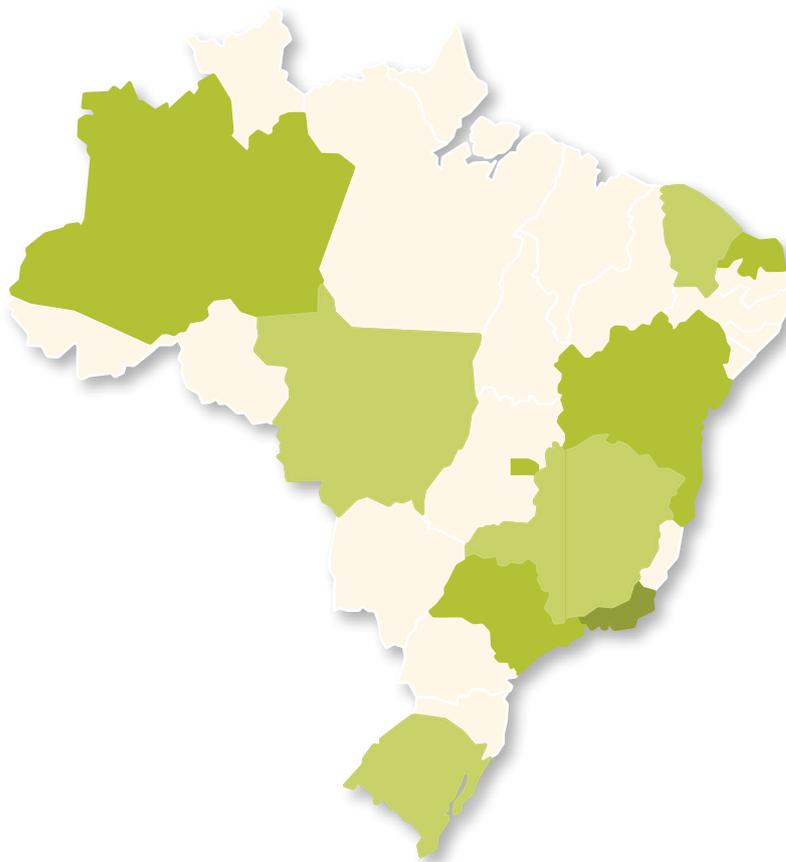




World Cup for All:

A Portrait of Street Vendors' Organizations in the World Cup Host Cities in Brazil



*Summary of the
StreetNet International
2012 Report*



World Cup for All:

A Portrait of Street Vendors' Organizations in the World Cup Host Cities in Brazil

This report is a summary of a research study that StreetNet International commissioned on organizations of informal traders in the 12 host cities of the 2014 World Cup in Brazil. The research was conducted over the period of May – October 2011 and was conceived as a preliminary step to establishing the World Class Cities for All (WCCA) Campaign in Brazil. The findings of the original report, titled “Copa do mundo para todos. O retrato dos vendedores ambulantes nas cidades-sed da copa do mundo de 2014”, can be found in Portuguese on the Inclusive Cities website www.inclusivocities.org.

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Table of Contents

Introduction..... 1

Profiles of World Cup Host Cities

1. Belo Horizonte, Minas Gerais	6
2. Brasília.....	11
3. Cuiabá.....	14
4. Fortaleza.....	17
5. Manaus	21
6. Natal	24
7. Porto Alegre.....	27
8. Rio de Janeiro	32
9. Salvador	37
10. São Paulo.....	40

Introduction

StreetNet International commissioned a research study of the organizations of informal traders in the 12 host cities of the 2014 World Cup in Brazil. The research was conducted over the period of May – October 2011 and was conceived as a preliminary step to establishing the World Class Cities for All (WCCA) Campaign in Brazil.

The WCCA Campaign was launched in 2006 by StreetNet International and other organizations of the urban poor including slum dwellers; migrant and refugee communities; and sex workers. With the South African World Cup in 2010 in mind, WCCA aimed to increase global awareness on rethinking urban planning and services to actively support informal economy workers. In South Africa, the WCCA Campaign called on host cities to work with local traders' organizations during the FIFA games to provide trading opportunities, basic services and other support to informal traders. The campaign also called on the government at the national and municipal levels to agree to set up street traders' bargaining forums and to take action to protect women and children who may have been victims of trafficking. In addition, the Campaign identified two specific issues: the imposition of exclusion zones around the fan parks and stadium areas in which traders were prohibited from trading, and the heightened risk of racist or xenophobic attacks.

The WCCA Campaign called on the FIFA Local Organising Committee and the municipal governments of the nine South African host cities to rethink the policy of creating exclusion zones around the fan parks and stadiums and to actively promote opportunities for informal traders. Some municipalities responded, in some ways, particularly in Cape Town, Mbombela and Johannesburg. Overall, however, many street vendors lost income during the World Cup.

The study in Brazil was conducted by three researchers, who counted on the technical support of the Gaspar Garcia Centre for Human Rights. The research was supervised by the StreetNet International Campaigns Coordinator. The research focused on a) the legal framework in which street trading is undertaken; b) the structures of the traders' organizations and their decision-making processes; c) the organizations' relations with the municipal authorities; and d) street traders' perspectives about the impact of the World Cup.

This research was conceived as an "action-research" programme designed also to build the capacity of street traders' leaders to work together within a national perspective. The researchers used a semi-structured questionnaire to carry out personal interviews with leaders of the street trader organizations. The interviews sought information about the membership, composition and organizational structure, the gendered nature of the organization, and the political context and allies with which they worked. The researchers gathered information about the main demands of the different organizations, and the possible impact of the World Cup. They also interviewed social movements, government authorities, NGOs, and university departments that work on issues of informal trading.

Due to a lack of resources, it was not possible to conduct the study in Recife and Curitiba. At the end of October, StreetNet International held a feedback workshop with some leaders from street traders' organizations. The researchers presented the findings of the study while working groups identified common

demands, which were drawn up as a platform of demands. On 26th October, at the headquarters of the Trade Union Confederation of the Americas (TUCA/CSA), the street vendors' organizations and other organizations, including the CUT Brazil (Central Única dos Trabalhadores or United Workers' Centre), and the Popular Movements Centre, adopted the platform. This was an historic occasion representing the first time that street vendors' organizations had the opportunity to meet together and adopt a national platform of demands. The declaration also condemned the police violence against street traders, which was taking place in Brás in the centre of São Paulo at the time of the meeting, and called for inclusive policies for informal traders during the World Cup.

The Legal Framework in Brazil

In Brazil there are two legal frameworks regulating street trading. The first refers to Public Law and is the basis for which the municipalities provide permits¹ for street traders to carry out commercial activities in public space. Trading permits are given as "authorizations," or "permits," which means that they can be modified when the administration so desires. Basically, this means that street traders have no guarantees that they can continue to carry out their commercial activity, even when they have a trading permit. While the permits are temporary, the judicial authorities can be asked to determine whether the revocation of a permit was carried out legally or whether the permit holder is entitled to compensation.

The second legal framework refers to federal tax laws and social security provisions, as well as the registration of informal workers as individual micro-enterprises (MEIs),² through which they are covered by social security and pay income tax. This system was introduced in 2008, with the adoption of the Complementary Law 128 of the General Law on Micro and Small Businesses of 2006, as part of a policy of the Federal Ministry of Labour and Employment to support small businesses. Registration allows an informal trader to become a legal business. Own account workers with a gross annual income of under R\$36,000 (US\$20,000)³ and who only employ one or two assistants can register and obtain a business registration number.⁴ They can then pay income tax at a reduced rate and in turn are covered by social security. As a legal business, they are entitled to issue official receipts, access formal bank credit facilities, and use credit card payment machines.

In the cities that are part of this study, these two systems are not coordinated except in the case of the Porto Alegre Popular Shopping Centre. The traders here are issued a permanent trading permit if they register as an MEI. However, traders elsewhere who register as an MEI must also still apply for a temporary trading permit with no guarantee of success. Furthermore, trading permits are issued to individuals and not to businesses. So in some cases, a trader has registered as an MEI in good faith only to be told by the municipality that because they are now registered as a company, they are no longer eligible for a trading permit. These two systems are obviously incompatible and there is clearly a need to reform the criteria for issuing municipal trading permits.

¹ known as "Permissão de Uso do Bem Público"

² the *Micro-Empreendedor Individual* (MEI) - <http://www.portaldoeempreendedor.gov.br/mei-microempreendedor-individual>

³ This increased in 2011 to R\$60,000 or about USD \$38,000

⁴ *Cadastro Nacional de Pessoa Jurídica* (CNPJ)

For a street trader to obtain a permit and to benefit from social security coverage, they would need to pay 20 per cent income tax and other taxes, which the majority of traders cannot afford. The advantage of registering as an MEI is that the income tax is considerably lower, fixed at 5 per cent of the minimum salary.

The Ministry of Labour and Employment and the trade union movement have been instrumental in disseminating information about the MEI system and its benefits for informal traders.

Main Challenges

Street traders face constant insecurity because of the precarious nature of their trading sites. The number of trading permits is far smaller than the demand and the majority of street traders therefore operate outside the law.

Illegality breeds corruption and there are many illegal, but highly organized, systems of pay-offs and bribes which underpin informal trade in all the cities. Refusal to pay bribes makes traders vulnerable to abuse, confiscation of goods, mafia-like extortion, and police violence.

The most vulnerable group of street traders are the traders without permits, who are neither included in any public policies nor supported in the majority of cases by the larger street vendors' organizations.

Street vendors' organizations often assume the task of collecting illegal bribes to pay to local authority officials. They are therefore unlikely to mobilise informal traders to demand their rights or expose corrupt practices.

Many street traders' organizations have developed a "clientelist" relationship with local councillors or State Assembly deputies so that, in exchange for delivering votes, traders receive short-term benefits. They have little or no expectation that public policies could be transformed to improve their situation.

Street traders' organizations exist in a form of an institutional vacuum, and the majority are not organized as workers' trade unions and are not affiliated to a trade union centre.

Over and above the legal complications, the system of MEIs tends to reinforce the vision of street traders as individual small businesses rather than as workers who could defend their rights collectively and establish cooperatives or other forms of solidarity economy initiatives. A cooperative would benefit from the same tax regime and social security coverage as the current MEI scheme and would be more of a springboard for effective political organization.

Key Demands of Traders

- (1) Establish secure and permanent trading sites with legal permits in well-transited area, whether a street or shopping centre;
- (2) Plan municipal schemes to build popular shopping centres, developed as social projects, with affordable rents and maintenance charges, and planned through a process of dialogue with representative organizations of informal traders as well as managed with their participation;
- (3) Recognize street trading as honest, dignified work with a social and economic value that provides a livelihood for poor income families and contributes to national economic development;

(4) End police violence and arbitrary actions;

(5) Cease the process of exclusion of traders from tourist areas and city centres under the guise of “urban renovation” projects.

Allies

The main allies from the outset of this project have been the United Workers Centre (CUT) at the federal level and state level, and the Gaspar Garcia Centre for Human Rights, a Sao Paulo based NGO, which has been providing leadership training and advocacy support for street traders in the city.

The Building and Wood Workers International (BWI), together with the International Trade Union Confederation (ITUC), have adopted a campaign called “Play Fair,” which is concerned with ensuring respect for trade union rights in the World Cup infrastructure projects and in other sectors. They have provided political support for the campaign.

During 2011, Popular Committees of those affected by the World Cup were formed in the 12 host cities. The committees are coalitions of social movements, women’s groups, housing rights groups, anti-corruption organizations and human rights organizations. Their aim is to act as the voice for those affected by the World Cup. They formed a national coordinating committee in August 2011. While the issue of street vendors had not initially been considered by the committees, there is increasing awareness about the potential impact of the World Cup on their livelihoods and a willingness to work with StreetNet.

Historically, there has been a strong social housing rights movement in Brazil. This has been given increased prominence with the appointment of Raquel Rolnik as the UN Special Rapporteur on the Right to Adequate Housing. The movement has been able to raise the profile of the impact of the World Cup within the different social movements. Both the Popular Movements Centre (CMP) and Social Movements Coordination (CMS) have expressed support for the street vendors and StreetNet’s campaign.

Other allies at the national level include the National Front of Football Fans (FNT) which is a nation-wide movement based in Rio that opposes elitism in football. It advocates for a just, democratic and popular sport. They support the right of street traders to operate within and around the stadiums, providing refreshments and sporting items at affordable prices. Another relevant initiative is the “Clean Games” campaign, supported by the Ethos Institute, which is aiming to ensure transparency in World Cup projects.

