such, is often the first department to complain about vendors because of the obstruction of traffic that these street vendors can cause. Yet, once this department is sitting down at the table with everyone else and understands the goals and objectives of the project, it can be an ally in its favor, creating new flows of traffic, and giving input as to the actual placement of carts to ensure safety as well as best location.

### **Department of Public Works**

This department oversees the provision and maintenance of infrastructure. When sidewalks, roads, and curbs are deteriorated, it has a heavy impact on the safety of street vendors and traders within a district. Thus it is vital that this department be a part of the collaborative effort in order for them to see what is needed.

### **Department of Parks and Recreation**

In the case where a projected district has a park within its boundaries, then this department becomes an important player since it regulates and oversees the use of the park for all citizens. This department has played a key role in the MacArthur Park Sidewalk Vending District because the vending carts are located along the perimeter of the park and thus activities around them overflow into this public space. This particular district has also sought to provide entertainment on weekends to attract more customers for the vendors and this department grants this type of permit.

## *Chapter 2.*

### **Organization and Procedures**

#### **Essential elements for successful implementation of a sidewalk vending program:**

- Ordinance from the city
- Good business Location
- Community Advisory Council composed of:
  - β City officials
  - β Non-Profit Organizations
  - β Vendor representatives
  - β Merchants
  - β Residents
  - β Local Religious Institutions
  - β Local Educational Institutions
- Management Organization

#### **Regulation and Licensing (Ordinance)**

**K**eeping in mind that the street vending population is a persistent proportion of the working population in most cities, a program to ensure their protection and their ability to establish themselves more firmly within its economy needs to be based on a mandate coming from government officials themselves. For the establishment of a sidewalk-vending district it is essential to have an Ordinance that lays out the parameters of such a program and ensures the protection under the law of those involved.

The danger with any ordinance is that it can easily become a legalistic instrument which provides a structure to meet its goals and objectives but does not retain enough flexibility in it to prevent the “spirit” of the project from getting destroyed. In other words, the creative, entrepreneurial spirit of street vendors needs to be captured and retained for the good of the project. Too much structure can stifle this sentiment.<sup>2</sup>

To implement a plan based only on its structure and its function will rob it of the very thing that gives it life. The danger is to focus on these things and forget to focus on the people. The vendors in the project at MacArthur Park, for example, are extremely hard-working entrepreneurs. They spend long hours on the street. They are energetic and are willing to do whatever it takes to improve their living situation. The ordinance must be able to sustain that energy and not stifle it.

Once more it is vital to stress that the vendors need to be in partnership with City officials who are drawing up the legal framework for their businesses in order to fully appreciate the constraints and challenges faced by the vendors. Furthermore, the input from the vendors will help assure that the ordinance will accomplish its intended goal. Only the vendors themselves fully understand how policy might impact their activity. They need the reassurance that their activities are being collectively recognized and protected. They, too, will learn about the constraints that City officials have as they must protect the interests of all citizens. The vendors will also be more receptive to any ordinance if they feel that they have helped shape it and will be less resistant to participating in any training program that might be required.

While an ordinance may differ from city to city, there are certain components that are essential for all:

- While one of the goals of a sidewalk vending program is to move people who are illegally working within the informal economy to a more formal, legal system for operating business, it must be able also to move people along a continuum of legality and the ordinance needs to allow for this. For example, it could allow for temporary permits to be granted to vendors while they are securing their permanent ones. This would allow them to continue working on the streets and not lose that income while they secure the credit they need and while their application is being processed.
- Those given the responsibility to draft the ordinance to be approved by city officials must listen carefully to street vendors in order to make sure that the rules that are being set are workable and sustain the flexibility needed for plying the trade. This means that those issues important to women must be incorporated. For example, if

<sup>2</sup> For a deeper understanding of these theoretical approaches and an explanation of retaining the sentiment in any plan, see Niraj Verma, 1998.

the regulation of a cart makes it too heavy for a woman to push, then it must be redesigned in a way to meet her needs. In other words, make sure women are involved in the planning and in the design of the program.

- The ordinance must provide for a co-applicant for each applicant in case of personal illness or the illness of her children. If a woman has to leave her cart for a day or more in order to take care of these problems, she can lose considerable wages, and by allowing her to pay someone to take her place during that time, she will retain both her clientele and some of her wages. It will not be a complete loss.
- If the intention of the planned sidewalk vending district is to have permanent carts in particular locations, then the ordinance must provide a means for applicants to have an additional pushcart which can augment sales by circulating around the district. Much of the success of street vendors is that they move to where the customers are. If they are stationary, they do not have this advantage. Smaller pushcarts that can be taken from the main one and operated by a member of the vendor's family or a friend can serve to make this a profitable business.

### **Selection of Location**

For any business location is the most important variable. This is true for street vendors as well. Location can vary depending on the product sold but for most street vendors the marketplaces, bus stops, major thoroughfares and streets where pedestrian traffic is high are the most desirable places for plying their trade. While it may appear to the outside observer that there is no real permanence or particular asset to be in any one location, turf battles are very real to the vendors who have developed a client base for products sold. Certain street corners at certain times of day are preferable to others. Thus it is important to take all these issues into consideration when selecting a location for the sidewalk vending program. Questions that need to be asked in determining the location:

- Is there support for the program from various stakeholders within the community?
- What is the population density of the location?
- Is there sufficient foot-traffic?
- Is there adequate sidewalk space for carts?
- Are there bus stops adjacent to or nearby?
- What type of clientele is there?
- What is the competition?
- Are there facilities for cart storage close by?
- If foods are to be sold, are there proper facilities as required by health departments near enough to be efficient?
- Are there sanitation facilities nearby for vendor use?
- Is there adequate lighting if night-time vending will take place?

- Is it possible to enforce the use of the location for permitted vendors only? In other words, does the location have the support of the local enforcement officials (i.e. police)?

It is important to keep in mind that the selection of the location needs to be made with the needs, goals, and objectives of the vendors as the deciding factors and not the convenience of the city or the NPO selected to manage the program. The important issue for vendors is that this location is a legitimate one and thus having a permit to operate within it becomes a business asset. But it also must be located where there is sufficient clientele to purchase the merchandise.

### **Formation of a Community Advisory Council or Equivalent (Representation)**

Each community boasts a unique combination of people upon which to build its future. Critical to the success of a sidewalk-vending district is a group of people that is representative of all the stakeholders in the neighborhood. In Los Angeles this group is appointed by the Council member and is empowered by the Ordinance to make recommendations on boundaries of the district, density and location of vendors, goods sold, design of carts and hours of operation, among other things. This is an extremely important component to the program because everyone has a voice in the functioning of the district. They are kept informed on its progress, and can help solve problems on the spot. The Community Advisory Council (CAC) should be composed of, but not limited to, the following groups:

1) *City officials:* There should be a representative of each of the city departments discussed above so when issues that pertain to that particular department arise, there is someone who can respond to it immediately. Progress is made when time is not wasted going down a road that will be blocked later by a particular city department. Furthermore, that representative can explain department procedures and advance the understanding and dialogue between all the parties.

2) *Non-profit organizations:* If there are non-profit organizations (NPO) in the neighborhood, these can provide their expertise to the project. One such organization needs to be the NPO that is given the responsibility to manage the district (see below). In Los Angeles the Association of Salvadorans of Los Angeles (ASOSAL) has been a vital component of the CAC since many of the vendors are Salvadoran immigrants and ASOSAL has often interpreted their needs and desires to the CAC. Another NPO, New Economics for Women, has been able to provide its own expertise in terms of business management skills. Having these organizations represented on the CAC has been extremely helpful to the project in Los Angeles.



3) *Vendor representatives*: At least two elected representatives from among the street vendors need to be a part of the CAC. One of these, if not both, needs to be a woman to insure that their needs are being met. The fact that these are elected is of critical importance because there is such diversity among the vendors, many of whom are immigrants from different countries, and rivalries can easily arise and destroy the program. Indeed, this has happened in other districts within Los Angeles. The vendors need to decide the time limits for serving on the CAC so that new elections can take place and make sure that all the voices are heard. But their place on the CAC is vital. They are the only ones who truly understand the impact that CAC decisions will have on the street.

4) *Merchants*: Traditionally, local businesses are the most opposed to street vendors because they claim that the vendors trash the community, they are involved in illegal activity, they are direct competition to their own businesses, and they serve as obstacles for their own clientele. Therefore it is vital that they have a part in the decision-making process. Often they are just ignorant of some of the issues involved and once they are informed, they are ready to collaborate. The CAC serves as a way of informing and educating all parties and all stakeholders can carve out their own interest as they work out compromises that serve for the good of the community. Merchants in the MacArthur Park Sidewalk Vending Program have come to appreciate the project because they have begun to see changes in the neighborhood. It is cleaner, there is an effort on the part of the police to enforce laws that prohibit criminal behavior, and families now feel safe enough to bring their children to the park. Furthermore, the vendors have come to learn and appreciate why they are perceived as competitors and have reached agreements with the businesses. This is strengthening the fabric of the community in ways that were not planned at the beginning.

