

How Grave and for How Long? Assessing the Impact of COVID-19 on Market Vendors in Tagbilaran City

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Why this research?

The provincial government of Bohol declared a quarantine on 13 March 2020 for five days and extending it further to 21 April 2020. The measure led to the mandatory temporary closure of several businesses and some business owners' deliberate decision to cease operations despite being exempted from temporary closure. Consequently, it led to the forced but unpaid leave of affected employees. No one knows the extent of jobs lost, informal workers losing daily income, and the amount of losses suffered by businesses due to the closure.

In response to the provincial directives, the City Government of Tagbilaran imposed the same preventive measures. Different initiatives were implemented to cushion the impacts of the crisis,

especially to the poor, e.g., distribution of relief goods, assistance to health workers, bringing city services closer to the people.

When this research was conducted in May 2020, researchers at the University of the Philippines have projected that the pandemic will peak in June and affect a maximum of 900,000 people. However, enhanced community quarantine measures could flatten the curve, and they recommended location-specific quarantine measures if a whole-of-country quarantine is not possible. But the capacity of local businesses to withstand prolonged closure is not known, and the overall impact of the pandemic on the local economy was not measured.

What do we want to know?

We wanted to know how the pandemic has impacted market vendors in Tagbilaran City.

The city is the political and economic capital of the island province of Bohol in the Philippines. It is home to roughly a hundred thousand people (105,051 inhabitants based on a 2015 survey), 63.9% of which are of working age.

Based on the 2015 survey, the city's working population is equivalent to at least 71,709 individuals.

During the enhanced community quarantine, all business establishments are ordered closed except those that are considered essential businesses. Those left open included public markets. Because food is a vital need of people, the natural expectation is that vendors in public markets may not have been impacted significantly by the pandemic.

So, we wanted to know if market vendors felt any impact due to COVID 19 and, if they did, how did they cope in the process.



What did we do to answer our questions?

In partnership with the Office of the City Planning and Development of the City Government of Tagbilaran, we surveyed 200 market vendors from the three major markets of the city – Dao, Manga, and Cogon. The total number of respondents is equivalent to 10% of the total number of registered market vendors in the city. By stratification, we were able to apportion the number of respondents

per market. The respondent selection was done randomly for each public market. We complemented the survey results with key informant interviews.

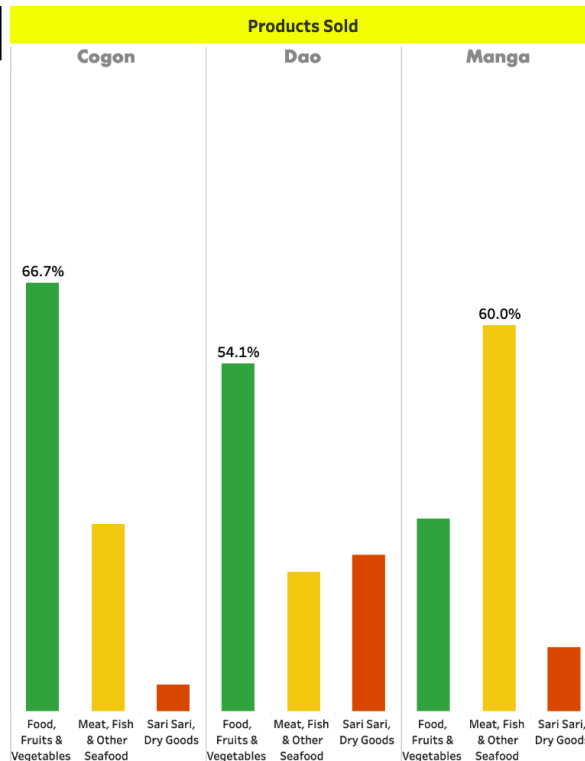
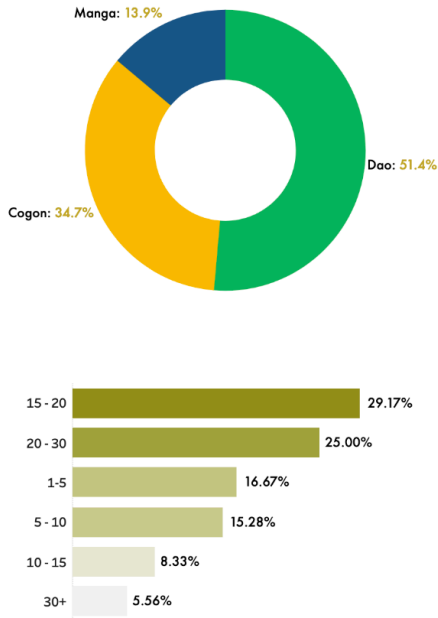
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VENDOR PROFILE



Dao vendors constitute approximately half (51.4%) of the total respondents and only 13.9% come from the Manga area.