There are a number of universities carrying out research on urban policies and planning, many linked to the Metropolis Observatory, which is also monitoring the impact of the World Cup on social rights.

Relations with Local Authorities

Municipal laws and trading permit policies vary from city to city, ranging from highly repressive policies designed to prohibit all street trading (Belo Horizonte and Sao Paulo) to a relatively lenient approach to regulation (as in Salvador). Municipalities also have different policies concerning the creation of popular shopping centres and the levels of consultation and dialogue required with street vendors’ organizations.

For example, in Belo Horizonte, street trading is prohibited by law with only a few exceptions, such as popcorn sellers, and this prohibition is strictly enforced. The municipality has invested in popular shopping centres as alternatives for the street traders but has given the management of the centres to private companies. Poorer traders are unable to afford the high rents.

Gender Relations

The great majority of the street vendors' leaders are male and few organizations are working to ensure the participation of women in decision-making. It is important to train women leaders and find ways to put forward issues related to gender equality both within the organizations and with reference to workplace cultures.

Impact of the World Cup

In nearly all the cities studied, it is clear there is a policy of revoking trading licenses in the tourist areas and in areas around the World Cup stadiums. The General Law of the Cup (2012) establishes commercial exclusion zones in areas around the official event sites: in these zones, any commercial activity apart from that conducted by official sponsoring companies is prohibited. Many municipalities have revoked trading permits in these areas in preparation for the World Cup.

However, at the time of writing there is no information available as to how this law will be implemented at the municipal level and a general lack of information about what opportunities, if any, there might be for street traders to participate. Nor is there information about many of the proposed infrastructure and urban renovation projects. Street vendors have already lost their livelihoods around some of the stadiums that have been closed for renovations (as in the cases of Rio de Janeiro and Belo Horizonte).

Many observers have noted that the World Cup has created a "state of emergency" mentality, whereby many of the social impact assessment requirements for construction projects are not respected.

Conclusions

The study clearly indicates that there is a need to strengthen the representative organizations of street vendors in each city and establish coordinating bodies at the municipal level in order to put pressure on the municipalities to create negotiating forums.

Leadership training programmes focusing on strengthening democratic practices in organizations, gender equality, and the formation of cooperatives and social economy initiatives will be a vital element.

There is a need to provide sustained technical support, both to create and maintain municipal networks and to carry out advocacy work and legal interventions to protect the rights of street traders.

Finally, much more information is required concerning the detailed plans for the World Cup at the municipal level. This will be a first step to help develop proposals based on social solidarity initiatives to include street traders in the commercial benefits of the World Cup, and to develop sustainable projects for the longer term.

Profiles of World Cup Host Cities

1. Belo Horizonte, Minas Gerais

Marina Brito Pinheiro

2,375,151 inhabitants
6,4% unemployment
25,000 informal traders
23.85% population
below poverty line

Belo Horizonte was founded in 1897 when the capital of Minas Gerais was moved inland. During the boom years of the 1980s and 1990s, street trading expanded greatly, particularly in the city's centre. There is now an estimated 25,000 informal traders in Belo Horizonte.

According to DIEESE (Inter Trade Union Department of Statistics and Socio-Economic Studies) in 2011, 47.8% of informal traders earned the equivalent of a minimum salary per month and 32% earn between one and two minimum salaries. Traders work longer hours than their formal counterparts and the average income per hour in R\$5.13 or R\$812 per month (US\$525.). Over 60% of the traders are women, and the majority of traders are over 50 years of age with a low level of formal schooling (incomplete basic education). Most traders are long-term residents in Belo Horizonte and have been there for more than 10 years. Only 18% of traders are covered by some form of social protection, in most cases they are registered as an MEI.

In 1984, a law was passed in consultation with representatives of street traders which permitted and regulated street trading. However, as street trading continued to grow, the attitude of the municipality changed. The most recent municipal legislation concerning street trading is the 2003 *Codigo de Posturas* (Code of Placements), which prohibits all forms of street trading in Belo Horizonte. The new law was so strictly enforced that street trading is now greatly reduced.

The alternative provided by the municipality was the "popular shopping centres." The first such shopping centre, Oiapoque, was opened in August 2003 as a public-private partnership. Others were opened in rapid succession: Tupinambas, Xavantes and Caetes. In all, 2,371 traders were transferred from the central areas to work in these centres. All are administered by private companies apart from Caetes, which is run by the municipality.

While the shopping centres are in central locations, the traders found that the rents for the stalls were too high and many opted to abandon the stalls instead. Stallholders with a greater capital base were able to buy out the better placed stalls, and in addition there is an increasing presence of Korean stall owners in the shopping centres.

Some street trading still persists, such as itinerant street traders who walk around the city centre selling a wide range of goods, from coconuts to DVDs. They have no fixed position for selling and no license.

There are also a large number of open air markets, including the Flower and Natural Plants Market, with 43 stalls; the Tom Jobim Market of Antiquities and Typical Food and Drink, with 44 stalls; and the Handicraft market, known locally as the "Hippie" Market, which is the largest market in Belo Horizonte and well

frequented by tourists. It was transferred to its present location in 1991 and has 2,437 stalls, of which cooperatives selling “popular solidarity economy” products are a sizeable proportion. It is only open on Sundays and attracts up to 70,000 visitors every week.

There are other markets in the outlying districts, notably the Producers’ Market, which has been operating for over 60 years and is open every day of the week selling fruit, vegetables, meat and textiles; it has over 100 stalls.

Legal Framework

The Code of Placements states that a person who sells without a license in a public space is a lawbreaker because such commerce is prohibited by law. The few exceptions include shoe cleaners, newspaper and flower stalls, and popcorn sellers, all of whom must obtain licences.

Relations with Local Authorities

The Municipality of Belo Horizonte is divided into nine regions. It is these regions that are responsible for controlling informal trade. The popular shopping centres and the “Hippie Market” are all found in the Centre-South Region. In 2005, this region created the Regional Administration of Popular Shopping Centres, adopted a Municipal Regulation and established Popular Shopping Centre Management Councils (*Conselhos Gestores dos Centros de Comércio Popular*). Each Council is composed of a municipal representative, a representative of the shopping centre owners and an elected representative of the stall owners. The Popular Shopping Centre Regulations refer to a trader as a popular entrepreneur (“*empreendedor popular*”). They are required to pay an administrative tax to the shopping centre, are not allowed to keep the stall closed for more than 24 hours without informing the Council and cannot sub-rent the stall. Only a minority are registered under the MEI scheme.

The Regions are also responsible for providing training for informal traders but it seems very little has been done in this area.

Street trading around public events is managed by the event organizer. For example, in the case of sporting events in the main stadium *Mineirão*, from 2005 until 2010, trading was regulated and managed by the Stadium Administration of the State of Minas Gerais (ADEMG) as the area immediately around the stadium was under their jurisdiction. Each trader registered with ADEMG and paid a tax to set up a stall outside the stadium when there were games. The tax was about R\$10.00 (US\$6.50).

Main Organizations and their Demands

Trade unions of street vendors were formed in the early 1990s and were the main channels for negotiations with the municipality when the street traders were moved into the popular shopping centres. These are the Trade Union of Street Vendors of Minas Gerais State⁵ and the Trade Union of Informal Economy Workers of Belo Horizonte.⁶ These trade unions do not command much legitimacy with the traders as they were somewhat discredited as a consequence

⁵ *Sindicato dos Camelôs do Estado de Minas Gerais*

⁶ *Sindicato dos Trabalhadores da Economia Informal de Belo Horizonte*

of the transfer into the shopping centres. At present, the Informal Economy Trade Union has changed its name to reflect the new reality and is called the Trade Union of Informal Economy Workers, Micro-Enterprises and Street Trader.⁷ In Oiapoque the Informal Economy Association of Canteiro, which existed before the transfer to the shopping centre, continues functioning with 180 members. It holds the elected position on the Management Council of the shopping centre and is active in supporting its members, organizing meetings and preparing social events. In none of the other shopping centres is there such an active and cohesive association.

The main demand of the shopping centre traders' organizations is for a reduction in the cost of renting stalls. In Oiapoque, the stall rent varies between R\$200 and R\$1,500 per month along with other taxes for the maintenance of the centre. Many of the smaller traders have simply opted to sell their stall to those with a larger capital base as they cannot make it profitable. This is illegal according to the Regulations, so these traders risk prosecution.

In the other markets, there is the Association of Exhibitors of the Afonso Pena Market⁸ (or the "Hippie Market Association"), which was founded in 2006. The great majority of stallholders are members. They pay a regular subscription fee and the Association has recently taken the lead in a successful campaign against the municipality. The municipality had wanted to reissue licenses for the stalls and the new criteria would have meant that many longstanding stallholders were in danger of being excluded / evicted even though some had been there for up to 40 years. After a series of demonstrations and protests, the municipality had to backtrack. As a result the Association has been able to increase its influence in the management of the market.

The popcorn sellers claim the oldest trade union: the Trade Union of Popcorn Sellers of Great Belo Horizonte⁹ was established in 1956 and is recognized by the municipality as the speaker on behalf of the popcorn sellers. The trade union has an administrative office and a warehouse where the popcorn sellers park their carts during the night. It has a mutual fund for health and funeral expenses and there are 130 members registered, although the trade union estimates there are only 80 active popcorn sellers with a license to sell in a specified place. The trade union also estimates that there are a similar number of sellers working without a license; but the union has no relation with them.

The main demand of the popcorn sellers' trade union is that the municipality increases the number of licenses in the city, particularly in the central squares where there are often festivals and popular events. They argue that it has been 26 years since the municipality last issued a new license—and times have changed!

Finally, there is the Association of Stallholders of the Area outside Mineirão (ABAEM),¹⁰ for those who sell outside the stadium during games. They have 130 members and the organization was founded in 2000. They have an office inside the stadium and members meet every two weeks because of the problems they have experienced since the stadium's closure. Members are meant to pay a subscription fee of R\$10 per month, though income is erratic.

⁷ *Sindicato dos Trabalhadores na Economia Informal, Microempreendedores e Ambulantes*

⁸ *Associação dos Expositores da Feira da Afonso Pena (ASSEAP)*

⁹ *Sindicato Profissional dos Pipoqueiros da Grande Belo Horizonte*

¹⁰ *Associação dos Barraqueros da Area Externa do Mineirao*

The main demand of the Association at the moment is that they be allowed to sell in the vicinity of other stadiums or cultural events to compensate for their loss of income during the renovations of the Mineirão. During the World Cup, they want to be allowed to sell where there are big screens or fan parks. They also wish to have their situation regulated so that once the stadium is reopened. The municipality and the State of Minas Gerais can sign an agreement to give them licenses to sell around the renovated stadium.

Main Allies

There are different allies according to the category of informal trader. In the popular shopping centres, the PT councillors have sought to persuade the municipality to intervene in order to reduce the rents. The Hippy Market Association has also received considerable support from councillors and other social movements.

The popcorn sellers report that they have received support from a PMN councillor and the Municipal Tourism Board.

The Mineirão Stadium traders have gained the most support among the general public and social movements. The Mineirão Association of Sports Writers,¹¹ the Public Defender and research groups within the Federal University of Minas Gerais (UFMG) and the Popular Committee of those Affected by the Cup¹² (COPAC) have all supported their cause. The Public Defender has recommended to the state government and the municipality that they take immediate action to assist the families who have lost their livelihoods as a result of the closure of the stadium for renovation, although so far without results.

Impact of the World Cup

There are two notable impacts as a consequence of the World Cup. The first is a marked increase in the levels of control of informal trading in the centre of the city, and in some cases Municipal Guards have used violence against traders without licenses. The other concerns the fate of the 130 families who have lost their income as a result of the two main stadiums closing down and have received no compensation. Football games of the main league events have been transferred to other cities in the state. There is only one stadium functioning in Belo Horizonte at the moment and it is far from the centre, the number of fans is limited and the stadium has taken advantage of its unique position to charge high rents for those wishing to set up stalls.

The popcorn sellers have also been affected as there were 10 popcorn selling venues in the Mineirão stadium.

¹¹ Associação Mineira dos Cronistas Esportivos

¹² Comitê Popular dos Atingidos pela Copa

Conclusions

While the popular shopping centres have been successful in terms of the numbers of customers, the high cost of rent has meant that many of the smaller traders have found that it is not profitable for them to operate there. Because of the municipal regulation prohibiting street trading they have few other options. Their situation could only be improved if the centres were conceived as a social not-for-profit enterprise and the levels of rents were drastically reduced.