5) *Local Residents*: Strong communities are places where the capacities of local residents are identified, valued, and used.<sup>3</sup> Because they are the ones who live in the community, residents need to be able to contribute to the program from their own experience and expertise. Often, they can be the most supportive of the vendors because they consume the items sold and appreciate the service provided. Furthermore, they serve as indicators to the vendors of marketability for certain products and can help shape decisions about types of goods sold. The residents also can become familiar with the legalized vendors and not feel threatened by the program.

<sup>3</sup> For more understanding on how to discover the assets of community members, readers are encouraged to follow the manual of John Kretzmann and John McKnight (1993), *Building Communities from the Inside Out: A Path Toward Finding and Mobilizing a Community's Assets*.

6) *Local religious institutions:* Early in the establishment of the MacArthur Park project, the local Episcopal priest, Father Jon Bruno (now Bishop Bruno), was called upon by the vendors for assistance in setting up the project. As it turned out, his presence and action proved critical to its existence. Why? For many people who live and work in the informal sector among the only people they really trust is their local priest or religious officer. They feel confident that their religious leader will not let them down. The religious institutions in a community do not go away. No matter what happens, they are always there, committed to the people. This is important when government officials come and go. The religious leader provides a stability that gives confidence to all parties. Bishop Bruno is highly respected in the community and his presence on the CAC has often given a perspective that has kept the group together in spite of all the obstacles that have been faced.

Religious institutions are also centers of resources that can be accessed for the good of the project. They are often good sources for volunteer help as well as for financial capital. For example, the Episcopal Church has made its credit union available to vendors in the MacArthur Park project who have needed financing. In addition, the religious leaders provide the moral and ethical voice in the community that makes sure that even the weakest are not being excluded. And they work as emissaries for righteousness and justice in the community and the city as a whole.

Another important reason why the local religious institutions need to be a part of the process is that there are times when people of faith carry out their practices in a way that can be detrimental to street vendors. Good intentions of service can undermine business. For example, potential customers for the vendors flee when religious groups use megaphones to try to communicate their message. People are intimidated and stay away. This has caused problems at the MacArthur Park site, especially when the carts are stationary and not ambulatory. There is no option for anyone but to listen to the loud noise coming from the megaphone.

Religious groups have often come to the park with food to give away. This can hurt the business of the vendors and serves to alienate the group from the community.

When drawn in as a part of the CAC, these religious groups can begin to understand the constraints of vendors and learn to appreciate the fact that they are trying to conduct a business, even if it is in public space. Compromises can be reached and the CAC is the place where these can be worked out.

7) *Educational and academic institutions:* Because there is so much training and education needed to build the capacity of the street vendors and others in the community, the presence of representatives of institutions that can assist with this is a big asset to any program. For example, in the MacArthur Park project both East Los Angeles City College and the University of Southern California have had representatives on the CAC and these have been able to provide training as well as links to other groups and resources that can assist the project.

## **Selection of Non-profit Organization to Manage**

Given the economic and regulatory problems that street vendors face, and the additional pressures felt by women vendors, it is imperative to have advocacy organizations to represent vendor interests and to press for change. International efforts demonstrate that there is no single model that is effective since context appears to influence the type of organization. Effective organizations can take the form of cooperatives, trade unions, or non-governmental organizations. For example, trade unions have worked in South Africa and India; membership organizations have been effective in Bolivia and New York.<sup>4</sup>

What is essential is that some type of non-profit organization (NPO) be given the authority to coordinate the effort of setting up a sidewalk-vending district. Strong leadership is vital if an organization is to have a voice and be effective. There are so many issues involved in establishing a district that the coordination of all of them needs to be in the hands of a disinterested party. For example, in one area of Los Angeles two associations of vendors tried to set up such a district and failed for a variety of reasons: they were divided in how to run the district, where to locate it, how to manage it; and working on it was taking time away from their income-generating activities. Learning from this, the City has sought the services of the Institute for Urban Research and Development (IURD)<sup>5</sup> to set-up and manage the MacArthur Park project.

The selection of a management organization can be tricky. It must be experienced in working with city contracts. It must have experience in successfully managing other entrepreneurial activity. It must straddle the expanse between vendor interests and City interests and be perceived as non-partisan. This is a hard position to fill. When the City department responsible for the project puts out an appeal for applicants to run the district, it would be wise to allow the Community Advisory Council to be involved in interviews, and thus receive the endorsement of the CAC before appointing the organization.

Some of the responsibilities of the organization include:

- Negotiation with various city officials
- Selection of vendors
- Finding adequate facilities to meet city requirements (i.e. wash-down area and storage for carts)
- Setting up fiscal policies

<sup>4</sup> See Cohen, Bhatt, and Horn (2000) for some examples.

<sup>5</sup> This agency is not to be confused with the Institute for Urban Research and Development at the University of California in Berkeley. IURD in Los Angeles is a non-profit organization that has extensive experience in setting up homeless shelters and other such services within cities in the L.A. basin.

- Arranging for training and education
- Representing the interests of the project elsewhere in the city
- Administering the day-to-day operation of the program
- Assisting vendors with daily needs
- Meeting weekly with vendors as whole
- Attracting investment and financial support

Organizations are crucial in providing vendors with access to information in a way that they can understand. These organizations can also serve as a place where vendors can access legal representation if they face harassment and they engage regularly in dialogue with municipal authorities on a range of economic and planning issues.



## *Chapter 3.*

### **Administration and Management**

#### **Important aspects for managing a sidewalk vending program:**

- Funding the Program
- Selecting the Vendors
- Establishing good Fiscal Policies
- Training and Educating the Vendors
- Selecting the Types of Merchandise and Types of carts
- Organizing with the Community

#### **Funding the Program**

**N**o project can get underway or be properly managed and administered without adequate funding. As a city makes the decision to establish a sidewalk-vending district, it must allocate funds for this purpose. Community Development Block Grants can be used for this purpose. Here it will be up to city officials to see that enough is allocated for the district.

In the present environment where the federal government has made funds available for moving people from welfare to work, there may substantial grant monies available for sidewalk vending programs that include job training and development as one of its components.

With the involvement of religious institutions as part of the Community Advisory Council, federal funds can be applied for that have been allocated under the Charitable

Choice provision for projects that provide people with stable employment.

Funding is one way to secure the support and collaboration of the private sector in working with the public sector for the health of the community. Banks, corporations and foundations can play an important role in contributing grants to the project under their community development programs. The project at MacArthur Park has been able to secure funds from a variety of sources but it has consistently found this a constant struggle. Any city that decides to operate a sidewalk-vending program must be willing to allocate enough funds to that project to ensure its success and it must assist the non-profit organization selected to manage the program in securing additional funds through the private sector.

### **Selection of Vendors**

One of the issues that arises in setting up a legal structure for street vendors and traders is that inevitably there will be some who are excluded. Large numbers of street vendors will remain unregistered and thus illegal. For example, in New York City there are approximately 16,000 street vendors and only 850 permits have been issued.<sup>6</sup> Therefore it is possible that setting up a sidewalk-vending district is not going to solve the problem of illegal street vendors, but it can serve to move people away from the constant harassment and fines imposed by the city and begin to stabilize them economically. In fact, many vendors aspire to establishing small storefronts as they experience and learn how to operative micro-businesses. The selection of vendors becomes very important, since it could easily be that the weakest will be excluded and yet they may be the ones who will most benefit from the program.

Important aspects of the selection process are:

1. *Incentives for vendors to join the program:* Why should a vendor want to join a program that will regulate and restrict his or her activities? The City must provide incentives for joining that will make it an advantage to legalize their businesses. Various incentives are possible: a temporary permit to use while the application is processed; a fifty percent cut in the licensing fees for the first year as they get established; the provision of one-stop processing for all the requirements; the participation in a business incubator that will provide support systems that are needed; the freedom from police harassment and the protection of the department; the opportunity to sell at the various cultural events held in other parts of the City.

<sup>6</sup> Cohen, Bhatt, and Horn give other examples as well: in central Bombay only 40,000 licenses have been issued for a population of at least 200,000 vendors and in Kuala Lumpur only 40 percent of the 25,000 vendors are legally licensed to trade.



2. *Criteria for selection:* The City, in conjunction with the CAC, must establish criteria for selection keeping in mind the types of goods that will be sold, the diversity of the neighborhood, the capacity of vendors, and their place of residence if the goal is to help those who live within that community. The CAC must also determine whether or not there is a cap to the number of legalized vendors that will be allowed in the district.

