

HUNGRY CITIES PARTNERSHIP



INCLUSIVE GROWTH AND INFORMAL FOOD VENDING IN MEXICO CITY, MEXICO

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ACKNOWLEDGEMENTS

The research and publication of this report was funded by the Social Sciences and Humanities Research Council (SSHRC) and the International Development Research Centre (IDRC) under the International Partnerships for Sustainable Societies (IPaSS) Program.



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Published by the Hungry Cities Partnership at the Balsillie School of International Affairs, Waterloo, Canada, and the African Centre for Cities, Cape Town, South Africa
hungrycities.net

First published 2020

ISBN 978-1-920597-40-5

Production by Bronwen Dachs Muller, Cape Town

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PREFACE

The food retail, distribution, and preparation sectors are a major component of urban informality in the Global South. The informal food economy comprises a dense and diverse network of informal markets, suppliers, transporters, mobile traders, hawkers, retailers, and street food vendors making food more accessible and affordable in low-income areas. The informal food sector is thus critical to the food security of poor urban households in rapidly growing towns and cities in the Global South. While the vibrancy of the sector is everywhere apparent, research on the structure, organization, dynamics, and impacts of informal food systems under conditions of hyper-urbanization has been limited. What is clear is that the informal food sector is both diverse and complex. By working in an interdisciplinary context with mixed methodologies and across different cities, the Hungry Cities Partnership (HCP) aims to add considerably to our understanding of common elements and differences across the Global South.

The informal food sector represents an “urban laboratory” for examining whether and how inclusive growth strategies can positively affect entrepreneurship and incomes, and help in alleviating poverty and mitigating the crisis of food insecurity. Fast-growing cities in Africa, Asia, Latin America, and the Caribbean are characterized by expanding degrees of informality. The definition of informality has been a source of debate since the 1970s. Broadly understood, informality has become the defining feature of the landscape, politics, and economy of the contemporary city in the South. As a result, efforts to secure livelihoods depend heavily on informalized activity. The Organization for Economic Cooperation and Development (OECD) has noted that “it would be misleading to address food security without taking into account a large part of the economy that provides jobs, incomes and essential services for the urban population. Despite its important role, the informal economy is still poorly defined, poorly measured and consequently poorly taken into account in food security policies” (Hitimana et al 2011: 1).

The literature on informal sector activity generally takes one of two positions. The first is a survivalist position, which suggests that unemployed individuals are pushed into the sector because they are desperate to provide for themselves and their dependants (Berner et al 2012). The corollary is that they will leave the sector as soon as formal job opportunities are available. A second, opportunistic, position is that informal sector vendors are motivated more by choice than necessity and see opportunities for economic and social advancement in the sector (Williams and Gurtoo 2012). An inclusive growth perspective asks how opportunists can maximize their outcomes and how survivalists can be supported to become more opportunistic (Knox et al 2019, Margolis 2014). As such, this perspective requires a focus on the enterprise rather than the individual and

on entrepreneurship, innovation, and job creation. Studies of the informal sector suggest that opportunities and obstacles vary considerably by enterprise size, type, and location, as well as vendors' gender, migrant status, ethnicity, caste, and access to microfinance, markets, and support programs.

National, regional, and municipal policies towards informality and informal entrepreneurship are highly variable (Young and Crush 2019). Policies towards the informal food economy span the spectrum from complete non-interventionism to draconian attempts to control and even eliminate informality. The pathologizing of the informal food sector is especially common at municipal level. Regulation through various legal and policy instruments is also a pervasive response to informality. If the informal food sector is to thrive, and provide opportunities for innovation and entrepreneurship, then an enabling policy environment is essential. The survey results presented and discussed in this report add significantly to the evidence base on which supportive policies can be constructed.

1. INTRODUCTION

This report aims to shed further light on the food system of Mexico City's Metropolitan Zone (referred to in this report as "the ZMCM"). The report is part of a research program on food security in cities of the Global South within the Hungry Cities Partnership (HCP) and builds on earlier HCP publications including *The Urban Food System of Mexico City, Mexico* (Capron et al 2017), *The State of Household Food Security in Mexico City, Mexico* (Capron et al 2018), and *Urban Food Deserts in Nairobi and Mexico City* (Wagner et al 2019). It also contributes to the comparative analysis of food security and food systems in the seven cities under study as part of the HCP. The other cities are Maputo, Mozambique; Kingston, Jamaica; Nairobi, Kenya; Cape Town, South Africa; Bangalore, India; and Nanjing, China.

Small-scale street commerce has spread throughout the ZMCM in recent decades. Street food stalls can be found at strategic points of constant foot traffic including in and around some of the city's new inter-modal transit stations. Food vendors work at thousands of street corners and busy intersections across the city, or sell to car drivers as they wait at traffic lights or are stalled in the city's notorious traffic jams. Informal vendors can also be found at bus and minibus stations, on pavement benches, outside hospitals, schools, markets, churches, and close to employment sites. While food sold by informal vendors often lacks minimum standards of hygiene and freshness and is therefore considered unhealthy, it is still consumed by clerical workers and other low-income residents. In mixed-use residential areas, a network of mobile food vendors on bicycles serve those working in low-wage jobs in construction, valet parking services, and private security for restaurants and bars. Also, on weekends, fresh produce is sold directly by producers from the back of their trucks to local residents in many different neighbourhoods.

Many vendors who previously worked in fixed stalls now move constantly to avoid detection by police, especially in the historic centre of the city and public parks and plazas targeted by the local state's crackdown on informal vending in public spaces. While food vending has always been a mobile activity, these activities are now more clandestine because of higher levels of surveillance by transit police and municipal officials. Food vendors also work in temporary open-air (periodic) markets or *tianguis*. These date back to the pre-Hispanic period and are found throughout rural and urban Mexico. The oldest continuously operating *tianguis* has operated every Tuesday for over 500 years. In Cuautitlán, just outside Mexico City, this market has 7,500 vendors and covers 250,000 square metres. There are over 1,000 *tianguis* in the ZMCM. Items sold include groceries and prepared foods. The city's *tianguis* employ about 130,000 people and are controlled by 600 associations, each with up to 600 members. The largest *tianguis*

in Mexico City is San Felipe de Jesus, which has 17,000 merchants and operates from Tuesdays to Saturdays. There are also many mobile markets on wheels with itinerant routes in different neighbourhoods of the city.

A new study of informal food vending in the ZMCM is necessary for three basic reasons. First, the informal makes up a large part of the economy and labour market in Mexico in general, and the ZMCM in particular, and food vending is one of the most important forms of informal activity (Capron et al 2017: 19). Second, food vending is common in public spaces throughout the ZMCM and an important food source for households, both for consumption in the home and outside of the home (Capron et al 2018, Capron and López 2018). Third, public policies oriented towards the regulation of the food system pay little attention to the informal sector of food vending, delegating responsibility to the management of public space, health and employment. This lack of attention creates a vicious circle whereby a lack of knowledge about the sector leads to ineffective policy interventions.

The sample of food vendors in this study captures the diversity of informal food vending and socio-spatial variation in the ZMCM, including inequalities related to metropolitan dynamics such as transport, commerce, work, and school. The survey captured fixed establishments (for example, market stalls), semi-fixed establishments (for example, *tianguis*), and mobile operators (for example, street vendors). The study was designed to capture the socio-demographic and business characteristics of the enterprises and their staff, the characteristics of the food procured and sold, the challenges they confront and the strategies they apply to carry out their commercial activities.

