

Networks, Negotiations and Neoliberalism

An analysis of the challenges and resilience of small scale food retailers in Kingston, Jamaica

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Introduction

- While rates of urbanisation have declined in Kingston, levels of urbanisation are high
- Relatively high levels of inequality and social polarisation in urban centres
- Social polarisation reflected in places of food retail patronage

Introduction cont'd

- Poor urban households are disproportionately reliant on small scale enterprises
- Poor urban households are disproportionately reliant on small scale food enterprises
- Neoliberalism has significantly contributed to levels of urban poverty due to its influence on the low availability of jobs in the formal sector
- The result is increased engagement in the informal sector and informal food retail provides a favourable option for entry.

Questions raised in this presentation

- What are the main factors influencing entry into the small scale informal food trade?
- What are the challenges faced by entrepreneurs and what strategies are used to navigate these challenges?
- What opportunities are presented by imported food alternatives?

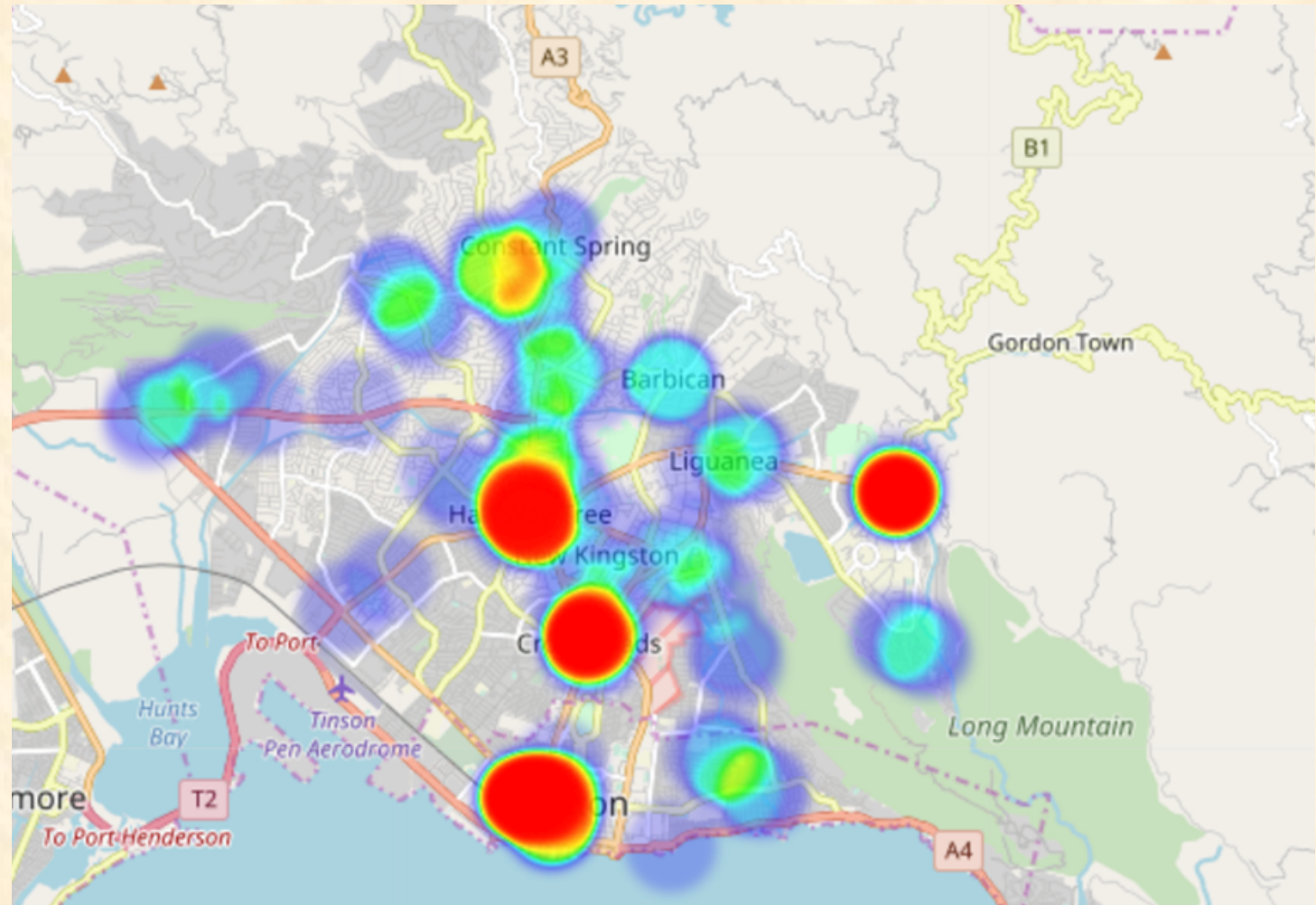
Methods

- Questionnaire surveys with food retail operators/supervisors
- Sample size: 877
- Respondents purposively selected based on age, location and mode of engagement in food enterprise
- Distributed across the Kingston Metropolitan Area

Spatial Distribution of Retailers

Spatially disaggregated into:

- Business districts,
- Main Roads,
- Communities



Diversity and Differentiation



Main Factors influencing entry

Primarily Economic

I was unemployed and unable to find a job (67%)

I wanted to provide employment for members of my family (29%)

I had a job but it did not pay enough (19%)

I needed more money just to survive (94%)

Main factors influencing entry

- Lack of employment opportunities cited as the main reason for entry into the trade (67%)
- High unemployment levels linked to the impositions of neoliberalism and prolonged periods of economic instability
- Debt burden and associated conditions of international loan agreements from organisations, such as the IMF, led to contraction of the labour market.
- Small scale food enterprises a direct product of a cycle of debt, dependency and displacement

