



**Disaster As A Window Of Opportunity To Solve The Problems Of Big
Merchants and Retailers: The Case Of New Tarqui, Ecuador.**

A research paper presented by:

Shaskya Cedeno Ponce

(Ecuador)

In partial fulfillment of the requirements for obtaining the degree of

MASTER OF ARTS IN DEVELOPMENT STUDIES

Major:

**Social Policy for Development
(SPD)**

Members of the examining committee:

Irene van Staveren

Dorothea Hilhorst

The Hague, The Netherlands

December 2019

Disclaimer:

This document represents part of the author's study programme while at the International Institute of Social Studies. The views stated therein are those of the author and not necessarily those of the Institute.

Inquiries:

International Institute of Social Studies
P.O. Box 29776
2502 LT The Hague
The Netherlands

t: +31 70 426 0460
e: info@iss.nl
w: www.iss.nl
fb: <http://www.facebook.com/iss.nl>
twitter: [@issnl](https://twitter.com/issnl)

Location:

Kortenaerkade 12
2518 AX The Hague
The Netherlands

Acknowledgments

To the merchants at New Tarqui, Manta, that so kindly helped me in this research.

To the Ecuadorian state that through Senescyt and IFTH institutions made this possible. I highly encourage to continue with this scholarship program that contributes to the country's social development. I hope this is not the last batch of Senescyt scholarships at ISS.

To my professors, Irene van Staveren and Thea Hilhorst.

To my family in Ecuador: Fernando, Tanya, Juan Jose, and Beatriz, that have always supported me in my personal and professional projects.

To Lee Pegler for all the Sunday runs at The Dunes.

A special thanks to all the ISS and Gondel friends that, with time, became my family at The Hague. Thanks for showing me the value of having strong community bonds.

CONTENTS

Abstract.....	6
Relevance to Development Studies.....	6
Keywords.....	6
CHAPTER 1	7
1.1 Introduction.....	7
1.2 Context.....	9
1.3 Methodology.....	10
CHAPTER 2	11
2 Theoretical Framework	11
2.1 Vulnerabilities and Resilience in a Post-disaster Reconstruction Process.....	12
2.1.1 Vulnerabilities in Disaster Scenarios	12
2.1.2 Building Resilience After a Disaster.....	12
2.1.3 Disaster and Reconstruction Process.....	14
2.2 Multiple Strains Theory – Window of Opportunity	14
2.2.1 The Window of Opportunity in a Disaster Scenario	15
2.3 Politics of Disaster	17
2.4 Business Recovery Post-disaster	18
2.4.1 Credits in Disaster Scenarios	19
2.4.2 Merchant's Relocation Programs: A Review of Related Experiences.....	20
2.5 The Utility of the Analytical Framework.....	21
CHAPTER 3	23
3.1 Politics: Solidarity Law and Reconstruction Committee.....	23
3.1.1 Solidarity Law.....	23
3.1.2 Reconstruction Secretariat.....	24
3.1.3 Institutions Joining Forces	25
3.2 Whose Problem	25
3.2.1 The Problem for the State	25
3.2.2 The Problem for the Merchants	26
3.3 Policies.....	28
3.3.1 Relocation Program.....	28
a) Big merchants' Relocation.....	28
b) Retailer's Relocation.....	29
3.3.2 Credit Program.....	30
3.4 Chapter Three Review.....	32

CHAPTER 4	34
4.1 Policy Entrepreneurs: Actors Involved	34
4.1.2 State Actors: Municipality and Reconstruction Secretariat	34
4.1.3 Big Merchants	35
4.1.4 Retailers	36
4.2 A Window of Opportunity for Whom?	37
4.2.2 Window of Opportunity for the Municipality.....	37
4.2.3 Window of Opportunity for the Central Government	37
4.2.4 Window of Opportunity for Big Merchants	38
a) Relocation of Big Merchants	38
b) Credit Program for Big Merchants	39
4.2.5 Window of Opportunity for the Retailers	40
a) Credit Program for Retailers.....	40
b) Relocation Program for Retailers.....	40
c) Community-driven Proactive Resilience	42
4.3 Chapter Four Review	43
CHAPTER 5	44
5.1 Conclusions	44
5.2 Policy Recommendations	47
5.3 Theoretical Reflection	48
REFERENCES	49

List of Figures

Figure 1- New Tarqui Map	10
Figure 2-Analytical Framework Diagram.....	21

List of Tables

Table 1- Interviews.....	11
Table 2 - Reconstruction Resources per funding source	24

Abstract

This research paper examines the results of a post-disaster merchants' relocation program. The paper relies on the context of the destruction of Tarqui, a commercial neighborhood located in Manta, Ecuador, after the 7,8-degree earthquake in 2016. The research uses a qualitative interview analysis of merchants and state authorities involved. The paper finds that overall, the earthquake functioned to create the conditions to open a window of opportunity to solve the previously existing problems of the merchants and the state. It had highly positive results for the municipality, as they accomplished to organize the commercial activity of the city, and also for the big merchants, as they managed to improve the profits of their businesses. On the contrary, the research finds some evidence about how the program had unfavorable outcomes for the retailers, as their businesses lower their earnings.

Relevance to Development Studies

In the mainstream Ecuadorian state discourse, the seeming disorder of informal merchants is a problem in itself that needs to be regulated. While there are several disadvantages for the merchants in not having sanitary and comfortable working conditions, they still prefer this rather than being organized in a more comfortable space. A disaster can present a window of opportunity to come up with solutions to improve these logistic disadvantages and their businesses' profits. This research paper contributes to rethinking these possible solutions to benefit the smallest merchants as part of a post-disaster recovery plan.

Keywords

Window of opportunity, merchants, resilience, disaster, relocation, Ecuador.

CHAPTER 1

1.1 Introduction

In impoverished areas, those who cannot access formal economy activities usually find a way to earn their livelihoods in an informal economy. This is a matter of concern of many state authorities as it might bring to light several social problems and deficiencies of the state in providing basic guarantees to its citizens. It can also reflect inadequate urban planning and sanitation, and therefore, deplorable working conditions for retailers.

Tarqui was the main commercial neighbor of Manta, the second largest city of Manabí province in Ecuador. Formal and informal merchants gathered in this area performing diverse commercial activities, particularly 70% of the merchants sold clothes, fruits, and vegetables (UNDP and Manta Municipality. 2016). In the area, there were three types of merchants

First, big merchants. In general terms, big merchants were stable and made enough economic means to rent stores. Some examples are banks and supermarkets, big local businesses, and medium family businesses.

Then, there were the group of merchants with less money that, mostly, were informal merchants. These kinds of merchants had a permanent space on the streets or had small stores inside the buildings. This group also was the most organized one, as most of them belonged to an association. Finally, there were street vendors who carried their merchandise with them.

According to this categorization, merchants are going to be separated into merchants for big merchants and retailers for the second and third groups. Here it is essential to highlight that the state typically categorizes merchants as informal, the ones in the streets, or formal, the ones on the buildings; this distinction is not entirely accurate. Most informal merchants were registered at the municipality and paid taxes, which means that the state regulated them. In Tarqui, there were around 4.000 merchants in total that worked either daily or just some days of the week.

Tarqui was seen by the municipality as a place where disorder and uncleanliness since the business activity existed inside and outside the buildings. In fact, several times, they attempted - without success- to organize the retailers and resettle them in a market built for them. Regardless of the apparent chaos, there was an organized coexistence between big merchants and retailers.

The resettlement was possible only after the earthquake Ecuador suffered the 16^t of 2016. At 6:58 pm, Ecuador suffered a 7.8 Richter degrees earthquake that left 671 deaths, out of which 219 were from the city of Manta (Secretaria de Gestión de Riesgos. 2016). The seismic activity

left critical damages in many locations where the neighbor of Tarqui was the ‘ground zero’¹ area of the city of Manta. Tarqui was largely destroyed² and left all merchants with no place to go . Because of the damage, the state relocated the merchants to a market called New Tarqui.

Due to the significant changes that Tarqui suffered after the earthquake, from now on, Old Tarqui is going to be the term used to refer to the neighborhood with its old commercial dynamics prior the earthquake; Tarqui, the term for the current neighborhood where no business activity is recorded nowadays; and New Tarqui the term for the new market were the affected merchants got relocated.

On this matter, this research paper seeks to analyze to which extent the disaster served as a window of opportunity to solve the problems of merchants in Tarqui, through the relocation program.

The sub-questions that the paper seeks to answer are:

- Who benefited from the relocation program?
- How did the economic activity of New Tarqui merchants change after the earthquake?
- What were the vulnerabilities that interfered in the recovery of the affected merchants?
- What forms of resilience appeared as a consequence of the window of opportunity?

For this purpose, the paper is going to be developed in five sections: The current chapter introduces the topic and explains the methodology used in the research. The second chapter presents the theoretical framework, which will determine the concepts that will guide the analysis. Then, chapter three will set the scene of how the problem was positioned by the state and how the victims experienced it, plus, it will explain in detail how the policies for recovery were implemented and experienced by each actor. Chapter four will highlight each actor’s participation in the policies’ planning and implementation to, later on, explore how the window of opportunity was seized by each of them. Finally, chapter five will comprise the main concluding ideas regarding our main research question, as well as some policy recommendations for further similar programs and theoretical insights.

¹ This was the area of most affection of the city, where most people died and where it was most dangerous to be after the earthquake. Only humanitarian help and certain government actors were allowed to enter to the area

² Despite of the great damage that the area suffered, most merchants and customers were not in Tarqui that day, as the commercial activity used to finish before 7pm, and very few stores were still open.

1.2 Context

Due to the destruction of Tarqui, new market dynamics developed in Manta. Right after the seismic activity, merchants resettled their businesses. Retailers, mainly in La Poza³, 4 de Noviembre street, Cuba neighborhood, and other towns near Manta (UNDP and Manta Municipality. 2016). While big merchants did not resettle in a specific space but rented stores in other places of Manta, had other stores to back up their loss, or mainly stop working completely after the earthquake.

Eight months after the earthquake, on January first, 2018, the state inaugurated a new earthquake-resistant market area called New Tarqui, where both merchant retailers and big merchants were placed separately.

In the upper part of the map of the market (Figure 1), it can be observed the main road where the entrances are located. The big merchants were placed in The Containers, which is the section surrounded by a thick grey line on the right. This section has an independent administration from the municipality.

The retailers were placed in the remaining left part of the map. This section is called *The Modules*. In this second and more extensive section, there is also a division. The half further at the left is where smaller retailers -former street vendors- are placed. Merchants referred to this area as 'above.' On the right side of this section, there are retailers that in Old Tarqui had either a permanent place on the streets or rented a small store. The local municipality manages this section.

³ Large piece of empty land close to the sea and to Old Tarqui where most of the merchants' retailers stayed.

Figure 1- New Tarqui Map



Image obtained from <https://www.skyscrapercity.com/showthread.php?t=1947237>

The majority of Old Tarqui merchants moved to New Tarqui, around 2.000 retailers, and 400 big merchants (UNDP and Manta Municipality. 2016)⁴. While other merchants stayed in the mentioned areas, except for La Poza, as the state prohibited their settlement in this particular location. Therefore, the businesses spread in Manta city. In fact, new neighborhoods became small commercial areas.

1.3 Methodology

This research uses qualitative research techniques, as the goal is to bring up the experience of the merchants around the implemented policies for their recovery. The total amount of interviews relates to the time established for the fieldwork: four weeks. In order to begin fieldwork, initially, two gatekeepers -who were leaders of the association in New Tarqui, were contacted. They introduced the researcher to their fellow merchants.

For this, twenty-one interviews were made to New Tarqui's merchants, trying to get a diverse sample of experiences and actors. Additionally, four interviews were done to actors of the three state institutions involved in the programs for the recovery of the affected merchants. All the aforementioned interviews were made to answer the research question.

⁴ Around 30% of the small merchants were from towns nearby Manta and, according to the municipality, most of them stayed in those towns.