The municipal authorities have been unwilling to open a real dialogue with the legitimate associations of street vendors, as in the case of the Hippie Market and the traders around the stadium.

While the ABAEM has put forward a series of demands concerning the right to trade in the World Cup designated exclusion zones around the stadiums and fan parks, it is difficult to know whether the municipality will include them in contracts unless the traders can count on considerable support from local allies, the Public Prosecutor and others. It is also important to take into account the situation that will unfold after the World Cup, when a new private consortium will take over the management of the stadium from the state authorities. There is no guarantee that this private company will agree to recognize the Association and allow them to sell outside the stadium, or if they do so, there is a risk that the rents will become prohibitive for small traders.

2. Brasília

Marina Brito Pinheiro

2,570,160 inhabitants
13% unemployment
37.7% of the population
below the poverty line

Brasília has a unique administrative system because of its status as the federal capital. It does not have a mayor or council, like the other host cities. It has a Federal District Legislative Chamber, a Federal District Governor, 30 regional administrations (of the satellite cities), and a Coordinating Body of the Cities. The Regional Administrators are appointed by the Governor.

Street vending has existed in Brasília since its founding back in 1960. Until recently the main area of concentration was the Pilot Plan Bus Station, where vendors sold a whole range of items from food products to Asian imports. However, recently the District Government has restricted the numbers by issuing licenses to some vendors who agreed to set up stands, and transferring the rest to a popular shopping centre.

The Brasília shopping centre has not been successful, mainly because of its location far from the commercial and political centre of the city. Although it is near the out-of-town bus station, it does not attract enough passers-by to ensure sufficient customers. According to the Traders' Association, 1,000 of the 1,800 stalls are not used. In addition, the better situated stalls have been illegally sold. The President and four other members of the Association of Street Traders of the Brasília Shopping Centre were imprisoned for allowing this sale in 2010. Many traders have simply abandoned the Shopping Centre and returned to the centre of town, trying to avoid fines by trading after 5 p.m., when the Civil Police have stopped patrolling the area.

The Ceilândia Shopping Centre in another satellite city has suffered a similar fate. The building is well-constructed, with excellent sanitation facilities, food area and parking. While it is relatively well frequented during the weekend, it is virtually empty during the week.

The handicraft markets are open-air markets taking place once a week. The main handicraft market is the TV Tower Handicraft Market.

Legal Framework

Street vending is not permitted in the central area, known as the “*Plano Piloto*,” of Brasília. Some traders are allowed in designated stands and trailers, following a District Law adopted in 2008. Any other trading is deemed illegal.

The stands and trailers are regulated by the Coordinating Body of Public Services, a subsidiary of the Coordinating Body for of the Cities.

Relations with Local Authorities

The popular shopping centres are the property of the District Government. The stallholders in the shopping centres, as well as the stand and trailer owners, are granted licenses¹³ for which they pay an annual fee. The

¹³ *Termo de Permissão do Uso (TPU)*

inspection of traders is carried out by the Federal District Inspection Agency (AGEFIS).¹⁴

Most traders criticize the local government for their lack of initiative. While recognizing that the shopping centres are not working, they are incapable of conceiving alternatives. Because of the sale of the stalls to third parties, the district authorities decided to transfer the management of the shopping centres to private companies, marginalizing the traders' associations.

Even the relation between the local government and the handicraft market stall owners is quite tense. The local government had wanted to move the market to an outlying district; but in the face of organized and consistent protest, it was finally agreed that the market would be moved to an adjacent site in the centre of the city.

Traders recognize that the local authorities have provided some training courses, mainly related to hygiene for those selling fresh food products. However, most traders are quite resentful of the local authorities and believe that policies towards informal trading have failed.

On the other hand, the Public Prosecutor has a good working relationship with the traders' associations, and has followed up on complaints from them, attempting to find favourable solutions.

Main Organizations and Their Demands

The most important organization in Brasília is "UNITRAILER," which has about 13,000 members.¹⁵ It organizes stallholders, street traders and trailer owners. According to UNITRAILER, there are 60,000 people directly employed in these trades. UNITRAILER's main objective is to obtain licenses for all their members. It is also seeking to find ways of transforming informal traders into recognized micro-enterprises. They have signed an agreement with the Federal District Commerce Association to provide a credit fund for the construction of stands, which will meet the required standards.

The main organizations in the shopping centres are the Association of Traders of the Popular Shopping of Brasília (ASFESPO)¹⁶ and the Popular Shopping Centre of Brasília Women's Movement.¹⁷ Their main focus is to increase the number of people who frequent the area of the shopping centre. They have put forward proposals such as moving the car licensing authority or other government agencies to the ground floor of the shopping centre.

ASFESPO has around 200 members and was formed in 2010 following the imprisonment of leaders of the earlier Association of Street Vendors of the Brasília Popular Shopping Centre (ASSHOP)¹⁸ for corruption and illegal sale of the stalls. ASFESPO's membership is approximately 50% women and many of the members have registered as MEIs. In the Ceilândia Shopping Centre, the Federal District Street Traders Trade Union¹⁹ has members but there is not a specific association for the shopping centre. The main objective of this trade union is to register traders as MEIs.

¹⁴ *Agência de Fiscalização de Distrito Federal*

¹⁵ *União dos Proprietários de Trailers, Quisques e Similares do Distrito Federal*

¹⁶ *Associação dos Feirantes do Shopping Popular de Brasília (ASFESPO)*

¹⁷ *Movimento de Mulheres do Shopping Popular de Brasília*

¹⁸ *Associação dos Vendedores Ambulantes do Shopping Popular de Brasília (ASSHOP)*

¹⁹ *Sindicato dos Vendedores Ambulantes do Distrito Federal*

Each of the open air markets has an association, but they function more as an administrative body than the representative of workers' interests. As in the shopping centres, the traders are not owners of their stalls but receive a concession from the District Government and pay a monthly tax to the associations to cover cleaning and maintenance costs. There is an umbrella body known as the Union of Markets of the Federal District (SINDFEIRA).²⁰ Founded in 1977, it has a membership of 30,000 according to its leaders, and is the main representative organization of market vendors in Brasília.

The main demand of SINDFEIRA is for the regulation of the markets and the stalls. This is because in 2010 the decree which provided for the granting of licenses was revoked, leaving the traders in legal limbo.

In the handicraft market, there are two parallel organizations: the Association of Artisans, Plastic Artists and Food Sellers of the TV Tower Market (AFTTV)²¹ and the Association of Expositors, Artisans, Plastic Artists and Food Sellers of the Tower Market (ASSEAPMA).²²

Allies

The main allies of these associations are commercial organizations, such as the Federation of Commerce, Goods, Services and Tourism of the Federal District through which they receive legal aid and financial credit. Because the vendors' associations are mainly focused on registering their members as micro-enterprises, they see their natural allies as the formal commercial sector.

Otherwise, there appears to be only sporadic support from some elected deputies, particularly during the election period.

Impact of the World Cup

Most traders are not aware of any negative impact as a consequence of the World Cup. On the contrary, they view the Cup as an opportunity and hope that the District Government will give publicity to the markets and shopping centres. The stall owners in the city's centre have had to buy new stands in preparation for the World Cup, for which they were given loans by the Federal District Commercial Association. However, at this stage there are no plans to include the informal traders in trading opportunities of the World Cup.

Conclusions

There are very few informal street traders left in Brasília. They are either in the shopping centres or, in the case of a few, have been granted licenses and are registered as MEIs. Their main aspirations are to become formal commercial enterprises.

²⁰ *Sindicato dos Feirantes do Distrito Federal*

²¹ *Associação dos Artesãos, Artistas Plásticos e Manipuladores de Alimentos da Feira da Torre de Televisão*

²² *Associação dos Expositores, Artesãos, Artistas Plásticos e Manipuladores de Alimentos da Feira da Torre (ASSEAPMA)*

3. Cuiabá

Marina Brito Pinheiro

Cuiabá is the capital of the West-Central State of Mato Grosso. Informal traders of manufactured goods are mainly found in the streets and the two popular shopping centres: Cuiabá Shopping Popular and Shopping China. The handicraft markets are in the main city squares and take place on specific days of the week.

There are about 400 street traders in and around the main square of Praça Ipiranga, according to the municipality. In 1995, the majority of street traders were transferred to the Cuiabá Popular Shopping Centre, which was constructed as a partnership between the municipality and the Cuiabá Chamber of Commerce. It has 400 stalls. Shopping China is managed by a private company and has 91 stalls.

The main handicraft market is the Handicraft Market of the Mato Grosso Association of Artisans, which takes place on a daily basis. There are a number of other handicraft markets in the city.

Legal Framework

The Law 004/92 Section 111 is the main law which regulates street trading. This law prohibits street trading. The body responsible for implementing this law is the Municipal Secretary of Environment and Land (SMMAAF). However, there is an informal agreement that traders can operate in the area around the Praça Ipiranga until alternatives have been found. Additionally, there has been another provisional agreement that other traders can operate in another area of the city until a permanent building has been made available.

Relations with Local Authorities

Street traders do not consider the Civil Police or the Municipal Guard to be hostile towards them. They view the Public Prosecutor as an ally who persuaded the municipality on a number of occasions to find alternative trading sites when they were threatened with eviction.

There appears to be a lack of coherent policy towards street traders on the part of the public authorities. While there are plans for the construction of a third popular shopping centre to house the street traders in the centre, the plans are not very advanced.

In contrast to the situation for street vendors, there are a number of public agencies designed to support and encourage handicraft production and commerce, including the Special Secretariat of Industries, Commerce and Tourism of Cuiabá (SICME), the State Secretariat for Tourism Development and the Secretariat of Culture. These provide training programmes in traditional handicraft techniques as well as commercial and cooperative training. The programme also assists artisans to access credit. There is also a specific programme for women who act as the heads of their households, to provide

55,350 inhabitants
7% unemployment
1828 informal traders
27.6% of the population
below the poverty line

business and product design training. There are over 30,000 artisans registered in the State of Mato Grosso.

Main Organizations and their Demands

The main organizations of street vendors are the Trade Union of Street Vendors of the State of Mato Grosso (SINCAMAT)²³ and the Association of Street Traders of Cuiabá (ASCAVAC).²⁴ The main demand of these organizations is for the regulation of their vending sites so that they can operate in a secure environment, as the current system is based on informal agreements with no legal basis. They fear that if there were changes at the top in the Environment Secretariat or the municipality, these informal understandings could be lost.

The street traders are positive about the popular shopping centres and support the construction of more centres.

SINCAMAT has a membership of 450 street traders and was established over 30 years ago. The majority of these members are women. ASCAVAC has 198 members and was founded 8 years ago. It also has a majority of women members. The Association of Traders of the Cuiabá Popular Shopping Centre has 400 members.

There are a number of artisans' associations, including the Association of "Golden Hands" Handicrafts²⁵, the Mato Grosso Association of Handicraft Products,²⁶ the Mato Grosso Association of Artisans,²⁷ the Mato Grosso Association of Handicrafts and Culinary Products,²⁸ and finally the Women in Action Cuiabá Handicrafts Associations.²⁹ Again, the majority of members in these associations are women.

Allies

The street traders' associations identified few allies, apart from some councillors who have provided occasional political support. The formal trade union movement has little relation with the street traders' organizations. SINCAMAT reports that CUT had provided legal advice and also some campaign support, but it is not affiliated.

Again the handicraft organizations report much more consistent support from the State Secretary for Culture and some private enterprises.

Impact of the World Cup

The main infrastructure project for the World Cup is the renovation of the stadium. There are also plans to create new bus lanes in the Praça Ipiranga, which could impact on the current trading sites of the street vendors. These urban renewal plans clearly are designed to remove the street traders from the centre of the city.

The traders generally view the World Cup favourably. They do not associate the urban renewal projects and the removal of traders from the city centre with the preparations for the World Cup.