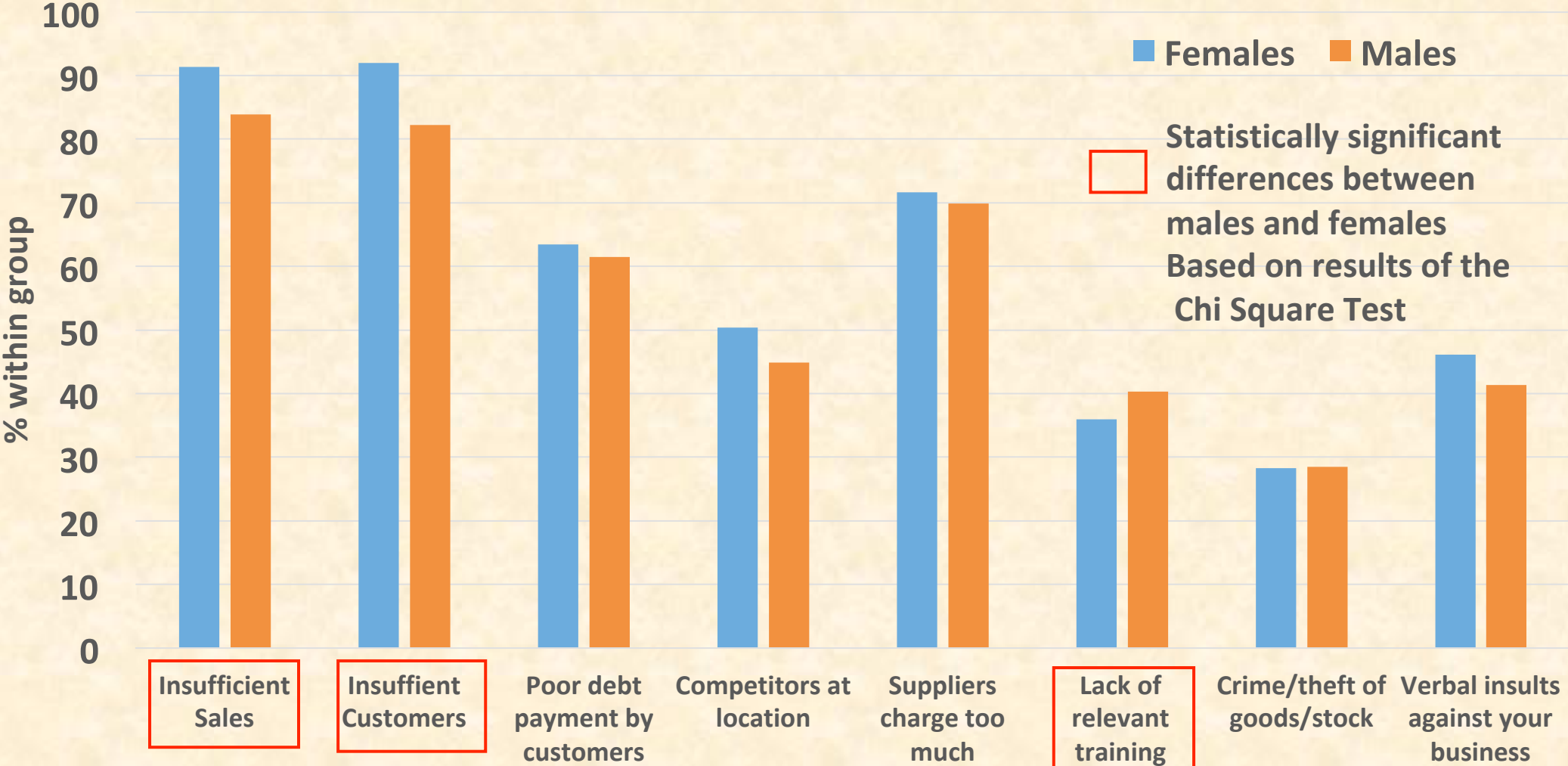
Challenges faced by food entrepreneurs

- Changes in availability of food sold
- Changes in price of food
- Changes in demand
- Difficulty of access to loans from financial institutions
- Lack of government support
- Constraints in access to space
- Insufficient sales
- Limited customers
- Outstanding customer debt

Challenges faced by food entrepreneurs cont'd

Data presented represents those challenges which were identified by more than 20% of the total sample

