

CURBSIDE CAPITALISM: THE SOCIAL RELATIONS OF STREET TRADING IN METRO MANILA

FILOMENO V. AGUILAR, JR.

Cornell University

The 'informal sector' concept as well as its critiques both share a dichotomous perspective of the urban economy in 'Third World' countries, resulting in a view of small-scale economic activities as homogeneous and the subject of 'intersectoral' exploitation. Based on a purposive sample of 100 sidewalk/street vendors in Metro Manila, this paper argues that the basic contradiction between capital and commoditized labor permeates street trading, that the wage form is a significant component of it, and that differential modes of operatorship of street enterprises exert profound implications for returns to labor and survival chances in the city.

The Myth of 'Self-Employment' in the So-called Informal Sector

Through the report of its 'employment mission' to Kenya, the International Labor Organization (ILO) popularized the term 'informal sector', although it did no more than list its alleged features, one of which is the "family ownership of enterprises" (ILO 1972). Founded on the idea of socio-economic dualism, the ILO's inaccurate delineation of a so-called informal sector has spawned a misconceived view of small-scale, 'traditional' economic activities as basically homogeneous. This undifferentiated view is often expressed through an interpretation of the 'informal' labor process as one of "self-employment". Hence, the *a priori* assumption concerning the insignificance of wage labor and the absence of commoditized labor exchanges, as well as the concomitant, if implicit, understanding of the informal sector as non-capitalist.

The notion of self-generated employment in family-owned enterprises is also ensconced in the definition propounded by Sethuraman (1981) who contends, in answer to critics of the ILO concept, that the informal sector "consists of small-scale units engaged in the production and distribution of goods and services with the primary objective of generating employment and income to their participants..." (p.17). The tendency to homogenize 'the sector' is perplexing in light of Keith Hart's seminal paper on 'informal income opportunities' (from where the ILO lifted the term 'informal'), as it mentions petty capitalism and the hiring of workers by small enterprises (Hart 1973).

Critics of the informal sector concept have argued that the 'informal sector' is not separable from the 'modern' 'formal' sector (cf. Moser 1981).

On the contrary, they argue that the latter stands in an exploitative relationship vis-à-vis informal enterprises and 'petty commodity producers', the formal siphoning off surplus generated by the informal sector through the mechanism of 'unequal exchange' (Acharya 1983, Portes and Walton 1981). Part of this critique is a recognition that the nature of activities in the informal sector is differentiated. Nonetheless, the perception of differences has been limited largely to the disaggregation of 'the sector' into various types of economic activities such as manufacturing, retailing, personal services, etc. or in terms of 'industries' such as construction, metalcraft, shoemaking, etc., each of which possesses different backward and forward linkages (cf. McGee 1977, Gerry 1979, Binefeld 1975, Moser 1984).

The more recent emphasis on heterogeneity has drawn attention to the fact that the income and earnings curve among informal sector participants is not uniform, but is rather highly skewed (Natrass 1987, House 1987, Richardson 1984). The admission of labor market and household income differentiation notwithstanding, social divisions within the 'informal sector' are attributed solely to 'human capital' and demographic determinants of economic status. Despite Koo's (1981) intervention asserting that class, rather than sectoral, relations explain inequality and thus have the greatest impact on the life chances of individuals in the 'marginalized pole' of the economy, there appears to be minimal recognition that the social relations within the so-called informal sector, or what others prefer to call the subordinated mode of petty commodity production (e. g., Davies 1979), are themselves far from homogeneous.

The common stereotype shared by proponents as well as critics of the informal sector concept

remains that of self-employment and reliance on family labor. Recognition is thus rendered only to the familial, and supposedly benign, relationship between labor and small-scale enterprise. A conceptual framework which disregards the existence of commoditized labor exchanges necessarily negates the possibility of exploitation occurring within small enterprises and within the 'informal sector' as a whole. From such a perspective, exploitation through which material resources are appropriated by the more dominant entity in the labor process occurs only between large and petty enterprises, between the 'formal' sector and the 'informal'.

Others consider the informal sector as subsuming a particular category of wage workers, specifically referring to those hired by large enterprises on a casual or temporary basis (Bromley and Gerry 1979). Such workers are often correctly seen as being utilized by large firms to reduce the wage bill as these workers are denied the emoluments stipulated by labor laws. The uncritical use of the term 'self-employment' has also been questioned to throw light upon the phenomenon of 'disguised wage employment', which involves the subjection to capital of seemingly autonomous petty producers (MacEwen Scott 1979, Gerry and Birkbeck 1981). This perspective informs specific case studies on street traders, garbage dump pickers, and wagers and lottery ticket sellers in Cali, Colombia (Bromley 1978, Birkbeck 1978, Gerry 1985). Nonetheless, whether direct or 'disguised' wage employment is concerned, the relationship is seen as fundamentally between 'informal sector' labor and 'formal sector' capital. The 'sector' is seen as forming the great divide.

Consequently, exploitation remains a purely external relation. For this reason, critics of the ILO's formulation of the informal sector concept can lump together the 'genuinely' self-employed along with 'disguised wage' and other casual workers in a unified mode that is seen collectively as the object of surplus extraction. Thus, for Bromley and Gerry (1979) they all constitute 'the casual poor'. A similar thinking is evident in references to an undifferentiated 'urban poor', frequently but erroneously equated to the 'informal sector'. The equivalence in these two slippery concepts is sometimes expressed in the unsubstan-

tiated premise that the earnings of 'informal sector' participants, by definitional fiat, fall below the legal minimum wage (Souza and Tokman 1976, Portes and Walton 1981). The notion of an homogeneous mass leads to the populist lamentation as that made by Banerjee (1982), who argues that the unorganized sector adds to the net welfare of society but informal sector workers have no future since the sector's flexibility is based entirely on the fact that 'the poor' allow others to extract all possible surplus which their strivings might yield.

But, as Connolly (1985) and Peattie (1987) have argued, very little is gained by grouping disparate economic activities under the single category of the 'informal sector', and any attempt at such aggregation can only amount to a politically obfuscating and mystifying discourse, because poverty and oppression cut across 'sectors'. To arrive at an accurate understanding of the social relations entailed in small-scale enterprises without lapsing into a romanticized view of reality, Peattie herself in an earlier paper had to confront the fact that "small enterprises are also the means by which those nearly at the bottom exploit the labor of those others in an even more unfavorable position," prompting her to posit the dilemma of whether "the 'petty capitalism' of the poor [is] to be seen as a form of creative energy, or as exploitative individualism?" (1982:231).

This paper, therefore, starts from the position that the assumption of homogeneity in the so-called informal sector has no conceptual and empirical basis. To advance this point, it will try to elaborate on the differentiation of social relations that may be found in one segment of economic activity frequently associated with the 'formal sector'. In particular, it presents data on street trading in Metro Manila. As a critique of the informal sector concept and the related notion of petty commodity production, the paper uses street trading as a 'limit case' in the sense in which Gibbon and Neocosmos (1985) use the term in their critique of 'African socialism': if at the margin represented by street trading, a certain proposition (that of a single, non-capitalist social relation) does not hold true, then the universal application of that proposition to 'the sector' or the social formation in question (in either dualist or 'articulationist' fashion) is invalidated.

The Sample Respondents: Selection and Background Characteristics

The Research Design

A sample of 100 street traders drawn from the Metro Manila areas were interviewed for this study. To ensure a standardized and comparable data set, a structured interview schedule and observation guide was used. However, opportunities opened up by interesting leads were pursued and key informants were then interviewed following an unstructured format.

No claims as to the representativeness of the sample, in the conventional statistical sense, can be made. Nonetheless, the street vendor-respondents were not haphazardly chosen. A quota system was followed based on the results of three street counts conducted in three different sites in Metro Manila which appeared to typify various hawker agglomerations. The selection of sample respondents took account of the more apparent bases to differentiate the street trading population, with the following factors being considered: (a) the locational type of the street trader's vending area, (b) the time of day of street trading, (c) the sex of the hawker-operative, (d) the mobility type of the street trader, referring basically to whether they were ambulant or stationary, and (e) the type of commodities vended. The research team set out to look for respondents who could meet the specifications arising from the simultaneous application of these five control variables. The unwillingness by a number of prospective respondents to participate in the study and the difficulty of finding substitutes led, in a few cases, to a relaxation of one or two of the 'control variables'.

