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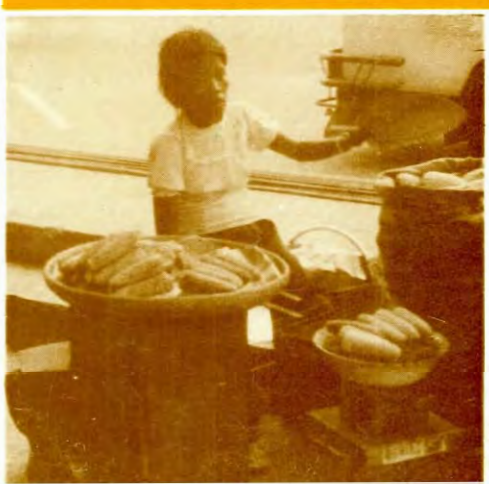
STREET FOODS

Informal Sector Food Preparation and Marketing

Gerald A. Barth



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1983
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ACKNOWLEDGMENTS

This monograph is the final report to the Equity Policy Center, Washington, D.C., on the Philippine portion of an international project being carried out on Street Foods in Senegal, in Bangladesh, in Indonesia, and in the Philippines. The research was funded by the United States Agency for International Development (USAID). My wife, Mei-Jean, and I directed the research which was conducted in Iloilo City, Philippines. While this undertaking was discussed with numerous people at USAID/Philippines, the project was coordinated through the office of Gary W. Cook, Health Development Officer, Office of Population, Health, and Nutrition.

The initial phase of the project, started in November, 1982, consisted of meetings and discussions in Manila with numerous people who had a potential interest in the research. The valuable assistance provided by these people was an important input into the study. Particular help was provided by those who attended two consultative meetings which were held in Manila. The project was accomplished while my wife and I were Visiting Research Associates at the Institute of Philippine Culture, Ateneo de Manila University. The computer processing was done at the University of the Philippines, Los Baños, under the direction of Dr. Henry F. Magalit, who was instrumental in developing the sample design and who assisted with the analyses.

The field work in Iloilo City was carried out from December, 1982, to December, 1983. During this time, the official value of the Philippine peso dropped from approximately 9 to 14 pesos per U.S. dollar. At the time that the questionnaires were actually administered, the average rate of exchange was approximately ten Philippines pesos for one U.S. dollar.

A primary intention of the study was to obtain as much local support as possible. In Iloilo City, the project operated under the umbrella of the Regional Development Council, Region VI (Western Visayas). Advisory support was provided by a Consultative Committee consisting of the chairman of the Regional Development Council, Region VI, Governor Conrado J. Norada; the

Mayor of Iloilo City, Hon. Luis C. Herrera; the Regional Executive Director of the National Economic and Development Authority, Region VI, Attorney Alex G. Umadhay; the Manager of the Small Business Advisory Center, Region VI, Jose M. Divinagracia; and the Coordinator of the National Nutrition Council, Region VI, Attorney Rhodora J. Laurea.

The Consultative Committee was assisted by a technical group composed of Dr. Venancio B. Ardales and Fely P. David from the Central Philippine University – Panay Island Consortium for Research and Development; Professor Candelaria S. Formacion of the University of the Philippines in the Visayas; and Estela F. Paredes of the National and Economic Development Authority. The members of the technical group also served as consultants on the project. Our actual research staff consisted of Lina E. Doregnil, Florenda D. Foja, and Leah N. Ledesma, who were involved in various phases of the research.

The bacteriological examinations were conducted under the direction of Dr. Alicia Tayag-Saldaña of the Regional Health Laboratory. The maps in this report were prepared by Arnold E. Foster, and the cover design was the work of Benjie F.E. Estuche.

Mei-Jean and I wish to extend our sincere gratitude to all of the people mentioned above. This project could not have been accomplished without their help. A special debt of gratitude is owed to Attorney Alex G. Umadhay, who provided a great deal of assistance on various aspects of the project.

Our final acknowledgement is the assistance provided by Street Food sellers who took the time and had the patience to answer our questions. Various names have been changed in this report to protect their anonymity. Hopefully, the recommendations being put forward will be to their benefit.

GERALD A. BARTH

Iloilo City, Philippines
December, 1983

EXECUTIVE SUMMARY

The preparation and sale of prepared, ready-to-eat food represents a significant portion of informal sector enterprises in many countries. These enterprises were the focus of this study, which was conducted in Iloilo City, Philippines. Results from the study revealed that these firms provided relatively good income opportunities for their owners, offered employment to a significant portion of the urban labor force, especially women, absorbed an important amount of agricultural produce, and frequently furnished low-cost, nutritious food to a variety of consumers.

Even though food expenditures in the Philippines represent a tremendous percentage of the household budget, especially among lower-income groups, nutrient intake appears to be below recommended levels. With the movement of people to non-agricultural employment with the place of work removed from the place of residence, and with the rapid expansion of female labor force participation in the past decade, the increased demand for food prepared outside of the consumer's household has provided additional opportunities for enterprises involved in this activity. The ability to provide meals and snacks at affordable prices, partially due to low capital expenditures, and to sell at locations which are convenient for customers, has allowed small-scale prepared food enterprises to supply food to numerous customers, many of whom have very limited purchasing power.

Results from a household survey conducted in Iloilo City revealed that 30 percent of household food expenditures were devoted to prepared food purchased outside of the household. Approximately two-thirds of these expenditures were made at street food establishments, which also sold to people living outside the city who were in the city for various reasons. The generally low levels of income found in Iloilo City prevented many people from making prepared food purchases at more expensive formal sector enterprises, and even relatively higher income people preferred to make numerous purchases at informal sector enterprises.

The findings of relatively high earnings for street food vendors in Iloilo City, compared to the general level of income, has allowed many of these food sellers to escape from some aspects of absolute poverty. However, many businesses were susceptible to failure due to disruptions caused by illness and family problems. This was often connected with a lack of access to operating capital or the high cost of credit. Problems with government regulations were also faced by store owners who could not purchase the land on which they were squatting, market vendors who were unable to have their stalls registered in their own names, and sellers operating without permanent structures who could not obtain licenses to ply their trade.

Rather than placing barriers in the way of these hard working people, planners should initiate a dialogue with them in order to develop creative approaches adapted to local conditions. An initial step is to develop regulations which encourage the long term operation of these businesses that appear to fulfill the demand of Iloilo City consumers. Once the legitimacy of these firms is established, operators need more access to sources of operating capital in order to maintain control of their business operations. This could be accomplished through the existing banking system.

However, sanitary improvements in the preparation and handling of food are needed to prevent consumers from receiving contaminated food. This must be done without causing increases in cost. Street food sellers may also offer an important entry point for the introduction of more nutritious foods that could be locally grown at relatively low costs. These food vendors provide linkages to the agricultural producer and to food processors that could be utilized to increase the nutrient intake in Iloilo City. These linkages are extremely important in an agricultural country that has not been able to adequately feed its own people.

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CHAPTER I

INTRODUCTION

In the Philippines (see Figure 1-1), surveys have consistently shown that over 50 percent of total family expenditures have been devoted to food purchases (NEDA 1983:116-119). Expenditures for housing, the second largest expenditure group, have amounted to less than 10 percent of family expenditures. In spite of the large percentage of income devoted to food purchases, nutrient intake per capita appears to be below recommended standards (FNRI 1981:17). While considerable disagreement exists over recommended nutritional standards (Berg 1981:97), measures of income, health, and malnutrition tend to confirm nutritional studies and indicate a high incidence of poverty (World Bank 1980:4).

The Philippine Islands are blessed with a relatively good natural resource base that has led to a reliance on cash crop exports, such as, coconut products, wood, sugar, tobacco, pineapples, and bananas (Ranis 1974:18). The government also has encouraged large-scale manufacturing. Unfortunately, the economy has not been able to generate enough employment to absorb the growing labor force that has resulted from high rates of growth of the population. This has prevented real wages from increasing, and there are indications that mean family income, measured in constant pesos, has failed to increase, or may actually have fallen, from the mid-1950s to the mid-1970s (cf. World Bank 1980:10-11; Prado 1979:273). This may have had a deleterious effect on nutrition since "It is now apparent that the dominant malnutrition problem in large populations is insufficient intake of food energy, or calories, which is related essentially to the problem of inadequate income" (Berg 1981:1).

Although the registered rate of infant mortality for children under the age of one appears to be declining, pneumonia, gastroenteritis and colitis, and nutritional deficiencies are the leading causes of infant deaths (NEDA 1983:436-438). A study of over three thousand children below the age of seven revealed that almost 69 percent were underweight (FNRI 1981:88). The prevalence of poor health and underweight children is certainly related to

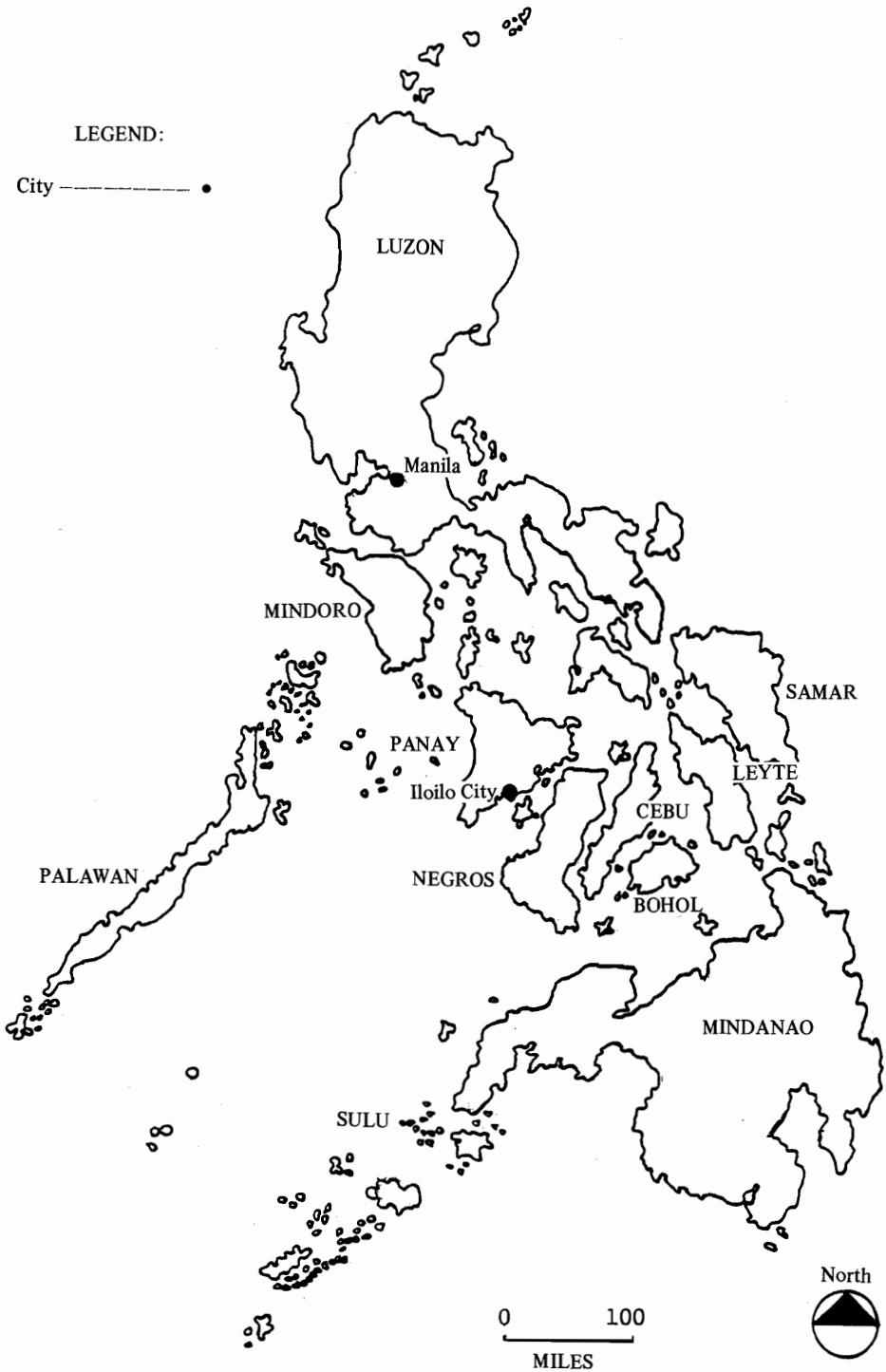


FIGURE 1-1 MAP OF THE PHILIPPINE ISLANDS

inadequate income and lack of sufficient food intake, but poor sanitation and a shortage of health care facilities also contribute to the problem. The prevalence of intestinal parasites reduces the ability of a person to properly utilize the food which has been consumed. A lack of knowledge of proper nutritional practices and an uneven distribution of food within the household may also contribute to childhood malnutrition.

Nevertheless, the Philippine government clearly recognizes the need to increase food production and has undertaken a variety of programs to assist farmers. Some success has been achieved, but more remains to be accomplished. It is important to remember that the supply and demand for locally-consumed food is closely related to the overall level of economic activity. Food will not be produced for the local market unless the effective demand, not just the need, is transmitted to producers. Farmers will not increase production significantly unless they believe they can sell the increased production at a profit. A portion of this demand for food is represented by customers purchasing ready-to-eat packaged or prepared food items.

With the movement of people in the Philippines to non-agricultural employment with the place of work removed from the place of residence, and with the rapid expansion of female labor force participation in the past decade, the increased demand for food prepared outside of the consumer's household has provided additional opportunities for enterprises involved in the preparation and selling of processed and cooked meals and snacks. The ability to provide meals and snacks at affordable prices, partially due to low capital expenditures, and to sell at locations which are convenient for customers, has allowed small-scale prepared food enterprises to supply food to numerous customers. These small food businesses in the informal sector are the focus of this study which was undertaken in Iloilo City, the regional capital of Region VI, the Western Visayas.

Small Businesses and the Informal Sector

An awareness of the limited opportunities for employment provided by large-scale industrialization and the rapid growth of the population of many urban areas has led to a realization that the urban informal sector plays an increasingly important role in many cities. This has not prevented a great deal of confusion about what various writers actually mean by the informal sector. "Since the utility of the informal sector concept was first recognized, researchers and policy-makers in a number of different but related disciplines have applied it to a diversity of empirical data, and in many different contexts" (Moser 1978:1051).

While agriculture still remains the major source of employment in the Philippines, small businesses in the informal sector provide jobs for a significant

percentage of the labor force. In the urban areas of many regions of the world, the informal sector appears to have been growing more rapidly than the formal sector and is expected to continue to do so (Farbman 1980:5). This observation is supported by survey results from Davao City in the southern Philippines, which indicate that the informal sector has acted as the primary source of new employment during the 1970s (Hackenberg 1982:23). Philippine trends also indicate that the informal sector will continue to absorb an increasing percentage of the labor force through the creation of new small businesses and the employment of additional workers in the small businesses that now exist (Brown 1981:328).

In addition to providing employment, the informal sector often offers higher wages than are earned in the formal sector (Hackenberg 1980:399). While contradictory evidence certainly can be found, numerous studies of specific groups in the informal sector have found above average earnings for the operators of various enterprises. In Davao City, above average earnings were found for the owners of firms engaged in food selling (Barth 1984). In Manila, scavengers – people collecting usable waste material – were even found to be earning approximately the legal minimum wage (Keyes 1982:14). However, considerable differences in earnings may exist between owners and employees. A study of 3500 informal sector firms in Manila revealed that the heads of these eneterprises earned considerably more than the legal minimum wage, while a majority of their workers earned less than the minimum wage (Jurado 1981:141).

While a great deal of agreement exists in regard to the importance of small businesses and the informal sector, these terms have not been consistently applied in the Philippines. Gibb defines small businesses as firms employing less than ten workers and believes that they account for over 90 percent of the employment in non-agricultural enterprises (1982:1). In his analysis of manufacturing establishments, Bautista considered small-scale firms to consist of those employing less than five workers. These firms supplied over 68 percent of the manufacturing employment in 1968 (Bautista 1974:49). In its Small and Medium Enterprise Development project, the U.S. Agency for International Development (USAID) has categorized enterprises based on their total assets. The categories include medium, small, cottage, and micro enterprises.

The lack of agreement in regard to the unit of analysis is even greater in regard to the informal sector. Rather than using the structural characteristics of enterprises, some studies use the size of the enterprise based on the number of workers or on assets. This size criteria enables researchers to use available survey data, but prevents valid comparisons between studies. By using an existing sample frame, Jurado was able to study enterprises with fewer than ten workers, but probably excluded firms without fixed or permanent locations (1981:121). By limiting the informal sector to firms with an investment of less than $500, Brown (1981:259) was able to focus his study, but probably precluded

comparisons with other studies.

An additional problem is that government surveys of business establishments in the Philippines do not include market stalls, people operating without a permanent structure, and a large number of household enterprises. In an attempt to provide an indication of the extent of production, processing, and marketing activities carried on by people without a regular business establishment, Cook compared a survey of business enterprises with a survey of households. He estimated that almost 72 percent of the total work force was not covered in the business survey (Cook 1959:502-503). When faced with a similar problem in regard to changes in informal sector employment between 1961 and 1971 in an area of Luzon, Gibb used impressionistic estimates which were based on their internal consistency with evidence obtained from formal sector surveys (1978:16).

Hackenberg was able to provide a considerably more precise idea of informal sector employment in Davao City through a listing of occupations obtained in a large household survey (1982:20). Nevertheless, the analysis was complicated by the fact that people and households often pursue a mixed occupational strategy. Anderson has explained the reason for this activity (1969:646).

> Multiple occupations, which frequently include trading activities and small scale enterprises, reflect aspirations for expanding incomes . . . . They also reflect the value of spreading risks not only to increase chances of success but to assure against complete economic failure.

This type of occupational activity is very difficult to measure. In this study of street food selling, we have tried to study these multiple occupations as they relate to the preparation and sale of these food products. By focusing upon a particular commodity in a circumscribed area, we have been able to determine the business activity at stores, marketplaces, on the street and sidewalks, and in households throughout the neighborhoods of this survey area. This has required more intensive data collection procedures than are normally used in surveys, but hopefully the results have made this worthwhile. Unfortunately, definitional and measurement problems will always exist. It is therefore necessary that the reader is aware of them when evaluating the results of any study and when comparing these results to those of other studies.

Food Marketing

"In the least advanced economics, with the lowest per capita gross national product, cities are dominated by the poor majority who spend at least three-fifths of their meagre incomes on food, have a limited personal mobility, and few

storage facilities" (Jackson 1976:134). In the Philippines, urban residents are supplied with food through a marketing system consisting of stores, marketplaces, and food sellers operating without permanent selling structures. My study in Davao City featured these three elements of the food distribution system (Barth 1982). Many Philippine studies have focused on one aspect of the distribution system, but were not confined to food alone. Dannhaeuser (1977) examined the grocery trade in Dagupan, while featuring a survey of 252 *sari-sari* (variety) stores. Silverio (1982) also studied *sari-sari* stores, but confined his study to a more detailed analysis of five firms located in Manila. Both studies emphasized food sales, but respondents also sold numerous other items for household use.

Both Davis (1973) and Szanton (1972) performed detailed studies of single marketplaces: Davis in Baguio City in Luzon, and Szanton in Estancia on the island of Panay. Neither study was confined to food items, but food sales dominated both marketplaces. These two marketplaces were located in towns in which a considerable amount of selling activity was also taking places outside of the main marketplace. Some of this type of activity was the focus of a study of hawkers, people that ". . . should be distinguished from store owners or vendors with permanent market stalls" (Guerrero 1975:265). The study was later incorporated into a larger study of six cities; two cities in the Philippines, two in Malaysia, and two in Indonesia (McGee and Yeung 1977). The two cities studied in the Philippines were Manila and Baguio.

Women sellers were predominant in all of the Philippine studies mentioned above. My study in Davao City revealed that 74 percent of the respondents were women (Barth 1984). Both Szanton (1972:73) and Davis (1973:97) found a similar percentage of women selling in markeplaces. Neither Dannhaeuser nor Silverio provided the percentage of women sellers at *sari-sari* stores. Nevertheless, Dannhaeuser believed that these stores were often operated by females (1977:480), while Silverio believed that women, old people, the disabled, and children played a larger role in their operation than men (1982:127). Sixty seven percent of Guerrero's Manila respondents were female, while 64 percent of those in Baguio were female (1975:82, 128).

Differences in the years in which these studies were conducted, differences in the ways earnings were calculated, measurement difficulties in determining earnings combined with resistance from respondents, and lack of data from some studies do not permit an accurate evaluation of earnings. In addition, many of these businesses were family operations in which various family members contributed to total household income. Nevertheless, Guerrero found hawking to be a primary source of income and a major source of livelihood (1975:248-249). Davis determined that small-scale operators in the marketplaces earned considerably more than agricultural laborers (1973:98). While my data from Davao revealed that the average earnings of food selling establishments approximated the city's household average, but that many respondents had

other sources of household incomes (Barth 1984).

In addition to providing incomes to their operators, small-scale enterprises often provide outlets for goods from larger enterprises to reach low-income consumers who wish to make small purchases without incurring transportation costs. Examples of this are provided by *sari-sari* stores and non-permanent sellers that provide additional outlets for supermarkets, groceries, and stallkeepers. This enables larger operators to increase sales without having to obtain increased capital to open additional outlets, an important consideration under present conditions in which interest rates on borrowed capital are high, and without hiring and supervising additional employees. In this way, smaller operators both complement and supplement the activities of larger enterprises.

Food and Nutrition

While information on enterprises involved in food distribution systems is certainly lacking, studies of the marketing of selected agricultural commodities have been undertaken in various areas of the Philippines. A great deal more information is available on the production and consumption of agricultural commodities. The most frequently studied commodity is rice, the major dietary staple of the Philippines. It is hardly possible to overestimate the importance of this commodity. Rice is the major source of income for almost one-half of the farmers and farm laborers in the Philippines (Republic of the Philippines 1980:5). It accounts for more than 58 percent of the calories, 43 percent of the protein, and 34 percent of the iron in the average Filipino diet (FNRI 1981:20).

Corn is the next most important staple, but its dietary importance is minimal compared to rice. A great deal of the corn is not used for human consumption, but is used for animal feeds or industrial purposes. Two other important agricultural crops are coconut and sugar. Coconuts are consumed locally and can be processed into cooking oil, but the vast majority of the coconuts are exported after being made into oil that is used for industrial purposes, such as making soap. Sugar is also primarily an export crop, but it is also consumed locally. Whereas the Philippines is self-sufficient in regard to rice and does not import this commodity, the country does import meat, dairy products, fish, wheat, corn, and other food products (NEDA 1983:392-393). The Ministry of Agriculture has set import targets for the period from 1980 to 1990 which indicate increases in the amount of wheat, soybeans, fish, meat, and dairy products which will be imported (Republic of the Philippines 1980:39). However, these targets may be changed in view of the recent devaluations of the Philippine peso.

The domestic marketing system for rice has historically been the most developed for a non-export crop. In recent years, the government has supplemented the private distribution system, and large increases in production

have been handled fairly well. Unfortunately, the domestic marketing system for fruits, vegetables, legumes, root crops, fish, and the necessary input requirements for small-scale poultry and pork production is less well-developed (Republic of the Philippines 1980:12). A better developed distribution system for domestically consumed food crops would lead to an improvement in the quantity of the local food supply. This would have the effect of lowering the food costs of consumers, should provide for more adequate diets, and would lead to increased purchasing power for other necessities.

Throughout the Philippines, consumers have a preference for fresh food, partially because processing adds to the cost of the food. This means that the distribution system must move items quickly or they will spoil. Rice and corn, which is made into corn grits, are milled, beans are frequently dried, but most fruits and vegetables are purchased by consumers while they are fresh. A small portion of the meat is cured, and almost one-fifth of the fish and seafood eaten in the average Filipino diet is dried or processed (FNRI 1981:3). This processing of meat and fish is usually done by small-scale establishments. There is presently no major reliance on the packaged, processed, and frozen foods that are very popular in the United States. Nevertheless, some of the largest corporations in the Philippines are engaged in food processing, frequently with a strong emphasis on condiments. Some corporations also manufacture packaged snacks that appear to be finding increasing acceptance. In spite of the recent increases in the volume of food processed by large companies, the agricultural sector has not produced the large surpluses which are required to allow the industry to effectively compete with the fresh market in regard to price (Lustre 1978:403).

Studies of food consumption in the Philippines have consistently revealed that diets are less than adequate. The first nationwide survey conducted by the Food and Nutrition Research Institute (FNRI) revealed that the nutrient intake of protein was adequate, but intake of calories, iron, and vitamin A were below recommended levels (1981:17). Since the food is not divided evenly among people, these problems are magnified for low income groups. Data from the Western Visayas revealed that although one-third of the food budget was spent on fish, meat, and poultry, the intake was only 80 percent of recommended standards (FNRI 1976). The 39 percent of food budget spent on cereals in the Western Visayas did at least provide more than the Recommended Daily Allowance (RDA) (FNRI 1976).

The two main nationwide food consumption surveys in the Philippines are presently conducted by the Food and Nutrition Research Institute and the Special Studies Division of the Ministry of Agriculture, working in cooperation with the National Food Authority. Each survey is based on household data collection. Disputes exist on the measurements used to determine nutrient intake and in regard to the determination of Recommended Daily Allowances. But both sets of data clearly show that undernutrition is a serious problem in

the Philippines.

The FNRI nationwide survey is certainly the most commonly used food consumption survey and is the only one that provides an examination of nationwide food consumption patterns by income level. However, it appears that understating incomes is common in the Philippines, and these figures must be used cautiously. Another problem is that the survey did not consider food consumption outside of the household, and only figures on food consumption in the home were used in the calculations. This does not permit any allowance for differences in food consumption patterns for people eating outside of the household. It is possible that they may eat a different type of food than the food consumed at home. For example, the FNRI data indicated that people were consuming less than one-half of the recommended amount of fats and oils (1981:1). When a person eats away from home, the person may have a tendency to eat more of the fried snacks that are so common in Iloilo City. This may alter some of the figures on average per capita consumption. The street foods project provides an initial step in answering some of the questions concerning the types of food purchased and eaten outside of the household.

The Setting

The Western Visayas, which consists of the four provinces on the island of Panay and the province of Negros Occidental on the island of Negros, has a population of over 4.5 million people (see Figure 1-2). The region is primarily dependent on agricultural activities, and approximately two-thirds of regional employment is found in the agricultural sector, which includes fishing and forestry (Luning 1981:51). The major uses of agricultural land are in growing rice and sugar. Iloilo Province is a major producer of rice, while Negros Occidental Province is the country's major sugar producing area. The region is able to export both crops. Other significant crops are corn, coconut, root crops, bananas, vegetables, and fruit trees. In addition, the fishing industry is very important in the region. Both fishpond operations, which cover a large number of hectares, and commercial fishing make the region a major exporter of fish, mussels, oysters, shrimps, and crabs to Manila and Japan.

While the region is able to export rice, sugar, and fish and also produce coconuts, fruits, and vegetables, the levels of productivity in most farms is still very low (USAID 1982:30). A large percentage of the region's inhabitants also have income levels that are inadequate to supply a low-cost food diet and average nonfood expenditures. Problems of food, nutrition, sanitation, and poverty are further reflected in the high incidence of diarrheal diseases, bronchitis, influenza, tuberculosis, and pneumonia. Government programs have been developed to build or improve drinking water facilities, provide basic health services, and extend nutritional information, but the major problem

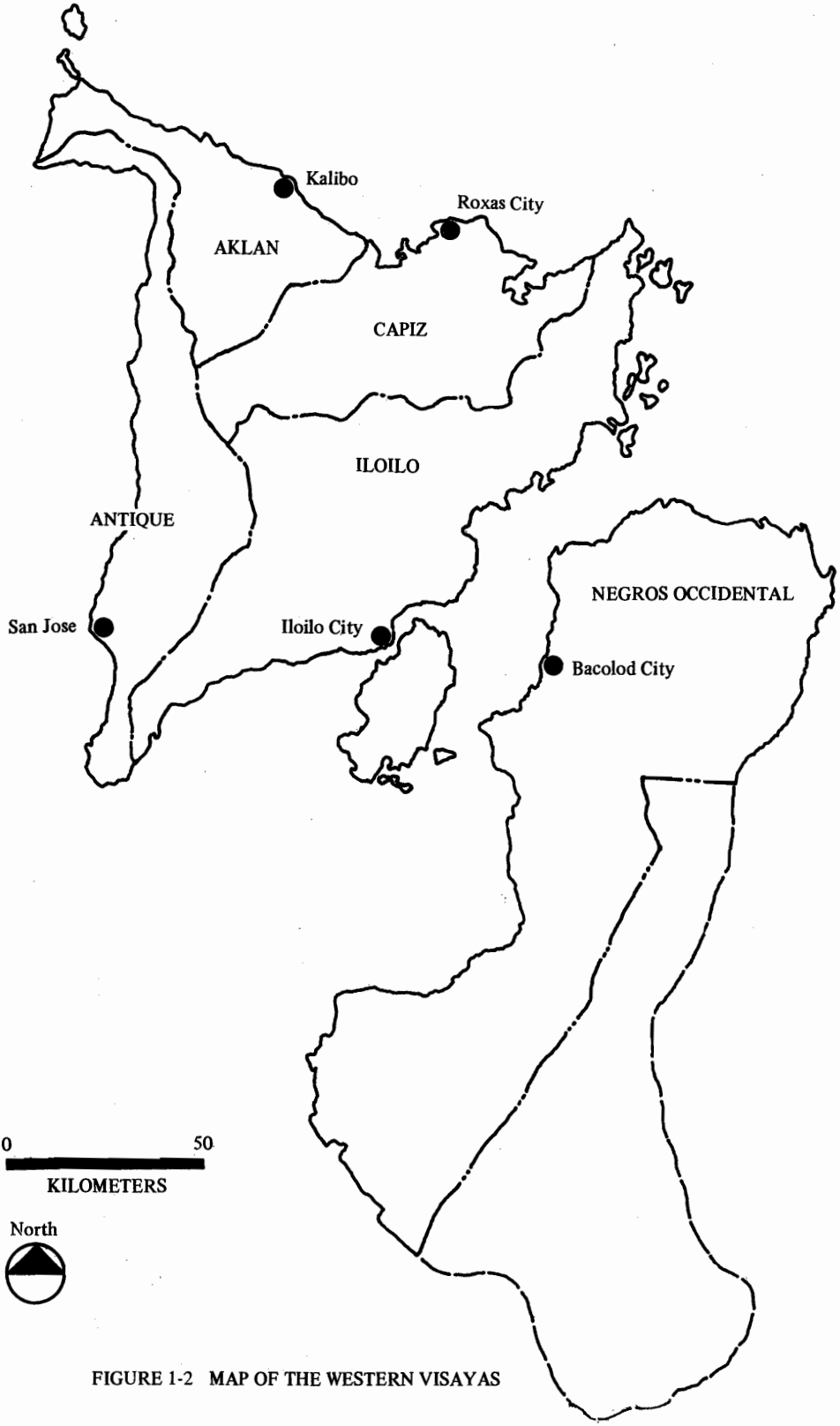


FIGURE 1-2 MAP OF THE WESTERN VISAYAS

is the low purchasing power of a large percentage of the population (Luning 1981:50).