Table 1- Interviews

Interviews	Number of interviews	Type of interviewees	Gender	Average age	Level of education
Merchants	21	6 formal merchants /	14 men / 7 women	44	Mainly primary level among retailers and secondary level among big businesses.
		15 retailers			
State actors	4	BanEcuador, Manta Municipality, Reconstruction Secretariat	2 men / 2 women	n/a	Tertiary level of education

When citing the interviews, I will refer to merchant retailers as MR and to big merchants as MB⁵. There are three categories of state actors: 1) the State BanEcuador representative interviewee⁶ - SBE- 2)the State Reconstruction Secretariat representatives- SRS- and 3)the State Municipality representative -SM-.

The interviews were organized as semi-structured interviews because a structured set of questions was not a format with which the interviewees felt comfortable. For this reason, the researcher asked the merchants about their experience with the credits and New Tarqui as their new location. Then they extended their answers and explanation about their concerns and points of view. If they did not spontaneously cover something that was on the questionnaire, the researcher posed specific questions out of the prepared questionnaire.

CHAPTER 2

2 Theoretical Framework

This section seeks to identify the main theoretical approaches and academic discussions related to the analysis of the development of New Tarqui merchants' relocation. For this purpose, this theoretical framework will be developed in three sections.

The first section will introduce the link between concepts of vulnerabilities and resilience. The analysis of the concept of vulnerability in a disaster will be developed to explore how

⁵ This does not mean that all actors of the same category had equal experiences, but that they had similar ones.

⁶ State Bank who gave the credits as part of the recovery plan

vulnerabilities can influence on the fast or slow recovery process in a hazardous event. Alongside it will explain how resilience can emerge as a result of overcoming vulnerabilities.

The second section will present the multiple strains theory developed for the analysis of public policies and its five elements of analysis, which are: problems, policies, politics, policy entrepreneurs, and window of opportunity. This section will also provide a close analysis of the concept of window of opportunity but in a disaster scenario, in order to understand the process of public policy when a disaster occurs.

The third section will show a brief explanation of theories and experiences of business recovery after a disaster, with a focus on experiences of credit programs after disasters and business relocation programs, as these two are relevant for the presented case.

2.1 Vulnerabilities and Resilience in a Post-disaster Reconstruction Process

2.1.1 Vulnerabilities in Disaster Scenarios

Disasters are not seen as natural but as social events, even though they can be caused entirely by nature. The fact that the damage can be controlled depending on how prepared the population and the state are, for it makes them social. The effectiveness of the recovery will also depend on the existing conditions (Wisner et al. 2013: 13).

This is how vulnerability, understood as “the degree of exposure of people to the damages of disasters” (Gonsalves and Mohan 2011: 169) or as “people’s capacity to anticipate, cope with, resist and recover from the impact of a natural hazard” (Obrist et al. 2010: 284), has to be taken into account on the analysis of a recovery process, since the vulnerabilities experienced by the population before and after the disaster will determine their chances of recovery depending on social factors such as poverty, race, migration status, age, gender, health status and location (Wisner et al. 2013: 14). The existence of such factors also means that not everyone is equally vulnerable since each person’s condition is different.

If vulnerabilities are one of the most important factors that influence the chances of the population in overcoming the consequences of a disaster, these will also determine the success of public policy for recovery (Obrist et al. 2010, Wisner et al. 2013).

2.1.2 Building Resilience After a Disaster

Resilience is seen as the capacity to respond and overcome the consequences of a disaster. That is the reason why the state, when identifying vulnerabilities, has to work on building resilience related to those exposures.

Authors and institutions have created many definitions of this concept. Some have a recovery approach, highlighting the ability of a community to bounce back, and others have an improvement approach, which does not only focus on overcoming the crisis but on building back better (Kim and Olshansky 2014). The United Nations, for example, elaborates a description where bouncing back is highlighted as well as time and efficiency. They describe it as:

“The ability of a system, community or society exposed to hazards to resist, absorb, accommodate to and recover from the effects of a hazard in a timely and efficient manner, including through the preservation and restoration of its essential basic structures and functions” (UNDRR 2009: 22).

Berke and Campanella (2006) have a holistic approach that considers not only the capacity to be unaffected but also to build better social and economic conditions. They describe resilience as:

“The ability to survive future natural disasters with minimum loss of life and property, as well as the ability to create a greater sense of place among residents; a stronger, more diverse economy; and a more economically integrated and diverse population” (2006: 192).

There is also a proposal of understanding resilience offered by Lettieri et al. (2009), which differentiates resilience and preparedness. Being the former how people recover after the crisis, and, the latter, how people are prepared before the disaster.

All these concepts help to understand that if vulnerabilities are properly tackled, and, the community is socially and logically prepared for disaster, the resilience capacity of a community will increase.

On this matter, Obrist et al. (2010: 283) identify two types of resilience capacities; one is a reactive response and the other a proactive response. The first one refers to the ability to deal with hostile situations, and the second one refers to the population’s ability to respond to hostile situations creating new mechanisms to overcome the crisis. These two faces of resilience will translate into favorable results (Obrist et al. 2010: 283). The recognition of the need for proactive resilience, challenges the understanding of resilience as the capacity to return to the previous state of life before the hazard (Sutcliffe and Vogus 2003), but recognizes that the populations have to not only learn from the disasters in order to build resilience but also to develop creativity in disaster responses in all actors involved (Kendra and Wachtendorf 2003).

This is how Obrist et al. (2010: 289) defines social resilience as

“the capacity of actors to access capitals in order to – not only cope with and adjust to adverse conditions (that is, reactive capacity) – but also search for and create options (that is, proactive capacity), and thus develop increased competence (that is, positive outcomes) in dealing with a threat”

In this research, this last concept of resilience will be used, as the two types of resilience were found to some extent in the New Tarqui merchant's recovery. This will be shown in detail in the empirical analysis.

2.1.3 Disaster and Reconstruction Process

A disaster occurs when an event abruptly causes different kinds of damages and losses for the population that experiences it (Birkmann et al. 2010: 640). First, in a disaster, there is an emergency stage, where the most immediate needs are solved. The reconstruction process after a disaster starts after the emergency stage, here is when short term and long term solutions have to be taken (Thurairajah et al. 2008: 5). This phase can last years, depending on different factors such as resources and political will. Despite this, decisions have to be taken in a considerably short period after the disaster occurs since the interest of political actors in solving the problem will not last long (Farley et al. 2007).

The recovery stage is also when communities' capabilities, along with community empowerment and appropriation of the projects, have to be considered for the effectiveness and sustainability of the policies. The projects have to approach the most affected people, and citizen participation has to take place in the process (Berke and Campanella 2006: 200). Active participation will be decisive when the community shapes a proactive response for resilience.

2.2 Multiple Strains Theory – Window of Opportunity

The multiple strains theory helps to the analysis of policies in ambiguous circumstances. It is useful when many positions about the same problem take place. In this model, it is assumed that the proposals are subjected to debate, and the policymakers decide about the possible solutions to a specific problem. Also, time and rationality are taken into account in the process (Zahariadis 2014: 42).

The multiple strains theory framework has five elements, which are: problems, policies, politics, window of opportunity, and policy entrepreneurs. These elements are expected to occur in a logical and temporal sequence.

- The problems refer to the issues that citizens want to get addressed (Zahariadis 2014: 32). A problem is not only a fact but also an unpleasant one. A problem is considered a problem when change is desired, and it contradicts values or interests. To think about a situation as a problem is the first step for a window of opportunity to emerge (Lieberman 2002, Zahariadis 2014).

- The policies refer to the many ideas for solving a problem that groups try to put into action (Zahariadis 2014: 33). Ideas about solutions to a problem are often diverse; politicians and citizens often put their ideas in place (Lieberman 2002). Solutions are created for specific problems, and this is closely tied to the context and the value that a problem socially receives (Zahariadis 2014: 36, Farley et al. 2007).
- Politics is how the political situation affects the decisions taken by the policy executers. Here, the national mood, the movements of external actors, and governmental turnovers will all have influence (Zahariadis 2014: 34).
- A window of opportunity is what happens when the three strings mentioned above work together. This does not only mean that the idea of the policy has to exist, but that the issue has to be identified as a problem, there has to be political acceptability for the policy, and the political actors and the community have to, to some extent, agree in the implementation of that particular policy (Lieberman 2002) This is the moment when action can take place. In this sense, a policy window will be understood as “a confluence of events that allows advocates to push their policy solutions to problems onto the political agenda” (Farley et al. 2007: 2).

Solecki and Michaels (1994: 558) sustain that the reasons why a window of opportunity occurs can be reduced to four experiences: 1) a change of the political situation; 2) the appearance of new problems that capture the attention of the community and authorities; 3) the aggravation of a problem or 4) the emergence or aggravation of a problem due to a disaster. Disasters can be the reason why a policy window opens, becoming the ‘focusing event’ that catches the immediate attention of the state (Farley et al. 2007)

- Policy entrepreneurs are those actors that try to trigger a specific solution for a problem. When a window of opportunity opens, they are the ones that would have to take the chance to put their solutions into a debate (Zahariadis 2014: 36, Farley et al. 2007). Actors can either trigger the plan or become the barrier (Berke and Campanella 2006: 195). Actors have to have a strategy to put their solutions into action and be able to form coalitions for it (Farley et al. 2007).

2.2.1 The Window of Opportunity in a Disaster Scenario

This section will review the theoretical approach that seizes disaster as a window of opportunity. There are several cases in which hazard has been an occasion that creates the proper conditions to organize efforts of different institutions and also, to have access to economic resources that, in other circumstances, would not have been possible to get (Haigh 2013). The window of

opportunity can help to solve previous problems or new problems that appear as a consequence of disaster (Hilhorst et al. 2017: 5). When the resources are well managed, some aspects of people's living conditions can improve after the hazard; resilience can appear as an outcome of this.

Despite the fact that some authors argue that there is little evidence that developing countries are able to seize opportunities of improvements after disaster situations (Manyena 2013, Birkmann et al. 2010), it is appropriate to identify some of the common elements that have been found in this kind of cases, when a 'policy window' generates the window of opportunity (Birkmann et al. 2010).

- Firstly, institutions can modify their structure and operational capacity, improving their efficiency and enhancing the dominant way of acting. This means that new specialized institutions can be created, their whole organizational structure can be modified, and they can get more administrative power to operate special programs (Birkmann et al. 2010).
- Secondly, institutions that, in normal circumstances, would not have worked together, now have the opportunity to arrange collective efforts for the same purpose. The joined forces can trigger holistic programs that would address the same problem through different approaches. This would not only operate within state institutions but also different organizations (Birkmann et al. 2010)
- In the third place, when disasters occur, donations from international organizations, states, foundations, and other local actors reach the state's budget. In that sense, the state would have money to develop programs that, in other circumstances, would not have been developed in those territories (Birkmann et al. 2010, Paul and Che 2011, Manyena 2013, Haigh 2013).
- Fourthly, the institutions develop legal conditions to develop the programs, and this allows the right allocation of human and economic resources (Birkmann et al. 2010, Paul and Che 2011, Manyena 2013, Haigh 2013).
- Also, since there is more awareness of the geographical risks and problems, there is an improvement in urban and agricultural planning. For example, the population gets reallocated to non-risky areas, and the same happens to businesses (Haigh 2013, Paul and Che 2011).
- Innovation and creativity can also be developed from the institutions involved as well as from citizens to enhance the former conditions of the territory (Paul and Che 2011, Kendra and Wachtendorf 2003)

2.3 Politics of Disaster

As soon as the reconstruction process starts, the disaster becomes political, since governments have to deal with non-state actors, and have to give explanations about the decisions taken (Olson 2008). The analysis of the open windows of opportunity has to consider the political aspects of the reconstruction process for a broader understanding. As recovery involves different types of actors such as central state, local state, local and international organizations, donors, citizens (Hilhorst et al. 2017: 3). The analysis will have to identify which of those actors get to impose their views and interests in order to take advantage of the window of opportunity.

First, it is essential to consider that a problem has to be discursively constructed for the population to accept the policy measures taken. The discourse taken around a problem will typically reflect the interests of the state and elite groups such as economic groups and international aid actors, therefore, how the agenda and the solving plans are presented is also a matter of what such groups want to justify (Olson 2008: 266, Pelling and Dill 2010: 4). This is not to say that all elite groups would have the same interests. Here, there can also be disputes and disagreement. This is why it is also essential to analyze the internal elite dynamics of a decision-making process, within and outside the state actors (Bose 1994: 119). These elite actors can also have electoral interests, as state actors or opposition actors (Saharan 2015). On this matter, disaster can work to weaken the political scenario or to reinforce it (Pelling and Dill 2010).