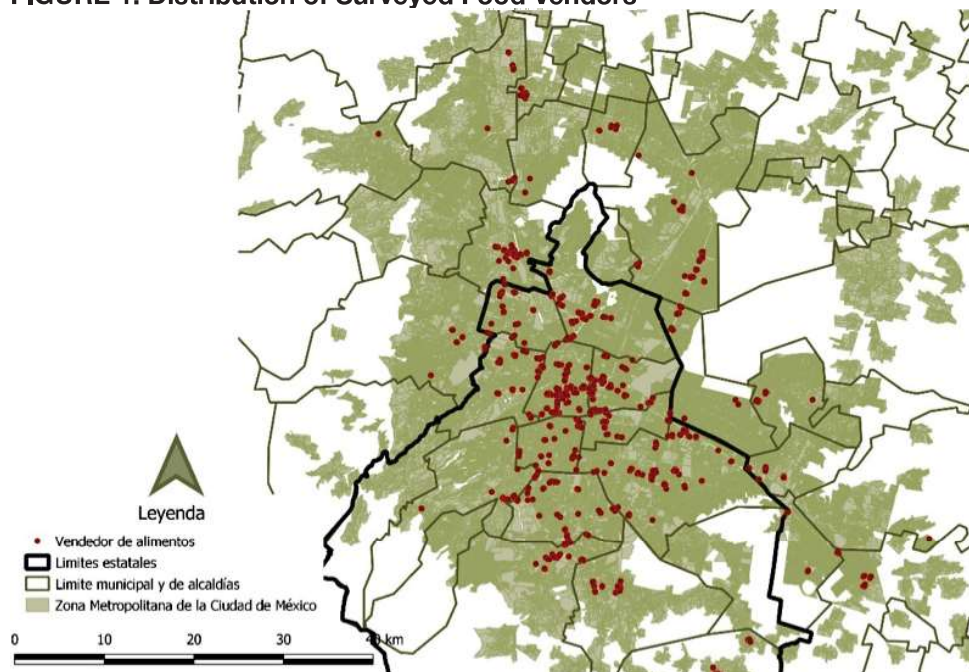
The report describes the survey methodology and then analyzes the demographic characteristics of the sampled food vending enterprises, including gender, age, education level, migrant status, and occupation. The next section provides an analysis of the business structure including the reasons for entering the informal food sector, when the business was started, business premises, sources of start-up capital, and business licensing. The following section describes the types of foods sold, sources of stock, business expenses, net monthly profit, current value of the enterprise, family dependence on informal vending revenue, access to infrastructure and services, and employment creation. The focus then moves to food vendor strategies, such as their locational preferences, setting of prices, business strategies, and financial inclusion. Operating challenges, such as competition, and threats to safety and security, are then discussed. The final section concerns the future plans of informal food vendors.

2. METHODOLOGY

This report presents the results of a July 2019 survey of over 1,200 informal food vending enterprises throughout the ZMCM. The interviews targeted stalls dedicated to the informal preparation and sale of food in the ZMCM. The cut-off in terms of size was that an establishment had no more than five employees.

Interviews were conducted in public spaces, markets, and other congregation points within the ZMCM. The sampling strategy took into account the socio-spatial distribution of the households surveyed in the earlier study of household food security (Capron et al 2018). Also, the spatial pattern of businesses in the metropolitan area was considered from the national business directory (DENUE) data. This official database defines businesses as statistical units and contains information about their geolocation, activity sector, and staff numbers. With this information, a first selection identified all the business with five or fewer employees. This selection reported 194,141 records (micro-businesses) in the ZMCM. Next, from this list of micro-businesses, a random probabilistic sample of businesses devoted to retail food preparation and consumption was selected. The selection of places for the survey used the census tracts of the National Institute of Statistics, Geography and Information to associate both the sample of food shops and the marginality index of the National Population Council for each census tract (CONAPO 2016). Food businesses were then selected for interview using a filter on the marginality index for every census tract. In the final analysis, 1,202 enterprises were surveyed distributed throughout the ZMCM (Figure 1).

FIGURE 1: Distribution of Surveyed Food Vendors



Interviewees were either owners or managers of the establishments with the knowledge and capacity to provide information on the history and operation of the business. If such an individual was not present, enumerators returned to the point of business operation for a second time. If this revisit also proved unsuccessful, the business was replaced with the closest place in order to guarantee the initial design and avoid increasing the time and cost of the survey. A total of 577 (or 48%) respondents owned the business and 625 (52%) were managers.

The questionnaire design was based on the instrument developed by the international HCP team, with some questions modified to fit local circumstances. It was translated into and administered in Spanish by the research team of the Autonomous Metropolitan University (UAM). A pilot exercise with 30 paper surveys was first undertaken to calibrate the instrument to the local context. Later the survey was programmed and migrated to tablets, which were used to implement the survey.

3. DEMOGRAPHIC PROFILE

3.1. Sex of Food Vendors

Although the literature on the informal food sector generally reports that the population is mainly female, in the case of this survey, a slightly higher proportion of the owners were men (53%). Comparatively, the result is similar to that reported in the same HCP survey for vendors in Cape Town (Tawodzera and Crush 2019).

3.2. Age of Food Vendors

Nearly 60% of the business owners were aged 35 and under, while 13% were aged 25 or younger. The highest percentage in any age group was therefore between 26 and 30 years old (36%) (Table 1). Just 16% were older than 50. The age profile of managers was even more youthful with 32% aged 25 or younger (compared to 14% of owners). This suggests that a number of owners hire younger men or women to run their food vending businesses.

TABLE 1: Age of Owners and Managers

	Owners		Managers	
	No.	%	No.	%
< 20	34	5.9	79	12.6
21-25	46	7.8	121	19.4
26-30	208	36.0	147	23.5
31-35	59	10.2	70	11.2
36-40	55	9.5	57	9.1
41-45	43	7.5	53	8.5
46-50	41	7.1	39	6.2
51-55	43	7.5	24	3.8
56-60	23	4.0	19	3.0
61-65	9	1.6	6	1.0
>65	16	2.8	10	1.6
Total	577	100.0	625	100.0

3.3. Migratory Status of Food Vendors

The profile of managers and owners in terms of migratory status was very similar. The majority of both business owners (73%) and managers (72%) were locally born in the ZMCM. Roughly equal numbers of each were migrants, primarily from other towns or cities.

TABLE 2: Birthplace of Owners and Managers

	Owners		Managers	
	No.	%	No.	%
Mexico City	423	73.4	448	72.4
Another city in this country/Mexico	131	22.7	160	25.8
A rural area of this country/Mexico	22	3.8	11	1.8
Another country	1	0.1	0	0.0
Total	576	100.0	620	100.0

3.4. Educational Attainment of Food Vendors

Most of the owners and managers have a relatively low level of formal educational attainment. Only 22% of the owners and 20% of the managers had completed high school. Another 33% of owners and 38% of managers had completed middle school. Altogether, six out of every ten food vendors have a middle school education level or less. Overall, owners are not significantly more educated than their managers.

TABLE 3: Education of Food Vendors

	Owners		Managers	
	No.	%	No.	%
Without formal education	19	3.3	10	1.6
Incomplete primary	32	5.6	25	4.0
Full primary	78	13.5	71	11.4
Incomplete middle school	53	9.2	62	9.9
Completed middle school	187	32.7	235	37.7
Incomplete high school	81	14.1	97	15.5
Completed high school	94	16.3	101	16.2
Incomplete tertiary	21	3.6	20	3.2
Complete tertiary	10	1.7	3	0.5
Total	575	100.0	624	100.0

3.5. Previous Occupation

The owners and managers were asked about their occupation before starting or joining the current food-selling business. For nearly half, this was their first work experience. Of those with previous occupations, three types of response stand out: those engaged in the preparation and sale of food (13%), those who did domestic work (11%) and those in manual labour such as construction (10%).

TABLE 4: Previous Main Occupation

	No.	%
Worked at another food vending business	74	13.1
Domestic worker	63	11.2
Unskilled manual labourer	54	9.6
Had/worked at a business doing different activities	30	5.3
Employed in the informal sector	28	5.0
Skilled manual labourer	27	4.8
Hotel employee	26	4.6
Agricultural labourer	20	3.6
Employer/public or private manager	19	3.4
Clerk	17	3.0
Police/military/security	13	2.3
Government employee (municipal, state, federal)	8	1.4
Health worker (e.g. nurse, physiotherapist)	5	0.9
Independent entrepreneur (formal sector)	3	0.5
Teacher	3	0.5
Professional (e.g. lawyer, physician, engineer)	2	0.4
Student	23	4.1
Unemployed/looking for work	28	5.0
Other	118	21.0