A labor surplus situation presently exists and maintains low wages, while keeping the competition high for existing jobs (USAID 1981:25). This has led to high rates of out-migration to other areas of the Philippines, primarily to Manila and Mindanao, and to a search for overseas employment. Manufacturing industries have not been able to employ a significant portion of the population. Problems with marketing facilities, expensive power services, poor roads, an inadequately developed infrastructure, and the low income of local people make many types of manufacturing uncompetitive with large national and international corporations.

The two major cities in the region, Bacolod and Iloilo, are primarily commercial and service centers. Iloilo City has the major port in the region which is able to handle foreign and domestic cargo. The city, as the regional capital of the Western Visayas and the provincial capital of Iloilo Province, is the major administrative center of the region containing the offices of the government bureaucracy. The city also serves as the major educational center for the region, with over 115,000 students enrolled in elementary, high school, college, vocational, and university courses.

Iloilo City had a population of 244,827 in 1980 (NCSO 1981:23). It became a chartered city in 1937 when five surrounding towns were incorporated with the municipality of Iloilo. The city now consists of six districts: Iloilo, Arevalo, Molo, Mandurriao, Jaro, and La Paz. The central district, known as the Iloilo City Proper, is completely urban, but the other five districts are active agricultural areas, and large areas are also devoted to fishponds throughout these five districts of the city.

The little industry which does exist is primarily spread among numerous small-scale establishments. The only fairly large-scale manufacturing is related to food processing and metal fabrication. Employment is primarily related to government agencies, commerce, and services that are concentrated in the central business district, the marketplaces, and the port area. General business activity is closely related to educational and agricultural cycles. Commercial activity is at a low from March, the dry season and the start of the school vacation, until September or October when the rice harvest has started.

There are nine marketplaces inside of Iloilo City. The two largest marketplaces, the Central and Terminal Markets, are part of the central business district. These two marketplaces are only one kilometer apart and both serve the general public. The only other large marketplace operating on a daily basis is the La Paz Market, which is located adjacent to the central business district. The La Paz Market primarily serves residents of the La Paz and Jaro districts. The other marketplaces are small and primarily serve their immediate neighborhoods, except for a large marketplace in Jaro operating only on Thursdays. Vendors

operating in this marketplace come from other areas of the city or are part of a periodic marketplace system operating throughout the province.

While Iloilo City is a bustling commercial center, has a pleasant climate, and is located in rich agricultural and fishing areas, problems with health, sanitation, and low income are serious. The prevalence of dilapidated housing in unhealthy environments is evidence of absolute poverty. The city suffers from a shortage of housing and has a large squatter population, frequently living above swamps or in tidal areas. While electricity is available at relatively high rates, potable water is a scarce commodity. Water pressure is very low and piped water is only directly available in certain areas. Others have to purchase water from water carriers and/or utilize wells which are frequently polluted. This appears to have had a serious negative effect on public health and hygiene.

Research Methods

The preparation and sale of prepared, ready-to-eat food represents a significant portion of informal sector enterprises in many countries. In the Philippines, these small businesses provide employment for numerous people, especially women, in rapidly growing urban areas, and at the same time furnish low-cost, nutritious food. Urban living is sometimes associated with industrialization. However, in many areas, such as Iloilo City, only a small percentage of the urban population is able to find employment in factories and other establishments associated with the formal sector. Until the middle of the 1960s or so, most models of development tended to concentrate on the formal sector, and the informal sector was seen by those favoring rapid growth within a capitalist structure as a blockage to growth, and by Marxists and neo-Marxists as a ". . . symptom of the poverty-creating capacity of international capitalism" (McGee 1978:3).

The informal sector was sometimes viewed as a symbol of underdevelopment that should or will disappear with development. It was also seen as a transitional stage in which unskilled rural workers migrated to the city and worked until they were able to find a more permanent modern sector job (Todaro 1969:139). However, studies have subsequently been undertaken which reveal that many participants in the informal sector have spent many years in their present occupations and do not expect to enter the formal sector (Sethuraman 1981:20). In fact, many of these enterprises are very competitive with larger operations and are able to serve a very useful function by meeting the demand of consumers for convenient purchasing at low costs.

The most significant question that needs to be asked is under what conditions change is accomplished, since no sector is inherently static or dynamic (Weeks 1975:4). Economic efficiency can only be related to patterns of demand based on the income and preferences of consumers (Lo, Salih, and

Douglass 1978:86). This study will examine informal sector prepared food establishments in order to determine their importance as a source of employment for an expanding urban population, the earnings of owners and workers at these enterprises, and their role in providing inexpensive food to consumers. An attempt will be made to expand the small amount of information available on informal, urban food distribution systems and forms of food preparation and handling. The focus is upon food and beverages sold in Iloilo City, the operations of enterprises selling these foods, the household and small-scale production of food and beverages for sale, patterns of food consumption, preparation and handling of cooked food, and the nutritional value of the food consumed.

For the purposes of this study, the term "street food" will be utilized to separate formal and informal sector enterprises. Street foods consist of food and beverages prepared outside of the consuming household, which are sold by enterprises in the informal sector, and are sold for direct consumption. The International Labor Organization has attributed the following characteristics to the informal sector: comparatively easy entry of new enterprises, a reliance upon indigenous resources, family ownership of enterprises, a small scale of operation, labor intensive and adapted technology, worker skills acquired outside the formal school system, and unregulated competitive markets (ILO 1972). The informal sector in this study is used as a descriptive term referring to enterprises, not the people working at these firms, and is used to examine a subsector of an operating general system.

Carenderias – traditional eating establishments serving cooked portions of meals (viands) from display counters and/or containers – and refreshment parlors – establishments selling drinks with snacks which do not constitute a meal – were included in the informal sector. Vendors cutting up fruits and vegetables also met the criteria to a street food establishment, as did small, mobile variety stands. Institutional sources of prepared food, such as school, hospital, or office canteens, were considered to be operating in the formal sector. Restaurants – establishments serving meals which are selected from a menu, in an enclosed area, and providing waiter service – and fast food establishments – enterprises selling Western-style food and using imported ingredients and cooking technology – were also considered to be operating in the formal sector.

The criterion for inclusion in the survey was also related to the purpose for which the food was purchased – direct consumption versus household preparation. This provided a way of distinguishing selling units by the source of demand for their products. Small variety stores, *sari-sari*, operating primarily as packaged food stores or selling primarily to customers for household preparation and consumption were excluded. Those with a significant percentage of their sales devoted to the sale of meals or prepared snacks were included.

In this study the survey area was limited to the Iloilo City Proper district and the contiguous business district in La Paz (see Figure 1-3). This allowed a study of street food sellers in the three major marketplaces of Iloilo City, throughout the central business district, in the port area, and throughout the neighborhoods of the central district, an area with a population of approximately 55,000 people. A random, stratified sample of ten percent of these street food sellers amounted to a total of 135 respondents out of 1,350 street food sellers, and questionnaires were administered to these 135 food sellers. Projections based on counts made in business areas of the surrounding districts, combined with household samples, indicated that there were over 5000 street food sellers throughout the six districts of Iloilo City.

A different set of questionnaires was administered to two respondents at each of the 123 street food seller locations throughout the survey area (12 food sellers were either not operating or not selling street foods at the time of the customer survey). A third set of questionnaires was given to respondents at 150 households in six *barangays*, the smallest political unit in the Philippines. Three *barangays* were in the City Proper and one each was in the districts of Molo, La Paz, and Jaro. The *barangays* were selected on the basis of ensuring the inclusion of various income levels in the survey. Since we did not know the income characteristics of the population by area of residence, it was not possible to select a completely representative sample without drawing a large sample frame. The primary reason for drawing the household sample was to examine the influence of income levels on food purchasing and consumption patterns, and household income was always used as the independent variable in the analyses.

All questionnaires were prepared in English, but were usually administered in Hiligaynon, the primary language of Iloilo City. The preparation of each questionnaire required a period of pretesting in which a number of questions were deleted when responses were unsatisfactory. Three permanent members of our staff, who were fluent in Hiligaynon and English, performed almost all of the interviews. The response of street food sellers was remarkably good, and many sellers were willing to answer questions even when they were very busy with customers. Actually, some respondents were so adept at operating their businesses that they could answer questions while simultaneously working at the enterprise. Direct questions regarding earnings were avoided since some people tended to become evasive when these questions were asked.

In order to provide more depth of analysis than can be provided by the more superficial technique of administering questionnaires, three families in each of five categories, a total of 15 respondents, were selected as the subjects of detailed case studies. Researchers spent a considerable amount of time at these firms and learning the roles of various household members in the total business operation, both in regard to production and sales.

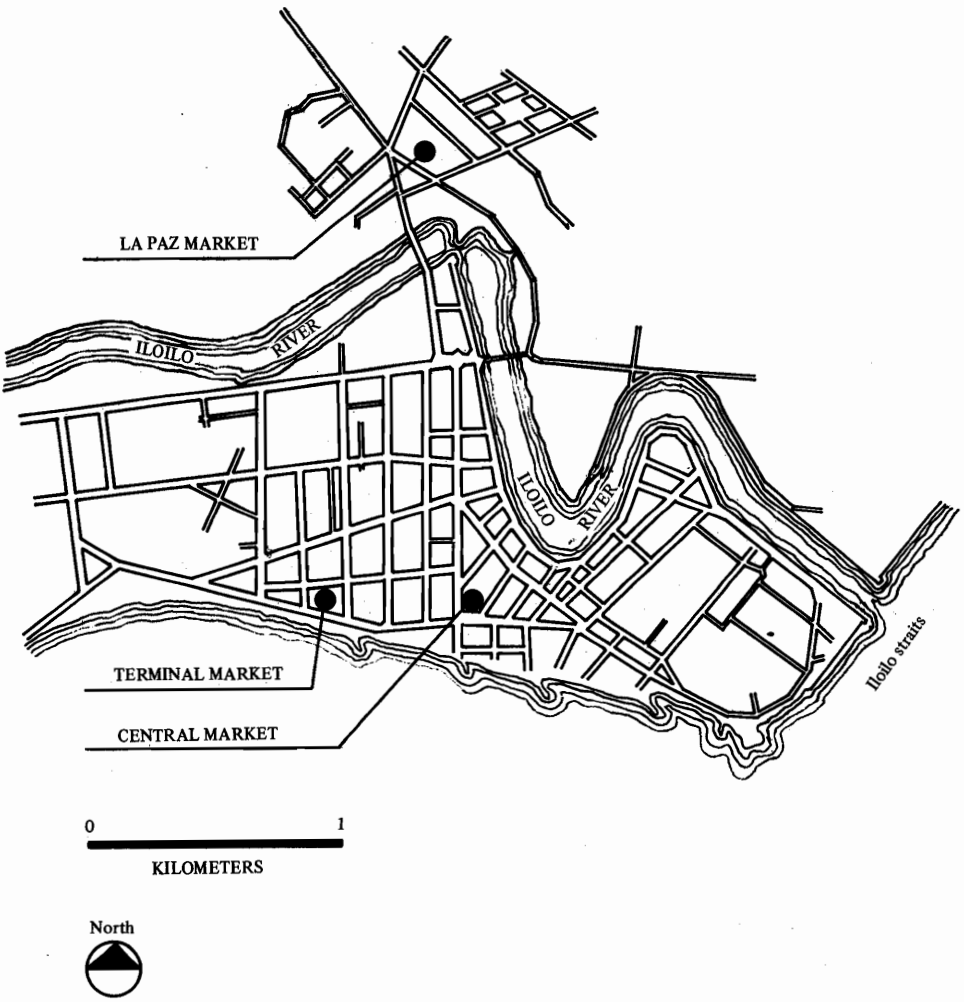


FIGURE 1-3 SURVEY AREA ON THE STREET FOODS STUDY

The selection of five food categories was based upon the criteria of an assessment of the most popular and widely consumed street foods, both meals and snacks, and the foods in whose preparation, distribution, and sale, women played a significant role. The case studies provided interesting information on the history of household involvement in food processing and distribution, the availability and acquisition of raw materials, and the actual experience of obtaining credit and licensing. In addition, nutritional analyses were conducted, the safety of food handling, preservation, and cooking procedures assessed, sources of potential competition determined, and perceived constraints to business expansion identified.

Table 1-1 is based on the primary item sold by food seller respondents in the sample.

TABLE 1-1 PRIMARY ITEM SOLD BY FOOD SELLER RESPONDENTS.

Food Category	# of sellers	Percentage
Meals (viands)	47	35%
Fried Snacks	18	13%
Beverages	18	13%
Packaged Snacks	12	9%
Soups	8	6%
Ices	8	6%
Native Cakes	7	5%
Barbecue	6	4%
Sandwiches & Siopao	4	3%
Meat & Eggs	3	2%
Fruits/Vegetables	2	1%
Bakery Goods	1	1%
Boiled Snacks	1	1%
Total	135	99%

The sampling of respondents was not done by food groups, and the primary item sold sometimes changed at different times of the year, but these categories provided a rough framework in which to select five foods for detailed case studies.

The following five food categories, selected from Table 1-1, were used in the case studies.

Meals. This was the largest food group representing more than one-third of the sample. It provided the best indication of local food consumption and was a category with relatively high average sales.

Fried Snacks. This category was second in popularity among food sellers, with peanuts being the most commonly sold item. Fried bananas and cashews

were also popular. Beverages and packaged snacks represented the next most commonly sold items. Since they were both frequently produced by corporations which, with the exception of Pepsi-Cola and Coca-Cola, had factories outside of Iloilo, they were not selected for case studies. However, firms primarily selling fried peanuts while also selling packaged snacks were included in the case studies.

Soups. Since soups were popular and represented local speciality items, they were included. Numerous firms featuring soup also received items for sale from outside households or firms, such as bakery products, sandwiches, *siopao*, and native cakes, while also selling soft drinks and beer. Ices were as popular as soups, but were not included because women did not usually play a significant role in the sale of these items.

Native Cakes. These were fairly common and allowed an examination of production outside of the selling establishment, since many of these items were made by different households. They were commonly sold by ambulant vendors who operated in marketplaces and throughout the business district of Iloilo City. Native cakes were commonly produced and sold by women and represented a traditional production technology.

Barbecue. This category consisted primarily of chicken and meat barbecue, which was sold throughout Iloilo City. Barbecue was actually more common than the numbers suggest because numerous eating establishments barbecued in front of their firms in the late afternoon and evening. Barbecued corn was also popular, but was only available at certain times of the year.

Street Foods in Iloilo City

One-fourth of the street food sellers were located in the three marketplaces of the survey area. The remaining sellers were found throughout the survey area, with concentrations near offices, commercial establishments, schools, theatres, at the port, and at terminals and along the transportation routes of public utility vehicles. For purposes of enumeration and sampling, food sellers were divided into those selling from permanent establishments, market stalls and stores, and those without a permanent structure, semi-static and ambulant vendors. The enumeration of sellers without permanent structures was more difficult to obtain than that of permanent establishments because the number of sellers fluctuated at different times of the day. Both the enumeration and sampling were timed to coincide with estimated peak times for sellers. These tended to be in the morning at marketplaces and in the late afternoon in the central business district and throughout neighborhoods, but lunch sales in the business district were covered and the port area was visited after ships had arrived.

Enumerations of non-permanent sellers were conducted throughout the year in order to try to determine seasonality. Evidence from the enumerations

and from our sample indicated a large main core of sellers that sold throughout the year. Respondents indicated that they sold an average of 11.93 months a year and 97 percent reported selling continually throughout the year. However, it was rather common for sellers to switch to different items at various times of the year or in response to perceived opportunities. Some of these switches were heavily influenced by the costs of supplies. For example, some people stopped selling fried bananas when the price of bananas was high, but remained in business selling other items.

One of the reasons that Iloilo City was selected as the site for this project was the variety and quantity of street foods. The appendix provides a list of popular street foods. Two local soups, *batchoy* and *pancit Molo*, were alleged to originate in the La Paz and Molo districts of the city. Both items have now spread to other areas of the Philippines and are rather popular.

Results of the food seller survey revealed that street foods in Iloilo City were being primarily sold by women. Almost four-fifths of the respondents were female, while less than one-fifth were male. Just using the sex of the respondent can be misleading since most of the firms were family operations, and since more than one-fourth of the firms were operated by husband and wife together. Nevertheless, women dominated the control of business income at firms operated by husband and wife together and shared equally in making decisions regarding business operations. Women also sold at 86 percent of the firms not operated by husband and wife together.

Only 36 percent of respondents claimed to be operating with a business license (see Table 1-2).

TABLE 1-2. STREET FOOD SELLERS OPERATING WITH AND WITHOUT LICENSES

	Permanent		Non-Permanent		Total	
	Number	Percentage	Number	Percentage	Number	Percentage
With License	42	67%	7	10%	49	36%
Without License	21	33%	65	90%	86	64%
Total	63	100%	72	100%	135	100%

The table clearly shows that respondents selling from permanent structures were more likely to claim to be licensed than those without a permanent structure. A chi-square test revealed these differences to be significant at the .001 level. Firms operating stores were supposed to have a business license from the city to operate, licenses or permits to sell certain items, a permit from the Bureau of Internal Revenue, and sanitary and health permits. The National Food Authority also has plans to obtain license and registration fees from food

businesses, but these plans had not been implemented at the time of the survey.

Market vendors were required, in addition to the above licenses and permits, to have their stalls registered in their names. The owner of a stall in a government-owned marketplace was expected to personally operate the stall. Actually, many stallkeepers bought the right to the stall from the previous owner and were not officially listed on the rolls of the city. It was also common for people at stalls and stores to report sales revenues that were far below actual sales in order to lower taxes, and to sell some items for which they had no permit. Larger firms were watched more closely than smaller ones.

The licensing situation for people selling on a semi-static or ambulant basis was considerably different. In Iloilo City, these vendors were seldom able to obtain business licenses. Those non-permanent vendors selling in the vicinity of marketplaces were usually able to buy daily cash tickets which allowed them to sell. Others were prohibited from selling on the main streets, but were usually tolerated by authorities if they did not block the street or sidewalk, stayed away from certain areas at certain times, and followed other restrictions, such as, keeping their areas clean, following certain regulations regarding covering their food, and cooking only in certain areas.

Many sidewalk vendors on the main business streets in Iloilo City belong to a vendors' association, with a president who represents their interests to the city mayor. They also have a group of officials who receive voluntary contributions in exchange for watching for pickpockets, preventing sidewalk obstructions, asking vendors to keep the sidewalk clean, maintaining order, and preserving the selling places of vendors. The association is not limited to food sellers but only actually collected voluntary payments from a portion of the actual number of sidewalk and street vendors. Throughout the past 10 years or so, the association has not been able to prevent periodic crackdowns by police in which vendors have been arrested and their carts confiscated.

This study of street foods examines an informal sector activity that plays an important role in Iloilo City. Since food is a necessity of life, it cannot be considered only in the same manner as other commodities. In the next chapter, various features of street food establishments are considered. Chapter 3 then provides a detailed analysis of some of the economic attributes of these enterprises. Chapter 4 represents a shift in emphasis to the consumer, and various consumption and purchasing patterns are considered. In Chapter 5, street foods are related to hygiene and nutrition, and bacterial and nutritional analyses are utilized. Chapter 6 then considers some theoretical and practical applications of information obtained in the study.

CHAPTER 2

STREET FOOD ESTABLISHMENTS

Prior to initiating our survey of food sellers, it was decided to only conduct interviews with the actual owners of each establishment. This was done to enable interviewers to obtain personal information that could be related to the development of the business enterprises. Interviewing was facilitated by the fact that almost three-fourths of the firms hired no employees. There were no corporations in the survey, and the owner-operator was generally present at these family businesses. Ninety six percent of the firms were sole proprietorships, three percent were partnerships, and one establishment was a cooperative. Interviews were conducted with the owners in every case except for two: one in which the owner did not operate the business, and the other in which the manager of the cooperative was interviewed.

Respondents were fairly well spread throughout the survey area, with 12 percent at the Central Market, 7 percent at the Terminal Market, 6 percent at the La Paz Market, and 75 percent in establishments on the streets, alleys, passageways, and sidewalks of the survey area. Sellers were acutely aware that they needed to be located where they were conveniently accessible to potential customers. When asked why they selected a particular location, sellers commonly replied that numerous people were in the area, or otherwise identified the particular source of their customers. Of course, the exact location depended on the purchase price of the business, if they inherited the firm, whether they could receive permission to sell there, and an evaluation of what they could afford to pay to establish the business in relation to expected sales.

Personal Features of Respondents

Respondents ranged from a low of 15 to a high of 74 years of age. The average age was slightly over 41, and the median of 40 was only one year less. The average education amounted to slightly less than 8 years. Forty seven percent of the respondents had a 6 year elementary school education or less, one-

third had been to high school, and one-fifth had some college education.

Forty six percent of the respondents were born in the city, and owners of these businesses were seldom recent migrants to Iloilo City. Those respondents not born in Iloilo City had lived there for an average of 21 years. A further indication of their deep ties to the area was reflected by the 93 percent who used Hiligaynon (Ilongo), the language of Iloilo City, as primary language spoken in their home. An additional six percent spoke Kinaraya, a common language on Panay Island, at home. The remaining one percent spoke Cebuano, the primary language of the Central Philippines. Only two respondents with Chinese ancestry were found and both spoke Ilongo at home. Many of the employees at these firms appeared to be recent migrants to Iloilo City, and their low wages were an indication of the surplus labor situation existing in the region.

Almost 10 percent of the respondents had been in their present occupation for less than six months. The remainder had been in the same occupation for an average of over nine years. Fifty two percent had no previous occupation; they were either students, housewives, or were unemployed. This is a reflection of the tremendous labor absorption provided by this activity. Nonetheless, housewives frequently had a long history of selling food and were frequently entering this occupation with a great deal of experience that may have been obtained before they were married. In addition, almost one-fourth of the respondents had previous sales occupations that provided them with experience. This type of experience partially accounts for the fact that 60 percent of the respondents indicated that the benefits of the occupation was their most important reason for choosing their present occupation. However, low educational levels and the absence of other opportunities certainly helped influence their occupational choices. Another factor which must be considered is that people frequently have multiple occupations. Almost one-fifth of the respondents had an additional occupation, while just less than one-third had additional sources of income not connected with this occupational activity.

Some of the rich experience gained by respondents prior to entering their present activity can be illustrated by some examples from the case studies. At the time Norma, a 28 year old barbecue vendor, was born, her mother was operating a market stall selling fruits and vegetables. When Norma reached the age of seven, she began helping her mother at the stall and selling throughout the marketplace as an ambulant vendor. When she was in high school, she continued working for her mother, but also started selling cigarettes on her own. She continued these selling activities until she was married at the age of 19.

After the marriage, she stopped working for approximately five years. She then returned to work selling vegetables in nearby towns on their weekly "market day." She operated as one of the many *bulantero* who travel throughout the island of Panay on a weekly cycle. She stopped this activity after one year because it was difficult for her to travel and also take care of her small

children. Norma decided to return to her mother's market stall, but, instead of selling fruits and vegetables, she took over the stall in the afternoon and started selling barbecued chicken and fish, along with beer. She has been operating this business for 3 years now and is doing well. In the meantime, her husband found a job as a fireman. He and his fellow workers often visit Norma's establishment after they have finished their working day.

Capring, a 42 year old unmarried woman born in Iloilo City, provides another example of early training in sales. Her mother sold laundry soap, peanuts, and anything else she thought would provide earnings to supplement the salary of her husband, a warehouse worker. When Capring was 7 years old, she started selling in the marketplace near their house. She continued selling until she had the opportunity to go to Manila as a housekeeper. She stayed there for two years, but had to return to Iloilo when her father became ill. Upon her return, she found a selling location in the marketplace, began selling peanuts, and has been there for the past 23 years.

Loreta, a 53 year old woman with eight children, has also been selling food since she was a child. She was born in Iloilo City, and her mother operated a stall selling fresh fish at a small local marketplace. Loreta, the eldest child, helped her mother and also started selling boiled bananas when she was 12 years old. After her mother's death, she took over the stall and operated it for the next nine years. When her husband stopped working as a laborer in Guam, they purchased a farm and moved to the countryside. The farm was unsuccessful, and after four years, Loreta and three children returned to Iloilo City, and she began selling fish at the Terminal Market. Her husband, two years later, also returned to the city and started working at the port as a stevedore, a job he has held for more than 20 years.

Loreta eventually decided that the earnings from selling fish were insufficient and started selling snacks as an ambulant vendor. One of the areas she covered was the port. She noticed that people selling meals at the port seemed to be achieving fairly high earnings, and decided to set up a small eating establishment, a *carenderia.* After experiencing difficulty with the police – her cart was confiscated by them – she established her present store at the port, alongside the wall of the warehouse where her brother is employed.

Of course, not all street food sellers received sales training when they were young, and the small capital investment required makes this activity attractive. Meding, a 38 year old woman with five children, migrated to Iloilo City when she was 13 years old. She had no sales experience and worked as a domestic helper until her marriage. For the first 12 years of her marriage, she confined her activities to primarily being a housewife. In 1975, she started selling food, prepared by someone else, as an ambulant seller who walked around the central business district of the city. When her husband had to be hospitalized due to tuberculosis and could no longer work as a private driver for a wealthy

Filipino family, Meding's food sales became the sole means of support for the family. After learning a "secret" formula for the preparation of a barbecue sauce from a patient who was in the hospital with her husband, Meding started selling barbecued pork and beef liver. In less than a year, her husband joined her in the business, and they presently operate a successful business that provides them with a rather high income for the area in which they live.

Women's Role in Business Operations

As was previously indicated, female respondents dominated the survey. However, firms at which males were the respondents had significantly higher sales than those at which a female owner was interviewed (see Table 2-1)

TABLE 2–1. DAILY SALES BASED ON SEX OF RESPONDENT

Respondent	Number	Percentage	Daily Sales
Male	29	21%	₱387
Female	106	79%	₱195

A general linear models procedure indicated that these differences in sales were significant at the .01 level. However, when controlling the effect of other variables upon sales, the sex of the respondent did not significantly affect sales. This will be elaborated upon further when discussing the effect of various independent variables upon sales.

Seventy one percent of the respondents were married, and both husband and wife worked together on a full-time basis at 27 percent of the firms. Those firms in which husband and wife worked together had higher sales than other enterprises. Table 2-2 shows that other firms operated by men had comparable sales, but those operated by women had appreciably lower sales.

TABLE 2-2. DAILY SALES BASED ON TYPE OF OPERATOR

Operator	Number	Percentage	Daily Sales
Husband & wife together	37	27%	₱373.78
Male only	14	10%	₱363.22
Female only	84	62%	₱154.46
Total	135	99%	

An analysis of variance procedure indicated that these difference in sales were significant at the .01 level.

Since many of these firms were family enterprises, the operators may be consanguineous relatives, rather than husband and wife. Therefore, the sex of the person controlling the business income and making decisions may be different than that of the respondent. Table 2-3 reveals that women completely dominated the control of business income.

TABLE 2-3. CONTROL OF BUSINESS INCOME AND DECISIONS

	Male	Female	Joint Control
Business Income	13%	79%	7%
Business Decisions	17%	60%	23%

Males had a more active role in business decisions, but these were still dominated by women. These results reveal that men were likely to be involved in businesses with higher sales, but this does not necessarily mean that they controlled these enterprises. This lends some support to the hypothesis that the husband joins his wife in the business after it achieves a measure of success, but the reality appears to be considerably more complicated.

Even though street food vending was dominated by women, the only type of activity that was almost exclusively confined to one sex was ice cream vending from mobile wooden carts, a male activity. Most of these vendors were provided with a cart to use by the producer of the ice cream and received the ice cream on a consignment basis. They were then told to sell in certain areas and to return in the evening to pay for the ice cream and to store the cart and the unsold ice cream. This activity provided relatively low earnings, but, if the seller owned his cart and made his own ice cream, earnings were considerably higher.

Szanton's study of a marketplace in Estancia led her to believe that, in general, women became vendors when they were young and served as helpers to their mothers, as a way to supplement the income of their husbands, or after their husbands died or became disabled (1972:76-77). While this also appears to be partially true for prepared food sellers in Iloilo City, more women have certainly entered the labor force in the 15 years since Szanton conducted her research. But cultural and social factors must also be considered. In the Philippines, strong cultural supports for women engaged in commerce exists, and women evaluate each other in terms of their business activities. Social exchanges are considered valuable for the information they provide, as a reinforcement of status, and for the opportunities they offer (Hackenberg and Barth 1982:31).