Even though disasters can give power to new leaders and empower communities, not every new group will have the same access to the goods of a window of opportunity. Race, class, gender, social capital, geography among other factors, can become the barriers or the path to participate and benefit from the issues that get into the agenda and, therefore, from the decisions that are taken and not taken (Olson 2008: 266, Pelling and Dill 2010). On this matter, it is vital to identify the ‘micro-politics of recovery’ (Hilhorst et al. 2017: 11, Wakenge and Hilhorst 2017: 96), this refers to the local power structures involved. In that sense, local elite groups, even among the victims, can impose their interests and deepen the local inequalities (Pasch 2018: 136). This concept helps to understand that, negotiations are not always between a dual set of powerful and powerless actors, but that there are many shades in power disputes. Therefore, the power dynamics need to be contextualized, also because when putting the entire victim population into a single box, there is the risk of making the wrong assumptions on what people need, want, and can do for their recovery (Hilhorst et al. 2017: 9).

International donors are also actors to be taken into account, since, despite their donations are typically received and needed because of the insufficient local resources, donors can impose their agendas on top of people's claims. Strong local institutions will be key to prioritize local interests and agenda (Saharan 2015). Here, we must not think that international aid interventions are prejudicial *per se*. When deficiencies in internal resources and capabilities are well identified, international actors can help solve significant difficulties (Hilhorst et al. 2017: 6).

Finally, peoples' role in their recovery is crucial for successful outcomes. Policymakers have to bear in mind that people often come up with their own solutions for recovery; this is the so-called 'reconstruction from below.' Institutions have to be able to recognize those solutions that are part of their livelihood process and engage them with the official institutional driven policies (Hilhorst et al. 2017: 7, Sprenkels and van der Borgh 2017: 65). Here it is important also to highlight that the participation of the community cannot be assumed by policymakers. On the contrary, it is often the case that the community does not feel incentivized to participate, does not have time, or does not even know about the on-going projects. On this matter, conscious efforts have to be made to integrate them (Kyamusugulwa et al. 2017).

The unequal distribution of power among actors in a pre and post-disaster process can also be seen as a matter of structural violence, which can be understood as the violence that the population experiences because of being immersed in a social system that does not offer them human dignity. If this framework is taken into consideration, the fact that, social, political and economic conditions of actors will define their level of impact, and those in the privileged positions, such as state actors will impose their view of the problems, is not only a matter of existing vulnerabilities but a matter of access to power structures (Pasch 2018).

The political dimension of disaster will make it necessary to consider those power inequalities that existed prior and after the disaster, not only to understand who gets the primary benefit from the adopted policies, but also to understand who gets the chance of getting involved in framing a problem into a public agenda, proposing solutions for a problem and making the final decisions; in a nutshell, who is on top of the unequal distribution of power.

2.4 Business Recovery Post-disaster

Many factors interfere with the recovery of a business after a disaster. Firstly, the recovery capacity of a business will depend on the size of the business. Big merchants will probably have the capacity to lose more than the small ones, in a way that the loss is not determinant for them (Runyan 2006: 19, Corey and Deitch 2011: 170). Then, those businesses that have a backup plan

in case of disasters are more likely to recover in a short time than those who do not have a plan. Here it is essential to recognize that those who tend to have it are usually those with most economic resources (Corey and Deitch 2011, Runyan 2006). Another critical factor is if the business suffered physical damage, and, due to this, had to close right after the disaster, if that is the case, it is also harder for them to recover. Finally, businesses have more chances to recover if the whole commercial area recovers (Dahlhamer and Tierney 1998).

This subsection is going to present the literature related to the two policies used for the recovery of the merchants who experienced damage on their business after the earthquake; these are credit programs, and experiences of previous relocation programs.

2.4.1 Credits in Disaster Scenarios

When it comes to the beneficial capacity of credits in disaster scenarios, there is some debate around it. On the one hand, some researchers think that the help that institutions provide to business for their recovery does not always turn out to have a positive outcome, but can create new problems (Dahlhamer and Tierney 1998). In the case of credits, this can create more debt and problems, especially if the appropriate conditions are not set up before the disaster.

Dahlhamer and Tierney (1998: 90), when exploring the business recovery process after the Northridge earthquake in the United States, conclude that, if the businesses did not have positive results before the disaster, it is unlikely that the proper economic conditions will be built after a disaster. Also, when the rest of the economy is not going well because of a crisis, it is harder to overcome damages, Aid through credits can become a debt problem for them once the money has been spent.

On the other hand, scholars affirm that credits help to overcome post-disaster crises, along with subsidies, tax exemptions, and technical assistance (Albala-Bertrand 2007: 163). Kumar and Newport (2005) recognize the decisive role of microfinance institutions in India since they have helped to diversify poor people's income and have also increased the livelihood and income security of households.

Other points of view state that success depends on the size of the businesses, arguing that big businesses have the capacity to truly benefit from a credit program, since small business can benefit from it by replacing their business supplies with loan money, or by using the money for household expenses (Davlasheridze and Geylani 2017). Therefore, vulnerabilities such as poverty need to be addressed for a successful recovery process since, when having vulnerabilities that need to be overcome, the credit beneficiaries spend the credit money in those needs and not on

investment at their business. Also, generally speaking, big merchants typically have more access to credit than small ones, as it is assumed that they are able to pay the loan (Dahlhamer and Tierney 1998).

2.4.2 Merchant's Relocation Programs: A Review of Related Experiences

This section aims to review business relocation program experiences and its outcomes in order to nourish the understanding of the New Tarqui's merchants' recovery program. Informal merchant's relocation usually is part of an effort on urban regeneration to recover areas of the city that are 'taken' by the informal merchants. Consequently, the experiences found in an academic paper's analysis belong to urban regeneration plans and are not part of a post-disaster recovery program as New Tarqui.

In Guayaquil, Ecuador, a similar plan was triggered in the early years of this century. As part of an urban regeneration plan of the city. Here, the municipality created a market called La Bahia, where informal merchants were placed. This process has been highly criticized since it implied physical repression to those merchants that insisted on working as street vendors. Even now, some merchants still think about the possibility of going back to the streets (Allan 2008).

In Latacunga, Ecuador, the former municipality that operated between the years 2011-2015, also put a 'solution' to the problem of El Salto Fair, which was a market that operated in a central area of the city. For this, the municipality constructed a Commercial Centre to relocate informal merchants. At first, the merchants resisted through protests, and now, even though they are relocated in the new place, 83.3% of them feel that the new location has negatively affected them, as they have lost clients, the place has not been cared for, there are new street vendors outside of the building, and profits have fallen (Solís and Marco 2018: 44).

In Quito, Ecuador, the historic city center also used to be occupied by informal merchants. Here, the negotiations between the merchant's associations and the municipality lasted several years, as there were seventy-eight associations involved (Valdivieso Ortega 2009: 46). At first, they were keen on resisting the relocation, but though the years, the municipality has placed them in several markets build for them around the city center. More than a lustrum after the resettlement, they still desire to go back to the streets because the relocation affected them negatively (Granja 2010: 90). They also claim that the only groups that benefited from the construction of the markets were the touristic enterprises and the municipality itself (Granja 2010: 111).

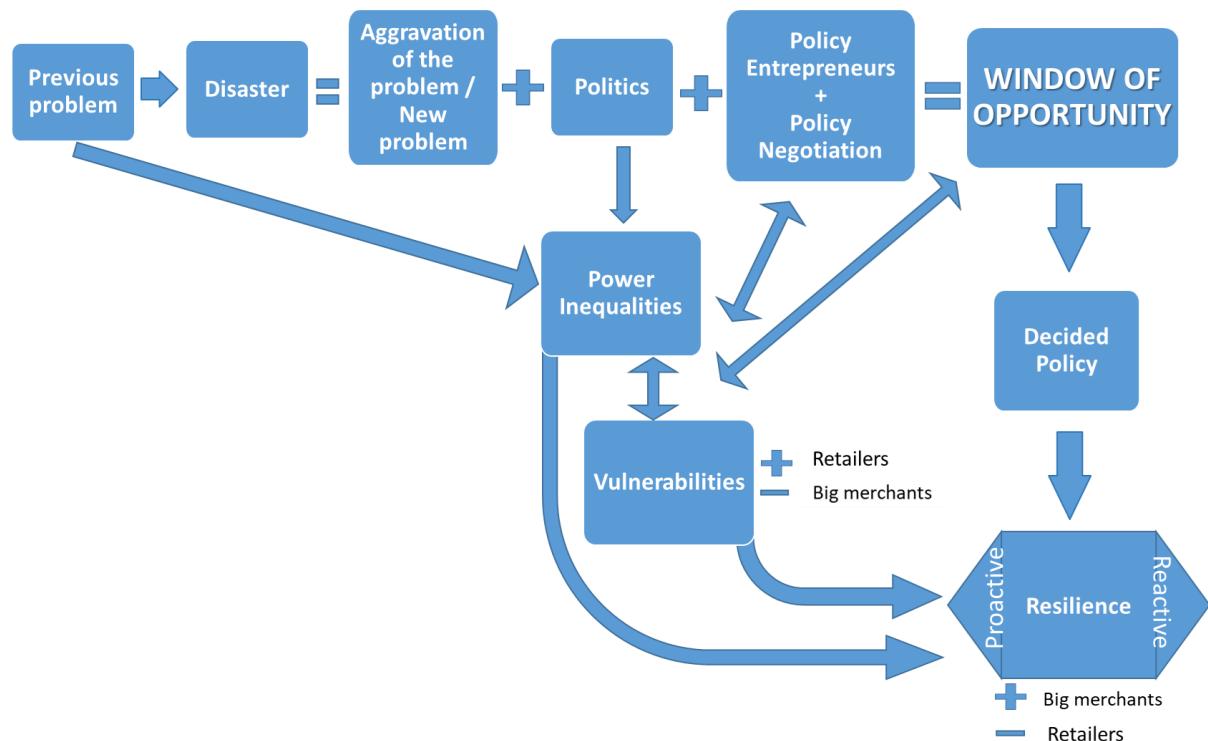
In several cities of Colombia, the municipalities have the same problem with street vendors, and they have tried to relocate them in different areas, yet, these attempts have failed, as merchants have returned to the streets. In Cali, Colombia, for example, around 66% of street vendors state that they are comfortable with their economic activity and their living conditions and they do not want to be relocated (Martinez and Short 2017).

All the mentioned programs have as a premise that informal economy activities in deregulated areas are a problem that has to be solved. Despite it, they also have in common that not only merchants have resisted relocations, but also that, after they have moved to their new premises, the majority of them are not satisfied with their businesses' performance.

2.5 The Utility of the Analytical Framework

The present theoretical framework will provide the elements of analysis for answering the questions raised in this research. Regarding the central question of whether the earthquake opened a window of opportunity to solve the problem of merchants, the central theory that will be used to approach the outline of the research will be the multiple strains theory. The selected concepts have been developed in a coherent sequence of events and factors organized chronologically, graphically explained in figure 2.

Figure 2-Analytical Framework Diagram



Own elaboration

First of all, the existence of an already existing problem is acknowledged. Here it will be recognized how the power position of the state sets the dominant discourse of the problem that attends to its political interests that differ from the merchants' interests.

When the damages of a disaster are added to the previous problem, the problem intensifies for the authorities, catching the attention of internal and external actors and citizens. At this point, the authorities have the power to strengthen their discourse of what the problem is to reposition their interests. The problem for the victims also intensifies, and vulnerabilities are exposed; as a result, the merchants have to start pushing for positioning their view of the problem within the power arena that tackles those vulnerabilities.

As the destruction caused by the disaster catches the attention of citizens, authorities, and international actors, the given political scenario has to provide the conditions for a window of opportunity to open. Therefore, it is essential to identify what are the characteristics of the given scenario and the power relations involved that influence the chances of policymakers to generate policies.

Once the new problem and politics are recognized, the policy entrepreneurs start with the policy negotiations. In this study, the policy process differed with the one proposed in the theoretical framework as the many actors did not present policy ideas. Instead, there was one idea of relocation positioned by the state, and within that constraint, the debate around that one policy developed.

