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Final Report:
UTILIZING
THE STREET FOOD TRADE
IN DEVELOPMENT PROGRAMMING

EPOC is a multi-faceted, nonprofit organization focussing on issues of development and public policy in both developing and industrialized countries, particularly emphasizing the impact of those issues on women. Founded in 1978, EPOC seeks to promote equitable economic and social policies through research, conferences, publications, and consulting on project design.

EPOC uses a sectoral approach for the purposes of development planning. It analyzes the differential impact of development programs on women and men, recognizing their varying needs and constraints related to their different socio-economic roles or ethnic groups. EPOC development studies carry recommendations for specific projects or changes in administration and laws that could ameliorate inequitable conditions or enhance the impact of the programs.

EPOC's work links scholars, administrators, and activists concerned with development, social change, women's rights, and public policy. Its conferences combine these groups; its publications are aimed at this audience. In addition, EPOC participates in national and international networks of women's organizations and research centers with similar goals of influencing public policy toward a more equitable world.

PREFACE

This report, "Utilizing the Street Food Trade in Development Programming," is the last in a series of reports based on EPOC's four-country Street Foods Project. This final report looks closely at two major policy areas of USAID, food aid and private enterprise, with two purposes in mind. The first is to suggest ways to enhance the stated goals of these policy areas through the inclusion of micro-level activities. The second purpose is to illustrate how women can benefit from programs in these areas. A short review of the Street Foods Project and its significant findings is also included. Four appendices detail ways in which programming utilizing the street food trade in food policy, private enterprise and urban affairs might be carried out.

Many of the original ideas of incorporating both the micro level and women's concerns into development programming came from USAID mission staff where EPOC carried out its research. The first goal of the project was to determine the importance of the street food trade in four provincial towns. Discussions were also held with local planners and activists to determine how local development assistance could work through the street food trade to provide both income for the vendors and safe food for the consumers. Final reports from each country are available:

Zinguinchor, Senegal, by Jill Posner

Iloilo, Philippines, by Gerald A. Barth

Manikganj, Bangladesh, by Naomi Owens & Naseem Hussain

Bogor, Indonesia, by Barbara Anne Chapman

The Street Foods Project has been a major endeavor of the EPOC staff for the past four years. All will be mentioned in the book, STREET FOODS AS A DEVELOPMENT ISSUE, which is in the process of publication. Authors for this report are Irene Tinker, EPOC Director; Monique Cohen, Director of the Street Foods Project, and Coralie Turbitt, Associate Director of EPOC. Editor was Ann Held, who helped pull the disparate parts together.

Funds for the Street Foods Project came from the Office of Women in Development, of the United States Agency for International Development, grant number OTR-0200-GSS-1225-03 to the Equity Policy Center. The views and interpretations are those of the authors, and should not be attributed to the Agency for International Development nor to any individual acting on its behalf.

Washington, DC
March 1985

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**UTILIZING
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The Street Foods Project was initiated by the Equity Policy Center to illuminate a vital, but long neglected, activity which is pervasive in urban areas worldwide: the selling of prepared foods for immediate consumption. In this highly atomized marketing system each individual trader is seemingly a negligible factor in the economy; however, their sheer numbers suggest an aggregate importance greater than meets the eye. This fact is gradually making inroads in the generally negative view of street sellers held in most parts of the world. Both governments and development assistance agencies are beginning to look outside the formal sector for employment opportunities for the burgeoning labor force that characterizes developing countries. Indeed, a reaction to this endeavor has already set in with supporters of jobs in the informal sector being attacked for ostensibly romanticizing the activity, and exaggerating its influence, in order to reduce pressure on the state to meet the unemployment crisis.

In fact, there is remarkably little data on the informal sector and still less information on the differential employment and income possibilities for

women and for men. Thus, EPOC undertook a study of vendors of street foods in four provincial towns in Senegal, Bangladesh, the Philippines, and Indonesia to understand the magnitude of the trade, the economic dynamics of this subsector of the informal economy, the potential of the trade as an income-generating activity for women, and the role of street foods in the diet. The results of the study indicate that the street food trade is a significant link in the food system of all countries as well as a vibrant and expanding aspect of the private sector. It fulfills a persistent demand for the provision of cheap food for the rapidly expanding urban population, and at the same time creates jobs for a vast number of unskilled, yet entrepreneurial citizens, both men and women, who are making their own employment opportunities.

The project, begun in 1981 with funding from the Office of Women in Development, has four overarching purposes:

- to assess the economic importance of street foods as a source of income and employment to poor urban women and men;
- to evaluate the nutritional and dietary contribution of street foods in the diets of urban inhabitants of all socio-economic levels;

- to design specific interventions that would aid the vendors to increase their incomes and /or improve the quality of food they sell;
- to illustrate the importance and relevance of this activity to AID policies and programs.

The Street Foods Project, by its sectoral focus on one segment of the informal sector, has shown clear linkages between this aspect of the informal economy and broader issues of development concern, in this case national food systems and private enterprise development. It has also provided a practical framework for the analysis of the participation of women in the subsector and, by extension to the broader areas of concern, revealed qualitative and quantitative differences in the ways in which men and women function in the micro-enterprises studied. The method of analysis which was applied to food-related micro-enterprises allows an understanding of their place in the vertical chain of the national Food system, rather than treating them as an aspect of the somewhat amorphous informal sector. This method might profitably be applied to other segments of the informal sector such as transport, manufacturing, construction, retailing and entertainment.

Detailed reports of each of the four country studies are available from the Office of Women in Development of AID, along with a summary of the results of the four-country study project. (A brief description of the project and its findings follows as Part II of this final report.)

In each of the case studies and also in the cross-country comparison, recommendations for interventions are included which would increase the income of the vendors, ameliorate the conditions of their employment, improve the nutritional quality of the food, or enhance the safety of the food they serve. These reports have generated great interest in both the scholarly and the development communities. The impact for policy is already apparent. FAO, for example, has altered the way it collects nutrition statistics as a result of the EPOC study: their surveyors now include food consumed outside the home when measuring total daily nutritive intake.

This report on Utilizing the Street Food Trade in Development Programming responds to the final purpose of the EPOC project:

- o to show how the micro-processing and micro-marketing activities that make up street food trade relate to policy and program objectives of AID;
- o illustrating this approach with references to specific projects.

In order to provide a short, readable document which may be widely circulated and quickly read, we have presented the overall policy conclusions in Part I. Part II gives a brief review of the EPOC Street Foods Project and its findings so that the policy recommendations can be set in context for those who

wish to see statistics that back up the recommendations. Detailed analyses of particular aspects of the street food trade, as they relate to specific USAID development policy objectives or directives, appear as appendices. These include, food, private enterprise, and urban development. Such an approach allows more attention to be given to identifying the priorities and assumptions which often predict how a program will be designed and implemented.

Part I. Development Policy and Street Food Trade

Three major policy objectives of AID are food production and security, private enterprise, and women in development. This report reviews AID policies for food and for private enterprise, indicates the importance of street foods within each sector, and identifies the roles which women play in the multifold activities that make up the street food trade. It is important to note that the thrust of this project, and the philosophy of EPOC itself, is to consider how best to acknowledge and support women's roles within sectoral areas. Therefore there will be no separate section on women in development. Rather, women's particular needs will be specified wherever appropriate.

Both food aid and private enterprise illustrate the linkages between rural and urban activities and programming. Because much of USAID programming has focussed on rural issues, a separate section on urban programming is included in the appendix. Indeed, it may be that this artificial boundary between what is rural and what is urban unnecessarily adds to the difficulties of programming at the micro level.

Given the nature of the street food trade, EPOC's programming recommendations deal primarily with the micro level. Because of the difficulty the large assistance agencies have in dealing with small-scale projects, it is logical to consider the role of

private voluntary organizations in carrying out these recommendations in both rural and urban areas. Further, because food is a major issue in refugee camps, projects relating to street food preparation and sale are to be recommended for the camps as well. Both of these aspects of development planning will be discussed briefly.

Food Production and Security

Street foods are a vital part of the food system. As such, this micro-processing and micro-marketing activity has implications for agricultural production, food processing, and food distribution. It also provides a mechanism for introducing new foods and for reaching school children in new-style feeding programs. National agricultural price incentives and receptivity to imported food affect this activity and so impact on foods available to the urban poor. It is possible that street food vendors could be utilized for targeting subsidized food to the urban poor through regular or relief food aid.

Food Policy. The demand created by the street food trade provides a reliable market for many agricultural products, both those locally grown and those imported. Meals as well as many snacks served by vendors, generally include as a major ingredient some sort of grain or tuber. The more traditional foods are often made from coarse grains such as millet or sorghum or from tubers, such as cassava, which are

much less utilized in developed countries. Couscous made from millet and sold in the markets of Senegal, or cassava-based garri, a West African speciality, are examples of such traditional street foods.

The fact that grains are in demand by street food processors has implications not only for agricultural policies but also for those relating to price subsidies and to food imports. Easily available and inexpensive imported food can lead to new products. In Indonesia, bread has replaced cold rice as a breakfast food, a switch in line with that government's desire to lessen their dependency on rice. Other wheat products such as cakes and cookies are also replacing traditional sticky rice sweets, a product made solely by rural women. Women in Senegal do not use imported milk powder in their yoghurt, and indeed scoff at such "watery" yoghurt. But as their own source of milk diminishes, there is some indication that women will still not have access to imported dried milk which is already being utilized by men to compete with women making this product.

The ability of men to access new markets more readily than women is a recurring pattern. In Indonesia, men traders currently dominate the making of noodles from wheat. Since noodles are the main ingredient in noodle soup, street food vendors of this soup, most of whom are male, are being organized to set up their own facility to process noodles. EPOC suggested that monetized food aid might be used to set up this noodle factory and pay for training the new

workers who should be both male and female. Such a project would not only reduce costs for the noodle soup vendors, but would also open up this lucrative activity to women.

Subsidized pricing also affects street food sellers. In Senegal, a favorite breakfast food is a millet cereal, monie. Usually millet is cheaper than rice, but because imported rice is price-controlled there are times when rice costs less than millet. This has happened periodically after a drought which sharply reduces the millet harvest. Several monie sellers went out of business; others added rice to their cereal. Even so, the women sold the product at a loss, explaining their willingness to do so on the grounds that they did not dare risk losing their customers who might permanently switch their purchases if their own seller failed to provide the cereal.

Agricultural production. The street food trade's demand for non-staple products is important particularly where small plots are being utilized. The Rainfed Agriculture project in the Philippines has as its focus tiny farms on the sides of mountains. Distance from metropolitan markets increases the attractiveness of local markets; and speciality crops will often bring greater returns than staples. Such considerations led the Regional Executive Director of Philippine's National Economic and Development Authority to reconsider types of crops to be grown in his region which encompasses Iloilo, where the EPOC study was conducted.

Many rural development projects for women include home gardens, primarily in order to improve family nutrition but also to bring in some income. However, experience shows that since many of the vegetables and fruits introduced through these schemes are new to the women, they tend to sell rather than eat them. Such an approach may well improve family nutrition by providing the woman with more money to buy familiar foods. But few projects, even those with income as part of their objectives, give sufficient thought to the processing and marketing of the produce. The result is a glut on the market, low prices, and discouragement from planting the same crops again.

The Casamance Regional Development Project includes funding for female extension agents who work with women's groups to develop vegetable gardens and to raise poultry and small livestock. It was assumed that much of the produce would be consumed in the rural areas. Even those products which were to be processed were slated for the metropolitan market surrounding Dakar. More emphasis on the markets and street food trade in Ziguinchor would increase income derived from this activity.

Nutrition. While street foods are consumed by all socio-economic groups in the city, major consumers are workers and school children. Their increased consumption is directly related to urban growth. Going home for mid-day meals is no longer feasible. Busy mothers who must earn income to pay for commodities

such as fuel and water, which formerly were free, often do not have time to cook breakfast or even dinner. EPOC's study shows between 20 and 25% of the food budget going for street foods; EPOC is currently collecting information about other alternatives to home cooking: community kitchens, meal contracts, and micro-catering which is in fact "invisible street food," in that street-food-type food is regularly supplied to neighbors and customers but is not sold on the street. A study of such activities would probably double the percentage of food made or consumed outside the home.

