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Understanding dynamics of the informal economy: Open market services and vendors view in Port Moresby

2017 PNG UPDATE – PNG: AFTER THE ELECTIONS

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Inquire *Inform* *Influence*

Presentation Outline

Introduction

Literature Review

Hypothesis Question

Methodology

Results & Discussion

Conclusion

Recommendation

Introduction

- The study provides an understanding of the informal economy through a survey of open markets in Port Moresby.
- It covers both the men and women sellers in planned and unplanned markets.
- Designated markets have been established and or recognised by the municipal authority, National Capital District Commission (NCDC).
- Undesignated markets are unplanned and spontaneous.
- The presentation is focused on open markets services and vendors concerns in Port Moresby

Literature Review

- The state is committed to provide an enabling environment to facilitate the establishment and growth of informal economic activities. (IS PNG, 2011)
- Research on open markets in PNG, Epstein (1982) states that market selling was not a full time economic activity but now it has become a full time activity with extremely long hours of work (Kopel, Hukula, Kutan and Iwong, 2017)
- Open markets feed most of the urban populations and support the livelihoods of many middle and low income households (Fresh Food Development Agency, 2010)

Hypothesis Question

Is it important to consider the views of open market vendors regarding the provision of market services and facilities ?

Methods

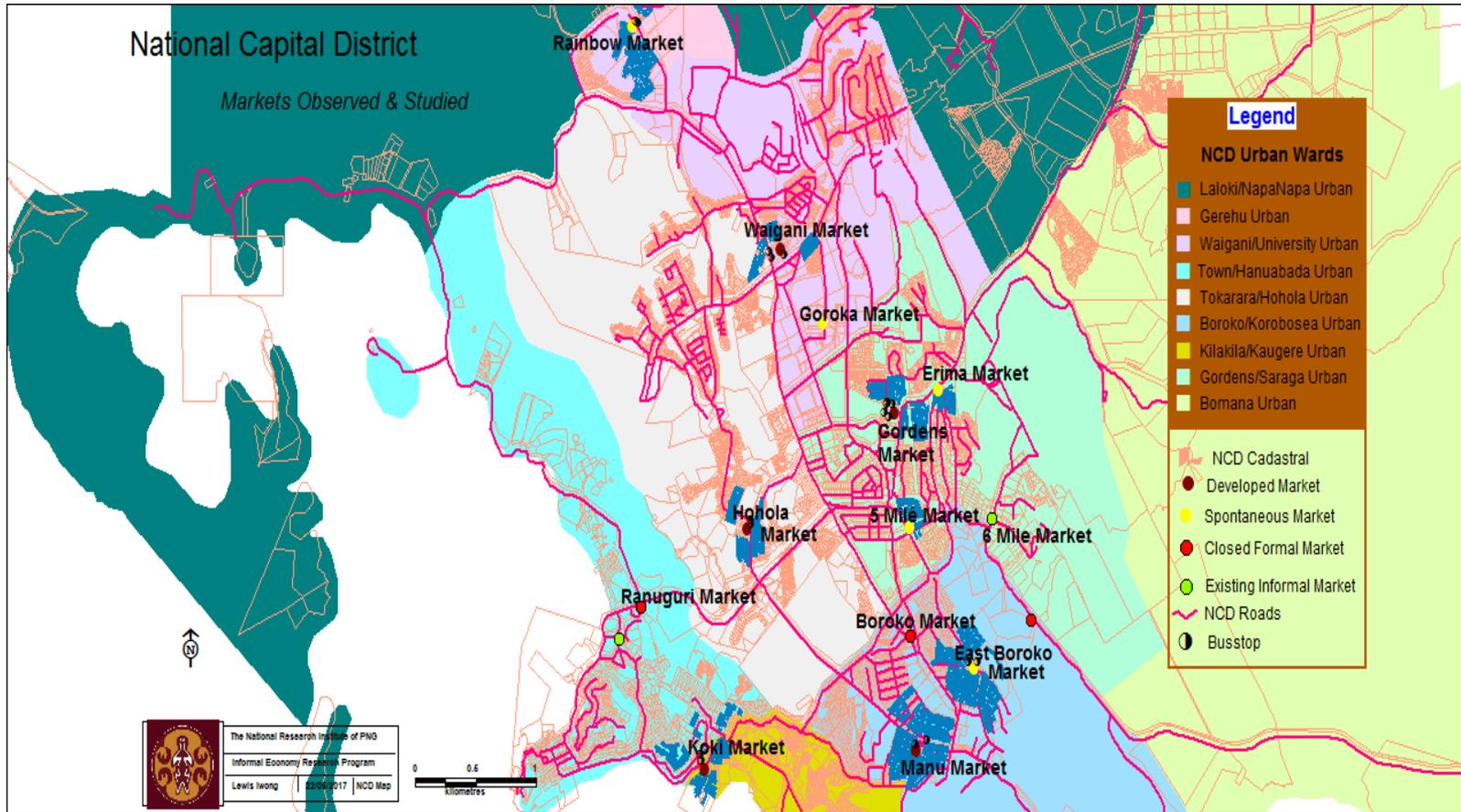
- NCD markets were stratified into two groups; planned and unplanned. Random sampling process was used to select all the markets.
- There were 2 parts to the study
 1. A market vendor survey of both planned and spontaneous markets.
 - Data gathered using a questionnaire instrument
 2. An observation of the dynamics of the sample markets.
 - Data recorded using a pre-defined instrument for an hour at 3 time intervals (9-10 am, 12-1:00 pm and 4-5:00 pm)