More than half of the population (54.17%) have been selling in these areas for a very long time, specifically, 15-30 years.

As for the products offered, most of the **Cogon vendors** (66.7%) and **Dao vendors** (54.1%) sell ready-to-eat food products and fruits and vegetables. On the other hand, **Manga vendors** (60.0%) mostly sells meat, fish and other sea foods.

Dao market vendors constitute approximately half of the total respondents. Dao Public Market is the biggest wet market in the City of Tagbilaran. More than half of the market population have been selling for more than 15 years and are engaged in selling food items, fruits, and vegetables. In terms of size, Dao Public Market is also the largest. Among the three public markets, Manga Public Market shows the highest number of vendors selling meat, fish, and other seafood items. The market is also widely known as the primary source of fresh seafood in the city

Based on the results of the surveys, we conducted key informant interviews via phone. This was to gather more insights and qualitative data using the survey results as a basis. The results of these interviews were used to analyze the different variables we tried to explore through the survey of workers. A presentation of the results was made to key representatives from the city to validate the findings.

What did we find out?

1. Almost all vendors experienced a significant decrease in revenue.

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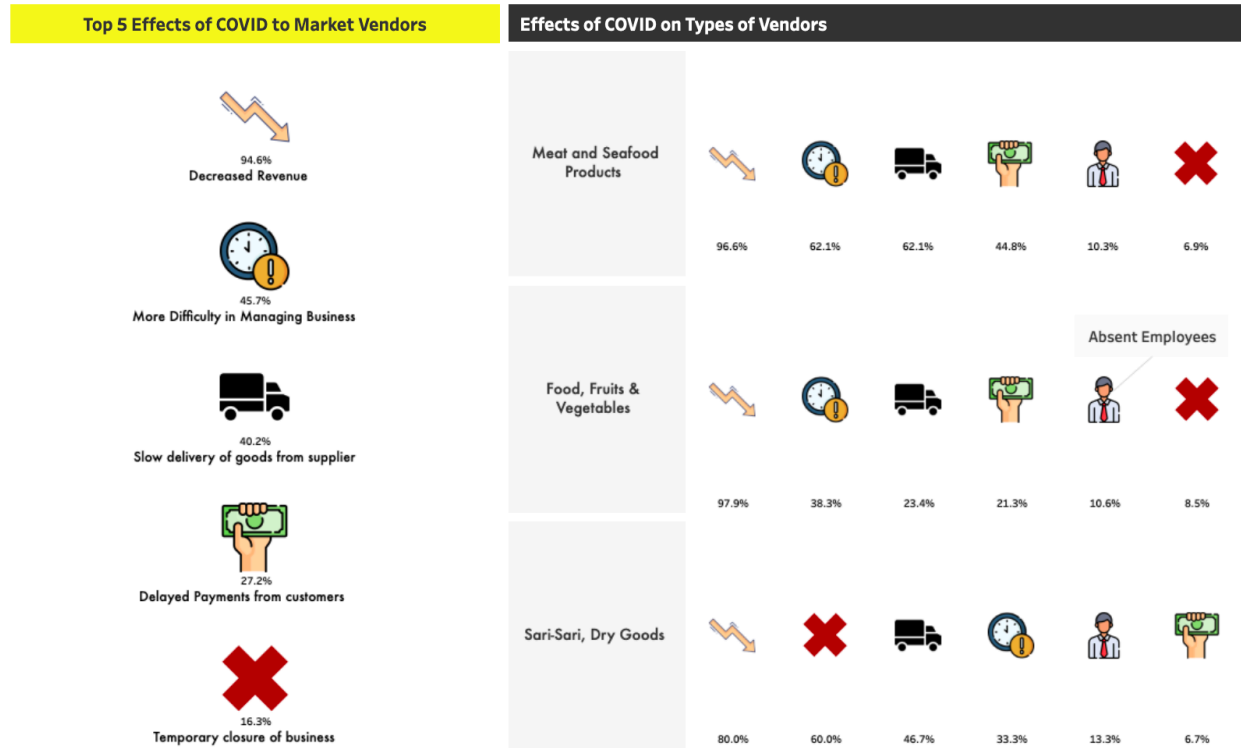
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To What Extent Did The COVID Pandemic Affected Market Vendors?