Type and Scale of Enterprises

The mean founding date for street food establishments was 1971; meaning

that these firms have been in operation for an average of 12 years. Some of the older firms helped raise the average, and more than one-half of the firms started in 1976 or later. Table 2-4 lists the founding dates of these enterprises by decades.

TABLE 2-4. DECADE ENTERPRISE FOUNDED

Decade	Number	Percentage
1940 – 1949	9	7%
1950 – 1959	15	11%
1960 – 1969	23	17%
1970 – 1979	50	37%
1980 – 1983	38	28%

The table confirms the expected progression by decade in which fewer firms remain from earlier decades. Naturally, firms have been at their present location for a shorter period of time, with an average arrival date of 1975 and a median arrival date of 1979.

While almost all respondents indicated that they sold on a continual basis throughout the year, and most were open seven days a week, attempts to recontact sellers indicated that a significant portion of these enterprises closed for certain periods of time. This was frequently related to an illness of the seller or to a loss of operating capital, which was often related to an illness in the family. In addition, unsuccessful operations closed permanently. The failure rate of small businesses is high throughout the world, and these food sellers are no exception.

These firms represented the primary source of household income for 83 percent of the respondents' households. This remained relatively constant for those operating stores and market stalls, considered to be selling from permanent structures in this survey, and those operating as semi-static or ambulant vendors, considered to be selling without permanent structures. Store owners operated from permanent physical structures that may, or may not, have also served as the residence of the owners. Market stallkeepers, for the purposes of this survey, were confined to people operating from a permanent structure in one of the three public markets in the survey area. These structures are often physically indistinguishable from stores, but the operator had to pay rent to the city of Iloilo, and the marketplaces were clearly demarcated by the city. Some of these market stalls also served as the residence of their operators. In the survey, 44 percent of the stores and stalls combined were used as the residence of the operator.

On the other hand, sellers operating without permanent structures may have been operating in the same place for a number of years. In fact, chi-square

tests revealed no significant differences between firms operating with permanent or without permanent structures in regard to the decade of the founding of the enterprise and the decade the firm started in its present location. A non-permanent structure is one that has the appearance of being temporary and can be easily disassembled or moved. It is usually possible to visit the area, when the business is not operating, and not realize that anyone sells there. These firms may be found inside or outside of a marketplace. They are very prevalent throughout the Philippines and are, by no means, confined to prepared food sellers.

Some examples of sellers operating from both permanent and without permanent structures may be useful to help clarify the distinction between each group of sellers. Many prepared food sellers in Iloilo City operated inside areas on the first floor of large buildings containing more than one story. These firms were clearly operating inside permanent structures, which were usually open in the front to allow people easy access from the sidewalk and street. A large number of street food sellers also operated from small bamboo and/or wooden buildings with some type of roof overhead. These buildings could not be easily disassembled or moved, and their operators frequently lived there. These sellers were also considered to be operating from a permanent structure.

An example of a permanent structure from the port area, which is alongside the mouth of an estuary that follows a winding course through the city, illustrates a relatively less formal, permanent structure. It is in this area, in front of a large warehouse, that the small establishment owned and operated by Loreta is located. The store actually consists of two counters, one supplied by the Coca-Cola Company and one supplied by the San Miguel beer company, with a galvanized iron roof that is attached to the warehouse wall and with walls on the other two sides. The space behind the counters contains a make-shift stove, a table, a water drum, some shelving, and a bedroom. A large San Miguel beer sign sits on top of the roof. Customers sit on wooden benches that are usually placed in front of the counters. The business was started in this location in 1975, and the store presently provides a home for seven people.

Another enterprise is found alongside one of the entrances to a large public market. The firm, owned by Juanita, actually consists of two market stalls which are rented from the city. The establishment faces the street, which contains a fair amount of traffic and is also used as a parking space for public jeepneys and buses going to various towns throughout the island of Panay. The building is solidly made of wood with a galvanized iron roof. Juanita only rents a part of the large structure built by the city in 1970, and partitioned into compartments. The main room is used to serve soup and drinks to customers and is large enough to hold 16 tables. The mezzanine over this room serves as the living quarters for Juanita and her husband. The back rooms are used for preparing the food and for storage. The one large back room that opens into the

interior of the marketplace is also used by Juanita's daughter to sell *chicken adobo*, a popular viand, at night.

While stores tend to be larger than the one operated by Loreta, and market stalls tend to be smaller than the one of Juanita, these two illustrations provide support for my decision to group these two types of firms together for part of the analysis. These are then compared to sellers operating without permanent structures, such as sidewalk vendors, which are a common sight throughout the business district of Iloilo City. These sellers are usually found lined up next to buildings or next to the building pillars that are in the center of the sidewalk. Peanuts and cashews, fried in coconut oil, are very commonly sold items. These are frequently fried in pans on the top of mobile wooden carts containing a small kerosene stove.

Rolando, a 42 year old native of Iloilo City, started frying peanuts and cashews on the sidewalk in 1982. After investing about ₱500 in a wooden cart, a kerosene stove, and other equipment, he began his present operation. At about 6:00 A.M. each morning, he goes to the store where he keeps his cart and rolls it out onto the sidewalk. He cooks and sells peanuts and cashews next to his wife's small variety stand until approximately 11:00 A.M. He then moves to an area of the sidewalk about 25 meters away and sells until the late evening. His cart is then put away, and he and his wife return home to enjoy their evening meal.

The sample drawn to be interviewed was stratified according to sellers with permanent and without permanent structures and also in regard to whether they were selling meals or snacks (see Table 2-5).

TABLE 2-5. STREET FOOD SELLERS IN ILOILO CITY

	Permanent		Non-permanent		Totals	
	Total	Sample	Total	Sample	Total	Sample
Meals	414	42	64	6	478	48
Snacks	207	21	665	66	872	87
Total	621	63	729	72	1350	135

Sellers of snacks without permanent structures were further stratified into those selling prepared snacks, such as peanuts, and those operating variety stands selling packaged items, such as candy, provided by suppliers. Before establishing this packaged goods category, we talked to over 100 vendors and found that about 95 percent said their customers usually did not take this food home for household consumption. Firms selling packaged snacks from permanent structures were excluded because their products were usually for home consumption. Nevertheless, many of these stores sold some items for direct consumption, and this activity was not included in this study since only the

major activity of the enterprise was considered. The only way to avoid this problem would have been to include all food sellers, since any of them could sell food that may be eaten outside the household.

Firms selling from permanent structures had much higher sales per day than other sellers (see Table 2-6).

TABLE 2-6. DAILY SALES OF STREET FOOD VENDORS

	Permanent	Non-permanent
Sales	₱376	₱113

A general linear models procedure indicated that this difference was significant at the .001 level. The differences remained significant when the effects of other variables upon sales were held constant.

In Davao City, overall sales were lower, but sales were also over three times higher at Street Food Firms operating from permanent structures than at those without a permanent structure. These differences in the type of selling structure clearly overshadowed any differences between enterprises selling meals and selling snacks (see Table 2-7).

TABLE 2-7. SALES PER DAY BY ENTERPRISE CLASSIFICATION

	Permanent	Non-permanent
Meals	₱375	₱110
Snacks	₱380	₱110

Chi-square tests were used to determine the differences between sellers at permanent and sellers without permanent structures in regard to some important variables. These differences were not significant in regard to the sex or marital status of the respondent, but were significant at the .01 level in regard to education, which was grouped according to the attendance at elementary school, high school, or college. Sellers with permanent locations were more highly educated.

I have previously mentioned that sellers without permanent structures were seldom able to obtain licenses and that only ten percent claimed to have a license. This is very close to the 13 percent of the prepared food hawkers found to have licenses in Manila, but is far below the 80 percent found to have licenses in Baguio City (Guerrero 1975:53, 121). It does indicate that many of these vendors will follow legal licensing restrictions if they are given the opportunity to purchase a license.

The distinction between firms selling meals and snacks was used in drawing the sample because little movement between these categories was expected. That there was little difference in sales volume was not known until the results of the survey were obtained. The sample was not divided into the primary item sold by respondents due to the changes made by vendors throughout the year. Yet the results taken from our sample were used as the basis for the case studies.

Sources of Food and Linkages to Suppliers

As part of the interviewing process, street food sellers were asked to provide information on the origin of their products. All respondents were familiar with items, such as native cakes, that were locally produced. Many people selling cooked food were not familiar with the original source of fresh items, so the researchers had to trace the item through the marketing system. It was impossible to trace each particular item, but we were able to obtain general patterns on the movement of products, some of which were seasonal. Since the interviews were conducted during March and April, these patterns were reflected on the questionnaires.

Fifty six percent of the respondents sold some items originating in Iloilo City. Since five of the six districts of the city were agricultural, some of these items included fruits, vegetables, meat, fish, and milled rice. However, these items were more commonly provided from the surrounding areas of Iloilo Province, where 85 percent of the respondents obtained some items. The city contained numerous bakeries and noodle factories, which were also found in smaller numbers throughout the towns surrounding the city. Numerous bakery products and native cakes were also produced in households in the city and sold by food vendors.

Competition with Manila-based corporations appears to have led to the replacement of some items, such as candy, which were formerly produced locally. "The market for consumer goods from Manila has extended into many provincial areas, and Chinese who once ran shoe or candy factories now have closed down and distribute these Manila goods instead" (Omohundro 1981:53). This change appears to have occured in regard to some food items, but small local producers are frequently able to compete very effectively with outside corporations in regard to the price of many food items.

Nonetheless, local small-scale beverage producers have been completely replaced by large corporations. The Pepsi-Cola and Coca-Cola companies completely dominate the sale of soft drinks, but each operates a factory in Iloilo Province. Instant coffee, processed in Manila, has also largely replaced locally brewed coffee. Dairy products are imported into the Philippines and packaged by large Manila-based corporations. The only other non-alcoholic drinks that are popular are fruit drinks made by local vendors, often with canned pineapple

juice, and *tahu*, a drink made with ginger and hot water. Most juice drinks are packaged in Manila, then sold locally. The only popular alcoholic beverage produced locally is *tuba*, the fermented sap from the coconut palm tree. Beer is manufactured in the Manila area and in Cebu, and is shipped to Iloilo. It is very popular, and along with soft drinks, constitutes a major sales item for many food sellers. Other bottled alcoholic beverages usually are produced in Manila or abroad, but these are seldom sold by street food sellers.

The linkages of Iloilo City street food sellers to the large food processors in the metropolitan Manila area is reflected by the fact that 78 percent of the respondents sold some items originating in Luzon, the island on which Manila is located. Ties to Region VI food producers outside of Iloilo Province were minimal. Ties to the rest of the Visayan area and to Mindanao were also minimal. Some beer and flour did come from Cebu, while canned pineapple products and some flour came from Mindanao. Almost all Philippine wheat is imported and then processed at large flour mills. The main suppliers of flour to Iloilo City are located in Luzon. Street food sellers seldom sold food or beverage items that were directly imported into the Philippines.

More than one-half of the respondents had some items delivered to their firms. The elaborate marketing system extended downward to some sidewalk vendors who received deliveries of cases of soft drinks. It also included sidewalk vendors, primarily selling packaged items from Manila purchased at local stores, who received deliveries of locally-made sandwiches, bakery goods, and native cakes.

Other common sources of supply were marketplaces, supermarkets, groceries, *sari-sari* (variety) stores, and bakeries. While no significant differences existed between the number of sellers operating from permanent or without permanent structures making purchases at supermarkets, chi-square tests revealed statistically significant differences between purchases from groceries and at the producer's location. Non-permanent sellers made more purchases at groceries, where they frequently were given credit, and were forced to go to the producer's location more frequently.

During the survey, firms that supplied food to street food enterprises were divided into those who produced the item themselves, those who only operated as middlemen and had no actual selling location, and those operating wholesale/retail firms. Chi-square tests revealed no statistically significant differences between sellers operating from permanent and without permanent structures in regard to purchases from wholesale/retail firms. However, permanent sellers were more often able to make purchases directly from producers, often without having to go to their location, while non-permanent sellers dealt with middlemen more frequently. This presents further evidence of the effectiveness of the distribution system. It also indicates that non-permanent sellers may have had to pay more for their supplies, or that

they were obtaining different types of items. Their reduced operating expenses may have enabled them to still be competitive with permanent sellers in regard to price, or their accessibility may have prompted consumers to pay more. I found no evidence that they sold any items which could not be obtained from sellers operating at permanent structures.

Supplies were obtained very frequently, and 86 percent of the respondents made some purchases every day. Bargaining with suppliers was common, but 44 percent of the street food sellers made all their purchases at fixed prices set by the suppliers. Payments to suppliers were usually made on a cash basis, but 10 percent of the firms made purchases exclusively with credit, and 36 percent were able to make some purchases with credit. These purchases on consignment, referred to locally as *alsada*, were usually on a very short term basis, and almost two-thirds of those receiving credit had to pay for their goods in one day or less. Supplies were often provided in the morning, and charges were collected in the afternoon.

Very few of those enterprises making purchases on a credit basis believed that they had to pay more for their supplies than if they paid at the time of purchase. Some people also had to make payments with cash because they could not obtain credit. Nevertheless, my observations lead me to believe that people making purchases with cash are frequently in a better position to bargain for a lower price or are able to acquire a larger quantity at the same price. Purchases with credit do form a bond between the buyer and seller that may help ensure the availability of supply in times of scarcity. This may be more effectively accomplished through advance payments to suppliers, but no street food sellers did this. Twelve percent of the respondents did experience shortages of supplies that prevented maximum sales. These shortages were sometimes related to the seasonal production of certain commodities, but were also related to the daily availability of some items, such as meat, fish, and vegetables.

Many operators of food businesses had to make decisions whether to obtain supplies at the lowest possible price, or whether to obtain them at more convenient locations. Many also had to decide how much of the food processing they wished to perform themselves. A couple of examples will illustrate these decisions. The operator of a chicken barbecue stand can purchase dressed chicken in the marketplace. This usually requires only a small time commitment because the public markets are easily accessible by public transportation. Chickens can also be purchased while they are still alive. The price is lower but the buyer has to dress the chickens. Another alternative is to travel to the countryside and make purchases closer to the source of chickens that are not grown by large-scale producers. The price is usually lower, but the time commitment increases considerably. If the firm is only operated by one person, the time commitment usually precludes a trip to the countryside. Yet, if a second person is brought into the business, the increase in profits may be appre-

ciable if someone goes to the countryside to make purchases. The choices are actually more complex, and the alternatives are wider than I have illustrated, but this example shows the type of decisions constantly faced by food sellers.

The same type of decision is faced by sellers of native cakes. They can purchase their cakes from a local supplier, or they can produce the cakes themselves at a lower cost. In order to make the cakes themselves, they must make a time commitment of several hours a day. Their decision is based on a wide variety of factors. However, if large-scale producers could lower the unit cost of production, it would be in the interest of street food sellers to purchase from their producers. This has occured to some extent with bakeries using flour products, especially in the production of bread, but not extensively in regard to native cakes.

Relations with Customers

Throughout the Philippines, the term *suki,* is used to refer to a special relationship between the buyer and seller of numerous goods. Davis believed that the *suki* relationship was especially important in the central marketplace in Baguio since the majority of transactions took place between buyers and sellers who considered each other to be *suki* (1973:217). While almost everyone in the Philippines is familiar with the term, *suki,* the use of the term varies widely. Szanton felt that, in Estancia, the most important aspects of the *suki* relationship were regular contacts and credit (1972:97). In Baguio, Davis indicated that

> In addition to the all-important extension of credit, the seller-*suki* is expected to give his customer-*suki* a small reduction in the going market price for the commodities purchased, or its equivalent in better quality goods, or a more generous measure for the same price. In some cases, especially when conditions favor a seller's market, the price reduction may be more fiction than fact, although the seller always attempts to disguise the fact by stressing the relative quality of his goods, and by addressing the *suki*-buyer in terms which suggest special treatment . . . . (1968:14).

While Davis very clearly describes certain aspects of the *suki* relationship, in Dagupan, Dannhaeuser found that credit is not always necessary in *suki* relationships and that people purchasing from someone who maintained overall low prices with no special concessions considered the relationship to be *suki* (1977:483). In Davao City, I found that some people ". . . even used the term to refer to someone from whom they bought, or to whom they sold, for the first time that day, and not one with whom they have a special or regular trade

relationship" (Barth 1982:121). Due to the conceptual confusion surrounding the concept of ***suki***, it was not used in the street food study, but the regularity of dealing with customers, the bargaining taking place, and the credit provided were examined individually.

Respondents indicated that they dealt with 37 percent of their customers on a regular basis. Three-fourths of the respondents also were willing to bargain with some customers. This bargaining is done in one of two ways. One involves discussing the amount to be paid. This is known locally as *ayo*. The other way is for the seller to sell a larger quantity at the same price, *paaman*. Both forms of bargaining are very common in Iloilo. In the survey, bargaining was not considered to be adjustments in the price, while maintaining the same unit price; for example, if someone sells one-half of a one peso portion of rice for 50 centavos. The rounding off of purchases from ₱5.05 to ₱5.00 was also not considered to be bargaining. This is usually done to maintain good will between the buyer and seller, and there was little evidence of any negotiations between the two.

Seventy one percent of the respondents provided some credit to customers. It was not possible to determine the exact percentage of customers provided with credit, but in most cases it was only a very small percentage. However, some firms with a very regular clientele were willing to provide credit to many customers. These customers frequently worked at a particular place known to the food seller who often went there to collect these debts on a regular basis. An example of this is provided by Loreta who kept a list of each person's purchases on the back of opened cigarette cartons. She collected from the stevedores when she went to the offices of her husband's employer to obtain his pay.

Numerous sellers were also willing to provide credit to people who made purchases for resale. These people often had to pay for the goods later that day. In general, loans were only for short periods of time, often until pay day, and only seven percent of firms providing credit extended it for more than 15 days. Collecting debts frequently becomes a very serious problem for sellers, and stories of firms going out of business due to uncollectible debts are very common. Unfortunately, it is also not unusual for a customer to frequent an establishment until he becomes known by the proprietor. He then starts asking for credit which is difficult for the proprietor to refuse to a regular customer. The customer then builds up a list of debts and, rather than paying off the debt, starts patronizing a different establishment and never returns to pay the debt.

Decisions concerning bargaining and to whom to extend credit are crucial to the success of many street food businesses. These are seldom left in the hands of employees, and the proprietors are often required to be physically present at the firm for long hours in order to ensure that customers are handled properly.

Observations of numerous food sellers have allowed me to witness some excellent salesmanship and the psychology involved in dealing with customers. Bargaining and requests for credit must be handled tactfully, and a joke told at the proper time makes customers more comfortable and often prevents disputes. Some of these skills require a considerable amount of time for most people to acquire, but others develop the knack at an early age.

Summary and Assessment

The age, sex, and educational level of respondents in Iloilo was similar to that of street food sellers found in my 1981 study in Davao City (see Table 2-8).

TABLE 2-8. COMPARISON OF AGE, SEX, AND EDUCATION OF RESPONDENTS

Location	Sex		Average Age	Average Education
	Male	Female		
Iloilo City	21%	79%	42	8 years
Davao City	20%	80%	39	9 years

Neither group was composed of recent migrants to the city, and sellers frequently based locational decisions on considerable knowledge of the city itself. The age of the respondents indicated a degree of experience in life that was undoubtedly very helpful when dealing with other people. The exposure of many respondents to business activity at an early age by their parents or other relatives prepared them to operate a small business. While small capital requirements may allow easy entry to street selling activity, the experience and skills necessary for success may raise qualifications to fairly high levels.

The age of respondents, the level of skills, and the fact that respondents were not recent migrants is contrary to dualistic models, such as the Todaro model, which assume that informal sector self-employment is only temporary until the person can find formal sector work (Todaro 1969). It is in agreement with studies of migration in Bangkok which indicate that migrants do not usually get into self-employment until after they have been in the city for a period of years (Tongudai 1982:19). This has important policy implications in that these skills and experience represent an important resource which should be utilized to encourage economic development, rather than being subject to unfavorable governmental policies.

Even though women dominated street food selling activity in Iloilo City, sales were higher at firms with men involved in the business. Over half of the

men operated these businesses with their wives, but the other half operated firms with comparable sales, which were far higher than those operated by women. Using sales figures as an indication of size, these results are in agreement with USAID's study of small urban businesses. "In general, the smaller the size of the business reached, the larger the proportion of women business owners" (Ashe 1981:45). Nevertheless, street food businesses were not just supplying earnings to supplement family incomes. They were often family operations that provided the primary source of household income for over four-fifths of the respondents.

Many of these enterprises were not operating within the letter of the law, and only a little over one-third of them claimed to be licensed to operate. However, as was noted by Jellinek for Indonesia, but is equally true for the Philippines, ". . . one must distinguish between what is legal and what is permissible . . . ." (1977:244). While street food vendors faced some common problems with certain governmental regulating and licensing organizations, other regulations applied to each group differently. Storeowners were generally encouraged to operate as long as they paid certain fees. But squatters on government or private land were frequently not issued permits or licenses for fear of legitimating their operation. Unfortunately, they were seldom given the option to purchase the land.

Market stallkeepers frequently paid market fees, but ignored other operating requirements, especially if their stalls were not registered in their own names. This saved them money, but prevented them from obtaining access to credit programs designed for stallkeepers. These programs usually required them to prove that they were registered as bona fide stallkeepers with the market administration.

The most serious legal problems belonged to non-permanent sellers who usually could not obtain licenses to operate without a permanent structure. If they were able to purchase a cash ticket, they were able to sell for a day at a time. Others were usually viewed very leniently by local authorities. As long as they did not cause major obstructions for vehicular or sidewalk traffic, they were usually left alone provided they did not cook in certain areas and stayed out of other areas during certain hours. These hours were only loosely enforced and the attitude toward ambulant and sidewalk vendors was rather benign. No one that we questioned ever indicated that they have to pay *tong*, fees, to authorities. Of course, it took an unusual vendor to turn down a request for food from a policeman.

This relaxed situation did not always exist, and police have periodically tried to remove sidewalk and ambulant vendors from the city. These actions seem to vary with different administrations, but vendors were always concerned that policies may change at any time. In Manila, the official policy for a number of years has been the eventual elimination of sidewalk vendors and hawkers

(Guerrero 1975:144). The present mayor has a policy of clearing the streets and sidewalks of illegal sidewalk vendors, but has agreed to only warn the vendors for a first offense, while arresting those guilty of a second offense (Manila Bulletin Today, November 9, 1983).

Administrators frequently want to ban sidewalk and ambulant vendors from commercial areas because they cause traffic congestion and because they offer unfair competition to storeowners and regular stallkeepers by avoiding payments for fees and licenses (Guerrero 1975:142). This complaint of unfair competition is not limited to government administrators. In Manila, the Chamber of Filipino Retailers and the United Metro Manila Market Stallholders Association have asked the mayor to strictly enforce laws against sidewalk vendors who allegedly offer unfair competition to legitimate retailers and market stallholders (Manila Bulletin Today, November 21, 1983). This same situation of competition between the various types of prepared food sellers certainly exists in Iloilo. While many small-scale vendors fill gaps in the food distribution system and provide low costs and convenience to customers, thereby serving complementary functions, they are certainly in competition regarding the limited purchasing power of consumers.

Numerous small-scale food sellers also may provide more variety of choice to consumers. In Iloilo City, street food sellers are also involved in production and make decisions regarding whether they can effectively compete with larger-scale producers in regard to production or whether to purchase these items for resale. They can also buy from local small-scale producers. I have mentioned that large-scale producers dominate in regard to beverages and candy, but hundreds of local households cook food and prepare bakery items. Bakeries dominate in the production of loaves of bread, but many are also themselves supplied with small cakes and other items made in local households. Street food sellers also offer additional outlets for these producers.

Various suppliers to prepared food sellers also perform the important function of allowing the prepared food seller to obtain his goods without any capital, and to pay for them after they have been resold. An example is provided by a meat vendor who sells to a *carenderia* owner. The meat may be delivered to the store in the morning, but the meat vendor will not collect until later in the day after the *carenderia* operator has cooked the meat and sold it. The meat vendor then uses the money he has collected to make purchases from his suppliers early the next morning. Meanwhile, the *carenderia* operator may have made some sales on a credit basis. These credit transactions are extremely important in a country, such as the Philippines, where capital is relatively scarce.

CHAPTER 3

ECONOMIC CHARACTERISTICS OF ENTERPRISES

The classification of street food sellers according to their economic activity would involve three major divisions of the *Philippine Standard Industrial Classification* (NEDA: 1978). The one-fourth of the sellers who did not transform the products they sold would be considered to be operating in the trade sector. Establishments selling prepared food and drinks for immediate consumption would be considered in the services sector. Those baking bread, cakes, doughnuts, or preparing snack products, such as peanut products and popcorn, would be considered under the manufacturing sector. Of course, a firm may have been involved in more than one activity and may have changed its activities frequently. These classifications, therefore, only provide very rough guidelines in regard to street food sellers.

The three-fourths of the respondents using cooking fuel had a choice of using wood, charcoal, kerosene, bottled gas, electricity, or some combination of these fuels. Charcoal, made from wood, was the most popular fuel for cooking. Average fuel expenses for those involved in cooking amounted to approximately ₱7.50 per day. Different products, preparation techniques, and income levels strongly influenced the types of fuel used. Some examples of food preparation will help to clarify this point.

A *carenderia* serving meals, viands and rice, located on government-owned land in the commercial area of the city offers a variety of 15 to 20 entrees. Most food is prepared on small circular stoves that are less than one and a half feet high. These stoves are extremely popular and are used in homes and businesses throughout Iloilo City. They can be made of clay, cement, or metal, and are used to burn wood or charcoal. Food is cooked on openings at the top of these stoves and is not placed inside. These stoves seem to perform well but, when made of clay, are not very durable. However, they are produced locally and are rather inexpensive.

At the *carenderia,* charcoal is used in five of their stoves. After fish, meat, and vegetables have been cleaned and frequently sliced, they are boiled or fried

in pans, or broiled directly above the heat. The fish and meat are usually boiled or fried with vegetables. Salt, sugar, garlic, ginger, onions, pepper, monosodium glutamate, vinegar, soy sauce, and tomatoes are popular seasonings. As is common throughout Iloilo City, no dishes are baked at the *carenderia*. The firm has one additional stove, a different type, with two burners that uses bottled gas. This stove is used for cooking, but its primary function is to keep soup hot.

By 7:00 A.M. each day, the establishment is selling meals to a steady stream of customers that does not slow appreciably until 1:00 P.M. or so. Customers select dishes that are displayed in aluminum pans or on plates in a glass enclosed display counter. Once the food is cooked, it is placed in the cabinet and will usually not be reheated unless it is kept until the following day. The soup is served hot, and customers can have extra servings of the broth at no additional charge. These viands are served with boiled rice that costs ₱0.50 per serving.. The cost of the viands ranges from ₱0.50 to ₱3.00, with most viands in the ₱2.00 to ₱2.50 range.

While most *carenderias* offer soup, along with fish, meat, and vegetable dishes for consumption with rice, some eating establishments primarily feature a popular soup that is usually eaten as a *merienda* (snack). One common item is *batchoy*, a soup that allegedly originated locally. This popular noodle soup is sold in the Central Market by one of our case study respondents. At this market stall, the soup consists of noodles, made from wheat flour, that are cut with a scissors and placed in a bowl. Then small slices of pork intestine, beef liver, and pork are put on top of the noodles. This is seasoned with soy sauce, black pepper, monosodium glutamate, fried garlic, and cut green onions. Then a hot broth in which meat has been boiled, and in which meat bones have been placed, is poured into the bowl. The broth is kept hot over a wood fire. The *batchoy* is sold for ₱2.50 per bowl, and the establishment also sells soft drinks and beer.

Throughout the Philippines, native cakes, usually made with rice, are an important food eaten for breakfast and as snacks. These items are usually prepared in individual households by women and represent a traditional production technology. For the past 43 years, Coroy has been making two types of native cakes, *ibos* and *alupi*, in her house in the place of her birth, a municipality south of Iloilo City. After learning how to prepare these native cakes from her mother, she started selling in her neighborhood and then switched to a large marketplace in Iloilo City. She has been selling there ever since.

On a usual day, the native cakes are displayed on a plastic sheet on top of a bamboo table. The price of the native cakes varies from ₱0.20 each to ₱0.60 each, depending on their size and how the bargaining with customers develops. Prices are frequently higher in the early morning and are reduced as the morning progresses. By noon, the cakes have usually been sold, and Coroy has made

her purchases of ingredients to begin preparations for the sales of the next day.

When she arrives home in the early afternoon, she eats lunch, soaks her glutinous rice in coconut milk with a little salt, and rests for awhile. At about 3:00 P.M., she starts wrapping the rice in coconut palm leaves to prepare the *ibos.* The work is very time consuming and each individual item is separately wrapped. The items are then placed in a large kettle and cooked in water. The process for the *alupi* is only slightly faster. The glutinous rice is ground at the marketplace before being mixed by Coroy with brown sugar and grated coconut. Individual servings are wrapped in banana leaves and are then placed in a kettle. Water is added, and the kettle is kept on the fire until the water has evaporated. The process of preparing both types of cakes usually takes until about 7:30 in the evening.

A final example of prepared food production is provided by a family living in a nice house in the Molo district of the city. In front of the house, the family operates a *sari-sari* store, while other areas of the lot and house are used for the production of fresh *lumpia* (a local snack made of coconut hearts, pork, shrimp, onions, garlic, with a flour wrapping) and various baked goods. The *lumpia* is made by one of the sons of the owners of the house. He actually lives nearby and only stores his coconut hearts at the house.