School children are important buyers of street foods. In Indonesia, school principals regulate which vendors may sell inside the school yard. However, the only supply of water in most urban schools is for toilets; thus, the vendors tend to cluster near them, hardly the most sanitary place to be. EPOC believes that the regulating power of the school officials can be used to upgrade both the nutritional content of the food sold, and its safety. In Bogor, one principal worked with members of the Nutrition Faculty of the Bogor Agricultural Institute who were cooperating with the EPOC project. Together they developed a cassava cookie with greatly enhanced nutritive value due to the addition of a bean to the dough. This bean gave a crunch like a peanut, which the children like, and provided complementary protein to the cassava flour. Further, the cost was the same.

School feeding programs which utilize existing street food vendors should be considered. In Thailand, a more usual approach was taken for providing meals to rural students: teachers or mothers of students were expected to cook lunches for the children. Such projects have worked in many countries, but only if the mother is paid. Teachers do not usually like to have to cook, for status reasons. In Thailand, the cooks were expected to be volunteers, and the project was not a success. It is unfortunate that the project did not emulate the approach used by Chulalongkorn University which allows vendors to bid for the right to sell food on the university campus, or Singapore which lets vendors bid for a contract to cook meals in the school cafeteria. These approaches encourage existing enterprise while providing for a method of controlling food content and safety.

Perhaps the most impressive example of this approach is that of Ile-Ife University in Nigeria. Since its opening, vendors who wish to sell at kiosks on campus must take a two-week course in nutrition and food handling run by the university faculty. They receive a diploma which they must display in their kiosks which are supplied with water and electricity. Recognizing the importance of the diploma, vendors from the city are now asking for training. EPOC is working with several university faculty members in collecting data on local vendors before they institute such a training program.

Thus, it is clear that the existence of a vibrant street foods trade is an opportunity for development programmers. Details of projects in the areas of food aid, agricultural production, and nutrition are given in the second section of this report.

Private Enterprise

The street food trade is the epitome of private enterprise. Depending on the socio-cultural attitudes and traditions of the region, the trade may be dominated by women or men. For most vendors, selling foods is a lifetime occupation, though some women in Senegal moved in and out during different seasons while other women in Philippines returned to selling to pay for the education of their children. Our data suggest that the trade provides an income higher than other semi-skilled employment in the area. Further, such employment might not be considered appropriate to women or might not meet their need to accomodate required domestic duties.

Most street food enterprises consist of a sole vendor; however, about a quarter of the male vendors in Indonesia and Bangladesh had the help of their wives at home in preparing the foods. In the Philippines, over a quarter of the enterprises were run by couples, while, in Bangladesh, female assistants helped men selling foods. In Senegal, where both enterprises and food sold are sex-segregated, 96% of the vendors operated on an individual basis.

The permanency of most enterprises challenges the conventional wisdom that sees vending as temporary occupation of workers waiting for opportunities in the formal sector. The adequacy of the income similarly calls into question assumptions about the marginal nature of the sector. Even assumptions concerning the ease of entry into such informal occupations as street food sales must be qualified by the recognized rights vendors have to sell on a particular corner and/or to follow a particular route.

Growth versus Maintenance. Most recent programs designed to assist small enterprise operators have tended to measure the success of an enterprise by its growth. Further, the poor women and men who eke out survival at the bottom of the street food spectrum are characterized as lacking motivation to save and invest in their enterprise. William House classifies them as part of the "community of the poor," an economic equivalent of Oscar Lewis' "culture of poverty" so long debated among anthropologists. The fact that Lewis' poor moved easily into a higher economic stratum when opportunity presented itself suggests it might be advisable to take a closer look at the motivation of the poorest vendors. If a farmer continues to farm a given plot year after year, supporting a family but not buying new land, is that farmer a failure? If a vendor sells peanuts on a given corner, year after year, supporting her family but not expanding her enterprise, is that enterprise a failure? Investment, in these cases, is in the children's welfare rather than in the enterprise.

Thus, the enterprise is unlikely to enlarge its workforce. In fact, should a family-based enterprise grow in size, it typically divides, amoeba-like, replicating itself rather than making the jump to a new type of organization. Indeed, if the jump is made to the hierarchical pattern of organization, with employers and employees not family members, women seldom maintain control. There are, of course, exceptions such as the industrialist of Ghana who began her career selling orange squash and marmalade, or the hotel owner in Manila who started as a street food vendor. But, in most cases, interventions which have as their goal the support of women active in micro-enterprise activities must take into account this structural problem.

This problem was reflected in the street foods study. Growth seldom occurred. In Senegal, a woman oyster seller did open a small bar. However, in Bogor, one woman tried for six months to double her business, but ended by returning the business to its original size once more; the management of the larger enterprise was too complicated to be sustained. In Iloilo, EPOC studied the full range of food establishments: restaurants, cafeterias, and bakeries, to see how many street vendors "crossed the gap" to become multiple-employee enterprises. Successful vendors, reflecting a desire to get out of the selling of perishables, seem to prefer an alternative investment such as a grocery shop or ownership of a taxi. Again, these alternative investments were presented in terms of one-person enterprises. The jump from sole or home-based entre-

preneurial activity to an enterprise with several employees is not merely a change of degree, it is a change of type. Such a jump is probably as great as that taken by an individual peasant farmer who suddenly becomes responsible for running a cooperative or agribusiness. To insist that a successful entrepreneur must make this jump is unreasonable, particularly for women. The ambiance of independent street selling is more consistent with other home responsibilities, as well as with her training and priorities, than is the running of a small industry. Recognizing the economic and social constraints that shape the street food seller's world view is an essential first step when planning to improve either the sellers' income or the quality of the food they sell.

The Many Roles of Credit. The debate over whether to consider growth or maintenance as a standard of success continues to be a basic issue when setting up credit programs for micro-enterprises. Programs funded by AID in Indonesia and the Philippines reflect this debate. In Indonesia, a credit program in East Java sponsored by the population sector focusses its interest on women in order to get them to come to the family planning center and utilize its services. Growth and income are secondary objectives; yet the repayment rate of loans is high and the results of loans impressive. Complaints center on the easier access of women in the central village as opposed to the outlying hamlets to the loans. This geographic factor is compounded by the advantages the better connected women have in understanding how to

apply for the loan. Together these factors help explain the bias of the loans toward the somewhat better off women.

In Central Java, the credit program, called Badan Kredit Kecamatan, or credit group, for the lowest governmental level, or camat, is aimed at the micro-entrepreneurs. Credit is offered by staff who go to rural markets on bikes or motorcycles. They charge 4% interest, versus the 1% charged in towns by banks. When costs of going to town are added to that interest charge, the actual costs of bank loans is about 5%. Further, the only collateral required is a letter from the local village head. Repayment is made to the same itinerant staff. Evaluation suggests this program reaches down to the very poor.

In the Philippines, there is the similar population-based credit project administered by the Ministry of Social Services and Development and known as SEA-Kalagansan. Called "welfare" by its critics, it does provide access to very small amounts of credit for many female micro-entrepreneurs. There is renewed interest in the Philippine government regarding this effort to tie income-generation to family planning programs. Many of the enterprises funded by this credit are street food vendors and providers of "invisible" street foods for regular meals.

The Philippines also has a credit program aimed at entrepreneurs. SMED (Small and Medium Enterprise Development) tries to cover the range from micro to

fairly large industry. Since the program is just starting, it will be some time before it is known just how well it serves the micro-entrepreneurs, approximately 80% of whom are female. There is a third program for credit for entrepreneurs, through the Ministry of Human Settlements, which has as its slogan the providing of "livelihood," but which does not seem to reach the poor very well.

In addition to government programs, many organizations support credit programs. One such group, Philippine Business for Social Progress, gives grants to community organizations which in turn provide credit for micro-entrepreneurs. This program trains community volunteers who are given a small percentage of the interest repaid. These volunteers are themselves usually entrepreneurs as well, and often women; they volunteer more for the status than the money. Still, one astute Philippine observer, Pee Wee Culaton, feels that this businesslike approach is preferable to the affinity group approach used elsewhere. She says "when money is involved, everyone is for her(or him)self."

The affinity group concept is the basis for the credit program EPOC funded in Manikganj on the completion of our street foods study there. Our findings indicated that no credit programs were available in Bangladesh towns although there are many rural credit programs available both through indigenous organizations such as the Grameen Bank and BRAC, and through the myriad of international private

voluntary organizations working in that country. Under the auspices of a social service organization in the town, MASS (Manikganj Association for Social Services), the credit program gave out 57 loans totaling \$2000 (an amount equal to half its capital) in the first five months of operation. One-third of the loans have been repaid already and only one is in temporary default: (that of a fruit vendor recently divorced from his wife--who used to prepare the food he sold). The affinity principle seems to be working well. All members of the group must start by saving money in order to be eligible for a loan. Loans are granted to waiting members in turn, so that the social pressure of waiting members of each group helps ensure prompt repayment of outstanding loans.

These programs exemplify the wide range of credit programs with a variety of objectives. Small maintenance loans compete with loans for entrepreneurial growth. Many developers argue for growth and continue to assume a trickle-down. Others argue for equity and note the low costs of administering small loans partly because of the high repayment rate. Since we have noted that women seldom run larger enterprises, and that few street vendors increase in size to become restaurants, growth cannot be the prime objective in credit programs for such micro-entrepreneurs.

Organizing Vendors. While access to cheap credit is an important service to street food vendors, the overriding need of these micro-entrepreneurs according to the EPOC study was legitimation. Even

those vendors (the majority) who sell in the neighborhoods are concerned about harassment from police and health inspectors. However, recognition by the government carries with it the fear of over-regulation. Atomistic vendors have little recourse against the municipality. Thus, perhaps the most important assistance that can be given to vendors is help in organizing. Many credit programs accomplish this without articulating what may be seen in some countries as a threatening objective. Indeed, it is more appropriate for local groups to work with vendors for organizing, both because such effort needs long-term commitment and because interference in the status quo is essentially a political statement.

As noted above, EPOC worked with MASS in Bangladesh to help set up a what may be the first urban credit program in that country. MASS in turn has taken a long-term interest in the vendors and is representing them with regard to market place fees while working to legitimize the vendors who sell, illegally, at the bus stop. In Indonesia, EPOC shared its data with the Lembaga Studi Pembangunan (LSP), Institute for Development Studies, in Jakarta. This group is actively organizing vendors in several cities and has regularized the status of the vendors in at least one town in return for self-regulation. LSP is also the group planning the noodle factory mentioned earlier.

In the Philippines, we found that several vendor groups already existed. The marketplaces have relatively weak organizations which allocate stalls and mediate disputes; all sellers in and around the

marketplace belong, those selling fresh meat or produce as well as the 5% selling ready-to-eat street foods. In addition, the street sellers had their own self-policing organization which has reduced the number of clashes with the police. This organization has agreed to see that no vendor takes up more than half the space of the available sidewalk, that the space is kept clean, and that no vendor will sell in front of a shop whose owner has not given her or him permission to do so. As a result of the EPOC seminar, attended by representatives of these organizations as well as by the mayor and his staff, the city government is considering making more formal the present understanding between this organization and the police. The mayor and the governor, both, now recognize the economic contribution which the street food trade makes to the city.

Other Vendor Needs. Three other vendor needs should be mentioned as well, all of which are much more easily met through an organization. The first is the need for training. Much emphasis is given in some programs on encouraging more accurate bookkeeping so that the vendor will know when a profit is made. Yet costing out wage scales is an illusory activity, one that can be used to show that vendors lose money. This presumes that the hypothetical alternative jobs are in fact available. More useful may be the "two pocket" theory which simply encourages a division between personal and enterprise income. Yet whatever approach is taken, if the enterprises are legitimized, better record-keeping is likely to become a requirement of

licensing. Since much of such expertise is in groups which currently focus on larger enterprises, efforts underway to adapt this experience to micro-enterprises should continue.

Training is also needed in food handling and nutrition. The unique training offered by the University of Ile-Ife faculty to vendors on the campus was mentioned above. Incentives for taking such a course are important, whether these are preference for selling space on a corner or in a school yard, or membership in a vendors organization.