Data gathering for this study commenced in November 1982 and ended in early August 1983. Hence, the study's ethnographic present refers to the period immediately preceding the assassination of former Senator Benigno Aquino, that is, prior to the severe contraction of the economy precipitated by that event. Consequently, the real value of the monies cited in this study have drastically changed. But observations of street traders in the post-August 1983 period do not show marked divergences from the basic trends and pattern of social arrangements observed during the period

study. A note on the cases cited below: only the names of individuals have been fictionalized.

Demographic Characteristics

Males comprise half of the respondents, while females the other half. The former account for most of the itinerant and ambulant street traders, while the latter tend to vend from a fixed spot and usually in large hawker concentrations — which accounts for the higher visibility of women in petty trading. Nearly half of the males are single, but over four out of five females, being generally older, have been married.

The 'average' vendor in the sample is 32 years old. Half of the respondents are aged 30 years or younger, seven of whom (mostly male) are even below 15 years old, the age at which entry to the labor force is officially reckoned in the government's census scheme. Notable also is the sizeable number of street traders (26 in all) who are 40 years old and over. The data suggest that street trading absorbs a considerable proportion of young male and older female workers, those who would otherwise not have access to gainful employment in larger enterprises owing to legal impediments and qualification standards followed in job recruitment. The relatively flexible working hours in petty trading also allow married women to combine street work with housework, resulting in a double burden.

Consistent with common stereotypes, seven in ten street traders in the study are migrants to Metro Manila. However, only 65 of the 100 respondents have moved permanently to the metropolis, moving into the capital when they were on average between 18 and 19 years old. Another six hawkers either reside in places at the fringe of Metro Manila and commute daily to vend, or live in far-off provincial areas and visit the capital region periodically to sell such products as wicker baskets and other handicrafts.

The mean years of formal schooling is around seven, which translates to an average educational attainment equivalent to first year high school. Only two respondents have never attended the formal school system. Nine hawkers, all but one male, are still attending school, three at the elementary and six at the high school level. More than

80 percent of male street traders in the sample and about 70 percent of the female possess a productive skill (such as carpentry and sewing/dressmaking) which could be used in an alternative livelihood or in an occupation potentially different from street trading. Most street traders in the study are equipped with skills and over half have been able to use them in the past in income-generating ways, though for rather minimal returns.

Entry to the Labor Force

Over two-fifths of the hawkers interviewed report that their working careers started before reaching their fifteenth birthday, a 'premature' entry to the labor force that is comparatively more widespread among males (50 percent) than females (35 percent). This trend is attributable to the participation in street vending roles by over half of the under-15 entrants, while a secondary reason is the need to work as unpaid family farm workers.

For majority of the respondents, entry to street trading was preceded by about one work experience. Fewer than two out of five, mostly non-migrants, did not have any previous working experience. For this minority of hawkers who are native to Metro Manila, the main avenue to the labor market has been via the commerce of the streets. However, most migrants who eventually became hawkers have held at least one previous job before joining the street traders of Metro Manila, having worked earlier as unpaid family workers or, as in the case of about a quarter, as employees of firm-type entities. Their detailed work histories indicate that the street traders in the study have resorted to job occupational changes in order primarily to augment income, and also to flee from unfavorable working conditions. As in the case of a recent migrant described below, the difficulties inherent in other jobs or forms of livelihood readily make street trading an attractive alternative.

A 26-year-old migrant from Samar, Nestor left his hometown to escape the hardship of life there. He wanted to be in construction work as he thought it was the only job he could get with his Grade 6 education. The pay he considered acceptable, plus he wanted the experience as he aspired to work in the Middle East someday.

Arriving in Metro Manila in 1979, he went from one company to another to inquire about job vacancies. In less than a month of job search, he landed the job of digger in a private company contracted by the government to undertake road repairs in Metro Manila. He felt fortunate for other people he knew who wanted the job were not accepted.

Though thankful that he had regular employment, Nestor soon discovered that the working conditions were onerous. Since regular hours were kept, he had to labor even under the scorching midday sun. His daily remuneration was from 25 pesos to 30 pesos. Wages were supposed to be given at the end of the week, but his actual pay was always late. By the time he received his salary, he had already incurred debts, needing to pay interest on food he was obligated to buy on credit. He realized that his income was inadequate for life in the city, what with the rental he also had to pay in the squatter's shack where he lived.

One day, he visited some of his kababayan who were street traders and saw that they were earning more than he did. He also saw that the work was not too exhausting. So he made the quick decision to leave the company where he had been connected for less than a year to join his friends in street trading. He was introduced to another kababayan who buys balut eggs by the bulk and distributes them to hawkers who would pay for the eggs only after selling.

Now a balut vendor, Nestor feels contented. "It's a light job," he says, "and you can earn a good income as long as you're not lazy." His net daily earning is at least 30 pesos and that is only the minimum. He has money coming in everyday. He also has no expense for rent since lodging is free: he stays with his supplier of balut eggs along with several other vendors like himself.

As in the case of this migrant from Samar, street trading may actually serve as a strategy to take advantage of better income opportunities and avoid oppressive working conditions experienced in past, even firm-type, wage-paying jobs. Hence, the decision to engage in hawking stems from a rational calculus of labor market conditions, for

someone whose only asset is his labor-power and whose skills are not highly-priced in the labor market.

Differential Types of Street Trading Operatorship

Although the study was designed utilizing an initial list of five characteristics to demarcate traits of heterogeneity within the hawker population, in the course of the study the relevant differentials among street traders were found to be most closely associated with one elemental factor: the varying modes of operatorship exercised by the vendor vis-à-vis the street trading unit. Qualitative differences in the degree of ownership and control that link the seller to the street enterprise thus account for the most significant divisions among street traders. Three modal patterns of operatorship were observed: (a) the owner-operators, (b) the wage-earning hired vendors, and (c) the *hango*/dependent sellers or those who acquire goods on deferred payment arrangements. Although finer gradations and conceptual distinctions can be made, the less frequently encountered types have been subsumed within the three-fold classification drawn from the more widely observed patterns.

The Owner-Operators and family Workers

For three-fifths of the respondents in the study, street trading may be considered a self-generated form of employment. As a petty entrepreneur, the hawker mobilizes the financial resources and taps the social networks essential for launching the small business enterprise, performs the actual act of street selling, and appropriates the earnings for the self and the household. She faces the responsibility of sustaining the enterprise and of planning out its street operations, reaps the gains, but also bears the burden of business failure. The owner-operators in the sample tend to be married females, relatively older than other types of hawker operatives, and are more likely to predominate in major hawker concentrations in high density commercial districts such as Quiapo, Baclaran or Monumento.

Included in the category of owners are five, mostly female, partnerships. Evidently, this arrangement serves to pool together resources as

through equal sharing of the initial capital or the combination of labor and capital, with the earnings equally divided according to the number of persons involved in the partnership. Also subsumed in the category of owners are the unpaid family workers, mostly males, who constitute 5 percent of the sample. It must be noted, however, that as much as 36 percent of the street enterprises in the study, generally owner-operated, also utilize in varying degrees the labor services of unpaid assistants.

The full-time involvement in street trading by unpaid family workers is commonly observed in vending enterprises that require the processing of street goods (as in the preparation of food and artificial flowers), or when the entire family is involved in street trading and every member manages his or her own unit. Subjectively, unpaid family workers consider themselves as part-owners of the hawking enterprise, although the disposition of the earnings is not entirely in their hands. One unpaid family worker considers the street enterprise as his *also*, following a corporate concept of ownership that what belongs to the family jointly belongs to every member.

A tacit claim on income is hinted at by a 22-year-old male respondent who says his mother gives him a large pocket money compared to his other brothers and sisters who do not help out with the trade. The exceptional case of a 13-year-old, who just finished Grade 6 and has decided to take advantage of the summer months to vend, demonstrates the latent conflictual relationship within the family over income generated from street trading:

Because his parents demand to have all the income he gets from street trading, Pepe has decided to limit his selling of newspapers to the early part of the morning (from five to nine o'clock) along Espana St. near their home in Manila. For the rest of the day he peddles cigarettes and candies in Balintawak, Quezon City, a hawking venture he was able to capitalize with the 5 pesos he saved during the first week of selling newspapers. Not one in Pepe's family is aware of this other vending site, a secrecy he guards assiduously so he can enjoy his street trading and accumulate some savings.