Almost all vendors (94.6%) experienced a significant decrease in revenue though only a few (16.3%) implemented a temporary closure of their stalls. Close to half (45.7%) experienced difficulties managing their business brought about by a decrease in customers and the slow delivery of goods from their supplier.

Among vendors, those who were engaged in the sale of sari-sari or dry goods implemented temporary closure.

2. Vendors selling meat, fish, and seafood experienced the sharpest decline in sales.

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Which Market Vendors Lost The Most?



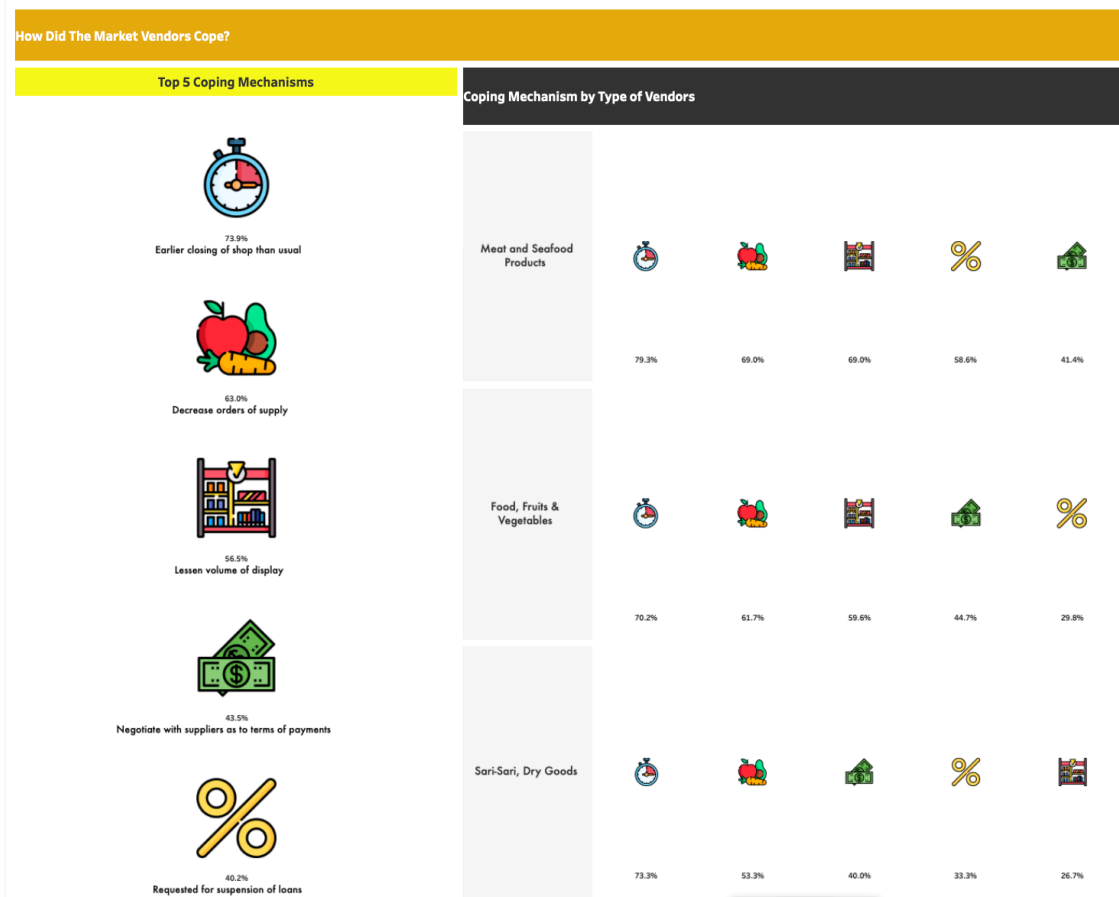
Among those still operating, a majority have lost their income for at least 60% during the community quarantine. Those selling fresh items – food, fruits and vegetables and meat, fish and other seafood – experienced the sharpest decline.