²³ *Sindicato dos Camelôs do Estado do Mato Grosso (SINCAMAT)*

²⁴ *Associação dos Camelôs e Vendedores Ambulantes de Cuiabá (ASCAVAC)*

²⁵ *Associação de Artesanato Mãos de Ouro*

²⁶ *Associação Mato-grossense de Produtores Artesanais (AMPA)*

²⁷ *Associação Mato-grossense de Artesãos (AMA)*

²⁸ *Associação Mato-grossense de Artesanato e Culinária (AMAC)*

²⁹ *Mulheres em Ação no Artesanato da Baixada Cuiabana*

Conclusions

Street traders in Cuiabá are in a very vulnerable situation. The municipal laws clearly prohibit trading, yet the traders are tolerated in some areas. The municipal authorities lack any coherent policy towards street trading, letting them stay in certain areas of the city and promising to construct new shopping centres.

However, the increasing pressure from the Cuiabá Chamber of Commerce, coupled with the urban renewal plans for the World Cup, means that the traders may well be evicted from the centre. Aware of this situation, and in the belief that they would not be able to stay in the main central areas, the vendors are calling for the construction of a new shopping centre as the best viable alternative.

4. Fortaleza

Emly Andrade Costa

Fortaleza is the capital of Ceará State, in the northeast of Brazil. It is a city with huge social inequalities: 40% of the population earn less than half a minimum salary per month. The centre of the city has undergone considerable changes since the 1980s when the main government buildings were moved to the outskirts. With the advent of out-of-town commercial shopping centres, the centre's commercial role has also been reduced. Indeed, in some measure, it has been replaced by informal trading.

The Bus Station Market, with around 1,200 traders, was one of the main markets, but the bus station was moved elsewhere and since then the area does not attract the same number of customers. The infrastructure is very precarious and often goods are damaged when it rains.

Fortaleza is divided into seven sub-prefectures, known as Regional Executive Secretariats (SER). The laws regulating trading date from between 1981 and 1994. Decree 9300 of 1994 regulates trade and defines a street trader as "those who trade cigarettes and sweets, clothing, jewellery, second-hand records and video-cassettes, mobile phones cards and lottery tickets and other sundry items." Each sub-prefecture regulates street trade and provides licenses that are renewed every six months.

Many of the items currently sold by traders are not mentioned in the 1994 decree and the Chamber of Deputies has requested that the law be revised. In October 2010, there was further discussion in the Chamber of Deputies, with the following consequences: provisional licenses were given to traders in the Rua Liberato Barroso area, licenses were withdrawn in the Bus Station Market area, traders were evicted from the Jose de Alencar Square and there are plans to relocate 1,300 traders in the Lagoinha Square.

The Municipal Guard is responsible for controlling trading and has the authority to confiscate goods and arrest traders. They are known locally as the "*rapa*." In the past, there have been significant clashes with the authorities and since the inauguration of present administration (2009-2012), there have been a number of conflicts and forced relocations.

The Case of Beco da Poeira

The old Beco da Poeira (Dirt Lane) Market was inaugurated in 1989 when the municipality granted a site to the Professional Association of Street Traders and Autonomous Workers of the State of Ceará (APROVACE).³⁰ The Association built the stalls with their own resources and by 1992, there were 1,011 stalls and 20 small cafés. In 2001, the municipality decided to transfer the market to a nearby location; but in order to build on the site, they needed to obtain compulsory purchase orders on some buildings and the construction of the new market was halted. Today it remains half-built, and is known locally as the "Skeleton." In

2,452,185 inhabitants

8.9% unemployment

52,000 informal traders

43.17% population

*living below the
poverty line*

³⁰ Associação do Profissional do Comércio de Vendedores Ambulantes e Trabalhadores Autônomos do Estado do Ceará (APROVACE)

February 2010, the municipality informed APROVACE that the traders would be relocated from the “Dirt Lane” Market to a Small Business Centre, and starting in April, the process of relocation began. This decision caused considerable protest and division, particularly because the traders had invested their own resources in the initial market and had never been compensated.

Some members of APROVACE chose to occupy the Skeleton in order to protest at the forced relocation and to guarantee their right of possession. Others agreed to the relocation in order to have a trading area, although many have since abandoned the new centre because of a lack of customers.

The Case of the Sé Market

The Sé Market is a handicraft and clothes market, which began in a fairly improvised fashion around the cathedral area. In May 2009, the municipality decided to move the market to another area a considerable distance away, in a neighbouring district. Only a few of the traders agreed to the relocation. The others put forward a proposal to take over some empty warehouses in a nearby. This market is now functioning, and the stallholders pay a license fee of R\$20 (about US\$12) per week. After this market was established, the street traders returned, occupying the streets outside the warehouse during the weekend. The traders work from Saturday evening until Monday non-stop, with family members taking turns to sell. It is a huge operation, with over 8,000 traders and over 50 coaches visiting from different parts of the country. Some researchers estimate that these markets generate up to 50,000 direct and indirect jobs.

Relations with Local Authorities

The street vendors’ organizations have faced periods of intense conflict with the municipality. The constant struggle for the right to work has resulted in considerable divisions over strategy and political alliances among the street vendors’ organizations. While some state-level deputies and local councillors have supported their demands and sought to intervene on their behalf with the municipality, the results have been limited.

Under the previous municipal administration, the street traders considered that there was a functioning relation with the municipality and greater recognition of their right to work. Traders were issued with a work coat, identity badges and the stalls were all given identity numbers. Under the present administration, there is a lack of coordination and avenues of dialogue have been closed.

Main Organizations and Demands

The main street traders’ organization is APROVACE. It was founded in 1983, with the support of the Mayor at the time, to organize and represent the interests of the street traders, in particular those in the centre of the city. Indeed, the Mayor made membership of APROVACE a condition for the allocation of a trading space.

Today, the organization is mainly concentrated in the centre of city, and is not state-wide despite its name. It has 13,000 members of whom approximately 60% are women. The current Mayor has sought to undermine the leadership through defamation campaigns and accusations of funding misuse.

There are some other smaller traders' organizations, such as the Association of Warehouse Autonomous Traders and Small Entrepreneurs³¹, which has around 1,400 members. The President of the Association explained that in 2009, there was a good working relation with the Mayor; but now they are marginalized from decision-making. There is also considerable hostility between the traders inside the warehouses who have licenses and the street traders outside the warehouses who do not have licenses. However, on the issue of improving security in the area, they have worked together to contract private security guards.

Among the handicraft producers, there is the Market Traders of Av. Beira Mar³², which was founded in 1982. This market is on the seafront by the tourist hotels and is the traditional handicraft market. Each stall is registered and the market owners must have a licence, which is renewed annually by the municipality. The association has its own statutes and fulfils all necessary legal requirements, including the registration of members. There are 636 members, of whom about 60% are women. There are plans to renovate the market and provide better storage facilities in an underground car park. The plans have been discussed with the existing market stallholders. It has been agreed that the renovation will not be used as an excuse to grant new licenses.

In the central area, there are other cigarette, popcorn and sweet sellers, only some of whom have licenses. There are probably 70 street traders in the seafront area in the low season and as many as 200 in the high season.

The street vendors' main demands are:

- To secure work sites in strategic areas of the centre of the city
- To develop agreements between traders and officials on alternative sites if there is a need for traders to be relocated, and that all traders be moved together
- To increase recognition of the value of street trading in public spaces as it provides a livelihood for families (there is currently a lack of both individual and collective rights; traders are often treated as second class workers)
- To improve the registration of trading sites, issuance of identity badges and work clothes so that traders are not marginalized or discriminated against by the local authorities
- To establish a forum for dialogue with the municipality
- To open access to relevant information, and in particular information on the specific arrangements for the World Cup

Allies

The street vendors are not affiliated to any trade union centre or other social movement. They receive occasional support from some deputies and local councillors in moments of severe crisis. At the time of the report, no street vendors' organization was taking part in the Popular Committee of those Affected by the World Cup.

³¹ Associação dos Feirantes Autônomos do Galpão do Pequeno Empreendedor

³² Associação dos Feirantes da Avenida Beira Mar (ASFABEM)

There is a research group in the Geography Department of the Federal University of Ceará that has been studying informal trading in Fortaleza. They could be potential allies.

Impact of the World Cup

Around 3,500 families will be evicted from their homes as a result of the infrastructure projects related to the World Cup. Traders who work around the Castelão Stadium will also have to be relocated, but more information was not available at the time of the report.

The main concern of the traders is whether they will be able to continue to trade in the public spaces in the centre and other tourist areas, and what plans the municipal government will make.

There is little information available about the General Law of the World Cup and its implications for street traders. At the moment, the Popular Committee has not focused on street trading and is mainly concerned with housing rights.

Conclusions

It is clear that there is a need to provide capacity building for the leaders of the street vendors' organizations and to increase understanding of the potential impact of the World Cup. Informal economy work is a reality in the city and public policies need to take into account the needs of this group who have taken up trading as a means of economic survival.

5. Manaus

Emly de Andrade Costa

2,452,185 inhabitants
20,000 informal traders
41% of the population
living below the
poverty line

Manaus is the capital of the northern state of Amazonas. Its main economic importance is the export processing zone, which was established in 1967. There is a substantial electronics, pharmaceutical and mining sector; as well as forestry, fishing and some ecotourism, which has attracted considerable inward migration from the surrounding areas.

Street traders are found along the central squares and pavements, in the municipal markets, bus stops, and the port area and along the banks of the river Negro, in the tourist areas of the city. As well as stalls, some vendors also have wheel carts. Traders work an average of 10 hours per day, from Monday to Saturday and on holidays. They either pay for night watchmen to guard goods or else have an arrangement with someone to take the goods to a storage area.

In 1993, Mayor Amazonino Mendes sought to recognize and regulate street trading. At that time there were 4,800 traders, with about 2,500 in the centre of the city, particularly around the Matriz Square. Under the present administration (2009-2012), there is an urban development project known as "Centro Vivo 28." While it is designed to improve the environment and public spaces, the existence of street vendors has not been taken into account in these plans.

According to local street vendors' organizations, there are up to 20,000 street traders in the city at the present time. According to SEMPAB, there are 54 registered markets and 7,219 persons with licenses working there.

Legal Framework

The municipal law for Manaus dates from 1990 and states that street traders are those who work autonomously, on roads, in public spaces or from door to door. Licenses for street trading can be obtained for an annual fee. Article 43 prohibits the sale of vegetables, alcoholic drinks, liquid gas, arms and other weapons, and electronic goods. Licenses are granted to individuals and are not transferable. On the other hand there is considerable demand for registered stalls as it is thought that those with licenses will be transferred to popular shopping centres.

At the time of the research, a draft law was being debated in the Chamber of Deputies which would privatize publicly owned markets. There was considerable opposition to this proposal from the street vendors' organizations and from other political leaders. At the time of writing, the proposal had not been approved.

Relations with Local Authorities

The Municipal Secretariat for Production and Supplies³³ (SEMPAB) is responsible for the renovation of markets; regulation of street trading; registration of market traders; management of itinerant local markets; and technical support to the primary sector. The Municipal Institute for Social Order and Urban Planning is responsible for urban planning and renovations.

³³ *Secretaria Municipal de Produção e Abastecimento (SEMPAB)*

The main street traders leaders and the municipal government are in favour of establishing popular shopping centres and in 2011, a provisional shopping centre—known as RoadWay—was opened in the port area as a pilot scheme.

At the time of this report, SEMPAB had suspended the provision of new licenses. In addition, street vendors were facing stricter control over their licenses, and those selling food products in particular were in danger of having their licenses revoked. There were 16 inspectors in the central area working for the municipality who carried out daily patrols/checks.

Main Organizations and their Demands

The main street vendors' organizations are the Trade Union of Street Vendors of Manaus (SINCOVAM)³⁴ and the more recently created Association of Street Trades of Informal Commerce of Amazonas.³⁵ There is also the Trade Union of Market Stall Owners of Manaus.³⁶

SINCOVAM was created six years ago and has 2,134 members. The President of the organization has been a street trader since 1982. The trade union is registered, issues membership cards and has a six-member Executive Committee. Male and female membership is roughly equal. The leadership convenes regular meetings with members every two months in the different streets of the central areas to discuss the situation and plan activities. There is also an annual general assembly as laid down in the Statutes. The trade union reports generally good working relations with the Mayor and public authorities, including the Chamber of Commerce of Manaus.

In August 2011, SINCOVAM carried out a popular consultation to get vendors' opinions about whether to move to the provisional popular shopping centre. In all, 9,714 persons participated in the survey and 97% of those surveyed were in favour of the proposals. The survey results were sent to the competent authorities to put pressure on them to construct the popular shopping centre. Manaus has a particularly humid climate and it rains solidly for six months of the year, so it is clear why the option of a popular shopping centre is so attractive.