Although not belonging to the category of unpaid family worker, Pepe's case provides a glimpse of intra-familial conflict which, though often muted, may become pronounced when scarce resources are involved. In this connection, a benefit must be perceived for a family member to persist in making unwaged labor contributions to a family-owned street trading enterprise. This benefit may be seen in the collective survival of the household to which the hawker belongs (an indirect claim to earnings), or otherwise in the relatively greater access to the household surplus as embodied for instance in a larger monetary allowance (a direct form of incentive).

Unpaid family workers may also exercise a degree of control over other aspects of the street enterprise. For instance, a 13-year-old boy says that he decides on the giving of bribes, of which he claims his parents know about. A flower vendor aged 16 also says that oftentimes she sets the selling price on her own, with her mother informing her only about the acquisition cost. Thus, although owner-operators and unpaid family workers may be considered conceptually distinct, the latter nonetheless — because of the 'special' relationship between the unpaid family worker and the owner of the enterprise — may be aggregated along with other vendors who are sole owners of the hawking unit.

It must be emphasized that street trading operatorship is not static, but is subject to change depending on the personal circumstances of the hawker and the structure of opportunities that open up (or close) to the individual. The case of a vendor of decorative and religious items by the churchyard in Baclaran exemplifies the rarefied transitions in the working relationship between the hawker and her kin, which culminates in her finally becoming an owner-operator:

Now 20 years old, Paula started working when she was 13. Upon her arrival from the province, she stayed with her sister in Paranaque and began selling butchi (a native pastry) for an aunt who lived nearby. She was not paid any salary but was given free lunch. After a month, her sister put up her own food stall selling bananacue and camotecue. Paula tended the stall located outside the house where

she and her sister lived, with half of the net income as her compensation. After fourteen months, she quit vending to enroll in a government-sponsored, free vocational course on high-speed sewing which lasted for six months.

After finishing the course, however, she was not able to find a job that could utilize her newly-acquired skill. Instead, she landed in the packing division of a food processing corporation where she worked a full six days per week, earning 1.25 pesos per hour. Despite her employment in the factory for nearly two years, from June 1977 to February 1979, she never attained the status of a permanent employee. She left the company and three months later was employed in the packing division of another food corporation, earning 2 pesos per hour and a 6 pesos daily allowance. She worked there for about two years and a half, until in January 1982 she was laid off due to the company's declining sales.

Paula returned to street vending, selling plants near the Baclaran church as a wage-earning vendor of her sister. After nine months, they became business partners in selling children's shoes. But the partnership ceased after three months due to a personal misunderstanding with her sister and brother-in-law. She has since vended her own, hoping that one day she will become the proprietor of a bigger business with several tindera or salesclerks. In the meantime, she prefers street trading because she is her own boss and could set her own working hours. These and the daily monetary returns do not incline her to an office or factory job any longer.

The case of Paula also provides a composite picture of a vendor who entered street trading, left it, and then re-entered it again. While highlighting the fluidity of entry and exit to and from street trading, Paula's case is more significant for the way it illuminates the nature of the labor involved in street selling, which in essence is commoditized labor seeking above all survival and also some improvement in living conditions in the context of the urban economy of a peripheral capitalist country. In spite of the little education that prevents her from landing a high-paying job, she struggles to

uplift her life situation. She tries the possibilities offered by street commerce as well as by factory employment and in the process discovers that owner-operatorship in street trading may in fact provide an escape away from the most unpalatable aspects of proletarianization. Individual resistance to the most sordid manner of proletarian existence, either within or outside street trading, thus takes shape in the desire to be one's own boss. Fortunately for members of the working class like Paula, petty entrepreneurs can carve a niche in the highly differentiated urban economy of Metro Manila. Viewed then from this vantage point, even the self-employment of owner-operators in street trading can only be understood in the context of the capital-commoditized labor contradiction in capitalist society.

The Hired Vendors

At the polar end of the street trading operatorship continuum are the hired vendors, the manifestly non-owners of the street enterprises they operate and whose returns to labor are derived essentially from wages paid to them by the owners. The hired vendors in the study tend to be single males, young, usually migrants, and are more likely to be found in major hawker concentrations. Though only 14 hawking units in the study were directly operated by hired vendors, 15 other units actually employed paid assistants. In all, 29 percent of the street enterprises in the study utilized the services of at least once hired vendor. Of the 14 respondents, only one-third are employed by kinsmen and even in their case the relationship between wage worker and enterprise owner is arguably an instrumental one.

The compensation of hired vendors usually takes the form of a fixed wage, and for two-thirds of the hired vendor respondents additional benefits are provided, such as free meals oftentimes combined with free lodging. For a tiny fraction of the hired vendors, the added compensation is a percentage share of the sales — undeniably an incentive scheme to make the hawker work harder at increasing enterprise income since, as the interviews revealed and understandably so, hired vendors tend to be more complacent than other types of street traders when it comes to attracting more

customers and hence generating greater revenue.

Just as with any regular employee, the vending hours are fixed by the enterprise owner and only in rare cases can a hired vendor determine his own vending hours. The place of vending is also of the owner's choosing, although again for a tiny fraction itinerant male hawkers can decide on their own routes. The pricing system is specified by the employer in 57 percent of the hired vendor cases, while in 29 percent the owner sets a floor price and the hired vendor can determine his own make-up. In 14 percent of the cases, the goods have a fixed price set either by a large (e.g. newspaper) company, or by market forces which impose a going-rate. Despite these different arrangements, the proprietor retains control over the rate of profit that accrues to her. Other aspects of street trading are borne by the owner-employer, and these include capitalization, replenishment of stocks, payment of bribes, and acquisition of licenses and permits. The specification of how street trading is to be conducted thus forms part of the petty capitalist owner's supervision over hired labor.

The data show three kinds of petty capitalists directly acting as employers of hired vendors: (1) an owner-operator street trader who hires a seller to manage another hawking unit; (2) a non-vendor proprietor of a street trading enterprise who hires several, or even a fleet of sellers; and (3) an established small businessman (a shop owner, a trucking business-woman, or a small factory entrepreneur as those in the study) who needs a distribution system for products regularly retailed or manufactured, using street traders as handy outlets.

Concomitantly, the nature of the unit for which vendors are hired differ for these petty capitalist employers. In the first case, the other *puesto* is a form of horizontal expansion for a street trader who has accumulated some capital sufficient enough to either sell more of the same goods or diversify into the selling of others. Interestingly, this complicates the status of the 'self-employed' hawker who becomes simultaneously an 'employer'. The case of Aling Rosa is illustrative of the street trader-turned-petty capitalist and of the quality of the relationship between petty capital and hired labor:

Surrounding a building post in a Quiapo

street are the stalls of Aling Rosa, her hired vendor Remigio, and her two other tindera. Rosa sells scissors, clips, curlers and combs; while Remigio vends doormats, potholders, rags and mirrors. The two other paid vendors both sell pillowcases and towels. Each stall is in the name of the assigned seller due to the regulation limiting one license per hawker, rendering Rosa's paid vendors as her dummies. It was also not possible for Rosa to have simply expanded her selling area since vendors' stalls are restricted to a space of one square meter.

Having worked with Aling Rosa since August 1981, Remigio feels it is the only job open to him with his Grade 6 diploma. Back in Tabaco, Albay, he sold native baskets and trays which his family and neighbors wove. But there were not enough buyers even in the poblacion, so his earnings were low. He could not engage in farming as the land his father owned and tilled was less than a hectare, and needed no extra hand. So Remigio decided to migrate to Manila to look for work. He met his employer through one of her sons who happened to have been Remigio's friend in the province.

For working from 7 a.m. to 7 p.m. daily, Remigio receives 5 pesos as daily wage, and is entitled to three free meals and snack consisting of hot coffee and pandesal. Aware of the volume of sales and the profit that goes to his employer, Remigio would sometimes raise the price of the goods he sells: if he is able to sell at a price higher than that stipulated by Rosa without her knowing about it, he pockets the difference. He feels justified in doing so because of the very low salary he gets. Rosa, however, keeps a close eye on all her three hired vendors.

Remigio is not provided with free housing, so he sleeps on the sidewalk. This arrangement is doubly advantageous to his employer since there is no need to look for night storage as Remigio can guard the goods he is also responsible for packing at the end of each day.