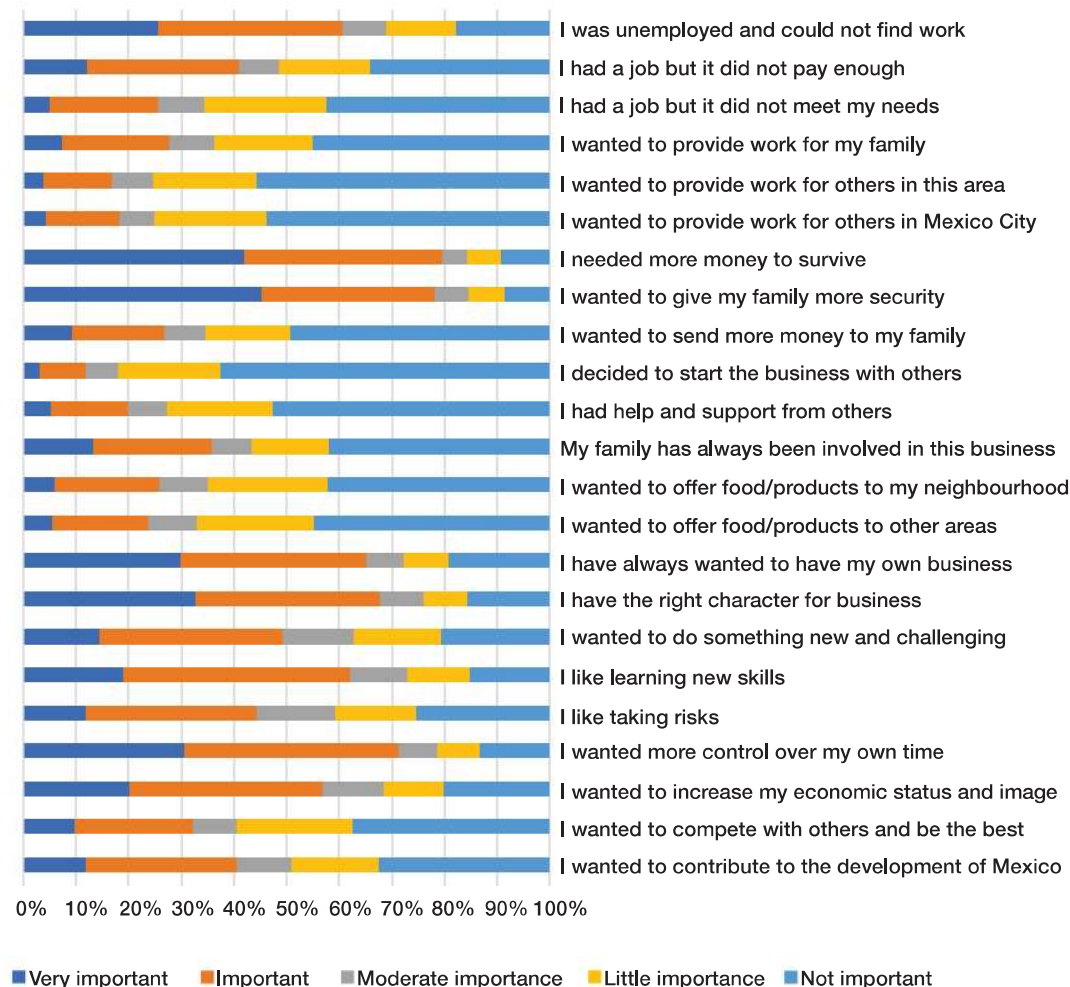
Note: Only 12% of respondents had another occupation in addition to their involvement in the business. Of these, 12% were domestic workers and 11% were students.

4. STRUCTURE OF FOOD VENDING ENTERPRISES

4.1. Entrepreneurial Motivations

The main motivations that influenced the decision to open a food business were related to financial need, especially in providing greater financial security to the family (Figure 2). The second most important motivation was the need for more money to survive. However, a significant minority of vendors (around one-third) said the decision was related to their ability to run their own business, that they had the right personality to run a business, and that they had always wanted to run their own business and have more control over their time. Only one in four said it was because they were unemployed and could not find a job.

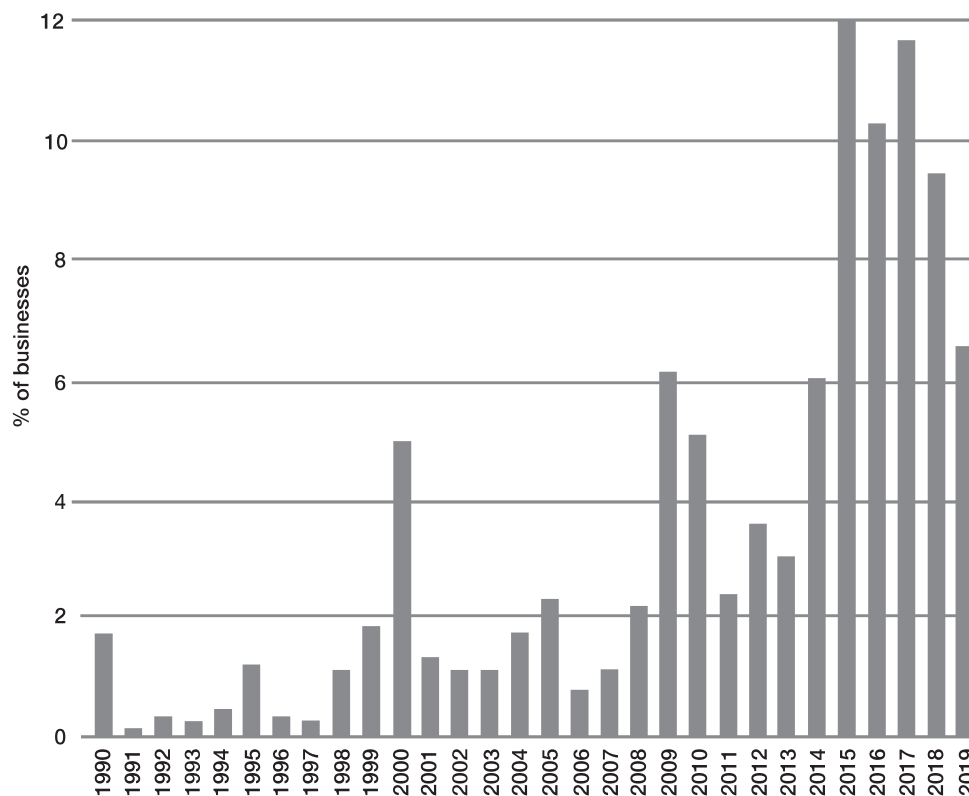
FIGURE 2: Motivations for Starting a Food Vending Enterprise



4.2. Year of Business Start-Up

Micro-businesses in the informal sector generally have a relatively short lifespan and high turnover (Tawodzera and Crush 2018). As a result, most operating enterprises are likely to be recent entrants to the market and this proved to be true in Mexico City, where about half of the food retail businesses had been established in the five years prior to the survey and only one in five were over 15 years old (Figure 3). The average age of the businesses surveyed was 8.5 years.

FIGURE 3: Year the Business was Established



4.3. Sources and Amount of Business Start-Up Capital

More than half of the respondents (mainly the owners) (55%) said that they had started the business on their own, while 11% had inherited it and 6% had purchased it (Figure 4). One-quarter (mainly managers) did not know how the business was started. The associated question about amounts of start-up capital was answered primarily by the owners as most managers were not there at the time or did not know. Of the 539 respondents, almost six out of ten businesses had an initial capital of MXN5,000 (USD250 or less), and 12% were started

with MXN1,000 or less (Table 5). On the other hand, a smaller number of businesses (about one in ten) started with an investment of between MXN20,000 (USD1,000) and MXN50,000 (USD5,000).

FIGURE 4: Business Start-Up

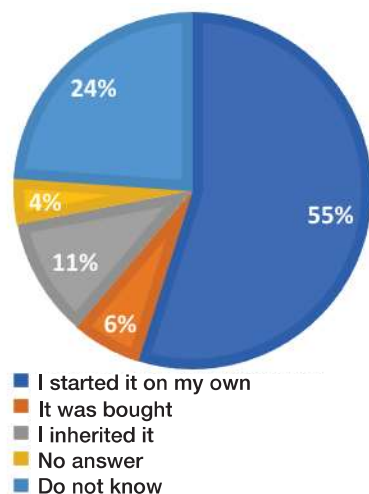


TABLE 5: Amount of Start-Up Capital

Range (MXN)	No.	%
<101	5	0.9
101-500	59	11.0
501-1,000	54	10.0
1,001-2,000	61	11.3
2,001-3,000	43	8.0
3,001-4,000	21	3.9
4,001-5,000	62	11.5
5,001-10,000	96	17.8
10,001-20,000	71	13.2
20,001-50,000	52	9.7
50,001-100,000	10	1.9
>100,000	5	0.9
Total	539	100.0

Informal businesses have a number of difficulties accessing formal financial services. In the ZMCM, the main source of financing to start the business was the owner's personal savings (56%); followed by loans from relatives in Mexico (10%); and gifts from family (4%) (Table 6). Only 2% had received remittances from another country to start their operations, indicating that this source of funding is relatively unimportant despite the large sums remitted to Mexico by Mexicans working in other countries. Accessing start-up capital from formal and informal lending institutions was also relatively insignificant.