Regarding the policy entrepreneurs, in this research, not only non-state actors were recognized, but also minor state actors as the municipality. Power inequalities and vulnerabilities appear to be a significant influencing factor for the chances of participation of policy entrepreneurs. Generally, the most vulnerable population does not participate in policy negotiations. Instead, there is prominent participation of those who are in most privileged power positions as elites, even among the victims of the disaster.

As a result of the described process, the policy window opens. Even if the disaster does intensify the interest of authorities to solve a problem, and a favorable scenario follows for improving conditions, the window does not open to everyone's advantage. On this point, there is also a direct influence of vulnerabilities and power structures on the chances of the problem to become an improved situation for the policy entrepreneurs. Generally, the more significant the gap between those who have power and those who do not have power, the fewer chances will there be to overcome vulnerabilities and turn them into resilience.

Finally, once the decided policy starts to operate, the results will show if the window of opportunity caused resilience, and for whom, as a result of the relocation. Regarding this, there is an inverse relation of power inequalities and vulnerabilities with the resilience built. In this situation, the high vulnerabilities of retailers meant low vulnerabilities of big merchants' merchants; at the same time, the low resilience of retailers, translated into high resilience of big merchants. On top of that, the power that each type of merchant had in the negotiations influenced their resilience. The ones with less power to influence policies and seize the window of opportunity also show less resilient outcomes.

CHAPTER 3

3.1 Politics: Solidarity Law and Reconstruction Committee

At the time, Ecuador had a stable political situation, then president Rafael Correa had been in charge for nine years by the time of the earthquake, in a country that, during 1979 and 2007, had 14 presidents and two constitutions. When the earthquake hit, a sector of most of the ministries and public institutions went to the affected areas to work permanently. Also, international help arrived in the country. In this context, the policies taken in order to start the reconstruction process could get done efficiently and quickly. The first measure refers to the legal conditions that are created to implement different projects; this is the solidarity law. The second important measure was the creation of a state institute to operationalize, plan, and coordinate the projects; this is the Reconstruction Secretariat.

3.1.1 Solidarity Law

The Solidarity Law was proposed by the former president Rafael Correa and approved by the National Assembly of Ecuador to fund the reconstruction process. It consisted of raising different kinds of contributions from Ecuadorian citizens for the recovery of the affected areas after the 2016 earthquake (Asamblea Nacional del Ecuador 2019). All the money raised went to the solidarity fund. Hence, there were four kinds of contributions.

- The first one was about salaries. Every person with a formal job that lived outside the affected areas and earned more than 1 000 USD contributed a percentage of its salary during the following eight months after the earthquake (Asamblea Nacional del Ecuador 2019).
- The second one was about ownership. Every Ecuadorian citizen or Ecuadorian resident that owned an amount equal to or above 1 million USD contributed 0.90% of his or her

patrimony. The population in the affected areas that suffered direct damage in their patrimony because of the earthquake did not have to contribute (Asamblea Nacional del Ecuador 2019).

- The third one had to do with profits. The societies that have economic activities and that are taxpayers of income tax had to contribute 3% of their taxable income of the year 2015 (Asamblea Nacional del Ecuador 2019).
- Finally, the fourth one was about private properties inside the country in which legal ownership belonged to foreign capital or fiscal heavens. They had to contribute 1.8% of the property valuation of 2016 (Asamblea Nacional del Ecuador 2019). Besides, the value-added tax was raised from 12% to 14% to all the non-affected areas of the country (Asamblea Nacional del Ecuador 2019).

The solidarity law created the legal and economic conditions for the recovery, as this represented the primary funding source of the whole reconstruction (Reconstruyo Ecuador 2018). Shown below are the sources of the total reconstruction program of the affected areas per funding source.

Table 2 - Reconstruction Resources per funding source

Economic source	Amount in million USD
Solidarity law	\$1,000.00
World Bank, IDB*, CAF** credits	\$660.00
IMF credits	\$400.00
State resources and others (donations)	\$193.00
Total	\$2,253.00

*International Development Bank

** Development Bank of Latin America

Own elaboration: (INEC. 2017: 203)

3.1.2 Reconstruction Secretariat

Shortly after the earthquake, the state created the Reconstruction Secretariat. This institution was part of the Vice-Presidency and was responsible for coordinating actions with the Reconstruction Committee, integrated by nine public institutions. The committee was responsible for the recovery of the two affected provinces, Manabí and Esmeraldas (Reconstruyo Ecuador 2018).

The creation of the Reconstruction Secretariat is a substantial change and restructuring of normal Ecuadorian institutionalism. Even though in Ecuador, there is a Risk Management Secretariat responsible for disasters, the new institution was created to attend the specific needs of the 2016 earthquake, the main office was located in the disaster area and not in Ecuador's capital city. Linked to it, through the solidarity law, the legal conditions were set for a better operation of the programs.

3.1.3 Institutions Joining Forces

Institutions that generally do not join efforts for common goals did so during the recovery, as this was one of the main functions of the new institution. In the case of New Tarqui program, the Reconstruction Secretariat, BanEcuador and Manta Municipality, coordinated actions to put together the programs. Other organizations and institutions also cooperated, as the UNDP⁷, which helped the municipality gather the required information to start New Tarqui. Other state institutions also intervened less actively with logistics.

Donations from international organizations were made to the Ecuadorian state from many international institutions, organizations, and states. However, the two policies focused on the merchants' recovery were financed by local funds. The SRS considered that this allowed a more effective and rapid response from the state.

3.2 Whose Problem

Despite the undeniable fact that Old Tarqui was destroyed by the earthquake, and this was not a proper place for the commercial area to operate anymore, the view of what was the problem to be solved was not the same among the different actors. Therefore, the understanding of the problem will be approached from the state and the merchants' point of view. The set up of the diverse views regarding the problem will also clarify each one's interest in seizing the window of opportunity.

3.2.1 The Problem for the State

From the state's point of view, the problem with Tarqui merchants was not a new one but has always existed, and was predominantly the seeming disorder that the retailers created. Even president Rafael Correa mentioned this situation as a problem in the inauguration speech of New Tarqui:

⁷ United Nations Development Programme

“The businesses in Tarqui were developed in an unorganized way. It was real chaos and without an established management model” (Correa. 2016).

Also, the municipality workers manifested their experience with this situation, and how they had unsuccessfully tried to manage it on many previous occasions.

“It was spectacular for them because the bus passed by, but it was a mess. We always wanted to put things in order, but in the long run, we never could because we never reached an agreement. In previous years, attempts were made to create a market, but as there were so many of them, we could not. This was also due to the leadership exercised by the associations because there were thirty-two associations” (SM)

The earthquake aggravated and also created a new problem, as it collapsed most of the buildings, and Old Tarqui became uninhabitable. Now, the problem was not only the seeming disorder of the commercial activities but also the lack of a location that extended to all merchants.

The lack of a site was not an easy to solve problem. Even if the state was responsible for clearing up the debris at Old Tarqui, each demolition had to be arranged with the owners of the land, and, in many cases, this required lengthy negotiations. Merchants could not go back to this area in the short run.

The immediate response of the municipality for this problem was to declare that the merchants could place themselves wherever they wanted to. However, this could be the beginning of an urban disorder problem all over again, and, this time, it spread around the city. A new, unorganized setting of informal merchants was not a situation that they were going to promote, as it did not respond to their interests.

On top of that, both the merchants and the state became aware of the risks of living or working in a location that is likely to shake. Therefore, as part of a reactive resilience, the New Tarqui market is an earthquake-resistant construction, so that, if another earthquake hits Manta, their businesses will not be significantly affected

3.2.2 The Problem for the Merchants

Old Tarqui’s seeming disorder was never part of the retailers’ nor big merchants’ concerns, as long as they had good sales. From the retailers’ point of view, such disorder was instead an advantage. In the interviews, they all manifested not only that they did not have problems in there but also that the place was better for them.

A female merchant retailer said: “It was the best. Each one of us thought that we had our lives solved in Tarqui, we never imagined this could happen” (MR7)

Their view of the initial situation as an advantage rather than a problem was never considered valid by the municipality. Therefore, retailers could not position it to function for their interests after the earthquake. This situation shows their situation of powerlessness in terms of their capability to position a discourse.

The night of April 16 of 2016 was when the merchants' problems started. None of the businesses had a backup plan in case of disaster, because such a tragedy has never happened before; therefore, they all maintained substantial physical damages. Not only they did not have a place to work anymore, but many of them had their merchandise damaged or robbed. Also, merchants could not go back to pick up their belongings easily, nor go back to work there, even if the earthquake did not directly damage their premises and merchandise. Old Tarqui was full of debris.

The sellers of groceries lost their products. Since these merchandises are perishable, they could not sell them in the short run, or save them, because there was no electricity to operate the freezers. In this situation, the smaller the business activity was, the higher the vulnerability, for the reason that the lack of money did not allow them to re-establish their business in the short run.

On top of that, many of the suppliers turned their backs on the merchants. They did not want to sell products on credit, and people that had debts with the merchants did not want to pay them back. The ones that could overcome this problem were, on the one hand, the ones that had good relationships with the suppliers. This worked indistinctively from the conditions of poverty of each merchant. On the other hand, there were those that could buy merchandise in cash. These were mainly the larger businesses that also had other stores to back up their losses. Consequently, the mentioned problem appeared as a result of social capital and economic vulnerabilities, respectively.

Furthermore, many of the retailers manifested that their old and loyal clients did not know where to locate them, or were too busy solving the problems of the emergency. The client's inability to locate a small business, expresses an economic vulnerability of the retailers, as they usually do not have a brand or the capacity to do marketing.

The aforementioned spreading of the commercial areas in Manta is another problem that affected them, particularly the retailers. This issue has several explanations. First, since many workers that used to work in Tarqui lost their jobs, they started new businesses in their neighborhoods. All of the interviewees that could hire workers now had either less or no

workers. Secondly, Ecuador was going through an economic crisis; consequently, those who did not have jobs decided to become entrepreneurs of some kind.

On top of that, some merchants that had a better socio-economic status kept their businesses in New Tarqui and also opened other businesses outside in some of these new commercial areas. Finally, big stores as Velboni and Tia⁸ re-formulated their business approach and, instead of having a few big stores, now have many smaller stores around the city. On this matter, all the interviewees agreed on the fact that the earthquake generated competition. Regarding this scenario, it is essential to notice that big merchants' capacity for resilience through their ability to open new stores did inhibit the retailers' chances of resilience, as the consequences of the opening of those stores translated into a harsher business scenario for retailers.

3.3 Policies

3.3.1 Relocation Program

New Tarqui was the project with which the state was to solve the problem of Old Tarqui merchants' unorganized location. It had a total cost of 8,2 million USD (Ecuador Estrategico. 2016). While both sides of New Tarqui started as part of a single project, now they are seen as different things, and their daily dynamics and concerns are also very different from each other. This section will also separately explain what the relocation experience was like for retailers and big merchants. Plus, it will include their experience with the credit program as part of the recovery plan of the state.

a) Big merchants' Relocation

The Containers is a small area compared with the Modules area. It has 300 store locations and one cafeteria area (Ecuador Estrategico. 2016). The state contributed with the whole infrastructure of their section (roads, electricity, water and sanitation systems, public bathrooms, parking areas, design), except for the commercial premises, as the merchants were the ones who bought and furnished the containers to convert them into commercial locations.

The big merchants responded in several ways to the destruction of their businesses. In general, there were the ones who had either enough money to set another store somewhere else or to rely on an already existing one; and, there were the ones that did not have any way to recover and had to stop working after the earthquake. The first ones showed a reactive resilience capacity through their favorable financial conditions, while the second group did not show any resilience.

⁸ Supermarket chains

Either way, they were all eager to move because New Tarqui represented a chance to have a large and low-cost store in a place that they considered to be the new business center of the town.

b) Retailer's Relocation

The retailer's area is in a 4,8-hectare land, where 2.000 retailers have set their business. It has 1.834 stores of 6,8 m² (not every retailer has a store of their own) divided per type of business: clothes, shoes, seafood, meat, fruit, vegetables, electronics, small grocery stores, beauty salons, among others. It includes five areas of cafeterias, a children's playground, an administrative area, the BanEcuador building, public bathrooms, a police station, and parking lots (Ecuador Estratégico 2016).