3. *Application procedure:* The application process begins with a variety of announcements through flyers distributed to street vendors, the local media, radio, billboards, and other places where people might hear about the opening of the district. If a variety of languages are spoken in the area, then all the information needs to be provided in the languages of the major groups. The process needs to be outlined in a clear and easy way for vendors to understand, with a step-by-step guideline that also includes all the necessary fees. The application form needs to be simple and easy to fill out. Based on the criteria determined by the CAC, the district management will select the vendors from among those who have successfully completed the application process.

The application is only the beginning of the process because there are numerous other steps required by cities in order to obtain a valid permit.<sup>7</sup> This is where the non-profit organization that is managing the district becomes critical to the program as it guides the applicant through the rest of the steps necessary for legalization. For example, the City of Los Angeles requires eight different legal papers in order to grant a permit, each of which can be daunting to a vendor who has seldom dealt with various city authorities and furthermore who might have limited language skills. Being able to go through the process with the help of one office is a significant help to the applicant.

4. *Contract:* It is important that there be a contract drawn up between the selected vendor and the sidewalk vending program. The contract shall state obligations on the side of each entity. It will include such things as hours of operation, whether or not others can use the vendor's permit, the type of merchandise that can be sold, the agreement to follow state laws about recording sales and paying taxes on them, etc. It will also state what services and benefits they can expect from being a part of the district. Depending

<sup>7</sup> The requirements are: 1) proper identification which may include but not limited to a valid California Driver's license, an ID issued by the Department of Motor Vehicles, a passport along with a Social Security card; 2) a valid Business Tax Registration Certificated issued by the City Clerk's Office, city of Los Angeles; 3) public liability and property damage insurance with the limits set forth by the City Attorney's office; 4) valid permits issued by the Department of Health Services, County of Los Angeles, for those who sell food or beverages along with a DHS approved food or beverage cart; 5) a pushcart which meets the specifications set forth by the City (rented, bought or constructed by the applicant); 6) a set of fingerprints to allow the city to make a background check; 7) two passport-sized photos of applicants; and 8) a Seller's permit issued by the State of California, which is free but vendors must report their sales and pay the sales tax to the State of California.

on the district and on the decisions of the CAC, these services and benefits might include things such as access to credit and financing, access to and use of a commissary and/or food-processing plant to prepare their goods, storage facilities, training and educational courses aimed at improving their business, sanitation facilities, protection by police, etc.

### **Fiscal Policies**

Setting up a sidewalk-vending program can be an expensive venture and over time these costs need to be borne by the vendors themselves in the form of fees for services. Not only is there a cost to the vendors for their carts and their merchandise, but there is also the need for a commissary and/or food processing plant.

In addition, there are on-going costs for training and capacity building. Some of these costs are capital investments that are one-time expenditures and either the city or the management organization will need to finance them through grants or loans. In the case of the latter, the cost will then be transferred to the vendors over time. There are philanthropic organizations that are interested in funding these types of microenterprises and the management organization can seek out these grants. In any case, fiscal policies will need to be determined for credit and financing for vendors, licensing and permit fees, administration and management fees, and insurance.

1. *Credit and Financing for Vendors:* Vendors in this type of program have a variety of up-front costs that they have to bear: purchase or rental of an appropriate cart, fees for licenses and permits, insurance, and merchandise or capital costs. These costs can be significant and vendors will need help securing some form of credit.

Additionally, for those who operate at the margins, access to microfinancing services can provide a woman, for example, with an option to invest more in her ongoing expenses, such as purchase of more raw materials, or for the payment of school expenses for her children, not to mention unexpected expenses caused by some emergency or illness.

Across the globe it has been demonstrated that when vendors and hawkers have access to financial services there has been an enviable record of success. Microfinance programs are particularly suited to street vendors because entry loans are often quite small, collateral is usually through a peer lending structure, the terms are short and in keeping with the cash flow cycle of the poor.

Setting up financial services for the vendors is an essential component of any successful program. It can take the form of a credit union, like the Episcopal Credit Union, or a local bank that is willing to support the community endeavor. Again, the management organization can prove invaluable in securing these types of arrangements for the vendors.

2. *Fees – for licenses and permits:* The municipal government will determine what type of fee structure they will set up for the vending program. Most often the fees cover the following items: an annual vending permit, business tax registration certificate, and fingerprinting fees. In addition, vendors will need to secure a health permit and liability insurance, fees for which are not paid to the City but are required under the Ordinance. These fees can add up quickly. For example, in Los Angeles they amount to approximately \$750 per year for each vendor. To make the collection of these fees more friendly for vendors, the management organization can serve as the point of collection and distribution of permits by closely collaborating with the Community Development Department of the City, or whichever entity is charged by the city with responsibility for overseeing the sidewalk vending districts.

3. *Fees – for administration and management services:* While the collection of the fees for the vending permit is often used by cities to help offset the cost of contracting with an organization to manage the district, this will be insufficient to cover the true costs. The organization will have to decide whether to charge a fee to the vendors for these services or to seek grants, or a combination of the two. If a fee is charged to the vendors for this service then it needs to be clearly stated in the contractual agreement so that each vendor knows what she or he is getting for her money.

4. *Insurance and savings services:* One of the disadvantages of working in the informal sector is the lack of access to benefits such as health insurance. At the same time, people are more at risk for illness and other emergencies. Street vending has its hazards and can be dangerous, especially in highly trafficked areas. Sidewalk vending takes away some of this danger, but there are still many hazards, such as long exposure to vehicle pollution, particularly buses. Yet these are the prime locations for such vending. Therefore, providing insurance and savings services can help mitigate risk and greatly reduce the vulnerability of vendors. If children are covered under a health plan provided as a service through the management organization, then a vendor's business does not

<sup>8</sup> In a comment to Richardson's 1984 article, Michael Todaro notes that the lack of capital is a major constraint on activities in the informal sector and recommends the provision of credit that would permit these enterprises to expand, produce more profit and therefore generate more income and employment, p.53.

have to come to a halt in order to pay for children's illness.

Alternatively, vendors can look into associating with a local union and by paying the dues they become eligible for low-cost medical and dental insurance.

### **Training and Education**

Given the low level of education and lack of relevant skills of most street vendors, it is imperative that the sidewalk vending program incorporate a curriculum for building the capacity of vendors and thus presenting them with options to move beyond operating a cart and into a more formal business.

*Curriculum:* The following is a list of necessary skills training. Not all vendors will be at the same level, but it must not be taken for granted that they can master each of these essential components (the contractual agreement can specify which courses will be required of the vendor):

- Business Management Skills
  - a. Business plan
  - b. Budgeting and Accounting
  - c. Financial planning
  - d. Taxes
  - e. Inventory
  - f. Marketing and promotion
- Understanding City and County regulations
- Health and Sanitation
- Basic Mathematical Skills (to include kitchen math)
- English as a Second Language
- Skills Training: Culinary and other
- Vendor Cart Cleaning and Storage
- Safety
- Street Wisdom: dealing with police, gangs, aggressive customers, harassment

Local educational institutions can be of great service in providing this type of training and will often be able to accommodate different languages. In addition, each community has a variety of non-profit organizations that can be useful for the implementation of this curriculum.

## **Types of Merchandise and Carts**

Setting up a sidewalk-vending program within a given community can be tricky business because of the need to convince the local businesses that these vendors are not competition but rather an asset to the development of the business district. This is why it is essential to have local business owners on the Community Action Council or whatever representative body is working on the project. As mentioned earlier, this body will decide what types of merchandise can be sold by the vendors and what percentage of each type of merchandise. This decision helps solve the problem of too many vendors selling the same merchandise and resolves many of the competitive problems. However, it will add additional problems as others resent vendors selected to sell those items that are deemed more profitable. For this reason, as well as others, it is essential that vendors always be part of the decision-making process.

Some of the decisions that need to be made pertain to the following:

1. *Food and beverage items:* If food is to be sold in the district, then a decision needs to be made as to what types of foods (hot or cold), whether or not these food items can be prepared at the cart or have to be pre-packaged, how many food carts will be allowed and whether beverages can be only bottled or if natural juices are acceptable.

Many of these decisions will be based on county and city health regulations. Nevertheless, experience has shown that the sale of food and beverage items is often the most profitable for vendors. It is an inexpensive way to get a quick lunch or snack, and these vendors provide a needed service in many of the immigrant communities that they serve.

In Los Angeles, vendors have pushed for this type of sale, in spite of regulations against it. After intensive, protracted negotiations with health department officials, the managing organization was able to reach a compromise where vendors prepare and pre-package their foods and beverages in a kitchen approved by the health department. So for the first time, many food items such as tamales and pupusas (Latin American delicacies) are sold legally on the streets of the city.