TABLE 6: Main Source of Business Financing

	No.	%
Owner's personal savings	723	55.6
Family loan in this country	134	10.4
Family gift	51	3.9
Bank loan	48	3.7
Non-family loan	44	3.4
Lenders	31	2.4
Money from relatives in another country	29	2.2
Loan from an informal financial institution	18	1.1
Loan from a microfinance institution	13	1.0
Commercial credit (long-term)	6	0.5
Government agency loan	5	0.4
Loan from a religious institution	4	0.3
NGO loan	4	0.3
Other	9	0.7

4.4. Tenure Status of Business Premises

In informal food vending businesses, the physical structures of the premises take a wide variety of forms including being in a building, in fixed and semi-fixed positions in public spaces, and in non-fixed structures (street vendors). In addition, the vendors' tenure status varies. Table 7 shows that the space occupied belongs totally or partially to the business owner. This is a reflection of the fact that most semi-fixed or mobile stands are structures built or purchased specifically for the purpose of food vending. Much less important were operating without paying rent and without permission (14%) and through paying rent to the city (13%).

TABLE 7: Tenure Status

	No.	%
Owner or partial owner	373	31.0
Rent-free without permission	163	13.6
Rent paid to the city or municipality	154	12.8
Rent-free with permission	111	9.2
Rent paid to private owner	82	6.8
Shared space with another vendor	26	2.2
Other	80	6.7
No answer/did not know	213	17.7
Total	1,202	100.0

5. FOOD VENDING

This section draws attention to the types of food that informal businesses offer. In general, half of those surveyed sell foods not prepared by the workers or owners, including bottled soft drinks, sweets, fruits, vegetables, and fried foods. Businesses that offer prepared foods such as tortas, tacos, and prepared fruit, constitute just under half (47%) and the rest reported that they offer both.

5.1. Types of Food Sold

The vendors sold a wide variety of food items (Table 8). The most widely offered item (by 20% of the sample) was fried foods such as *charritos*, *chicharrones*, *totis*, french fries, seeds, peanuts, almonds, walnuts, nuggets, beans, and dried peas in bulk or packaged. Second was soft drinks (by 18%), followed by candy such as sweets, chocolates, pelones, lollipops, and popsicles (by 17%). The food group that includes *tacos*, *flautas*, *tacos de canasta*, *huaraches*, *gorditas*, *memelas*, and *chilaquiles* was mentioned by 14% of sellers. Only 12% of this group sold fruits such as apples, papayas, oranges, grapes, and mangoes. Many informal vendors are therefore involved in selling foods that are high in sugars and fats.

TABLE 8: Foods Sold by Vendors

	No.	%
Fried foods such as <i>greaves</i> , <i>tostis</i> , potato chips, seeds, peanuts, almonds, walnuts, nuggets, beans, dried beans in bulk or packaged	241	20.0
Pop bottled, canned or in plastic bags	212	17.6
Candy, chocolate, sweets, <i>pelones</i> , <i>pirulis</i> , lollipops	203	16.9
Fruit including (oranges, apples, mango, papayas, grapes)	149	12.4
Tacos, <i>flautas</i> (deep fried and filled tortillas), <i>tacos de canasta</i> , <i>huaraches</i> , <i>gorditas</i> , <i>memelas</i> , <i>chilaquiles</i>	171	14.2
Meat including beef, pork, lamb, goat, rabbit, chicken, duck, other poultry, liver, kidney, or other organ meat	135	11.2
Bottled water	133	11.1
Bread, rice, noodles, cookies or other goods made of grains	118	9.8
Vegetables including cucumber, lettuce, zucchini	114	9.5
Cheese, yogurt, milk, or other dairy products	98	8.2
Sandwiches, hotdogs, burgers, patties, salads, <i>guajolotas</i>	97	8.1
Potato, sweet potato, radish, beet, or any other food made from fresh roots or tubers	92	7.7
Infused waters, and juices made of hibiscus, tamarind, rice and cinnamon, lemon, etc.	87	7.2
Beverage or liquid food such as coffee, tea, herbal tea, atole, water, chocolate, milk chocolate, milkshakes	81	6.7
Sweeteners such as sugar, honey, stevia	80	6.7
Ice cream, slushies, popsicles (water/milk)	79	6.6
Food made with beans, peas or lentils	77	6.4

Chopped fruit, <i>jicamas</i> , cucumbers, peeled mangoes/apples, prepared salads	77	6.4
Desserts, cakes, jellies, pancakes, fritters, <i>sweet empanadas</i> , <i>churros</i> , <i>tamales</i> , rice pudding	75	6.2
Eggs	46	3.8
Lunch such as prepared eggs, rice, soups, pozole, various broths, stews, prepared beef/chicken/fish	41	3.4
Corn on the cob, husked corn, <i>camote</i> , fried plantain	27	2.2
Beer in glass or can	4	0.3
Fish, shrimp (dry or in cocktails) or other seafood	15	1.2
Other	87	7.2
<i>Note: Multiple-response question</i>		

5.2. Food Supply Sources

As Table 9 shows, most food items for resale or cooking and sale are purchased at a variety of outlets. Most are obtained from six to eight different food sources on the list. However, wholesalers and formal markets are the two most important sources for almost all products. Wholesalers were the preferred option for all kinds of ingredients, but especially for fried foods and sweets, followed by soft drinks, bottled water, and beverages such as coffee, tea and hot chocolate. Local markets are the preferred source by 51% for ingredients to prepare ready-made lunches (*comida corrida*); by 47% for the preparation of *tacos*, *dorados*, *flautas*, *huaraches*, *tacos de canasta*; by 46% for the supply of food made from fresh roots or tubers; and by 45% for fruit salads and other chopped fruit and *jicamas*. Supermarkets are an important secondary source but very few products are sourced from farms, producers, and other informal retailers. The same applies to factories as a source, with the exception of cheese, yogurt, milk and other dairy products.

TABLE 9: Places/Types of Suppliers of Food Items

Foods	No. purchasing product	Straight from the factory	Wholesaler	Super-market	From small shops, retailers	From formal markets	Straight from farm	From producers	Informal retailer
Fried foods such as <i>greaves</i> , <i>tostis</i> , potato chips, seeds, peanuts, almonds, walnuts, nuggets, beans, dried beans in bulk or packaged	241	4	44	10	13	19		4	5
Bottled pop, canned or in plastic bags	212	10	36	8	8	7		18	4
Candy, chocolate, sweets, <i>pelones</i> , <i>pirulis</i> , lollipops	203	9	44	6	11	20		3	2
<i>Tacos</i> , <i>flautas</i> (deep fried and filled tortillas), <i>tacos de canasta</i> , <i>huaraches</i> , <i>gorditas</i> , <i>memelas</i> , <i>chilaquile</i>	171	1	28	15	8	47	2	2	2