The second need is for health insurance. The greatest catastrophe for a one-person-run establishment is for the owner to get sick. Illness was a major reason for vendors' taking out loans at usurious rates. In the Philippines, AID has an imaginative program to respond to the health needs of the poor by offering free assistance in setting up small-scale health insurance schemes through voluntary organizations. They have visited the vendor groups in Iloilo to discuss such a scheme. A strong and fairly large organization is, of course, a prerequisite, one that is not yet in place among the Iloilo vendors.

The third service which could help many vendors relates to securing supplies or prepared foods directly from the source rather than through middlemen. However, there is a tendency to overlook the support which middlemen give to small entrepreneurs. In planning to remove the cost of an extra person in

the chain of sellers, it is important to understand what else is being removed, and supply it if possible. This may be flexible credit, small purchases, closeness to place of business, and the like. Clearly, an organization is needed to facilitate these activities. Experience has shown that often the new organizations cost more than the old, perhaps because they are no longer subject to competition. However, buyer groups could also help the rural women who make much of the processed food that is not made by immediate family members of the vendor. The advantages of such an arrangement may be seen in the following examples. In Manikganj customers were buying packaged chanichur, a fried snack, that had been made in a nearby village, sold in bulk to a merchant from Dhaka, packaged in Dhaka, and resold to the local vendors. In Senegal, women go out to the villages individually to purchase lemon juice, and then transport it to Zigunichor or even Dakar. In Indonesia, individual sellers bring in their steamed rice cakes for sale in the market. In all cases, rationalization of the system could easily increase profits for both the maker and seller of street foods.

Small Scale Projects at AID

Funding and monitoring small scale programs is a major problem for large assistance agencies. For this reason there is growing interest in having private voluntary organizations undertake assistance at the micro level. Street foods projects are particularly well adapted to such support. Perhaps the primary

obstacle is in getting information about the reality of life among micro-entrepreneurs to the PVO planners and field officers. Also inhibiting many PVOs is the rural bias of AID development priorities. Our data show the rural-urban links quite clearly, and should ameliorate this problem.

Much of the food sold on urban streets is both produced and processed in rural areas. Often, both the farmer and the processor are women. While the EPOC study focussed on urban consumption, there are indications of a growing demand for processed and for prepared food in rural areas as well. After all, time budgets show that, in near-subsistence economies, women spend on the average between two and two-and-a-half hours a day processing food for their families.

As the need for cash incomes rises due to increased integration into the monetized economy, women as well as men shift their daily activities toward cash crops or other income-producing activities. Food preparation often suffers. Examples abound of short rations during harvest. In Korea, women's organizations organize communal meals at such labor-short times. As fuelwood becomes more scarce, women often change cooking habits because they cannot afford either the time or the money needed for traditional cooking. In Guatemala, beans are cooked less often. In Senegal, rice is preferred over millet for the same reason. In Peru, women have combined their cooking in community kitchens to reduce energy and food costs.

As the pressure to work for money increases, it is not surprising that women wish to cut back on food preparation, whether they live in the rural or urban areas. A similar phenomenon is apparent in the United States where an estimated 40% of all meals are now eaten out of the home. In the US, many of these meals are eaten at fast food restaurants. Street foods are the "fast foods" of developing countries where a **McDonalds** is a middle-class dining place. Yet little data was available either on the street food trade as an entrepreneurial activity or on its role in the food system.

EPOC's findings indicate that food processing and preparation for sale are already important sources of income for rural women and men. The next step is to try pilot projects which will assist the vendors to improve both their income and the products they sell, without subjecting them to more regulations or demands than they can handle easily. When designing such programs, many current assumptions about the needs and objectives of the vendors will need to be reconsidered. Information provided by the Street Foods Project should assist PVOs in developing imaginative programs at the micro level.

Small-scale food processing and marketing projects are also well suited to refugee camps. Previous studies by EPOC of such camps in Thailand show the alacrity with which women in such camps start up tea stalls and food stands. Reports from Somalia

also indicate the resourcefulness of women who encounter some flexibility in the food supply. Probably during crisis periods there is no room for entrepreneurship in the camps. But once there is a stable situation, encouraging micro-entrepreneurs helps both the women and their families, and assists in the distribution of food.

Street Foods and Development Programming

Attention to the micro level of the food system in developing countries can have definite programming implications for the equitable distribution of food aid, for providing additional income activities for women in food production and processing, and for enhancing nutritional studies and nutritional intake. Recognition of the economic importance of the many women and men who make their living selling street foods should result in a policy shift among municipal administrators. Instead of harassing the vendors, they should work with the vendor organizations to provide essential services. The provision of access to water is particularly important to street food sellers because their products must maintain a certain level of cleanliness. Finally, the detailed information about the needs of micro-entrepreneurs provided by the Street Foods Project should assist in improving current programs offering skills or credit to small enterprises.

Part II. EPOC's Street Foods Project

The Street Food Project is unique in two ways: it focusses on income activities of urban women, and it considers women's activities in terms of the total street food sector. Most previous studies of women's "invisible" contributions to the economy of their countries have focussed on rural activities including farming, food processing, and handicrafts. The project not only collected data on urban earnings but identified street food sellers as a market for goods produced and processed by rural women and men.

The decision to study the production, marketing, and consumption of street foods arose from two considerations. First, it is necessary to understand the dynamics of the ready-to-eat street foods sector in order to understand and support the role of women within it. Secondly, because this sector has been neglected, there is no adequate data base upon which to build. Prepared food was selected because it reflects women's dual role as provider for her family of both income and food.

Because of the lack of data on the street food trade, the project design called first for a complete census of all sellers of ready-to-eat foods throughout all parts of the provincial towns selected for study. Street foods, by our definition, include any food that could be eaten on the spot, which is immediately

available to eat, and which is sold on the street, from carts, or from shops with fewer than four permanent walls. While vendors are most visible in commercial and market areas, we wished to find out the extent to which the street food trade was important outside the downtown areas. Indeed, in several cities the ratio of neighborhood to downtown vendors was as high as 1:4.

A sample of street food vendors, selected by type of food and selling location, were interviewed by local staff and revisited several times over a year to check for seasonal variations. The study was supervised in each country by the EPOC country director who was a research scholar with experience in micro studies in the country or region. Vendor families, selected according to the importance of women's economic contributions to the trade, were visited and observed, to document the activities of different family members in the preparation and selling of street foods. Data sought was related to economic issues such as individual income, use of paid or unpaid help, sales and profits, and to product issues such as seasonality, variety, and supply. Questions were also asked about the history of the enterprise, use of money earned, problems of enterprise survival, and attitude toward the trade.

To document the demand for street foods, customer surveys were carried out. In two countries, general household food consumption studies were also completed. Foods were also tested for nutritional value and for safety. Nutritional interventions were

actually tried in Bogor. Seminars were held in each provincial town and in the capital city to present the findings and discuss possible interventions to help the vendors either enhance their incomes or improve their products. Special concern was given to measures for supporting women vendors or processors. Discussions with members of the AID mission were undertaken to illustrate how the findings related to on-going AID projects. In Bangladesh, a credit program for vendors was initiated.

Description of Street Food Vendors

EPOC's four country study was undertaken in Ziguinchor, Senegal; Manikganj, Bangladesh; Iloilo, in the Philippines, and Bogor, Indonesia. City size and the total number of vendors in each city are given in Table I along with percentages of enterprises operated by women alone, by men alone and by couples working together. The dominance of women vendors in Senegal and Philippines as well as the absence of women vendors in Bangladesh was to be expected. However, the number of women operators in Bogor was lower than anticipated when compared to earlier studies of market vendors in Jojakarta; differences clearly reflect the cultural variation between these two towns on Java.

In both Bangladesh and Indonesia, about one-quarter of the male vendors had daily help from their wives at home in the preparation of the foods for sale. In addition, some 12% of the vendors in Manikganj employed women helpers in their enterprises.

Table I: STREET FOOD VENDERS, BY SEX,
IN FOUR COUNTRIES

Population	Number of Vendors	Operators (by Sex)			Women's Involvement*	
		Women (%)	Men (%)	Couples (%)		
Manikganj Bangladesh	38 000	550	1	99	-	37
Ziguinchor Senegal	86 000	1 534	53	47	-	53
Iloilo Philippines	245 000	5 100	63	10	27	90
Bogor Indonesia	248 000	17 760	16	60	24	40

* in selling or in preparation or processing at home

Thus, women are involved in 40% of all street foods establishments in Bogor and 37% in Manikganj. Of course, they did this work in addition to maintaining their households. It is important to note that, in Ziguinchor, the women vendors were largely relieved of

their household duties by other family members, only 20% of the women vendors said that they daily cooked meals at home for their families.

In Ziguinchor, women and men vendors sold distinct products, in the other countries there was little distinction by gender, although no women sell ice cream in Iloilo and no women sell chicken noodle soup in Bogor. The mode of selling does tend to vary between sexes: no women were observed pushing mobile carts and no men were seen balancing baskets on their heads. Foods sold on commission, ice cream in both Iloilo and Ziguinchor, as well as bread in Bogor, seemed to be reserved for men only.

Economics of the Street Food Trade

The invisibility of the street foods trade is not confined to its importance as a basis for income generation for women but extends to other aspects of the trade, including its contribution to the urban economy and the food system. In the four countries studied, the annual volume of sales generated by this prepared foods sector ranged from as high as US\$67 million in Bogor, a city of quarter of a million in Indonesia, to US\$2 million in Manikganj, a rural service center of 38,000 in Bangladesh (Table II).

As a sector composed of a myriad of micro-enterprises, the significance of the street food trade at the level of the city applies as much to its contribution to output as to its role as a source of employ-

Table II: ECONOMICS OF THE URBAN STREET FOOD TRADE

	Bogor Indonesia	Iloilo Philippines	Ziguinchor Senegal	Manikganj Bangladesh
Population	248,000 (1980)	244,827 (1980)	86,295 (1980)	37,996 (1981)
Number of Street Food Enterprises	17,760	5,000	1,534	550
Establishments Per Population	1:14	1:49	1:56	1:69
Percentage of Labor Force Active in Street Food Trade	26	15	6	6
Aggregate Yearly Sales (million US\$)	67	28	4	2

ment for the urban poor. All street food vendors consider themselves self-employed, even though many have contractual arrangements with their suppliers which are suggestive of dependence, rather than independence. At least a quarter of these enterprises

in all countries employ either paid or unpaid labor. As a result, close to 6% of the labor force in Ziguinchor and Manikganj, and between 15% and 26% in Iloilo and Bogor, respectively, derive income from this economic activity (Table II).

Income. Daily income to the street food operator indicates an economic activity that provides a competitive source of earnings.

- o In Iloilo, the average gross earnings of vendors was 54 pesos daily which exceeds the daily minimum formal sector unskilled wage of 33 pesos.
- o Daily net incomes among street vendors in Bogor ranged from 790 to 8,910 rupiah, with 50% of the vendors concentrated in the

Table III: STREET FOOD ESTABLISHMENT DAILY EARNINGS

	Iloilo (pesos)	Bogor (rupiah)	Manikganj (thaka)	Ziguinchor (cfa francs)		
US\$1.00 =	13	995	24	400		
					female	male
Sales	236.22	16 027.31	299	925		4595
Expenses	182.38	11 649.93	227	557		2960
Profits	53.84	4 377.38	72	368		1635
Minimum/unskilled wage	33.00	2 000.00	20	250		250

1,660-3,110 range. Average earnings are nearly twice the daily wages of construction workers.

- o Gross profits per street food firm in Ziguinchor averaged 370 cfa francs per day, a figure which is slightly in excess of the gross income of a craftsman, estimated at 355 cfa francs daily.
- o In Manikganj, the daily net income of a street food vendor is Tk. 72, a level of earnings more than three times that of the daily agricultural wage.
- o In Southeast Asia, the women vendors do very well. Enterprises run by couples have the highest sales in both countries.