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Table 1: Sampled planned and unplanned markets

| Responsible Organisation | Suburb | Planned market | Unplanned Market |
|--------------------------|------------------|--------------------|------------------------|
| NCDC | Gerehu | Gerehu | Sanap, Two Four |
| | Waigani/UPNG | Waigani | Renbo Goroka |
| | Tokarara/Hohola | Hohola Tokarara | |
| | Gordens/Saraga | Gordens | Erima Bridge 5 mile |
| | Korobosea/Boroko | Manu Boroko | East Boroko |
| | Laloki/Napanapa | 9 mile | 9 mile |
| | Bomana | | |
| Moresby South | Town/Hanuabada | Koki Ranuguri | Hanuabada |
| | Kilakila/Kaugere | Sabama | |
| | 6 mile | 6 mile (Dogura) | 6 mile |

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NCD cadastral map illustrating locations of sample markets studied

Results & Discussion

The availability of service provision and facilities in the sampled markets

| | Type of market | | | | | | | | | |
|--------------------------------|--|--|--|---|---|--|---|--|---|--|
| Market services | Planned / Recognised | | | | | Unplanned /Spontaneous | | | | |
| | Gordons | Waigani | Hohola | Koki | Manu | Renbo | Goroka | Kongo /Erima Bridge | 5Mile | East Boroko |
| Fencing | Yes | Yes | Yes | Yes | | Yes | | | | |
| Security | Yes | Yes | | Yes | | Yes | | | | |
| Shelter | Yes | Yes | | Yes | | | | Yes | | |
| Tables | Yes | Yes | | Yes | | | | Yes | Yes | |
| Water | Yes | Yes | Yes | Yes | | | | | | |
| Waste collection | Yes | Yes | Yes | Yes | | | | | | |
| Toilets | Yes | Yes | Yes | Yes | | | | | | |
| Electricity | | Yes | | Yes | | | | | | |
| Security | Yes | Yes | | Yes | | | | | | |
| Management organisation | NCDC | NCDC | No management | Moresby South | No management | | | | | |
| Vendors pay fees | Yes | Yes | Yes | Yes | Yes | Yes | | Yes | | |
| Comments | <ul style="list-style-type: none"> - Insufficient and deteriorating utility services - Biggest market in NCD. - Overcrowded- insufficient shelter/bench spaces. - Vendors pay fees | <ul style="list-style-type: none"> - Bare basic services available not sufficient and deteriorating - Redeveloped market - Overcrowded sellers along pavement. - NCDC took over 2016 - Pay fees | <ul style="list-style-type: none"> - Insufficient service - Lacks proper shelter/bench - Pay fees | <ul style="list-style-type: none"> - New services/ amenities - New kiosks sell cooked food, clothes etc. - Mi Bank agent has kiosk | <ul style="list-style-type: none"> - No services. - Vendors clean up - Pay residents for use of water and front yard - Pay fees | <ul style="list-style-type: none"> - No services - Vendors clean - At stop &shop car park - Located in secure premises - Pay fees | <ul style="list-style-type: none"> - No services - Vendors clean - Vendors sit under shade of lines of trees | <ul style="list-style-type: none"> - No services. Vendors clean - NCDC put up tables, seats and small shelter. - Vendors pay fees | <ul style="list-style-type: none"> - No services - Vendors clean - NCDC recently provided tables and benches | <ul style="list-style-type: none"> - No services - Vendors clean - No shelter vendors sit under shade trees |