Oranges, apples, mango, papayas, grapes, and other fruits	149	1	33	7	3	36	3	5	4
Beef, pork, lamb, goat, rabbit, wild game, chicken, duck, other poultry, liver, kidney, other organs	1	30	13	14	38	3	7	2	135
Bottled water	133	11	35	11	8	5		16	2
Bread, rice, noodles, cookies and other goods made of grains	118	14	28	22	16	16	1	8	4
Cucumber, lettuce, zucchini, and other vegetables	114	2	27	18	9	41	4	1	5
Cheese, yogurt, milk and other dairy products	98	45	27	24	19	23	3	5	3
Sandwiches, hotdogs, burgers, patties, salads, <i>guajolotas</i>	97	3	27	28	5	30		7	5
Infused waters, juices made of hibiscus, tamarind, rice and cinnamon, lemon, etc.	87	6	25	14	8	31		7	3
Beverages such as coffee, tea, herbal tea, atole, water, chocolate, milk, milkshakes	81	5	37	37	11	20		4	1
Sweeteners such as sugar, honey, stevia	80	9	30	24	16	19		3	3
Ice cream, slushies, popsicles (water/milk)	79	25	30	9	5	19		6	3
Food made with beans, peas	77		21	26	17	36			5
Chopped fruit, <i>jicamas</i> , cucumbers, peeled mangoes/apples, prepared salads	77		31	8	1	45	1	3	3
Desserts, cakes, jellies, pancakes, fritters, sweet <i>empanadas</i> , <i>churros</i> , <i>tamales</i> , rice pudding	75	5	29	15	21	19		1	1
Potato, sweet potato, radish, beet, or any other food made from fresh roots or tubers	62	2	36	9	7	46	1	1	2
Eggs	46	-	30	30	13	22	-	7	2
Lunch such as prepared eggs, rice, soups, <i>pozole</i> , various broths, stews, prepared beef/chicken/fish	41		20	29	10	51	2	2	
Corn on the cob, husked corn, <i>camote</i> , fried plantain	27	4	37	15	7	26	4	15	
Fish, or shrimp, dried or as a cocktail	15	-	33	7	-	40	-	13	7
Beer in glass or can	4	25	25		50				

Note: Multiple-response question

5.3. Food Business Expenses

Questions about business finance were extremely delicate and not just because of reluctance to divulge financial information or (in the case of managers) unfamiliarity with the details of the business. While vendors are generally able to say how much they spend, and on what, the calculation of business income, profit, and business value is complicated by the self-consumption of food for sale, and because food bought for the business is also consumed by the vendors' families. Furthermore, the highly precarious nature of some of the businesses also accounts for the low response rate on some questions about finances. For example, the response rate for the question on expenditures on food and ingredients was answered by only 631 businesses out of a total of 1,202 (52%).

TABLE 10: Monthly Business Expenditures

	No.	% incurring expense	Minimum (MXN)	Maximum (MXN)	Sum (MXN)	% of total spend	Average (MXN)
Food or ingredients purchase	631	100.0	50	350,000	3,754,395	61.8	5,950
Employee costs and expenses	376	59.6	97	60,000	1,424,638	23.5	3,789
Fuel purchase	265	42.0	15	21,000	389,680	6.4	1,470
Business taxes, licences and permits	186	29.5	48	6,666	135,057	2.2	726
Public utilities (water, electricity, heating)	157	24.9	50	10,000	108,661	1.8	692
Telecommunications (internet, mobile phone)	110	17.4	50	4,000	36,149	0.6	329
Rental fees (for land, building, cart)	79	12.5	15	8,000	73,200	1.2	927
Financial services (account fees, coyotes, tax brokerage, investment management)	23	3.6	97	20,000	39,680	0.7	1,725
Subcontracts (services of other companies)	19	3.0	97	15,000	35,232	0.6	1,854
Insurance	15	2.4	97	5,000	15,829	0.3	1,055
Other expenses	74	1.2	25	4,500	54,411	0.9	735
Total	1,935				6,066,932	100.0	3,135
Note: Multiple-response question							
Note: 1 USD = 20 MXN							

Regarding the type of expenses incurred in the previous month, the purchase of food or ingredients for the business stands out with all vendors incurring an average of MXN5,950 and a total sum of MXN3,754,395 (Table 10). Second is the payment of wages and other compensation to employees incurred by 60% of businesses with an average of MXN3,789 and a total amount of MXN1,421,638. Combined, food purchase and employment costs accounted for 85% of total expenditures by this group of vendors. Other input expenses incurred by at least one in four businesses were fuel (by 42% with an average of MXN1,470 per month), taxes, licences, and permits (30% and MXN726 per month) and payment for public services such as water and electricity (25% and MXN692 per month). Although the average expenditure in some other categories is relatively high (such as subcontracts, financial services, and rental fees) the proportion of businesses incurring the expense is relatively low.

5.4. Expenditures on Food and Ingredients

Vendors were also asked how much they had spent on the purchase of particular food items in the previous month (Table 11). The numbers who could provide information on how much they had spent were generally lower than the numbers who said they had purchased the product, but this is to be expected given our comments in the previous section about financial disclosure. In addition, there is a discrepancy between the total that the vendors said they spent on food (MXN3.7 million) and the sum of the amounts spent on individual items (MXN4.9 million). Again, there was a considerable range in the amounts spent on each item by different vendors but the highest average spend was on fruits (such as apples, papayas, orange, grapes, and mangoes), with an average of MXN4,504 per month and a total of MXN553,998. The total spend on tacos, *flautas*, *tacos de canasta*, *huaraches*, *gorditas*, *memelas*, and *chilaquiles* was higher (MXN562,301) although the average was lower (MXN3,988). The total spend on meats was also relatively high (at MXN469,889). The average and total spend on the three most popular items (fried *godos*, candies, and soda) was much lower.

TABLE 11: Monthly Expenditure on Food Items

	No.	Minimum (MXN)	Maximum (MXN)	Sum (MXN)	Mean (MXN)
Fried peas, potatoes, almonds, walnuts, nuggets, beans, dried peas	198	97	25,000	361,331	1,825
Candy, sweets, chocolates, pelones, lollipops, popsicles	169	80	20,000	266,162	1,575
Soft drinks in cans or plastic bags	166	97	20,000	334,681	2,016
Tacos, <i>flautas</i> , <i>tacos de canasta</i> , <i>huaraches</i> , <i>gorditas</i> , <i>memelas</i> , <i>chilaquiles</i> , etc.	141	97	30,000	562,301	3,988
Oranges, apples, mangoes, papayas, grapes, and other fruits	123	50	75,000	553,998	4,504
Beef, pork, lamb, goat, rabbit, wild hunts, chicken, duck, liver, kidney, and other organs	121	97	50,000	469,889	3,883
Bottled water	105	97	10,000	137,367	1,308
Cucumber, lettuce, zucchini and other vegetables	102	80	20,000	196,856	1,930
Bread, rice, noodles, cookies, and other food made from grains	99	13	12,000	175,282	1,771
Cheese, yogurt, milk, and other dairy products	89	97	15,000	121,887	1,370
Potatoes, sweet potatoes, radishes, beets, and other food made from fresh roots or tubers	83	25	20,000	184,388	2,222
Cakes, hot dogs, hamburgers, savoury <i>empanadas</i> , <i>guajolotas</i> , sandwiches	78	60	32,000	275,409	3,531
Beans, peas, lentils, Spanish beans	68	22	25,000	133,808	1,968
Beverages (e.g. coffee, tea, herbal teas, atole, hot chocolate, milkshakes)	74	60	30,000	111,230	1,503
Sweeteners (e.g. sugar, honey, stevia)	72	42	9,000	67,676	940
Fresh juice (e.g. tamarind, horchata, lemon)	68	20	21,000	135,409	1,991
Ice cream, popsicles	63	97	20,000	149,913	2,380
Chopped fruit, jicamas, cucumbers, peeled mangoes / apples, prepared salads	63	97	20,000	204,654	3,248
Desserts, cakes, jellies, pancakes, sweet <i>empanadas</i> fritters, <i>churros</i> , <i>tamales</i> , rice pudding	52	97	30,000	123,349	2,372
Eggs	40	78	9,000	35,570	889
Eggs cooked in various ways, rice, soups, pozole, various broths or stews, prepared meat/chicken/fish	35	35	20,000	83,911	2,397
<i>Elotes</i> , <i>esquites</i> , sweet potatoes, fried plantains	24	97	16,000	55,681	2,320
Fresh fish or shellfish, dried or in cocktails	13	80	20,000	55,672	4,282
Beer in glass or can	4	98	10,000	11,597	2,899
Other	69	97	12,000	108,244	1,569
<i>Note: Multiple-response question</i>					

5.5. Food Business Profits

The response rate for information about monthly earnings (and profits) derived from the informal sale of food was also low with only 571 respondents (48%). As noted above, business finances and home finances are not clearly delimited or differentiated, and managers are not necessarily privy to these financial details. Net profit the previous month showed a considerable range, from less than MXN100 to more than MXN20,000 (Table 12). Only 17% of the businesses reported a net profit of greater than MXN10,000 (USD526) while just 4% had profits of more than MXN20,000 (USD1,052). The profit band with the most businesses was MXN5,001 to MXN10,000 (USD263 to USD526) with 27% of businesses. One-third of the businesses had profits of less than MXN3,000 (USD158).