2. *Merchandise:* A variety of items can be sold from vending carts. A market analysis will be needed to determine the profitability (or marketability) of these items and then vendors can decide what they prefer to sell based on this research. The local college or university may have students who can do this type of research as part of a practicum for their course work and will not cost the program anything. In some cases, special vending districts are set up to promote a theme and vendors sell merchandise that fits that theme. For example, in the historic core of Los Angeles, a privately owned district that promotes the Mexican culture of the City has been very successful in attracting customers. However, this type of project is capital intensive and cities do not often have this financing available. And these districts are limited to a small group of vendors.

Given the large numbers of vendors on the streets, to make this program viable, it must meet the demand of the neighborhood in which it is located. In addition to food, some examples of types of merchandise sold in the MacArthur Park project are silver and costume jewelry, arts and crafts from Mexico, ceramics, hair supplies, children's toys, candles, incense and gems. There are also a couple of photographers who take photos of customers.

3. *Carts*: The type of cart selected for the sidewalk-vending program depends on the selection of merchandise. Nevertheless, there are several factors that must be considered as carts are approved:

- Uniformity of carts is extremely important for law enforcement officials and for other vendors as well. Legal vendors can be spotted immediately and this is very helpful to those responsible for their safety and well being, and to keep away those who are not yet legal. It also creates an image of a special district that can be an asset to the whole community.
- Carts must not be too heavy to push but strong enough to withstand constant movement.
- Carts must be made of materials that can be easily cleaned and that meet city and county codes.

All of these require extensive negotiations with cart manufacturers and often producing a cart that meets all of the health department requirements makes it very expensive and beyond the reach of a vendor to buy. The managing organization may decide to buy the carts and rent or lease them out to the vendors, or allow the vendors to buy them over time.

4. *Signage*: Part of the richness that street vendors and traders provide to a city is the colorful variety of display and signage. The CAC must decide if it wants uniformity on all the carts, or it wants to try to preserve at least some of this individual creativity. The signs used to promote the individual businesses will reflect this decision. Again, the vendors need to be a part of this decision and those who represent them on the CAC must have the others' support. The Los Angeles Ordinance sets general parameters but allows for flexibility: *All of the permittee's advertising must be attached to the pushcart and shall advertise only the goods, wares or merchandise being sold. Advertising signs shall not extend beyond the overall width or height of the pushcart.*<sup>9</sup>

<sup>9</sup> Los Angeles Municipal Code, Ordinance No. 171913, (22:B).

The Community Action Council may also want to request that banners announcing the area as a special sidewalk-vending district be hung from the lampposts on the streets. This announces and promotes the district to anyone entering it and provides a festive atmosphere, encouraging business transactions.

5. *Storage of Carts and Merchandise:* Access to secure storage for carts and merchandise is essential for the smooth implementation of a sidewalk-vending program. The pushcarts are generally larger than the usual carts the vendors have used to sell on the streets such as grocery carts, baby strollers, ice cream carts. It is impossible for them to push them home, and even more impossible to store them. Thus, the project must arrange for proper storage where the carts can also be washed down as required by some health departments.

### **Community Organization**

An important end result of organizing a sidewalk vending program is the extent to which this effort works at various levels to build the community and to strengthen the efforts of street vendors at sustaining a way of earning a living for the families involved. Effective organizations are those that operate from the premise that vendors are workers whose activities need collective recognition and protection. Negotiations with city authorities and with other community organizations and businesses serve to accomplish this goal.

Sidewalk vending organizations, while focusing on operations on the sidewalk rather than the street, also serve to change negative public perception of street vendors through media strategies and other publicity campaigns that promote the district. The following are some examples of methods that have been used to accomplish these goals by The Institute for Urban Research and Development (IURD), the sidewalk vending management organization at the MacArthur Park program:

- Once the vending district was launched, a date was chosen for a grand opening celebration to which the media and representatives of City departments and other governmental agencies were invited. The local newspapers, including the renowned Los Angeles Times, and several television stations were present. Many of the vendors were interviewed and the whole city was exposed to the reality that these vendors are really business people and deserve respect as they attempt to make their businesses a success.
- The management staff continuously negotiates with the Department of Parks and Recreation to be granted a permit for various types of entertainment to take place on the corner of the park where the vendors are located. They have had bands and groups of folk dancers perform as part of this program. This has been a great service to the local neighborhood residents who have loved the free entertainment



and it has also increased the sales of the vendors at the same time.

- IURD has also collaborated with other community organizations to celebrate important events in the community. For celebrations of July 4 and September 15, independence days of the United States and of Central American Countries, the streets were closed and all day entertainment and food sales took place, culminating in a huge fireworks display.
- Perhaps the most creative way in which the managing organization has helped change negative perceptions of local merchants has been negotiating a contract with the court system whereby court referrals ordered to perform community service are assigned to serve specified hours at the MacArthur Park Sidewalk Vending Program. These court referrals have worked at a variety of projects that have improved the surrounding neighborhood and gained tremendous goodwill from residents and merchants alike. These projects include: trash collection, graffiti removal, alley cleanup, scrubbing sidewalks, and other similar activities.
- The managing staff along with vendor representatives continue to represent the sidewalk vendors at meetings where their interests are being discussed and also push to allow the legalized vendors to participate in the various special events that are organized in other parts of the city, outside this particular district, but where it would be appropriate to have sidewalk vendors.



## Afterword

Implementing a sidewalk-vending program is not an easy task. Yet it can have a powerful impact on a community and be a significant source of economic vitality and creativity. Careful planning by following the recommendations that have been outlined will ensure that the program will be successful and can be used by the city as one of its approaches to promoting the needs and abilities of informal sector workers, particularly women.

Nevertheless, there will be new concerns along the way. This is inevitable. It is important to be evaluating the program as it is implemented. Continuous reevaluations, making the necessary adjustments, finding the necessary resources, are all part of implementation. The challenges that come along are really opportunities for adaptation and change in order to capitalize on the dynamism that makes a city vibrant.

# Contact Information

## City department regarding development of a sidewalk- vending program:

City of Los Angeles  
Sidewalk Vending Program  
Community Development Department  
215 W. 6th Street  
Los Angeles, CA 90014  
*Tel:* 1-800-6-VENDOR  
*Fax:* 213-485-1337

## Management of a sidewalk- vending program:

Institute for Urban Research and Development  
840 Echo Park Avenue  
Los Angeles, CA 90026  
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*Email:* iurdhq@earthlink.net

## International efforts to organize street vendors:

StreetNet  
P.O. Box 61139  
Bishopsgate, Durban 4008, South Africa  
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*Email:* stnet@iafrica.com

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# Appendices



## *Appendix A*

### **A Brief History of Street Vending in Los Angeles**

**S**treet vending has been a hidden fact in Los Angeles. Mexican vendors regularly gathered around the old pueblo in the 1800's and remained after the American Occupation of 1848.<sup>1</sup> The downtown Mexican flavor began to wane in the 1850's. After the turn of the century there were complaints from store owners who did not like the competition and, in the early part of the century, a battle between old and new Los Angeles began with the arrival of the European entrepreneurial class, Jews and Italians. But with the destruction of the old streetcar public transportation system, the sidewalks became empty after dark and street vending continued to wane although there was somewhat of a resurgence during the Depression. After the industrial boom following World War II, those vendors disappeared and anti-vending codes were tightened through the years, finally amended in 1974 to prohibit anything except newspapers, steamed hot dogs, pretzels, and poppies sold by war veterans.

In the early 1980's "vendedores" began appearing again on the streets of Los Angeles, as droves of people crossed the border with Mexico, fleeing the economic and political wars that were tearing apart some of the Central American countries.<sup>2</sup> With very few options available for these people to work, they took to the streets, doing what came naturally to them. As Alicia Alarcon says: "I grew up in the marketplace in El Salvador. I saw how my mother worked hard selling newspapers. So when I was 6 years old, I started to help her by calling out "La Prensa....La Prensa....El Diario." (names of two major Salvadoran dailies).<sup>3</sup> Dina, who sells tamales and horchata (a rice drink) says: "I have been selling things since I was a child. My family had a small business in El Salvador and they put me to work. When I came here, this is all I knew to do."<sup>4</sup>

<sup>1</sup> I am indebted to Ruben Martinez for his excellent historical survey in "Sidewalk Wars: Why L.A.'s street vendors won't be swept away." *LA Weekly*, December 6-12, 1991.

<sup>2</sup> Nora Hamilton gives us a history of international policy in Latin America that provides an understanding of factors that led to these wars.

<sup>3</sup> Martinez, op.cit., p. 20.

<sup>4</sup> Quote from one of the legalized vendors of the MacArthur Park Sidewalk Vending District. Interview and translation by the author, 1999.