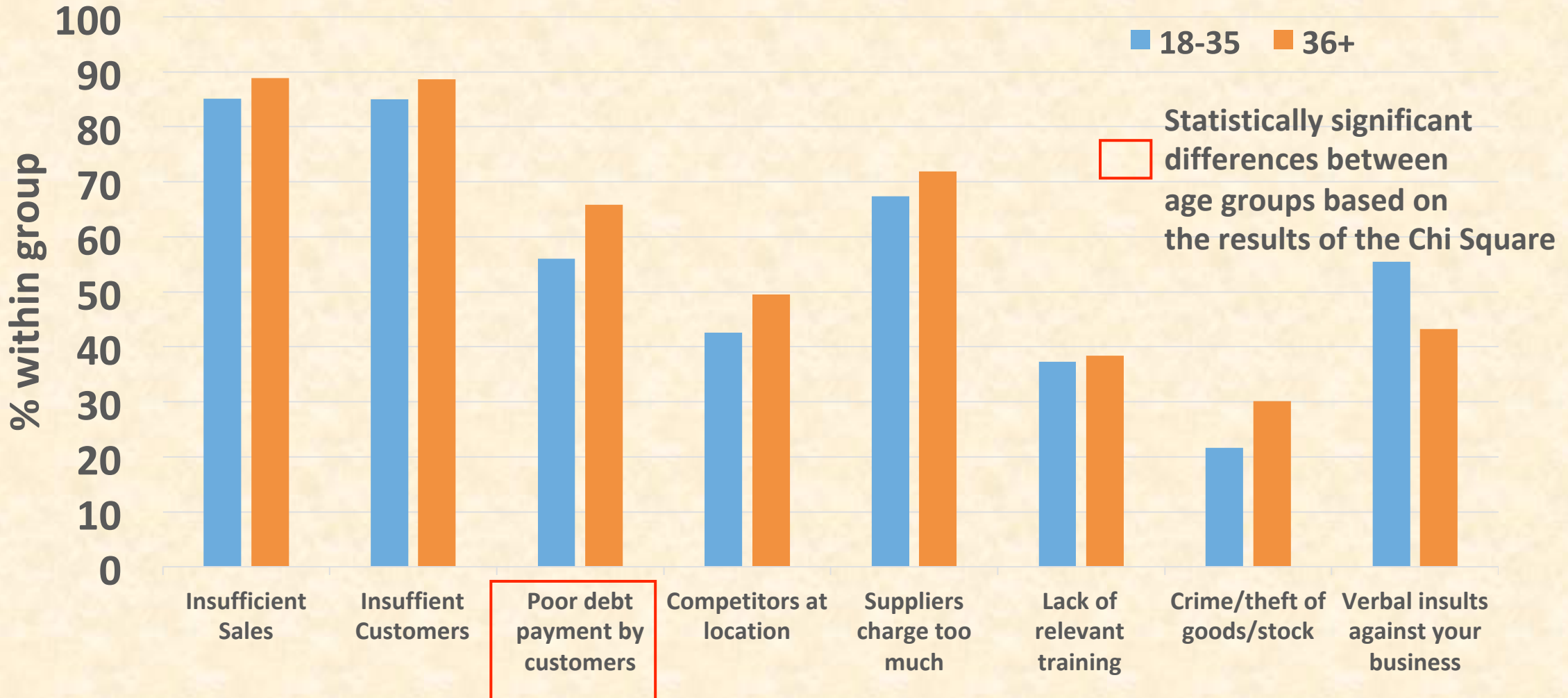
Gender based comparison of challenges encountered



Challenges faced by food entrepreneurs cont'd

Data presented represents those challenges which were identified by more than 20% of the total sample

Age based comparison of challenges encountered



Navigating Challenges

Offering credit for customers	68.19%
Extending hours of operation	61.92%
Purchasing stock in bulk	44.81%
Negotiating prices with suppliers	32.73%
Using mobile phones to take orders from customers	21.55%
Opening business only during the periods of the day with most customers	20.98%
Keeping records of business accounts	17.67%
Sleeping on business premises	15.85%
Looking for cheapest prices for goods by calling suppliers	14.94%
Looking for the cheapest prices for goods by asking other entrepreneurs	13.91%