TABLE 12: Net Monthly Profits

Range of profits (MXN)	No.	% of businesses	Cumulative % of businesses
<100	3	0.5	0.5
100-500	19	3.3	3.9
501-1,000	43	7.5	11.4
1,001-2,000	63	11.0	22.4
2,001-3,000	68	11.9	34.3
3,001-4,000	60	10.5	44.8
4,001-5,000	60	10.5	55.3
5,001-10,000	156	27.3	82.7
10,001-20,000	75	13.1	95.8
>20,000	24	4.2	100.0
Total	571	100.0	

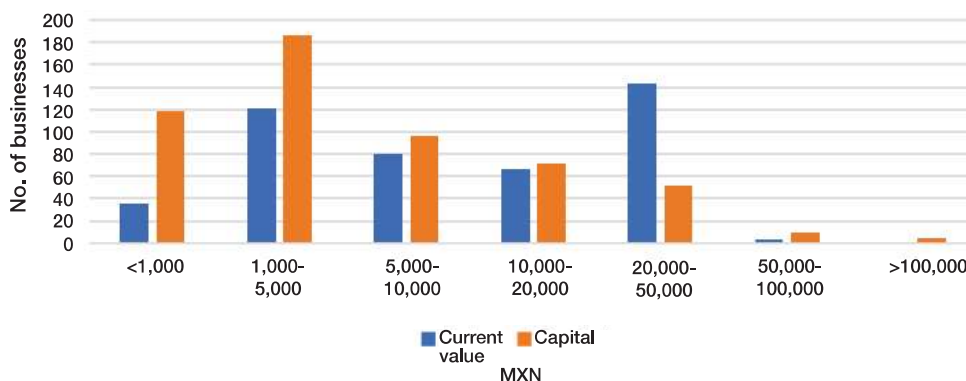
5.6 Business Value

Respondents were asked to estimate the current value of the business in pesos. The response rate was similarly low as managers were unable to provide evaluations. In total, data was collected for 430 of the 1,202 businesses surveyed. The first third is made up of businesses with an estimated value of less than MXN5,000 (USD247). The second group, representing a little more than one-third of the valued businesses, had a value of between MXN5,000 and MXN30,000 (USD1,385). Businesses in the final group, with a little less than one-third of the total number of businesses, estimated that their value was between MXN30,000 and MXN100,000 (USD4,950).

TABLE 13: Estimated Value of Business

Range of values (MXN)	No.	%	Cumulative %
<1,000	30	6.9	6.9
1,001-5,000	103	24.0	30.9
5,001-10,000	70	16.3	47.1
10,001-15,000	37	8.6	55.7
15,001-20,000	22	5.1	60.9
20,001-25,000	15	3.5	64.3
25,001-30,000	31	7.2	71.6
30,000-100,000	122	28.4	100.0
Total	430	100.0	

Figure 5 provides a visual comparison of the current value of the business with the capital invested at start up. It is immediately apparent that there is an overall positive movement with more businesses in higher value categories and fewer in lower categories. In particular, there is a marked increase in the number of businesses now valued at over MXN20,000 compared to the number who had this much start-up capital. Similarly, there is a marked decrease in the number of businesses in the <MXN1,000 and MXN1,001-5,000 categories. What this indicates is that, although monthly profits are relatively low, overall these businesses are able to build more profitable enterprises with their start-up capital. However, because only functioning businesses were interviewed, we do not know the rate of failure and how many businesses failed to capitalize on their original investment and had to stop operating.

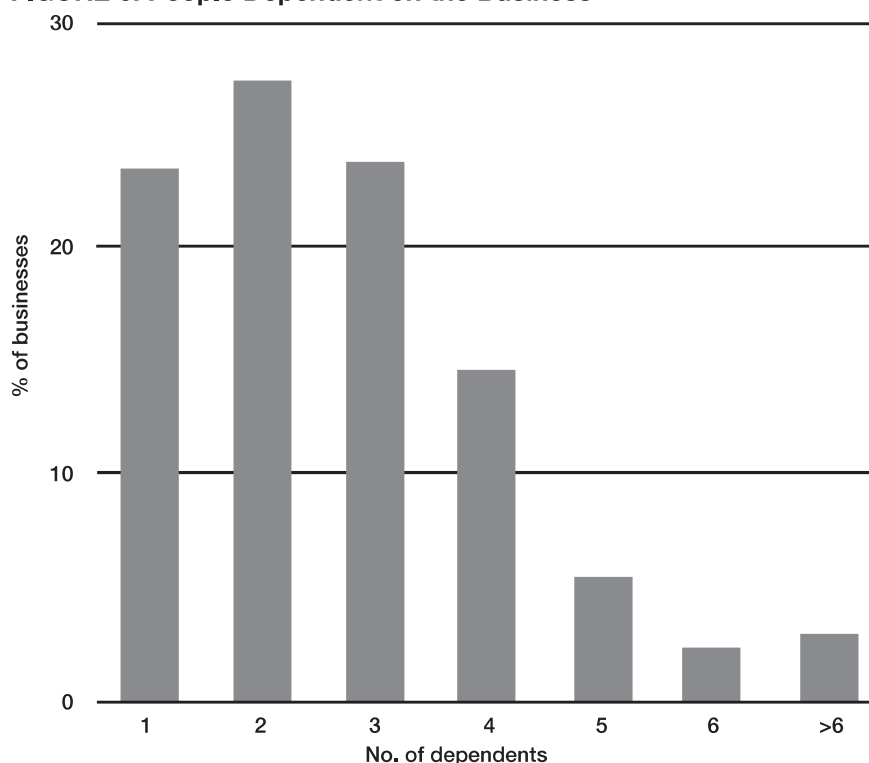
FIGURE 5: Current Value vs. Start-Up Capital

5.7. People Who Depend on the Business

When the survey inquired about the number of people who depend on the business, the response rate was extremely good (85%). The total number of dependants was 2,803, with an average of 2.73. Figure 6 shows the distribution of the number of people dependent on the businesses and shows that most had between

one and three dependants. The number of businesses with two dependants was 282 (or 27%), while 244 (24%) had three, and 150 (15%) had four.

FIGURE 6: People Dependent on the Business



5.8. Household Interactions with Food Business

Because the business and the household are not separate entities, the respondents were asked about uses of business income. As many as three-quarters reported that they transferred income from the business for home use. Another indicator of the lack of differentiation is the proportion of household income that derives from the business. As Table 14 shows, 45% of households derive 60% or more of their household income from the food vending business. For 14% it is the only source of income.

TABLE 14: Proportion of Household Income Derived from Food Business

	No. of households	% of households	Cumulative %
0-19%	170	15.9	15.9
20-39%	137	12.8	28.7
40-59%	258	24.2	52.9
60-79%	200	18.7	71.7
80-99%	149	13.9	85.6
100%	153	14.3	100.0
Total	1,067	100.0	

Another measure of household dependence on the business is the extent to which food purchased for the business is consumed in the household. In addition to self-consumption and giving food to employees, as many as three-quarters of the vendors said their family members also consume food from the business. More people than the immediate family benefit from food consumption; for example, 40% give food to their neighbours. Only 6% of the businesses report that their food is only consumed by customers.

