

Poverty reduction and urban development:  
A successful case of empowerment for informal vendors in the city of Bogotá

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Abstract:

Informal vendors constitute one of the most visible groups among urban informal workers in the world. Policy makers interested in empowering informal vendors to improve their living conditions have usually tried to provide incentives and programs to formalize their activities. However the vendors often reject formalization and prefer to work outside the law. Thus legal protection is often seen as a way of control instead of a tool of empowerment that could help poor vendors to improve their living conditions. This paper illustrates an alternative model of formalization of informal vendors in the city of Bogotá and provides evidence about the reasons why in this case vendors were able to improve their working conditions. This article uses the case study of transitional zones for street vendors in Bogotá to illustrate the role of formalization policies in the empowerment of the working poor. The city council of Bogotá approved a law to create 'transitional zones' of vending in 2003 after more than ten years of a legal confrontation in the Constitutional Court about the legal status of vendors in the city. With more than 100.000 vendors, the city implemented a program to legalize vending in certain zones; it was called 'transitional zones for formalization'. Vendors could apply for a space in these zones only as part of an association and the city gave associations the power to administrate the zones but kept the overall control.

In order to understand the effects of formalization among informal vendors I conducted structured interviews to 169 participants as well as in-depth interviews with the leaders of seven organizations of vendors in the transitional zones and the program managers. In this case legal empowerment through formalization allowed not only for vendors to work without fear of eviction but most important with protection from harsh weather conditions as heavy rain and sun. Additionally most of the workers considered that being able to have the protection of the law increased their market opportunities and they were able to increase their profits and to secure their merchandise. However lack of public infrastructure such as running water, toilets and accessible day care are still some of the most important hazards that vendors face. Empowerment of vendors in the informal economy requires more than legal reforms. In the same way the government is supporting regular business and investors with public infrastructure for transportation and communication, the working poor require more than any other workers the support of public investment in the activities that provide them with a basic income. Formalization needs to be more than legalization to become a source of empowerment for the working poor.