Other areas of concern include access to credit; upgrading the trading stalls; strengthening the political representation of informal traders with public authorities and the private sector; and capacity building in business skills. They are also concerned with ensuring improved waste collection, particularly on the streets.

The trade union has been very active in creating awareness among the public and the authorities about the value of creating a popular shopping centre. They have held five public audiences and two popular tribunals in the Local Council Chamber. Trade union leaders also have emphasized the importance of fixing the rents in the shopping centres at an affordable level. They maintain that even if the private sector is responsible for building and managing the shopping centre, the municipality must play a regulatory role.

The Association of Street Vendors of Informal Commerce of Amazonas³⁷ was founded in 2011. At the time of this research, it was not possible to verify more about the aims of the Association. They were not cooperating with SINCOVAM.

³⁴ *Sindicato dos Vendedores Ambulantes de Manaus (SINCOVAM)*

³⁵ *Associação dos Vendedores Ambulantes do Comércio Informal do Amazonas (AVACIM)*

³⁶ *Sindicato Comércio Varejista dos Feirantes de Manaus*

³⁷ *Associação dos Vendedores Ambulantes do Comércio Informal do Amazonas (AVACIN)*

On the contrary, the Trade Union of Market Traders of Manaus³⁸ does work in partnership with SINCOVAM. They represent food sellers in markets and on the streets. They support and share the position of SINCOVAM concerning the popular shopping centre.

In Manaus, market traders are essential to the economy of the city and are the main source of supplies. Their trade union is represented in the Municipal Council on Economic Development in the Technical Commission on Supplies and Produce.

Allies

Both SINCOVAM and SINDIFEIRA are affiliated to CUT-Manaus. They have also received training in business skills from the SEBRAE (Brazilian Service of Support for Micro and Small Business). SINCOVAM President says that approximately 40% of their members have been trained in SEBRAE programmes.

The street vendors' organizations are not well-connected with other social movements. The Popular Committee of those Affected by the World Cup, founded in August 2011, has 40 member organizations; but street traders are not represented. The aim of the Committee is to monitor the infrastructure projects in preparation for the World Cup and the resulting impact on the local community.

Impact of the World Cup

Traders have not yet felt any impact from the World Cup. The infrastructure projects had not started and there is a general lack of information about what the plans are. However, there will be new stadium, with a capacity of 48,000 people.

The main concern of the Popular Committee has been the lack of transparency about the World Cup plans.

Conclusions

The main issue facing street vendors in Manaus is how to construct and manage a popular shopping centre in a just and sustainable way, which meets the needs and interests of the existing street traders. It will be important to ensure that the representative street traders' organizations are fully consulted and are part of the decision-making process at every stage of the design, construction and management of the future centre. As there are differences of opinion and approach among the street traders, it will be important to ensure broad debate and transparent decision-making.

Another issue that needs to be addressed is the training of women leaders, who are at the moment absent from the leadership of the street vendors' organizations.

³⁸ Sindicato Comércio Varejista dos Feirantes de Manaus (SINDIFEIRA)

6. Natal

Emly de Andrade Costa

*803,739 inhabitants
18% unemployment
3,300 informal traders
40% population living
below the poverty line*

Introduction

Natal is the capital of Rio Grande do Norte, in the northeast of Brazil. It has a high percentage of families living below the poverty line, with 34.4% of families receiving a per capita income of less than half the minimum salary. The informal economy has grown substantially since the 1990s. In the eastern part of the city, which is the commercial centre, there are large numbers of street traders as well as the two main popular shopping centres. Street traders generally concentrate in the main shopping streets in the districts of Cidade Alta and Alecrim. They are also found in areas where there are considerable numbers of people, such as the university and near schools, banks, hospitals and bus stations. In particular, there are large numbers around the popular shopping centres, the Midwall Via Direta and Natal Shopping. It is estimated there are 15-20 street traders on each block of pavement around the two shopping centres. Street vendors also work in the areas near the stadiums on match days. They are also used to vending during the Natal Carnival, which is a big event attracting visitors from many of the nearby states.

Legal Framework

Natal does not have any specific legislation on street vending. When interviewed for this study, the Municipal Secretary of Urban Services (SEMSUR), which is responsible for street trading in Natal, explained that there is no legislation to prohibit street trading; however the municipality considered that unless the trader has a license, the trading cannot be in a fixed position.

Since 2009, SEMSUR has been trying to register all the informal traders in the city centre. They estimate there are 1,600 street traders in the centre and 1,770 market traders. SEMSUR has a brigade of inspectors who patrol the centre and who check on traders. If there is an irregularity, the trader is given up to 72 hours to leave the place but if they repeat the offence, their goods are then confiscated.

Relations with Local Authorities

The market and artisans' associations consider that their relation with the municipality is good, as far as the administration of licenses and taxes. However, they feel that the municipality has no interest in developing long-term policies based on consultation and dialogue. There is no commission or other body responsible for this issue.

Main Organizations and their Demands

The main market, founded in 1920, is in the Alecrim district, in the eastern zone of Natal. There are 836 stalls in the market selling food and electronics. On the streets in the area, there are around 500 street traders located in front of the shops. The shopkeepers have differing views about the street traders—some believe the traders negatively impact the shops, while others think the traders' presence increases their shop sales.

In 1990, the municipality built the Alecrim Small Business Shopping Centre (known as Shopene). The Association of the Alecrim Small Business Shopping³⁹ was founded in 1989 to represent the interests of the stallholders and to organize the management of the centre. The Association is legally registered, has developed statutes and a list of members. The association meets every six weeks or so, according to need. The Executive Committee comprises of seven representatives who are elected every two years. The main demands of the association refer to improvements in the physical infrastructure, the need for restaurants and electronic payment methods for bank cards. They also criticize the poor sanitation and state of the pavements in the surrounding areas. Security in the area is another issue, as incidents of theft and violence are relatively common.

In the Cidade Alta district, near Alecrim, there are many street vendors who trade their products in the late afternoon and early evening after the inspectors have left. When the shops have shut and office workers are leaving for home, the pavements in the main streets—Avenida Rio Branco and Rua Princesa Isabel—are transformed by goods spread out on the ground.

In 1997, the municipality built a centre for the street vendors, known as the Popular Shopping of Cidade Alta. There was a lucky draw among the vendors as to who would get places there. The centre has 452 stalls to sell clothes, DVDs, CDs, and other services. The municipality pays for the electricity but the installations are quite precarious.

The Association of Stallholders of the Cidade Alta Shopping Centre⁴⁰ was created at the same time as the centre was built. Its main purpose is to maintain the cleaning services, security and the administration of the centre. According to the administrative director of the centre, in 2011 there were 452 stalls but only 230 were active. The others are used as storage space as the owners prefer to sell on the streets. The Association says that other traders could make better use of the stalls, but that it is the municipality who decides who is given rights to the stalls. There is also a problem of illegal sub-renting of some of the stalls (maybe up to 30-40% of the stalls are sub-rented).

The Association only meets when there is a particular problem to resolve. Some members report that others do not participate actively in the organization. At the time of writing, the last meeting had been over one year ago. The Association has a set of rules and regulations, and 35% of its members are women. The Association also has financial problems and does not have resources to carry out necessary investments, particularly in much needed improvements to the electricity installations, which pose a serious risk at the present time. They believe that the municipality should advertise the shopping centre more to attract a larger clientele.

Main Allies

The street vendors' organizations do not work closely with the trade union movement. The Popular Committee in Natal is quite small and mainly comprises academics and civil society organizations. They are aware of the potential impact of the World Cup on informal traders and are prepared to defend their human rights. The Federal University of Rio Grande do Norte has set up an Observatory about the World Cup and also participates in the Popular Committee.

³⁹ Associação do Shopping dos Pequenos Negócios do Alecrim

⁴⁰ Associação do Shopping Popular Cidade Alta

The vendors do not have much support from local councillors or State Deputies; but sometimes look for assistance and political support for particular issues.

Impact of the World Cup

In Natal, there is considerable discontent surrounding the World Cup infrastructure projects and a lot of misinformation. In mid-2011, it was calculated that 670 families will need to be relocated as a result of 11 construction projects. There is no direct channel of dialogue between informal economy workers and the municipality about the World Cup projects.

Many of the street traders who sold in the areas around the stadium have lost their livelihoods. Games have been transferred to a private football club on the outskirts of the city while the renovations are carried out. The stadium vendors have moved either to the university area or to the bus station.

The shopping centre traders have not been informed about FIFA marketing laws, the commercial exclusion zones or other similar information.

The main concerns of the Popular Committee are:

The right to housing: There have been evictions as a result of the construction of the new stadium, Arena das Dunas. Furthermore, there is considerable property speculation and there are plans to renovate the riverbanks, considered tourist areas, which would result in further evictions. Many families living in these areas also have small businesses in their homes which are also in danger of being destroyed if these evictions take place.

The lack of dialogue with those affected: The Mayor and local government have not established any consultative platform, only informing those affected of decisions.

The lack of commercial information: The street traders have not been given any information about marketing restrictions or the existence of commercial exclusion zones during the World Cup.

Conclusions

The street vendors lack strong political leadership. The existing organizations are relatively fragile and are basically limited to commercial issues. They are not perceived as a channel to put forward proposals concerning urban policies to develop the sector. The lack of women leaders in these organizations is also notable.

It would be important to strengthen the links with the university research departments, civil society organizations and the local trade unions.

While the impact of the World Cup has is not yet fully understood, there is a fear that the infrastructure projects could disrupt existing trading areas. There is an urgent need to establish a channel of communication and negotiations with the municipal authorities.

7. Porto Alegre

Maíra Villas Bôas Vannuchi

Introduction

Porto Alegre is in the south of Brazil and has one of the highest levels of economic development in the country. There are no reliable statistics as to how many informal traders there are in the city. Before the creation of the Popular Shopping Centre in 2007, it was estimated there were 4,000 street traders.

The Popular Shopping Centre mainly sells Chinese electronic goods and textiles. The only street traders in the centre of the city who hold permits are those selling food products. In popular residential areas, there are also many vendors selling food. There is also a group of vendors who sell food, drinks and team paraphernalia at approximately 30 metres from the entrance to the stadium. There are a number of handicraft markets as well as markets of the social economy selling bio-products, food and traditional items from the region.

There are many street vendors who operate without licenses and another group which sells illegal products (counterfeit DVDs, etc.).

Legal Framework

The Law 3,187 of 24th October 1968 was the main law regulating street vending in Porto Alegre until 2006, when the Popular Shopping Centre was created. After that, the Law 9941 was adopted, which refers to “popular traders” rather than “street traders.” This law stipulates that informal traders in the centre of the city can only operate from the Popular Shopping Centre, as established under Decree 16,101 of 2008. In other districts of the city, street vending in public areas is authorized.

In the Popular Shopping Centre, the municipality grants two kinds of licenses: a provisional license which needs to be renewed on an annual basis and can be revoked; and the permanent license, when the seller is registered as an Individual Micro-Entrepreneur, which also means that the person is entitled to join the National Social Security System.

Informal traders who sell perishable goods are authorized to sell in the street in accordance with Decree 15,464 and Law 9,720 of 2005, which regulate trading in public areas and sets out the system of granting licenses as well as the hygiene standards required.

With the exception of the traders in the Popular Shopping Centre, all the other traders have temporary licenses which must be renewed annually. These traders can have up to two assistants and the license is considered hereditary in that it can be passed from parent to child. At the present time, no new licenses are being offered in the centre, and only a few in the outlying districts of Assis Brasil, Resenha, Azen, Praça Parobé, and Viaduto Conceição e Bonfim.

The Municipal Secretary for Production, Industry and Commerce (SMIC) is responsible for the provision of licenses. The traders report that the SMIC generally operates within the law and if goods are confiscated when someone is

1,409,351 inhabitants
7% unemployment
5,000 informal traders
23.74% population
living below the
poverty line

trading without licence, it is possible to recover the goods on proof of payment of a fine. However, as the goods are often worth less than the fine, traders do not always try and recover them.

The main point of conflict is that during the negotiations to establish the new Popular Shopping Centre, the street traders that were relocated to the new centre agreed that there would be a ban on street trading in the city centre from then on. The SMIC has an agreement with the Military Brigade, which patrols the centre strictly and will fine traders and confiscate their goods.