His sister, Letty, is a college graduate who worked as a secretary for one year before she resigned to set up her own business. She started selling banana bread to sidewalk vendors. This business prospered for awhile, but then competition increased, and she had to search for another outlet for her products. She also started selling chiffon cake and found an outlet at the canteen of the College of Nursing at a local university. The dean of the college required her to be properly licensed by the city health department. In order to obtain the license, she had to pay ₱20.00 and attend a one week seminar. She was the only person to whom we spoke that actually attended the seminar. Even her two sisters who operate similar businesses have not attended and are not licensed.

Letty is now making four items – banana bread, chiffon cake, camote pudding, and pineapple muffins – that are distributed to additional canteens at the university. Each Saturday, unsold items are given to her sister who sells cakes and native cakes, some of which she prepares herself, at a local marketplace. A third sister makes banana cakes that she sells primarily to vendors at a different marketplace. All three sisters are hard working and appear to be doing well. Each now has her own modern oven, using bottled gas as fuel, with which to make various items. The cost of Letty's oven, which she acquired in early 1983, was ₱6,000.00, with payments on an installment basis.

Sources of Credit

Fifty eight percent of the enterprises, which were able to provide informantion on starting capital, were started exclusively with the savings of the owners, 36 percent used credit exclusively, and 6 percent used a combination of savings and credit. The average amount of money required to start the business amounted to ₱1,074.00, but this figure actually has little meaning since it has not been adjusted to a price index covering the various years in which the firms were founded. Table 3-1 shows the source of credit for those who borrowed to meet all or part of their initial capital requirements.

TABLE 3-1. SOURCES OF CREDIT TO START THE ENTERPRISE

Source	# of Vendors	Percentage
Relatives	9	16%
Friends	1	2%
Moneylenders	23	42%
Employers	1	2%
Government agencies	1	2%
Producers	11	20%
Wholesale/Retail Firms	9	16%
Total	55	100%

Moneylenders were the primary source of credit for those borrowing for starting capital. They were also the only lenders that charged any interest on their loans. The 23 respondents borrowing from moneylenders paid interest rates that varied from 5 to 40 percent per month. No respondent received a loan from a bank, and the only governmental agency involved set up a project for handicapped people. The average loan amounted to ₱579, but a few large loans raised the average. Loans were usually for a short duration; 27 percent for one day or less, 46 percent for 2-30 days, and 27 percent for more than 30 days.

Those who started their enterprises exclusively with their own or family savings had higher sales than others. However, a general linear models procedure using the categories of exclusively savings, exclusively credit, and a combination of credit and savings revealed that these differences were not statistically significant. Firms at which the respondents were female tended to borrow more frequently than those which were operated by males, but the differences were very slight.

Respondents were usually very willing to discuss their source of initial capital, but were more reluctant to discuss features of the daily financial

operations of their businesses. However, 37 percent of the respondents admitted to having outstanding loans for operating capital at the time of the interview (see Table 3-2).

TABLE 3-2. SOURCES OF CREDIT FOR OPERATING CAPITAL

Source	# of Vendors	Percentage
Relatives	7	14%
Friends or Moneylenders	40	80%
Banks	3	6%
Total	50	100%

Friends and moneylenders were grouped together in the table because respondents would frequently borrow from their friends, who were often fellow food vendors who also provided loans at interest rates from 5 to 40 percent per month. The 40 respondents who had these loans represented 30 percent of the total sample.

It is interesting to note that no governmental agencies were involved in providing loans for operating capital, but that three respondents had loans from banks. These respondents were all market stallkeepers that were eligible for loans under programs developed for stall owners. One program is administered by a government-owned bank. The other was set up due to pressure from the government to increase the availability of credit to small-scale borrowers (Brown 1981:323). The private bank requires a financial statement, a business permit, a cosigner, and certification showing that the recipient is a bona fide stall owner (Barth 1982:117). Loans are unsecured and collections are made daily.

In the course of the research, other street food vendors who had loans from the private bank were encountered. These people were not stallkeepers, and were not actually eligible for their loans. They were known by people working at the bank and were thereby able to obtain the loans. One lady, a sidewalk vendor, has received and repaid two loans from the bank. She said that, since she had a good record of repayment, she can get another loan for a larger amount whenever she wants. Nevertheless, she recently made a loan from a moneylender at astronomical interest rates to help finance overseas employment for her brother. She would not say exactly why she did not get a business loan from the bank at lower interest rates and use part of it for her brother's trip. Perhaps she did not want to deceive her friends at the bank, or perhaps she did not want to damage her credit line for the business, in the event that her brother did not make promised repayments from Saudi Arabia.

Other sources of credit for businesses were their suppliers. Table 3-1 shows that producers and wholesale/retail firms made 36 percent of the loans for initial

capital. Interest was not charged, but many of the loans were on a very short term basis. This source of obtaining capital is not shown in Table 3-2, but, in Chapter 2, it was pointed out that 46 percent of the respondents obtained some goods on a consignment basis. This, plus the evidence from both tables, demonstrates the lack of access to outside sources of credit. Even the moneylenders who provide credit are seldom specialized. They usually have their own businesses and provide credit only as a sideline. Further evidence of credit internally generated in the distribution system itself is provided by the 71 percent of respondents who made some credit sales to customers.

Twenty two percent of the respondents belonged to business associations. To my knowledge, none of these associations were providing loans to members. Most vendors' associations were not permitted by law to make loans, but they could form cooperatives and then make loans. Vendors at one of the public markets had plans to form a cooperative and to start lending money in 1984. In Baguio, Davis only found a few successful credit cooperatives among market vendors, even though many attempts had been made (1973:177). In Davao, I was informed that ". . . some associations no longer provide cash to members due to problems with nonpayment and that some associations have discontinued operations due to these loses" (Barth 1982:116).

Throughout the Philippines, people of Chinese ancestry have formed business associations that facilitate credit exchanges between members. These are often on a personal basis and are not directly linked to the association, but the association often has at least informal sanctions against members who do not pay their debts. In Iloilo City, Omohundro found that mutual aid societies, where members contribute funds that are then given to one member at established interest rates, did not exist (1981:64). He also believed that these did not exist anywhere in the Philippines.

Pricing and Sales

An extremely important aspect of every business operation concerns the establishment of the selling price of its products. This is especially important in regard to street food sellers because many customers were acutely aware of the price they paid for prepared food. Throughout the formal interviewing, the markup above the purchase price of goods was obtained from respondents. Their responses certainly only provided rough approximations, but, due to respondents' experience in the business, it was felt that their responses were worth eliciting. Many sellers handled numerous items which were purchased and sold at variable prices. It would have been impossible to prepare lists ourselves and try to compute the markup for a significant number of sellers. We hoped that the sellers themselves would be able to calculate these price variations to provide an average figure.

One would naturally expect that sellers who did not alter their product to charge less above their acquisition costs than those cooking or otherwise processing the food, assuming both operated under the same conditions. This probably accounted for some of the variation found in the markups, which ranged from 10 to over 100 percent. The mean markup was 42 percent, while the median was almost the same – 40 percent. There was a very strong negative correlation between the percentage markup and sales, which was statistically significant at the .01 level. This means that when the markup was higher, sales were lower.

Some sellers were aware of the prices charged by their competitiors, and 58 percent of the respondents said that they charged the same price as their competition. Only one percent felt that they charged more, yet 21 percent believed that they charged less. One-fifth of the respondents did not know the prices charged by competitors, but felt that their price had to be different since they had their own methods of establishing prices. Almost one-third of the respondents reduced their prices during the course of the day in order to sell perishable items. Additional price flexibility was found in the three-fourths that bargained with customers. Of the 71 percent who provided some credit to customers, only one respondent admitted to charging higher prices when doing so.

Shortages of supply only prevented maximum sales at the establishment of one seller with a permanent structure. Yet 21 percent of the other sellers experienced shortages that prevented maximum sales. This is partially attributable to the larger purchases of firms with permanent structures helping to ensure their supply. Nevertheless, quite a few sellers had to change their products at various times of the year to avoid shortages, and 84 percent of the respondents experienced seasonal fluctuations in sales.

Since Iloilo City is located in a predominantly agricultural area, its business activity is strongly influenced by agrarian cycles. Another extremely important influence on business activity is the Christmas season, which starts shortly after rice harvesting begins in September or October. Many farmers grow two rice crops, and some harvesting continues through February. After January, business is at a relatively low ebb through the dry season until the rice harvesting starts again. The school year also influences business activity since many students leave the city during the summer vacation, which starts in March and ends in June.

Various enumerations of sellers operating without a permanent structure, semi-static and ambulant vendors, reflected this yearly cycle somewhat. The counts of 679 sellers in February and 677 sellers in April were taken during times of low activity. The count of 785 semi-static and ambulant sellers in August was higher, but 110 of these sellers were selling barbecued corn on the cob, an activity lasting less than two months. If these sellers are subtracted

from the total, the count remains almost the same – 675. The last count of 782 taken in November (the harvest did not start this year until October) appeared to reflect an actual increase in the number of sellers in the central business district as general levels of business activity increased. The difference in the count of prepared food sellers operating from stores in November showed a ten percent increase over the January count. This appeared to be due to more people operating *carenderias* in their homes. Nonetheless, the fact that people were able to move in and out of the street food categories while remaining in business, by possibly only altering their products, clouds the issue of seasonal changes in the number of sellers.

An example of this change in products may be helpful. A firm may operate as a *sari-sari* (variety) store featuring packaged products used for household food preparation. An emergency may drain operating capital from the business. The owner, wishing to remain in business but short of working capital, may start cooking and selling food for immediate consumption. This requires less capital, and the sales turnover is on an almost daily basis. Once the owner is able to set aside some profits, he or she may again operate a *sari-sari* and stop cooking food, a time consuming activity. The firm would only be counted in our street food survey during the time it was involved in the acutal preparation of food.

When asking respondents their average daily sales, interviewers informed respondents that they wanted a yearly average. Some respondents were obviously able to easily make this calculation, while others had difficulty and based their answers on recent sales. The result was that, since the survey was conducted during a time of relatively low business activity, sales figures may have been somewhat higher if our interviews had been conducted during a different time of the year. However, the availability of certain commodities frequently did not correspond to the main agricultural cycle based on the rice crop.

Respondents reported average daily sales of ₱236.22. In order to determine which variables had a significant effect on sales, a general linear models procedure was employed. The general linear models procedure was part of the computer software package of the Statistical Analysis System (SAS) and was able to handle both nominal and continuous independent variables, while automatically generating dummy variables for the nominal variables (Magalit 1982:29). Average daily sales figures were used as the dependent variable and various independent variables were tested to see if they had a significant effect on sales. Some of the independent variables were nominal and were not altered. Continuous variables, except the percentage markup, were categorized into classes to allow a more adequate examination of non-linear relationships. This was done because ". . . if one is in doubt of the linearity of the relation between the predictor variables and the dependent variable it is better to use nominal

predictor rather than numerical predictor variables in regression" (Magalit 1978:57-58). Table 3-3 shows the results of the procedure, but only gives the level of significance for variables found to be significant at the .05 level or higher.

TABLE 3-3. GENERAL LINEAR MODELS PROCEDURE

Dependent Variable: Average Sales		R-Square .53
	Level of Significance	
Independent Variables	Type I	Type III
Sex of Respondent	.0021	
Control of Business Income Making Business Decisions		
Type of Enterprise	.0001	.0020
Location of Firm	.0258	
Age of Respondent		
Education of Respondent		
Decade Firm Started in Present Location		
Time Respondent in Occupation	.0156	
Previous Occupation of Respondent		
Decade Enterprise Founded	.0001	.0001
Primary or Secondary Source of HH Income		
Bargaining with Customers		
Providing Credit to Customers		
Percentage Markup	.0352	(Not tested)

An examination of the independent variables reveals that both attributes of the respondent and of the business enterprise are considered. The Type I analysis only considers the effect of the individual variable under consideration. The assumption is made that each independent variable is unrelated to other independent variables. This is, of course, not true, so the Type III analysis is used to control the influence of other variables by keeping their effect constant. Some independent variables may actually be affecting other independent variables more than the dependent variable. Another important consideration is that the dependent variable may be influenced by residual causes that are not in the model. The R-square is supposed to represent the proportion of the variation in the dependent variable "explained" by variation in the independent variables. In this model, it indicates that just over one-half of the variation is explained, a fairly high level in social science.

As I have previously indicated, male respondents were interviewed at business with significantly higher sales. These differences disappeared when

the effect of other independent variables was held constant. Seeing that the type of enterprise – with or without a permanent structure – was significant throughout the analysis, I used a chi-square test to see if men tended to more frequently operate enterprises with permanent structures that had higher sales. They did not. I also examined the year that the business was founded. Almost no difference existed between those at which men or women were interviewed. Differences in sales between men and women respondents are therefore related to other factors.

The differences in sales between permanent and non-permanent sellers were highly significant and remained so when the effects of other variables were considered. This provides justification for our use of this distinction in sampling and subsequent analyses. Daily sales at firms located in marketplaces were ₱361, compared to ₱194 for those located outside of them. However, other variables were influencing this variable. Age differences in respondents were expected to be important, but were not. This may mean that younger, more successful vendors moved into other endeavors.

Respondents with some college education had sales which were considerably higher than those with only high school or those with only grade school experience. Nevertheless, the variation in sales for people in these three groups prevented these differences from being statistically significant. This may indicate that vendors need to possess skills which are acquired outside of the school system, such as ability in dealing with people. This is not measured in the model.

Whereas the age and educational level of the respondent did not have a statistically significant influence on sales, the time that the respondent was in his present occupation was significant. This was especially important for those who had been in their occupation for more than 10 years. A chi-square test revealed no significant differences between sellers with or without a permanent structure in the number of people in each of the three groupings used. Yet this variable should be positively correlated with the decade the business was founded, the most important independent variable in the model, and the time the respondent had been in his present occupation lost its statistical significance when the effects of other variables were held constant.

The variable of the decade in which the enterprise was founded indicated that the sales of older firms were higher, except for the decade of the 1950s (see Table 3-4). Those respondents who started selling in their present location in the 1950s had higher sales than in any other decades, while businesses founded during this decade were lower than expected. I am not able to explain why the sales of firms started in the 1950s did not conform to expectations.

The negative correlation between sales and percentage markups has previously been discussed. The markup expectedly had a strong influence on

sales. The effect of the markup on other independent variables was held constant in the Type III analysis. Earlier versions of the model did not include the percentage markup variable, but the significant variables behaved in the same manner. Whereas the sales of street food vendors were influenced by factors not considered in the general linear model, the model provides a powerful tool for analyzing the effect of factors that are usually only assumed to be important, or unimportant, to the success of the enterprise.

TABLE 3-4. SALES OF ENTERPRISES BY DECADE FOUNDED

Decade	Percentage	Average Sales
1940 – 1949	7%	₱617
1950 – 1959	11%	₱204
1960 – 1969	17%	₱310
1970 – 1979	37%	₱220
1980 – 1983	28%	₱135

Upward Mobility

While average daily sales amounted to approximately ₱236 per day, a considerable range of sales from ₱15 to ₱3000 per day existed. This afforded numerous possibilities for business expansion for respondents who remained as street food sellers. In addition, 19 percent of the firms had other operating locations. The sales of these additional enterprises were not considered in the survey. Median daily sales of ₱120 at respondent's locations were considerably below the average. Table 3-5 shows the very uneven distribution of sales by dividing daily sales into four equal parts.

TABLE3-5. SALES QUARTILES OF ENTERPRISES

Quartile	Average Daily Sales
First	₱ 15 – ₱ 60
Second	₱ 61 – ₱ 120
Third	₱121 – ₱ 250
Fourth	₱251 – ₱3,000

Only six firms reported sales of over ₱800 per day, but these firms with high sales influenced the average.

Two examples from the case studies will illustrate some of the differences between respondents with low and high sales. Minda, a 63 year old woman,

works as an ambulant seller of native rice cakes. She can be found every day near the fish section of a large Iloilo marketplace carrying a basket of *ibos*, *suman*, and *suman latik*. She initially learned how to prepare rice cakes from her mother, who operated a small business on a neighboring island. Minda has now been selling for over 20 years at the same marketplace, but has no license and pays no market fees.

Her husband, Simon, worked on a fishing boat until 1979, when he retired and received a small amount of money from the owner of the boat. He now helps her with the business by carrying supplies of coconuts, glutinous rice, brown sugar, coconut palm leaves, banana leaves, and firewood from the marketplace to their house. He also assists with the preparation of the native cakes at their house, an undertaking consuming about eight hours each day. When Simon was working on a fishing boat, the family income was enough to allow them to raise eight children and acquire a house on a rented lot in a run-down neighborhood.

Without this income and without any assistance from their five children who are still alive, the household, consisting of Simon, Minda, and one daughter, is eking out a rather precarious existence. Sales average about ₱85 per day, with earnings of ₱15 or so, when not considering interest on loans and the depreciation of their equipment. They pay no taxes. Minda wants to retire from the business and fervently hopes that her 22 year old daughter will be able to obtain a job as a babysitter in Hong Kong. They need ₱5500 in order to pay fees to send her to Hong Kong. The chances of borrowing this money appear to be rather slim, but they see this as their main hope of support after retirement. Another alternative would be for the daughter to take over the native cake business. So far, she has shown little inclination to do so, and does not even know how to wrap the native cakes.

In contrast to the lack of capital accumulation and low sales of Minda, the business started in 1955 by Nonito and Gloria is housed in a large permanent structure and has average daily sales of over 2000 pesos. The business was started with goods provided by Gloria's parents, the operators of a large *sari-sari* store. At first, the firm only sold soft drinks, cigarettes, and candy from a cart (called a rolling store by Nonito and Gloria). Some customers, after seeing the delicious looking meals which Gloria brought to Nonito, asked if they could purchase meals at the stand. Nonito and Gloria agreed, and the business then started to expand. Their present building was gradually built, a section at a time.

The main room of the building now contains 15 tables, and the *carenderia* serves 18-20 viands each day. They also sell cigarettes, soft drinks, and beer. Beer sales are especially high. The firm now employs five workers, but only family members act as cashiers. All four children have college degrees and their own occupations, but two help with the business on a part-time basis. The family also owns land in a nearby district of the city and recently acquired a

₱100,000 loan, using the land as collateral. That they are now relatively affluent has not prevented Gloria from working from 6:00 A.M. each morning until 11:00 P.M., with only short breaks, seven days a week.

Keeping in mind that larger operations such as the *carenderia* of Nonito and Gloria raise the average sales figures, these figures still provide a basis for computing a rough estimate of the net income derived from street food businesses. Table 3-6 provides figures based on estimates supplied by the respondents. Since people were unable or unwilling to provide information on taxes, interest payments, and depreciation costs, these were not considered. These could be important for some larger-scale operations, but were insignificant for ambulant sellers such as Minda. Using these figures, it is possible to arrive at a gross value added figure of ₱63.58 per day per enterprise (not including taxes, interest payments, and depreciation).

Since the sales figures used in the above analyses were supplied by the respondents themselves, a question regarding their validity certainly exists. If the figures were not consistent with other responses on the questionnaire, the respondent was re-interviewed. We were careful to stress the anonymity of the respondent and explained our reasons for conducting the survey. Doubts about financial information provided by respondents are a frequent subject of concern in the Philippines (cf. Ministry of Agriculture 1981). However, in the 1978 Area Fertility Study, reported household income was compared to two other variables, and the results indicated that reported household income was useful for differentiating households by standards of living (Hackenberg, Magalit, and Ring 1980:154).

In order to determine if the responses on the questionnaire were correct, average daily sales were calculated during the case study phase of the research. Some of these figures were obtained by counting the actual number of specific items sold, some were based on daily estimates made by the seller, and some were based on a count of opening and closing stocks. They were then compared to a list of customer purchases. By using the best estimates that we could obtain, average daily sales figures of ₱645 were calculated for ten percent of the respondents used for case studies. The figures provided on the questionnaires for the same respondents were ₱401. This indicates that reported sales were only slightly over 60 percent of actual sales.

When using earnings figures based on reported daily sales and multiplied by the average number of days firms were open per week, earnings of ₱1558 were slightly below average household income of ₱1685 reported for the City Proper, a high income district of the city, in the survey conducted by the City Planning and Development Staff in 1983. When this is divided by the 1.8 owners working at each establishment, it is higher in monthly earnings than the minimum wage of approximately ₱33 per day, including allowances, that was in effect at the time of the survey. Nevertheless, comparisons with minimum

wages can lead to erroneous conclusions since only a small percentage of Philippine workers earn the minimum wage or above, and numerous enterprises are not covered by minimum wage laws. For example, employees working in retail establishments of less than ten employees are not covered.

TABLE 3-6. STREET FOOD SELLERS AVERAGE DAILY INCOME STATEMENT

Classification of Sellers		
Total Survey		
Value of Sales		₱236.22
Purchases from Other Enterprises	₱165.98	
Rental Payments	4.19	
Wages Paid	5.55	
Spoilage Losses	1.06	
Expenses for Cooking Fuel	5.60	
	₱182.38	
Net Operating Income		₱ 53.84
Sellers with Permanent Structures		
Value of Sales		₱376.49
Purchases from Other Enterprises	₱268.88	
Rental Payments	8.75	
Wages Paid	10.93	
Spoilage Losses	3.35	
Expenses for Cooking Fuel	8.51	
	₱300.42	
Net Operating Income		₱ 76.07
Sellers without Permanent Structures		
Value of Sales		₱113.49
Purchases from Other Enterprises	₱ 78.62	
Rental Payments	.20	
Wages Paid	.79	
Spoilage Losses	.08	
Expenses for Cooking Fuel	3.06	
	₱ 82.75	
Net Operating Income		₱ 30.74

Note: Excludes taxes, interest payments, and depreciation.

While the situation in which minimum wages are actually above average wages paid to workers is unusual in industrialized countries, it is common in other parts of the world. In her study of migrants in Bangkok, Tongudai found that only ten percent of the sample received the minimum wage or above (1982:31). In the Philippines, a number of firms from the small percentage of enterprises actually covered by the provisions of the minimum wage law obtain exemptions from the law or otherwise legally avoid minimum wage payments by hiring workers for short periods of time. Workers are then fired, rehired the next day, and never officially work the stipulated length of time to be eligible for minimum wages. Some firms also do not comply with the law and rely on not being detected by labor inspectors or reported by their workers who are willing to work for less than the minimum wage.

The earnings of street food enterprises appear to be even more significant when it is realized that almost three-fourths of the enterprises were not operated by husband and wife together. At 46 percent of the enterprises, spouses had other occupations that further raised the income levels of people operating these primarily family-owned businesses. Secondary occupations and other sources of income provided additional income. In the Philippines, it is common to invest in a number of enterprises, rather than just one, in order to spread risks (Davis 1973:97).

While street food sellers operated relatively prosperous businesses, it must be remembered that, to some extent, successful operations were featured, since many unsuccessful firms went bankrupt and were not operating at the time of the survey. Naturally, some of those considered in the survey, especially those recently founded, will also not survive the test of time. Two illustrations of how their owners achieved a measure of success will help elucidate this point.

Juanita, a 61 year old woman operating a market stall featuring chicken with rice soup, *arroz con caldo*, has a thriving business. The firm is operated by Juanita, and her husband, five additional family members, and eight other workers. Sales average over 2,000 pesos for a 24 hour operating day. A wide variety of customers enjoy the soup, along with bread, soft drinks, and beer. However, Juanita and her husband were not always so successful.

Before World War II, Juanita's husband worked as a stevedore at the port, while she operated a small *sari-sari* store. Both had to leave Iloilo City during the war, but, even then, Juanita sold *tahu*, a hot ginger drink, to fellow evacuees. After the war, they set up another *sari-sari* store that was destroyed by fire in 1951. They established a third *sari-sari* store that they operated until 1958 when it too suffered the same fate as the last one. For the next eight years, Juanita and her husband operated a fish trap and sold the fresh fish they caught. In addition, they also sold firewood. During the years since their marriage in 1937, they managed to produce 16 children, six of whom died of various illnesses.

In 1966, Juanita took over a table in the marketplace that was formerly operated by her friend. She initially sold various viands, but then switched to *arroz con caldo* in 1967 when her husband joined her in the business. In 1970, after a new section of the market was built, they were able to acquire a large stall. The size of their operating area was doubled in 1980, when they bought an adjoining stall from Juanita's bankrupt brother-in-law for ₱25,000. Juanita presently has plans to start a hollow block factory and is also thinking about starting a machine shop.

Edgar, a 36 year old man, and Daku, his 34 year old wife, presently operate a relatively successful *carenderia.* However, they also experienced a number of difficulties before achieving a measure of success. When he was young, Edgar operated as a shoe shine boy in order to supplement the income of his family. After his marriage to Daku, who was working as a sales girl in a dry goods store, he attended college, but decided to discontinue his education to work as a cook in a *carenderia.* After one year, he went to Mindanao, in the southern Philippines, to work as a clerk in a government office. After deciding that his salary was insufficient to support his growing family, Edgar returned to Iloilo City.

For the first year, Edgar sold dry goods that he obtained from Mindanao on a door-to-door basis. He then became a cigarette vendor with an initial capital of ₱15, and Daku joined him in the business. After one year, they switched to selling fruits and vegetables. Their next move was to establish a small *sari-sari* store with initial capital of ₱1,500. After a year or so, they started a *carenderia,* but were forced to move when new construction was started in that area. Their store was then moved to a nearby location, but they went bankrupt.

In 1978, they put up a small building on government-owned land and started their present operation, a *carenderia* that now has sales of approximately 1,000 pesos per day. While the business at the *carenderia* has continued to expand, both Edgar and Daku have developed sideline activities. He sells jewelry, and she sells cosmetics. In 1982, they built a new house, one section at a time, and established a refreshment parlor in the front room. This year they purchased a cart for ₱2,000 and set up a business selling coffee and snacks near the location of their *carenderia.* This is operated by Edgar's mother and one assistant.

While the businesses of Juanita and of Edgar and Daku have continued to expand, and their families have received many benefits for their enterprises, workers at these firms have not fared as well. Juanita pays ₱5.00 per day, plus food and lodging, while Edgar and Daku pay ₱4.00 per day, plus food and lodging. These salaries are comparable to the average of ₱154 per month paid to employees at firms in our sample and are equivalent to salaries paid to household workers. Most firms also provided free meals to employees and 70 percent of firms with employees provided workers with lodging if they wanted it.

Firms in the survey were operated by an average of almost three people – 1.8 owners and unpaid family members and 1.1 employees. Firms with permanent structures utilized over four people per establishment, while those without permanent structures used two people per establishment. Almost one-half of firms with permanent structures hired workers, yet only six percent of other establishments utilized any paid employees. The family nature of respondent enterprises was reflected in the almost three-fourths of the businesses that hired no one. It is further reflected in the one-fifth of employees that were related to the owners.

Workers were considerably younger than their employers, with an average age of 24, but were slightly better educated, with an average education of over eight years. Their low wages were an indication of the labor surplus situation in the area, but over 30 percent of employees only worked on a part-time basis. Quite a few employees were attending school, and were able to receive food and lodging while doing so. Their salaries would also cover school expenses. Nevertheless, some employees were adults with families of their own to help support, yet their low salaries could only provide supplemental income, not full support, to their families.

Discussion and Policy Implications

The technology used by street food sellers in preparing food was relatively unsophisticated. The majority of respondents relied upon indigenous resources for cooking by using clay or cement stoves that utilized wood and/or charcoal. These stoves cost as little as three pesos for a very small one and increase in price for larger sizes. The potential for stoves using solar energy appears to be great, since most of the cooking is done during the day. Deforestation and the lack of domestic sources of petroleum are important problems the Philippines presently faces. The use of solar energy could make an important contribution in this area. Nevertheless, the initial cost of the solar equipment would have to be very low, or provided with installment payments, due to the lack of operating capital of many food enterprises.

A potential problem faced by many small-scale enterprises is that economies of scale and the use of better technology allows large-scale enterprises to undersell them. This has happened with candy and beverage producers in Iloilo City. Bakeries using ovens with imported machinery and buying flour and sugar in bulk quantities can also undersell smaller-scale producers in regard to some items. Yet numerous local small-scale producers can sell snack items considerably below the cost of packaged, processed snacks produced in Manila, but local items do not have the status associated with Manila products. The increased use of plastic packaging to improve sanitation has allowed the continued acceptance of many local products, and it appears that these products

outsell Manila products by a wide margin. This type of activity should be encouraged in order to promote local economic activity and to provide low-cost food to consumers.

It is usually assumed that freedom of entry for enterprises into the informal sector is comparatively easy. Due to lower capital requirements, this is probably true in comparison to the formal sector, but does not mean that people without skills and experience can just set up a successful business. While ten percent of the respondents entered their present occupation during the first six months of 1983, only five percent of the businesses were established during this time. These numbers may have been higher if the survey was conducted during the second half of 1983. However, the lack of recent migrants becoming owners of street food enterprises, and the years of experience exhibited by respondents may substantially raise entry requirements. Due to the low wages and the lack of skills required, employees can easily enter the street food sector. These employees may start their own businesses once they obtain the necessary experience and skills.

Training programs for people operating small-scale businesses are frequently recommended. I do not believe that these will be very successful in helping people obtain the necessary selling skills required to start their own businesses, but they could be very valuable in providing some marketing information, basic financial management skills, and information on how to effectively deal with the various institutions that furnish capital and other types of assistance to small businesses. The inability of many operators to leave their firms during working hours means that the training programs should be held in the evening or possibly on Sundays. Another alternative is to send instructors to the place of business of the vendor. An important consideration is that the instructor must know more about the subject of instruction than the students. This is not always the case when training programs are delivered by government bureaucrats with little practical business experience.