But the economic and political wars in Central America were not the only factors that pushed immigrants to the north and to Los Angeles. There were pull factors as well. In fact some studies have suggested that globalization effects have been especially acute in Los Angeles because its industrial base has shifted since the 1970s from heavy manufacturing (e.g. automobiles, rubber, steel, and machinery) to a bifurcated economy characterized by high-technology and communication services on the one hand, and lower-skilled, labor intensive manufacturing (e.g. textile, furniture, jewelry, printing) and services (e.g. child care, gardening, cleaning) on the other hand.<sup>5</sup> The decline in heavy manufacturing and a contiguous decline in unionization have produced a growing polarization of wages in Los Angeles. Furthermore, this labor market polarization has been accompanied by a rise in legal and illegal immigration not just from Latin America, but also Asia, thus providing a large supply of potential informal workers.

Many of these informal workers have ended up as street vendors. County statistics tell the story of a dramatic increase in vending through the totals of court fines imposed: \$13,136 in 1989; \$31,160 in 1990; \$62,219 in 1991<sup>6</sup> (Martinez, 1991:24). This growth produced anger with merchants, county officials, and the LAPD. Even in some of the ethnically mixed neighborhoods, residents began complaining. “People are coming in here and selling everything from peanuts to elephants,” says Raymond Jackson of the Northeast Valley Improvement Association<sup>7</sup> (Martinez, 1991:28). He also claims that the vendors “incorporate a lot of drug peddling.” But the street vendors had their supporters, among them Councilman Michael Woo who sponsored an ordinance that would legalize vending on the streets. He saw long-term benefits, including the beginnings of what he thought might become a modest pedestrian revolution in L.A. Taking to heart the World Bank’s admonishment in its 1990 report to capitalize on the poor’s most abundant asset, labor, by setting forth policies that harness market incentives, social and political institutions, infrastructure, and technology to that end, Michael Woo and others of his colleagues sought to capitalize on these human resources. Nevertheless, other council members believed it was more important to protect business interests first and foremost. In the end, the Ordinance that was approved by the City Council in 1994 was a compromise. While reaffirming the previous ordinances against street vending, it made it legal to do sidewalk vending, but contained within eight possible districts. The MacArthur Park Sidewalk Vending Project is the first of these districts that has begun operation.

5 See also Stuart Gabriel, “Remaking the Los Angeles Economy: cyclical fluctuations and structural evolution,” *Rethinking Los Angeles*, Michael Dear, Eric Schockman and Greg Hise, editors. Thousand Oaks, CA: Sage Publications, 1996:25-33.

6 Martinez, 24.

7 Ibid., 28.

## *Appendix B*

### **Local Street Vending, Its Role Within the Informal Sector, and the Broader Context of the Global Economy**

**I**n 1994, the Los Angeles City Council passed an ordinance, which attempts to provide special sidewalk vending districts as places where sidewalk vendors can legally ply their trades. Six years later, only one such district has been established. Several other districts have tried to start up, but for one reason or another have failed in the attempt. We will address these a little bit later. However, this underscores the fact that policy may be easy to write; but it can often be hard to implement. The best of good intentions can run astray when policy is brought to the streets. It is hard to make something work. It involves a great deal of coordination, education, training, and a multitude of other variables. Therefore, when something finally does get implemented, it is worth recording in the hopes that the issues learned in its implementation can be used by others who want to replicate the model.

Policy on the Streets is a very difficult implementation problem, but an important one. It is important not only because it is about street vending, but because it is about how policy directly addresses those who are on the margins and incorporates them into the society, extending the center in a valuable way. And the most important thing to learn is that details are of the essence. Everything has to be just right, and there must be a willingness to work at the details—otherwise it will not just happen. Understanding the particular opportunities and constraints are vital to successful implementation. The Handbook represents that level of detail and awareness, and is a model for other such endeavors.

The MacArthur Park Sidewalk Vending Project in Los Angeles was established in June of 1999, although it did not become a fully operational district until November of that same year. For two years, as a researcher for the Center for Religion and Civic Culture and a graduate student in the School of Policy, Planning and Development both at the University of Southern California, I have documented and recorded, interviewed, sat in endless meetings, met with politicians and other city officials, talked with the vendors, participated actively in meetings in the neighborhood, read extensively about street vending all over the globe, and in a variety of other ways sought to help make this project a successful attempt at implementing the City Council Ordinance. Many times I was able to bring the learning I received at the University and directly apply it to the context

of MacArthur Park. I have often served as a consultant to various members of the Community Advisory Council, and in particular to the administrators of the non-profit organization that manages the program providing insights that I gained in my research that could help them work out the problems that have surfaced. I have also been able to work directly with the vendors, using my personal experience in business training and my understanding of local economic development to help them think about their own businesses and how to make them work. This handbook is a result of that effort and an attempt to provide a guideline for other cities that may want to implement a similar project.

### **Street Vending as an issue**

Street vending presents a particularly interesting problem within the practice of planning because of two very important issues that surface within the practice. First, there is a direct connection between what occurs in the global economic system and the growth of the street trade. If it ever was, it is no longer just a local problem, but rather it is a direct result of situations that are occurring in other parts of the world and their impact on the movements of people and capital.

Second, it is an interesting problem because it is primarily a trade where women are the key actors. This has direct implication for households and neighborhoods, places where women are important players and have an impact on the lives of others. This offers a particularly unique opportunity to implement a plan that will strengthen these enclaves.

#### *Relationship between global economy and local street vending*

Street vending is not new on the streets of cities around the globe. Indeed, it is the presence of street traders and hawkers, which often serves as a common denominator between different cities. Whether you are in Mexico City, Manila, Nairobi, Accra, Durban, Caracas, or San Salvador, you will be able to buy any number of items as you walk down the street.

This persistence indicates that street vendors satisfy a very palpable consumer demand. For example, street vendors usually sell by the item—one cigarette, one tomato, one “tamal”, one AA battery—which is a lifesaver for low-income consumers who cannot afford multiple-item packages such as those sold in stores.<sup>1</sup>

Even in developed countries, street vending is nothing new. But what is new is its increase that is in large part due to the growth of the informal sector of those cities’ economies, and of the way that these local economies are affected by a global system.

<sup>1</sup> For an excellent review of this, see Cohen, Bhatt, and Horn (2000). Indeed, I am indebted to them for the succinct way they have stated the issues that are crucial to the lives of street traders, particularly women, and have borrowed many of their insights.

The increased presence of street vendors in cities such as Los Angeles is largely due to the direct way the global economic conditions impact the local economy.

The effects of globalization on a city are both positive and negative. On the positive side, labor is more fluid, trade barriers are lower, and easier communications and transport facilitate meeting market demands.<sup>2</sup> Wages rise with exports, but often the better-paying jobs are lost and lesser-paying ones are created. So while globalization is presumed to be good, it is important to ask “for whom?” because it often results in a rapid social and economic polarization.<sup>3</sup>

For cities that serve as gateways for immigrants, globalization has the effect of creating a large service sector, with many of the jobs in the informal sector, as immigrants come to work in low-pay, marginal occupations in order to support the economic activities that will help the city compete globally. Immigrants with no education, job skills, and language barriers will almost always do the menial, labor-intensive work.

In Los Angeles, for example, it is argued that the industrial base has shifted since the 1970s from heavy manufacturing (e.g. automobiles, rubber, steel, and machinery) to a bifurcated economy characterized by high-technology and communication services on the one hand, and lower-skilled labor intensive manufacturing (e.g. textile, furniture, jewelry, printing) and services (childcare, gardening, cleaning) on the other hand.<sup>4</sup> But not all immigrants are able to occupy these low-paying, marginal jobs, and the effect is felt on the streets of the city when they find street trade a viable option for survival.

A brief history of street vending in Los Angeles illustrates these points.<sup>5</sup> The flow of street vendors has ebbed and waned beginning in the early 1800’s with Mexican “vendedores” (sellers), followed by the European entrepreneurs in the early 1900’s, an ebb during the World Wars, and then a resurgence during the Depression. After the industrial boom following World War II, anti-vending codes were tightened through the years, finally amended in 1974 to prohibit anything except newspapers, steamed hot dogs, pretzels, and poppies sold by war veterans.

In the early 1980’s “vendedores” began appearing again on the streets of Los Angeles, as droves of people crossed the border with Mexico, fleeing the economic and

<sup>2</sup> Gregory F. Treverton (2000). *Making the Most of Southern California’s Global Engagement*. A study conducted by the Pacific Council, May 16.

<sup>3</sup> See Lo and Young (1998:11); Marcelli, Joassart and Pastor (1999).

<sup>4</sup> Some of those that argue this position are Marcelli, Joassart and Pastor, op.cit., and Treverton, op.cit.

<sup>5</sup> Please see Appendix A for a longer history of street vending in Los Angeles.



political wars that were tearing apart some of the Central American countries,<sup>6</sup> and pulled by the job opportunities in the light manufacturing and service sectors of the economy. Many of these people ended up trying to make a living as street vendors, and most of these have been women.