A second type of employer is the proprietor who decided to invest some surplus income in a hawking unit but refrains from the actual act of selling. For each petty capitalist-employer, the

street unit is a mere 'sideline', an adjunct to the income generating activities of the household. Letty, in the case that follows, is one such employer; the case also highlights the instrumental nature of the petty capitalist-hired labor relationship even among kinsmen involved in street trading:

Starting out as a hawker in Pasig, Letty ceased from being an actual street trader after a short period of training Fred, her nephew, on the rudiments of selling and cooking goto, which is done at the vending site with the aid of a portable kitchen. But Letty continued to take charge of buying all the materials and ingredients needed in the venture, and in preparing at home the other items for sale, the lumpia and the tokwa't baboy. Fred, however, could not cope with the night food stall by himself; and so on learning that another nephew, Ignacio, had stopped going to college and was then jobless, she asked if he could help out in the business. Because Ignacio could not find any other job, he agreed to work for his aunt as assistant vendor to and trainee of his cousin Fred.

When the police became strict in Pasig, Letty succeeded in transferring her food stall to Cubao, Quezon City. Ignacio and Fred thus shifted locations. Later on, conditions in Pasig stabilized, which allowed the aunt to put up a stall at her former vending site. With two stalls, Letty decided to hire two other nephews who became understudies to the cousins Ignacio and Fred.

Ignacio receives 10 pesos per twelve-hour night of selling, starting from 8 p.m. until 6 a.m. of the following day. He is also provided with transportation money and free meals during the time of selling. In the morning, Ignacio routinely goes to the house of his aunt to turn over the net sales income, with his wage already deducted.

For the third type of petty capitalist-employer, the hawking unit is a requisite undertaking to complement a related concern, becoming indispensable in the case of a manufacturing venture the size of which requires its own small-scale market-

ing channel. An example is the organizationally more complex commercial outfit described below:

The proprietor of a small factory in Pasig which manufactures ladies' skirts and undergarments, Ludy has her own exclusive distribution system. Located in Baclaran, the marketing arm consists of one wholesale store, three permanent sidewalk stalls, and six makeshift structures set up every Wednesday, Saturday and Sunday, the days when the number of churchgoers and buyers reach their weekly peak and when local officials and police are less stringent about municipal hawking regulations. Attending to all these outlets are sixteen hired workers, some of whom are reshuffled on peak days.

One of the hired vendors is 19-year old Oscar, a migrant from Leyte who moved with two other friends in search of work as domestic helpers in Metro Manila. Oscar was able to find work as Ludy's houseboy. After over a year, she asked Oscar if he wanted to vend for her, with a promised raise in salary from 100 pesos to 150 pesos per month, which translates to a daily wage of 5 pesos. Oscar agreed, and now runs one of the impromptu stalls set up during peak days. On top of his regular salary, he gets a bonus depending upon the price he is able to sell above that fixed by his employer. Through this incentive scheme, honesty is said to be fostered among the salesforce. In addition, the hired vendors are closely supervised by a hawker-overseer, the same person who taught Oscar the mechanics of street selling.

During the rest of the week, Oscar assists in preparing the meals and delivering them to his co-workers. Oscar himself is entitled to free meals as well as lodging. Together with three other girls working for the same employer, he lives in an apartment utilized as storage for the finished products coming out of the Pasig factory.

These three cases suggest that the remuneration and working conditions can be as unfavorable for hired vendors employed by another street trader as those working for slightly bigger (but still comparatively small) business concerns. The higher

pay given by the aunt to her nephew in the second example amounts to less than one-third of the legal minimum at the time of data gathering, and is comparable to the pay received by other hired vendors who work at night. Under these conditions, hired vendors resort to tactics to divert part of the sales toward supplementing their paltry wages. Precisely because of this risk, affinities are manipulated to ensure the honest reporting of sales. The somewhat larger enterprise, however, is better able to control the situation by assigning a supervisor-cum-overseer.

The cases described here indubitably point to the divergent interest between petty capitalist and hired laborer. The petty capitalist, being dominant by virtue of owning the means of livelihood, appropriates the surplus generated from the street trading unit while the hired vendor, being 'free', propertyless and unattached to any productive resource as land, and dispossessed of any entrepreneurial capabilities, has no other means of survival except to exchange his labor-power for a measly wage. The petty capitalist, deriving profit through the exploitation of the labor of his paid street sellers, optimizes the use of hired labor by lengthening the working day and may even enlarge the latter's scope of work (like being made responsible for the goods at night) for the same amount of pay — the quintessential capitalist strategy of extracting what Marx calls absolute surplus value. Despite the oppressive working condition in which the hired vendor may find himself, he has little option but to accept the terms of the petty capitalist given the paucity of alternative employment opportunities. Indeed, the oppositional relationship between petty capital and hired labor finds articulation in the filching that goes on while selling.

The Hango/Dependent Sellers

Representing about a quarter of the sample respondents, the hango sellers may be considered as broadly constituting a middle group in the street trading operatorship continuum. Hawkers in this category normally acquire their goods for payment only at the end of the day or the prearranged vending period. The street trader is obligated to pay for all commodities taken from the source, whether or not the hawker succeeds in selling them all. Coming

from different age groups and found in varied trading locations, the respondents in this category are mostly males, albeit there is also a sizeable number of females.

In about half of the cases, the commodity source is a small-scale home-based factory which requires a marketing arm for its finished products. The others are small merchants engaged in the wholesale purchase of goods with the end of having these merchandise retailed through street vendors. Four-fifths of the commodity sources are non-kinsmen whom the hango sellers met through another key person who introduced the respondent to the source, usually parents and relatives (47 percent), friends and neighbors (27 percent) and colleagues in street trading (27 percent). This introduction is a strategic act as it establishes the basis for a relationship of trust between supplier and hawker, thus minimizing the risk on the part of the commodity source.

The arrangement between hawker and supplier, from one point of view, may be interpreted simply as a credit relationship, with the street vendor deemed as owner and operating to a large degree on his or her own setting the ultimate selling price, determining vending hours, selecting a vending area or route, deciding on the inventory levels to maintain, paying fines and bribes when needed, and shouldering the risks of unsold goods acquired on full repayment terms.

On the other hand, the street trader in this operatorship category is inevitably tied to the commodity source for a steady supply of street goods and may be akin at some point to a hired vendor, unable to extricate himself from the source who may effectively become the employer. As hired vendor, the street trader's compensation may be seen as taking the form of a return on goods sold mediated by a specific pricing agreement. From such perspective, the wage fluctuates depending upon the volume of sales. This arrangement frees the commodity source from the responsibilities of an employer — such as paying the legally mandated minimum wage and providing social security and other benefits — and still be assured of individuals willing to hawk the goods. The effect is to transfer the daily risks of the trade to the street seller, who owing to the dearth of liquid funds, cannot purchase the goods outright.

Only in a few cases can the arrangement in this intermediate category be properly understood as 'commission selling', that is, when the unsold goods are allowed to be returned to the commodity source. Two examples: when unsold pieces of pan-de-sal, the breakfast bread of many Metro Manilans, are accepted back by the bakery; and when unsold newspapers and magazines are returnable, though the latter is true only at some points in the circulation network. In both these cases, the goods carry a fixed price and are recyclable. However, the case of a hawker vending Magnolia ice cream products, who receives a 10 percent share of the sales and who can return unsold goods, has been included in the hired vendor category since the respondent and his co-workers simultaneously receive a fixed daily wage of 10 pesos. The case of these ice cream vendors nonetheless brings into sharp relief the tendency for the few commission sellers encountered in the study to lean much more closely to the hired vendors' end of the continuum precisely because of the absence of risk as far as unsold goods are concerned. The more prevalent practice is more appropriately captured in the term *hango*, or 'dependent selling', with 'commission selling' as a special variant.

The existence of hawkers willing to take the risk of unsold goods for whatever income they can generate, and of commodity sources willing to make goods available on deferred payment, ensures the persistence of this type of hawker-commodity source relationship. Although there is an apparent interdependence, the street trader is in a more disadvantaged position given the likelihood that he could easily be replaced by another person. As supplier of the street goods, the commodity source shoulders the risk of vendors running away with sales. These, however, are rather rare occurrences. For one, precautions are adopted before commencing the supply relationship. Secondly, it is indicative of the ambiguity in this type of operatorship: with the hawker viewing himself as autonomous and 'on his own', from whom shall he run away?