TABLE 15: Other Persons Who Consume Food from the Business

	No.	%
Owner	800	93.3
Employees	391	45.6
Family	641	74.8
Neighbours	346	40.4
Other people	271	31.6
Only customers	51	6.0
<i>Note: Multiple-response question</i>		

Informal Food Vendors in Mexico City



Source: Javier Reyes (Laboratory of Socio-Territorial Analysis [LAST] -UAM)



Source: <https://www.4cities.eu/public-space-in-mexico-city-the-tianguis-street-vendors-gender-asymmetries/>



Photo: Maria Salamone



Source: <https://culinarybackstreets.com/cities-category/mexico-city/2018/spring-surprises-3/>



Source: <https://culinarybackstreets.com/cities-category/mexico-city/2016/los-barriles/>



Photo: Maria Salamone



Source: <https://mexicanroutes.com/street-vendors-in-mexico-city/>



Photo: Maria Salamone



Source: <https://j4t.org/stories/controversy-surrounds-mexicos-famed-street-food-culture/>



Photo: Maria Salamone



Photo: Maria Salamone

6. FOOD VENDING STRATEGIES

6.1. Location of Business

One of the main characteristics of food micro-businesses is their ability to be flexible and adapt to changing circumstances. Locational strategies for the sale of food take into account numerous factors including accessibility to potential customers, competition, controls imposed by the authorities and other actors, personal and business security and so on. By far the main reason cited by respondents for choosing a business location was the presence of greater numbers of customers at the chosen site – seven out of every ten vendors said this was their main criterion (Table 16). Another 10% said they work in high traffic areas. Combined, this means that proximity to potential consumers is the main factor for 80% of vendors. A few (5%) said proximity to home was the most important factor. Most other factors (including security) were not particularly important. The most important secondary reasons were a location with more traffic and proximity to home.

TABLE 16: Main Reasons for Business Location

	First reason		Second reason	
	No.	%	No.	%
Place with more customers	831	69.1	0	0
More traffic of people and cars	117	9.7	237	19.7
Close to my home	63	5.2	161	13.4
Having a permit to operate here	45	3.7	86	7.2
Safer at this location than others	44	3.7	90	7.5
Access to utilities (e.g. water, electricity)	33	2.7	28	2.3
Always had my business here	18	1.5	25	2.1
Close to other businesses	12	1.0	48	4.0
Rentals are cheaper	11	0.9	18	1.5
I own/rent the land/place	6	0.5	21	1.7
Far from competitors	5	0.4	20	1.7
Accessible by public transport	4	0.3	35	2.9
Land is cheaper	0	0	2	0.2
There are few or no police	0	0	4	0.3
No answer	13	1.1	427	35.5
Total	1,202	100	1,202	100

6.2. Portability

The informal and portable nature of many of the businesses suggested there might be a degree of mobility in where the place of business was located. In fact, 38% reported having changed their location in the previous year (Table 17). The main reasons for moving their businesses were to access more customers (88%) and to access different types of customers (72%). Less important were the operation, security, and competition of the businesses.

TABLE 17: Reasons for Moving Business in Previous Year

	No.	%
To access more clients	401	88.3
To access different types of clients	325	71.6
For security reasons	110	24.2
To compete with other retailers	83	18.3
To be closer to providers	60	13.2
Other	31	6.8
<i>Note: Multiple-response question</i>		

6.3. Pricing Strategies

The prices of food sold are established in several ways. The most common strategy was keeping prices cheaper than competitors (46%) (Table 18). The second most common strategy was to add a standard mark-up (42%). Only 22% give discounts to customers and 17% negotiate the price with customers.

TABLE 18: Strategies to Establish the Price of Food Sold

	No.	%
I keep the prices cheaper than the competitors	548	45.6
I add a standard mark-up	499	41.5
I give discounts to regular customers	266	22.1
I negotiate price with customers	200	16.6
I offer credit to clients	169	14.1
I charge different prices for different clients	112	9.3
Offer prices based on customer wealth/appearance	94	7.8
Other	61	5.1
<i>Note: Multiple-response question</i>		

6.4. Coping with Changes in Food Availability

Fluctuations in the market affect the supply and price of food and force vendors to find ways to continue preparation and selling. The main strategy sellers adopt when food availability is problematic is to change their prices (Table 19). Almost six out of ten declared using this strategy (56%). The second most widely used strategy is to change the amount of food they store; almost half of the businesses employed this alternative (47%). Also, one-third of the vendors said they changed the type of food they sell and 31% buy food from different places.

TABLE 19: Responses to Reduced Availability of Food

	No.	%
I change the price of the food I sell	116	56.3
I change the amount of food I store	96	46.6
I change the type of food I sell	67	32.5
I change the provider of the food I sell	63	30.6
<i>Note: Multiple-response question</i>		

In addition to solving supply-related problems, food vendors have to cope with changing prices of the ingredients they use to make the foods they sell. To cope with this increase, two-thirds (65%) of vendors change the price of the food they sell (Table 20). The second most widely used strategy is to change the amount of food they store (38%). The third most used strategy was to change providers (26%). Other strategies mentioned by several respondents included changing the type of food they sell (19%).

TABLE 20: Responses to Food Price Increases

	No.	%
I change the type of food I sell	92	19.3
I change the price of the food I sell	309	64.9
I change the amount of food I store	179	37.6
I change the provider of the food I sell	122	25.6
<i>Note: Multiple-response question</i>		

6.5. Other Strategies

Other business strategies adopted by the vendors can be divided into five groups: (a) trading strategies; (b) buying strategies; (c) strategies for dealing with risks; (d) customer strategies; and (e) security strategies. The most common trading strategies are extending their hours of operation (49%) and only operating when the client base is largest (41%). Nearly two-thirds (64%) of the vendors do their own purchasing while 30% consult with other vendors about the cheapest source of

goods and negotiate prices with suppliers. As many as 70% of the vendors do their own business accounting but very few have any form of insurance. Only one-quarter of the vendors use mobile technology in their business operations.

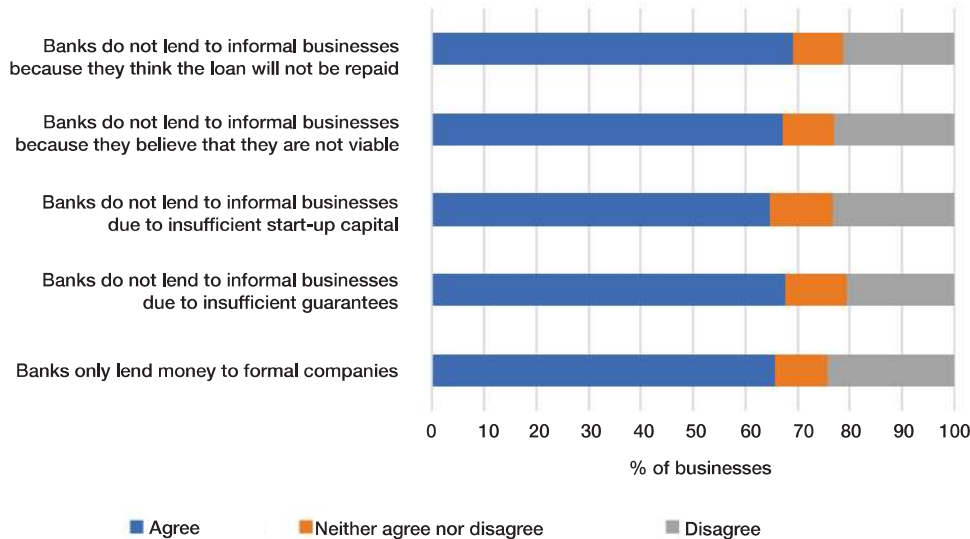
TABLE 21: Other Strategies Adopted by Vendors

	No.	%
Trading strategies		
I extend my hours of operation	588	48.9
I open my/the business only during the hours with most clients	494	41.1
I sleep in my premises/commercial stalls	30	2.5
Buying strategies		
I buy groceries or ingredients myself	768	63.9
I look for the cheapest prices by consulting with other businesses	366	30.4
I negotiate prices with my suppliers	258	29.8
I look for the cheapest prices by consulting media	260	21.6
I buy stocks in bulk along with others	217	18.1
Strategies for dealing with risks		
I do my accounting	845	70.3
I have shares with the business owners	121	10.1
I buy/have insurance	31	2.6
I partner with other companies to share the risks	24	2.0
Mobile phone strategies		
I use mobile phones to coordinate with suppliers	296	24.6
I use mobile phones to receive customer orders	291	24.2
I look for the cheapest prices by calling several providers	289	24.0
I use mobile phones to receive payments from clients	66	5.5
Security strategies		
Payment to authorities for protection	141	11.7
Payment to the police for protection	64	5.3
I have weapons for self-protection	44	3.7
Payment to security guards	20	1.7

6.6. Access to Financing

In the previous year, most sellers (87%) had not borrowed money for the operation of their business. The informal status of businesses is often a cause for exclusion from formal services such as bank financing. Almost all of the interviewees (92%) had not requested any bank credit for their business. The general perception of the reasons for the lack of bank loans is that banks only lend to formal companies and do not issue loans to informal businesses for a variety of reasons (Figure 7).