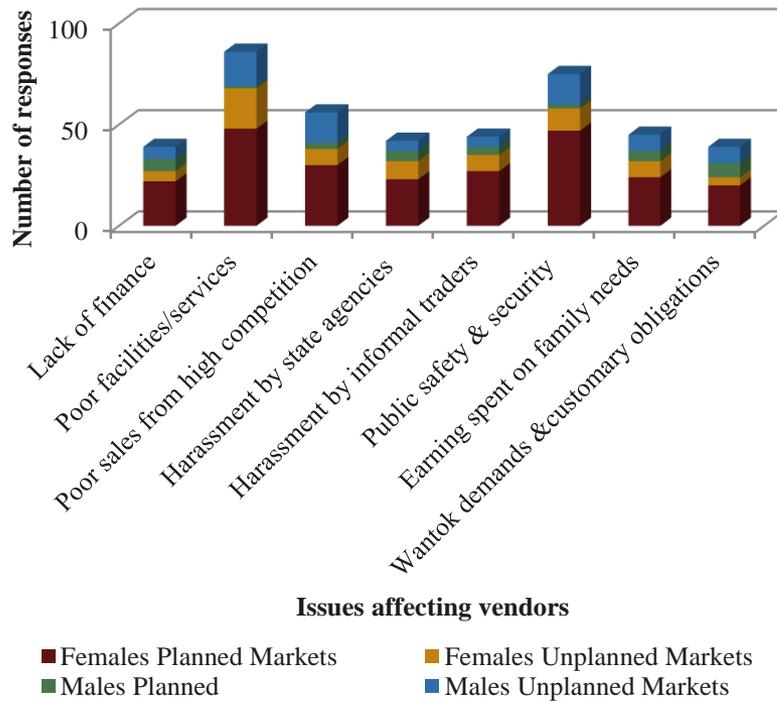
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Highlights from the service & facilities availability

- a) Most planned markets lack adequate facilities and services.
- b) Some recognised markets do not have any facilities and services. Market users are left vulnerable and exposed to the elements. (Manu Market)
- c) Three markets have adequate and working amenities and services. Redeveloped Moresby South markets at Sabama and Koki, and UNWomen supported NCDC's Gerehu market.
- d) Unplanned markets do not have any facilities and services.