Sales of market vendors declined because of several reasons. First, the community quarantine limited movement of buyers and entry to public markets is restricted to control the number of people inside. Second, because of the loss of jobs and income of workers, households resorted to cheaper food options. Third, supply was also limited because of the closure of borders. Most of the fruits and vegetables, for example, come from the nearby island of Mindanao.

In the related survey of employees and workers, controlling expenses, including food, is one of the households' coping mechanisms. Meat and seafood are expensive options, so households resorted to substitutes, like noodles and canned goods.

Market vendors who have been operating for longer than ten years experienced the highest decrease in revenues. This is because they have already established their regular customers. The closure of other businesses, especially restaurants and other food-related businesses, has drastically reduced the number and amount of orders from regular customers. After the community quarantine, although there was an increase in sales, no establishment was able to recover fully in terms of revenue.

3. Vendors implemented several measures to protect their cash position and preserve liquidity.



Because of the decreasing amount of revenue and number of customers, market vendors resorted to several measures to protect their cash position. This included closing their shops earlier than usual, decreasing orders from their suppliers, and decreasing the items on display. They also negotiated with suppliers regarding terms of payments and even asked for the suspension of payment for their loans from lending companies.

A few vendors resort to borrowing money (22%) from lending companies, cooperatives, or family and friends. A few others (29%) look for other sources of income besides selling at the market. This included selling potted plants, cooking food or baking goodies for sale.

The objective of these measures is to increase revenue sources, reduce their expenses, protect their liquidity, and ensure that they can continue doing businesses despite a significant decrease in revenues.

4. Vendors received assistance from the government in the form of goods or cash. However, what they ask for are measures to prevent cash drain.

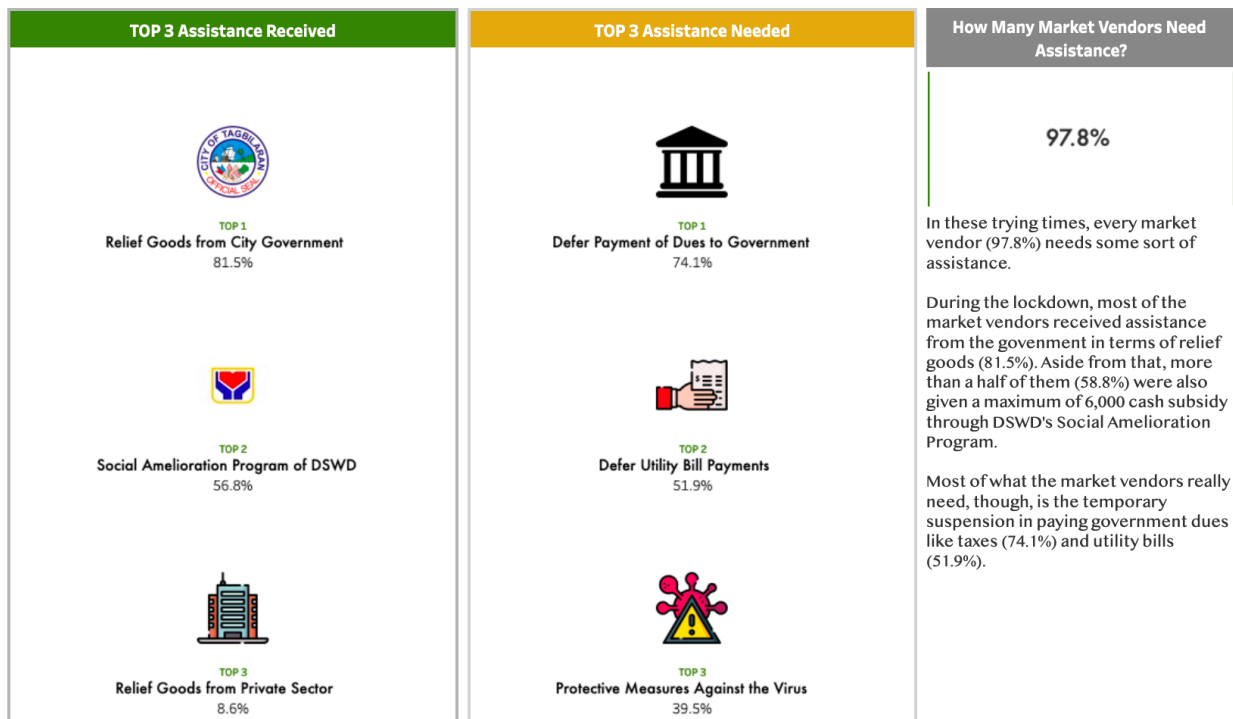
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What Support Did Market Vendors Receive and What Do They Need?