The stability in the dependent selling relationship also reflects the relative economic power exercised by the capitalist-source over the dependent street trader. Consider Nestor's situation laid

out in the first case: as a dependent *balut* vendor, he lives with his *kapitalista*; his personal income has increased compared to his former, highly laborious job; and he is even provided with free lodging. Cognizant of his limited chances of finding a more rewarding means of livelihood, Nestor's decision to maintain the relationship with his commodity source is completely rational. What is more, in the area where he lives (an abandoned residential lot where about 154 households, or a population of over 1,000, are cramped within 6,000 square meters), another person could easily take over his post. Thus, for Nestor to not only retain but cultivate his ties with his commodity source is understandable, until perhaps the time when he himself becomes a *kapitalista* like his supplier who, after living in Metro Manila for some 15 years, was able to elevate himself to the position of a supplier.

The aspect of 'dependency' is expressed in the evocative language of some street traders who may feel that they are employees under the charge of the commodity source, contingent of course on a good personal standing with the supplier. Linguistically, the street trader is often referred to as *tindero* (a term applied to wage-earning salespersons), while the commodity source is called *amo* or *kapitalista* and is accordingly treated as the employer who controls capital and the flow of goods, hence, of the opportunity to undertake street trading. This relationship between hawker and supplier partakes of the nature of patron-client relationships pervasive in Philippine society. Patronage in this case is manifested basically in the steady and uninterrupted supply of commodities, which allows the client to do street business and earn a livelihood.

The street trader, nevertheless, is not completely at the mercy of the commodity supplier. Because the vendor can actually, in most cases, determine the final selling price, to forestall losses vendors set a mark-up that could sufficiently absorb the costs arising from full repayment obligations. Just as in any business, the risks may be passed on to the final consumer who, in effect, pays for the costs of the social arrangements devised in the petty commercial distribution system. However, to the price mark-up, there is an upper limit pegged at the level at which the product retains its

saleability. Thus, for items like sampaguita garlands sold at convenient road intersections, their relatively 'luxury' nature limits the potential of passing the risk to the consumer by way of higher prices. The same is true in the case of newspapers and sweepstakes (lottery) tickets as these carry a predetermined retail price.

For most other items, however, the possibilities of obviating losses are greater, especially when street traders agree on a final selling price as peanut, corn, fish, *balut*, *taho* and other vendors do. The relatively inelastic demand for these items facilitates the agreement among hawkers on the going-rate to be enforced on their clientele. The potentially exploitative relationship between street trader and commodity source is, therefore, mitigated by the degree of control exercised by street hawkers over market forces.

The cases that follow illustrate this intermediate type of street trading operatorship which, considering the range of products sold through this arrangement, is more widespread than what might be supposed. Goods processed by the immediate commodity source and sold through dependent selling arrangements range from the relatively uncomplicated sampaguita leis, to pan-de-sal made by small bakeries, to factory-produced *taho* (bean curd). Other items similarly sold are *balut*, *basahan* (rags), and the traditional 'dirty' ice cream.

Two women selling the same goods in the same location demonstrate a dependent selling relationship between street traders, and how the *hango* seller copes with an inflexible price structure as well as with the constant threat of losses:

A neighbor of Evelyn in a squatter settlement near Cubao, Cely is engaged in the making of sampaguita leis jeepney and other drivers customarily buy for their fragrance. Acquired from a grower in Maysilo, Bulacan, the flowers are tied together in small garlands by Cely and her family at home. Because 30-year-old Evelyn wanted a job to support her family, she agreed to try street trading when Cely offered to provide the flowers for Evelyn to sell. Cely even suggested the manner of selling, which Evelyn adopted and acknowledges today as a great help in her entry to the trade. Cely also provided the moral support as Evelyn initially felt

shy to sell in the streets of Cubao and wanted to quit the trade due to low sales.

After eight months, Evelyn has gotten used to selling sampaguita leis, at the rate of about 250 tuhog or strings a day. On Sundays and Wednesday, she nets 12 pesos; on other days, 10 pesos. Her vending time starts at around 4:00 p.m., with an initial batch of 25 strings valued at 4 pesos, resold by Evelyn at 1 peso per 5 strings, yielding a net gain of 1 peso per batch. Evelyn, therefore, cannot give a discount through dagdag, that is, by giving another string, as Cely is able to do when the latter vend. Only after Evelyn has sold the first batch does she go back to Cely to get the next batch of 25 garlands, the staggered basis being the means to avoid paying for a lot of unsold goods.

On most days, she is able to sell ten batches until around 8:00 in the evening. But before she goes to the streets, she also works as a 'sorter' in a Marikina factory, the work which occupies her day from 7 a.m. to 3 p.m. and where she earns from 130 pesos to 135 pesos per week, depending upon the number of plastic sheets she is able to sort. Despite this job which she has held for three months, Evelyn does not intend to give up street vending since it helps in meeting her family's daily subsistence needs.

A larger scale of street goods manufacturing is evident in the next case involving taho-selling. The case vividly portrays the nature of the relationship between labor and capital in the *hango*-type of street trading and how the exploitative aspect of the arrangement is attenuated through the pricing mechanism.

Along with fifty other street vendors, Leo gets his taho from a Chinese-owned factory which also manufactures sotanghon noodles from soya beans, the same raw material from which taho is extracted. The factory is located in the ground floor of the owner's residence, while their living quarters are located in the next two storeys. A high concrete wall protects the premises.

Ten years ago, a neighbor of Leo who also sold taho for the factory introduced him to the owner, signalling the start of Leo's taho-hawking career. At about five every morning, he goes

to the factory to fetch the taho, by then already placed inside the factory-owned circular tin containers carried around by vendors on bamboo poles. But before he starts vending, Leo spends about an hour preparing the syrup made from brown sugar and sago which he buys before going to the factory.

He already knows the cost of the taho he must pay back at the end of the day, whether everything is sold or not. He makes a rough estimate of how much to put in a cup of glass, which customers bring to the street once they hear Leo's peculiar shouts of "taho". He makes sure that sales should add up to about 85 pesos, an amount more than enough to recover what needs to be paid to the factory and the cost of the syrup, as well as to earn a return on his labor. Leo also follows a more or less standardized pricing system agreed upon among his taho-vending colleagues. Whatever is unsold when he stops vending at about 4:30 P.M., valued usually at around 2 to 3 pesos, he takes home to be eaten by his family either immediately or after being made into *tokwa*. In this manner, Leo sustains no real losses.

The nature of the labor-capital relationship is similar to that in the previous example, but the smaller-scale manufacturer in the case that follows provides free housing as an incentive to maintain a team of hard-to-recruit hawkers. This case also depicts a pricing system for discrete goods which contrasts with the previous case:

For over two decades now, 39-year-old Pedro has been carrying wooden beds (*panag*) over his shoulders as he walks several kilometers five days a week in search of customers. His present 'employer' is his ninth since he started in 1962, the others he left usually due to disagreements that erupted between him and his co-workers. Five years ago, he met his current amo through a *compadre* who is also an itinerant seller for the same person. Together with three other vendors, they live with their families in the amo's 150 square-meter rented lot, each of them occupying a separate room. The amo lives in similar quarters.

The wood used for making beds is bought from Pampanga, a truckload of which is deliv-

ered at regular intervals. Each delivery is estimated at 2,000 pesos. From this, the owner manufactures about 200 beds, with only intermittent assistance from the vendors. Pedro is skilled in carpentry but cannot produce his own beds for lack of capital. But he feels satisfied with his vending, given that beds priced by his *amo* at a little over 60 pesos he is able to pass on for 100 pesos at the least. A price below this minimum he feels will not compensate for the drudgery of lifting the bed across his vending route. He and the other vendors did not formally discuss their price levels but, as Pedro says, they feel the same way about 100 pesos as the rightful minimum.

At the end of the day, he pays the *amo* the cost of the bed; the rest he spends for his family's daily subsistence and the schooling of his two children. Should he fail to make a sale, he leaves the bed in a convenient location, asking someone (say, a *sari-sari* store owner) to keep it until he comes back for it early the following day. He has no problems with the job, only that when beds are not available he cannot do the rounds of street trading. To supplement their household income, Mang Pedro works about ten hours every week as a part-time houseboy for a family living 200 meters away from the factory-residential set-up of his *amo*.