Before New Tarqui was even on the public agenda, the majority of the retailers settled in La Poza. While they remember La Poza as a place where their business did best⁹, as many bus lines passed by, and it was close to Old Tarqui¹⁰, they also recognize that La Poza was not a beautiful place to settle.

“The circumstances in which we were in La Poza did not present all the sanitation nor the conditions to be there because there were no proper bathrooms; there was nothing paved or anything. The commercial premises were not safe; they were made out of plastic or tin” (MB6)

The moving process was not as simple as with the big merchants. On the contrary, the retailers did not want to move to New Tarqui in the first place. For them, they already had solved the problem, as they moved to a place where sales were helping them recover. This shows that there was a community-driven reactive resilience among retailers in the short run.

Regarding their opposition to moving to New Tarqui, a state interviewee manifested that they had to convince them in order to place them in the area. This situation reinforces the fact that the biggest concern of the state was not the retailers' needs but solving the disorder situation, which attended to their interest in urban planning. He specifically said:

“They are all small merchants, from the tradition of informal street trade. They did not want to move to New Tarqui. It was a challenging process. We had to sell them the project, just like a house seller, with all the benefits, like security and comfort” (SRS)

This negotiation happened mainly with the associations' representatives. As there were over thirty-two associations involved, the negotiation process was complicated. The interviewed

⁹ There was not a homogenous consensus on this matter, but most of the interviewees manifested doing better in La Poza than in New Tarqui in terms of sales. Despite this, the land was not large enough and not everyone fitted in La Poza. Also, merchants that did not belong to any association had barely any chance to enter.

¹⁰ New Tarqui is also close to Old Tarqui and La Poza

merchants manifested their disappointment with the municipality, as they promised them benefits that they did not get:

“We were betrayed. I did not want to leave because we sold over there (La Poza). Who would want to leave a place where sales are good? The municipality promised us a full reactivation, with publicity in television, radio, programs with psychologists, many things. But they did not do it” (MR3)

Once they moved, the main problem was where to relocate the people and whom to relocate there. Both, the merchants and the institutions agreed on the fact that people that were not Old Tarqui merchants arranged to have a store in New Tarqui, through the association’s president’s help. Despite this, the researcher did not find many new merchants in New Tarqui while doing the fieldwork, and, when asking about the reason for it, the merchants said that most of them had already gone broke because of their lack of experience.

The other struggle with the relocation was the setting of each of the businesses. While there were areas designated for each type of business (clothes, seafood, vegetables, cell phone supplies, restaurants), where to place each of the retailers was a problem to solve. Regarding this, the merchants had the power to interfere in how to distribute the stores, particularly the association leaders, as they were the ones with direct contact with the authorities. A state worker explained:

“You would think I am lying about this, but one of the issues that they were most concerned about was the fact that they wanted to work next to their families. So what we did was to raffle some of the locations, and the winner would say: ‘the place next to me is for my son,’ and that one we did not raffle” (SRS).

On this matter, it is essential to understand that Old Tarqui merchants had the characteristic of being part of a tradition of merchants, or, as they say, they are merchants by heritage. Such tradition means that typically, they come from merchant families, and also that many members of the families are involved in the business or other similar independent businesses. While doing the fieldwork, it was noticeable that the family and friendship relations that merchants had with their merchant neighbors remain.

3.3.2 Credit Program

The BanEcuador program for the recovery process was called *Contigo Ecuador*. The program gave credits in the affected areas, so the population could start a new business and reopen or fix their old ones. In Manabí province, the total amount spent in credit was of 110 million USD out of the solidarity law and 12,8 million USD out of the bank resources. Sixty-nine percent of the credits in Manta were given in the areas of commerce and services (Reconstruyo Ecuador. 2017).

The program would finance up to 20.000 USD per merchant, and it had a payment term of a maximum of ten years, with an extension of six months to start paying the credit and 11,2% of bank interests. The program gave credits with a shortlist of required documents; these were: a copy of the identification document, voting certificate¹¹, electric bill¹², RUC¹³ or RISE¹⁴, and guarantor (Reconstruyo Ecuador. 2017). Also, once New Tarqui was ready, a BanEcuador office was placed in the market. They claim that the office represents the permanent commitment of the state with the New Tarqui merchants.

In general terms, there was no difference perceived in terms of the locations of the credits between the big merchants and the retailers. While the state discourse sustains that there was full support to every merchant of Old Tarqui, and, credits were given in a higher speed and amount than usual, that does not mean that they all got them; even though the credits were openly announced by the radio, television, association's presidents, and offered directly to them at their stores by the BanEcuador workers.

According to an interview made to an SBE, at the time, the Manta agency gave up to eighty loans per month. While these are not official percentages, she said that, of the total amount of loans given at the time, around 50% of the people paid in time, around 30% refinanced the debt, and 20% did not pay and disappeared. Despite this, she said that, as an institution, they knew there was a risk in giving money so speedily to people that lost it all, but the emergency had to be attended.

Credit support had several limitations. In the first place, while they offered six months of debt extensions for people who already had credits in BanEcuador, there was no such regulation for all of the other banks, and people who already had debts found it challenging to get into another one. Secondly, people who had a bad credit rating could not access loans either. Thirdly, for those who had workers (mostly the big merchants) and had debts with the social security system, applying for credit was not a possibility, even if they had the money to pay it back. Finally, the factor that represented the highest obstacle to get credit for the merchants was the guarantor requirement.

¹¹ In Ecuador it is mandatory to vote in general elections

¹² To confirm the address

¹³ It is a registration to control the payment of taxes of every person or business that has an economic activity that generates more than 60.000 USD per year. It's the acronym in Spanish for Unique Registration of Taxpayers.

¹⁴ It is the registration that small and informal economic activities that sell less than 60.000 USD get in order to pay taxes. In this case, the amount of taxes does not vary on the earnings but on keeping low sales. It's the acronym in Spanish for Ecuadorian Simplified Tax Regime.

Finding a guarantor is always hard when asking for credit because not only is not easy to get someone to trust the risk of losing that much money, but also, they do not always have friends or family that reach the socio-economic status that banks require for guarantors. This situation was aggravated by the disaster since it was harder to get people to trust them when they had lost everything, and their reactivation was uncertain.

“To me, what is most important about credit is its speed, because even if there are low interest, no one is going to be my guarantor. I prefer to avoid paperwork and asking for favors. Also, if I find someone willing to do it, it is not always the right person for the bank. The person has to have a car, a house, and if the person earns the basic salary, they cannot be a guarantor. My friends earn the basic salary if not less” (MR19)

In this situation, family and friendship ties also played a fundamental role. Many managed to get credits by being each other’s guarantors. Another common mechanism during the emergency was to ask a friend or relative to ask for a credit for them as if they were the affected merchants. The mechanism was done with the help of the institutions. For example, a female merchant told of how she did not have an acceptable credit status, but the municipality helped give a ‘merchant certificate’ to her sister, so she could take the credit and give the money to her.

3.4 Chapter Three Review

Overall, the political situation was favorable to recovery. Firstly, there was political stability in the central state, the ruling party had a political majority in the National Assembly, and that allowed the approval the solidarity law quickly, which was the critical factor for financing the recovery programs.

Stability also permitted the creation of the Reconstruction Secretariat, which had the power to coordinate actions with every other central state institution, and local governments. Such interdisciplinary efforts are not usual in local government policy planning; however, the emergency scenario validated it. On top of it, they arranged international technical support from the UNDP.

With this political scenario, the policymakers positioned of the official discourse of the problem to defend their political interests. At this stage, the dispute for seizing a potential window of opportunity truly started.

In this case, the municipality and central government had a solidly built opinion on how to address the problem. For them, the problem existed before the earthquake in the form of informal commerce, and as they discursively positioned it, their concern was not so much the problems of the merchants, but rather, the merchants themselves were the problem. Once the

earthquake hits Manta, the main problem continues to be informality, but then also, the lack of a proper and common location of the informal and formal merchants.

On the other hand, the merchants did not consider that the seeming disorder was a problem, and, particularly the retailers, even considered it as beneficial because it meant no fees for government services and the location was in the same area as the big merchants, so there was more customers' flow. For them, it was the earthquake that created the problem of the destruction of their businesses and their workplace.

The existence of a new problem for the merchants who were victims of the earthquake worsened their existing vulnerabilities. Although all merchants were left with no place to work, their vulnerabilities influenced the degree of the damage and their ability to bounce back in the short run. Generally, the most prominent vulnerabilities that restricted their recovery were the lack of social capital and low profits. Their vulnerabilities did not operate independently but in a reverse relationship with the resilient conditions of the less vulnerable. Therefore, some vulnerabilities of the poorest merchants intensified as the affluent merchants recovered.

In general terms, relocation for big merchants went very smoothly, as they had a direct interest in having a place to reopen their stores. This was the case for all of the interviewed businesses. For instance, most of the big merchants did not have any immediate reactive resilience capacity for the reason that they spent months after the earthquake unoccupied. The ones with larger businesses did show resilience through their savings, and still desired to move to New Tarqui.

The retailers demonstrated reactive resilience capacity after the earthquake, as they found several places to work around Manta and almost immediately set up their businesses again. When New Tarqui was ready, most of them opposed the relocation. The self-resilience of the retailers was somewhat ignored. Finally, the retailers did agree to move to New Tarqui.

The BanEcuador credit program played a crucial role in the merchants' recovery. These were credits given by the state with low interests and very few requirements. Overall the program did help those who got it to recover. Nevertheless, not every merchant had access to these credits. Access depended, to an extent, on their poverty conditions. The poorest merchants had less access, but mostly because of their ability to get help from friends, family, and associations to fulfill the requirements, as the most challenging requirement for big merchants and retailers was the guarantor requirement. Consequently, poverty as a vulnerability was not so much an obstacle if the merchant was not vulnerable regarding their social capital.

CHAPTER 4

4.1 Policy Entrepreneurs: Actors Involved

Several policy entrepreneurs can be identified in the policy-making negotiation process of New Tarqui, but, of course, not every actor influenced the policies up to the same extent, nor they got to participate as actively in the process. This section is going to describe the role of state actors and non-state actors in positioning the problem into the agenda.

4.1.2 State Actors: Municipality and Reconstruction Secretariat

When it comes to an understanding of the creation of the problem-solving policies, policy actors did not gather together and discuss the optimum solution for the problems. Especially in the middle of the emergency, the interviewees manifested that there was not that much time for debate, as the multiple strain theory shapes, but for coming with a rapid solution. Notwithstanding, there were negotiations involved.

First of all, the most apparent problem appeared to be the merchant's lack of money because of their loss of capital. This is how the immediate decision to open a unique credit program came into the agenda. The program did start ten days after the disaster. As the interviewees from the institutions specified, this was a direct order of then-president Rafael Correa. Not only did the creation of the program seem to be a direct top-down order from the presidency, but also the monitoring of the process and results.

“The president gave a super clear order; it was ‘support all merchants who had been affected by the earthquake.’ He was the one who ordered the incentive for merchants. Moreover, all the BanEcuador workers were sent away from their offices to get involved with the people” (SM).

Secondly, contrary to the credit program that was developed for all the areas where the earthquake hit, the problem of the merchants' lack of a proper place to work was a specific problem of Manta. In that sense, it a local problem of the municipality. As the interviews revealed, this began as an idea from the municipality, when they realized there was money for a big project, they saw an open window of opportunity to solve their previous problem. First, it started as a temporary project:

“The municipality wanted to make a temporary relocation to see what could be done in Tarqui. We presented some metal roofs, then we modified them to make small shelters, but very cheap ones. Then came the reconstruction (secretariat): ‘no no no, if we already make this investment it must be permanent, forget Tarqui because Tarqui will never be the Old Tarqui’ (SM).

This is how the project entered into the agenda, and from there, the deliberations around how to develop it started. The municipality was the actor that mediated most of the process between merchants, but the reconstruction secretariat also intervened actively.

4.1.3 Big Merchants

At the very first stage of discussing New Tarqui's project, big merchants were not included in the municipality plan of Old Tarqui merchant's relocation, as they were not seen as the most affected group, nor as a problem. Nonetheless, as soon as the big merchants knew about the possibility of the construction of a market financed by the municipality, they pushed their way into the plan, and automatically became actors that influenced the agenda. They were included in meetings with the municipality and reconstruction secretariat representatives.