Competition between sellers in small-scale enterprises, such as prepared food selling, is usually assumed to be very heavy. Naturally, one would expect a larger number of small-scale operations than if a few large-scale firms supplied most of the needs of customers. In regard to street foods, the market may be more segmented than is initially apparent. The desire of consumers to make frequent small purchases at nearby locations presents opportunities for numerous sellers, even if their products are relatively undifferentiated. An additional indication that competition may not be as strong as the large number of sellers signifies, is reflected by the relatively high earnings of street food sellers. Dannhaeuser found exactly this situation in Dagupan, where ". . . a constant consumer demand that expresses itself behaviorally through frequent and small purchases and an economic opportunity system that makes buy and sell one of the more favorable sectors for individuals to enter into" (1977:503).

In order to ascertain what the food sellers themselves perceived as the major constraint to expanding their business, respondents were asked to choose from among four possible answers (see Table 3-7).

TABLE 3-7. MAJOR CONSTRAINT TO BUSINESS EXPANSION

Choices	Percentage
Government Regulations	3%
Shortage of Customers	18%
Lack of Capital	65%
Competition from other Businesses	14%

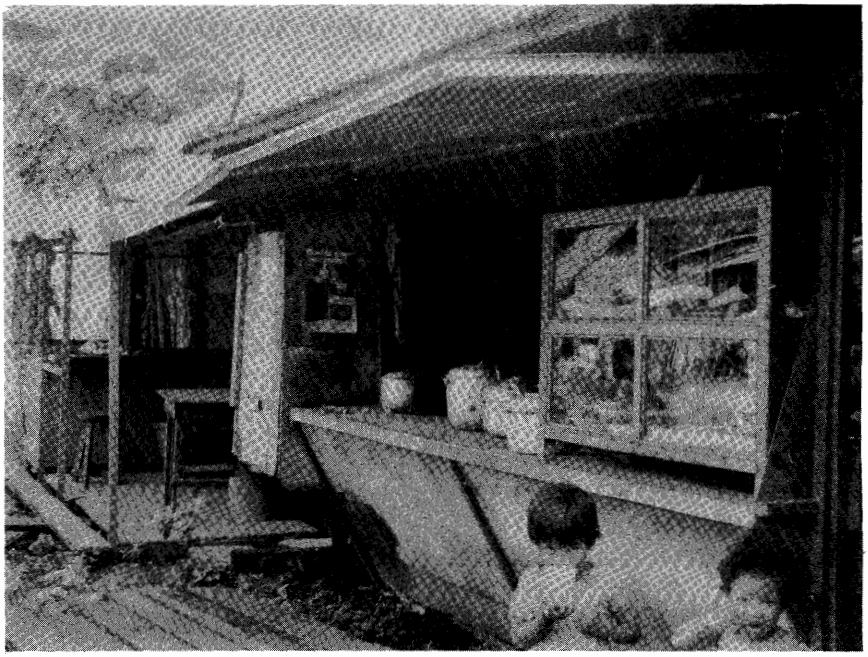
While responses indicated an appreciation that competition from other sellers and a shortage of customers (two things that are closely related) are important, credit was seen as the major problem. Government regulations were seldom seen as a constraint, primarily because many sellers operated outside the area of government control. However, their lack of legitimacy affected their chances of obtaining bank loans. This also may have hindered access to the capital provided by government programs, such as, the Self-Employment Assistance Program of the Ministry of Social Services and Development (MSSD) and the *Kilusang Kabuhayan at Kaunlaran* (KKK) program of the government. We did talk to a few people who had applied for credit from the KKK program, but none had received any funds at the time of the interview. None of the people we spoke with indicated that they participated in the MSSD program.

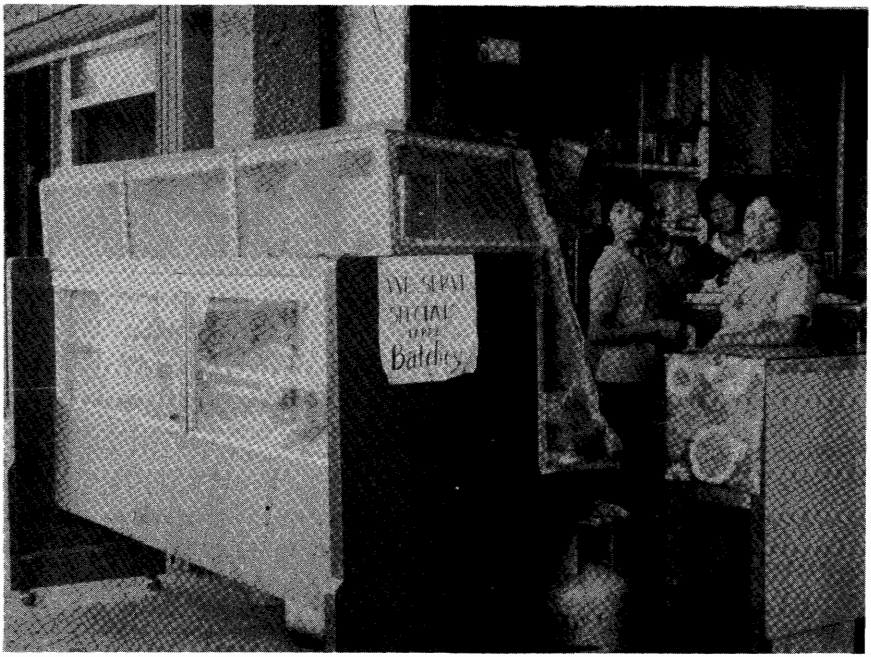
I have previously mentioned that most credit was internally generated through the marketing system and that most moneylenders appeared to be people operating their own businesses. An additional source within the marketing system, but in the formal sector, are the two major soft drink companies and the two major breweries, all very large corporate enterprises. These companies furnish construction materials, signs, refrigerators, coolers, and various other items to firms that will handle their products. They will also make credit sales to some firms that make substantial purchases. Another important service provided to small-scale operators are the deliveries made by drivers in the morning, while collections may be made later in the day before the delivery truck returns to the company's office. This enables the small-scale operator to sell some of the drinks before making payments.

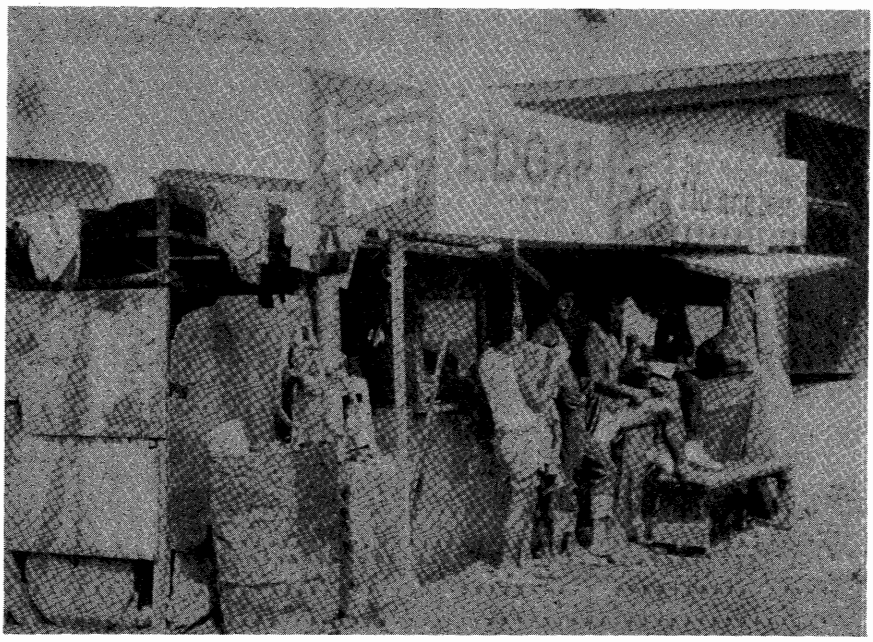
The need to increase the amount of credit available to small-scale operators in the prepared food sector to provide assistance to these enterprising people is an important consideration. However, any intervention must be done

with extreme caution to prevent unintended consequences that may be detrimental to the overall system. A sudden infusion of capital may allow a few firms to grow at the expense of others. This may sap some of the vitality and flexibility that is found in the present system and lead to increased prices for consumers.

Carenderias – traditional eating establishments serving cooked portions of meals (viands) from display counters and/or containers.

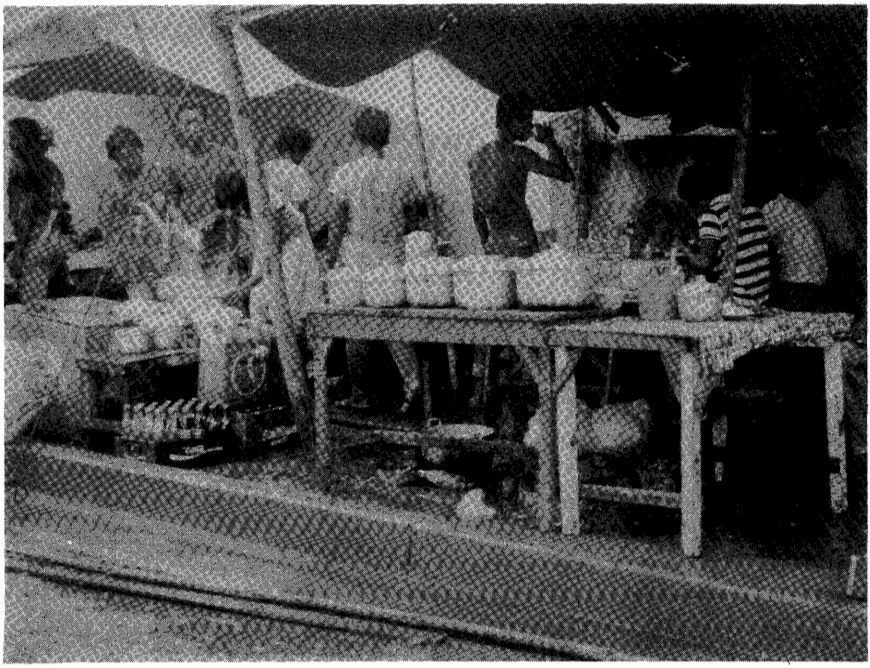






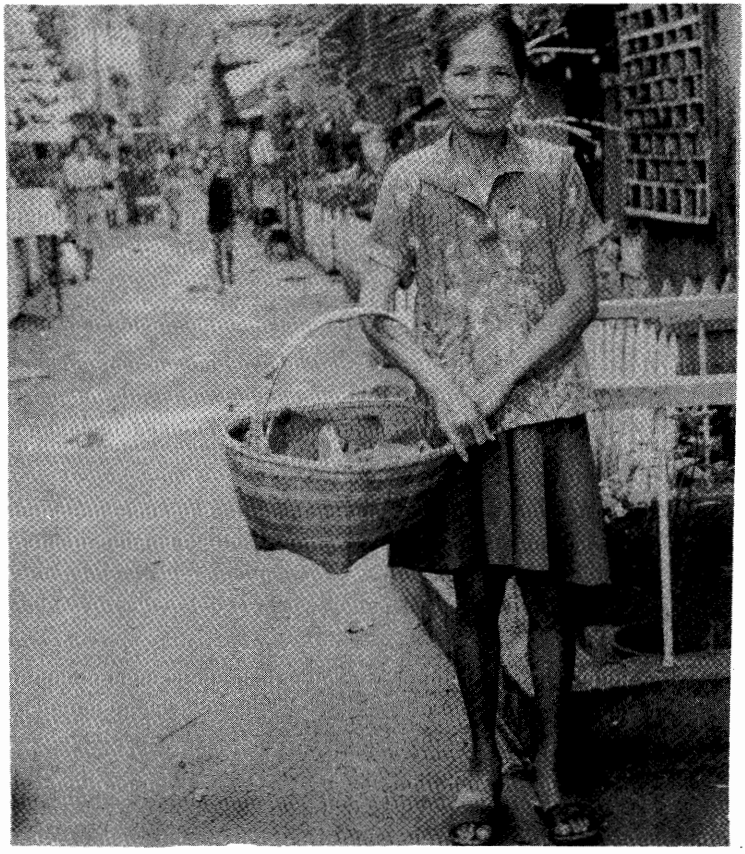
Carenderias. The top photograph shows an establishment that also sells *batchoy*, a popular local soup alleged to have originated in the La Paz district of the city. The bottom photograph shows a firm that is attached to the wall of the warehouse behind it. The establishment serves as the residence of the family of the owner.

Carenderias operating without permanent structures are a common sight in Iloilo City.

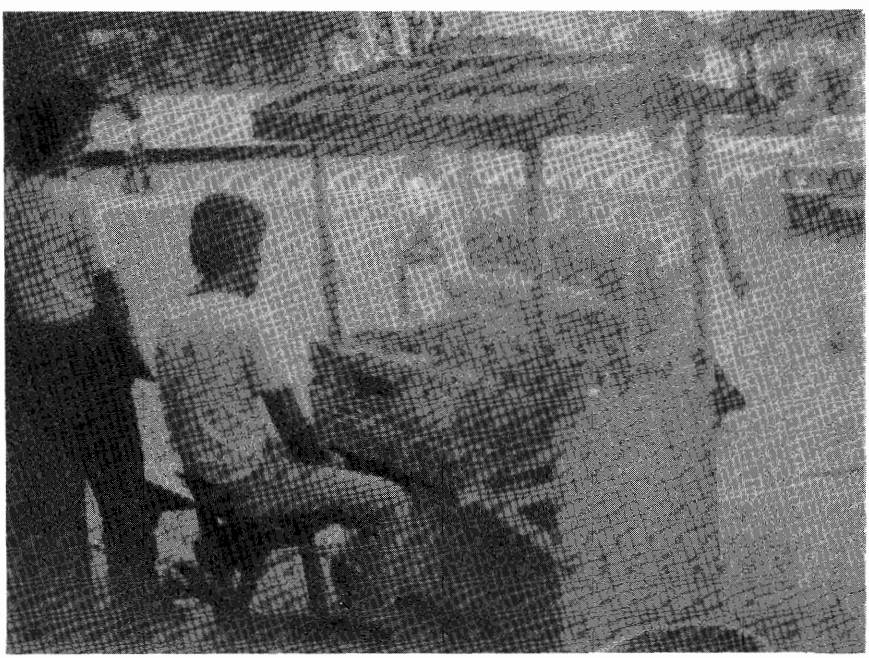


Fried snack sellers. The top photograph shows an establishment selling fried peanuts and cashews near an entrance to the Central market. The bottom photograph shows a man selling fried bananas (banana cue) that are placed on a stick and sold as a snack item.

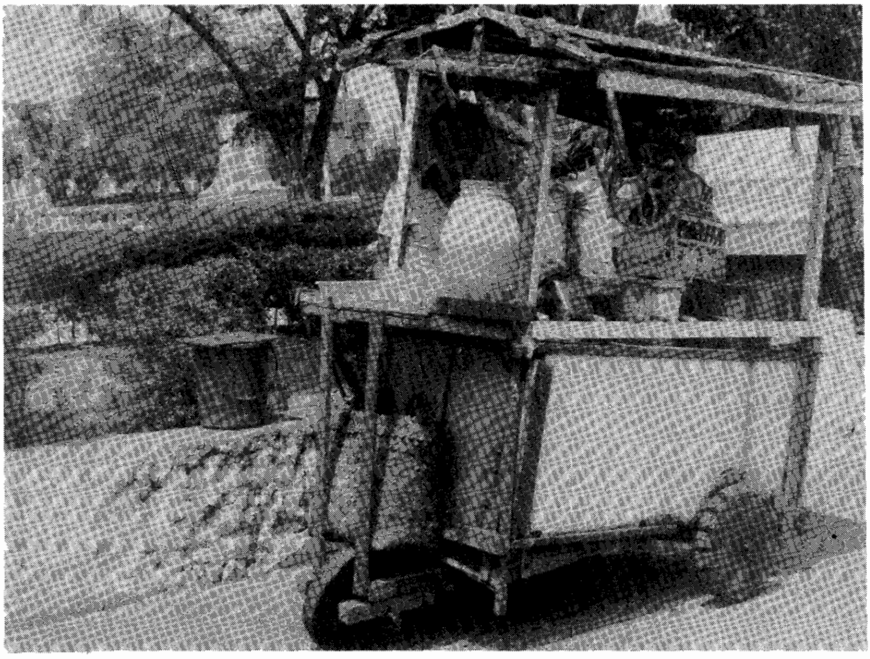
Ambulant native cake sellers.

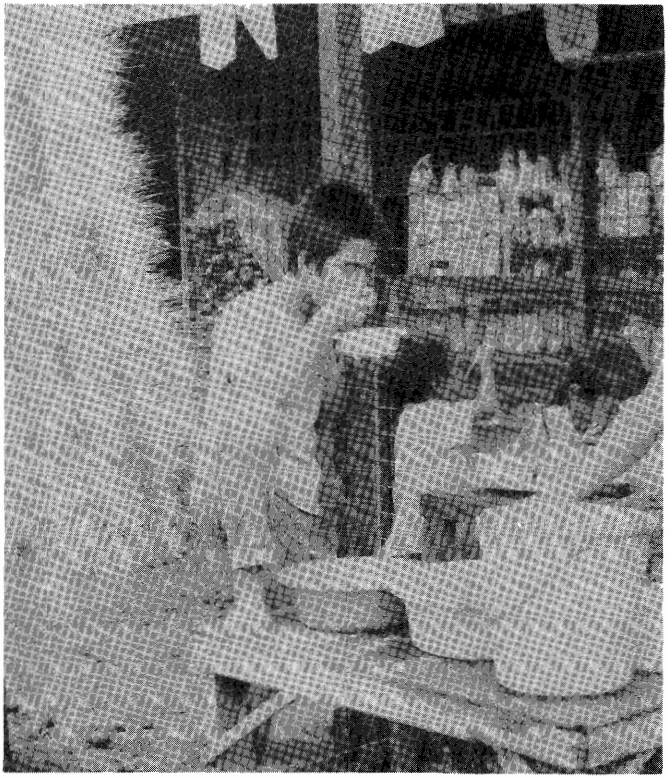


Barbecue. The top photograph shows chicken, *bangus* (milkfish) and squid being prepared. The bottom photograph shows a barbecue stand in operation at a street corner.

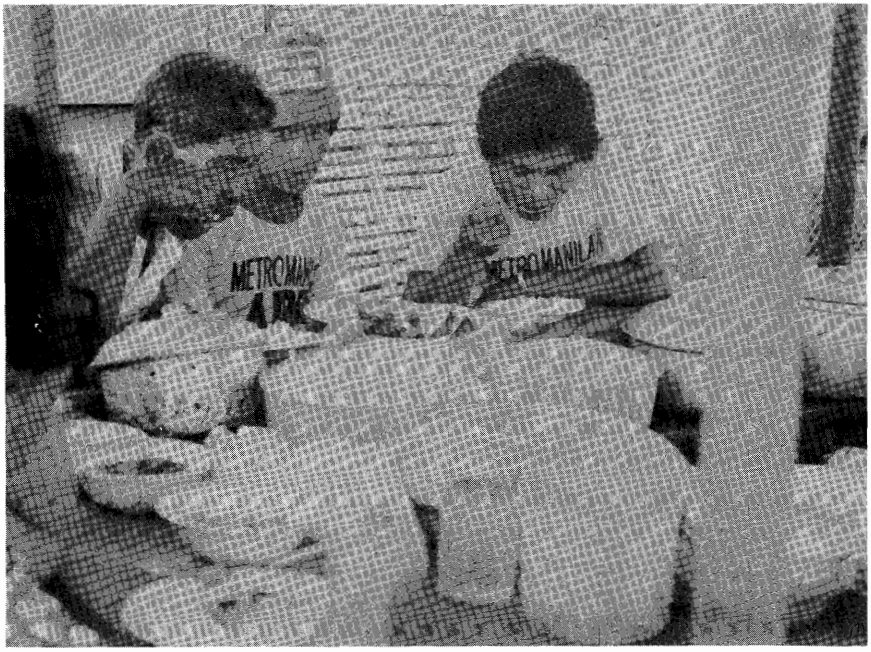


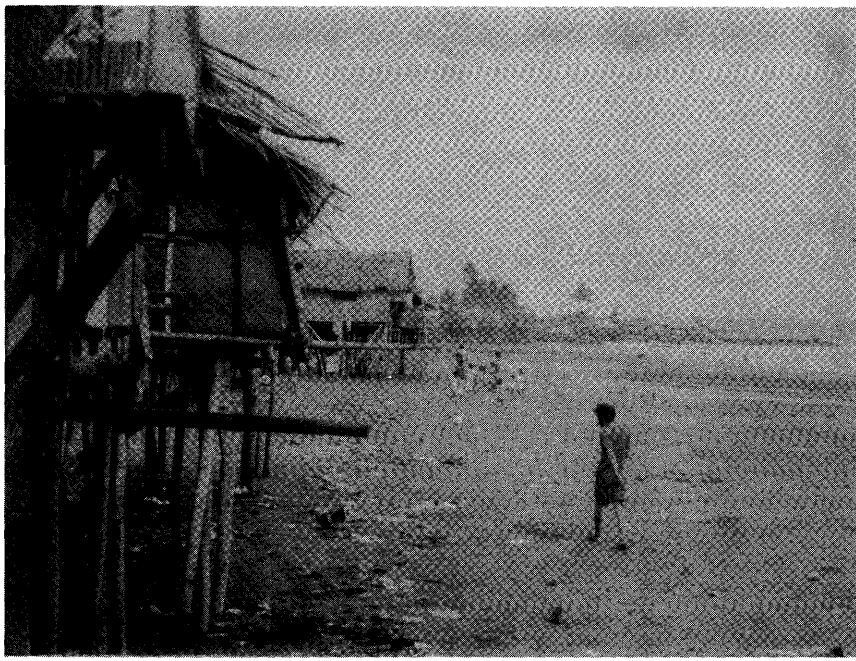
Ices. The top photograph shows an ice cream vendor operating from a mobile wooden cart. The bottom photograph shows a vendor selling a juice drink and *halo-halo.*



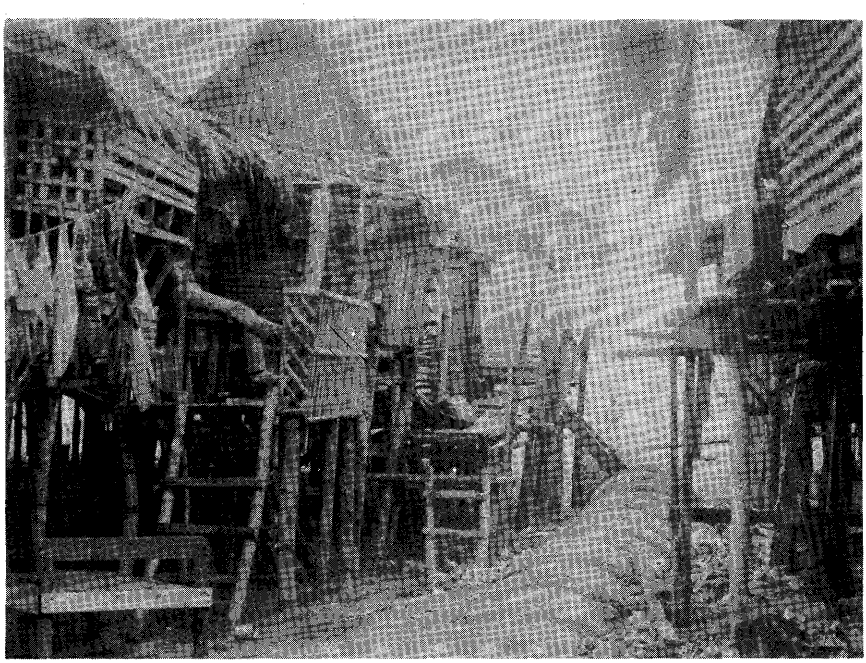


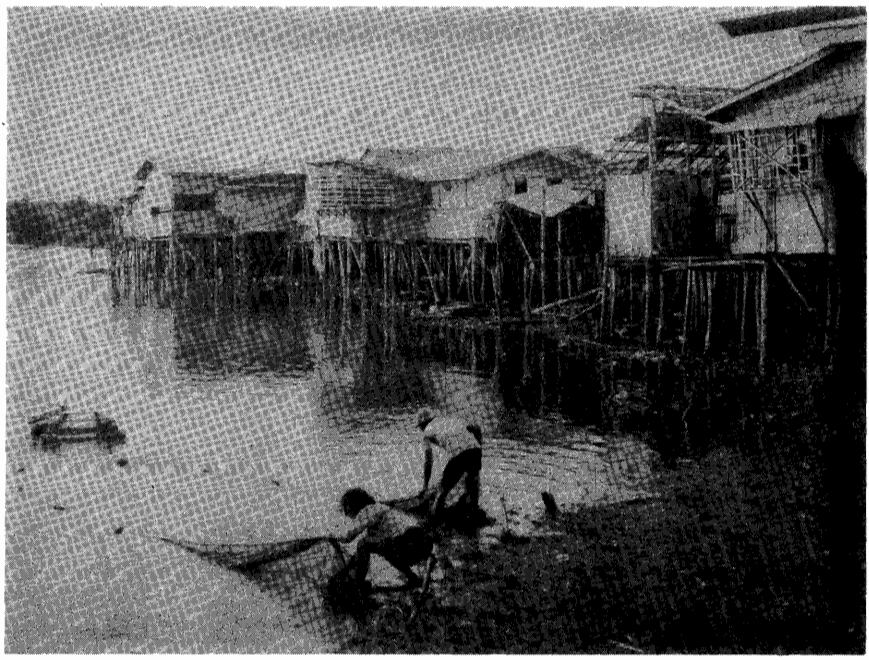
Customers enjoying street foods.



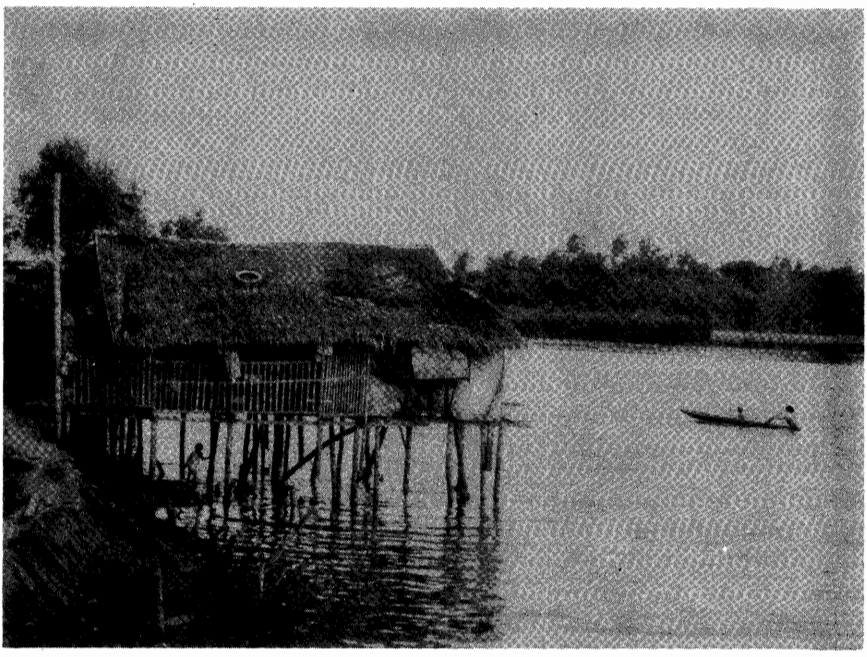


Squatter housing at the seashore in Iloilo City.





Houses in a tidal area of Iloilo City.



CHAPTER 4

DEMAND FOR STREET FOODS

In order to determine the importance of street foods in the local diet, household surveys were conducted in six neighborhoods of Iloilo City. These areas were not randomly selected, but were chosen to insure that different income levels at various distances from the center of the city were represented in the survey. The inclusion of various income levels was insured by a visual examination of housing structures in each area. Upper, middle, and lower income areas were selected for the City Proper district, while one upper income area was selected in the Jaro district, a middle income area in the La Paz district, and a lower income area in Molo. Once the area was selected, random systematic sampling procedures were used to determine which households were to be interviewed.

Street food consumers were also interviewed at each of the business locations of the food seller sample. Two customers were interviewed at each location. However, approximately nine percent of the food seller respondents were out of business at the time of the survey or were no longer selling street foods. During the pretesting phase of the research, customer responses to income questions were found to be favorable (of course, with some under-reporting of income), so respondents were asked their monthly income. Married respondents were also asked the income of their spouses. Household income was not determined because many respondents would not have known the income of everyone in their household, especially if they were not the head of the household.

Household Features

Surveyed households had a mean monthly income of ₱2,055, and a median monthly income of ₱1,100. This large difference between the average and the median was partially attributable to the selection of some high income areas for the survey, but it also reflected the uneven income distribution found

in Iloilo City. After household income was adjusted for the value of unpurchased fish, seafood, farm products, and prepared food, average household income only rose slightly to ₱2,097 (see Table 4-1).

TABLE 4-1. ADJUSTED MONTHLY HOUSEHOLD INCOME

	Value	Percentage
Monetary Household Income	₱2,055	98%
Unpurchased Fish and Seafood	8	–
Unpurchased Farm Products	21	1%
Unpurchased Prepared Food	13	1%
Total	₱2,097	100%

These figures clearly show that food procurement in Iloilo City is heavily monetized, and that very little food is home-grown or obtained at farms owned by the respondents or their families. The household survey conducted by the Food and Nutrition Research Institute (FNRI) in 1978 revealed that almost eight percent of the per capita peso value of food for urban respondents was home-produced (1981:45). This difference may be partially attributable to the inclusion of urban areas considerably less metropolitan than Iloilo City. These smaller urban areas would be expected to have a higher percentage of people with land to cultivate than was found in the survey areas of Iloilo City.