Table IV: DAILY SALES IN BOGOR AND ILOILO
BASED ON TYPE OF OPERATION

Operator	Bogor	Iloilo
Husband & Wife	Rp 21 473.21	Ps 373.78
Male only	Rp 14 022.56	Ps 363.22
Female only	Rp 15 018.42	Ps 154.46

Couple-run enterprises are dominated by women in the Philippines; according to EPOC's research staff, when successful women-run enterprises grow enough to provide two incomes, the husband joins his wife in the business. In Indonesia, women-only enterprises have a

slightly higher income than men-only, a situation that is reversed in the Philippines. In both countries, women vendors are found at all levels of the income scale.

In Ziguinchor, the low income of the women sellers was a surprise because, in West Africa, market women

Table V: AVERAGE DAILY SALES, EXPENSES AND PROFITS
FOR ALL PRODUCTS, BY SEASON, IN ZIGUINCHOR

	Sales	Expenses	Profits
(cfa francs)			
WOMEN			
Dry Season (N = 127) ¹	930	625	305
Wet Season (N = 136)	920	490	430
MEN			
Dry Season (N = 38)	5,450	3,560	1,890
Wet Season (N = 49)	3,740	2,361	1,379

¹The dry season sample included only market sellers; in wet season, both market and street sellers were included.

very good incomes, often more than their civil service husbands. All foods sold were sex specific. Those sold by women took much longer to prepare, particularly monie -- a millet-based gruel eaten for breakfast. Thus the women's preparation time at home was considerable; perhaps as a result, they sold on the streets for fewer hours than the men -- 4 to 5 hours compared to 7 to 8 hours per day. It seems that the

women prepared a set amount of food, sold it, and returned home. It is unclear whether they could make and sell more, considering the preparation time.

Table V shows both the lower incomes of the women compared to those of men, and also the seasonal variation of vendors' incomes. Male vendors sell year 'round, but presumably they have somewhat fewer customers in the wet season. Many female vendors stop selling in the wet season and go to work in the fields. Those that remain can skimp on ingredients and so make a greater profit. In the dry season the competition is intense. Portions are increased to attract customers, a practice which also reduces profits.

There is growing evidence to document what has long been observed: that income earned by women goes more directly to support the household than does income earned by men. This certainly appeared to be the case with women selling street food. Further, this income is essential to the survival of the families. In Manikganj, all five vendors were the sole income earners in their families. In Ziguinchor, 59% of the women were the sole or major provider for their families. Even in households where the husband provided the monthly bag of rice, women spent as much on household food when daily purchases of meat and vegetables for sauces was totaled. Yet neither the men, nor the women themselves, thought their contribution was equal to or higher than that of the men. In Iloilo, women said they came back into the market, after staying home to raise children, in order to earn money to pay school fees for them.

In view of the scale of the enterprise and this high household dependence on this income source, it is not surprising to find that household and enterprise finances are frequently inseparable. Dipping into operating and investment capital when family emergencies arise is not uncommon and, in turn, limits the ability of street food establishments to accumulate capital regardless of net profit levels.

Even among vendors able to build up a reserve, the tendency is not to expand the existing enterprise. An examination of formal sector food catering establishments in Iloilo indicated that none had graduated from a micro-enterprise to a small scale firm. Rather the trend is for the street food entrepreneur to invest the surplus either in diversification into other activities, particularly the sale of non-perishables, or in the next generation, i.e., social investment in their children's education. Indeed, for an enterprise of this size it would seem that the levels of supply of foods and the demand for them are in delicate balance. Thus, expansion is not necessarily a worthwhile business objective. In fact, expansion may mean increased prices or greater spoilage, and so lead to business failure. Still, at this level of enterprise, access to credit, while possibly not sought for growth reasons, is still needed both a source of working capital and as a buffer against bankruptcy that can strike when household emergencies inevitably force the drawing down of operating capital.

Production. The tendency has been to classify street food establishments as distributive and service

enterprises. Yet, the street food firm is no less important as a productive enterprise, involved in food processing as well as sales. These establishments undertake an integrated process extending from the purchase of the raw ingredients and their processing through to their marketing and distribution. For example, monie sellers are involved on a daily basis in the milling as well as the manufacture and sale of their millet-based porridge. In Bangladesh, women puff rice as a snack. The production process is not unlike that which takes place, albeit on a different scale, in the large-scale manufacture of breakfast cereals such as oatmeal or Rice Krispies.

This level of food processing was found to be largely the domain of women. Most prepare the food in their homes and later sell it on the streets. In Muslim countries, the rules of seclusion result in the women either delegating the retailing to other family members or selling their output to other food catering enterprises. Because they are the processors of some or all of the food they sell (a description that is applicable to at least 75% of the vendors in the Philippines, Indonesia and Senegal, and 42% in Bangladesh), the activities of many of street food establishments clearly have implications for both the rural and the urban food processing sectors. Evidence of such possibilities are suggested by the presence of small pickling enterprises in Bangladesh or steamed rice sweets in Indonesia. Frequently located in rural areas, these micro-level businesses sell their output to vendors who specialize in retailing in urban areas.

Demand for Street Foods

Household survey data from Indonesia and the Philippines identified a strong level of effective demand for street foods. Urban households in these two countries spend an average of 25% of their food budgets on street foods, a percentage which is consistent across income levels. Estimates for Senegal suggest that the portion of the household food budget allocated to street foods there is closer to 20%.

Although street foods have long been thought to be marginal to diet, the data reject this assumption and show these foodstuffs to be integral to diet.

- o In Iloilo, street foods appear to provide the fats and oils that are lacking in a diet defined exclusively in terms of household prepared foodstuffs.
- o In Bogor, it is possible to obtain more than half of the recommended daily allowance of protein, iron, vitamin A and vitamin C from a 30 cent street food meal.

Only in Bangladesh does the term "supplement" best describe the role of street foods in diet. And even there, in a country where few eat more than one full meal daily, street foods (the majority of which are snacks) are clearly an important dietary supplement.

The primary street food clientele are the vendors' peers, other members of the informal sector,

and the urban poor. Even though their per capita levels of expenditure are lower than their middle- and upper- income counterparts, by their numbers they comprise the major group of consumers. Their purchases reflect rational choices. Many urban women, as well as men living alone, find it more economic to spend their time in income-generating activities and to purchase street foods, than to shop for and cook many traditional foods which are both time consuming to prepare, and perishable. Furthermore, the rising costs of fuel and ingredients, particularly in times of food scarcity, have meant that for many poor households daily cooking has become prohibitively expensive. As a result, many find it cheaper to purchase street food meals where economies of scale bring the price of a serving below the cost of home preparation.

Next in importance as consumers are students, both those who live away from home and elementary level pupils. The latter, the target group in school feeding programs, often purchase more than simply the odd snack, or breakfast on the way to school. In urban Nigeria, the data show that as many as 76% of school children in Ile-Ife eat two street food meals, and 96% eat street foods at least for breakfast daily. In Nigeria, the provision of health, hygiene and nutrition training to street vendors who sell to school children suggests an alternate approach for targeting nutrition assistance to this population.

Interventions to Aid the Vendors

The street food sector emerges as a pervasive and essential feature of third world cities. Yet, most vendors operate in urban environments that are intrinsically hostile. In many countries, the sector has no legal status and has a history of suffering harrassment and forcible removal from the streets. A primary finding of the project is the need to legitimize this sector, and so to reduce the constant fear of the vendors for their livelihood. This calls for the establishment of institutional mechanisms, by both the vendors and the government, so that the two groups can work together to legitimize the presence of the sector. The provision of basic services, especially a clean water supply, as well as the encouragement of self-regulation by the vendors, are among actions that should be part of this process.

Economic support for the vendors should include credit, training in the basics of record keeping, and provision of health insurance, as well as product support, which is best delivered through small groups of vendors. These groups could facilitate bulk purchasing or establish direct links to producers, thus assuring regularity of supplies, reducing costs, and so increasing profits. Since women have a better pay-back rate than men, women should be allowed to borrow without requiring that the funds be used for business expansion. And, as long as the loans are repaid, it would appear unnecessary to limit the use for which loans are granted. The

possibility of insurance for critical illness should be explored to see if such a provision could prevent business failures since in family-operated, and especially in one-person operations, the illness of the owner not only stops income but uses up working capital. All of these services are best provided through a vendor-based organization; the existence of such a group would encourage the dialogue suggested above, which should lead to legitimation of the sector. Since women in mixed groups seldom take active leadership roles, it is recommended that separate women's groups be formed.

Legitimation should bring with it the collection of a regular, if not daily, tax. Contrary to the conventional wisdom of the vendors in our survey, many vendors do pay some form of tax, if not to the government then to other entities including vendors' associations. Thus, implementing such a regulation would not necessarily increase prohibitively the vendors' costs of operation. Legitimation also requires the formulation of regulations that are feasible for both the vendors and government, particularly in the area of health and food safety.

Street foods are obviously so important a source of income and food for the urban poor in developing countries that both governments and donors should support and upgrade the sector. We are confident that EPOC's findings will aid in this policy and programmatic shift.

APPENDIX A

Possible Roles for the Street Food Trade in Food Aid and Food Processing Projects

The Street Food Trade is a micro-processing and micro-marketing channel for both imported and local agricultural products. The magnitude of the demand created by the multitude of small vendors has generally been overlooked when agricultural policies were developed, and when food aid distribution was planned. And yet, street food customers are more likely to be drawn from the lower socio-economic levels than are customers in larger marketplaces or those eating in restaurants. Therefore, the street food trade offers an especially appropriate, efficient and effective mechanism for carrying out programs designed to alleviate hunger and malnutrition among the urban poor.

Many of the foods sold by street food vendors are traditional dishes which utilize coarse grains or tubers as ingredients. Such crops are often being replaced with cash crops, including international grain crops such as rice or wheat. This trend has several drawbacks. In many cases, the land on which these coarse grains and tubers have been growing is not well suited to other crops, so that in drought times the crop is lost. Also, the change in eating habits creates a demand for international grains that cannot be met domestically.

For these reasons, AID has a policy of encouraging such crops as millet, sorghum and cassava. In Indonesia, one strategy has been to seek new markets for these secondary crops: the street food trade is an obvious target. As is mentioned elsewhere in this report, cassava cookies are already sold to students. In Senegal, AID and FAO have launched a major effort at "millet transformation" to encourage middle class demand. One project is to develop a fast cooking product similar to "minute rice," and so reduce the cost in both time and fuel spent in its preparation. Overlooked was the fact that several (already accepted) large-volume street foods such as cous-cous and monie porridge are millet based.

AID is also encouraging small-scale rainfed agriculture in many countries. Elsewhere, market or home gardens are encouraged as a method of improving the nutritional intake of the family, and perhaps as a source of income as well. Products from all types of small farms are well suited for sale to the street food vendor in either a raw or processed state. It is logical, therefore, to include processing and marketing components in all such agricultural programs.

Distribution of Food Aid

Distribution of food aid through street vendors is an intriguing idea. Such distribution automatically targets the poor as clientele. But there are administrative difficulties in releasing large quantities to individual vendors. EPOC has proposed several pilot projects to test the idea of using vendors as

distributors. In each case, local organizations would function as intermediaries.

In Ghana, volunteer women are currently preparing free food and commodities for use in hospitals. Women vendors sell some products to school children, but these are generally cassava-based and low in nutrition. A school feeding project was proposed, based on the use of the volunteer women's organization which would serve as an intermediary for the street food vendors. The vendors would purchase the grain at concessional rates; this income would be spent to train the vendors in sanitation and nutrition, and to supply water to the school for use by both children and vendors.

In Bangladesh, where few women are seen in the marketplaces, whether as vendors or as customers, food aid would become a mechanism both for selling nutritious foods, and for creating a women's market and fair. EPOC's proposal for this Mohila Mela has several compelling features. By providing a weekly market for women, it would increase their income from home-processed foods and other home-crafts by allowing women to sell directly to women, rather than through men as is the present custom. Such a gathering place would provide access to normally secluded women for workers in health and family planning services. Nutrition experts might teach new uses of food aid products. A locally established private voluntary organization would run each market. Costs for the entire project would come from monetized food aid, itself.