During the lockdown, most of the vendors received assistance from the government, particularly from the Tagbilaran City Government in terms of grocery items (81.5%) and from the Department of Social Welfare and Development's cash assistance program (56.8%). Only very few (8.6%) received goods from private sector donors.

Consistent with the findings above, market vendors want to protect their cash position and requests measures that would help them extend their liquidity. For example, a majority wants the government to defer payment to governmental impositions as market stall rent, taxes and licenses or defer the payment of utility bills.

Market vendors also have expressed that the city government should strengthen its protective measures against the virus to prevent the economy from collapsing.

5. There is a high risk for vendors new to the business to close shop within the next six months.

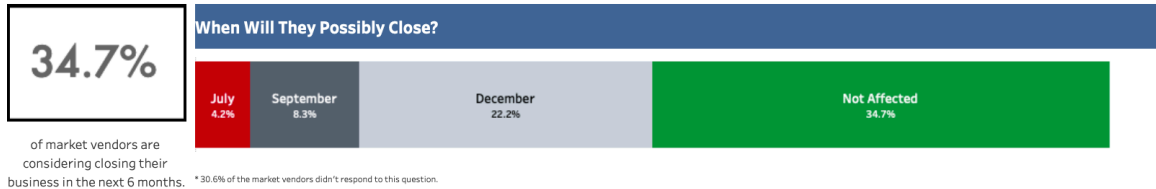
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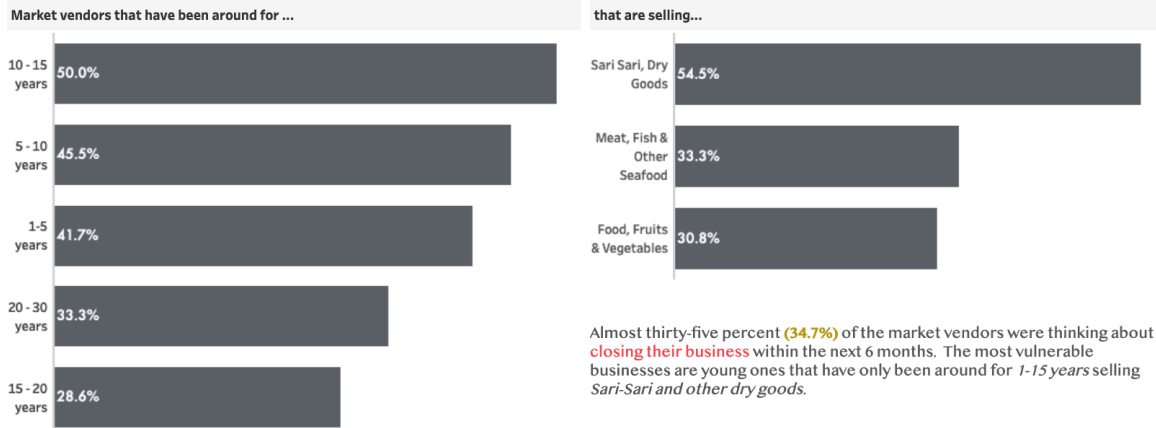


How Likely Will Market Vendors Close Their Businesses?



Which Businesses Will Likely Close Within The Next Six Months?

Which businesses will likely close within the next six months?



Approximately one-third of market vendors are considering closing their business in the next six months, while the same percentage also said they are not affected. A third of the total respondents opted not to answer this question. It is important to note that the length of time the vendors have stayed in the trading business has a significant effect on the likelihood of shutting down. Those market vendors who started trading only in the last 15 years have a higher risk of closure (between 41-

50%). On the other hand, those who are selling dry goods and groceries have an increased risk of closure (54.5%) as compared with others.