Relations with Local Authorities

The creation of the Popular Shopping Centre has been the main measure taken by the local authorities over the last few years in relation to informal trade; it has also entailed the introduction of new legislation. There are differing opinions among informal traders as to the merits of these reforms.

Some defend the creation of the shopping centre, arguing that workers are now operating in a dignified manner with a secure, sheltered and regulated environment. Others consider that the shopping centre is part of a process of “criminalizing” street vending and “imprisoning” them. They argue that only traders with a relatively strong capital base can afford to work in the shopping centre and the poorest traders are excluded, unable to afford the rent and service payments.

The traders who operate around the stadium confirm that the municipality has not sought to carry out a census or regulate their trade. As long as they respect the distance of 30 metres from the stadium and do not sell alcoholic beverages, their right to trade is tolerated.

In contrast, the handicraft traders are well-regulated. All artisans must pass a proficiency test which is adjudicated by the “House of Artisans.” There is a points system to get registered for the Artisans Fair.

The Case of the Porto Alegre Popular Shopping Centre (CPC)

Those who defend the CPC consider that the census conducted prior to the creation of the centre was fair. There were around 800 vendors in the centre at the time and all were registered. There was a good dialogue between the vendors and the municipality about the design of the CPC, and a series of public hearings were held so that some of the ideas of the vendors were integrated into the architectural plans. The street traders, on the basis of experiences from other shopping centres in the country, argued that the CPC must be horizontal and not vertical, as originally designed. Priority for the best stalls in the building was given to 60 persons with impaired sight. The negotiations were accompanied by an NGO, called “Cidade.”

Those who opposed the process, while recognizing that a process of dialogue existed, argued that the construction of the CPC was an artifice of the municipality to convince the street traders that working in the streets was precarious while the CPC was a “dream of dignity.” More importantly, they argue that many were excluded from the census, and while the municipality only included 840 traders in the CPC, in reality there are approximately 4,000 traders in the centre.

During the dialogue with the traders, it did not transpire that the municipality intended to surrender the management of the CPC to a public-private partnership. Thus the administration adopted a business plan and the rents were set at approximately the equivalent of a minimum salary per month, and traders also had to pay an additional service charge for security, cleaning and maintenance. The traders who failed to keep up with the payments were expelled. The majority who could afford to stay were the wealthier traders, who were mainly selling electronic goods. There has been a process of capital accumulation in the CPC, with some traders now owning up to three stalls, with a profit turnover equivalent to that of a regular shop. Some organizations calculate that 50% of the traders who moved to the CPC initially have now been forced to leave as they could not keep up with the payments and that the municipality has not intervened to save their livelihoods.

While there are marked differences of opinion about the CPC, there is a strong culture of social dialogue in Porto Alegre because of the tradition dating from the 1980s of participatory budgeting, which set up thematic councils of relevant social actors to discuss the municipal budget. Various representatives of the informal traders' associations are members of these thematic councils (for example the councils dealing with work and income).

Main Organizations and their Demands

The main demands of the Association of Traders of the Popular Shopping Centre of Porto Alegre⁴¹ relate to the need for all the traders to obtain a permanent license (linked to registration as an MEI); at the moment only a small percentage have been registered. They also want improvements in the administration and business environment of the CPC. They want the CPC administration to behave in a more transparent manner, fairly and for the municipality to intervene to guarantee the livelihoods of the poorer traders. The leadership of the organization is elected by direct vote every four years and the leadership meets on a regular basis.

The Association of the Rua da Praia Market⁴² focuses on the need for public measures to ensure a fair commercial relationship between the CPC administrators and vendors, and the creation of new public spaces for informal traders. This organization is the main critic of the CPC and represents those traders who want the municipality to play a role. The organization elects its leaders every two years. Many members are part of the participatory budgeting forums. The leadership of the Association is predominantly women. The Association also represents the traders in the CPC who are having financial difficulties remaining in the centre. They call for improvements in the centre, such as the construction of a crèche and installation of individual electricity metres in the stalls so that the poorer traders can claim subsidies on their lighting bills. They also want to allow traders from the centre to work in markets and other municipal events in order to supplement their incomes.

The Rio Grande do Sul Association of Professional Street Traders⁴³ represents the street traders who sell perishable foods. The Association calls for the regulation of their right to work on the streets and to participate in decision-making concerning

⁴¹ Associação dos Comerciantes do Centro Popular de Compras de Porto Alegre (ACCPCPOA)

⁴² Associação Feira Rua da Praia (ASFERAP)

⁴³ Associação Gaúcha Autônoma de Vendedores Profissionais Transitórios

informal trading in the different municipal agencies. Decisions are taken by the most senior members of the organization, who meet on a regular basis.

The Trade Union of Street Vendors and Stallholders of the Markets of Rio Grande do Sul⁴⁴ (SINDIAMBULANTES) officially represents street traders who have temporary licenses to sell food products. Its main aim is to organize street vendors and to process the annual renewal of trading licenses. Members are required to pay the trade Union tax at the same time as the license is renewed. The Union represents 15,000 street traders throughout the state. Because of the arrangement with the municipality over the payment of the trade union tax, there is little incentive for SINDIAMBULANTE to support vendors wishing to register as MEIs because registered traders are no longer eligible to be union members.

The Association of Street Vendors of the Gas Works Area⁴⁵ represents the vendors who have occupied this area within a well-frequented tourist zone. The vendors are concerned that the municipality will decide to develop the area and build shops and restaurants there, leading to their eviction. Instead, they demand guarantees for the right to trade in the area and to standardize the stalls and improve the existing, though very limited, infrastructure. The association elects its leaders every two years and holds open assemblies every two months to make decisions. All are welcomed and allowed to express an opinion at the assemblies.

There are two handicrafts organizations: the Artisans of the Praça da Alfândega⁴⁶, which organizes and registers the artisans in that area; and the Association of José Bonifácio Saturday Art Market⁴⁷, which represents the traders in the market. Both want to see a more systematic organization of the markets and public investment in the sites. They also seek to maintain good relations with the local authorities and inhabitants of the area where the markets are held.

The Solidarity Economy Municipal Forum⁴⁸ seeks to provide legal guarantees for holding the solidarity economy market in the public spaces in the city. The forum wishes to ensure that the regular markets (for food, clothes and handicrafts) which have always existed in the city and which form part of the culture of the region, continue to take place in public open spaces. The executive council of the forum is democratically elected, meets every month and the majority of the leaders are women.

Main Allies

Some of the organizations reported that they had sponsorship agreements with private companies who have provided stalls, sunshades and work jackets in exchange for advertising their products.

SINDIAMBULANTES is not affiliated to any trade union centre but has a working relation with the General Workers' Union (UGT).

Because of the culture of social participation in the state, the street vendors' organizations meet with a range of social movements, including the Landless Rural Workers Movement (MST), the Unemployed Workers Movement (MTD) and various housing rights movements.

⁴⁴ *Sindicato do Comércio de Vendedores Ambulantes e Comércio Varejista de Feirantes do Rio Grande do Sul* (SINDIAMBULANTES)

⁴⁵ *Associação Ambulantes da Orla do Gasômetro* (AAOG)

⁴⁶ *Artesãos da Praça da Alfândega* (ARTEFAN)

⁴⁷ *Associação Feira Artes Brique de Sábado de José Bonifácio* (AFABSJB)

⁴⁸ *Fórum Municipal da Economia Solidária*

There are four Popular Committees of those Affected by the World Cup in the different zones of the city (Centro, Cruzeiro, Cristal and Vila Dique). Each committee brings together political groups and local communities affected by the infrastructure projects. They have expressed their solidarity with the situation of street vendors and have agreed to include their demands in their own policy and lobbying work.

The NGO Cidades, which is part of the Metropolis Observatory of Porto Alegre, has undertaken studies about the process of “urban cleansing” and exclusion.

The informal traders have support from some of the elected deputies. For example in 2008 and 2009, they supported the setting up of the CPC and have put forward draft bills designed to assist the traders who cannot afford to stay in the CPC.

One of the main federal policies to address precarious work and social vulnerability is the National Secretariat for the Solidarity Economy. Porto Alegre has supported cooperative production and sales through the regular open air markets.

Impact of the World Cup

The Metropolis Observatory has noted that the process of urban renewal and the creation of the CPC are designed to exclude low income populations from the centre and tourist areas of the city. There is a high risk that the 20 families working in the Gas Works District will be evicted to make way for new shops and restaurants.

The street vendors around the Marinha Park, near the Beira Rio Stadium, and those directly working around the stadium will be affected the World Cup commercial exclusion zones. It was reported that they have formed an Association of Street Traders; but it was not possible to contact them, and they are not known to any of the organizations referred to here.

Most of the traders who possess licenses are not concerned about the impact of the World Cup and think it unlikely that they would be excluded from the areas where they regularly trade.

The culture of representation and dialogue in Porto Alegre is favourable for informal traders, helping them to resist policies designed to exclude them from trading in public spaces. However, the CPC has divided the traders and destroyed their previous unity.

Conclusions

The organizations of informal traders who are recognized and who are part of the consultative process of the Municipality of Porto Alegre generally do not represent the interests of the traders who lack licenses; and it is these traders who are being systematically excluded from the centre of the city. It would be important to facilitate discussion between the various groups of traders in order to strengthen their unity of action.

A leadership training programme to bring together the different groups would strengthen their common positions and could enable the traders to face the impact of the World Cup. Any initiative to create a dialogue among the street vendors’ organizations should take advantage of the existing social movements to facilitate the process.

8. Rio de Janeiro

Maíra Villas Bôas Vannuchi

6,320,446 inhabitants
5.7% unemployment
35,000 informal traders
23.85% population
living below the
poverty line

Introduction

Rio de Janeiro is the second largest town in Brazil and following the period of rapid industrialization (1960-80), it has attracted considerable migration from all over the country, particularly the northeast. The last register of street traders was in 2009 when 35,000 were enrolled, although according to the municipality, only 25,000 were exercising the trade and there were only 18,440 trading licenses available. The street vendors themselves calculate there could be up to 60,000 in the whole of the city. In 2009, the United Street Vendors Movement⁴⁹ (MUCA) identified 6,000 informal traders with carts selling in different parts of the city every day to avoid controls.

Legal Framework

The legislation regulating street vending include the Law 1876 of 1992 and Decree 29,881 of 2008. The permit to trade in public areas is called the Use of Public Areas Tax (TUAP). The law establishes two commissions: the Permanent Commission composed of representatives of government, formal commerce and two representatives chosen by the street traders' organizations; and the Regional Commissions in each city district with the same composition, but at local level. The work of these Commissions is to submit a plan for the demarcation of areas where street trading can take place. The law also sets up a register of street traders and a system of licenses. It also contains rules for confiscation of goods if a trader does not have a license, which can be returned upon payment of a fine if the origin of the goods can be proven. Street trading during festive occasions can be regulated by emergency measures.

The Decree 29,881 of 2008 allows for the transfer of licenses to the wife or other family member in the cases of incapacity or death of the license holder.

Relations with Local Authorities

The Secretary of Public Order (SEOP) is responsible for regulating the public areas where licenses can be issued. The Regional Inspectorate of Licensing and Inspection (IRLF) is the body that actually issues the licenses. The Coordinating Body of Urban Control is responsible for controlling the streets and checking that traders are working with a license.

Until 2008, according to the street vendors' organizations, only about 10% of the traders in the city had licenses. Trading was "managed" through a system of informal payments to officials who thereby "tolerated" the traders. In the same manner, there were informal systems of negotiations with the Municipal Guard to discuss police harassment against traders, sometimes in alliance with local politicians on the search for votes.

The present Mayor, who took office in 2009, began his mandate with the launching of the operation known as "Order Shock," a proposal to clear the

⁴⁹ *Movimento Unido dos Camelôs (MUCA)*

streets of street traders and vagrants in the city centre and other key areas. The Mayor planned to establish a public–private partnership to open a popular shopping centre in the city.

The Rio de Janeiro Street Traders Register of 2009

In June 2009, the municipality opened a registry for street vendors to enrol themselves. About 4,000 vendors who already possessed licenses (TUAP) were registered first and then the registry was opened for all those who were unemployed and interested in working as a street trader. About 35,000 persons registered and they were evaluated using a points system, giving preference to those who were most vulnerable; 14,400 licenses were issued, leaving the rest without legal trading options.