A third proposal would utilize powdered milk. In Senegal, women traditionally make a type of yoghurt, lait caille, from whole fresh milk. With the drought, many cows have died and so the supply of fresh milk has diminished. Men have begun to make lait caille from powdered milk. These men are well established traders with high cash incomes; they can afford to buy the large burlap bags of dry milk. The proposed project would work with local market groups to provide a channel for the purchase and distribution of dry milk to women for making this yoghurt. The milk would be sold, perhaps at concessionary rates at first; but there is already a market for the yoghurt for eating with monie porridge and as a weaning food for babies. Unlike many street foods, lait caille is a staple in the diet, but it is seldom made at home. Thus, the demand and the expertise exist for this product; the pilot project would only establish a new distribution channel and support it by providing initial credit for large scale buying.

These three examples are meant to be illustrative of the type of imaginative projects possible which would provide new methods of distributing food aid to the poor.

Food Processing

The food processing capabilities of street food vendors are often overlooked since this work is frequently done at home, not at the place of sale. Far from being just a marketing channel for processed foods, most of the vendors in the EPOC study processed

at least some of their wares. In Zinguinchor, where most vendors made and sold only one item, 96% of them had processed the food themselves. In Bogor and Iloilo City, where vendors typically sold a range of products, 75% of the vendors had processed some of the dishes they sold. In Manikganj, the pattern differed, with 62% of the vendors acting solely as retailers, but many selling food made by rural women in their homes. Most of the raw food processed by vendors is purchased in local markets. Only in Bogor was there a significant group of vendors who did not buy locally. Those were the sellers of fish-based meals who bought their fish from the wholesale market in Jakarta.

Given the magnitude of the street food trade, these purchases from the local market account for a substantial amount of food. Although the study was not designed to measure the amount of food moving through this channel in comparison to other channels, there is sufficient detail in the Zinguinchor data to permit a rough estimate of the quantity of food processed on a daily basis by selected vendors. Those selling cous-cous and monie porridge processed an average of 7 pounds of millet per day. In the peak season, there were 87 vendors preparing these millet-based dishes in the market areas alone. Using the average amount of 7 pounds of millet per day, by vendors working 6.5 days per week (the Ziguinchor average), these 87 vendors processed 3,959 pounds of millet per week. In the slow season, there were 43 such vendors in the market areas, which would result in a total of 1,957 pounds of grain used. In addition, as much as 5,187 pounds of peanuts per week are

processed and sold during the peak season, 1,456 pounds in the off season. For fish, the totals would 468 pounds in the peak season, and 351 in the off season.

In Bogor, the most common base of street food meals is rice, which is used in 56% of the meals and snacks. The most popular food in Bogor, however, is noodles made from imported wheat which, thanks to PL 480 imports, has replaced rice noodles as the preferred taste in noodles. The most popular side dishes accompanying rice meals are made from chicken, fish, shell fish, soybeans, cassava, vegetables, and potatoes. Unlike Ziguinchor, there is not a pronounced variation in the number of vendors in the town according to the seasons, but there is a marked difference in the line of foods sold, reflecting seasonal availabilities.

The source of most of the ingredients, with the exception of fish, are the local markets, both large and small, with 77% of the vendors purchasing locally. Only 1.7% of the vendors in Bogor appear to buy inputs directly from the farmer. The Bogor study does not supply sufficient information about inputs used to permit an estimate of the volume of food processed by street food vendors there.

In Iloilo City, where rice is also the main staple in street food meals, a wide array of locally produced ingredients are served as side dishes. The most commonly used are onions, garlic, tomatoes, fish, pork, and chicken.

In Manikganj, locally processed dry snacks made from rice are among the most widely sold street foods. These included puffed rice, flattened rice and, most popular of all, canacur. Although chilis and spices may be added to canacur at the place of sale, this rice/noodle and pulse snack is generally made in homes. Other major street foods sold in Manikganj and processed at home include a type of pickle and gus, a sugar sweet made either from dates or sugar cane.

The amount of processing done, traditional though it may be, and the fact that the vendors are found in small as well as large towns suggests the possibility that, through organization and the availability of credit, more modern, yet local and small-scale, processing industries could be created. Encouraging the decentralized processing of food would also enable farmers to sell directly to such establishments in their areas, realizing a better price, and fostering the creation of private agribusinesses throughout the country rather than just in the major towns.

The Food Strategy paper issued by the government of Mali addresses the question of whether the economies of scale realized by industrial processing are, in fact, greater than those achieved by small scale (transformation artisanale) processors located closer to the source of production and using appropriate technologies and renewable energies (Republique du Mali, D'La Strategie Alimentaire, Ministere de L'Agariculture, August 1982, p. 7). In addition to economies realized by location and appropriate technology, development of such processing

capacity would create jobs more directly in the food processing area and also in allied industries which provision such an enterprise. Mali, one of the first African countries to view development in terms of a food strategy, has recognized the value of the micro-scale agribusiness and is cognizant of its role in the national food system. It will be to the advantage of street vendors if more countries follow their lead.

The Micro-Marketing of Food

The Street Foods Project has clearly illustrated the importance of utilizing the micro food system in planning programs related to food. This includes food production, food aid distribution, and food processing. Because the micro system particularly serves the poor, programming in this area is more likely to respond to equity concerns than is current programming focussed on the macro food system which in most developing countries serves the needs of the westernized middle-class elite. The complementarity of the macro and micro food systems needs to be better understood. It is hoped that the Street Foods Project will further this understanding and assist in new program initiatives in the food sector.

APPENDIX B

The Street Food Vendor as Micro-Entrepreneur

A dominant thrust of AID's development activity in the eighties is the promotion of indigenous private enterprise. Moreover, the expansion of private enterprise is seen as a mode of development applicable to all sectors of the economy. To complement its emphasis on rural development, AID identified four priority sectors for programming: agriculture, agribusiness, small and medium scale business, and privately owned service enterprises. A Bureau for Private Enterprise was set up within AID Washington in 1981 to carry out this new directive.

In theory, assistance should be available to establishments of all sizes, but project funding in the Bureau has tended to favor larger rather than smaller enterprises. This reflects a preference of financial institutions, on grounds of both profit and manageability, for providing services to larger scale establishments (a preference reinforced bureaucratically by AID's funding mechanisms). Not surprisingly, the Bureau has failed to involve micro-enterprises extensively in its private sector initiative.

Other offices in AID have been working with small-scale enterprises since the mid-seventies. The Office of Urban Development launched the PISCES project to collect data and program experience in

order to strengthen the individuals involved in informal sector activity. At the same time, the Office of Rural Development funded a series of studies on rural enterprises. Both offices, now combined as the Office of Rural and Institutional Development, reached for the first time to micro-level enterprise and began to document the involvement of women as well as men in this activity.

Further, the Office of Women in Development, the Office of Private and Voluntary Cooperation, and the Office of Population have for some years funded private voluntary organizations which work with community and women's groups to set up income-generating activities. Philosophically, these earlier programs differ from those of the Bureau of Private Enterprise in that they were derived from the "basic needs" approach, and the projects they fund have tended to emphasize employment creation, productivity, and the welfare of the women and men involved in the project rather than stressing the profit motive above all. Reconciling these divergent approaches is a clear challenge for the agency. Thus, work with micro-entrepreneurs should offer a clear target of opportunity for the Office of Private Enterprise.

The potential attractiveness of the micro-enterprise sector is enormous. The knowledge that 60% of the Lima economy or 50% of the Jakarta economy is informal only reinforces the conclusion that not addressing the micro-enterprise sector is tantamount to ignoring the existing market economy in these and

other urban areas. Further, Kilby and D'Zmura (1984) argue in a recent paper, "Searching for Benefits," that investment in micro-enterprises has a higher cost-benefit ratio than has investment in modern industry. A little money invested in programs targeted on this level of enterprise can go a long way in creating income for the poor.

There is also a growing recognition that the informal sector is not a transitory phenomenon of economies in the process of modernizing, but rather a persistent and pervasive small-scale activity which complements the modern sector, which has significant employment potential. For most countries attempting to provide jobs for their burgeoning workforces, the informal sector provides more opportunities than does the modern sector. No wonder that more and more leaders in the developing countries are calling for constructive approaches to these micro-entrepreneurs. As Don Mills of Jamaica points out,

"You can't sweep these business people away; you're going to have to plan them into the system..." (The Daily Gleaner, October 12, 1983).

The main stumbling-block is no longer whether to work with micro-enterprises or not, but how best to do so. At the official policy level of local, urban and national government, the informal sector (including the street food trade) remains largely invisible. It is virtually undocumented statistically, and

unregistered legally. At the level of the enterprise, delivery of program assistance remains stymied, as much by the patchwork nature of the informal sector as by the pressures requiring that the delivery of assistance to the micro-enterprise sector be undertaken only on a profitable basis. And within AID, the debate continues: what constitutes the true economics of micro-enterprise and what are realistic goals for the subsector.

Modifying the Concepts of the Informal Sector

The findings from EPOC's Street Foods Project suggest two important modifications of existing concepts which may help to clarify the debate and lead to improved programming for assistance to micro-entrepreneurs. The first modification is to discard the dichotomy approach between informal and formal sectors. Instead, planners should take cognizance of the multifold interrelationships between micro- and macro-entrepreneurs processing or selling the same type of commodity, and consider the importance of these vertical and horizontal connections in program design and implementation. The second modification of current concepts is to recognize and disaggregate the conglomeration of activities now lumped together as "informal sector," and to look more closely at the various needs of micro-entrepreneurs within this category when planning assistance programs.

Linkages. By focussing on a single activity, that of the provision of street foods to the urban

population in developing countries, EPOC has been able to show the linkages of the street food trade to rural agriculture, to the formal and informal marketing system, and to small-scale food processing in both rural and urban areas. The importance of street foods in supplying urban residents and rural travellers with prepared food has also been documented: about 90% of all eating establishments in those cities studied are encompassed within the definition of "street food vendors." Indeed, the EPOC staff had to revise and readjust the boundaries of the definition as a result of each new country study. It became very clear that the line between "informal" and "formal" sector restaurants was very difficult to draw.

It is our conclusion that these vertical and horizontal linkages are typical of activities of micro-entrepreneurs. Further, we would argue that while the term "informal sector" has had its usages, in programming for assistance to micro-entrepreneurs the term obfuscates rather than clarifies. Thus, the time is ripe for a sectoral approach to micro-entrepreneurs at both the project design and the project implementation stages.

For example, the activities of street food vendors as food processors and delivers of fast foods will need to be understood not only in terms of their own internal dynamics but, also, in terms of their interrelationships with other components of the informal food delivery system and with their formal,

or "macro," counterpart. Grasping these horizontal and vertical linkages will make it possible to identify ways in which changes within both formal and informal parts of the food system affect the street food vendor, and to predict the impact of such changes within larger food-focussed projects and programs. This understanding will enable mechanisms for assistance to the specific types of micro-entrepreneur to be adapted better to relevant conditions in both the macro and micro sectors.

Such an approach will also improve programming for new industry. Feasibility studies of large-scale private enterprise projects have tended to ignore the role of the informal sector in similar smaller-scale activities, overlooking the fact that, in many instances, both informal and formal sector entrepreneurs use the same sources of supply, but cater to very different markets. In the past, the entry of a new formal sector industry into a market has often meant the displacement of the parallel informal sector enterprises. The loss of jobs and income, which might have been identified at the project feasibility stage, was in all likelihood ignored, or justified in the name of the productive efficiency and economy of the larger-scale formal sector investment. Many times, these narrowly defined benefits turn out to be open to question. It is evident that, in the course of the impact analyses for such private enterprise developments, there is a need to look in depth at the effect of such new investments on similar activities already existing in the micro-enterprise sector.

Heterogeneity. At the other end of the scale, little attention has been given to differences within the informal sector. In reviewing the 19 case studies of micro-enterprise assistance programs examined by Smith and Tippet (1982) for the World Bank, and the report of PISCES Phase I in Farbman (1981), it emerges that the micro-entrepreneur loan recipients are generally defined only as micro-businessmen and -women, with no further description given nor distinctions made. Such distinctions may not always be significant in the delivery of credit assistance to the micro-entrepreneur; yet, if the objective of a micro-enterprise assistance program is to provide more than simply credit, i.e., if it is to offer social and technical support, then the operational differences between the various activities become critical.