### **Women as Street Vendors**

Poor women have always had to work, not just in the home, but also to supplement their families' income; and in many cities around the world they work as street vendors and informal traders. Street vending is one of the few readily accessible means of employment open to women because of (1) the low cost of entry into many types of hawking and vending, and (2) because of the flexibility that it gives to women trying to juggle household duties and responsibilities with employment.<sup>7</sup>

It might be helpful at this point to give a brief overview of the economic role women play in the United States. The growth of the feminist movement in this country has given us a lens through which we can observe the ways in which the economic role of women has changed. Before the rise of industrial capitalism, while both women and men were involved in different tasks, the economic contributions of both were considered vital for the well being of the family and community. As paid employment increased in importance, unpaid forms of work decreased in value and were considered as marginal to economic life.

Because women's primary association was with the domestic sphere of reproduction even though many did engage in wage labor, men gained a dominant position in the formal arena of production. Although more and more women entered the formal labor market as industrialization progressed, they also entered on separate terms from and unequal to that of men, being delegated to low-paid jobs that became defined as "female" work.

Yet women continued to perform housework and childcare for "free" within the home, and thus the market value of similar activities performed in the formal economy, such as housecleaning, childcare, and cooking, was decreased. These jobs became characterized as unskilled, low paid, and generally performed by women. With the rise of the service sector, women's participation grew in those jobs that were seen as extensions of their roles in the home and which involved caring for the needs of others.<sup>8</sup>

<sup>6</sup> Nora Hamilton gives us a history of international policy in Latin America that provides an understanding of factors that led to these wars.

<sup>7</sup> Cohen, Bhatt, and Horn, op.cit.

<sup>8</sup> Madeleine Leonard's 1998 book is very useful for understanding these issues: *Invisible Work, Invisible Workers*. New York: St. Martin's Press.

The U.S. Department of Labor (1991) estimates that more than half of all women workers are employed in clerical, sales and service work where pay and status are undervalued and opportunities for advancement are almost non-existent.<sup>9</sup> The vulnerable kinds of employment that exist for women in the formal economy make them particularly susceptible to the recruitment of employers who seek to maximize flexibility in a market that is increasingly competitive by creating informal types of employment. This is the context in which many newly arrived immigrants find themselves. Recent reports in the *Los Angeles Times* describe the often-exploitative conditions under which immigrants work in the low-paying jobs that the local industries find increasingly difficult to fill.<sup>10</sup>

To further complicate the situation, many immigrant women arrive in the city with very low levels of education and few skills that make them employable, but often with experience as street traders, hawkers, and market vendors. It is no wonder that they are drawn to these activities.

However, economic reforms and downsizing in the public and private sectors over the past two decades have driven many new entrants, primarily men, into street vending as jobs in the formal sector disappear. Studies have shown how this has greatly affected women, causing downward pressure on earnings and driving out the weakest hawkers who are usually women.<sup>11</sup> Compared to male traders, women are more likely to be single heads of households and main income earners; they have greater pressures on their time; and they have less time for trade, to learn new skills, for leisure, and for sleep.

Thus any policy that is geared toward the empowerment of street vendors must take into account the particular issues that affect the women street traders.

### **Why is this an issue?**

#### **The Informal Sector of the economy**

The problem of street vending is a problem of the informal sector because it is within this range of economic activity that most vendors ply their trade. Informal economic activity is most often meant to define the activity that takes place outside the formal economy. For example, in the United States this would include many of the gardeners, domestic workers, day laborers, and child care workers that provide invaluable services but are not registered with the government. This activity is unregulated, illegal, and therefore often kept at the margins. These occupations are hazardous, subject to harass-

<sup>9</sup> As quoted in Leonard, p.115.

<sup>10</sup> Ni, Ching-Ching (2000) "Promise of riches often amounts to hardship for Taiwan's foreign labor," *Los Angeles Times*, July 1, A-14.

<sup>11</sup> Cohen, Bhatt, and Horn, *ibid.*

ment, confiscation of goods by authorities, with no health care benefits, no pensions, and no social security. Any family emergency or crisis can often be a matter of life or death for people in the informal sector because there is no insurance, nothing to fall back on. Many workers in the informal sector will wait until the last moment to visit a doctor, often making it necessary to go to the emergency room of a hospital for immediate, critical care.

There is a danger, however, in marginalizing the informal sector from the rest of the economy. In fact, the two are inseparable and, as some studies have shown,<sup>12</sup> form a symbiotic relationship as the demand for labor in a changing economy is supplied by those needing the work. The increasing numbers of domestic workers in the United States is one such example. As sociologist Hondagneau-Sotelo says: "Income and occupational polarization, growth in management and the professions, and the mass entrance of women into the formal sector of the labor force have stimulated demand for the services of paid domestic workers."<sup>13</sup> The one feeds off the other. This interdependence must be considered in any plan that seeks to regulate or control the informal sector.

Yet the informal sector is a major component of the economic life of megacities. In Asia it accounts for between 40 and 70 percent of total employment. In the Philippines, for example, it is 50 percent.<sup>14</sup> The informal sector usually involves small family-run businesses that are labor-intensive and that require a mixed use of the land. Thus, how a city manages its informal sector will be a factor in how it can develop its own health. The understanding that the informal activity exists within the framework of the formal economic activity will help provide solutions that will be for the benefit of the whole city.

The positive side to this growth is that the informal sector does absorb labor, and provides a means for earning a living and even for improving the economic conditions of immigrant families.<sup>15</sup> Some scholars argue that the informal sector serves as a training ground for skills and entrepreneurship because of its capacity for innovation and its incubator function where new establishments grow and often eventually convert into formal sector enterprises.<sup>16</sup> Informality is also a way of producing and distributing goods

<sup>12</sup> See particularly Pierrette Hondagneau-Sotelo's article in 1997 on "Affluent Players in the Informal Economy: Employers of Paid Domestic Workers" where she demonstrates a clear connection between the two sectors.

<sup>13</sup> Hondagneau-Sotelo (1994).

<sup>14</sup> It is difficult to quantify with any precision the numbers of informal sector activities that form part of the general economy. See Cohen, Bhatt, and Horn, p.2, for some statistics that show these activities as a percentage of total employment, and, especially, of the share of female informal traders in this percentage.

<sup>15</sup> Harry Richardson (1984) notes this about developing countries and Dowell Myers' recent (1999) study demonstrates the way that immigrants in Los Angeles move out of poverty over time.

<sup>16</sup> See Richardson (1984:22).

and services at a lower cost and with greater flexibility. But it also further devalues these types of activities and the people engaged in them.

Nevertheless, these transformations contain possibilities, even if limited, for women's autonomy and empowerment, as the household and the neighborhood emerge as sites for economic activity. This condition has its own dynamic possibilities for women when economic downgrading through informalization creates opportunities for low-income women entrepreneurs and workers and reconfigures some of the work and household hierarchies that women find themselves in. This economic activity, however meager, often serves as a means for women to assume more active public and social roles, which further reinforce their status in the household.<sup>17</sup>

The inter-relationship between the global economy and what happens on the streets, and the fact that many of those people who work on the streets are working with no legal status and are thus financially unstable, and even more particularly are women who have another range of issues that affect them, sets the stage for seeking out a means to legitimize their activities in order to promote the health of the city. This is the purpose of the present Handbook.

<sup>17</sup> Saskia Sassen (2000) and Pierrette Hondagneu-Sotelo (1994) develop these arguments further.

# *Appendix C*

## **Ordinance for the Establishment of Sidewalk-Vending Districts within the City of Los Angeles**

### **ORDINANCE NO. 171913**

An ordinance amending Section 42.00 of the Los Angeles Municipal Code to transfer sidewalk vending functions to the Community Development Department.

#### **THE PEOPLE OF THE CITY OF LOS ANGELES DO ORDAIN AS FOLLOWS**

**Section I.** Subsection (m) of Section 42.00 of the Los Angeles Municipal Code is hereby amended by amending Subdivisions (2), (3), (4), (6), (8), (9), (10), (11), (12), (17), (18), (19), (20), (21), (22), (23) and (24) respectively as follows:

#### **(m) Establishment and Regulation of Special Sidewalk Vending Districts.**

(2) A petition may be filed with the Sidewalk Vending Administrator of the Community Development Department, hereinafter referred to as “Sidewalk Vending Administrator,” by any person or persons, hereinafter referred to as “applicant,” interested in the formation of a special sidewalk vending district. The Sidewalk Vending Administrator shall coordinate with the Board regarding the filing and processing of said application. The petition shall be subject to the following conditions and requirements:

- (A) The applicant shall pay to the Sidewalk Vending Administrator a nonrefundable application fee to establish a district. However, such fee shall not be paid until after the City Council has approved the formation of the district pursuant to Subdivision (6) of this subsection. No license application in respect to said district shall be approved until the fee has been paid. Said fee shall be determined and adopted in the same manner as provided in Section 12.37-I, 1 of the Los Angeles Municipal Code for establishing fees.