The examples presented above demonstrate dependent selling arrangements with commodity sources involved in varying scales and forms of street goods production. Arrangements with wholesaler-middlemen are also common, that is, with suppliers involved in purely merchant capitalist activities. The case of lottery tickets is an example. Because the lottery entrepreneur is a state-run agency, it can stipulate a surety requirement, a safeguard other commodity sources cannot impose. The case that follows is doubly interesting as it demonstrates the fluidity in street trading operatorship as seen in the career of a lottery ticket seller, who himself ends up being a commodity source for a number of ticket sellers dependent upon him, even as he himself remains a dependent seller of a state institution:

Mang Crisostomo, 61 years old, is a Sweepstakes ticket vendor in Cubao, Quezon City. His

involvement in this waging business started as far back as 1956. Since then, he has been in different selling arrangements with the Philippine Charity Sweepstakes Office (PCSO). While initially he acquired the tickets on a cash basis, after a year he decided to post a bond worth 1,000 pesos which required him to pay premiums to an insurance company. With the bond, he was able to obtain on credit ticket booklets of any amount but not exceeding the value of the bond.

In 1959, with his accumulated savings, he decided to shift back to cash transactions, this time rolling over 500 pesos from year to year, until in December 1975 he went on vacation to his Iloilo hometown and became interested in the buy-and-sell of pigs. After two years, he got tired of the business and decided to return to the national capital to engage in lottery ticket selling once more. Early in 1978, he invested the 2,000 pesos he saved from his provincial venture. He opted for cash transactions since posting a bond, he says, is just like getting goods on credit. One even has to go through the trouble of going to the PCSO office to pay.

But family difficulties caused his working capital to be depleted. Since he had befriended the (bonded) PCSO agent who distributes the lottery tickets in the area, starting in 1981 he has been able to acquire tickets on a hango basis. Each week on Thursday 52 booklets are delivered to Crisostomo, and on Mondays and Fridays payments are collected. While he sells 37 of the booklets, the remaining 15 are sold by five to six 'sub-agents' from whom he collects daily payments. These sub-agents (who are also elderly, with ages ranging from 48 to 65 years old) must pay, and at a higher price, all the tickets before the weekly draw date. Thus, Crisostomo's 'dependent selling' arrangement is replicated in his own transaction with his sub-agents, who cannot get the tickets directly from Crisostomo's agent because, as he puts it, the agent does not know them.

But since only 30 percent of the booklets are sold through his sub-agents, Crisostomo retains the responsibility for paying back most of the tickets on their due dates. He keeps a notebook containing the sub-agents' names and

their ticket numbers, not only to monitor their credit standing, but also to have a readily available record should a ticket win. In that event, half of Crisostomo's 10 percent share from the award money is given to the sub-agent.

Other items acquired from pure middlemen and sold on hango selling arrangements include, among those encountered in the study, fresh fish, coconut, *anahaw* fans, religious articles, rubber slippers, boy's trousers, and newspapers and magazines. Other items similarly obtained are corn and peanuts which the hawker, however, needs to process (by boiling) before they could be sold, with whatever costs being borne by the street trader rather than the commodity source. A related, though obverse, practice is found among street traders who go about residential districts buying old newspapers and empty bottles using money provided by the junkshop owner to whom they will pass on the articles recuperated in this manner. Since the shop owner already has a designated price per item, the street vendor conducts business by buying at a lower price, the difference between the vendor's buying price, and those of the junkshop owner becoming the street trader's gain.

The hawker in this case is undoubtedly a dependent of the junkshop owner, without whom the vendor will neither have the cash for buying household discards and the (licensed) cart needed for this ambulant trade, nor the market for the items purchased from private households. However, like other street traders in the intermediate operatorship mode, while the street vendor may lose the self-employment character that is distinctive of the full owner, the exploitative edge of the relationship can also be deflected and mitigated through the hawker's attempts at 'underpricing' the items bought from households. Nonetheless, the relationship remains an obviously imbalanced one between the petty capitalist junkshop businessman and the assetless hawker-laborer, the former profiting considerably from the items eventually sold to bigger junk dealers while the latter, for all intents and purposes, has nothing to sell but his labor-power disguised as that of an independent trader.

The Reproduction of Class Differentiation within Street Trading

The delineation of different types of hawker-operatives is not simply a taxonomic exercise for it serves to call attention to the variety of relationships existing between vendor and the street trading unit, in a field of economic activity that has been treated more for its homogeneity rather than the social differentiation to be found within it. That different hawkers have different 'employment' statuses as well as different degrees of control over earnings from the sale of street goods suggests that exploitation exists within street trading itself, between small-scale enterprise and commoditized labor. Thus, the type of operatorship significantly affects the degree of access to the society's surplus which accrues to street trading, in turn affecting the hawkers' individual life chances as well as the possibilities for relative improvement in the living standard of the households to which they belong. As the data presented below indicate, the unevenness within street trading may be traced to the hawkers' differential life situations and access to strategic resources at the time of entry to the trade, social cleavages that get reinforced in the course of street trading.

Capitalization Differentials

Data on the starting capital of street trading units reveal extreme variations in the levels of economic resources utilized to launch these hawking enterprises. Held constant at 1972 prices with the use of the Retail Price Index in Metro Manila, the comparable amounts invested in current vending initiatives ranged from nil to as much as 5,745 pesos. The central tendency measures speak of the wide dispersion: while the mean is estimated to have reached about 239 pesos, the median is only 32 pesos. Expectedly, differentials in the initial cash outlay varied significantly according to the respondent's type of street trading operatorship. Hawkers under hango/dependent selling arrangements had virtually no cash requirement (except for overhead expenditures amounting to 450 pesos incurred by one dependent seller). Vending units directly operated by owners, on the other hand, required a median cash outlay of 56.50 pesos, or a

mean of about 247 pesos. For units operated by hired vendors cash investments by the owners amounted to an estimated median of 238 pesos, or a mean of about 741.50 pesos, the amount raised largely from the owners' personal savings.

Hawking units operated by hired vendors are thus much more heavily capitalized than those operated by owners and hango street traders. Quite predictably, the greater the amount of resources available at the disposal of the owner, the more likely will someone be mobilized on a wage basis to do the hawking. On the other hand, the majority of individuals interested in street trading have no direct personal access to relatively large amounts of capital and are thus constrained to employ their own labor in conducting street commerce. Because of limited resources, owner-operators tapped diverse sources to launch their street trading units, although interestingly only about a tenth relied on moneylenders (probably reflecting their lack of 'creditworthiness' at that time).

In general, the owner-operators obtained their cash investment from two main sources: (a) personal savings, derived usually from the respondent's previous wage-paying job or from that of her spouse, as well as from other income-generating activities; and (b) monetary contribution from kinsmen, who were able to provide funding also because of earnings from wage employment. Among those who relied on personal savings, over one-third were able to raise the needed capital within a month. However, the rest had a longer accumulation period: within nine months for two-fifths, and at least a year for a quarter of the cases. Consequently, many owner-operators who relied on personal resources had some difficulty raising the needed capital. The onus of meeting the household's subsistence needs before a surplus could be generated prolonged the period of saving.

In addition, three-fourths of the street trading units were launched with items which required no cash disbursements. These ranged from spoons, forks and drinking glasses taken from the owner's house, to pieces of wood and metal salvaged from backyards or street corners, to commodities obtained from suppliers with no prior payment. Imputed costs of these non-cash items were obtained from the respondents, and subsequently deflated to 1972 prices for comparability. With the

value of these non-cash items added to the initial cash outlay, a more precise picture of the actual pool of initial resource requirements emerges. The results show that the mean composite capital amounted to about 362 pesos in 1972 prices, some 63 percent of which was in cash. In terms of the median, the average composite capital amounted to 76 pesos, 42 percent of which was in cash.

Consonant with patterns observed earlier, units operated by hired vendors contained the highest resource investments, the composite capital amounting to a median of over 1,000 pesos, or a mean of close to 1,560 pesos. Owner-operators invested a substantially smaller value of resources, with the median computed at 73 pesos and the mean at 295 pesos. Dependent sellers still had the least command over resources, their median composite capital amounting to 44 pesos and the mean to 140 pesos.

In sum, the data indicate that the mobilization of economic resources needed for entry to street trading requires prior access to income-generating opportunities on the part of the unit owner, although kinsmen may also serve as important sources of financing. Petty entrepreneurs with neither personal savings nor helpful kinsmen have been able to embark on street trading through special arrangements with commodity sources. In such arrangements, the access to a social network that could bridge potential hawker and supplier becomes the key resource. Those who have the most command over resources for investment in a street enterprise put in considerably larger sums which hawker operatives find hard to match. These predominantly 'absentee' participants in street trading employ hired vendors to man the most heavily funded street trading units. Deprived of access to a prior income source (usually of visibly proletarian form), unfortunate enough to have no relatives with some surplus to spare, and wanting in strategic connections in the big city, the hired hawkers have only their labor-power to sell, making them unmistakably the proletarian class within street trading.