Street traders' organizations are very critical of the manner in which the registration was handled by the municipality as there was no consultation via the Permanent Commission on Street Trading, as is established by the law. Furthermore, as the register was open to all unemployed persons in the city and no preference was given to those who were already working as traders. The number of licenses was also quite restrictive and had not been increased for the last 10 years. In addition, traders with carts without a fixed sales point and those who sell in the metro and bus areas were not included in the registry.

The process of issuing the licenses was also flawed. While in the districts outside the centre the system worked well; in the centre the process of issuing the licenses was interrupted, leaving the traders unprotected.

The handicraft producers and sellers also underwent a process of registration in 2009 which suffered from a lack of transparency. The artisans had to take a proficiency test and many experienced artisans failed without satisfactory explanations.

Following the registration, the municipality formalized some of the markets, such as the Night Market in Lapa where 82 traders were given licenses, and uniforms and stalls were sponsored by a beer company. However, as in other cases, some of the traders who had been in the area for many years found themselves excluded as they could not afford the rents for the market stalls. They face considerable risks if they continue to sell because the Municipal Guard carries out 24-hour patrols.

The municipality is also rebuilding a (vertical) popular shopping centre in the area near the railway station, Central do Brasil, after it was destroyed by a fire in 2010. The centre will have 600 stalls and is included as part of the infrastructure projects for the World Cup and Olympics.

The Municipal Secretary for Work and Employment (SMTE) has provided training programmes for some food traders, mainly focusing on food hygiene. The SMTE has also encouraged vendors to register as an MEI. This programme has generated a lot of false expectations as traders thought that if they registered as an MEI and paid their taxes, they would be legal. However, registration as an MEI is not the equivalent of a trading license, which is issued by the SEOP.

The process of registration has meant that only those with licenses are able to work in security while those who have been excluded, often the traders with the lowest capital base, are hounded by the police and treated as criminals.

Main Organizations and their Demands

The majority of street vendors' organizations in Rio de Janeiro call for the street vending to be made legal and for the Law 1876 of 1992 to be implemented. Most of the organized street vendors do not have licenses but work in a grey zone where they are tolerated; but could be removed whenever it suits the municipality. They claim that this situation of illegality generates corruption. They call for a new registry of street traders to be carried out according to the law and in consultation with the representative organizations. They would all prefer to work legally and pay taxes rather than be at the mercy of arbitrary police actions. Some support proposals to build even more shopping centres.

The main street vendors' organizations are:

- United Street Traders Movement (MUCA)⁵⁰
- Association of the Art Fair Exhibitors (AEFO)⁵¹
- Permanent Forum of Street Traders of Rio de Janeiro State⁵²
- Federation of Associations of Street Vendors of Rio de Janeiro (FAARJ)⁵³
- Association of Street Traders of the Central District (ACAC)⁵⁴
- Association of Street Traders of Rua do Passeio (Cinelândia)⁵⁵
- Association of Street Trade of Rua da Quitando⁵⁶
- Association of Legal Beach Traders⁵⁷ (ASCOLPRA)
- Legal Beach Trade Cooperative⁵⁸

The structures and leadership of the organizations varies. ACAC, for example, was founded back in 1994, and organizes traders in the Uruguayan popular market. The association elects new leadership every four years by direct vote and decisions are taken in fortnightly meetings convened by the leaders, where all members are invited to attend. They are in opposition to the official market association, which charges exorbitant rents in return for very poor services. ACAC wants to separate the food sellers area from the rest of the market, provide crèche and better sanitation facilities, broaden the passageways between the stalls, install a fire alarm system, and establish a bilingual help desk to assist tourists. They also have plans for a cultural corner with a library and art gallery.

MUCA organizes the cart traders who have neither licenses nor a fixed trading place. They are often subjected to police harassment and confiscation of their goods. Their organizational structure is quite weak, though they benefit from the support of the CUT-RJ. Their main demand is an end to police violence and the regularization of their situation.

ASCOLPRA represents traders in the beach areas. The process of legalizing the beach traders began in 1996; they are well-organized and maintain a good

⁵⁰ *Movimento Unido dos Camelôs (MUCA)*

⁵¹ *Associação dos Expositores da Feirarte (AEFO)*

⁵² *Fórum Permanente do Comércio Ambulante do Estado do Rio de Janeiro*

⁵³ *Federação das Associações de Ambulantes do Estado do Rio de Janeiro (FAARJ)*

⁵⁴ *Associação do Comércio Ambulante do Centro e Adjacências (ACAC)*

⁵⁵ *Associação de Vendedores Ambulantes da Rua do Passeio (Cinelândia)*

⁵⁶ *Associação de Comércio Ambulante da Rua da Quitando*

⁵⁷ *Associação Comércio Legalizado de Praia (ASCOLPRA)*

⁵⁸ *Cooperativa Orla Legal*

channel of communication with the municipal authorities. They are putting forward proposals to remodel the stalls approved by the municipality, and have developed a proposal for a recycling cooperative.

AEFO is the main organization representing artisans in the handicraft markets. Their focus is to reform the existing system of proficiency testing and to install a panel of representative artisans to judge skills.

All the associations are clearly united around the right to work in dignity and their call to end abuses by the police.

Allies

MUCA is the only organization affiliated with the trade unions. It was created with the support of CUT in 2009. The BWI is also working to bring together the construction trade unions working on the World Cup projects. MUCA is an ally in the struggle for decent work and the right to work.

The Popular Committee was one of the first created, partly because the social movement had already organized as a consequence of the Pan-American Games in 2007, which had a very negative impact on the livelihoods of the poorest sectors of Rio. The Committee was able to organize a protest demonstration on 31st August 2011 on the occasion of the preliminary FIFA. The Committee's main concern is the right to housing and the evictions caused by the renovations around the stadium and elsewhere. The UN Special Rapporteur on the Right to Adequate Housing has also supported the housing rights movement in Rio.

The National Supporters Front (FNT) of football fans is supportive of the rights of street vendors around the stadiums. The Metropolis Observatory at the Federal University of Rio de Janeiro has also supported the popular movements related to the right to the city.

The street traders are also aided by local deputies when they have particular issues they wish to put forward to the municipal authorities. Following demonstrations regarding the failings of the 2009 registry of street traders, the Chamber of Deputies established the Street Traders Commission to review the implementation of the Law 1876 of 1992.

The Public Attorney has also provided services to street traders on different occasions in legal cases.

Impact of the World Cup

Some academics argue that the World Cup has been used as an excuse to establish a quasi "state of emergency" to allow infrastructure projects to be carried out without regard to their social impact. The street vendors' registry was part of that process as those who were not given licenses have been effectively "outlawed" and treated as criminals.

The Cultural Corridors project, which is designed to revitalize the city centre and create protected areas, will affect many street traders.

Furthermore, the main infrastructure project is the Rapid Transit Bus and the Light Railway, which will link the port area with the city airport. The impact of these projects is substantial as many thousands of low-income families will be

evicted from their homes; the railway will also run through areas where there is considerable street trading activity.

There are other projects that have had negative impacts on street traders in the port area, and around the different stadiums. The Maracanã stadium has been closed and the traders there have lost their livelihoods without compensation. They are not confident they will be able to return when the stadium reopens.

Because street traders have already suffered as a consequence of the Pan-American Games, there is already the expectation that the World Cup “is not for poor people.”

Conclusions

StreetNet and other allies have a key role to play in strengthening the representation and organization of street vendors and the creation of a coordinating body in order to develop a channel for negotiations with the municipality. There is a need to strengthen the internal democracy of the existing organizations and create a culture of collaboration and consensus building between the existing organizations of street vendors and their allies among the social movements.

9. Salvador

Marina Brito Pinheiro

2,675,656 inhabitants
15.3% unemployment
42,000 informal traders
35.76% population
living below the
poverty line

Salvador is the largest city in the northeast with a high concentration of Afro-Brazilians, who are 80% of the population. The economy was linked to agricultural production until after the second half of the 20th Century when services and industrial production increased, bringing in its wake a large increase in the informal economy.

The majority of informal traders in Salvador sell national and imported manufactured goods, although there is a long tradition of Bahia typical foods also sold on the streets. According to one study, the majority of street traders are from the poorest income groups, are 58.5% male, and are between 30- 49 years old, with the majority having low levels of formal education.

Some years back, under the administration of the Mayor Antonio Jose Imbassahy (1996-2004), there was a reordering of street trade in the centre of the city. Due to the initiative of the Association of Market and Street Traders of the Metropolitan District of Salvador (ASFAERP), the municipality demarcated 13 areas where street traders could place their stalls in the area around Avenida 7 de Setembro and in another district known as Calçada. Sponsorship agreements were reached with some of the main banks (Banco Bradesco, Banco do Brasil and Banco do Nordeste) to provide improved stalls and credit facilities for the traders. However, at the present time the number of street traders has increased and there is considerable rivalry for space and tension with shop owners on the streets. There are around 12,000 street traders in the centre of Salvador, according to the main representative organization.

Relations with Local Authorities

Unlike other cities, in Salvador the informal traders are not subjected to constant inspection and control. However, the number of traders has grown so considerably that it is damaging the relations among the traders and with formal commerce as well. Some pavements in the centre have been completely occupied by street traders, making it hard for pedestrians to pass or even see the shop windows of the stores. Many of the street traders are recent immigrants from the poor, arid regions of the northeast and other rural areas.

The main markets are administered by the Municipal Secretary of Public Services and the Combat Against Violence (SESP). They manage the markets and issue licenses. The traders report a good working relationship with this Secretary.

The SESP's Informal Trade and Public Areas Department is responsible for street trading, issuing licenses and carrying out inspections. This department also issues permits for special events in public areas. In order to obtain a license to trade, a person must submit a basic identity card, indicate in which area they plan to work, and pay a modest fee of R\$7.54 (US\$5). There are no limits to the number of licenses that the department issues.

Generally speaking, the traders therefore feel the relations with the municipality and the state government are good, and that the Mayor is favourable to street vendors.

The handicraft producers and traders relate mainly to the Visconde de Mauá Handicrafts Institute, which is a subsidiary of the Secretary of Labour. The institute's role is to encourage and promote handicraft production and cooperative ventures. They also issue professional identity cards, which allow the artisans to participate in the different fairs and events; issue legal receipts; and benefit from the training programmes offered by the Federal Brazilian Handicraft Programme.

Main Organizations and Demands

ASFAERP is the main street traders' organization, which is an umbrella organization for four associations, is the Trade Union of Market and Street Traders of Salvador.⁵⁹ They coordinated the reordering of the city's trading zones, and their current demand is that there is a new process to restructure those trading zones.

The second association is the Professional Association of Market and Street Traders of Salvador⁶⁰, founded in 1985, as a result of differences with some of the former leaders of SINDFEIRA. For a period, it operated independently but has since rejoined SINDFEIRA. Around 40% of its members are women and the majority of the current members are from the markets.

The third association is the Association of Informal Trade of Salvador,⁶¹ which has recently been restructured and mainly represents street traders in the Avenida 7 de Setembro and Coquero da Piedade areas. The great majority have trading licenses. They also support the proposals for a restructuring of the trading areas, but believe there needs to be infrastructure projects to improve the working conditions of the vendors.

The fourth association is the Association of Stall Owners of Popular Festivals⁶², whose members sell food and drinks in the open air festivals and events, including during football games and the Carnival. They do not have permanent licenses but only receive a license for each event. One of their main demands is to change the system so they can obtain a license to cover a range of events.

There are also a number of handicraft associations such as the Women Workers' Handicraft Centre, composed of elderly women, which produces work for some of the handicraft shops and participates in some of the fairs.

Allies

The formal trade unions are perceived as potential allies and in the past they have provided legal advice to the traders' associations. The Petroleum Workers' Union, the Chemical Workers' Union and the Bank Workers' Union, all affiliated to the CUT, have also provided financial support for different activities and demonstrations.

Some of the councillors have also provided support to the street traders but not in a systematic manner.

⁵⁹ *Sindicato do Comércio Varejista de Feirantes e Ambulantes de Salvador (SINDFEIRA)*

⁶⁰ *Associação Profissional dos Feirantes e Ambulantes da Cidade de Salvador*

⁶¹ *Associação do Comércio Informal de Salvador*

⁶² *Associação dos Proprietários de Barracas nas Festas Populares (ABFEST)*

On the other hand, the handicraft sellers consider the councillors and government agencies to be strong allies. The State Government and Ministry of Tourism has recently agreed to finance a major renovation of the main handicraft market, Feira de São Joaquim, and have been active in seeking sponsorship to organize handicraft events.