(B) The petition shall contain the name or names of the applicant(s) and names and signatures together with residence or business addresses within the district of persons endorsing the formation of the district. The endorsing list must consist of the owners or those in possession, such as tenants or lessees, or at least 20 percent of the businesses and 20 percent of the residents in each block or portion thereof to be included in the district

(C) The petition shall set forth:

1. The proposed boundaries of the district, which shall only be in commercially zoned areas of the City;
2. The location and number of vending sites sought to be approved.
3. Any rules or regulations deemed necessary or desirable by the Petitioners to organize vending activity within the district; and
4. The purpose for establishing the district.

(D) The petition shall be accompanied by a list provided by the Sidewalk Vending Administrator of the names and addresses of all property; owners, businesses and residents within the district and within a 500-foot radius of the boundaries of the district, together with a cash deposit sufficient to cover the costs of preparing such a list and of mailing and publishing notifications as provided below.

(E) The district shall not be limited to any particular size and the proposed density of vending sites may vary from area-to-area within the district.

(3) Upon receipt of said petition, the Sidewalk Vending Administrator shall notify the Council member or Council members in whose district or districts the special sidewalk vending district is proposed to be located, at which time the Council member or Council members shall appoint a Community Advisory Committee. The Community Advisory Administrator. The committee shall have balanced representation of proponents of the district, fixed businesses, and residents within or adjacent to the proposed districts, as well as a representative of the Council office or offices. The committee will make recommendations on boundaries of the district, density and location of vendors, goods sold, design or carts and hours of operation. There shall be a limit of 90 days between filing this petition and a final decision by the Board.

(4) After reviewing the petition for compliance with the provisions of this code, the Sidewalk Vending Administrator shall transmit said petition to the Board which

shall set the matter for public hearing in coordination with the Sidewalk Vending Administrator within 30 days after receipt thereof. Notice of the time, place and purpose of the public hearing shall be given by the Sidewalk Vending Administrator to each applicant by mailing a written notice of the hearing not less than 30 days prior to the date of such hearing. The Sidewalk Vending Administrator shall at the same time mail such notice to all property owners, businesses and residents within the proposed district and within a 500-foot radius of the boundaries of the district. The Sidewalk Vending Administrator shall further cause there to be published a notice of such public hearing in a newspaper of general circulation in the area wherein the sidewalk vending district is proposed to be established. The notice shall be published in both English and in any other language spoken as their primary language by a substantial number of the persons residing in the proposed district. The notice shall be published as provided for in Section 6064 of the Government Code of the State of California, and shall state the purpose of the proposed district, the boundaries thereof and the date, time and place of the public hearing

(5) Any interested person may appear at such hearing and comment with respect to the proposed vending district. Comments may also be submitted in writing prior to the date of such hearing. The Board shall also consider recommendations of merchant associations, chambers of commerce, the Los Angeles Police Department and various other affected City departments.

(6) The Sidewalk Vending Administrator shall refer the matter to the Council member or Council members in whose district or districts the special vending district is proposed to be located for review and recommendation, together with a summary of comments made at the hearing. Based upon the foregoing comments, recommendations of the Community Advisory Committee and Council member recommendations, the Board may make a finding that the public welfare would be served by the establishment of such a district. In so doing, the Board may for good cause alter the proposed district boundaries and the number, location and density of proposed vending sites. The Board shall transmit to the City Council its finding and the reasons therefor together with its recommendation that the district be established in the manner proposed in the petition or as modified by the Board. The City Council may approve, modify or disapprove the recommendation of the Board. The district shall be established upon approval, or approval as modified, of the Board's recommendation. For good cause, after due consideration of all comments and recommendations presented, the Board may make a finding that the public welfare would not be served by the establishment of the district. The Board's finding may be based on factors such as incompatibility of vending pushcarts with



area architectural style, conflict with the area's specific plan, the presence of push-carts as an impediment to the use of on-street parking locations in areas where an unusually heavy demand for such parking exists, or the presence of zoning restrictions prohibiting such vending activities on private property in the area. The Board shall transmit to the City Council its findings and the reasons therefor together with its recommendation that the district not be established. The City Council may approve or disapprove the recommendation of the Board. If disapproved, such disapproval shall establish the district and the Board shall be so informed, provided, however, that either the City Council, or the Board with approval of the Council, may modify district boundaries and number, location and density of proposed vending sites, as set forth in the petition.

(7) Upon petition of an interested party, a special district may be disestablished, or areas withdrawn therefrom, for good cause. Each such petition shall contain the signatures of at least 20 percent of the owners or persons in possession, such as tenants or lessees, of businesses in each block or portion thereof of the district or part thereof proposed to be withdrawn, and at least 20 percent of the residents of each such block or portion thereof. Each such petition shall comply with the requirement of Section 42.00(m)(2)(D). The Board shall hold a hearing into the matter preceded by notice as provided for in Subdivision (4) above. In the event the Board makes a finding that the public welfare would be served by disestablishment of the district or by withdrawal of an area, the Board shall transmit to the City Council its finding and the reasons therefor, together with its recommendation that district be disestablished or an area be withdrawn therefrom. The City Council may approve or disapprove the Board's recommendation. Approval disestablishes the district or withdraws the subject area therefrom.

(8) The Sidewalk Vending Administrator shall review all rules and regulations proposed by petitioners, the Community Advisory Committee of the particular vending district, and any other interested parties provided that the Community Advisor Committee has had an opportunity to review them and transmit all such rules and regulations to the Board, together with his other recommendations regarding adoption. The Board shall adopt all such rules and regulations for the district unless good cause exists for non-adoption. In addition, the Board, for good cause, may adopt such other rules and regulations for the district as would promote the public health, welfare and safety. Rules and regulations, when adopted, shall be binding upon all affected persons within the district.

(9) No permit shall be issued, however, until a contract has been executed between the City through the Community Development Department, and any organization

selected to manage the special sidewalk vending district, referred to hereinafter as “management organization,” as provided for in Los Angeles Administrative Code Section 22.361.

(10) The Community Development Department, through the Sidewalk Vending Administrator, shall determine the allocation of vending permits within the district, whether by lottery or otherwise, in a manner consistent with public health, safety and welfare. However, the Sidewalk Vending Administrator may by contract delegate that function to any organization selected to manage the district subject to the supervision of the Sidewalk Vending Administrator and approval by the Community Development Department as to method of allocation to assure that vending permits are allocated in a fair and impartial manner.

(11) The Community Development Department, through the Sidewalk Vending Administrator, shall issue all sidewalk vending permits and collect all fees and charges in connection therewith. Any person desiring to be issued a permit for sidewalk vending within a district may make application to the Sidewalk Vending Administrator on forms provided. The application shall set forth the following information:

- (A) The name, address and telephone number of the applicant;
- (B) The exact location at which the vending is proposed to be conducted;
- (C) A complete list of what is proposed to be sold;
- (D) The hours per day and days per week during which sidewalk vending will be conducted; and
- (E) Any other information required by the Community Development Department.

(12) No permit or renewal permit shall be issued unless the applicant has complied with all of the following requirement:

- (A) If any food or drink item is proposed to be sold, the applicant has obtained approval from the County Department of Health Services to engage in the vending of the item in the manner proposed;
- (B) All other necessary City, County and State licenses and permits have been obtained, including a Business Tax Registration Certificate from the Tax and Permit Division of the Office of the City Clerk;
- (C) The applicant has filed with the Community Development Department a policy of public liability and property damage insurance, in a form satisfactory to it and to the City Attorney, in which the City is named as a co-insured with the applicant. The policy of insurance shall so insure the City and its officers and employees against all claims arising out of or in

connection with the issuance of the permit or the operation of the permittee. The policy of insurance shall be in an amount and type as determined by the Community Development Department in consultation with the City administrative Officer, subject to reasonable availability. The Community Development Department, in consultation with the City Administrative Officer, may waive the requirement of insurance if none is reasonably available. In lieu of individual policies of insurance, the Community Development Department may cause to be secured a general or blanket policy of insurance covering all applicants and thereafter determine the pro rata cost to each applicant, which shall be collected before approval of the application. Any policy of insurance shall contain a statement by the insurance carrier that thirty (30) days' notice will be given to the City Attorney before any cancellation of coverage. The Community Development Department may for good cause increase the amount of required insurance.

- (D) The applicant shows proof of ownership, lease or rental of a pushcart constructed for the purpose of vending goods, wares or merchandise according to the requirements and specifications of the Community Development Department.
- (E) Approval in writing has been obtained from the owner, tenant or person in lawful possession or control of the property abutting upon the street immediately adjacent to the location where the vending is proposed to be conducted. Such approval may be secured by the management organization.
- (F) The applicant has provided the City with two passport size photos of the applicant.
- (G) The applicant has presented adequate identification of himself or herself. Adequate identification shall include, but not be limited to, a California driver's license or a California Department of Motor Vehicles identification card.
- (H) The applicant is old enough under State law to engage in the vending activity.
- (I) The applicant has submitted to fingerprinting, in connection with which applicant shall pay a fingerprint process fee. Such fee shall be determined and adopted in the same manner as is provided in Section 12.37-I, 1 of the Los Angeles Municipal code for establishing fees.