Three-fourths of the households paid no monthly amortization or rent. Many were squatters who built homes of wood and split bamboo, with roofs made of galvanized iron and/or *nipa* palm leaves. Many of the houses were on stilts over tidal swamps or were off of roads in the interior of neighborhoods. These interior areas were often filled with water after each rainfall. Potable water was frequently scarce, and sanitary means for the disposal of sewage, garbage, and human wastes were often totally lacking.

An amazing 27 percent of the households interviewed in the survey operated a food business at their homes. This is considerably above the 11 percent of household respondents who indicated that they owned a food business in Davao City in 1972 (Hackenberg 1974:38). In Iloilo City, respondents were specifically asked about food businesses, while, in Davao City, many people may not have mentioned a small business that may have only included a few packaged goods or home-produced sandwiches.

Thirteen percent of the respondents in Iloilo City had a *sari-sari* store, nine percent sold prepared viands, four percent sold prepared snacks, and one percent had other food businesses, such as, the processing of sausage. Those respondents preparing viands and snacks were operating "street food" businesses. The percentage of street food establishments was higher in the City

Proper than in other areas, but quite a bit of variance between areas existed. One area containing a modern subdivision had the lowest percentage of street food enterprises. By taking an actual count of street food establishments in the business districts of the city, and then using the household percentages found outside these areas, the projection of over 5000 street food businesses in Iloilo City was made. An accurate projection would require random household samples, while the subdivision area probably makes our estimate conservative.

When considering fuel usage, we found that many households had access to electricity and over 28 percent owned a refrigerator. These refrigerators were not always used for food storage. *Sari-sari* stores and *carenderias* sometimes only used them to keep soft drinks and beer cold. Charcoal and wood were the most commonly used fuel for cooking. Numerous suppliers made household deliveries of wood and charcoal, but some households were able to gather firewood for cooking. A small portion of households cooked with liquid petroleum gas, but electricity was very seldom used for cooking.

Household Food Expenditures

In determining household food expenditures, we were able to separate those expenditures made for food businesses from those expenditures made for household use at 81 percent of the households interviewed. At these 122 households, 51 percent of the average household monthly income of ₱2,044 was spent on food. Table 4-2 presents the various categories of food expenditures.

TABLE 4-2. MONTHLY HOUSEHOLD FOOD EXPENDITURES

Category	Amount	Percentage of Food Budget
For Household Preparation	₱ 732	70%
Purchased & Eaten at Institutions	68	7%
Purchased & Eaten at Prepared Food Establishments	135	13%
Prepared Food Brought Home	106	10%
Total	₱1,041	100%

The 30 percent of food expenditures not purchased for household preparation represented a significant amount of the food budget. I am not sure if bringing prepared food home to serve to the family is common in other countries in Southeast Asia, but the 20 percent of food expenditures spent on food consumed away from the home closely corresponds to the amount spent

by urban inhabitants of Peninsular Malaysia in 1973 (Lam 1982:15). It is considerably less than the 35 percent of total food expenditures spent on cooked food consumed away from the home in 1977-78 in Singapore (Cheng 1982:2). This trend appears to be increasing in Singapore. Cheng indicates several reasons for this (1982:2).

> The availability of an extremely wide variety of cheap and delicious foods at the ubiquitous hawker centers, restaurants, and food stalls at coffee shops has facilitated the propensity of "eating out." Furthermore, full employment, greater female participation ratio in the work force and physical segregation between place of work and residence have also increased the necessity of eating out.

In applying the definition of street foods to household food expenditure calculations, the seven percent spent at institutions – school, hospital, and office canteens – are excluded. Unfortunately, respondents were not able to make this informal-formal sector distinction in regard to restaurants and fast food establishments. The 23 percent of food expenditures spent on prepared food outside of institutions included restaurants and fast food establishments. Yet, in the survey area, only 39 of these firms were found, in comparison to 1,350 street food sellers. It should therefore be safe to assume that over 20 percent of total household food expenditures were spent on street foods.

The majority of food purchases made on prepared food brought home to serve to the household were for snacks (see Table 4-3).

TABLE 4-3. PREPARED FOOD BROUGHT HOME

Category	Monthly Purchases	Percentage
Snacks	₱65	61%
Breakfast	4	4%
Lunch	25	24%
Supper	12	11%
Total	₱106	100%

In the Philippines, it is very common to eat three meals a day, plus a morning and afternoon snack called a *merienda.* In Iloilo City, eating numerous times a day is also prevalent. The term, *pamahaw*, refers to breakfast and snacks, *paniaga* indicates lunch, and *panihapon* means supper. Snacks are an integral part of the diet, and their importance was partially reflected in the amount of prepared food brought home to the households of respondents. Other expenditures were often for viands that were brought home to supplement the family meal. These

were served with rice that was frequently prepared in the household. Purchases for prepared food brought home were usually made in the respondent's neighborhood, but over 13 percent of the respondents made their usual purchases from people who delivered food to their houses.

The informal sector played an important role in providing prepared food to households in Iloilo City. It also provided the majority of food purchased for household preparation. Table 4-4 shows common sources of food for household preparation.

TABLE 4-4. EXPENDITURES ON FOOD FOR HOUSEHOLD PREPARATION

Source	Monthly Purchases	Percentage
Marketplaces	₱376	51%
Supermarkets	116	16%
Groceries	28	4%
Sari-Sari Stores	84	11%
Mobile Vendors	49	7%
Other Establishments	79	11%
Total	₱732	100%

Informal sector firms in marketplaces, *sari-sari* stores, and mobile vendors accounted for 69 percent of food expenditures for household preparation.

The mean household income of ₱2,044 at respondents who were able to separate household food expenses from business food expenses was slightly lower than the general average of ₱2,055, but the medians of ₱1,100 were exactly the same. Table 4-5 shows incomes divided into equal quartiles and relates each quartile to average food expenditures.

TABLE 4-5. MONTHLY INCOME QUARTILES AND FOOD EXPENDITURES

Quartile	Range	Average Income	Average Food Expenditure	% of Income Spent on Food
First	₱ 260– 750	₱ 584	₱ 451	77%
Second	₱ 751– 1,100	₱ 935	₱ 650	70%
Third	₱1,101– 2,500	₱1,686	₱1,059	63%
Fourth	₱2,501–13,000	₱5,172	₱2,071	40%

The proportionate expenditure on food declines as incomes rise. This is in agreement with the generalization known as *Engel's Law.* The average expenditure of 51 percent of household income on food is actually far below

the percentage of income spent on food by three of the four income levels. The general average was pulled down by the large incomes in the highest quartile, a reflection of a very uneven distribution of wealth.

Table 4-6 demonstrates that, while higher income respondents spent a lower percentage of their income on food, the percentage of food expenses for food for household preparation remained almost the same for the various income levels.

TABLE 4-6. PERCENTAGE OF MONTHLY FOOD EXPENDITURES BY INCOME LEVEL

Category	Quartiles			
	First	Second	Third	Fourth
For Household Preparation	69%	72%	70%	70%
Purchased & Eaten at Institutions	3%	4%	5%	9%
Purchased & Eaten at Prepared Food Establishments	12%	13%	15%	12%
Prepared Food Brought Home	16%	11%	10%	9%
Total	100%	100%	100%	100%

The percentage of food expenditures made on prepared food outside of institutions tended to decline from 28 percent to 21 percent as incomes rose. However, the total amount spent at each income level increased. The 12 percent purchased and eaten at prepared food establishments represented a monthly expenditure of 52 pesos for households at the lowest income level, while the same percentage at the highest income level represented a monthly expenditure of 258 pesos.

One would naturally expect households with higher incomes to eat at restaurants and fast food establishments more frequently than poorer households, but it is very probable that they were also purchasing a large amount of street foods. Higher income households tended to spend a larger percentage of their food budget at institutions. This is an indication of children attending school until higher levels were achieved and more household professional workers eating at office canteens. While higher income households spent a smaller percentage of their food budgets on purchases of prepared food to bring home, the absolute amount spent was more than that spent by their poorer neighbors.

The percentage of the food budget spent on food for household preparation remained constant, but the total amount increased considerably as incomes rose. Table 4-7 shows the percentage differences among the four income levels in regard to source of food.

TABLE 4-7. SOURCE OF FOOD FOR HOUSEHOLD PREPARATION BY INCOME LEVEL

Source	Quartiles			
	First	Second	Third	Fourth
Marketplaces	52%	46%	52%	53%
Supermarkets	5%	8%	9%	25%
Groceries	5%	5%	6%	2%
Sari-Sari Stores	21%	19%	14%	5%
Mobile Vendors	10%	11%	8%	4%
Other Establishments	7%	11%	11%	11%
Total	100%	100%	100%	100%

As incomes rose, respondents continued shopping at public markets, and each higher income level spent considerably more money at marketplaces. This same situation was found in Davao City (Barth 1982:214). The influence of supermarkets increased as incomes rose. This indicates that higher income households were purchasing higher quality items and demonstrates a change in preferences. The highest income level was even purchasing a lower absolute monetary amount of food at groceries, at *sari-sari* stores, and from mobile vendors than households in the income level just below it.

Customer Profile

Customers were almost equally divided between males and females, with less than 51 percent male and over 49 percent female. Nonetheless, the case studies revealed that some establishments, especially those selling beer, had a predominantly male clientele. This was apparently balanced by the large numbers of female workers and shoppers in the central business district and at marketplaces. Students of both sexes were the most common customers in the survey. Other prevalent groups of customers were housewives, clerical workers, and semi-static and ambulant vendors – all of whom were predominately female.

The average age of respondents was 33, with almost 60 percent of respondents falling between the ages of 20 and 39. Fifty four percent were married. Table 4-8 indicates that household heads or spouses were predominant, but that other categories were also important. The average household in which respondents were living contained 5.9 people. Children were certainly under-represented. This was partially due to the fact that young children were not interviewed since they would not have been able to answer all of the questions

on the questionnaire.

TABLE 4-8. POSITION OF CUSTOMERS IN THEIR HOUSEHOLDS

Position	Number	Percentage
Household Heads or Spouses	138	56%
Children	54	22%
Other Relatives	18	7%
Domestic Workers	1	1%
Boarders	33	13%
Others	2	1%
Total	246	100%

Seventy seven percent of the customers lived in various districts of Iloilo City, an additional 18 percent lived in other areas of Iloilo Province, and the remaining five percent lived outside of the province. Over 16 percent of the respondents were students. This number would have certainly been even higher if the survey had not been conducted during the summer session of the school year. Aside from the large number of students and housewives in the survey, almost 70 percent of employed respondents had blue-collar occupations (see Table 4-9).

TABLE 4-9. PRIMARY ACTIVITIES OF RESPONDENTS

Activity	Number	Percentage
Students, Unemployed, or Housewives	78	32%
Blue-collar Workers	116	47%
White-collar Workers	52	21%
Total	246	100%

The average monthly income of customers amounted to ₱604, with a median income of ₱450 per month. The highest monthly income recorded was ₱9,000, while over ten percent of the respondents had no income whatsoever. Of course, respondents may have had the use of additional income available from other household members, and the spouses of respondents earned an average of ₱623 per month. The large number of dependents in the survey means that income figures must be used cautiously, but they do indicate that customers come from various income strata.

Customer Purchases

Over 82 percent of the respondents were making purchases exclusively for themselves. Two-thirds bought snacks while the remaining third purchased either full meals or viands. However, since the food sellers themselves were stratified according to sales of meals and snacks, customer purchases were a reflection of this stratification. When respondents were asked to rank their three most important reasons for their food selections, the taste of the food ranked first (see Table 4-10).

TABLE 4-10. REASONS FOR FOOD PREFERENCES

Reasons	Ranking
Taste of Food	First
Low Cost	Second
Nutritional Value	Third
Availability	Fourth
Food is Filling	Fifth
Appearance of Food	Sixth
Another's Preference	Seventh

The vast majority of purchases were made with cash, but 13 percent of the customers were able to make purchases at the establishment on a credit basis. Almost one-fourth of the respondents were buying at the enterprise for the first time, while others were frequently regular customers who averaged 19 purchases per month at the establishment. These regular customers were certainly the ones with potential access to credit purchases. Purchases were small and only averaged ₱2.30, even though 18 percent of the respondents were buying for their household or other people. These prices must also be compared with minimum fuel costs of ₱0.50 to P1.00 to cook a meal, and with minimum transportation costs of P0.65 per ride – at the time of the survey – that a person would have had to pay to go home, if one's home was not within walking distance. This does not consider the time involved in cooking or in returning home.

Table 4-11 lists the responses to the question of the most important reason for buying at the location at which the interview was conducted. Responses were quite varied, but over one-half of the respondents indicated accessibility, the quality of the food, and low prices. When this is combined with the frequent, small purchases previously indicated, a clear picture of the role of informal sector prepared food enterprises emerges.

TABLE 4-11. MOST IMPORTANT REASON FOR BUYING AT ENTERPRISE

Response	Number	Percentage
Accessibility of Firm	52	21%
Quality of Food	47	19%
Low Prices	40	16%
Friends or Relatives Work at Firm	33	13%
Appearance of Enterprise	32	13%
Other Responses	42	17%
Total	246	99%

Only 59 percent of the respondents indicated that they would consume the food they were buying at the place of purchase, 20 percent were taking it home, 12 percent planned to eat it on the sidewalk or while walking, and seven percent were going to take it to their place of work. Convenience and the ability to save time were the answers given by over one-half of the respondents to the question of why they did not prepare and consume the food they purchased at home. However, four percent of the respondents did not prepare and eat any meals at their residences.

The most common place for respondents to purchase prepared food was in their own neighborhoods, but marketplaces, the central business district, and establishments near the respondent's place of work were also popular (see Table 4-12).

TABLE 4-12. USUAL PLACE OF PREPARED FOOD PURCHASES

Location	Number	Percentage
Neighborhood	83	34%
Marketplaces	52	21%
Near Place of Work	52	21%
Central Business District	40	16%
Other Locations	19	8%
Total	246	100%

I witnessed this active neighborhood food selling during the case studies and was amazed at the variety and quantity of food which was available. This type of activity is very difficult to measure because many people only sell during limited hours and move in and out of the prepared food selling business frequently. Many sell primarily to their neighbors, but their cumulative effect

is very important both for the amount of money changing hands and for the nutritional impact of the food being sold.

In accordance with the propensity of Filipinos to eat numerous times per day, snacks constituted the major portion of food purchased by respondents outside of their households (see Table 4-13).

TABLE 4-13. MONTHLY PREPARED FOOD PURCHASES

Purchase	Amount	Percentage
Snacks	₱ 97	58%
Breakfast	20	12%
Lunch	41	24%
Supper	10	6%
Total	₱168	100%

These total prepared food purchases amounted to 28 percent of the average monthly income of respondents. This actually overstated the importance of prepared, ready-to-eat food since some purchases were for other people besides the respondent. Customers were therefore asked to estimate the percentage of their food intake devoted to these foods. They indicated that it was equivalent to over 35 percent of their total food intake.

In order to determine the relationship between prepared food purchases and income, respondents were divided into four equal income groups, based on the income of respondents and their spouses, if they were married (see Table 4-14).

TABLE 4-14. PREPARED FOOD EXPENDITURES AND CONSUMPTION BY INCOME LEVEL

Quartile	Average Monthly Income	Monthly Expenditures	Percentage of Food Intake
First	₱ 195	₱101	28%
Second	₱ 492	₱151	35%
Third	₱ 827	₱176	40%
Fourth	₱2,341	₱248	38%

The table clearly shows that as incomes rose, customers spent more each month on prepared food. They also increased the percentage of their food intake devoted to prepared food, until the highest income level was reached. This

indicates that customers at street food establishments in Iloilo City are not confined to relatively poor people and cover a wide range of income levels.

Purchasing and Consumption Patterns

Unfortunately, the results of the household survey can be questioned since the areas of the survey were not randomly determined. The uneven income distribution in Iloilo City would have required a large survey in order to include higher income levels. Customers were interviewed at street food seller locations. We had no way to determine the actual number of customers at any locations, but sought only a structural description of purchasing behavior. By combining the results from both surveys, a remarkably clear picture of purchasing and consumption patterns emerges.

An additional problem is that we were not able to spend the time with each respondent in either survey in order to clearly define what we meant by street food establishments. Therefore, some prepared food obtained at restaurants and fast food chains were included in responses. Nonetheless, I do not believe that the amount included was significant for either survey. Most people viewed eating in a restaurant or a fast food establishment as something related to a special occasion, and the category of "special occasions" is actually separated from food expenditures reported by the National Economic and Development Authority (1983:116-129). Most respondents normally would not include these expenditures in their answers to the questions asked by interviewers. The reason that many people do not patronize restaurants and fast food establishments is that a meal usually costs over 20 pesos, an amount well beyond the limited budget of most consumers.

The results of the surveys demonstrate that food expenses represent a tremendous portion of household expenditures. In the household survey, the three lowest income quartiles spent between 63 and 77 percent of their total household income on food. In the customer survey, respondents spent 28 percent of their individual income on prepared foods. In the survey areas, few people had access to unpurchased food. The large number of food enterprises involved in food preparation indicates that many people had a clear perception of the demand generated by people coming into the city for short periods of time who needed to purchase prepared food. It is also a reaction to the 30 percent of household food expenditures that were devoted to prepared food purchased outside of the household. This is related to the tendency of people to consume food at numerous times during the day, including times when they are away from their homes.

Respondents in both surveys indicated that they usually purchased prepared food in their neighborhoods. As expected, customers displayed a wider variety of responses. Since they were interviewed in the central district of the

city, they would be expected to be away from their neighborhoods more frequently than household respondents.

An intriguing aspect of both surveys is the fact that as incomes rose, people continued to spend more money on prepared foods, even if the percentage dropped. However, household respondents continued to spend the same portion of their food budget on food prepared outside the household. They tended to spend a higher percentage of their food budget at institutions and less at other prepared food establishments. Customers actually increased their percentage of prepared food intake as incomes rose, except for a slight drop at the highest income level. This indicates that the demand for prepared food should continue to increase if income levels rise. A critical question is whether sales at institutional sources, restaurants and fast food establishments, or street food enterprises will expand at the expense of one of the other prepared food sources.

The ₱2.30 spent by respondents at street food enterprises seems small by the standards of industrialized countries, but it represents a very significant amount of money when average per capita food expenditures from the household survey are calculated (see Table 4-15).

TABLE 4-15. AVERAGE PER CAPITA FOOD EXPENDITURES BY INCOME LEVEL

	Quartiles			
	First	Second	Third	Fourth
Daily Per Capita Food Expenditures	₱2.77	₱3.55	₱4.80	₱6.74

The number of people eating at higher income households increased considerably, since these households included more relatives, boarders, and household servants. Even with this increase in the number of people per household, food expenditures per person increased considerably.

These extremely low amounts of food expenditures demonstrate the urgent need to supply food to consumers at low costs. Street food enterprises appear to be indispensable in this situation. Their low capital and operating costs enable them to prepare and sell many food items at only a small fraction of the price charged by formal sector enterprises. Without the services provided by these enterprises, the inadequate nutritional status of many people in Iloilo City will deteriorate further.

CHAPTER 5

STREET FOODS AND HEALTH

Now that I have examined enterprises supplying street foods and consumer demand for these products, it is time to consider some of the implications of street food consumption on the health of consumers. This is related to hygienic aspects of food preparation and storage and to the nutritional significance of consuming these foods. Some improvements in sanitary practices related to food handling could lead to added costs for street foods, and this consideration must always be borne in mind. This is especially important in the Philippines where a downward trend in real wages may exist, while food prices increased at a higher rate than nonfood prices during the 1970s (World Bank 1980:10-11).

Food Preparation and Handling

Foods can be contaminated from a variety of sources. The animal itself may contain microorganisms which may be harmful to humans. Cooking temperatures may kill many microorganisms, but contamination may set in as the food stands. However, the temperature at which the food is heated and the time it is heated have an influence on which bacteria will be destroyed. The exterior temperature of the food being heated may also be different than the interior temperature. For example,

> In roasting meat the internal temperature reaches only about 60°C in rare beef, up to 80°C in well-done beef, and 85°C in a pork roast. Frying gets the outside of the food very hot, but the center ordinarily does not reach 100°C (Frazier and Westhoff 1978:122).

Once the food has been cooked, the people handling it become very important for hygienic purposes. Their hair, noses, skin, and nails may contain microorganisms that contaminate the food. These people should be periodically checked to insure that they are free from disease. The utensils and equipment used at the food establishment may also be sources of contamination. Glasses

and dishes should be carefully washed. In addition, the floors and walls of the establishment need to be kept clean.

The food also has to be stored at proper temperatures and protected from disease organisms carried in the air, including soil dust, since the soil contains a wide variety of microorganisms. Food also needs to be protected from flies, roaches, and rodents, and should not be prepared or served near garbage or sewage. An especially serious problem in some areas of Iloilo City is the scarcity of potable water. People without direct access to piped water—which is safe to drink—buy from water carriers, who obtain water from the city water system or spring water from a nearby island, or use well water. These people commonly use well water for washing and use higher quality, and more expensive, water for cooking and drinking.

Even if the water is obtained from a sanitary source, it may be contaminated by the water containers used to deliver it or by the storage containers used in street food establishments. Of course, the temptation always exists for the street food establishment to use polluted well water for cooking in order to avoid the cost of potable water. In fact, even some respondents with direct access to treated city water used well water for various purposes in order to save money.

Unfortunately, the food handling and preparation techniques of respondents frequently did not meet acceptable standards. These procedures, naturally, varied among establishments, but one example from each of the case study groups will be used to represent the general pattern. The reader must bear in mind that many of the actions and practices of street food sellers reflect general conditions in Iloilo City and should be evaluated with this in mind.

A large *carenderia* offering a wide variety of entrees operates one of the best equipped kitchens in our survey. Cooking is done over burners using either liquid petroleum gas or electricity. The kitchen area has access to the city water system and to a deep well, and running water is always available for washing food and dishes, a rather unusual situation at street food establishments in Iloilo City. Kitchen utensils, glasses, and plates are washed with soap and water after they are used. No hot water is used for washing, but boiling water is poured over the tray of spoons and forks after they have been washed.

After a viand has been cooked, it is placed in a display cabinet with glass on three sides and two screen doors in the rear. The food is then stored at room temperature until it is sold. A few items are reheated after they are ordered, but this is unusual. Care is taken to keep flies out of the display cabinet, but some manage to get inside. Food that is not sold by 11:00 P.M. is stored in a refrigerator overnight. The next morning, leftovers are either recooked or are made into different viands. For instance, unsold fried pork may become the major ingredient in a pork dish using a sauce and spices.

The dining area of the *carenderia* is kept clean, and tables are washed

frequently. Workers have access to lavatory facilities at the enterprise. They do not wear uniforms, but change clothes regularly and appear to be neat and clean. However, workers have not undergone any medical examinations and the turnover is quite rapid.

The *arroz con caldo,* chicken with rice soup, of one of our case study respondents is known throughout many areas of Iloilo City for its delicious taste. The preparation of the soup starts when chickens are dressed near the back of the firm in the meat section of the marketplace. The meat section is almost empty each afternoon when the dressing begins. The area contains numerous flies, and the floor is splattered with blood and small pieces of meat. Nonetheless, the chicken is carefully washed with well water before it is cooked.

Garlic is sauteed in oil before pieces of chicken are put into the pot. Once the oil evaporates, water is added, and the chicken is boiled. Rice is soaked with lye and then boiled with chicken broth into a thin, watery porridge in a separate kettle. Once the porridge is cooked, it is kept simmering over a constant flame, while the chicken is stored in a container at room temperature. When a customer orders *arroz con caldo,* the chicken is placed in a bowl and the rice porridge is poured over it.

The serving utensils and dishes are washed in a basin of soapy water and then transferred to a sink full of clear water for rinsing. No hot water is used, but hot water is usually poured over forks and spoons before they are given to customers. The water for washing comes from a well, but the firm has a tank of water from the city system for drinking and cooking. Sewage from the marketplace runs at the rear of the firm, while rats and other vermin are common.

Before evening descends upon Iloilo City, numerous stands barbecuing pork, chicken, and fish are set up at strategic locations throughout the city. One such stand is located on the sidewalk a few meters from one of the major commercial streets of the city. Whereas barbecuing does not began until 3:00 P.M. or so, preparations for selling begin with an early morning trip to the marketplace. Then, at an apartment close to the location of the wooden cart at which the food is barbecued and sold, chickens are dressed, cut into desired pieces, marinated, and put onto bamboo sticks. Pork is sliced into thin pieces, washed with potable water, and marinated for two hours in a mixture of vinegar, soy sauce, monosodium glutamate, salt, brown sugar, and *calamansi* (Philippine lemon) juice. The pork is then placed on bamboo sticks.

Once the barbecue stand begins operation, chicken and pork are heated over a charcoal fire and brushed with red food coloring and oil. Before they are sufficiently cooked, they are removed and set aside on top of the cart until a customer places an order, then the food is reheated until cooked. An additional sauce is then placed on the food, and it is given to the customer. Cooking is done by hand, and the food is placed on a grill above live charcoal on top of the cart. The cart is wrapped on three sides with a piece of plastic to

help keep dust off the exposed food. However, it does not keep away flies from a nearby pile of garbage. An added discomfort is the smell from the sewage in the gutter of the street near the stand.

Not far from this barbecue stand, another sidewalk vendor is engaged on a daily basis in frying peanuts and cashews on top of a slightly smaller wooden cart. The nuts are fried in coconut cooking oil. Shelled peanuts and cashews are purchased from suppliers. Some peanuts are soaked in hot water so that the skins can be easily removed, and other nuts are rinsed with water before cooking.

Peanuts with skins, peanuts without skins, and cashews are each fried separately, but the same procedures are followed. The nuts are fried in oil and stirred constantly to insure that they are cooked uniformly. They are then removed from the pan using a strainer, sprinkled with salt, and placed in an open container with previously fried nuts. More nuts are then added to the cooking oil and the process is repeated. Additional oil is added as needed, and only the dirty residue in the oil is occasionally removed.

The fried nuts are stored on top of the cart and are only partially covered by a sheet of plastic designed to keep some of the dust off the nuts. The peanuts and cashews are never reheated, and newly fried nuts are just mixed in with other nuts. At the end of the day, unsold nuts are placed in plastic bags and stored inside the cart until the next morning. When a customer makes a purchase, nuts are placed in paper bags of various sizes and are taken away by the customer.

Native cakes represent another popular snack in Iloilo. One of our respondents is an ambulant seller who sells in a large marketplace each morning. Each afternoon and evening, she and her husband prepare two or three types of native cakes at their house in a squatter area of the city. Due to a lack of drainage and any type of sewage system, the area floods every time it rains. Houses are packed very close together and only a few alleys lead into the area. Most people have to reach their homes along narrow foot paths that often contain human excrement.

The water for the household of the native cake seller comes from a well that is frequently underwater during the rainy season. This water is utilized to wash the glutinous rice used to make the native cakes. The rice is then allowed to dry in the air where it is exposed to various flies and rodents. In order to make a native cake called *suman*, the rice is cooked with coconut milk above a stove using firewood. When the rice is almost cooked, brown sugar is added and the mixture is continually stirred until a thick, sticky consistency is attained. The *suman* is then wrapped in banana leaves, and the product is ready to be sold the next morning.

Laboratory Analysis of Selected Foods

The above descriptions indicate that some problems with disease could

result from consumption of street foods. One potentially dangerous practice is allowing cooked food to stand at room temperature exposed to the tropical heat. Another dangerous practice is the cursory washing given to utensils, glasses, and dishes. In some cases, soap is not used, partially because more water is then required to rinse off the soap.

Numerous illnesses related to food consumption are caused by bacteria, toxins, viruses, parasitic worms, and fungi. These can cause diptheria, hepatitis, tuberculosis, gastroenteritis, and enteric fevers, such as dysentery, typhoid fever, and cholera. It was far beyond the potential or ambitions of this study to determine all of the microbiological contaminants that were present in street foods, but some bacteriological analyses were conducted by personnel at the Regional Health Laboratory in Iloilo City in order to culture for the most common enteric pathogens in the area, such as *Salmonella*, *Shigella*, and cholera organisms, and for the presence of coliform bacteria.

Food samples were gathered at the selling locations of street food vendors and taken to the laboratory. We were especially concerned with contamination occurring after the food was allowed to stand and kept careful records of the time that the food was prepared. At the laboratory, bacterial counts were taken and a presumptive test for coliform bacteria was performed. With a positive presumptive test, a semi-confirmatory test proceeding to a completed test for coliform organisms was completed, then coliform and other enteric pathogens present were identified. In addition to revealing the presence of coliform bacteria, which may signify fecal contamination, these tests would also identify the presence of bacteria causing various enteric fevers.

Disagreeements exist over what counts should be considered significant, what the indicator organism should be, and whether pathogens – disease causing agents – can be shown since, in most products, the presence of an indicator only points out the possible presence of a pathogen. Tests for coliform bacteria are useful to indicate the possible presence of intestinal pathogens, but the type of pathogen most likely to be present varies with different types of food (Frazier and Westhoff 1978:508). Tests of street foods revealed the presence of intermediate coliform organisms in a significant number of specimens. Intermediate coliform organisms are normally found in soil and surface water, but their presence in food is undesirable and may make the food unfit for human consumption.

A pattern emerged from the laboratory analyses in which all samples, except one, obtained within a few hours of being initially cooked, were negative for coliform organisms. The one exception consisted of freshly cooked doughnuts which may have been contaminated when they were brushed with margarine and dipped into an open container of sugar. Fried peanuts remained negative for coliform organisms even after they had been allowed to stand for almost 24 hours.