They were having a hard time finding a store to rent that was available and affordable, as rents went high because of the renting shortage that followed the disaster. This group is not used to informal economy dynamics, so options like La Poza were not even considered by most of them.

The municipality's first idea was to set this project in a piece of land in the borders of the city, close to the new bus station in a not so commercial or populated area. The formal merchants intervened on this issue with the municipality and the Reconstruction Secretariat. A reconstruction secretariat worker explained:

“we said: ‘you know what? They are right, let’s look for a suitable land’, and with them, we looked for the land, with a group of them. They chose it because we did not know Manta much, but they found this spectacular land with them. The land was the most expensive part of the project” (SRS).

One of the leaders of big merchants' merchants explained how it was hard for them to convince the municipality to locate New Tarqui in its current land:

“We wanted to come here, but the mayor said no because he was going to put us close to the bus station. Then we met and told him that it was difficult because it was too far. He said that we did not all fit here, but then we told him about the two other lands that were next to this one. In a matter of thirty years, this will be the road with the highest traffic flow in Manta because it is the only one that crosses the three main roads that go through Manta” (MB1)

In terms of the design of the project, initially, the idea in New Tarqui was to mix small, medium, and big merchants and not to separate them into two sections. Despite this, as planning decisions were getting difficult among the 32 retailers' associations and the one big merchants' association, it was logically better for the municipality to separate them. At this point, the big merchants got the advantage of negotiating the arrangement decisions and got the best locations

for them. Again, their high level of influence demonstrates their power position in comparison to the retailers.

They also managed to obtain asphalt for the area of New Tarqui with the Manabi Prefecture on their own. Their high resilience capacity to get help from institutions was possible because they had direct contact with workers at the prefecture.

Finally, their part of the project was finished months before the retailers' section, also because the big business project was much smaller in size, and there was only one association that negotiated. Even if this group had to push themselves into the program, they represent the elite among the victims, as they had the social capital to get directly in touch with authorities and influence their decisions.

4.1.4 Retailers

The retailers were also policy entrepreneurs in New Tarqui relocation, but to a lower degree, not because they were not active, but because they had less power influencing the policymakers than the big merchants had. The retailers did not get involved in the decision of New Tarqui's creation, but did later on, in decisions of specific details of the already decided project. They participated in the discussions about the design of New Tarqui and facilities such as how to distribute the stores, the existence of a children's playground, among other details.

During this process, social capital played a substantial role. Being represented by an association meant a significant advantage in comparison to those who were not. First of all, when the reconstruction process started, the state established its dialogues with the leaders of these associations. On this matter, it cannot be said that all the thirty-two leaders got involved, but those who had more social capital and had more experience with negotiations knew how to get involved best in the emergency. One male member of an association shed light on this matter:

“BanEcuador began to have conversations with the associations; they made the list of members, and then the bank decided who would get it. It was better with them (BanEcuador) because they had 11% interest and the others around 21%” (MR5)

The SM explained how in the relocation process the associations had priorities because they had been defending their rights as merchants for over fifty years, and therefore, the state could not turn their back on these actors, and, even if they had many troubles in the negotiation process with some leaders, they were key actors.

This situation could represent a struggle for the merchants that were not part of an association. About this issue, a female retailer shared how not being associated represented a disadvantage for her.

“It was very tough for me because I did not belong to any association, and I did not have a designated place in New Tarqui during the first months, even if I was in Tarqui. The people that got placed first belonged to an association.” (MR15)

With this in mind, even if the retailers’ associations were not included in the first stage of the program, they did participate during the construction and relocation to New Tarqui. Plus, within the retailers, there was a big difference between leaders and the associated merchants, in comparison with the non-associated merchants, being the last ones, the most excluded from negotiations.

4.2 A Window of Opportunity for Whom?

Continuing with the line of analysis that considers how power structures reflect on each actor’s experience on each stage of the program, this section is going to analyze how they respectively took advantage of the window of opportunity presented in the days following the earthquake, and how they benefited from it.

4.2.2 Window of Opportunity for the Municipality

The municipality was the first policy advocate. Not only did the lack of location for the merchants allow the municipality to organize the businesses, but also, the mentioned scenario represented for them an opportunity to get a more substantial amount of resources that they would have gotten from the state in normal circumstances. On top of it, they got the chance to receive technical assistance to develop the creation of the market and the relocation from the UNDP and the Reconstruction Secretariat. To sum up, the earthquake, while it was a tragedy, was the triggering event to solve a problem that the local administration had tried to solve several times without any success.

4.2.3 Window of Opportunity for the Central Government

While the central government, represented by the Reconstruction Secretariat, is not an advocate but the leading policymaker, this does not mean that they did not benefit from the misfortune. The earthquake occurred in April 2016, a year before the presidential general elections. The former government was a strong contender in the political scenario for the elections, and outstanding performance in the management of the disaster was the opportunity to improve their public image of efficiency. While this topic is large enough for another research, it is

essential to quickly shed light on the most notable events of the overall political panorama of the time and its results.

Lenin Moreno, the then-presidential candidate from the ruling party, Alianza País, was one of the most optioned candidates along with Guillermo Lasso, from CREO party. The elections occurred a year after the earthquake in March 2017. Lenin Moreno's vice-president candidate, Jorge Glas, was also the vice-president at the time, and, as the Reconstruction Secretariat was part of the vice-presidency, he played a prominent public role working in the affected areas.

Independently of the many fluctuations of the voting trend that each candidate had during the campaign, the ultimate results positioned at Lenin Moreno as the winner of the elections with 51.16%. Guillermo Lasso lost with 48.8% (CNE 2017). In a way, Manabi, being the third most populated province of Ecuador, gave Lenin Moreno the victory. A total of 66.8% of the adult population voted for him, and this made the difference in the final results (CNE 2017). Many believe that the reconstruction was decisive in these outcomes.

4.2.4 Window of Opportunity for Big Merchants

Big merchants would represent the elite among merchants, even if they were also profoundly affected by the destruction of Old Tarqui. Overall, they had more mechanisms of recovery and could take real advantage of the offered programs by the state. This subsection is going to explain why and how they benefited from the window of opportunity in a way that their conditions are now better than before April 2016, and how this policy helped build of a proactive response among this group of victims.

a) Relocation of Big Merchants

Firstly, most big merchants did not own the land where their businesses were placed in Old Tarqui. Therefore, they had to pay high rents for small spaces. In New Tarqui, even though they did have to make an initial investment for conditioning the containers, the renting fee is not part of their monthly expenses anymore because the land belongs to the municipality.

An economic crisis during the period of investigation has been mentioned several times in this paper. The merchants recognize this scenario and how it affects them. Regarding the big merchants, they also recognize that their sales have dropped during the year 2019. Although they still have more profits than before the earthquake because their expenses are significantly lower.

As rents in Old Tarqui were high, space was limited, and merchants could not physically enlarge their business by just buying more merchandise. Now, most of them have added more products to their stacks.

Big merchants do not only own large stores but well-known ones. Among the Manta population, there is a tradition of buying in those stores, as costumers already know what to find in each store and the approximate price of things. These types of businesses attract customers to the area and are called 'anchor businesses.' While the SRS considered that the anchor businesses would benefit the retailers, as they are placed next to each other, the fact that they are all concentrated in one area, has also concentrated the flow of visitors into that single space.

The relocation also permitted them to get organized into one single association as part of their proactive resilience, which administers their needs and claims to the municipality. They have managed to pay a salary to a representative so that a person can fully attend any bureaucratic or logistical needs of the members that, most of the time, solve collectively. Additionally, the representative can efficiently keep negotiating with the municipality when necessary.

b) Credit Program for Big Merchants

Regarding the credit program, it is fair to recognize that for the merchants that did get the BanEcuador credit in New Tarqui, the policy helped them recover. The interviewees that got access to the credit, even if they had had their homes damaged, did use the credit for their business and not for personal needs. They also recognize that BanEcuador was the first bank to offer them loans in the middle of the emergency with low interest, although, after a while, all the banks went to offer credits. The fact that this helped them bounce back and start again is a matter of collective agreement among both groups of merchants. In that sense, loans contributed to the construction of reactive resilience in both groups and proactive resilience among big merchants. Of course, there is a difference in how they spent the money and how they benefitted from it, as they manage different types of budgets and had different business dynamics.

In the case of big merchants, although they invested the money in merchandise, they also used it to buy and condition the containers to establish their stores. The big merchants, as they manage more significant amounts of money, could administrate their money in a better way, as they had other economics backups such as houses, cars, or lands. For example, one of the interviewees explained how she was able to use a loan that she already had to overcome the immediate crisis, and then use the BanEcuador credit to grow. The reason why she could do this was that she was not in urgent need of money:

"At the time of the earthquake, I had money, with which I was reconditioning the house. I lent that money to the business, and from there, I made the loan. I did not want to make the loan until I was already installed in the business and knew I was going to be able to pay and take advantage of the six months' extension. Thank goodness, I am working again" (MB6)

It should not be guessed that all big merchants are wealthy enough not to have had severe affectations. Some of them lost everything and were for months deprived of working or performing any economic activity. Despite this, they did have a backup of some kind, and therefore, more planning capacity. Here is an example of a female MB4 that lost her house and business in the earthquake, and, despite not having the liquidity herself to recover, nor a guarantor, she got access to credit because of a piece of land she owned.

“It benefited me 100%. I consider myself benefited from this misfortune because I got to grow. I was in a room sitting 6 years in Old Tarqui that did not flourish. For me, the earthquake was a blessing. All I have is thanks to the credits. BanEcuador gave me the 8 thousand credit, it was low, but I already paid that one. Now they gave me one of 15 thousand. I pay it every month” (MB4)

4.2.5 Window of Opportunity for the Retailers

For the retailers, the window of opportunity did not open as much as for the rest of the actors; in a way, the relocation even prejudiced them. Next, the researcher will explain to which extent the retailers managed to take advantage of the window of opportunity opened by the recovery policies.

a) Credit Program for Retailers

Regarding the BanEcuador credits received, the money was invested mainly in recovering lost merchandise, since they, contrary to the big merchants, did not have to invest in their stores. The credit, in most cases, was central for their recovery in order to get their business back in track but did not help them to grow. On this matter, the merchants, particularly the older ones, seem to be very cautious when acquiring a new debt in a moment of crisis.

“I cannot say: ‘ok, I am doing bad, so I will get a credit to improve my business.’ No, because I would not have a way to pay it, and I would consume the money in something else. I am not doing well right now, and I know the credit is not the solution. I need to have some security” (MR5)

b) Relocation Program for Retailers

While the credit was a crucial factor in their ability to recover their businesses, most of them agree on the fact that the relocation was rather detrimental. As was explained before, the retailers did not stop working after the tragedy but quickly created their very own recovery answers establishing themselves in places around Manta. While these responses did have some problems, as the exclusion of non-associated merchants, unsanitary conditions, and lack of space for everyone, most of them agree on the fact that their sales were higher in those spaces.

One of the explanations that appeared the most in the interviews was the inefficient transportation system, as the busses that pass by the area stop mostly in the Containers and not at the Modules.

On top of that, retailers have now more expenses than they used to. Even if they do not pay rent for their stores, they do have to pay an electric bill, a fire department bill, and a fee for cleaning and garbage collection. While these can be considered necessary fees for the basic services, these are still expenses that they did not have in Old Tarqui, and that bothers them, according to the interviews.

Finally, what is perhaps the primary disadvantageous factor is the fact that the anchor businesses are not mixed within the same place with the small ones. Their coexistence seemed to be a matter of concern for the state, as they specified in the interviews that it was vital for them to include anchor businesses in the plan to attract clients. Therefore, they are not mixed enough, as there is a clear boundary between both groups. Their sales success highly depended on the proximity to The Containers, which means that the further the retailers' store is from the anchor businesses, the less resilience they have developed. Consequently, the small businesses were nourished by the customer flow that the anchor businesses generated.