(13) No permit shall be issued to any applicant who has been convicted of any crime relating to fraudulent business practices, the receipt or sale of stolen property or the illegal sale of any controlled substance under the provisions of the California

Controlled Substances Act within five (5) years prior to the date of application for permit.

(14) The applicant may designate up to two co-applicants who are authorized by the applicant to vend at the location for which the applicants' permit is issued in his or her temporary absence due to circumstances such as illness, injury or vacation. However, there must be provided the name, address and phone number of each co-applicant and two passport size photos of each co-applicant must be submitted. Each co-applicant must present adequate identification of himself or herself in the same manner as required for the applicant, and must be old enough under State law to engage in vending activity. Each co-applicant shall submit to fingerprinting and shall be subject to provisions of Subdivision (22) with respect to operating requirements. Those approved shall be designated co-permittees and shall pay an application fee for the issuance of a co-permit. Such fee shall be determined and adopted in the same manner as is provided in Section 12.37-I, 1 of the Los Angeles Municipal Code for establishing fees.

(15) A permit shall be issued only to a natural person and only for the days or hours of the day indicated on the application as days and hours of operation. Such permit shall not be transferable to any other person and shall be valid only for the location for which it is issued.

(16) Only one permit shall be issued to each permittee.

(17) A non-refundable annual permit fee shall be paid before issuance of any permit provided, however, that the applicant may elect to pay said fee in semi-annual installments. Such election shall be stated in writing and installments shall be paid as directed by the Sidewalk Vending Administrator. If such election is made, a payment of one-half the annual permit fee shall be required before issuance of a permit. Permits shall be valid for one year from the date of issuance. If any installment fee is not paid on or before the date provided by the Sidewalk Vending Administrator for payment, a letter shall be sent to the permittee advising that such fee is due within 30 days of the date of such letter or the permit shall terminate. If the fee is not paid within the 30-day period, the permit shall terminate and the former permittee shall cease from vending. The permit may be reinstated upon payment of the fee. At the time of making any payment as provided for above, the applicant or permittee shall pay a supplemental fee which is a pro-rated amount determined by the Community Development Department as sufficient to cover the cost to the City of entering into a contract for management of the district. Supplemental fees collected shall be placed in a special fund established for such

purpose. In addition fees will be charged for the following:

Replacement of existing permit in the event of loss, name change or change of company;

Replacement of existing permit decal; and

Replacement of any vending identification badge.

Fees herein shall be determined and adopted in the same manner as provided in Section 12.37.I, 1 of the Los Angeles Municipal Code for establishing fees.

(18) In the event an application for permit is denied, the applicant shall be so notified withing 60 days, which notification shall also state the reason for denial and that the applicant has 45 days from the date of notice within which to request reconsideration of the denial.

(19) Any permit issued shall be subject to the right of the Community Development Department to rescind issuance thereof in response to a request for reconsideration of its action in issuing the permit.

(20) Either the applicant or any other person affected by the issuance of a vending permit may request reconsideration by the Community Development Department of its decision to grant or deny an application for permit. Such request must be in writing and must be received by the Sidewalk Vending Administrator within the 45 days from the date of issuance of the permit or notification of denial. Upon receipt of such request for the Sidewalk Vending Administrator shall set hearing date no less than 30 days from the date of the receipt of the request. The Sidewalk Vending Administrator shall notify the requestor and if the requestor is not the applicant, the applicant of the hearing day, the Community Development Department shall rescind issuance of the permit if at the hearing it is demonstrated to its satisfaction that the issuance thereof was contrary to the provisions of this subdivision or to applicable rules and regulations. The Community Development Department may direct the Sidewalk Vending Administrator to issue a permit if it is shown to the satisfaction of the Department that it was in error in denying the permit.

(21) The permittee may amend his or her application with respect to the goods, wares and merchandise proposed to be sold and the hours which vending is to occur by written notification thereof to and approval by the Sidewalk Vending Administrator, and the owner, tenant, or person in lawful control of the property immediately adjacent to the vending site.

(22) Operating Requirements

- (A) Vending shall be conducted only from pushcarts constructed for that purpose according to the requirements and specifications of the Community Development Department. Such pushcarts shall have a length of no greater than six feet and a width of no greater than 3 feet, 6 inches, and shall be no more than 6 feet, 6 inches in Height, including roof or awning. A decal so certifying shall be attached to each pushcart approved for use.
- (B) All of the permittee's advertising must be attached to the pushcart and shall shall advertise only the goods, wares or merchandise being sold. Advertising signs shall not extend beyond the overall width or height of the pushcart.
- (C) The permittee shall not conduct any portion of its vending business outside the boundaries of its vending location as described in the permit.
- (D) One small, compact stool or chair may be utilized by the permittee. The stool or chair shall be placed within four feet of the pushcart and shall not block the safe passage of pedestrians. No advertising shall be placed on the stool or chair. Other than the pushcart and stool or chair, no other items or object of any kind shall be placed on the public sidewalk or parkway.
- (E) No vending shall be conducted on the roadway portion of any street.
- (F) The permittee shall provide a trash receptacle for the use of customers and shall pick up and dispose of any trash or litter left by customers before leaving the vending location. Full receptacles shall be immediately emptied by the permittee.
- (G) The City vending permit shall be visibly displayed at all times while the permittee is engaged in vending activity.
- (H) The permittee shall wear a vendor identification badge issued by the Sidewalk Vending Administrator at all times while engaged in vending.
- (I) Pushcarts shall be positioned no less than 18 inches from the curb.
- (J) No permittee shall knowingly allow, permit or authorize another person to vend from permittee's pushcart or at permittee's assigned location, other than designated co-permittees of that particular vendor.
- (K) No pushcart shall be chained or fastened to any pole, sign, tree or other object in the public way.

(23) The Sidewalk Vending Administrator may from time to time recommend rules and regulations to the Board. The Board may adopt such rules and regulations as it deems necessary to implement the provisions of this subsection.

(24) Revocation, Suspension or Non-renewal.

- (A) After notice and hearing in accordance with Section 22.02 of the Municipal Code, the Community Development Department may revoke or suspend any permit issued pursuant to this subsection or decline to renew any such permit, if the permittee has:
1. Knowingly made any false, misleading or fraudulent statement of material fact in its application for a permit;
  2. Been convicted of any criminal act in connection with the operation of the permitted activity, or any of the crimes set forth in Subdivision (13) of this subsection;
  3. Violated any of the operating requirements set forth in Subdivision (22) of this subsection;
  4. Violated any rule or regulation promulgated by the Board with respect to this subdivision;
  5. Failed to comply with any order by the department to cease and desist from any violation; or
  6. In any other way endangered the public health, safety or welfare in the conducting of its sidewalk vending activities.
- (B) A permittee who has had his or her permit revoked or whose application for renewal has been declined shall not be eligible to apply for another permit under this subdivision until 12 months after the date of revocation or renewal declination.
- (C) Any action revoking or suspending a license may be appealed to the Board within 60 days of the action of suspension or revocation. The Board shall hear and make a determination on the appeal.

(25) Enforcement and Penalties.

- (A) Within each district the provisions of this Subsection (m) shall be enforced by the Street Use Inspection Division of the Bureau of Street Maintenance of the Department of Public Works.
- (B) The Department may issue an order to immediately cease and desist from any violation of this Subsection (m) or any rule or regulation of the Board.
- (C) It shall be a violation of law to fail to comply with any of the provisions of Subdivision (22) of this Subsection (m). The first, second and third violations of Subdivision (22) of Subsection (m) shall each be infractions. The commission of a fourth violation of any of the provisions of Subdivision (22) of Subsection (m) within a two-year period after the commission of the first violation shall be a misdemeanor.

(D) It shall be illegal for any person to display any imitation or facsimile of a vending permit, vendor identification badge or decal which has not been issued by the Department.

**Section 2.** The City Clerk shall certify to the passage of this ordinance and cause the same to be published in some daily newspaper printed and published in the City of Los Angeles.



I hereby certify that the foregoing ordinance was passed by the Council of the City of Los Angeles, at it meeting of \_\_\_\_\_ .

J. MICHAEL CAREY, City Clerk

By \_\_\_\_\_  
DEPUTY

Approved \_\_\_\_\_

\_\_\_\_\_  
MAYOR

Approved as to Form and Legality

\_\_\_\_\_  
JAMES K. HAHN, *City Attorney*

By \_\_\_\_\_  
HENRY G. MORRIS, *Assistant City Attorney*

File No. \_\_\_\_\_