The EPOC Street Food Project shows, for example, that input requirements for vendors handling perishable foodstuffs are very different from the needs of micro-entrepreneurs manufacturing and reselling nonperishables. Similarly, technical assistance to micro food processors in the areas of energy conservation and food technology require yet another specialized delivery mechanism. It is increasingly evident that a need exists for more focussed and yet also more encompassing assistance programs, targeted on particular subsectors within the informal sector.

This is not a new notion. Among the more successful actions in this area are SEWA (Self-Employed Women's Association) of Ahmedabad, and Working Women's Forum, of Madras. Both are organized around the provision of assistance to meet the specific needs of women in the informal sector of India. Within SEWA, groups are organized along functional lines, such as the chindi sewers or papad makers, with assistance geared to their very specific needs (Sebstad 1982). However, such programs, which target assistance on functional subsectors within the informal sector, are few in number.

In part, this may be an inadvertent result of some of the tactics employed in the struggles over the last decade to have the micro-entrepreneur taken seriously by development practitioners. In their advocacy role, writers have presented measures of aspects of the informal sector (such as volume of sales, numbers employed, or income generated) in the aggregate, for better impact. While this approach is useful to attract the attention of policy makers, development assistance clearly must be geared to the specific needs of each functional subsector. On the other hand, there are certain overarching needs of all micro-entrepreneurs such as legitimacy, or access to credit. At first, USAID and other assistance agencies tended to focus their attention on credit, perhaps to the exclusion of other supports. Today the emphasis has been broadened to include management and accounting skills. However, the programs seldom differentiate among the micro-entrepreneurs, but tend to offer

services to them according to size rather than to entrepreneurial activity. In EPOC's view, greater attention to the specific needs of the various types of micro-entrepreneurs should be added to future project designs.

Assessing Programs for Micro-Entrepreneurs

Evaluating the success of programs designed to aid micro-entrepreneurs is an exercise of debatable value. Two issues stand out: the first is the method of assigning costs of programs which give assistance; the second is the method of valuing labor input. The statistical assumptions made concerning these two factors can make a program appear either successful or unsuccessful. The assumptions utilized depend largely on the initial objectives of the program.

Administrative Costs. Any program which delivers services to a myriad of individuals at the micro level must concern itself with the administrative costs of such services. When the product delivered is education, family planning, or primary health, there is no expectation that the service will be self-funding; in such cases the administrative costs are seen as chargeable to the organization or government running the service. Economic benefits from such services are derived from fewer, healthier and better trained citizens. As noted above, earlier programs to assist micro-entrepreneurs assigned administrative costs to organizations, rather than to the program, directly, or to the recipients of the

services, indirectly. Herein is the heart of the philosophical debate between those concerned with assisting the poor and those who take a hard line about program self-sufficiency.

It is important to recall that even in the United States the attribution to private enterprise of the government costs of support to this sector are unclear. General taxes support the efforts of the Department of Commerce or the Small Business Administration to assist business. Tax subsidies to business are supported on the grounds of national welfare and are not assigned to specific businesses. Similarly, the cost of aiding micro-entrepreneurs serves the general welfare by keeping them employed and so keeping them as customers of many other entrepreneurs at both the micro and macro levels.

On the other hand, many programs aimed at assisting the poor have so emphasized the welfare aspect of their efforts that economic viability is lost sight of, with the result that programs frequently create dependency. This has been true especially of handicraft projects aimed at women's groups. Thus, the current emphasis on economic self-sufficiency of micro-entrepreneurial programs is a useful concept when applied to particular services. Many of the administrative costs, however, should be absorbed by development programs and eventually by general tax revenues.

Labor Costs. The "book" profitability of micro-enterprises depends to a great extent on the method used for assigning wages to family labor. In countries where unemployment is rampant, the opportunity costs of hiring women and children are very low; wages attributed to men may also be pegged artificially high and so show the enterprise losing money. Use of an often unrealistic "minimum wage" to cost out labor input can turn a viable enterprise into a failure on paper. The fact that the various informal sector activities provide a livelihood to many people is documented in the EPOC study and many others. Our income statistics, based on observation and surveys, show an adequate living for the vendor, but little profit or savings. Our field staff felt that the reported figures were lower than reality by ten to twenty percent. Difficulty in obtaining accurate data is one problem; another is the weakness of current micro-economic models. More realistic assumptions concerning this type of economic activity will modify evaluations of assistance programs.

Credit: A Major Need of Micro-Entrepreneurs

Extensive research undertaken during the 1970s identified the high cost and difficulties of obtaining capital as the major problem confronting the smallest entrepreneurs (Fraser 1979, Hill 1982, Liedholm and Chuta 1976, Reno 1981, Sebstad 1982). As a result, assistance to micro-entrepreneurs has primarily been associated with the delivery of credit. Reviewing representative programs, we find that credit has been

made available to individuals through a wide variety of intermediary institutions which serve as retailers for the lending agency. These include:

- A. Specialized credit assistance organizations that give individual loans to traders. Many of these programs are implemented by agencies, such as the Metro-Manila Barangay Industries Development Program, which fall under the jurisdiction of a government department (Brown 1981), or the Banco Popular y de Desarrollo Comunal as part of a special loan program (Lilly 1984);
- B. Community-based nongovernmental organizations like the National Christian Council of Kenya (NCCK). They guarantee loans that are, in turn, lent to their members, many of whom are micro-scale operators (O'Reagan and Hellinger 1981);
- C. Group-based loans are most frequently granted to an individual who is a member of a small group ("affinity group") of fellow entrepreneurs, usually formed for this purpose. This group of peers guarantees the loans from a more conventional lending institution and members are held accountable to one another. If one fails to repay, all are penalized. Thus, there is group pressure to comply. The Self-Employment Program (SEIP) in Manila (Reno 1981) and the solidarity loans to tricycle-

ROS operators under the PRODEME program in the Dominican Republic (Farbman 1983; Beardsley 1982) are of this type.

From the perspective of the recipients who operate at the micro level, such loan programs can make the difference between operating on the margin of economic survival, and self-sufficiency. To entrepreneurs like the street vendors, the key advantage of such a loan program is the quick and easy access to funds. Interest rates for the borrower are a less important factor since the rates charged on these loans, even when as high as 35% per annum in countries such as Bangladesh, are usually lower than those of the alternative sources of money available to them, particularly moneylenders. The case for subsidized loans seems limited to special cases such as the start-up of a business or collective enterprise.

Loan repayment rates among micro-enterprise borrowers are very high; indeed, credit programs for women often have repayment rates in excess of 90% (Bruce 1980, Reno 1981, Lilly 1984). It should follow that the delivery of credit to micro-enterprises should be an area of viable technical assistance. However, the results of PICES Phase II have shown that few of the experimental programs encompassed by the project have been able to cover their costs. Thus, the goal of AID's initiative regarding private enterprise (to deliver such services to the micro-enterprise sector on a profit-making basis) seems out of reach.

Micro-Enterprise vs. Family Welfare. Most micro-level food enterprises are family-run operations whose economics are inseparable from those of the household. Dipping into operating and investment capital when family emergencies arise inevitably limits the ability of inevitably limits the ability of street food establishments to accumulate capital, regardless of net profit levels. The National Council of Churches of Kenya (NCCCK) loan assistance program, in the Mathare Valley outside Nairobi, found that over a third of the informal sector businesses were unable to sustain any growth for these reasons. In an environment in which the financial needs of a business are inseparable from those of the household, there are often competing demands on available capital. Sebstad (1982), in her analysis of the small-scale street vendors who belong to the Self-Employed Women's Association (SEWA), Ahmedabad, India, found that the credit received by small-scale street vendor and home-based food producer members was broadly used for working capital (60%), social obligation (4%), debt repayment (12%), health care (4%), and other purposes (20%). Thus, there is an obvious need to understand credit programs for street food vendors in terms broader than a banker's notion of credit assistance to build a business. Any credit program for such enterprises should be primarily conceived and implemented as action aimed at stabilizing income.

For many street food vendors, especially the women, the building of their businesses is only one among several goals; others include taking proper care

of their children's education and meeting other obligations imposed by social cultural standards. Many of these goals many not lead directly to enterprise expansion but are no less important for long-term development. In the Philippines, many children of informal sector proprietors have entered the formal sector through avenues other than formal sector food preparation businesses. They have become doctors, lawyers, and government workers. This generational process of upward mobility is exemplified by a female university professor in the Philippines. Her education was financed by the earnings of her mother who has spent her working lifetime in the street food trade. As a young girl, she assisted her mother in this business and, to this day, street foods are an integral part of her diet.

In the EPOC studies, in those cases where enterprises did accumulate capital, they did not become formal sector restaurants. They expanded horizontally, providing a second vendor station for another family member; or they converted to nonperishable items and became a micro-grocery-store (an activity requiring more capital for a larger inventory). Or they invested in transport, or in wholesaling raw materials for street foods. It may be that the constraints of perishable foodstuffs make it particularly difficult for street food vendors to expand. It may also be that the very different organizational demands of a small business inhibit family-controlled micro-enterprises from growing linearly, but rather require a leap which few micro-entrepreneurs wish to risk.

In sum, evidence from the Street Foods Project clearly questions the validity of the guiding assumption of many credit assistance programs: that successful micro-enterprises will expand and eventually become formal sector firms. However, in rejecting this assumption, we do not deny the need for credit assistance programs for enterprises operating on the scale of street food vendors. Without exception, lack of access to working capital was regarded by the street food enterprise owner-operators as the primary business constraint confronting them.

Moreover, experience has shown that the effect of credit can be to raise the level of sales of many of these firms to between two and five times their previous levels, and to increase enterprise profit margins by as much as 30% to 50%. Such micro-entrepreneurs often can qualify for loan programs specifically directed toward informal sector business development, i.e., the provision of operating capital to ongoing firms that can support themselves, create profits and accumulate capital. However, other such enterprises should not be denied access to credit programs if they can repay the loans. After all, the findings of the EPOC project have demonstrated that a wide range of street food enterprises are efficient operations which generate an income competitive with alternative forms of employment: earnings per worker in all countries were equal to, or above, the minimum formal sector wage.

Beyond Credit

According to EPOC's findings, the provision of credit is an essential, but not sufficient, support for vendors. Perhaps the overriding concern is for legitimacy, a policy issue discussed further in Appendix C. Other needs frequently mentioned include:

- o business and/or management skills;
- o insurance against loss of business due to illness when the vendor is unable to practice his/her income generating activities;
- o reliable sources of raw materials;
- o adequate technical knowledge;
- o better information of the market;
- o general information about types of assistance available to small-scale entrepreneurs.

Business and/or Management Skills. There is a general consensus among those working with the informal sector that some elemental bookkeeping skills are key to a successful business. While the type of bookkeeping assistance useful in this sector will clearly be closely tied to the level of literacy of the vendors (in the Philippines, 20% had attended college), there is much to be gained by the owner-operator who learns how to tell whether the business is operating at a profit or a loss. Keeping even the simplest of records is important and is a basic management tool that can be gained relatively easily, especially when there is a literate adult or child in the household. However, because of the inseparability

of household and firm finances, it is not uncommon that members of the informal sector are not certain whether their operations are profitable. For example, many street food vendors fail to include the cost of feeding their families from the street food pot as part of their costs. Understanding the enterprise's cash flow requires that a vendor know more than how to divide a day's earnings into working capital and income.

Health Insurance. Dipping into operating capital is probably most devastating for the enterprise when illness strikes the owner-operator. The difficulty caused by the need to use savings is compounded by the inability to earn even a survival income during the period of absence from the work site. This problem has been identified in the Philippines, and a vendor health insurance scheme could possibly be funded under a USAID health project, the Primary Health Care Financing Project. While the economics of such an insurance project remain to be appraised, a cost-effective scheme would certainly offer invaluable assistance to the street food vendor's family as well as preventing rapid bankruptcy of the street food firm.