More than the threat of the virus, market vendors are worried about economic collapse. Based on key informants, loss of jobs and income will result in hunger in several households. According to them, hunger and deprivation will result in looting, theft, and other dangers to the safety of lives and property. Some of their workers, for example, are oblivious to the strict implementation of health protocols, saying that they would likely die more of hunger than the virus.

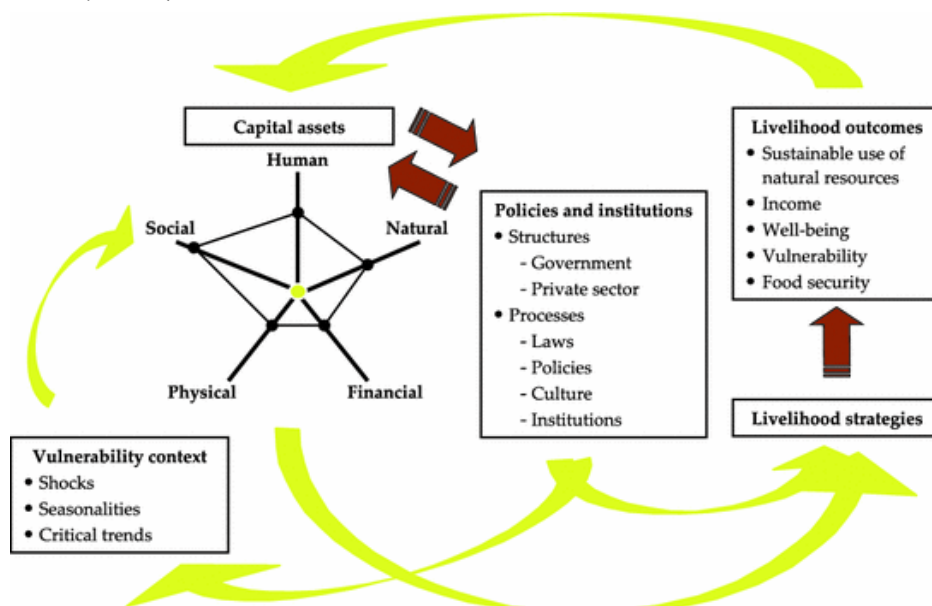
What are the policy and programmatic implications of this research?

Based on the research results, there are at least three policy and programmatic implications put forward to the City Government of Tagbilaran. We discuss these briefly below:

- a. **Devise proactive support to small and micro-entrepreneurs to maintain liquidity.** Small and micro-entrepreneurs, as the market vendors in this study, are most concerned about their liquidity during the pandemic. Although what they are selling are basic necessities, they experienced a significant decline in income, not only because of mobility restrictions but also because of the negative outlook on consumers, saving even on essential purchases, including food. Without targeted support, it is very likely that several market vendors will close shop and lose their source of livelihood. If this happens to market vendors selling basic necessities and not ordered closed during the pandemic, the impact to non-essential businesses is expected to be worse. This can be in the form of deferred or flexible payment arrangement of governmental dues, additional liquidity capital, or targeted local consumption advocacies.
- b. **Provide support to households of the most vulnerable micro-entrepreneurs.** The research has shown that while most market vendors feel the economic impacts of COVID-19, it impacts them differently depending on the number of years they have been engaged in trading and the kinds of goods they sell. In most cases, their businesses are their regular sources of cash flows for the families. With their businesses performing poorly, this impacted their ability to provide for their families. Providing support to the most vulnerable families will significantly help these micro-entrepreneurs weather through the economic crisis brought about by the pandemic.
- c. **Craft a local economic development program that empowers small and micro-entrepreneurs using creative and technology-enabled processes.** The pandemic has shown the vulnerable nature of the local economy to shocks. It became apparent that strategic and proactive support to local players is absent. Local Economic Development and

Investment Promotions Office (LEDIPO) is a mandated function of LGUs, and one of its tasks is the promotion and development of entrepreneurs. It may craft a strategic program intended for small and vulnerable economic players.

The sustainable livelihoods framework will be a useful basis in this task (see image below, from Serrat, 2017¹):



Providing the necessary support to strengthen the human, social, physical, natural, and financial capital of micro-entrepreneurs is important, especially in responding to shocks, seasonality, and critical trends as the pandemic. Developing strategies to help them needs to involve the government and the private sector players to contribute to food security, income, and well-being.

¹ See https://link.springer.com/chapter/10.1007/978-981-10-0983-9_5