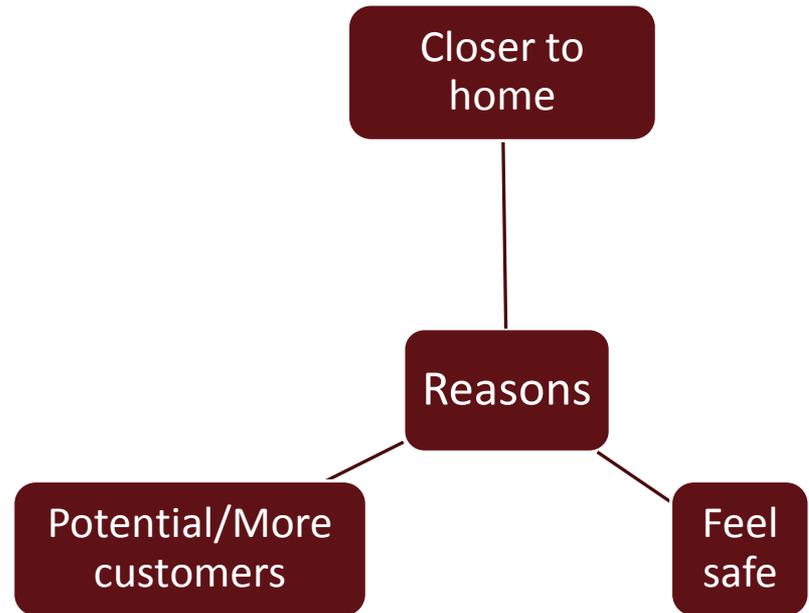
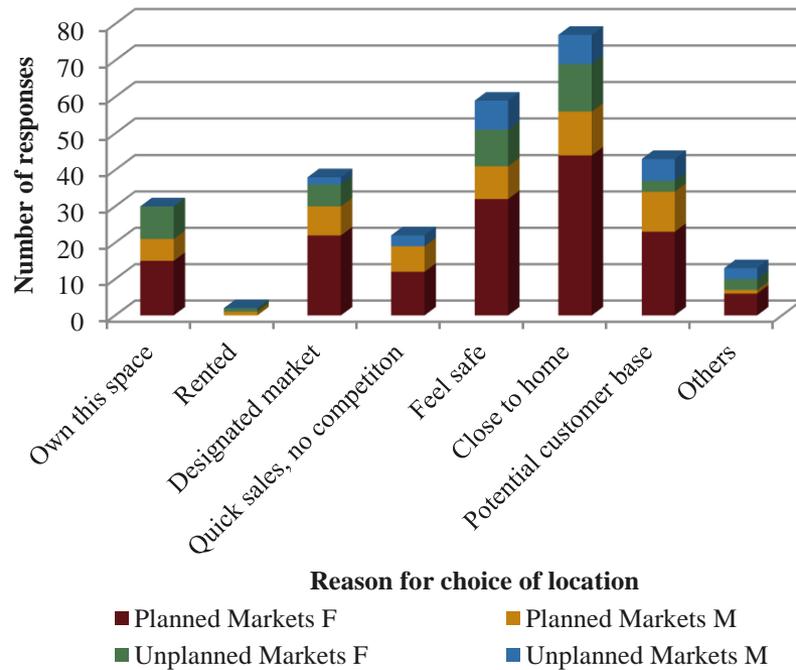
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Vendor concerns of constraints and challenges