Costs and Reliable Sources of Supply. The need to keep production costs as low as possible remains central in any such enterprises. Where the unit of food preparation and sale is very small, there is little margin for improvement beyond cutting ingredients or readjusting proportions or portion

sizes. Faced with continually rising food costs, some vendors in Senegal found this too great a hurdle, and several went out of business in the course of the project. One solution would seem to lie in improving access to bulk resources (and corresponding savings), by linking street food vendors as a group more directly with suppliers. This would permit the vendor to bypass the local retailer and/or middleman, and thus lower costs, provide him/her with a reliable source of supply, and rural producers with a regular and assured market for their output.

Improving an urban street food vendor's system of supply can be conceived of in terms of his/her inclusion in a voluntary retail food chain, a distributive mechanism which integrates wholesale purchasing and stock maintenance for many small food retailers and permits them to buy in bulk. This institutional structure, which has been introduced as part of programs in both Latin American and Asia, can act as a source of the inputs required by the vendors as well as another market for the micro-food-processor's output.

Food Technology and Marketing. The food preparation technology used by street food sellers was found to be relatively unsophisticated. The majority of vendors relied on indigenous resources for cooking, using clay or cement stoves that burned wood and charcoal in the Philippines, and charcoal braziers in Senegal and Indonesia. In light of the rise in fuel costs, much of it due to the increasing scarcity of

fuelwood, improvement in cooking technology, although a less obvious need, is one which could bring a lowering of production costs.

The comparative advantage of the street food trade in relation to parallel macro-enterprises lies in the small vendors' ability to provide the consumer with convenient, low-cost food. With their current low level of food-processing and -preparation technology, many small-scale vendors can be undersold by large-scale enterprises practicing economies of scale and more cost-efficient food technology. This has happened with candy-sellers in both Bangkok and Iloilo.

Nonetheless, many micro-level food processors could sell many items, such as snacks, below the price of the industrially manufactured foodstuffs but, in many cases, more than a lower cost is required to command a market. An improvement in presentation, possibly packaging in plastic if the product is not perishable, might be necessary if the street food is to compete with its industrially-produced counterpart.

The needs identified above suggest that assistance targeted in the street food trade segment of the informal sector is clearly warranted, and would benefit not only buyers but also their households and the consuming public at large. At the same time, it is evident that what is required is a program that responds more specifically to specific needs than the simple provision of business credit.

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APPENDIX C

The Street Food Trade and Urban Development

The institutional priority accorded by USAID to urban development has always been secondary to the priority status of rural development. The Agency's activity in urban areas has been focussed largely on the provision of low cost housing (sites and services, settlement upgrading programs), with the Housing Guaranty Program playing a major role. However, in recognition of the fact that urban development is an integral part of a country's total development process, there has also been a broadening of the scope of work undertaken by the Office of Housing which has addressed several issues which directly relate to the street food trade: the developmental role of urban places with respect to support for the development of institutional capacity at the level of local government; the allocation of investment to secondary centers; the promotion of nonfarm private sector activities, and support for urban social services including education, health, and community development programs.

Rural-Urban Linkages

One such issue is the importance of linkages of rural producers of raw materials and processors of prepared food with urban entrepreneurs. A recent proposal from the Africa Bureau addresses the issue

very specifically, focussing on rural-urban linkages as a mechanism to foster rural development as African urbanization proceeds. The street food sector's concern for the provision of low-cost food, its utilization of local agricultural production and its expansion with urbanization bear directly on this issue. Consideration of the impact of the street food sector on regional agricultural policy has also been raised in the Philippines as a direct result of the findings of the Street Foods Project in that country. With nearly a quarter of the household food budget in Iloilo being spent on street foods, the Director of the National Economic Development Agency (NEDA) for Region VI is looking at the region's agricultural programs in terms of their capacity to meet the needs of this sector

However, the role of the street food sector as a stimulant for growth and change in the rural area goes beyond its direct linkages with the agricultural sector. Employment in the rural informal sector is also affected, including transport, distribution, and other food supply activities such as the manufacture of carts and equipment used in food preparation and marketing, as well as slaughtering services, and the indirect multipliers that result from the spending by low-income households out of income earned from these activities. While the nature of the linkage process remains to be examined in depth, data from related studies suggest that the impact may be considerable.

Role of Secondary Cities

A second issue is the pivotal role of secondary cities and market towns in fostering development of rural areas. The continuing, overwhelming dominance of primate cities in many countries has led to a heavy concentration in these urban areas. A desire to disperse investment and growth has meant the implementation of policies and interventions aimed at re-allocating resources to other components of countries' urban systems. At the upper end of the urban scale, growth-center development and concentrated decentralization of industrial activities have been among the strategies employed toward this end. At the opposite end of the scale, attention has focussed on the capacity of small towns to play a generative role in the development of their surrounding hinterlands.

Much of the research to date on the informal sector has been undertaken in larger cities. To look more closely at this sector's role in small urban places, the United Nations Center for Regional Development initiated a worldwide project. Among the issues considered was the relationship between the size of an urban place and the size of its informal sector. EPOC's study, with its focus on a specific subsector of the informal sector casts some light on this issue, particularly since it encompasses a range of cities which vary in size and in each city's relation to its country's city-size distribution.

EPOC's findings suggest that the street food trade expands with increases in city size. Certainly the greater number of street food establishments in the larger cities of Iloilo and Bogor, 5,100 and 17,760 respectively, might have been expected, given the greater volume of demand and the large size of the population without access to household sources of food production. However, the difference in the proportion of people per street food establishment, 49 to one in Iloilo, and 15 to one in Bogor, shows that this relationship is not a straight line trend. Both vendors and city officials in Bogor, with its average of 15 customers per vendor, feel that the trade has reached a point where prices are falling and profit levels are being eroded. On the other hand, incomes earned from this economic activity in Bogor still remain competitive with earnings from other forms of unskilled labor, suggesting that the point of diminishing returns may not have yet been reached.

The bulk of the street food trade in Iloilo and Bogor, as well as in Ziguinchor, is concentrated in residential areas rather than the central city by ratios of close to 4 to 1. In residential neighborhoods in Iloilo, it is not unusual to find one household in three prepares and sells street foods. It is suggested that the difference in population densities between the two cities may, in part, account for the difference in the number of vendors in relation to the size of the general population. The much greater population density in Bogor, and the resulting shortage of living space, and possibly cooking space, may impose constraints which in turn

dictate a greater demand for street food meals and snacks. At the lower end of the scale, the lesser volume of street foods in Manikganj can be explained in large part by the low levels of disposable income there.

City Government Planning for Development

It is in the city that development policy and project planning confront the reality of the street food trade. In most developing countries, municipal or local level governments are primarily responsible for implementing actions intended either to support or to eliminate this segment of the informal sector. In many instances, this results in a situation of ambivalence: anti-vendor policies dictated from above, conflicting with the interests of municipal governments. For example, through their payment of market taxes vendors provide one of the few independent sources of revenue available to city and local governments. On the other hand, central and regional governments remain the cities' main source of financing. The challenge for city governments is to reduce the problems associated with street food vending while at the same time leaving intact the constructive contribution this sector makes to the urban economy. In order to achieve this it is important that city government planners understand:

1. the role of the street trading sector in the economy of the urban place, and
2. the design of actions appropriate to the needs of the sector as well as its clientele. These two elements are briefly examined below.

Legal Recognition

A constructive approach to street food vendors in any city requires an environment in which these activities can be undertaken with legitimacy. And, while anti-vendor policies continue to be a widespread phenomenon, in many developing countries there is growing evidence of the de facto, if not de jure, recognition of the vital role of street foods within the urban economy. For example, outside Manila, municipal officials in the Philippines take an accommodating view toward street vendors. There is little evidence of the harassment and banishment from the streets that has occurred in the capital. In Lima, the Instituto de Libertad y Democracia is working with government and the business community toward restructuring the legal system to lower the barriers that keep this dominant sector of the economy legally outside it.

Legal recognition of the informal sector and the street food trade is vital; but this is inevitably a difficult recommendation to implement. The first step is for governments to permit the presence and activities of street food vendors in their cities, and to provide space for them to carry out those activities. If the street food trade is associated with a positive contribution to the urban economy, something this project has clearly demonstrated, this step should be easier to take.

Municipal Administration

Recognizing the street food trade is more than simply the de facto or de jure legitimization of this trade, it also involves establishing a coordinated administrative infrastructure at the level of city government, dealing with vendor associations, and working together with (as well as taxing and regulating) the sector without overburdening the micro-entrepreneur.

Responsibility for street food trade in most countries, including those encompassed by EPOC's Street Foods Project, has tended to be fragmented. For example, regulation and licensing of vendors usually falls within the orbit of the police department; health and sanitation control is the responsibility of the health department; obstruction of traffic flow concerns the department of transportation; and the provision and maintenance of marketplaces falls under public works. In some countries, many of the responsibilities for certain of these activities are also controlled by the central government, adding another layer to the complex pattern. To take a concrete example, while the street food vendor in Manikganj pays his or her license fees to the municipality, the levels of these fees are assessed by the food department of the central government.

Under such circumstances, the street food trade, like much of the informal sector, is not the primary interest of any single department but, rather, is of

marginal concern to many. From the administrative purview of city policymakers, planners and regulators, the street food trade is allowed to "fall between the cracks." Inevitably, this creates confusion in government policy towards vendors as well as for vendors attempting to conform with the many regulations. Illustrating this point quite clearly is the experience of street food vendors in Iloilo City. They are required to have a permit from the Bureau of Internal Revenue, sanitary and health permits, and be registered with the city, in order to operate on the government-owned marketplace. Not surprisingly, very few of the respondents were even able to describe the actual number of the licenses and permits they were required to have, and many street food sellers had to hire people to obtain these items for them.

Against this background, a first step toward successful integration of street food vendors into the urban economy clearly must be the introduction of a coordinating mechanism at the level of city government. Without it, the implementation of any legislation remains very difficult, and it is easy for city officials to justify actions aimed at removing street vendors from the streets.

Vendor Associations

A coordinated and constructive approach to the street food trade means not only planning for street food vendors, but also planning with them. The emergence of vendor associations should be integral to this process. Just as it is difficult for agencies to

deliver credit and other assistance to a sector composed of a multiplicity of independent and atomized units of production, so too, is it difficult for government to deal with this sector unless it is organized.

A primary role of a vendor association should be to provide an institutional base for communication between government and the vendors. Certainly it is more difficult for governments to harass and ignore organized vendors' demands. Yet, the presence of associations that can perform these functions does not, alone, ensure that the city government will take a constructive approach to the street food trade. While the sidewalk vendors' association in Iloilo City, for example, has a president who represents their interests to the mayor, over the past 10 years, the association has not been able to prevent crackdowns by the police in which vendors have been arrested and their carts confiscated; similarly, the hawkers associations in Manikganj have not been effective in persuading government officials to make vending at the bus stand legal.

At the same time, the vendors' associations' responsibilities should not be limited to an advocacy role. They should also meet some of the needs of their members, providing services that government and the private sector either find themselves incapable of implementing or judge not to be cost-effective to deliver. Self-regulation, in terms of policing the sidewalks where their members trade, has been an important role for the Iloilo City sidewalk vendors'

association. Two of the vendors' associations in Manikganj collect dues from and give loans to members, a third is saving money to buy a bus which it will run as a joint business for the profit of its organization. In addition, while providing these varied and vital services for their members, these associations can lend legitimacy to their clients' grievances.

The emergence of vendor associations should obviously go hand-in-hand with a coordinated and constructive approach by government to deal with the street food trade. Unfortunately, there are no signs of this process in motion in any country where EPOC has worked. Even where the government appears to take a sympathetic view toward street trade, such as in Manikganj or Ziguinchor, toleration is often tenuous at best. But the street food trade is too persistent and pervasive a phenomenon to be ignored. A more creative approach to managing and encouraging the street food trade is needed.