FIGURE 7: Perception of Reasons for Lack of Bank Loans to Informal Businesses



7. OPERATING CHALLENGES

7.1. Types of Operating Challenges

Entrepreneurs in the informal food sector face a number of obstacles, some of which are inherent to their precarity or to their informal status. The most widely experienced challenge is the competition in the locations where they sell (mentioned by 30%). Other economic challenges they confront are having very few clients (15%) and insufficient sales (13%). Only 7% said they face competition from major stores and supermarkets and 6% that suppliers charge too much. Security challenges such as crime, theft of stock, and theft of products/merchandise were reported to be relatively minor.

Informal employment, especially street vending, in Mexico City, is characterized by consolidated political organization that on many occasions takes the form of clientelism and corporatism (Gayoso 2009). Informal vendors thus work in a vulnerable situation as they have to comply with the requirements of the leaders of vendor associations. While food vendors sometimes experience this as support for their businesses, there is also a feeling of co-optation and control by political leaders (Carmona 2019). The demands can be transparent arrangements and agreed to by all members of the vendors' association (such as the payment of a fee, the performance of some collective work, or participation in political meetings). However, sometimes the demands are simply imposed by association

leaders or city officials who take advantage of the vulnerability of the informal status of vendors.

TABLE 22: Challenges Vendors Face in their Business Operations

	No.	%
Economic challenges		
There are too many competitors around here	390	30.0
Very few clients	201	15.4
Insufficient sales	176	13.5
Customers do not pay what they owe	38	2.9
Competition from large stores/supermarkets	84	6.5
Suppliers charge too much	77	5.9
Lack of access to credit	77	5.9
Logistical challenges		
There is no refrigeration	82	6.3
Lack of training in accounting, advertising, and other business skills	27	2.1
Storage issues	18	1.4
Security challenges		
Crime, theft of stock and merchandise	58	4.5
Crime, theft of income, or money in cash	40	3.1
Police extortion	34	2.6
Verbal insults against the business	25	1.9
Confiscation of property by the police	17	1.3
Physical aggression from the police	13	1.0
Prejudices/discrimination against my ethnic origin	12	0.9
Conflict with local entrepreneurs	9	0.7
I have been detained/employees have been detained	9	0.7
Conflict with entrepreneurs from other countries	5	0.4
Prejudices/discrimination against my gender	8	0.6
Prejudices/discrimination against my nationality	7	0.5
Physical attacks, aggression from citizens of this country	6	0.5
<i>Note: Multiple-response question</i>		

8. FUTURE PLANS

The survey obtained data about aspirations and intentions for the following three years from the business owners through a series of multiple-response questions. Twenty percent said they intended to retire and another 20% said they wanted to work in the formal sector. Most of the others intended to continue in the food vending business including by expansion (40%), relocation (22%), or moving the business into the formal economy.

TABLE 23. Intentions/Aspirations of Business Owners

	No.	%
I intend to expand my commercial operations and own various businesses	232	40.2
I intend to move my business to other places of the city/zone	129	22.3
I intend to move my business into the formal economy	121	20.9
I intend to retire from managing a business	116	20.1
I intend to work in a formal job	113	19.6
I intend to return to my place of origin and settle there	51	8.8
I intend to move my business to another city	43	7.5
I intend to move to another country to settle there	21	3.6
<i>Note: Multiple-response question</i>		

9. CONCLUSION

Informal activities are part of almost all economic sectors in the ZMCM. Food is no exception and yet it has scarcely been studied in any systematic manner. This study therefore implemented a survey to better understand the nature and state of informal food vending in the ZMCM. The following findings stand out from the survey:

- The demographic characteristics of the food vendors interviewed are not exceptional compared to the profile of the adult population as a whole. Street vending is a relatively youthful occupation (with 60% under the age of 35), the ratio of men to women is almost equal, and there is an overall low level of educational attainment. Almost seven out of ten reported completion of middle school or lower.
- For half of the sellers, this business is their first occupation. Among the rest, the most common jobs before starting the business were domestic work and selling and preparing food. Almost two out of every ten sellers have another occupation apart from food vending; the most popular being domestic work and studies.
- The main motivations for starting a food business were related to financial need, especially providing greater financial security for their family and needing more money to survive. Only one in four said it was because they were unemployed and could not find a job. While this suggests that survivalist motives were paramount, around one-third said the decision was related to their ability to run their own business, that they had the right personality to run a business, and that they had always wanted to run their own business and have more control over their time.
- Food businesses in the informal sector share some of the general characteristics of other establishments in the informal sector. For example, most of the

businesses in this survey were relatively new with four out of ten less than five years old. On the other hand, these are businesses that generally start with a very modest investment and with the entrepreneur's own resources. Almost six out of ten owners started on their own, with savings or family loans. Half of the businesses started with capital of MXN4,000 or less.

- The businesses exhibit very high degrees of informality: only one in three has a licence, half pay social security, and almost none of the employees can count on the social and labour protection benefits indicated by the law.
- Business expenses are concentrated mainly in the purchase of food and ingredients, as well as in paying wages. Payments to sub-contractors and for services from companies and individuals follow those in importance.
- Over half of the businesses that reported their monthly profits made less than MXN5,000 (USD260) and one-third had profits of MXN3,000 (USD158) or less. Profits are diverted to household needs and the business itself (for the purchase of supplies and ingredients). Few have profit to reinvest and grow; an indication of their vulnerability and survival strategy orientation.
- Food vending businesses confront various challenges, which mostly relate to their informal nature. These include the lack of legal security, the lack of financial services and low bank enrolment. Other challenges are related more to the lack of vocational and professional training, and the financial management capacity of employees and business owners who have low levels of education and of capitalization and reinvestment, which further exacerbates their vulnerability.
- To address these challenges and obstacles, food micro-enterprises have developed strategies that reflect flexibility and adaptation to their informal status. These include the location and mobility of their businesses, the purchase of supplies, adaptation to competition, and the requirements of officials and traders' organizations.

Informal food vending has been part of the everyday urban landscape of the ZMCM for centuries. For millions of people, urbanization has meant long periods of each day spent in the streets and on city transport. Selling food in public spaces is an important alternative to formal employment in order to meet basic needs. Food vending is one of the easier and most common businesses to start, requiring low investment, little education or training, and the relative ease of finding a suitable place to start selling. At the same time, informality is a double-edged sword for sellers because it also traps them in a series of relations of dependence, having to pay leaders for space, resources, and protection.

Informal food vendors also represent an alternative means of accessing food for millions of people, no matter their social class and geographical origins within the metropolis. Almost two out of every ten households in Mexico City report eating at street food stalls, and just over half eat there at least once a week (Capron

et al 2018). In addition, food from the business supports the diet of vendors and their employees and family members. Nine out of every ten respondents eat food at their business; three-quarters report that their families eat food from their business; and almost half offer food to their employees. While the positive impacts of informal food vending on food accessibility are clear, the health impacts on people who eat at these establishments needs to be considered. Apart from the conditions of hygiene, the nutritional implications present serious public health risks. The three main foods sold as registered by the survey are unhealthy snack foods: fried foods, candies, and bottled soft drinks. Diets heavy in sugar and fat contribute to the epidemic of non-communicable disease in the ZMCM (Montes de Oca 2019, Torres and Rojas, 2018).

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This report describes and analyzes the food system of Mexico City's Metropolitan Zone, where small-scale street commerce has experienced huge growth in recent decades. The food retail, distribution, and preparation sectors are a major component of urban informality in the Global South. The informal food economy comprises a network of informal markets, suppliers, transporters, mobile traders, hawkers, retailers, and street food vendors making food more accessible and affordable in low-income areas. The informal food sector is thus critical to the food security of poor urban households in the Global South and represents an “urban laboratory” for examining whether and how inclusive growth strategies can positively affect entrepreneurship and incomes, and help in alleviating poverty and mitigating the crisis of food insecurity. While the vibrancy of the sector is everywhere apparent, research on the structure, organization, dynamics, and impacts of informal food systems under conditions of hyper-urbanization has been limited. What is clear is that the informal food sector is both diverse and complex. By working in an interdisciplinary context with mixed methodologies and across different cities, the Hungry Cities Partnership aims to increase our understanding of common elements and differences across the Global South.