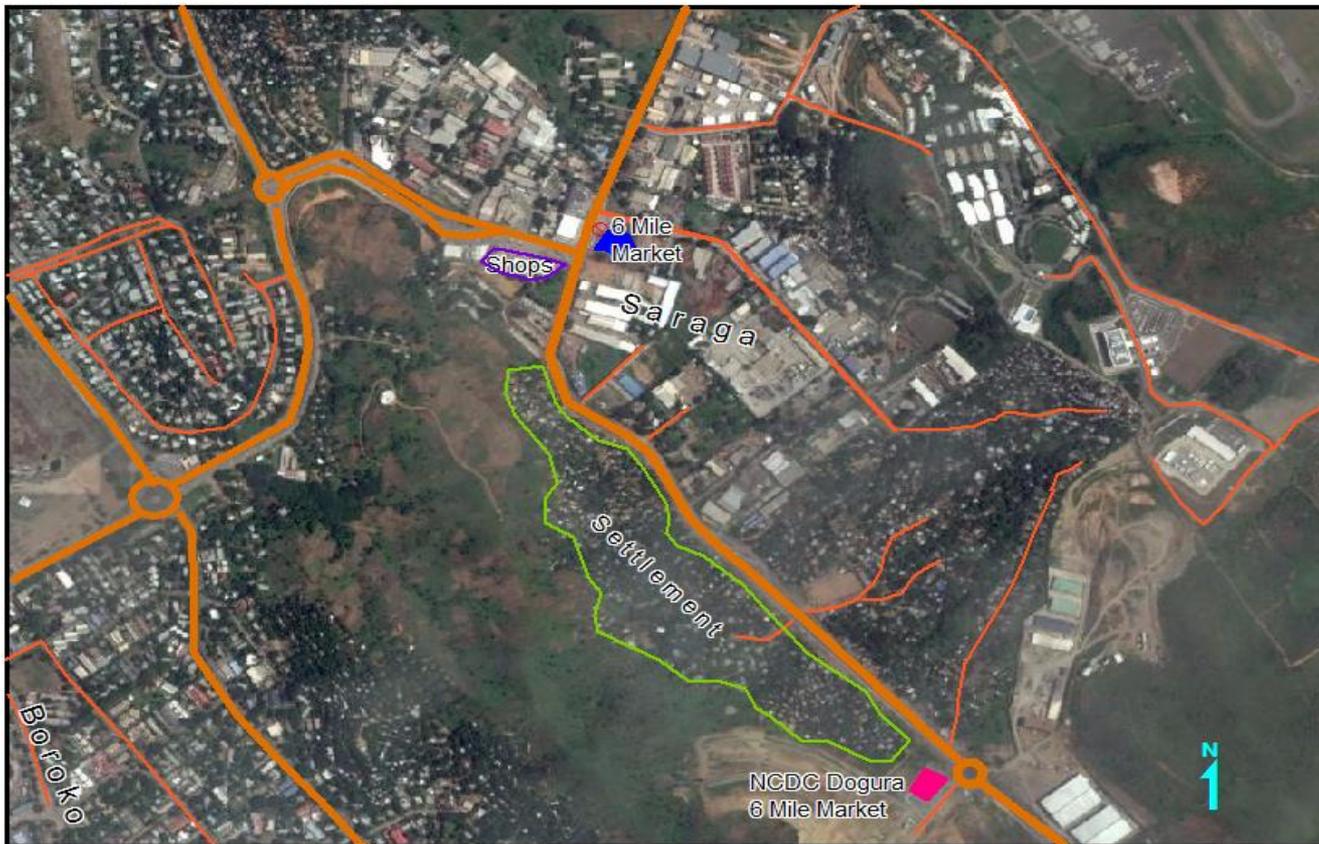
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Reasons for choice of market location



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Vendors' choice versus market location



Cause and effect theory

Cause – Lack of customers/Safety

Effect – Vendors move to a most convenient location to sell their goods

Conclusion

- Facilities and services in NCDC markets are inadequate, deteriorating or non-existent.
- The exceptions are the markets operated by Moresby South Market Management Committee
- Koki as a model market shows that markets can be improved with better operating services and made as a safe place for work.
- Most important consideration is the vendors' choice of market location to sell.

Recommendation

- Issues of harassment of vendors by agencies of the state need to be seriously addressed at appropriate avenues.
- Planners, key stakeholders, and market service providers to engaged in consultations;
 - With essential market users and their views considered when planning for new or upgrading existing markets.
- Planned markets must be provided with adequate services appropriate for workplace. Redeveloped markets at Koki and Sabama are good examples to work with and learn from.
- Unplanned markets should be recognised and provided with services where feasible or relocated to appropriate locations.

References

- GovPNG, 2011. *National Informal Economy Policy 2011–2015*. Port Moresby: Department for Community Development and Institute of National Affairs.
- Kopel, E., Hukula, F., Kutan, L. and Iwong, L., 2017 ‘Understanding Gender Dynamics of the Informal Economy: the case of open markets in NCD’. Waigani: PNGNRI, Issues Paper, Forthcoming.

The End

Thank you



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