All these factors translate into a single prominent problem: low sales. New Tarqui remains empty almost every day of the year, as people now buy things in their neighborhoods or at The Containers. It is essential to highlight that this complaint about low sales is a situation that has increased in the year 2019, as most of them agree that in the first year of New Tarqui, sales were not as bad. This would make us think that the problem of low sales is not entirely about the relocation but the economic crisis. A male merchant told us about his experience around this situation:

“For a while, we had some excellent months. However, right now, we are in the worst scenario. I am at 0.1% with earnings. For example, with my business last year, I sold on Mother's Day, between Friday, Saturday and Sunday, 2 730 USD. This year, for Mother's Day, I sold 25 dollars throughout the whole month. I have three months in which I have not sold 300 dollars. It is a tough situation” (MR16).

As a consequence, an old problem has risen again, the presence of loan sharks. While this problem existed in Old Tarqui, it has been increasing during the last years. These actors lend money to the merchants with no requirements but their ID number. They charge the payment contributions daily to high interests that are difficult to maintain for the merchants. The problem

is that, if the merchants do not pay them back, they start taking their belongings as a guarantee, in such a way that they can lose their whole business, houses, and, in extreme cases, their lives.

The merchants are aware of the risks of this mechanism, but they state that sometimes, it is the only way to get fast money. The amounts that they ask for are generally low; they vary from around 100 to 500 USD. They explained that they have to reach the loan sharks due to the lower sales that they have now because of the relocation and current economic crisis, but also because banks ask for too many documents in order to have a credit, especially during times of crisis.

“See them. They are loan sharks. They are the ones who visit us. This is what is making us go bankrupt. One ends up in a loan shark when needing. I tell you that here one ends up borrowing money from around five loan sharks. Now I do not make any investment because I want to get over these people, I am about to go crazy” (MR6)

It could be though that only those excluded from the formal banking system reach out to loan sharks, but in fact, this is a common practice among all merchants, and even those with bank loans get money from loan sharks from time to time to cover immediate needs.

c) Community-driven Proactive Resilience

Despite the problematic scenario in their economic conditions, proactive resilience responses have also risen as a result of the recovery process among merchants. While it cannot be said that the retailers acted as the leading policy entrepreneurs in the relocation program, they have come up with ways of policy entrepreneurship at a community level to cope with their economic problems.

First of all, while they have always been an organized group, associativity has increased among retailers. Currently, there are thirty-four associations in New Tarqui, two more than before. Not only have the associations grown stronger and have merchants increased their awareness of the benefits that this can bring, but they have become more active in their participation. This happens not only by getting enrolled but also because there is now a specific space for them to gather, and there are more activities among the different associations. They explained that now they are the ones that have to trigger new projects that genuinely benefit their recovery.

“We have been doing activities, and looking for recovery programs, programs on how to save money, how to help our colleagues. We are currently working to change the whole electrical system (...) We are developing a project to end those payments. We want to see if we start working with what is being done in other countries, renewable energy, right? The project is very advanced, and we are talking with the Japanese embassy to put solar panels on us. (...) we already signed an agreement with the university (...), so we get training to maintain the system.”

The second kind of community entrepreneurship found there are the *banquitos*. These are communal banks where a group of retail merchants gather together and save an agreed amount

of money per week and put it into a common fund. At the end of the year, the money is given back to them. The money is also used to give small loans to members; in this way, the interests paid are also added to the collective funds, plus the penalties when the borrowers delay in their payments. Some *banquitos* also make bingos, raffles, and other events to raise more money for the collective funds. Loans made at the *banquitos* usually are made for small amounts of money (generally from 100 USD to 1.000 USD), in a way that the members can increase the number of credits while they create a good credit record with the *banquito*. The existence of this mechanism increased after the earthquake.

Here, it is essential to highlight the presence of the ESPOIR foundation. Their role is to promote and help to arrange this form of communal banks (particularly with women) among New Tarqui merchants. As they are a larger organization that, consequently manages more substantial funds, they reward the successful participation in a *banquito* by providing access to credit in ESPOIR for up to 10.000 USD (ESPOIR. 2019).

These two forms of community-driven proactive resilience show the merchants' capacity to create ways of improving their business conditions through their creativity and the use of their social capital. The retailers were active policy entrepreneurs, but their action was constrained by an already decided recovery program, their vulnerabilities, lower social capitals, and powerless condition.

4.3 Chapter Four Review

This chapter reviews the power structures that were involved in the negotiations between actors in the recovery program of Old Tarqui merchants. It also reviews how their participation and vulnerabilities influenced the favorable and adverse outcomes for each actor.

First of all, the idea of arranging a relocation program did not arise as a result of an active set of possible solutions. Instead, the state decided to organize the merchants' relocation, and from that point on, the debate started.

The municipality was the first policy entrepreneur. Of course, the fact that they are part of the state and that this idea was quickly accepted by the central state, positions them in a high power position. They successfully seized the open the window of opportunity to accomplish their political interests through solving the unwanted seeming disorder of retailers.

At first, only the informal merchants were part of the plan, and the formal merchants pushed themselves into New Tarqui by approaching the authorities. On this matter, big merchants got into negotiations from the earliest stage of the process and got to intervene in the most critical

decisions of New Tarqui. They showed exceptional ability to negotiate directly with state authorities. The fact that they are middle-upper class and have higher social and economic capital than the retailers positioned them as the elites within the merchants; therefore, social capital played the most outstanding role in their successful recovery.

The retailers were not included in the decision making of the program, but only once the land was selected. Despite this, they actively joined negotiations in the early stages of the program, before New Tarqui had an official design. Retailers are very well organized in associations, and this helped them enhance their social capital to their advantage. Despite this, they had lower social capitals and were in an unfavorable power position that could not compete with the big merchants, and this represented a vulnerability for them. This meant that big merchants had the power to position their interests over the interest of the retailers.

It is essential to reflect on the fact that although there were high levels of participation of both groups of merchants, this is not the only factor that impacts the resilience results of a window of opportunity. On this matter, social capital and inequalities played an outstanding role in influencing the power that each actor had to prioritize their interests.

To sum up, New Tarqui has represented an extraordinary improvement for big merchants and has become a misfortune for most of the retailers' businesses. Big merchants have managed to build not only reactive resilience but also proactive resilience, as they have improved previous economic and social capital resources through more profitable enterprises and better-arranged associations. The retailers, on the other hand, have mostly recovered and generated reactive resilience, but very few have grown. Despite this, they have managed to create mechanisms of community-driven proactive resilience that do not receive strong support from the municipality.

CHAPTER 5

5.1 Conclusions

The window of opportunity that opened after the 2016 earthquake in Ecuador was seized differently by each actor; therefore, it also had different outcomes. Overall, the higher the power position, the better the window of opportunity turned out.

Both state actors benefited in the long run from the disaster, as they positioned the dominant discourse of the problem. On the one hand, the municipality got to solve the prior problem of unorganized and dirty commercial activities of Old Tarqui. On the other hand, the central state representatives managed to reinforce their political power and win the general elections. In this case, the disaster helped to strengthen the government's power position.

The politics' conditions that allowed this window of opportunity to open were the aggravation of the merchants' problem; the settlement of the legal conditions through the solidarity law; the joint efforts of different local and international institutions to solve one single problem; and, the appearance of large amounts of economic resources.

When it comes to the merchants, it is clear the gap between big merchants and retailers, even though they are both victims and suffered significant damages. The first group grew their business as a result of the relocation. At the same time, the relocation instead harmed the second group, as their sales dropped when they moved to New Tarqui. These results occurred despite the full financial support that the retailers had in comparison to the partial financial support that the big merchants got from the state.

The factors that stand out the most on the overall success of the big business and lack thereof of the retailers' businesses are the physical separations between big and small business; the spread of the commercial activities around the city; the economic capitals of each merchant; the expense cut of the big business in comparison to the high rents at Old Tarqui; the opportunity of big business to physically grow their stores; and, the appearance of higher maintenance fees for the retailers in comparison to the almost nonexistent fees in Old Tarqui.

These factors do not appear spontaneously but as a result of previous existing power structures and vulnerabilities among the affected merchants. The vulnerabilities that became the highest obstacle for the merchants' resilience were poverty and lack of social capital. The second one is the factor that influenced the most in the resilience capacity of taking advantage of the window of opportunity.

On this point, it was outstanding the role associativity had in victims' capacity to build resilience and positively seize the window of opportunity. Community organization was essential for channeling the state's efforts. Merchants that had profitable businesses could recover in the short run but, their ability to get involved in the state authorities' decision-making process for their benefit was a result of their active social capitals; this was the case of the big merchants' association representatives. The retailers also managed high levels of advocacy and social capitals, which they managed through the associations' leaders, although they were still in a disadvantaged position in terms of their social capitals compared to the big merchants. Finally, the merchants that showed the lowest resilience were not necessarily the poorest ones but the ones that had the less efficient social capitals, as they were not part of the associations, nor had they a family network of merchants that could support them.

The merchant's resilience did not work independently from each other but functioned as a result of other merchant's vulnerabilities. This meant that the high resilience of big merchants meant a power disadvantage for the retailers, which translated into lower resilience capacity. Furthermore, both types of merchants developed levels of reactive and proactive resilience. Big merchants, through improving their businesses, strengthening their associativity, and getting administrative autonomy. The retailers, as they managed to bounce back and reactivate their businesses, strength their associativity, and intensify the existence of *banquitos*. Notwithstanding all of this, inequalities remain.

Structural inequalities are somewhat complex to solve, as there are many factors involved that overcome the capacity for redistribution of resources in a recovery program. On this point, it is also essential to recognize that all victims of a disaster are not positioned in an equal level of power structures; which is why a recovery program should worry not only about the provision of public services but about recognizing the power relations among them and the existing social capital dynamics to reduce those inequalities. For New Tarqui merchants, the previous inequality conditions deepened after the disaster.

Overall the political, economic and social conditions created after the earthquake did serve as a window of opportunity for the state to accomplish their interests, for the big merchants to improve their profit, but not so much for the retailers, who are the majority in total numbers and, therefore, the ones that should be the priority in a recovery program.

The researcher believes that such unequal results are not a product of the lack of good intentions of the state with regards to the merchants' recovery. New Tarqui and the BanEcuador credit program can be considered as part of a holistic recovery plan that tried to cover many social needs such as poverty and lack of a workplace. The program improved security and sanitary conditions, incentivized associativity and created safety conditions in case of a new earthquake. The shortcomings of the recovery started with the mismatch of the state's problem with the merchants' problem. The state exists to solve the population's problems and not their own ones, and this argument should not be different for each type of actor. Regarding the problem identified in this research, the informal economy problem cannot be a matter of aesthetics, but a matter of attending the needs of informal merchants.

Finally, the state failed to recognize the community-level resilience that the merchants showed since the very beginning. The fact that they found places to locate their businesses immediately after the disaster is an example of this. The municipality underestimated the fact that merchants know which place benefits their businesses the most and that their election is not arbitrary but

instead responds to their knowledge of Manta's commerce dynamics. Without undermining the state's efforts to improve their workplace conditions, which the researcher thinks contributes to decent work, the priority for the merchants is to have good earnings for their households, and that should have been the priority for the municipality as well.

5.2 Policy Recommendations

The belief of policymakers that informal merchants like to work in uncomfortable places with adverse sanitary and health conditions is somewhat naïve and shows a misunderstanding of the real problems merchants have. The state should be able to understand the order in the seeming disorder of the mixture between informal and formal merchants in a single place, simply because it seems to work better for the poorest, and, perhaps, this is not so unorganized as the state thinks. The challenge for policymakers is to understand this and reproduce it in places like New Tarqui, bearing in mind that anchor businesses and informal businesses have to coexist to benefit each other directly. On this matter, even though in this case, the relocation and location meant a win-lose situation, this does not have to be the case. It can also mean a win-win situation if big, medium, and small enterprises manage to organize.

Uncleanliness and disorder of the informal economy might not be the main problem, but rather the poverty conditions that push citizens to look for these insecure economic activities. This is why it is essential to see the bigger picture of existing inequalities, lack of opportunities, and vulnerabilities that create this and tackle those causes.

The policy makers cannot put all the victims into the same category; and, understanding inter inequalities is strategic to break them. As the poorest are usually the majority, the policies should prioritize them, and the window of opportunity should open to break inequalities. The state has to make a conscious effort approaching the most vulnerable ones, especially during an emergency situation, as they will probably not have the means nor the time to approach authorities themselves and participate in the decision making of a recovery program.