Impact of World Cup

At the time of writing, infrastructure projects had not yet started with the exception of the renovation of the Fonte Nova Stadium, where the World Cup games will be held. The traders who were selling around that stadium have been able to move to another stadium.

There is little information about any other potential relocations. If plans to broaden the streets in the centre of the city go ahead, this would result in the reduction of the pavement space for trading. At the time, there are no plans to relocate the traders.

Unlike other cities, the traders are not enthusiastic about the prospects of creating a popular shopping centre. There was an earlier and unsuccessful attempt to create a shopping centre; but because the location was far from the city's centre, it attracted few customers and the traders abandoned it. For that reason, at the present time, it appears that there are no proposals to create a new popular shopping centre.

Conclusions

The situation of informal trade in Salvador is quite different from other cities. The municipal government is not repressive and there is no prohibition on trading. Consequently, there has been something of a "boom" in street trading, which has caused considerable congestion on the pavements in the centre.

Any operation designed to "cleanse" the city centre prior to the World Cup would require a massive relocation of traders and would cause considerable protest. There is a need to disseminate information about the possible actions of the municipality and the FIFA requirements regarding commercial exclusion zones. At the moment, the street traders' associations have not really considered that the World Cup could bring negative consequences.

10. São Paulo

Maíra Villas Bôas Vannuchi

11,253,503 inhabitants
10.5% unemployment
158,000 informal traders
28.1% population living
below the poverty line

Introduction

São Paulo is a major industrial, financial, and service centre that accounts for 12% of the GNP of Brazil.

The centre of the city has always had a large number of street traders and has acted as a major distribution centre. Street trading has tended to concentrate in the areas around the bus terminals, metros and other forms of collective transport.

Street traders sell a wide range of goods including food and drink, clothes, decorative items, handicrafts, as well as CDs, DVDs and other electronic goods, particularly those imported from Asia.

The recent study by DIEESE (Inter Trade Union Department of Statistics and Socio-Economic Studies) in 2011 indicates that there are 158,000 street traders in the city, of whom 43.1% have a monthly income of up to a minimum salary, and 35.6% have a monthly income of between one and two minimum salaries. On average, the street vendors work a 40-hour week. The survey also revealed that only 14.1% of these workers were part of the social security system. The survey also found, perhaps surprisingly, that two thirds were men, 50% were over the age of 40, and 69.1% had not completed basic education.

During the boom economic period (2004-2008), when official unemployment figures dropped from 17.1% in 2004 to 11.8% in 2008, there was also a notable drop in the numbers of street traders. One study suggests that the numbers of traders dropped by 25%. However, this reduction in numbers may also have been caused by the substantial reduction in the numbers of licensees, which fell from 24,000 in 2004 to 2,200 in 2009.

Legal Framework

The law regulating street trading in Sao Paulo dates from 1991 and was amended by Decree 42,600 in 2002. The law provides for trading permits (Termo de Permissão de Uso, or TPU), which are issued based on a points system to give preference to persons with physical handicaps and numbers of years working as a trader. The law also established the Permanent Street Traders' Commissions at Sub-Prefecture level (Comissão Permanente de Ambulante, or CPA), which should be composed of representative organizations of street traders (either associations or trade unions), representatives of formal commerce, civil society organizations and the municipal administration.

The Sub-Prefecture's office regulates trading in their jurisdiction, following the directives of the Municipal Secretary of Urban Planning and the Municipal Secretary of Sub-Prefectures, and in consultation with the CPA.

By law, the CPAs should be consulted about the regulation of the urban zones where trading can take place; the products and services which are traded; types of equipment used; and the issue and withdrawal of trading permits. A TPU is an individual and temporary license that cannot be transferred to another person. A permit holder is allowed to contract one or two assistants.

In August 2007, the Coordination of Sub-Prefectures issued Decree No 32, which suspended the issuing of new trading permits for one year. This suspension has been renewed every year since then. The reason behind this suspension was the need to reorganize the use of public areas.

The control and inspection of the street trading is the responsibility of the Municipal Secretary for Urban Security, who in turn uses the Metropolitan Civil Guard and, more recently, a new brigade from the “Superintendence of Street Trade Inspection, Conflict Resolution and Crisis Management.” Under the present Mayor (2009-2012), additional responsibility for inspection and control was given to the State Military Police through an arrangement whereby the Military Police can work overtime hours and are paid by the municipality. This system is called a “Delegated Operation.”

This operation has resulted in the removal of large numbers of street traders without licenses from the city’s centre and other districts, where previously they had been tolerated through a system of informal payments. The removals were carried out in an aggressive manner, thus criminalizing street trading as an activity.

Moreover, the municipality has revoked trading permits throughout the city: in Santana in the north; Largo 13 de Maio in the South; Lapa in the West; Largo da Concórdia in the Centre-East and Itaquera in the East. The traders who remain in these regions are operating without a license, sometimes through informal arrangements with the Sub-Prefecture. However, this means that they are in a situation of constant insecurity.

Another issue is the federal government policy of encouraging workers to register under the MEI scheme of the Ministry of Labour. While this system gives an individual street trader the possibility of social security coverage and a CNPJ, it does not resolve the problem of a trading permit which is issued by the municipal administration. The system also does not promote the collective organization of street traders or their identification as workers.

Relations with Local Authorities

The 1992 legislation towards setting up the CPAs was the initiative of the progressive administration of the Mayor Luiza Erundina (1989-1992), and marked a watershed in relations with street traders. However, the subsequent administrations of Mayor Paulo Maluf (1993-96) and Celso Pitta (1997-2000) were marked by increasing corrupt practices and demands for informal payments from street traders. There were a number of Parliamentary Inquiries to investigate corrupt practices at this time.

Mayor Marta Suplicy (2001-2004) followed the policies of Mayor Erundina and reactivated the CPAs. Though during the period of office of José Serra (2005-2006) and the current Mayor Gilberto Kassab (2007-2008; 2009-2012), there has been relentless persecution of street traders.

The legislation regulating street trading and the CPAs is based on the sub-prefecture administrative system, which is also the boundary for the electoral constituencies of the local councillors. This system has had the effect of weakening the municipal level coordination of the street vendors’ organizations. While at municipal level there exist other commissions on housing and education—which act as tripartite bodies for social dialogue—for street trading

no municipal-wide CPA exists. At the moment, there is not any system for discussion or dialogue with the Mayor.

Main Organizations and their Demands

In the early 1990s there were some unsuccessful attempts to set up a municipal wide representative organization of street traders. At the moment, there are a large number of fragmented organizations and they lack a common political agenda. The main organizations are described below by area.

Central Region

The Trade Union of Trading Permit Holders of São Paulo State⁶³ works closely with the National Union of Physically Handicapped Persons. The leaders of these two organizations are very influential in the Rua 25 de Mayo area, one of the main popular trading areas in the city. The organizations were founded in the 1980s. They have General Assemblies and an Executive Committee which meets every three months.

The Association of Street Vendors of the Brás Area and Neighbourhood⁶⁴ was founded in 2011 as a response to the revoking of trading permits in the Brás area. This district has the highest concentration of traders in the city and it is also where the Early Morning Market takes place, in a popular shopping centre, which caters to around 7,000 vendors inside and 2,000 outside the building. The police decision to revoke licenses and ban all trading around the Early Morning Market has created considerable indignation and despair.

The Association of Street Traders and Autonomous Workers of São Paulo⁶⁵ represents traders who hold permits. The association is linked to the UGT trade union centre. The association was part of the process to establish the shopping centre in the Early Morning Market.

Eastern Region

Cooperative of Street Traders of São Paulo State⁶⁶ (COOPAMESP) was founded in 2006 when the Itaquera Popular Shopping Centre was opened and the traders were removed from the area around the Itaquera Metro. They moved to the nearby park, Parque do Carmo, as part of a bilateral arrangement with the Municipal Parks Secretariat. COOPAMESP elects its leadership every three months at a monthly General Assembly. COOPAMESP is also part of the management council of the park.

Southern Region

The Trade Union of Micro-Enterprises and Informal Economy of the State of São Paulo⁶⁷ (SINTEMEI) was founded after the collapse of the Trade Union of Workers in the Informal Economy (SINTEIN), which was affiliated to CUT. This organization was founded in 2010 and many of the leaders of SINTEIN are now part of the new elected leadership. SINTEMEI is planning to register as a trade union to benefit from the check-off system for those street traders who are

⁶³ *Sindicato dos Permissionários do Estado de São Paulo (SINPESP)*

⁶⁴ *Associação dos Camelôs e Ambulantes da Região do Brás e Adjacências da Capital*

⁶⁵ *Associação dos Camelôs, Ambulantes e Autônomos de São Paulo (ACESP)*

⁶⁶ *Cooperativa dos Trabalhadores Ambulantes do Estado de São Paulo (COOPAMESP)*

⁶⁷ *Sindicato dos Micro Empreendedores Individuais e da Economia Informal do Estado de São Paulo (SINTEMEI)*

registered as MEIs. In this way, the trade union could become financially self-sufficient. The trade union has a bi-annual General Assembly, the executive meets every two weeks and the council every month. The majority of leaders are women.

Main Demands

The main demands of the street vendors focus on an end to the use of violence by the police forces; an end to the policy of revoking trading permits; a call for the reinstatement of the CPAs as a channel for negotiation and dialogue; and the need to strengthen the organization of both street traders and those working in popular shopping centres. All organizations want to have an office, which is secure, permanent and licensed.

The Permanent Street Traders Commissions

According to Ordinance 18/2007, which established the internal regulations for the CPAs, they should meet every two months to discuss public areas that are suitable for informal trade, review trading permit policies, and denounce any eventual abuses. However, in practice, the meetings often do not take place, or take place without a due convocation and are held only to rubber stamp decisions to revoke trading permits.

Main Allies

The trade union centres have provided some level of support for the street traders' organizations although it has not always been systematic. ACESP is an affiliate of the UGT, which has strong membership among commercial workers. The other organizations are not formally affiliated but can call on support for particular issues.

The Popular Committee of those Affected by the World Cup has taken up the vendors' issues, particularly relating to urban "cleansing" and the potential impact of the FIFA commercial exclusion zones. Some vendors' organizations have participated in meetings organized by the Popular Committee.

The Gaspar Garcia Centre for Human Rights, an NGO founded 22 years ago and works with low income groups in the centre of São Paulo, is implementing a project on informal workers. Its programmes include a training and networking programme for street trader leaders, bringing them together at a local and municipal level. The centre was also a partner with StreetNet in the present study and is carrying out advocacy work with StreetNet.

Street vendors' organizations have links to councillors or legislative deputies, who often act as intermediaries in negotiations with the municipality. Deputies have taken up cases of police violence and corruption, as well as the issue of trading permits.

The Public Prosecutor and the Public Defender's Office have both taken up cases to defend the rights of street traders. The Public Prosecutor has investigated cases of corruption involving municipal officials or elected leaders and the Public Defender has taken up cases of police violence and the arbitrary revocation of trading permits.

The Public Defender has also considered carrying out leadership training courses to assist organizations in filing lawsuits.

Impact of the World Cup

The present municipal administration has implemented an aggressive policy against all street traders without trading permits and at the same time, has withdrawn licenses. In the majority of cases, these actions have been carried out without due regard for the law. The justification for withdrawing licenses has been that because of São Paulo's strong economic growth, there are more jobs available in the formal economy. However, it is also clear that there are plans for the "modernization" of many of the areas and thus the exclusion of poorer income groups. The plan known as "Viva o Centro" is supported by influential politicians and real estate companies and also corresponds to the idea of creating a "World Class City" prior to the World Cup.

Conclusions

The main challenge for StreetNet and its allies in the run-up before the World Cup will be how to support the strengthening of the level of organization of street vendors and the creation of a municipal network. The Gaspar Garcia Centre is implementing a programme to strengthen the network of organizations through a Municipal Forum. It is also important that the street vendors' organizations work together with other social movements that are defending those whose human rights are violated as a consequence of the World Cup infrastructure projects.



Inclusive Cities is a collaboration of membership-based organizations (MBOs) of the working poor, international alliances of MBOs and support organizations working together as partners to improve the situation of the working poor. Launched in late 2008, Inclusive Cities aims to strengthen MBOs in the areas of organizing, policy analysis and advocacy in order to ensure that urban informal workers have the tools necessary to make themselves heard within urban planning processes. Visit our website: www.InclusiveCities.org