Street Enterprise Income And Comparative Returns to Labor

On a weekly basis, the 'average' street hawking

unit is estimated (in 1983 peso value) to generate total net sales amounting to 1,527 pesos. To earn this sum, the enterprise spends 1,071 pesos on commodities for sale (including raw materials, freight and processing costs), leaving a mean gross profit of about 456 pesos per week. Selling and operating expenses amount to 65 pesos, which cover assistants' salaries in both cash and kind, transportation to vending area, space rentals, bribes, and other expenses such as fuel and wrapping paper. After further deducting these selling expenses, the 'average' street enterprise's weekly net income or operating profit is computed at about 390 pesos. This translates to a daily net income of approximately 56 pesos for a seven-day selling week. The gross profit percentage, that is, the average margin obtained on all products sold, is computed at about 30 percent. The net income percentage, on the other hand, indicates an overall profitability ratio of about 26 percent.

However, wide variations characterize the earnings and profit margins of street trading units. The differential levels of capitalization lead one to expect that the ability to generate sales and garner larger profits will be skewed in favor of the larger street enterprises. Indeed, units operated by hired vendors obtain weekly net sales amounting to 2,926 pesos, while units of owner-operators obtain about 1,346 pesos and those of hango sellers about 1,242 pesos only on the average. But the hired vendor-operated enterprises also incur correspondingly bigger processing, selling and other operating expenses, which reduce their rate of profitability, the net income percentage being only about 18 percent compared to the 'industry-wide' figure of roughly 26 percent. Nevertheless, they still generate in absolute terms the highest net income amounting to about 534 pesos per week.

In contrast, owner-operated units (their labor not treated as a 'cost') show a net income percentage of nearly 29 percent from a net weekly income of only 385 pesos, on average. Being the least capitalized, units operated by hango/dependent sellers garner the lowest average net income, amounting to only 328 pesos at a profitability ratio at about 26 percent. Because the latter two types of street enterprises rely on a comparably smaller resource base, the hawker operatives seek to optimize net returns on limited capital by utilizing a

strategy of maximizing mark-up on goods and minimizing operating expenses, including such measures as the non-payment of direct wages to self and family labor, the avoidance of rent, and walking to and from the vending area to save on transport expenses.

Of the groups considered here, those who benefit the most are the 'absentee' actors in street trading, the petty capitalist owners of units operated by hired vendors. Corollarily, those who benefit the least are those whose labor in street trading show up simply as an operating expense, the hired vendors. The mean personal income of the latter amounts (in 1983 pesos) to only 361 pesos *per month*, which is barely equivalent to the *weekly* net income (534 pesos) of the unit he operates, that is, to the net profit obtained by his employer per week on *each* street unit.

On the other hand, the owner-operator reaps a mean personal income from street trading of about 1,506 pesos per month, while the hango seller has an average income of 1,365 pesos, only 9 percent lower than the earnings of the owner-operators — a small difference symptomatic of the ambiguity in the position of this intermediate category of street traders. Compared to the hired vendors, the owners and hango sellers earn significantly higher returns to labor because they can appropriate the profits generated by the street enterprise. Differential ownership and control over the means of livelihood thus continually determines vital differences in the level of living of participants in street trading. Mean hourly returns to labor also indicate a valorization process profoundly affected by differential ownership and control. The legally-prescribed daily minimum wage (including supplementary allowances) prevailing at the time of data gathering amounted to 31.82 pesos, or an hourly rate of 3.98 pesos. Considering that the mean number of hours spent in street selling and related tasks amounts to about 65.7 hours per week, the 'average' street trader obtains a mean effective hourly rate of 4.98 pesos, which may suggest earnings generally exceeding the legal minimum wage. However, this is a gross misrepresentation since hourly returns to labor vary significantly according to type of operatorship.

Hired vendors put in the most time into street selling and related tasks, averaging 72.5 hours per

week. Because of their very low remuneration, their effective hourly wage rate amounts to a measly 1.27 pesos, with as much as 93 percent of the hired vendor respondents receiving a wage rate below the legal minimum. On the other hand, owner-operators put in a mean of 68 hours in street trading per week, resulting in an effective hourly rate of 5.30 pesos. But the pattern among owner-operators is also uneven because only slightly over half obtain an effective hourly rate above the legal minimum. Dependent sellers, however, have to work more intensively within a somewhat shorter period of time in order to repay the goods sold, thus their mean number of hours devoted to street trading adds up to about 54 hours per week only. As such, their effectively hourly rate is estimated to be around 6.36 pesos, with 71 percent in this category obtaining a return to labor above the minimum wage, accentuating once more the ambiguity in this type of street trading operatorship.

A further difference must be noted. Because owner-operators and hango-sellers have relatively greater control of their time input, they need not spend more time than what they feel provides them with a satisfactory return. Thus, of the 45 percent and 29 percent, respectively, of owner-operators and dependent sellers whose returns to labor fall below the legal minimum, the mean deficiency is only about 42 percent and 36 percent, respectively. Hired vendors, however, have little control over their time input and, hence, most will need to continue working even when their effective returns to labor dips lower than the legal minimum by as much as 74 percent, on average. Contrast these patterns with those whose returns to labor surpass the legal norm. The superiority of street trading returns to labor is particularly marked for the majority of owner-operators and dependent sellers who obtain rewards better than the legal rate by as much as 92 percent and 99 percent, respectively, on average. In contrast, the tiny fraction (7 percent) of hired vendors whose effective hourly wage rates are above the legal standard enjoy an excess of only 11 percent. The valorization of returns to labor in street trading thus reflects the essence of the uneven relationships between the seller and the street enterprise.

Household Level of Living and Survival Chances in the City

The preceding discussion makes apparent that households of hired vendors are the worst off among all participants in street trading. The mean household income of hired vendors amounts to about 1,107 pesos while the median is about 446 pesos per month. Owner-operators' households have a monthly income reaching a mean of 2,984 pesos, with the median at around 1,932 pesos; similarly, hango sellers have a mean household income of about 2,444 pesos and a median income of approximately 2,000 pesos. The mean monthly income of owner-operators' and dependent sellers' households surpass the earnings of hired vendors' households by 170 percent and 121 percent, respectively. The differences are even more stark when the median is used, the corresponding figures being 349 percent and 333 percent, respectively. Thus, material well-being is most constrained among hired vendors and their households.

Street trading contributes a substantial proportion of the hawkers' household income, but differential modes of street trading operatorship both emanate from and reinforce the social differentiation among street sellers and the level of living of their households. Vending is an important source of income for owner-operators and dependent sellers, its contribution reaching at least two-thirds of their mean household income. The greater importance of street trading to these two types of hawkers is also seen in that the trade contributes at least 50 percent of the total income of over three-fourths of owner-operators' and over four-fifths of dependent sellers' households. These households likewise do not rely as much on wage employment: only 42 percent of owner-operators' and 46 percent of dependent sellers' households have at least one wage earner. Moreover, earnings by the wage-working household members is inferior, in both absolute and relative terms, to income derived from owner-operated or dependent street trading. On the whole, households of these two types of hawker operatives have been relatively more successful in resisting the process of proletarianization. As the comparative data on the legal minimum wage bring to the fore, owner-operators and

hango sellers know that their labor is better rewarded in street trading. By being 'ones' own boss', they need not subject themselves and other household members to the most miserable forms of wage work. Not that they resist wage employment per se. In fact, most of these households are able to send their children to school at an enrollment ratio better than the national average. The children of many owner-operators (40 percent) and some dependent sellers (20 percent) even have access to tertiary education, and with such college credentials have greater chances of landing in more prestigious and higher-paying jobs compared to children of other hawker operatives. In other words, many households of owner-operators and hango sellers are utilizing 'self-employment' in street trading as a route to climb the higher echelons of the wage labor market hierarchy, if not for themselves then at least for their children.