The outstanding role of associations has permitted to make evident the high community-level resilience capacity of merchants. Here, policymakers have to be able to recognize their entrepreneurship and support it. New top-down ideas might not be needed nor wanted as enough resilience ideas are being created in New Tarqui.

The existence of *banquitos* seems to work efficiently as a tool for overcoming merchants' financial problems, strengthening their community ties, and improving their savings capacity. Policymakers should explore the possibility of possible state support.

5.3 Theoretical Reflection

The case of New Tarqui as a post-disaster merchant's relocation program offers an example of the application of the exposed analytical framework. Next, I am going to present some theoretical insights found in this research.

Multiple stains theory did not work in the expected sequence; instead, the elements that interfere in the creation of a window of opportunity as a consequence of a disaster overlapped, and a different sequence of events was found. Likewise, a single policy problem was not identified, but this aspect varied for every actor; hence, the problem for the state was the dominant one in the planning of the recovery policy. The identification modified all the policy process analysis and helped to identify the power interests involved in the policy negotiations to seize the window of opportunity. An in-depth exploration of how a structural sequence of events works in post-disaster recovery programs was not accomplished in this research.

Another insight found is that the advocates for a policy are not always outside the state but can also be inside the state but from less powerful positions. In this case, that advocate was the municipality in front of the central state, who administrated the resources.

Furthermore, despite the belief of some authors on the little evidence of disaster as a window of opportunity in developing countries, here, positive outcomes were found regarding the state's goals.

As far as the literature review of this paper has reached, a gap in post-disaster business relocation program theories was found. This research strives for helping to fill that gap.

Further research

It is recommended to develop an analysis of how social capital vulnerability and structural inequalities shape each other and how they can influence the results of community participation. Through a deeper understanding of this connection, there can be a closer approach to the improvement of community resilience's capacity.

Further investigation should be done in how the formal merchants perceive the informality, and if not only the informal merchants benefit from formal merchants due to the high costumers' flow that anchor businesses generate, but perhaps, also the other way around.

Research on the outcomes of solidarity law is also recommended. It is not clear if this local relocation of the public budget represented an advantage in terms of setting a scenario of autonomous decision-making. This could be done comparing other reconstruction experiences where external donations had a central role.

REFERENCES

Albala-Bertrand, J.M. (2007) 'Globalization and Localization: An Economic Approach', 'Globalization and Localization: An Economic Approach', *Handbook of Disaster Research*, pp. 147-167. New York: Springer.

Allan, H. (2008) 'Reordenamiento Urbano, Seguridad Ciudadana Y Centros De Tolerancia En Quito Y Guayaquil', Quito: FLACSO.

Anand Kumar, T. and J.K. Newport (2005) 'Role of Microfinance in Disaster Mitigation', *Disaster Prevention and Management: An International Journal* 14(2): 176-182.

Berke, P.R. and T.J. Campanella (2006) 'Planning for Postdisaster Resiliency', *The Annals of the American Academy of Political and Social Science* 604(1): 192-207.

Birkmann, J., P. Buckle, J. Jaeger, M. Pelling, N. Setiadi, M. Garschagen et al. (2010) 'Extreme Events and Disasters: A Window of Opportunity for Change? Analysis of Organizational, Institutional and Political Changes, Formal and Informal Responses After Mega-Disasters', *Natural Hazards* 55(3): 637-655.

Bose, B.P.C. (1994) "The Politics of Disaster", *The Indian Journal of Political Science* 55(2): 119-134.

CNE (2017) *Elecciones Predidenciales 2017: Lenin Moreno Gárces*. (1 edn) Quito: CNE.

Corey, C.M. and E.A. Deitch (2011) 'Factors Affecting Business Recovery Immediately After Hurricane Katrina', *Journal of Contingencies and Crisis Management* 19(3): 169-181.

Correa, R. (Last updated 2016) 'Inauguracion De Los Modulos Del Centro Comercial Tarqui (Inauguration Speech)' (a webpage of Presidencia de la República del Ecuador). Accessed 19/09/2019 2019 <<https://www.presidencia.gob.ec/wp-content/uploads/downloads/2016/12/2016.12.27-INAUGURACI%C3%93N-DEL-CENTRO-COMERCIAL-TARQUI.pdf>>.

Dahlhamer, J.M. and K.J. Tierney (1998) 'Rebounding from Disruptive Events: Business Recovery Following the Northridge Earthquake', *Sociological spectrum* 18(2): 121-141.

Davlasherdze, M. and P.C. Geylani (2017) 'Small Business Vulnerability to Floods and the Effects of Disaster Loans', *Small Business Economics* 49(4): 865-888.

Ecuador Estratégico (Last updated 2016) 'Gobierno Inaugura Nueva Zona Comercial'. Accessed 10/07 2019 <<https://www.ecuadorestrategicoep.gob.ec/gobierno-nacional-inaugura-nueva-zona-comercial-de-tarqui/>>.

Farley, J., D. Baker, D. Batker, C. Koliba, R. Matteson, R. Mills et al. (2007) 'Opening the Policy Window for Ecological Economics: Katrina as a Focusing Event', *Ecological Economics* 63(2-3): 344-354.

Gonsalves, J. and P. Mohan (2011) *Strengthening Resilience in Post-Disaster Situations: Stories, Experience and Lessons from South Asia*. IDRC.

Granja, Á (2010) 'Análisis De La Situación De Los Comerciantes Informales Del Centro Histórico De Quito, Después De Su Reubicación En Los Centros Comerciales Del Ahorro, Vista Desde La Perspectiva De Los Propios Comerciantes', Quito: FLACSO.

Haigh, R. (2013) 'Discussion Paper: Developing a Resilient Built Environment: Post-Disaster Reconstruction as a Window of Opportunity'.

Hilhorst, D., G. van der Haar and B. Weijs (2017) 'Facing Fragilities: The Socially Embedded Nature of Socio-Economic Recovery', in D. Hilhorst, G. van der Haar and B. Weijs (eds) *People, Aid and Institutions in Socio-Economic Recovery*, Vol. 1. pp. 1. New York: Routledge.

INEC (Last updated 2017) 'Reconstruyendo Las Cifras Luego Del Sismo: Memorias' (a webpage of INEC). Accessed 11/02 2019 <<https://www.ecuadorencifras.gob.ec/documentos/web-inec/Bibliotecas/Libros/Memorias%2013%20abr%202017.pdf>>.

Kendra, J. and T. Wachtendorf (2003) 'Creativity in Emergency Response to the World Trade Center Disaster', *Beyond September 11th: An account of post-disaster research* : 121-146.

Kim, K. and R.B. Olshansky (2014) 'The Theory and Practice of Building Back Better', *Journal of the American Planning Association* 80(4): 289-292.

Kyamusugulwa, P., J. Culvelier and D. Hilhorst (2017) 'Labour Mobilization: The Case of Tushiriki (DRC)', in D. Hilhorst, G. van der Haar and B. Weijs (eds) *People, Aid and Institutions in Socio-Economic Recovery*, (1 edn). pp. 138. New York: Routledge.

Lettieri, E., C. Masella and G. Radaelli (2009) 'Disaster Management: Findings from a Systematic Review', *Disaster Prevention and Management: An International Journal* 18(2): 117-136.

Lieberman, J.M. (2002) 'Three Streams and Four Policy Entrepreneurs Converge: A Policy Window Opens', *Education and Urban Society* 34(4): 438-450.

Manyena, S.B. (2013) 'Disaster Event: Window of Opportunity to Implement Global Disaster Policies?', *Jamba: Journal of disaster risk studies* 5(1): 1-10.

Martinez, L. and J. Short (2017) 'The Informal Economy of Cities in the South: The Case of Cali, Colombia', in C.A. Brebbia and A. Galiano-Garrigos (eds) *Urban Regeneration and Sustainability*, pp. 277. Boston: WIT Press.

Obrist, B., C. Pfeiffer and R. Henley (2010) 'Multi-layered Social Resilience: A New Approach in Mitigation Research', *Progress in Development Studies* 10(4): 283-293.

Olson, R.S. (2008) 'Toward a Politics of Disaster: Losses, Values, Agendas, and Blame', in A. Boin (ed.) *Crisis Management*, Vol. 18. pp. 154. Los Angeles, London, New Delhi, Singapore: Sage Thousand Oaks, CA.

Pasch, K. (2018) 'Developing Disaster: Power, Structural Violence, Insurance-Linked Securities, and the International Political Economy of the Disaster Politics Nexus', *Journal of Natural Resources Policy Research* 8(1-2): 131-153.

Paul, B.K. and D. Che (2011) 'Opportunities and Challenges in Rebuilding Tornado-Impacted Greensburg, Kansas as "stronger, Better, and Greener"', *GeoJournal* 76(1): 93-108.

Pelling, M. and K. Dill (2010) 'Disaster Politics: Tipping Points for Change in the Adaptation of Sociopolitical Regimes', *Progress in Human Geography* 34(1): 21-37.

Reconstruyo Ecuador (2018) 'Asignaciones Y Fuentes De Financiamiento'. Reconstruyo Ecuador.

Reconstruyo Ecuador, Reconstruyo Ecuador. 2017. BanEcuador Report. Report edn. Manta, Ecuador: .

Runyan, R.C. (2006) 'Small Business in the Face of Crisis: Identifying Barriers to Recovery from a Natural Disaster', *Journal of Contingencies and Crisis Management* 14(1): 12-26.

Saharan, V. (2015) 'Disaster Management and Corruption: Issues, Interventions and Strategies', in H. Huong, R. Lalitha S. Fernando and A. Mahmood (eds) (1 edn). pp. 193. New Delhi: Springer.

Secretaria de Gestión de Riesgos (Last updated 2016) 'Informe De Situacion no 71 - Terremoto 7.8'. Accessed 23/09/2019 2019 <<https://www.gestionderiesgos.gob.ec/wp-content/uploads/downloads/2016/05/INFORME-n71-SISMO-78-20302.pdf>>.

Solecki, W.D. and S. Michaels (1994) 'Looking through the Postdisaster Policy Window', *Environmental management* 18(4): 587-595.

Solís, K. and E. Marco (2018) 'Estudio Del Impacto Económico Del Reordenamiento De La Plaza De El Salto En Los Comerciantes Del Centro Comercial Popular, Para La Estimulación Hacia Un Programa De Respaldo Financiero Solidario Entre Sus Miembros.', Quito: Universidad de las Fuerzas Armadas ESPE Extensión Latacunga. Carrera de

Sprekels, R. and C. van der Borgh (2017) 'Precarious Itineraries: The 'Long Duree' of Recovery and Livelihoods in a Post-War Salvadoran Village', in D. Hilhorst, G. van der Haar and B. Weijs (eds) *People, Aid and Institutions in Socio-Economic Recovery*, (1 edn). pp. 63. New York: Routledge.

Sutcliffe, K.M. and T.J. Vogus (2003) 'Organizing for Resilience', *Positive organizational scholarship: Foundations of a new discipline* 94: 110.

Thurairajah, N., D. Amaratunga and R. Haigh (2008) 'Post Disaster Reconstruction as an Opportunity for Development: Women's Perspective', *CIB W89 International Conference on Building Education and research* .

UNDP and Manta Municipality, PNUD and Manta Municipality. 2016. *Modelo De Gestión De La Nueva Zona Comercial Tarqui De Manta. Management Model* edn. Manta: .

UNDRR (2009) *The United Nations International Strategy for Disaster Reduction Terminology*. (1 edn) Geneva: United Nations.

Valdivieso Ortega, N.R. (2009) , *Reubicación del comercio informal en el centro histórico de Quito: conflicto y resolución* .

Wakenge, C. and D. Hilhorst (2017) 'Emergency Or Durable Solution?', in D. Hilhorst, G. van der Haar and B. Weijs (eds) *People, Aid and Institutions in Socio-Economic Recovery*, (1 edn). pp. 82. New York: Routledge.

Wisner, B., I. Kelman and J. Gaillard (2013) 'Hazard, Vulnerability, Capacity, Risk and Participation', *Disaster Management: International Lessons in Risk Reduction, Response and Recovery*, Earthscan, London : 13-22.

Zahariadis, N. (2014) 'Ambiguity and Multiple Streams', in P. Sabatier and C. Weible (eds) (3 edn). pp. 25. Boulder: Westview Press.