All specimens, which had been allowed to stand for over six hours before they were obtained, were found positive for intermediate coliform organisms. This included samples that had been recooked after having been allowed to stand for over six hours. A locally prepared juice drink was also found to be positive for intermediate coliform organisms. It also had a high bacterial count. We assume that this was a result of the use of contaminated water in its preparation, but handling practices could also have caused the contamination.

In general, food samples with higher total bacterial counts were frequently found positive for intermediate coliform organisms. This was certainly related to the time that the specimen was left standing. A study of sandwiches from a fast food chain in America revealed that longer storage time at higher temperatures, within a narrow range between 32°C and 38°C, increased bacterial growth and that the initial bacterial level was important, but less critical (Ockerman and Stec 1980:262). This also appears to be the case with street food sellers, yet the food medium itself must also be considered, as was shown by the fried peanuts which were allowed to stand for a long period of time under relatively unsanitary conditions.

The laboratory analyses of a small number of samples must be viewed with caution, especially since only the presence of only a few disease-causing microorganisms were considered. Yet the presence of intermediate coliforms does reflect improper handling, and a large number of these organisms may be harmful to some people. During the course of the case studies, no customers complained of illnesses after eating the food. This may, however, be related to the other conditions in Iloilo City that lead to frequent mild bouts of diarrhea and illnesses that are accepted as a way of life.

An alternative point of view is that people develop immunities to certain bacteria and are not affected by them. I suspect that this is the situation in regard to healthy people eating food containing intermediate coliform bacteria. My staff and I ate food from all of the street food case study establishments with no apparent ill-effects. A more serious problem is that undernutrition and parasites make people prone to various diseases. Diarrheal diseases, tuberculosis, and other food-borne diseases may then prove fatal to these people who have little resistance to disease. Of course, certain types of food contamination will contribute to malnutrition by causing infections that do not allow the proper utilization of nutrients.

Nutritional Significance of Street Foods

Throughout most areas of the Philippines, the dietary staple is rice, which is primarily supplemented with fish. A survey of over five hundred rural households in Luzon revealed that a rice and fish diet was complemented by a few vegetables, coffee, and occasional snacks (Evenson, Popkin, and Quizon

1980:302). Data obtained from the household survey in Iloilo City did not indicate such an austere diet, but the importance of rice and fish can be clearly seen (see Table 5-1).

TABLE 5-1. PRIMARY ITEMS OF HOUSEHOLD FOOD CONSUMPTION

Food Item	Frequency
Rice	8.00
Fresh fish and seafood	7.40
Fresh vegetables	6.88
Bakery products	6.78
Eggs	5.22
Fresh fruit	5.15
Dried fish	4.07
Beef	4.03
Pork	3.82
Chicken	2.94

8 – more than once a day
7 – once a day
6 – four to six times a week
5 – two to three times a week
4 – once a week
3 – twice a month
2 – once a month
1 – very seldom
0 – never

The table shows that every household indicated that rice was served more than once a day. Fish and seafood were also served an average of more than once a day, while chicken was eaten less than twice a month. The seven most popular items were ranked in the same order as they were ranked in an urban household study I conducted in Davao City in 1981 (Barth 1982:200). Packaged fruit, packaged vegetables, packaged fish, and packaged meat were not popular in Iloilo City, and, of the four items, only packaged meat was eaten an average of more than once a month.

While there is a strong similarity in food consumption patterns between urban areas of Davao City and Iloilo City in which upper income households were purposely included, results obtained from a study of 1400 rural households in Iloilo Province indicated considerably less frequent consumption of beef, chicken, pork, and eggs (Formacion and Siason 1982:139). The two surveys are not directly comparable for many food categories, but Table 5-2 shows the percentage of respondents eating five comparable food items. These results are unsurprising since the consumption of all of these items increases at higher income levels (FNRI 1981:5-7). The frequency of consumption of fruits probably remained almost the same due to the increased accessibility

in rural areas of certain fruits that can be obtained without the need to purchase them.

TABLE 5-2. PERCENTAGE EATING THE FOLLOWING FOOD ITEMS ON A DAILY BASIS

Food Item	Iloilo City	Iloilo Province
Fruits	34%	33%
Beef	14%	2%
Chicken	4%	2%
Pork	13%	1%
Eggs	35%	15%

In the Iloilo City household consumption survey, respondents were asked to evaluate the adequacy of their household food intake in the maintenance of good health. A nutritionist then evaluated their diet based on the relative frequency of foods consumed, but no attempt was made to quantify actual intake. Table 5-3 shows the results of both evaluations indicating an obvious discrepancy between the two ratings.

TABLE 5-3. EVALUATION OF HOUSEHOLD FOOD CONSUMPTION

Evaluator	Rating			
	Excellent	Good	Fair	Poor
Respondents	6%	47%	38%	9%
Nutritionist	7%	18%	25%	50%

While certain limitations exist with this type of comparison, the marked difference may indicate that a large segment of the population still do not have a clear understanding of the various components of a proper diet.

Although the responsibility for proper nutrition basically belongs to the individual, food establishments may be a contributing factor to either limit or enhance the nutritional well-being of target consumer groups. Street foods, a prominent fixture in urban centers, may very well serve as a channel to this effect. The analysis of street foods and their health and nutritional contribution provides baseline information for a number of critical purposes; including assessment of its dietary contribution and trends, initial indications of potential food-related health problems, and the development of nutrition education policies.

In order to gain insights into the nutritional contribution of street food meal dishes, popular viands from each of the three *carenderias* in the case

study, along with average portions of rice from each establishment, were analyzed. Calculations of nutritional value were determined by actual food weighing and then using *Food Composition Tables* (FNRI 1980). The nutritional value of various viand dishes and rice were then compared to Recommended Daily Allowances (RDA) for the Visayas, as presented by the Food and Nutrition Research Institute (1981:17). Since no value for ascorbic acid was listed in this report, the RDA for Iloilo Province was used for this purpose (FNRI 1976). The nutritional contribution of meal dishes per usual serving is shown in Table 5-4.

TABLE 5-4. NUTRIENT CONTENT OF MEAL DISHES

Primary Ingredient	Energy		Protein		Iron		Vitamin A		Ascorbic Acid	
	cal	% RDA	gm	% RDA	mg	% RDA	I.U.	% RDA	mg	% RDA
Meat	193	9.5	16.0	31.3	1.5	12.9	91.6	2.5	7.7	11.8
Fish	69	3.4	9.9	19.3	0.5	4.2	17.4	0.5	–	–
Vegetables	45	2.2	8.3	16.2	2.9	24.4	433.8	12.1	12.0	18.4
Rice	178	8.8	2.8	5.5	0.8	6.7	–	–	–	–

Based upon a sample of five dishes in each of the three viand groups, results indicate that meat dishes scored the highest in calories and proteins, while vegetable dishes were the highest in iron, vitamin A, and ascorbic acid. This is partly a result of other ingredients being mixed with meat and vegetable dishes. When the cost of calories and proteins are calculated for the same food groups, it can be seeen that price considerations may have an important effect on the choices of consumers (see Table 5-5).

TABLE 5-5. NUTRIENT COST PER PESO FOR MEAL DISHES

Primary Ingredient	Energy cal per peso	Protein gm per peso	Iron mg per peso
Meat	55	4.6	0.44
Fish	31	4.5	0.23
Vegetables	27	4.9	1.71
Rice	214	3.4	0.96

Tables 5-4 and 5-5 should only be considered to be very gross approximations, since considerable nutritional variability existed between various dishes and only a few dishes were considered. It does seem unlikely

that any popular dish will offer as many calories per peso as rice. Although the cost of protein per peso for rice appears to be relatively high, the large portion of the average diet devoted to rice seems to represent a rational choice on the part of consumers in regard to the best value for their meager food budgets, in relation to energy, proteins, and iron contribution. Unfortunately, various essential nutrients are not found in rice. The food cost and food combination variability indicate that a considerable potential exists in upgrading the nutrient density of viand dishes since less expensive food combinations of good quality may offer high nutrient density.

The nutritional values of snacks were determined from a more representative sample than was used to determine the nutritional value of meal dishes. The assessment of nutritional values was accomplished by obtaining the same type of snack items that customers had purchased. These snacks were weighed and the nutrient content determined using the same methods that were used in regard to meal dishes. Table 5-6 presents the list of nutrients in the 141 out of 164 single snack purchases that were made solely for the consumption of respondents.

TABLE 5-6. NUTRIENT CONTRIBUTION OF SINGLE SNACK FOODS

Nutrient	Amount Purchased	% of Estimated Intake	% of RDA
Energy (cal)	219.0	13%	11%
Protein (gm)	5.3	10%	10%
Iron (mg)	1.6	16%	14%
Vitamin A (I.U.)	63.6	3%	2%
Ascorbic Acid (mg)	10.4	16%	16%

The overall contribution of single snack food was approximately 11 percent of calories and 10 percent of protein, when compared to RDA. This finding may indicate that excellent possibilities exist for extending the calorie-protein density of popular snacks. The consumption of snack foods that could yield health-nutrition benefits through a reduction in the calorie-protein deficit in the average diet of low-income families may then be encouraged.

Table 5-7 shows the nutrient contribution of single snack foods by age groups, sex, and occupational groups. The table reveals that respondents 20 years old and above consumed larger amounts of nutrients from their snacks than younger customers. This is probably a reflection of greater amounts consumed and the higher purchasing power of these respondents. Differences between males and females were rather small, and no discernible pattern is observed. On the other hand, white-collar workers consumed more nutritious

snacks than blue-collar or unemployed respondents. This would appear to be due to higher income levels.

TABLE 5-7. NUTRIENT CONTRIBUTION OF SINGLE SNACK FOODS BY AGE, SEX, AND OCCUPATIONAL GROUP

Respondents	Number	Energy cal	Protein gm	Iron mg	Vitamin A I.U.	Ascorbic Acid mg
Age						
10-19 years	24	153	3.8	0.8	25.5	15.5
20 & above	117	232	5.7	1.8	71.4	9.4
Sex						
Male	86	215	5.0	1.7	82.1	13.3
Female	55	223	6.0	1.6	34.4	6.1
Occupation						
Unemployed	48	177	4.6	1.1	29.7	4.0
Blue-collar	67	219	4.5	1.9	42.9	14.0
White-collar	26	296	8.9	1.9	179.3	3.0

An analysis of the snacks purchased by the same respondents on two consecutive days is shown in Table 5-8.

TABLE 5-8. NUTRIENT VALUE OF SNACKS PURCHASED TODAY AND YESTERDAY

	Energy		Protein	
	cal	% of RDA	mg	% of RDA
Purchases Today	307	15%	4.2	8%
Purchases Yesterday	334	16%	4.5	9%

Results reveal that the mean energy and protein content of snacks purchased today and yesterday did not differ significantly in calories and proteins when compared to their contribution to RDA. Purchases made the day before were determined on a 24-hour recall basis and included all purchases made at the same establishment. The calorie content of purchases made by respondents making purchases on two consecutive days was considerably higher than the general average of snack purchases by all respondents at the time of the survey, while the protein content was lower. This is partially explained by the presence of men drinking coffee, beer, or *tuba* at the same place each day.

Policies Toward Sanitary and Nutritional Improvements

The ultimate judgment of whether certain types of food, prepared and handled using various procedures, are appropriate to eat rests with the consumer. Using this standard, street foods are certainly appropriate for the people of Iloilo City who patronize these establishments. Naturally, this standard will certainly not prevent the occurence of food-borne illnesses. While certain bacteria are able to grow in food and may lead to illness, other pathogenic organisms are merely carried in the food. Dieseases, such as cholera, other enteric diseases, and tuberculosis, can be transmitted in food. Therefore, disease prevention measures require that food handlers be subject to some type of supervision.

Whereas the intermediate coliform organisms found in the food samples were probably not harmful to consumers, tuberculosis and gastroenteritis are serious problems in Iloilo. The general principles of preventing food-borne illnesses are easy to enumerate. Food should be kept free of contamination by initially selecting uncontaminated foods, by using adequate heat processing, by keeping vermin away, by avoiding contamination from infected food handlers or carriers, and by employing generally good sanitary practices (Frazier and Westhoff 1978:483). Food should also be consumed shortly after it is prepared, unless adequate provisions for storage are undertaken.

Improved food handling practices require a general public awareness and concern over sanitary conditions. If people do not see the value of a certain practice, it will certainly not be adopted. In this regard, street food sellers cannot be expected to employ better food preparation and handling procedures than they themselves use in their own homes. Punitive government measures can cause certain changes, but these will be resisted by food sellers and consumers alike unless there is public awareness that a problem exists.

Health education classes taught in schools are changing the awareness of consumers. Similar programs, smaller in scale, can be directed toward food sellers. The aim of these programs may be just to create a basic awareness of proper food preparation and handling procedures. No punitive measures should be taken, and the goal of the programs should only be to encourage food sellers to voluntarily change certain unsanitary practices. This has a chance of success as long as it does not lead to large increases in the cost of food preparation and handling that would then be passed on to consumers.

The connection between unsanitary food handling practices and disease could be illustrated through discussions with street food sellers and through the use of basic instructional materials, such as brochures and pamphlets. This may cause food sellers to adopt simple procedures that are relatively cost-free, but that may prevent certain types of food contamination. The owners of street food businesses should be initially contacted, but their employees should certainly not be overlooked, since the instructions of the owners can be ignored

by employees who do not understand the reasons for certain actions.

Of course, improved facilities are necessary before certain hygienic measures can be initiated. It is very difficult to keep a food selling area clean without access to clean water. This is a serious problem in Iloilo City and one that cannot be solved in relation to street food sellers until the city water system is improved. The same situation exists in regard to the lack of a sewage system and adequate garbage removal. Street food sellers are only one small aspect of a general environmental sanitation problem that exists throughout the Philippines. Until these general conditions are changed, food handling procedures will remain below desirable levels.

In the meantime, numerous possibilities for the use of appropriate technology exist. For example, devices to boil water could lead to improvements in the cleaning of utensils. These devices would be inexpensive to operate if they utilized solar energy. Heating devices using solar energy could also reduce the cost of cooking, and encourage street food establishments to prepare food more frequently during the course of the day, thereby reducing storage times. The possibilities for technological improvements abound and may be feasible as long as they do not lead, in general, to increased food costs.

The problem is not how to provide food that is relatively free of contamination, but how to do so at prices that are still affordable to the general populace. The interrelationships between income, sanitation, and nutrition are very important. "Even though growth in incomes and food supply is not a *sufficient* condition for meeting basic needs in nutrition, it is a *necessary* condition" (Berg 1981:22). As long as people can only afford to spend a small amount of money for their daily food needs, prepared food sellers will keep prices low by operating from portable stands and shacks. These establishments will be located near open sewage and may lack access to clean water. Unfortunately, unsanitary procedures may cause infections that adversely affect nutrition by increasing energy requirements, reducing the proper absorption of food, and limiting food intake through a loss of appetite.

While sanitary conditions leave something to be desired, street foods may play a very important role nutritionally by adding variety to the diets of consumers and may provide some essential nutrients not available in many households, or not consumed in sufficient quantities. An example of insufficient household consumption is provided by a consideration of fats and oils. The 1978 household survey of the Food and Nutrition Research Institute indicated that household consumption of fats and oils in the Visayas was only 28 percent of recommended amounts (1981:1-2). The fats and oils considered were cooking oil, pork drippings, and other fats and oils. A 1981 survey of rural households in Iloilo Province revealed that only a little over one-fourth of surveyed households used fats and oils in their daily food preparations and meals (Formacion and Siason 1982:168).

However, street food establishments in Iloilo City used cooking oil and fats in the preparation of many meal and snack items. Consumption of these items may contribute to a more adequate diet. This may also be true in regard to other items, and even the consumption of certain foods which are high in calories and low in other nutrients may improve the nutritional levels of consumers.

> Most nutrionists regard insufficient intake of calories, or food energy, as the most serious nutritional problem in the world today. Until the early 1970s, protein deficiency was held to be the greatest problem. But recent surveys and studies from several parts of the world indicate that efficient use of protein depends on an adequate intake of food energy (Berg 1982:5).

This is also related to the question of whether street foods are a valuable part of the diet of consumers. Very few people would question the consumption of boiled rice with a meat, fish, or vegetable viand as being an essential part of the diet of consumers. The question usually arises in regard to the consumption of snacks. For people with a relatively low caloric intake, these foods are very valuable as long as they are not eaten instead of eating more nutritious food. This is also related to the cost of the snack, which may drain the individual's food budget of money that could have been spent more wisely on other items. An evaluation of whether purchases of street foods represented the optimal allocation of the food budget of consumers is beyond the potential of this study. Nonetheless, the frequency of purchases and the nutritional analyses of street foods indicated that these foods were an integral part of local diets.

Street foods therefore provide a possible entry point for the enrichment of particular foods. The Nutrition Center of the Philippines has contracted with private firms to produce various packaged, processed foods that are high in calories and high in protein. In Iloilo, these food items were being distributed in several projects dealing with malnutrition. Unfortunately, these items were not usually sold by either street food vendors or at local *sari-sari* stores. Street food vendors did sell highly visible, and colorfully packaged, processed snack food items manufactured in Manila. Incredibly, none of the customer respondents in the survey purchased any of these items. This leads me to conclude that general purchasing patterns at street food establishments have not been very strongly influenced by the fairly recent introduction of these items into Iloilo City.

This may indicate a potential for the introduction of nutritious foods which can be grown locally and processed at relatively low costs. One potential area of exploration may be the introduction of food items which are popular in other areas of the Philippines. An example is provided by various products made from soybeans, which are rich in protein and calcium. One product, known as *utaw taho* (Geerlig's cheese), is popular in Manila. Soybeans are very popular in some areas of Asia and serve as a substitute for cows' milk, an item which is

usually imported into the Philippines. Soybeans are presently being grown in the Western Visayas and plans are being formulated to increase their production.

Programs for interventions to improve nutritional value of foods sold at street food establishments must be very selective. If the item is not popular, street food vendors will not sell it. Initially, various incentives may have to be given to producers and processors to enable them to compete effectively. If the product is accepted, these should be discontinued. If the product does not find local acceptance and the project results in failure, the information learned in the project will hopefully increase the chances of success in the future.

CHAPTER 6

CONCLUSIONS AND RECOMMENDATIONS

Strong disagreements exist in regard to potential solutions to the problems of poverty and unemployment. These are frequently influenced by ideological positions, and discussions of the role of the informal sector have been framed in terms of whether it is possible to improve the existing distribution of resources, thereby leading to structural transformations, or whether radical change is necessary before improvements will occur (Moser 1978:1042). The debate is then related to whether the informal sector can absorb labor under conditions of rising or falling average incomes.

The problem with this debate is that it tends to ignore the empirical conditions under which incomes will rise or fall. The informal sector is not autonomous and cannot be separated from the general system in which it is operating. The people working in the informal sector belong to households that may employ multiple strategies in order to increase income. Some household members may work in the formal and some in the informal sector, or the same person may operate in both sectors. In addition, the operation of each sector must be considered in the context of local conditions in order to evaluate the demand for certain products and services. In this final chapter, the initial sections will discuss some of the empirical conditions existing in Iloilo City, then a series of policy recommendations will be put forward.

Income Generation and Employment

An approximate net operating income of 54 pesos, excluding taxes, interest payments, and depreciation, was calculated as the daily average for street food establishments. This is only a very imprecise estimate based on average sales and the percentage markup over the acquisition price of supplies. However, the tendency of street food sellers to underestimate sales means that this income figure was too low, especially if the calculations from the case studies, which indicated that reported sales were only 60 percent of actual

sales, were correct. In addition, other sources of income added considerably to the actual earnings of the owners of street food enterprises (see Table 6-1).

TABLE 6-1. ADDITIONAL SOURCES OF INCOME OF OWNERS OF STREET FOOD ENTERPRISES

Source	Number	Percentage
Other operating locations of business	26	19%
Respondents with additional occupations	25	19%
Spouses with other occupations	62	46%
Other sources of income	42	31%

Nevertheless, street food establishments were the primary source of household income for four-fifths of the respondents.

These family businesses were operated by an average of 1.8 owners and unpaid family members (excluding family members just helping out for short periods of time). Respondents employed an average of 1.1 workers per firm, but only 26 percent of the firms hired workers, paying them an average of only ₱154 per month. Most of these firms provided free meals to employees and almost 70 percent provided free lodging to employees. A consideration of the employment situation in the region and in Iloilo City, and the fact that almost three-fourths of the firms had no employees, leads me to agree with Sethuraman who states that "Perhaps the distinguishing feature of the informal sector enterprises is that they made their appearance, not so much in response to investment opportunities as in the neoclassical sense but out of necessity to create one's employment" (1981:16).

At the same time these firms were supplying employment to people working at these establishments, they were also absorbing a significant amount of agricultural produce, primarily originating in Region VI but also in other areas of the Philippines. This contributed to agricultural production by supplying an urban source of demand for food and by facilitating an efficient marketing system. These food sellers also absorbed a large volume of processed food, both from Iloilo City and from factories in Metro Manila. In addition to these trading activities, food sellers performed an important service by providing prepared food to the ultimate consumer.

Whereas informal sector prepared food sellers were the focus of this study, the relationships and interactions between various members of the food distribution system were in no way separated by a formal-informal distinction. Street food sellers bought supplies from other informal sector firms, such as market stalls and *sari-sari* stores, but also bought from supermarkets, groceries, and bakeries, which were considered to be in the formal sector. An especially

significant formal sector connection was in regard to direct purchases of beer and soft drinks from large corporate enterprises.

An important reason why a great deal of confusion exists over definitions of the informal sector is that any division of an economy into two sectors is an extreme oversimplification that may lead to the conclusion that two homogeneous sectors are competing with each other. The previous discussion of street food sellers has shown some of the marked variability in the informal prepared food sector. It also indicates that competition exists between informal sector food sellers operating from permanent structures and those selling on a semi-static or ambulant basis. Due to price differences in the products of formal and informal sector prepared food establishments, the alleged competition between the formal and informal sectors may be more a function of a dualistic model than any existing competition in Iloilo City.

The age of street food establishments indicates that these firms have been competitive for a number of years. The finding that older firms tended to have higher sales indicates that upward mobility was possible. This was also reflected in the sales of those firms in the highest quartile in regard to sales volume. Unfortunately, the fact that average sales were almost twice as high as median sales indicates a very uneven distribution and using averages obscures the low earnings of many sellers.

Even though street food sellers in Iloilo City have attained above average incomes; have provided employment for themselves, some of their family members, and some employees; and have been able to supply some of the food needs of people in Iloilo City, both those living in the city and those visiting for various reasons, some street food sellers have not escaped from many aspects of poverty.

> At its worst, poverty is associated with absolute deprivation; the fact that a person suffers from undernourishment and/or malnutrition; frequently has to consume contaminated food and water, suffers from a variety of diseases and parasites for which he knows no treatment or cannot afford to have cured, and lives in physical conditions which impair his health, personal security, and earning capacity (Bromley and Gerry 1979:12).

Since they sell food, the vast majority of street food sellers in Iloilo City have escaped from undernourishment, but not problems related to sanitation, disease, poor health, and personal security.

Adaptation and Change

The findings of relatively high earnings for street food vendors in Iloilo City when compared to the general level of income has important implications

in regard to future change. This must be considered in a context of the demand for street foods and the number of sellers which enter this activity. Participants in street food enterprises will have to adapt to external changes over which they may have little or no control, and their activities cannot be separated from general economic conditions in the region.

Evidence from the consumer and household surveys indicates that these respondents spent more money on prepared food purchases as incomes rose. However, extremely low expenditures for per capita food consumption reveals that incomes would have to increase astronomically before many people would be able to afford to eat at formal sector prepared food establishments, such as restaurants and fast food chains, on a regular basis. Assuming that the cost of an average meal at a restaurant or fast food establishment is more than 20 pesos, this means a person would have to spend approximately three times the average daily per capita food expenditure at households in the highest income quartile for one meal. Even these higher income people will either have to eat most of their meals at home or at *carenderias*, at which a portion of rice and two viands can usually be purchased for less than five pesos.

Even an expenditure of ₱5.00 for a meal represents more than the average per capita food expenditure of ₱4.80 or less made by the three lowest income quartiles in the household survey. Eating at a restaurant or a fast food establishment will have to represent a rare occurrence for these people. They will therefore continue to seek low-cost food, and the critical question appears to be whether they will be able to spend enough money to adequately meet their nutritional requirements.

In the United States, numerous fast food corporate chain stores sell cooked food at lower prices than are charged by many other cooked food establishments. Some of these fast food establishments are now operating in the Philippines, and are expanding, especially in Manila. However, the prices charged by these establishments in the Philippines is comparable to that of restaurants, not street food establishments. It therefore seems unlikely that they will supply the food needs of more than an upper income market, unless the food is sold at considerably lower prices than are now being charged.

It is the ability to supply the demand of local consumers for low-cost food that makes street food establishments more popular than formal sector enterprises. Low capital expenses and low-cost preparation procedures using relatively labor-intensive techniques allow these firms to dominate the sale of cooked food in Iloilo City. However, they are not competitive in regard to the production of soft drinks, beer, candies, some bakery goods, and several other items. In these cases, economics of scale appear to favor large-scale producers.

The relative success of street food vendors in regard to lower prices for cooked food should continue to attract customers, but the potential for labor

absorption in these enterprises is certainly not unlimited. Employees earn salaries that are equivalent to that of domestic workers, and these employees also tend to be young and unmarried. The possibilities of earning more money are extremely limited for these workers unless they establish their own businesses or find other occupations.

The skills and experience required to operate a street food business will limit the number of successful entrants into this activity. Problems with the ownership of selling locations, accessibility to credit, and obtaining licenses also act to keep people from entering this field. Additional drawbacks are the hard work, long hours, and low status attached to some of these activities. Official policies to assist these enterprises must therefore be carefully designed to help these sellers without destroying the fabric that makes them competitive and adaptive.

An important consideration in regard to food distribution is keeping regional production connected with regional consumption. If the demand for regional production is external to the region, it may result in a failure to meet the basic needs of local people (Lo, Salih, and Douglass 1978:86). This is critical in regard to food, and will result in serious nutritional problems if food production does not meet consumption needs. Street food sellers play an important role in the food distribution system by utilizing many relatively inexpensive local ingredients to help provide food at prices that consumers are able to afford.

It does not appear that many urban centers in Southeast Asia will reach Western levels of income or standards of living in this century. Present incomes are far too low and population growth rates are far too high. If this proves to be correct, then street food establishments may be necessary to keep down the costs of prepared food. Nevertheless, even areas with higher incomes than the Philippines have not changed many traditional food purchasing habits, and higher income people in many of these areas also have not changed their diets to any great extent.

In Malaysia, even higher income people have retained their traditional food preferences and still make purchases from traditional outlets, such as hawkers (Lam 1982:28). This also appears to be true to a large extent for Taiwan and Hong Kong. In Singapore, people have a strong tendency to purchase prepared food away from their homes and cooked food hawkers and stallkeepers outnumber restaurants, hotels, and coffee shops by a tremendous amount (Cheng 1982:8). Even in Japan, a country with tremendous economic growth, has a distribution system in which small-scale enterprises still exist and supply a varied demand from a population that observes many traditional consumption patterns (McGee and Yeung 1977:114).

Access to Institutional Support

Once it is realized that small-scale, traditional, prepared food enterprises make an important contribution to employment, provide above average incomes for their owner-operators, and meet the needs and preferences of local consumers, the question of what type of institutional support they may require arises. Street food vendors in Iloilo City have indicated that they suffer from a lack of access to operating capital. This is an area in which formal sector enterprises have a tremendous advantage over most enterprises in the informal sector.

Even though several government credit programs exist, no street food vendors indicated that they participated in them. A few vendors had bank loans, but this was rather unusual. Many people lived very close to the margin of survival and lacked control over many aspects of their operation. An illness in the family of many small operators could force them into bankruptcy. This same situation was also found in regard to market vendors in Latin America where medical expenses, rent, and educational expenses placed large demands on the operating capital of businesses (Moser 1980:376). Those street food vendors in Iloilo City able to obtain credit for operating capital were frequently forced to pay rates ranging up to 40 percent per month. Unlike traders who may borrow to speculate by buying a large quantity of an item at a low price in order to sell the item in the near future for a higher price, prepared food sellers faced a relatively constant demand from consumers. These high-interest loans therefore affected their ability to compete with other prepared food sellers. Goods could frequently be obtained from suppliers on a credit basis, but this often led to higher prices for supplies.

The question of whether the government should try to assist street food sellers and what interventions are necessary is an important one. My contention is that the government should try to incorporate these people into the system with the rights and responsibilities of other citizens. This will hopefully lead to an expansion of the base of development and allow more people to actively participate in more aspects of the economic system. This will, in turn, encourage an efficient distribution system that provides low-cost food to the final consumer. This does not mean that each food seller has to expand his or her operation. It does mean giving small-scale businessmen the tools they need to be able to maintain control of their present level of operations (Gibb 1982:Annex B:4). This could be accomplished through government regulations that encourage the long-term operation of these businesses and by providing access to credit facilities. The result would be to allow firms to increase profits, without raising the prices charged to consumers, by lowering the costs of purchases and the high rates of interest charged on loans.

Throughout this report, one of the basic premises has been that street food

sellers are hard working, productive members of society. Many of them have been able to achieve a level of success higher than that which may have been possible in other endeavors. Yet some of their businesses are so small and fluid that they are frequently not even enumerated in various surveys. They do not operate in a vacuum and need to be judged in regard to the local context. Once their importance is recognized, policies can be designed to insure that they are not discriminated against or overlooked in the development process. To this purpose, I will now set forth a series of policy recommendations that are not meant to be seen as definite statements, but as initial proposals that can be used as the basis for further discussions.