Taxing the Street Food Vendor

The provision of functional space for street food activities is advised by many urban development experts as an alternative to the congestion that plagues so many streets and sidewalks where street food vendors conduct their trade (Bromley 1976, McGee and Yeung 1977). The 1960s and the 1970s saw a spate of marketplace construction projects intended to address comparable problems associated with the larger issue of perishable foodstuffs retailing. These projects were, to a large degree, a reflection of that

period's development vogue: capital-intensive infrastructure investment. Several years later, however, some of these marketplaces are either under-utilized or stand empty, mute testaments to the misunderstanding, by governments as well as international donor officials, of the location and socio-economic dynamics of small-scale food distribution systems (Mittendorf 1978). For example, in Cali, Colombia, the new central marketplace was located at a distance which placed it well beyond the reach of the time and income budgets of its intended users (Bromley 1981).

The decision to include the street food trade in city development planning is followed immediately by the question of cost and, close on its heels, the question of taxation. Legalization brings designation of serviced, or even unserviced, trading space; this municipal "service" usually brings with it the imposition of a user tax to be paid by the vendor. But, according to the prevailing image of the street food vendors, they pay no taxes and this, it is believed, is part of what enables them to charge low prices. However, the EPOC project has found this image does not reflect reality. In all of the study countries except the Philippines (i.e., in Senegal, Bangladesh, and Indonesia), a significant percentage of the vendors pay some tax or license fee to the municipal government for the right to trade. Even in Iloilo City, Philippines, where the rate of payment of license fees is lowest, many of the sidewalk vendors paid fees to an association in return for protection from police and from competing shop owners. In Bangladesh, similar unofficial fees are also paid; but

there, in many instances, they constitute unofficial payments to the municipal bureaucracy. Such levels of fee payment imply an ability on the part of vendors to pay fees and still continue to provide low cost foods to their clients. Everywhere, these fees were found to be low: in Bangladesh, they came to less than one-half of one percent of a vendor's total sales; in both the Philippines and Bangladesh, they were estimated to be less than one percent of total costs. And, among those that do not pay, there is also expressed a willingness to pay, so long as payment brings legitimacy to their operation.

Although the amount paid by each street vendor is rarely large (for example, the daily market trading tax in Ziguinchor averages 25cfa francs or US\$0.06), still, given their numbers, the street food sellers in the aggregate represent an important contribution to municipal revenues. In Bogor, where 58% of the sample of street food vendors paid some form of tax, estimated total taxes collected by the city government were about \$707,000 per annum.

However, the collection of some official fees from street (as opposed to marketplace) vendors is a controversial issue. A brief comment upon the issue is in order, in view of USAID's history of marketplace construction projects, and given our observation that few urban retail market investment projects include consideration of sidewalk and ambulatory vendors in their project feasibility studies. If they had, it might have altered the relationship between costs and revenues. Distinctions need to be made among:

- o marketplace vendors, who occupy purposely built stalls or legal trading spaces and who pay a daily, weekly or monthly tax or rent for the right to trade; and
- o stationary street vendors, who illegally occupy space for the purpose of trading, and
- o ambulatory vendors who move around the city on foot or with a bicycle, much like a house-to-house salesman.

Discussions with urban finance specialists indicate that many take the view that the volume of revenues that can be collected from ambulatory informal sector firms is outweighed by the costs of collection. We believe these problems may not necessarily be insurmountable. For example, in Indonesia, mobile vendors do pay taxes. Problems of collection aside, if street vendors are ignored in any marketplace assessment, then their integral role in the provision of urban retail services is inevitably overlooked.

APPENDIX D

Street Foods: Their Safety and Nutritive Value

Street Foods have tended to be dismissed by health and nutrition specialists as unsafe foods of little nutritive value. EPOC staff collected data which question both assumptions. Nonetheless, improved health standards are desirable, as are enhanced nutritive values for certain foods widely consumed by school children. Before such positive changes can be made, however, skeptics must be convinced of the importance of street foods to the diet.

Street Foods and Nutrition

Street foods are integral to the diet of people across the economic spectrum and, most importantly, to children -- the segment of the population most vulnerable to effects of nutritional deficiencies. The EPOC studies in Bogor and Iloilo made it a point to investigate the nutritional contribution of the street food trade. The findings indicate that it is substantial. The percentage of the household budget spent on street food in the countries studied averages about 25%. In surveys of customers at the point of purchase, in Iloilo, it was found that those in the lowest average income quartile spent 53% of their income on street foods, which amounted to 28% of their total food intake. The two highest income quartiles spent a

considerably smaller portion of their income in this manner, but they obtained a greater portion of their food intake from this source: 38% to 40%.

What nutritional value does the street food consumer receive for the money spent? In Bogor, it is possible to obtain more than half the Recommended Daily Allowance of protein, iron, vitamin A, and Vitamin C from one meal worth 300 rupiah. The typical 500 rupiah meal will provide appreciably more protein but much less vitamin A. By contrast, in Iloilo, the nutrient content of the typical meal was much less, although it was still a good source of protein. A street food snack in Iloilo, compared to a meal, provided more calories, less protein and vitamin A, and comparable vitamin C and iron (except when compared with vegetable meals, which were high in iron). Further, oil from fried street foods corrects a dietary deficiency identified in earlier household consumption surveys.

Of course, the fact that it is possible to eat nutritious food on the street does not mean that people will always choose the foods that are best for them. Sometimes, children may, for example, buy sweets in preference to vegetables or fruit. In the light of this, working in cooperation with the EPOC study, but with separate funds provided by the Ford Foundation, nutritionists from the Nutrition Faculty at Bogor (GIZI) convinced bakers of bread and another wheat-flour-based product, bakwan, to fortify their products with soy flour. The resulting product, which was much richer in protein, was sold by vendors

operating canteens on school property. Both products were readily consumed by the children who perceived no difference between the fortified product and the items made from the traditional recipe. A similar experiment was conducted with kerupuk, a high-calorie chip made from cassava flour. Acceptance of the product, greatly enriched in protein, was not an issue. The problem which negated the practicability of this experiment was a sudden and dramatic rise in the price of soy flour, which made the fortified product unprofitable.

Another type of beneficial intervention observed involves a system of licensing vendors who sell in or near school grounds. In Ile-Ife, Nigeria, in another street foods project allied with the EPOC studies and funded by the Ford Foundation, nurse-researchers at the University of Ile-ife School of Nursing conduct training sessions in nutrition, health and hygiene for vendors who are then certified to sell on school grounds.

EPOC has also proposed the modification of a UNICEF school health project in Indonesia to include nutrition education for vendors, parents, and school children, as a means to improve the diets of the children, as well as to improve the health and sanitation facilities at the school (which was the original scope of the project).

Generally, however, street foods provide an important source of nutrition. One eminent Filipino nutritionist scoffed at the idea of "empty calories" in a country deficient in food intake. "Even coke and

peanuts provide needed calories," he said, "although they may be an expensive choice."

The Safety of Street Foods

The argument that the unsatisfactory conditions under which street foods are sold makes them a danger to the public has long been used by governments as an excuse for eliminating street food vendors. In fact, the imposition of impossibly stringent health codes often results in bribery rather than improved hygiene. Aware of the health hazards attributed to the street food trade, the EPOC project devoted some effort to this issue in the countries studied.

Overall, our findings indicate that most street foods are as safe, or safer, than food prepared and eaten in the homes of most customers. Thus, it is difficult to improve standards without increasing health education of consumers as well as vendors. Further, cooked food consumed soon after preparation is generally safe for anyone. On the other hand, uncooked foods such as marinated oysters, or foods using unboiled milk or water, are unwise choices whether on the street or in restaurants.

Water. A major health problem is access to clean water for washing hands and utensils as well as for use in foods. Only 8% of the vendors in Bogor have a water source of any kind at their selling locations. Limited access to clean water and adequate garbage disposal together with the lack of sewage disposal is also a serious problem in Iloilo. The

microbiological testing of random samples of street foods in Iloilo showed a direct correlation between the quality of the services and the safety of the food sold.

In Manikganj, EPOC interviewers -- local college graduates -- were asked to rate vendors, at the point of sale, on a 5-point scale from very clean to very dirty. It is interesting to note that no vendors were rated "very dirty," and only 2.5% were rated on the dirty side of the scale at all. By contrast, 21% were rated as "very clean," and 61% as "clean." Consistent with observations on the safety of many street foods is the fact that tubewell water, which is used for drinking, ice cream, and uncooked beverages, is available at all food selling areas, though not always close at hand. A woman tea shop owner in Manikganj assiduously rinses each tea cup with boiling water before serving a customer. Her clients, when questioned, indicated that in spite of her slightly higher prices they preferred her tea shop for reasons of cleanliness.

Clearly, the provision of clean water for the use of street food vendors is the single most important step in improving the safety of street foods. A second major step is the slowing of contamination of the food after preparation by covering the food, and by eliminating garbage dumps and open sewers in areas where food is sold.

Several countries have instituted realistic health standards for street foods. Burma early

required covering foods, a practice now extended to Thailand. Malaysia was one of the first countries to provide space and water for vendors in the evenings in day-time parking lots. Singapore has moved its vendors into modern buildings, a solution too expensive for most other developing countries or their vendors.

Of course, in the long run, provision of water, garbage and sewage services should not be limited to areas where street foods are sold but should be extended to areas where the poor live. Until that is done, demanding much higher standards for street food vendors than is typical in the slum areas may protect the middle-class customers. More likely, the imposing of middle-class health standards on vendors will either put the vendor out of business or open the way to increased bribery. These caveats notwithstanding, providing an environment that is conducive to the hygienic preparation and sale of food must become a development priority. Development planning for food safety and health with street vendors, both stationary and ambulatory, requires recognition by governments and donor agencies of street vendors' infrastructure needs, particularly water and sanitation services.

Education. Increased efforts at health education for the general public is also important. UNICEF's project in rural schools in Indonesia attempts to reach teachers and parents as well as students with basic information about disease. Utilizing traditional pageants and dramas has worked for imparting family planning messages; why not information on health and nutrition. Magic tricks have

been used by Peace Corps Volunteers to illustrate the impact of unseen viruses or microbes. Soap operas on radio have also been successful channels for new ideas.

Reaching the street food vendors in particular is more difficult. Organizations formed to deal with the municipal government could be a channel. Requiring higher health standards of vendors licensed to sell on school grounds or at newly created corner stands might be more efficacious. The vendors would realize economic gains from their efforts and so be willing to spend on covered jars or washing equipment.

Unsafe Practices. Street food vendors, like food processors everywhere, wish to make their wares attractive. Several instances were noted during the EPOC study where dyes were used to color food. These dyes, however, were made to be used on cloth! Neither vendors nor consumers seem aware of the danger of this practice.

Similarly, little concern is evinced over molds on spices or peanuts. Recent investigations show that the organism which produces aflatoxin grows particularly well on grains and peanuts damaged in the harvest and then stored under moist conditions. Aflatoxin is a potent liver carcinogen. Peanuts, and peanut sauces, are significant street foods worldwide.

Another practice that needs careful review is the growing use of plastic to cover and to package foods. Often overlooked is the fact that, while a plastic bag

may protect the food inside from flies and look "very modern," it also acts as an incubator, with the dangerous consequence of contamination as well as changes in the taste of food. Traditionally, in many developing countries, food bought on the street was packaged for the buyer in natural fibres, such as banana leaves. Many vendors are now confronted with a shortage of these natural fibres. In the search for alternatives, many vendors recycle empty plastic containers, plastic bags, and newsprint as packaging for street foods. Unfortunately, the dangers which accompany these shifts are numerous and not always obvious, the re-use of fertilize containers being a case in point. Our findings on this subject, while very preliminary, suggest that this is an area of inquiry which is ripe for examination.

Toward Safer and More Nutritive Street Foods

EPOC's findings suggest that street foods are safer and have more nutritive value than is generally recognized. However, improvements can certainly be made, both in food handling and in the nutritive enhancement, particularly of snack foods.

EPOC proposes two strategies for improving the product of street vendors without decreasing their income:

1. Provision of frequent tiny street corner spaces -- mini-malls -- where vendors may sell food, near the busy streets but slightly away from the hustle and dirt. These mini-malls

should be provided with clean water and covered garbage cans; shaded seats would enhance the area, where space permits.

2. Require short courses in hygiene and nutrition of all vendors selling to school children; provide mini-malls inside school grounds for these licensed vendors; encourage attention to complementary proteins, and to foods lacking in the traditional diet such as fruit or nuts.