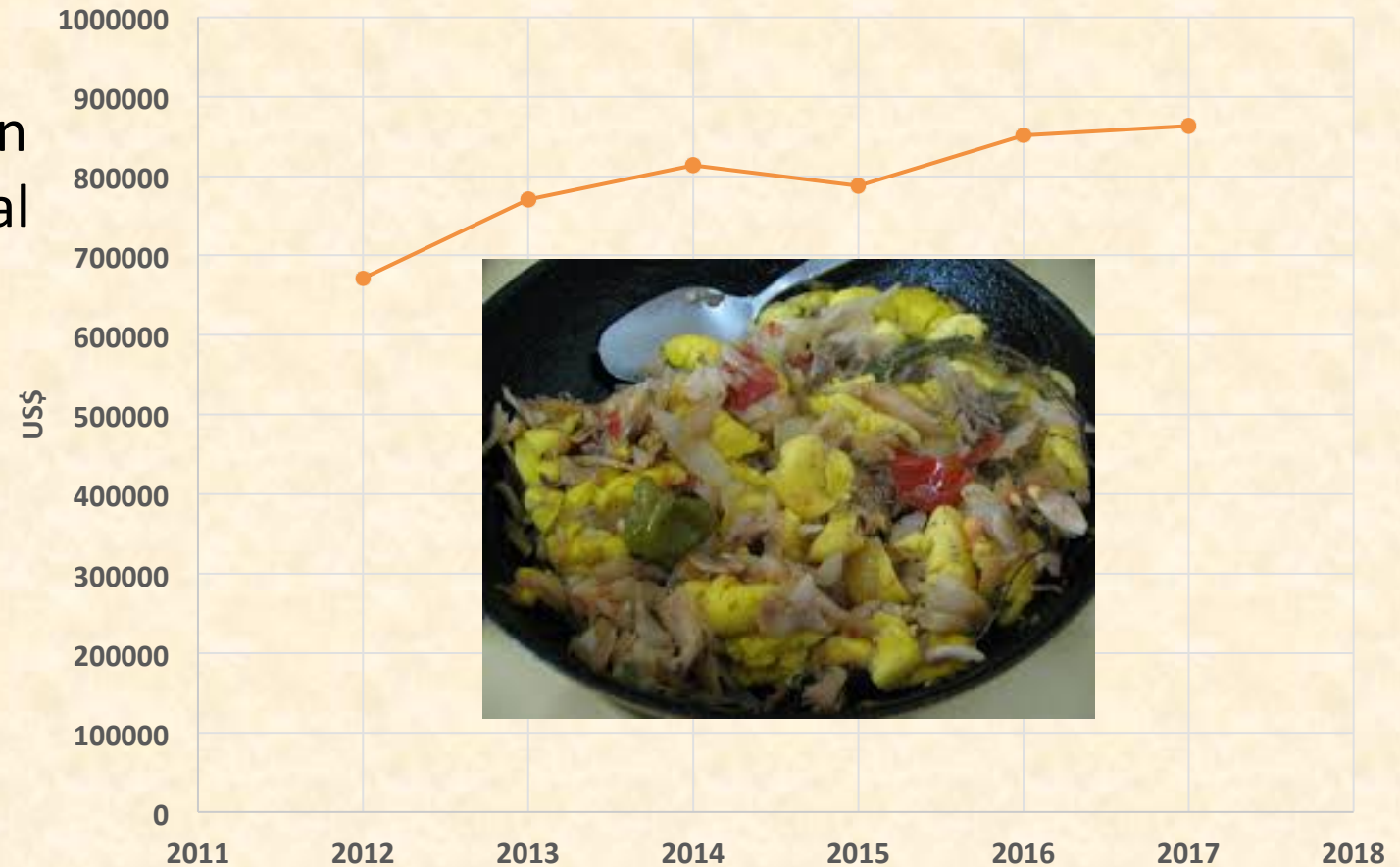
Navigating challenges cont'd

- **Self Reliance**: 72% acquired start-up capital from savings
- Reliance on **business credit** from suppliers
- **Engaging social networks** such as family and friend for assistance in business
- Selling **cheap imported food alternatives** and capitalising on the opportunities of Neoliberalism

Help and Hurt: Dual impacts of imported food

- Imported food constitutes a significant portion of retail items
- Greater reliance on imports is a common expression of Neoliberalism in the Global South
- Food import bill continues to increase
- Significant source of cheap food and contributes to greater levels of food access among poor households
- Urban dependence on imported food therefore affects rural economies

Food Imports to Jamaica 2010 - 2017



Navigating Challenge cont'd

The Contraction-Connection Dialectic

- Informal enterprises operate outside of primary regulatory frameworks which involve registration or taxation
- Contraction: Operation outside regulatory frameworks can be conceived as a separation from the state. Limited access to financing also implies a separation from formal sources of finance
- Connection: Networks of family and friends are often engaged to compensate for the deficiencies in support from the state and private financial entities.

Conclusion

- While retailers face several challenges negotiating rough economic terrain they have demonstrated high levels of resilience.
- This is fuelled largely by high levels of motivation, economic need and their ability to leverage the benefits of informal networks for financial and operational assistance
- Ideally, policy prescriptions should buttress resilience by reducing the impacts of the challenges.

Conclusion cont'd

- Possible ways forward could include:
 - Providing greater access to financial support
 - Building social capital through encouraging associations and networks
 - Providing greater protection for property.