Recommendations

Social Policies

A critical point that must be initially recognized is that many Southeast Asian cities contain large numbers of very poor people. The resources to develop these cities are far more limited than those which are available to cities in the United States and Europe. Decisions on any type of governmental action must consider this scarcity of resources and the general levels of poverty. "Policies should make it easier for the poor to live respectable, though modest, human lives, and truly to belong to their city" (Keyes 1982:39). This means that people, such as street food vendors, who are willing to work should be able to do so in a supportative environment.

Street food vendors need to therefore be organized so that they can express their opinions to government officials. While the designation of street food vendors provided a group whose boundaries could be demarcated for the purposes of this study, the interests of store owners, market stallkeepers, and sellers operating on a more mobile basis are not necessarily compatible. However, the necessity for people to eat at various times of the day at convenient locations may mean that the competition among the various types of prepared food sellers may be less than that found among other types of sellers. One indication of this is that meals were predominately sold at enterprises with permanent structures, while non-permanent sellers concentrated on snacks. Nonetheless, the sellers themselves must decide if existing organizations are sufficient to meet their needs or if different groups are necessary. The logical first step is to work within existing organizations, such as those for market vendors and sidewalk vendors.

Planners must consider street food sellers in their development plans in order to help provide policies that are related to the actual needs of people. The potential for increased labor absorption if the demand for street foods increases can then be realized. The skills and experiences of street food sellers

certainly do not limit them to this single activity, and profits from street food businesses can be used for other purposes, which may lead to higher overall levels of economic activity. What is needed in the local context are imaginative approaches that are tailored to local conditions.

Legal Policies

I realize that in order to operate a complex, modern society, various regulatory and licensing agencies are required. In Iloilo City, very few respondents were even able to describe the actual number of licenses and permits they were required to have, and many street food sellers had to hire people to obtain these items for them. This led to a tremendous under-reporting of sales in order to lower fees. Since many of the licensing agencies were not usually dealing with the actual owners of the businesses, they had little basis upon which to reject or accept the sales figures given. The complexity of the system also partially accounted for the almost two-thirds of the respondents who had no licenses and chose to avoid the system completely. Of course, sellers without permanent structures were seldom able to obtain licenses, and few of the ten percent who claimed to have licenses actually had them.

While there is certainly no need for the government to be involved in all aspects of the lives of its citizens, it does seem reasonable that the government should license and regulate legitimate business operations. The initial step in Iloilo City may be to make the procedures less complicated and to issue licenses to more people. Street food sellers cannot expect to obtain benefits from the government unless they are willing to provide revenues for government use. Naturally, they do not wish to pay taxes if they do not see any tangible results.

Simplified licensing procedures could allow collectors to visit various business establishments on a daily basis in order to make collections. This would enable street food vendors to pay in the manner in which they are accustomed to doing business. Collectors could be paid relatively high salaries, based on local standards, while government revenues could, at the same time, be increased substantially through higher overall collections. However, once street food vendors become legitimate business operations, various other opportunities must be afforded to them.

While sidewalk vendors cannot be given permanent locations on the sidewalk, they can be legally recognized. This would remove a large element of fear and uncertainty from their lives. Of course, they would still have to be controlled to prevent sidewalk and street obstructions, and to enforce certain sanitary procedures. This would represent only a slight change from the existing situation, but would lead to increased security for sidewalk vendors. It may also enable them to gain access to various sources of credit.

The legal ramifications of certain licensing procedures may preclude their use. All I am advocating is the need for more flexible licensing procedures. People will attempt to operate street food businesses whether they are licensed or not, as long as they can obtain adequate earnings. Since the present structure keeps many street foods sellers outside the legal system, changes need to be made to enable these people to participate more fully in their society. Hopefully, steps could even be taken to allow squatters to purchase the land upon which they are operating their businesses and to allow stallkeepers to register stalls in their own names.

Financial Policies

The most commonly voiced need of respondents was the need for credit for working capital. Many people were willing to borrow using the 5-6 credit scheme in which six pesos were repaid for every five pesos that were borrowed. Since the length of these loans was usually short, interest rates were very high. If these loans were actually used for business purposes, the potential rate of return for the business must be greater than the interest charges (Davis 1968:7). However, if the money was borrowed to meet a family emergency that required money which could not be obtained elsewhere, people were willing to pay higher interest rates.

The lack of health insurance and other sources of money for emergencies forces many people to utilize the operating capital from these predominately family-run businesses for these expenses. Unfortunately, taking money out of their businesses impairs their ability to repay the loan. The most favorable alternative is to borrow for the emergency expenses while maintaining the necessary level of operating capital in the business. Yet this prevents business expansion since the level of capital accumulation is reduced.

Any programs to provide credit to street food sellers, and also many other businesses on the informal sector, must recognize that this situation exists for borrowers. Therefore, loans must be given with a good deal of caution and with realistic expectations of repayment. Interest rates must therefore be high enough to cover expected losses, and attempts should be made to see that most of the money is spent for business purposes. However, even if loans which cannot be repaid go toward the medical expenses of sick children, the social benefits may outweigh the economic costs. But care must be taken to insure that the loans do not just go to a few firms that will expand at the expense of others. The nature of the demand for street foods should help to prevent this.

This street foods project was undertaken in the belief that it is important to encourage existing street food enterprises and to foster existing skills. I agree with this policy and do not believe that loans should be given to inexperienced people to start new businesses. Yet people with demonstrated business skills

may be provided with loans to start other businesses. I have previously mentioned that low capital requirements allow people to become street food sellers. If starting capital is made available to many people, the large increase in the number of sellers may reduce earnings for those presently in business. More people will begin street food operations if chances of purchasing selling locations are available, if the opportunity to obtain operating capital once they have proven their business acumen is available, and if they can be legally recognized. It should not therefore be necessary to also supply initial capital to these people.

No credit program will be successful if loans are given to everyone that requests a loan, and the effect of these loans could disrupt the present system of street food operators. The people administering these loans need to possess the skills to make intelligent decisions on which loan requests to accept and which to reject. The results from the general linear models procedure indicate that older business establishments have higher sales. This could be used as an initial guideline, but loan administers need to develop skills which will enhance the chances of repayment of loans which are provided.

Most credit is presently obtained from people with whom the food sellers have personal contact – relatives, friends, moneylenders, and suppliers. Few receive any loans from banks, government agencies, or through associations that they themselves have formed. This may indicate that these groups should be more actively drawn into the activities of street food sellers. Government agencies can make loans with more emphasis on social considerations. Cooperatives and other types of associations may be able to pool the resources of members for the use of those who need them. Nonetheless, I believe that most credit should be made available through the banking system.

Two banks presently have experience in administering loans to market vendors. These programs could possibly be expanded to include other enterprises, or new programs can be set up with other banks. Since loans to groups have seldom been effective in the Philippines (Brown 1981:329), I would suggest that loans be made directly to the owners of businesses. If street food vendors, and the hundreds of other types of small-scale business operations similar to them, are going to be included in the mainstream of the society, the owners of these businesses must have a chance to develop a reputation as good credit risks in order to obtain access to the banking system as the need arises.

Banks should be willing to send employees out into the city to view business operations and to collect loans on a daily basis, in accordance with the operating procedures of street food businesses. The first loan should be for a relatively short period of time for businesses without experience with bank loans. After repayments are made, additional loans can be provided. The large differences in sales among street food vendors indicate that the capacity for repayment is quite varied. Larger loans for longer periods of time can be made

to larger-scale operators. Interest rates may also be lower for these people. The primary idea is to supplement existing sources of credit, and interest rates should be higher than those normally charged in the banking system, but considerably lower than the rates charged by moneylenders. This would provide lower-cost loans to food sellers, while allowing banks to make a profit even with higher administrative costs.

Improved Hygiene

While many of the practices of street food vendors were unsanitary, they must be viewed as part of the general conditions existing in Iloilo City. More water treatment and delivery facilities are needed, improved waste disposal is necessary, and improved drainage would lead to the betterment of general overall conditions. Nevertheless, individual street food vendors need to learn procedures that could improve the quality of their food, and the government has to establish and enforce standards to insure the safety of these foods.

Foods need to be protected after they are prepared, and the increased use of plastic packaging may lead to improvements, but will only cause additional problems if contaminated food is simply placed inside a plastic container that the consumer believes to be sanitary. For example, the use of contaminated water sources to make ice for snacks will only perpetuate the cycle of infection and malnutrition. As general conditions in Iloilo City improve, more facilities can be made available to street food sellers. In Taiwan, many sidewalk vendors have access to piped water within a few feet of their operating locations that enables them to wash utensils more carefully and to cook with potable water. While this is not a possibility in Iloilo City at present, it should be considered when the capacity of the water system is increased.

In lieu of general improvements in the area, health education can lead to an increased awareness of potential health problems by both food sellers and consumers. This process is presently taking place, and the results should take effect over a period of time. Most programs are now correctly emphasizing conditions in households, but more consideration needs to be given to the 30 percent of the household budget spent on food that is not purchased for household preparation. One possibility is to have students from local universities work with street food sellers to become aware of the sanitary problems faced by food sellers and to provide ideas on what improvements can be accomplished without increasing costs.

A tremendous potential exists for the use of appropriate, low-cost technology to improve food handling and preparation techniques. Lower-cost, more frequent cooking, and the boiling of water are just the starting point. Existing processing technologies may be able to be modified to make lower-cost, more sanitary, and more nutritious products for local consumption. The

technological support for these various projects could easily come from existing private voluntary organizations, government agencies, and universities. Many of the technologies developed may be appropriate for both business and household applications and could assist a large number of people.

Nutritional Policies

Based on data obtained from numerous areas of the Philippines, the primary obstacle to improving the nutritional status of people is the dire economic circumstances in which a large segment of the population finds itself. Nevertheless, there are opportunities which offer the use of existing technologies to bring the price of prepared food closer to the purchasing capacity of low-income consumers. In this regard, nutrition education can help people select more nutritious food without incurring higher food costs. This could benefit both food sellers and their consumers.

Another fruitful approach is to develop the utilization of locally-grown foods. This could lead to increased production for the local market. Household food production for household consumption also should be encouraged since it will increase the food available while decreasing food expenditures, if the food can be economically grown. Programs on backyard production of nutritious foods, such as legumes, root crops, and various vegetables could be nutritionally very beneficial.

Different viand combinations may also increase the nutrient content per peso of expenditure. This could be accomplished by the substitution of various vegetables for more expensive sources of nutrition. The nutrient content of snacks could also be improved considerably through various ways to increase their caloric and protein content. Since street food consumers were only obtaining 11 percent of the Recommended Daily Allowance of calories and 10 percent of the RDA for proteins per single snack purchase, inexpensive improvements in the calorie and protein content may be warranted. Improvements in the nutrient content of both meals and snacks would provide low-income people with more nutritious food for the same small food budget.

Another important role that street foods may play in local diets is in the introduction of new foods. One of our case study respondents had very good results introducing new items to customers. People may want to taste various items while they are away from the home before introducing them to the entire household. Students may also be more adventurous than older family members, and people may also seek more variety when making purchases away from their homes. This may indicate that low-cost fruit and vegetable juice could be introduced to replace some of the dependence on bottled soft drinks.

Some Concluding Remarks

This study originated as part of an international project with one of its objectives being a focus upon interventions that would lead to increasing the income of women. Since most of the street food enterprises were family-run businesses, and since women were involved in the control of income at over 86 percent of the firms, recommendations were not made specifically for women. Case study respondents were also not isolated as part of the recommendations because they were very representative of street food sellers in general, and over 60 percent of the respondents were involved in the same activities as case study respondents.

General recommendations that could benefit various categories of sellers were therefore made. The most important distinction for street food sellers was not based on the commodity sold, but rather upon whether the firm operated from a permanent structure or not. This affected such things as the potential use of new technologies, the accessibility of credit, recognition by the government, and the source and size of purchases. The perishability of many products precluded individual bulk purchases, but sales volumes and capital equipment, such as refrigerators, allowed sellers with permanent structures to make larger purchases.

The sellers also viewed themselves more in terms of being store owners, market vendors, sidewalk vendors, or ambulant vendors. Since many sellers changed their products at various times, these distinctions seem valid. Yet all were operating as part of the same marketing system and faced similar circumstances, so the recommendations should apply to all respondents. I also hope that the recommendations have wider applicability than to only street food sellers since small-scale businesses are extremely common throughout the Philippines. Possibly the recognition of the importance of street food sellers will increase interest in numerous aspects of the existing system that are sometimes overlooked in development planning.

One rewarding aspect of the research was the change in the ideas of many of the people who were involved in the project. Once the results started to indicate the number of people involved in street food activities and their above average incomes, people began to seriously consider the potential for economic development that street food sellers represented. They also began to envision their role in the overall system. It is exactly this type of awareness that I hope this report will instill in those who read it.

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APPENDIX

POPULAR STREET FOODS

Meals (viands)	*Ingredients*
Adobo nga amargoso (Ampalaya adobo)	*ampalaya* (bitter melon), shrimp, pork, eggs, tomatoes, onions, garlic, oil, salt
Adobo nga baboy (Pork adobo)	pork, onions, garlic, salt, vinegar, oil
Adobo nga lokus (Squid adobo)	fresh squid, onions, garlic, vinegar, oil, salt
Adobo nga manok (Chicken adobo)	chicken, onions, garlic, vinegar, oil, salt, soy sauce
Adobo nga ombok (Quail adobo)	quail, onions, garlic, vinegar, oil, salt
Alimango (Roasted crab)	crab, salt
Alimango nga torta (Crab torta in shell)	crab meat, eggs, onions, tomatoes, flour
Apretada (Liver with sauce)	liver, potatoes, carrots, sweet peppers, tomatoes, onions, garlic, corn starch
Apan-apan (Kangkong adobo)	*kangkong* (swamp cabbage), oil, *bagoong* (fermented small shrimp), vinegar, onions
Balatong nga may baboy (String beans with pork)	string beans, pork, shrimp, onions, garlic, salt
Bola-bola (Meat balls)	ground beef, onions, garlic, salt, oil, flour
Caldereta	goat's meat, potatoes, onions, garlic, pepper

Camaron rebusado (Fried shrimp)	large shrimp, eggs, salt, oil, corn starch, garlic, vinegar, soy sauce
Chopsuey	pork, shrimp, liver, carrots, chayote, baguio beans, tomatoes, onions, garlic, corn starch, salt, oil
Chorizo (Pork sausage)	pork, garlic, salt
Dinugu-an	pork, intestines, stomach, lungs, blood, onions, garlic, lemon grass, pepper, vinegar, oil, salt
Escabeche nga isda (Fish escabeche)	fish, carrots, ginger, vinegar, onions, sweet peppers, sugar, tomatoes, oil
Estofado nga dila (Ox tongue)	cow's tongue, onions, garlic, vinegar, salt, sugar, oil
Estrellado nga isda (Fish cardillo)	fish, eggs, onions, garlic, tomatoes, oil, salt
Ginaling nga karne nga may patatas (Ground beef with potatoes)	ground beef, potatoes, green peas, onions, garlic, oil, salt
Ginaling nga karne nga may sayote ukon balatong (Ground beef with either chayote or string beans)	ground beef, chayote or string beans, tomatoes, onions, garlic, salt, oil
Guinisa nga talong (Sauteed eggplant)	eggplant, garlic, onions, tomatoes, eggs, oil
Guinisa nga tauge (Fried mungbean sprouts)	mungbean sprouts, chayote, shrimp, pork, onions, garlic, tomatoes, oil
Isda nga tinawsiohan (Fish taosio)	fish, salted black beans, onions, garlic, oil
Itlog sang ombok nga salad (Quail eggs salad)	boiled quail eggs, tomatoes, onions, salt, sugar, vinegar
Kadyos nga may baboy (Pigeon peas with pork)	*kadyos* (pigeon peas), pork, tomatoes, jackfruit, onions, garlic, oil, salt
Kadyos nga may igi (Pigeon peas with rice snails)	*kadyos*, rice snails, tomatoes, jackfruit
Kalo-kalo bihon (Bihon guisado)	*bihon* (rice noodles), pork, shrimp, cabbage, chayote, onions, garlic, soy sauce, carrots, tomatoes, oil, salt

Kalo-kalo pancit (Pancit guisado)	*pancit* (wheat noodles), pork, beef, shrimp, carrots, chayote, onions, garlic, soy sauce, oil, salt
Karne prita	beef, onions, garlic, soy sauce, oil, *calamansi* (Philippine lemon) juice
Kilawin	pig's ear, vinegar, onions, salt
Kinilaw nga amargoso (Ampalaya salad)	*ampalaya*, onions, tomatoes, vinegar, salt, sugar
Kinilaw nga gulaman (Seaweed salad)	*gulaman* (seaweed), green mangoes, vinegar, onions, tomatoes, salt
Kinilaw nga rabanos	*rabanos* (radish), tomatoes, onions, vinegar, salt, sugar
Laswa (Vegetable mixture)	squash, *alogbati* (malabar nightshade), string beans, *tugabang* (jute), *ampalaya*, green papaya, shrimp or dried fish or *bagoong*, tomatoes, okra
Linaga nga balatong (Boiled dried beans)	dried beans, pork, jackfruit, tomatoes
Linaga nga karne nga may langka (Boiled meat with jackfruit)	beef or pork, jackfruit, *petchay* (Chinese cabbage), tomatoes
Linaga nga manok (Boiled chicken)	chicken, green papaya, *malunggay* (horse radish), tomatoes, *petchay*
Linaga nga manok nga may ubad (Boiled chicken with banana stems)	chicken, *ubad sang saging* (banana stems), tomatoes
Litson kawali (Fried pork)	pork, soy sauce, *calamansi* juice, salt, oil
Menudensia	chicken gizzard and liver, potatoes, onions, garlic
Miswa (Rice noodles)	*miswa* (rice noodles), shrimp, pork, *patola* (sponge gourd), onions, garlic, tomatoes, salt, oil, water
Monggo guisado	mungbeans, jackfruit or *alugbati*, beef or pork, onions, garlic, tomatoes, oil, salt
Monggo nga may gata (Mungbeans with coconut milk)	mungbeans, jackfruit, shrimp or dried fish, tomatoes, coconut milk

Pata (Boiled leg of pork)	leg of pork, tomatoes or *batwan*, onions, garlic, ginger
Pinaksiw nga isda (Fish paksiw)	fish, vinegar, onions, garlic, ginger, oil, salt
Pinerito nga isda (Fried fish)	fish, salt, oil
Pinerito nga manok (Fried chicken)	chicken, soy sauce, *calamansi* juice, onions, garlic, corn starch or flour, salt
Pork chop	pork (spare ribs), soy sauce, *calamansi* juice, salt, flour, oil
Puso nga salad (Banana heart salad)	*puso* (banana hearts), tomatoes, onions, hot peppers, vinegar, salt
Salted egg	salted egg, tomatoes, onions
Sarciado nga isda (Fish with sauce)	fish, sweet peppers, peas, tomatoes, onions, garlic, oil, corn starch
Sarciado nga karne (Beef with sauce)	beef, potatoes, sweet peppers, peas, green onions, tomatoes, onions, garlic, corn starch, oil, salt
Sarciado nga manok (Chicken with sauce)	chicken, potatoes, sweet peppers, peas, green onions, tomatoes, onions, garlic, corn starch, oil, salt
Sinugba nga isda (Broiled fish)	fresh fish, salt
Sotanghon nga may manok	*sotanghon* (mungbean noodles), chicken, tomatoes, onions, garlic, seasoning, salt, oil
Sweet and sour fish	fish, onions, sweet peppers, tomatoes, garlic, vinegar, sugar, oil
Tambo (Bamboo shoots)	*tambo* (bamboo shoots), jute or okra, shrimp or crab or *bagoong*
Tambo nga may gata (Bamboo shoots with coconut milk)	bamboo shoots, jute or okra, shrimp or crabs, coconut milk, salt
Tinola nga isda (Boiled fish)	fish, onions, tomatoes, *kangkong* or camote tops or pepper leaves or eggplant
Tinola nga monggo (Boiled mungbeans with other vegetables)	mungbeans, *kalubay* (bottle gourd), *malunggay*, *alogbati*, jackfruit, tomatoes, meat or shrimp or dried fish

Tongol	pork stomach, vinegar, onions, coloring
Torta nga talong (Eggpalnt with eggs)	eggplant, eggs, salt, oil
Torta nga talong nga may ginaling nga karne (Eggplant torta with ground beef)	eggplant, ground beef, onions, garlic, eggs, flour, salt, oil
Ubod nga may pasayan (Coconut hearts with shrimp)	coconut hearts, pork, shrimp, onions, garlic, tomatoes, oil, salt, seasoning
Utan nga monggo	mungbeans, eggplant, *malunggay*, *ampalaya*, shrimp, onions, garlic

Fried Snacks

Banana burger	banana, ground beef, potatoes, onions, garlic, oil
Banana cue	banana, sugar, sesame seeds, vanilla, oil
Banana cracker	raw bananas, sugar, oil
Bitsokoy	flour, eggs, milk, sugar, baking powder, oil
Buti (Popped rice)	dried cooked rice, sugar, oil
Camote chips	sweet potatoes, sugar, oil
Chicharon (Roasted pork rind)	pork skin and small intestines, salt
Doughnuts	flour, eggs, milk, sugar, baking powder, oil
Fish balls	boneless fish, flour, salt, oil
Kasoy (Cashew nuts)	cashews, garlic, salt, oil
Kombo, banana	bananas, flour, sugar, oil
Kombo, camote	sweet potatoes, flour, sugar, oil
Lumpia prito (Fried lumpia)	coconut hearts, onions, garlic, shrimp, pork, *lumpia* wrapper, oil
Mani	*mani* (peanuts), garlic, salt, oil
Panara	pork, chayote, mungbean sprouts, flour, oil
Popcorn	popcorn, salt, oil
Ukoy	shrimp, flour, salt, oil

Beverages

Butong (Young coconut meat and water)	coconut meat and water, sugar
Gatas (Milk)	milk, sugar, water
Kape (Coffee)	coffee, sugar, water, milk (optional)
Melon juice	shredded melon, sugar, coloring, ice
Pineapple juice	canned pineapple juice, milk, sugar, coloring, water, ice
Pineapple-orange juice	canned pineapple-orange juice, milk, sugar, coloring, water, ice
Sansaw (Gelatin with sugar)	boiled *sagu* (sago palm starch), sliced gelatin, sugar, coconut milk, water
Tahu (Ginger tea)	ginger boiled in water, sugar
Tsokolate (Chocolate drinks)	chocolate, milk, sugar
Tuba (Fermented palm sap)	coconut palm sap, *baluk* (red bark)

Serbesa (Beer) – Beer Hausen, Cerveza Negra, Gold Eagle, Lagerlite, Max, Red Horse, San Miguel

Soft drinks – Coke, Mello-yello, Mirinda Orange, Mountain Dew, Pepsi, Royal Tru-orange, 7-up, Sprite

Packaged Snacks

Locally produced:

Bandi nga kasoy (Cashew brittle)	roasted cashews, brown sugar
Bandi nga mani (Peanut brittle)	roasted peanuts, brown sugar
Barquillos	flour, eggs, sugar
Bukayo (Sweetened grated coconut)	grated or shredded coconut, brown sugar

Butong-butong	coconut milk, sugar
Camote paste	sweet potatoes, sugar
Pinasugbo (Banana brittle)	raw cooking bananas, sugar, sesame seeds (optional)
Polboron	flour, powdered milk, sugar
Tamarindo (Tamarind preserve)	tamarind, brown sugar

Products of Manila-based corporations:

Barbecue curls, beef curry curls, butter corn, candies, cheese balls, chippy, chiz curls, choco creams, corn flakes, crackers, cracker nuts, *kroepeck*, *macapuno*, orange creams, orange twist, potato chips, prawn crackers, squid crackers, tortillas

Soups

Arroz con caldo (Rice with chicken soup)	rice, chicken, fried garlic, *vetsin* (monosodium glutamate), salt
Batchoy	*pancit*, boiled pork, intestines, beef, liver, roasted garlic, green onions, black pepper, *vetsin*, soy sauce
Makie	meat, corn starch, garlic
Pancit caldo (pancit with soup)	*pancit*, pork, shrimp, garlic, salt, *vetsin*
Pancit Molo (Wanton soup)	pork, onions, garlic, *molo* wrapper (wheat flour), salt, black pepper
Sotanghon caldo (Mungbean noodle soup)	*sotanghon*, pork, shrimp, chicken onions, garlic, salt

Ices

Fruit shake	fruits, such as avocado, coconut, guayabano, or mango blended with sugar and ground ice
Halo-halo	ice, young coconut, boiled banana, boiled camote, sago, *kaong* (sugar palm), fruits, sugar, milk
Ice candy	sugar, water, milk, flavoring such as avocado, coconut, chocolate, pineapple juice, mango, or canned juices

Ice scramble	ground ice, sugar, coloring
Leche con yelo (Milk with ice)	ground ice, milk, sugar
Mais con yelo (Iced corn)	sweet corn, ground ice, sugar, milk
Sorbete (Ice cream)	milk, sugar, eggs, fruits or other flavoring

Native Cakes

Alupi	glutinous rice or cassava, sugar, shredded young coconut
Baye-baye	roasted glutinous rice, sugar, shredded young coconut, water
Bibingka	ground rice, sugar, shredded young coconut, water
Bitso-bitso	glutinous rice, sugar, oil
Cassava cake	grated cassava, butter or margarine, sugar, shredded young coconut
Cassava delight	boiled cassava (mashed), sugar, powdered milk
Ibos	glutinous rice, coconut milk
Inday-inday	ground glutinous rice, sugar
Kalamay hati	ground glutinous rice, sugar, coconut milk
Kwakoy (Rice cookies)	ground rice, sugar
Maja blanca	corn starch, sugar, water
Mohasi or Palutaw	ground glutinous rice, sugar, grated coconut, roasted sesame seeds
Puto	ground rice, sugar, coconut milk
Puto kutsinta	ground rice or corn starch, sugar, grated coconut
Puto lanson	grated cassava, brown sugar, margarine
Puto maya	glutinous rice, sugar, grated coconut
Puto tikoy	ground glutinous rice, sugar, shredded young coconut

Suman	glutinous rice, coconut milk, sugar
Suman latik	glutinous rice, *bukayo*

Barbecue

Barbecue nga atay (Liver barbecue)	liver, *calamansi* juice, soy sauce, sugar, vinegar, salt, garlic
Barbecue nga baboy (Pork barbecue)	pork, *calamansi* juice, sugar, soy sauce, vinegar, garlic, salt
Barbecue nga manok (Chicken barbecue)	chicken, *calamansi* juice, sugar, soy sauce, vinegar, salt, garlic
Lokus (Squid)	dried squid
Sinugba nga bangrus (Broiled milkfish)	fresh milkfish
Sinugba nga mais (Broiled corn)	corn
Sinugba nga sisi (Broiled oysters)	small oysters
Sinugba nga talaba (Broiled oysters)	large oysters

Sandwiches and Siopao

Cheese sandwich	bread, cheese
Cheeseburger sandwich	bun, cheese, ground beef
Chicken sandwich	bread, chicken, mayonnaise, onions
Corned beef sandwich	bread, corned beef
Egg sandwich	bread, eggs
Ham sandwich	bread, ham
Ham and egg sandwich	bread, ham, eggs
Hamburger sandwich	bun, ground beef
Hot dog sandwich	long roll, sausage, cheese
Siopao, baboy (Pork siopao)	dough, pork, eggs
Siopao, manok (Chicken siopao)	dough, chicken, eggs

Tuna sandwich	bread, tuna sandwich spread

Meat and Eggs

Balut (Boiled fertilized egg)	fertilized duck egg
Dinugu-an	pork, intestines, stomach, lungs, blood, onions, garlic, lemon grass, pepper, vinegar, oil, salt
Lechon (Roasted pig)	whole pig
Linaga nga itlog (Boiled egg)	chicken egg
Linaga nga karne (Boiled beef)	beef, *petchay*, tomatoes, salt
Penoy (Boiled infertile duck egg)	duck egg

Fruits and Vegetables

Kabugaw (pomelo), *kapayas* (papaya), *langka* (jackfruit), *pahu nga hilaw* (green mangoes), *pinya* (pineapple), *sandiya* (watermelon), *singkamas* (yam bean)

Bakery Goods

Biscocho, bread, cakes, cookies, crackers, *ensaymada*, *hopia*, muffins, *pan de sal*, pies, rolls

Boiled Snacks

Coated peanuts	peanuts, sugar
Linugaw (Rice gruel)	ground glutinous rice, sago, cooking bananas, sweet potatoes, coconut milk, sugar
Tinanok nga balinghoy (Boiled cassava)	cassava
Tinanok nga kamote (Boiled sweet potatoes)	sweet potatoes
Tinanok nga mais (Boiled corn)	corn
Tinanok nga saging (Boiled bananas)	cooking bananas

Others

Bihon guisado	*bihon*, shrimp, pork, chicken, cabbage, carrots, onions, garlic
Bihon Malabon	*bihon*, soy sauce, corn starch, egg, shrimp
Cotton candy	colored sugar
Fresh lumpia	coconut hearts, pork, shrimp, onions, garlic
Fruit salad	pineapple, fruit cocktail, mangoes, bananas, avocado
Hot cake (Pancake)	flour, eggs, sugar, water, margarine
Lubid-lubid	flour, sugar
Pancit guisado	*pancit*, shrimp, pork, onion, chayote, carrots, garlic
Pilipig	roasted pounded rice
Pulot (Sugar cane syrup)	sugar cane juice
Sinanlag nga mani (Roasted peanuts)	peanuts with shells
Spaghetti	spaghetti noodles, meat balls, tomato sauce, onions, garlic
Valenciana	glutinous rice, pork, chicken, shrimp, liver, raisins, peas, boiled eggs, green onions, *kalawag* (yellow coloring)