Among hired vendors' households, however, wages from street trading accounts for only 30 percent of mean household income, while other forms of wage employment generate a substantial 62.5 percent. Making a smaller contribution to household income, wage work in street selling tends to be only one of several wage employment sources of the household. But the almost exclusive reliance on wage work indicates that the hired vendors' households tend to be more manifestly proletarianized than households of other types of street sellers. Dependence on wage work is also highlighted in that as much as half of the hired vendors' households have at least one unemployed member (such is the case only in a quarter of the owner-operators' and a third of the hango sellers' households). Deprived of the economic as well as social resources needed to launch a street trading or similar enterprise, members of hired vendors' households have and know of no other means of urban survival but wage work, in the absence of which they remain without a livelihood.

Conclusion

By elaborating on the social relations that may be found in street trading in Metro Manila, this paper has tried to show that there can be no homogeneity in the so-called informal sector. Contrary to the widespread notion of 'self-employment', the continuum of types of hawker operatives indicates that wage labor, the most familiar form of commoditized labor, is an important component within

street trading. The results of this investigation attest that the 'informal' labor process cannot be confined to the familial relationship — itself far from being uncomplicated — between street seller and the small-scale enterprise. Street traders confront different degrees of control over their means of livelihood, with the most undeniably proletarianized, the hired vendors, not able to benefit from the street enterprise except through measly wages.

Unfortunately, hired vendors have not been reached by organized labor, rendering national debates about the minimum wage irrelevant to this group of wage workers. Given the dearth of alternative opportunities, hired vendors seek refuge in street trading and accept whatever conditions are put forward by the petty capitalists that hire them. Not that they do not resist the exploitative nature of the relationship, for some do try. But resistance, as in filching, remains a highly individualized act of opposition. Given the large pool of surplus and unemployed labor, what would prod the hired vendors to organize against those that employ them? The arm of the state is also much too short to be able to apprehend the petty capitalists that do not follow labor legislation. Cognizant of the context in which they pursue urban survival, hired vendors submit to their employers and show the willingness to work long hours for very little pay, and to serve as dummies if need be.

Although immersed in the capital-labor contradiction, owner-operators and hango sellers have however found in street trading an avenue to escape from the most oppressive forms of proletarianization. Most of them obtain returns to labor better than the legal minimum, thus enhancing the chances of survival in the city for themselves and their households. And whatever exploitative edge there may be in their relationship with their suppliers is mitigated by the possibility that costs in the acquisition and sale of street goods can be passed to consumers, thereby allowing some profit to be made. Despite the ambiguities in dependent selling, the material interests of street traders in these two categories allow them to be broadly classified within the lower gradations of the petty bourgeoisie. As such, they tend to vascillate between the left and the right depending upon how they think their interests are best served. At one point, they can be politically active and will aggressively defend their means of livelihood when threatened by, say, a local government ordinance banning street trading in a certain area. In such cases, they can come together in a duly constituted vendors'

association to file petitions and lobby local government officials. However, if there is another way by which their livelihood can be safeguarded, they would as easily take that path. Hence, bribery to secure protection has become part of everyday life in street trading. In some parts of Metro Manila, street vendors have even formed associations to systematize the taking and giving of bribes. Hawkers do not question the behavior of policemen and local government officials even if large amounts of bribes are demanded, as long as these are felt to be affordable and ensure the continued existence of the street enterprise. Owner-operators and hango sellers are generally convinced they can pursue their material interests within 'the system' and thus tend to be politically conservative. Even in the event of business failure and because of the ideological predilection to individualism, buttressed by the perception (some correctly) that they are their 'own boss', capitalism will stay unchallenged. In the midst of misfortune, these street traders feel they have no one else to blame but themselves, or fate.

Notes

The data presented in this paper have been culled from the results of a research project sponsored by the Volkswagenwerk Stiftung and conducted at the Institute of Philippine Culture, Ateneo de Manila University. Thanks to Virginia A. Miralao and Lily M. Silva for reading this paper prior to publication.

References

- Acharya, Sarthi
1983 The informal sector in developing countries: A macro viewpoint. *Journal of Contemporary Asia* 13(4):432-445.
- Banerjee, Nirmala
1982 Survival of the poor. In Helen Safa, ed. *Towards a political economy of urbanization in Third World countries*. Delhi: Oxford University Press.
- Bienefeld, Manfred
1975 The informal sector and peripheral capitalism: The case of Tanzania. *IDS Bulletin* 6(3):53-73.
- Birkbeck, Chris
1978 Self-employed proletarians in an informal factory: The case of Cali's garbage dump. *World Development* 6(9/10): 1173-1185.
- Bromley, Ray
1978 The organization, regulation and exploitation in the so-called 'urban informal sector': The street traders of Cali, Colombia. *World Development* 6(9/10): 1161-1171.
- Bromley, Ray and Chris Gerry
1979 Who are the casual poor? In Ray Bromley and Chris Gerry, eds. *Casual work and poverty in Third World cities*. Chichester and New York: John Wiley and Sons.
- Connolly, Priscilla
1985 The politics of the informal sector: A critique. In Nanneke Redclift and Enzo Mingione, eds. *Beyond employment: Household, gender and subsistence*. Oxford: Basil Blackwell.
- Davies, Rob
1979 Informal sector or subordinate mode of production? A model. In Ray Bromley and Chris Gerry, eds. *Casual work and poverty in Third World cities*. Chichester and New York: John Wiley and Sons.
- Gerry, Chris
1985 Wagers and wage-working: Selling gambling opportunities in Cali, Colombia. In Ray Bromley, ed. *Planning for small enterprises in Third World cities*. Oxford: Pergamon Press.
- 1979 Small-scale manufacturing and repairs in Dakar: A survey of market relations within the urban economy. In Ray Bromley and Chris Gerry, eds. *Casual work and poverty in Third World cities*. Chichester and New York: John Wiley and Sons.

- Gerry, Chris and Chris Birkbeck
1981 The petty commodity producer in Third World cities: Petit bourgeoisie or 'disguised proletarian'? In F. Bechhofer and B. Elliott, eds. *The petite bourgeoisie: Comparative studies of the uneasy stratum*. New York: St. Martin's Press.
- Gibbon, Peter and Michael Neocosmos
1985 Some problems in the political economy of "African socialism." In H. Bernstein and B.K. Campbell, eds. *Contradictions of accumulation in Africa: Studies in economy and society*. Beverly Hills: Sage.
- Hart, Keith
1973 Informal income opportunities and urban employment in Ghana. *Journal of Modern African Studies* 11(1): 61-89.
- House, William
1987 Labor market differentiation in a developing economy: An example from urban Juba, Southern Sudan. *World Development* 15(7): 877-897.
- International Labor Office (ILO)
1972 *Employment, incomes and equality: A strategy for increasing productive employment in Kenya*. Geneva: ILO.
- Koo, Hagen
1981 Centre-periphery relations and marginalization: Empirical analysis of the dependency model of inequality in peripheral nations. *Development and Change* 12(1): 55-76.
- MacEwen Scott, Alison
1979 Who are the self-employed? In Ray Bromley and Chris Gerry, eds. *Casual work and poverty in Third World cities*. Chichester and New York: John Wiley and Sons.
- McGee, T.G.
1977 The persistence of the proto-proletariat: Occupational structures and planning of the future of Third World cities. In Janet Abu-Lughod and Richard Hay, Jr., eds. *Third World urbanization*. Chicago: Maaroufa Press.
- Moser, Caroline
1984 The informal sector reworked: Viability and vulnerability in urban development. *Regional Development Dialogue* 5(2): 135-178.
1978 Informal sector or petty commodity production: Dualism or dependence in urban development? *World Development* 6(9/10): 1041-1064.
- Natrass, Nicoli Jean
1987 Street trading in Transkei — a struggle against poverty, persecution, and prosecution. *World Development* 15(7): 851-860.
- Peattie, Lisa
1987 An idea in good currency and how it grew: The informal sector. *World Development* 15(7): 851-860.
1982 What is to be done with the 'informal sector'? A case study of shoe manufacturers in Colombia. In *Towards a political economy of urbanization in Third World countries*. Helen Safa, ed. Delhi: Oxford University Press.
- Portes, Alejandro and John Walton
1981 *Labor, class, and the international system*. New York and London: Academic Press.
- Richardson, Harry
1984 The role of the urban informal sector: An overview. *Regional Development Dialogue* 5(1): 3-40.
- Sethuraman, S., ed.
1981 *The urban informal sector in developing countries: Employment, poverty and environment*. Geneva: ILO.
- Souza, Paulo and Victor Tokman
1976 The informal sector in Latin America. *International Labour Review* (114): 355-365.