

Exploring Market Dynamics in the Shadow Economy: The Case of *Tabuan*



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Abstract

The term “*tabuan*” refers to flea markets that are widely recognized in the Philippines. As an informal yet vital economic space for marginalized sectors, *tabuan* fosters the exchange of goods, stimulating local trade and improving the economic conditions of the community. These markets not only provide financial earnings for vendors and traders but also contribute significantly to the weekly revenues of local governments. Furthermore, they serve as an essential platform for marginalized individuals to sustain their livelihoods. This study examines the dynamics of the *tabuan* market, focusing on the economic realities faced by vendors and traders. It seeks to explore the extent of marginalization experienced by these individuals while addressing both financial and non-economic factors that drive their participation and success in the shadow economy. Through these discussions, the study aims to contribute insights into market exchange mechanisms that enable *tabuan* traders to thrive despite economic challenges. Employing a qualitative research methodology, data were gathered through field notes, key informant interviews, and semi-structured interviews with *tabuan* traders. Analyses of related literature and manuscripts supplemented these primary data sources. The study presents a comprehensive examination of market dynamics, integrating theoretical concepts to substantiate claims of economic growth. It also identifies actionable solutions to support market development and improve the quality of life for marginalized communities.

Keywords: shadow economy market, *tabuan*, flea market, weekend market, local economy

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1. Introduction

The term “*tabuan*” refers to flea markets in the Philippines and is commonly recognized as part of the informal market, also known as the shadow economy. Through their economic activities, informal workers make substantial contributions to households, societies, and the global economy. They serve as the primary source of income for millions of families, help alleviate hunger and poverty, and contribute to the production of goods and services for both domestic and international markets. Additionally, informal workers play an important role in preserving local culture and social traditions. However, their livelihoods and contributions are often misunderstood, undervalued, and subject to social stigma (Chen & Carré, 2020).



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Within the local context, *tabuan* serves as an informal remunerative space for marginalized sectors, promoting the exchange of goods and fostering economic growth within communities. While the Municipal Market Code of Quezon, Palawan, does not explicitly include provisions for *tabuan*, Ordinance No. 2017-138 recognizes its impact on food security by encouraging the production of locally grown and locally made products. This initiative has created a ripple effect across the supply chain, generating monetary earnings and contributing to the local government's weekly revenues. Furthermore, *tabuan* provides an essential venue for marginalized individuals to sustain their livelihoods.

As part of the broader economic system, *tabuan* plays a vital role in integrating vendors and traders as significant components of economic growth. It serves as a lifeline for disenfranchised societal groups facing unequal power dynamics within the economic landscape. For many, *tabuan* is a gateway to earning a livelihood and meeting basic needs. However, vendors and traders in these markets encounter numerous challenges, including limited opportunities for their products and services, inadequate access to capital and financing, and the absence of sufficient physical infrastructure and facilities. These barriers hinder the economic productivity and stability of the most vulnerable participants.

This study aims to investigate the economic conditions, factors that enable resilience, and market dynamics of *tabuan* within the shadow economy. By analyzing these dimensions, the research aims to propose actionable solutions and develop the concept of economic relief to improve the quality of life for *tabuan* participants living below the poverty threshold.

2. Methodology

This study employed a qualitative approach to investigate the social and economic experiences of *tabuan* traders. Employing **Grounded Theory** (Strauss & Corbin, 1998), the research developed explanations directly from participants' accounts rather than relying on pre-existing frameworks. This method emphasized building theory from the lived perspectives of those engaged in the *tabuan* market.

2.1 Grounded Theory Approach

This study employed Grounded Theory, following the approach of Strauss and Corbin (1998), to develop theory directly from participants' experiences, rather than relying on existing frameworks. The method was well-suited to the *tabuan* market, as it revealed the social and economic processes shaping traders' lives.

Theme generation followed three main steps. First, open coding broke down data from surveys, interviews, and field notes into small units of meaning, such as "daily struggles," "customer relationships," and "informal credit practices." Second, axial coding grouped these codes into broader categories, illustrating how practices such as informal credit were linked to trust and community reciprocity. Finally, selective coding refined these categories into core themes, including "resilience through social ties," "adaptation to uncertainty," and "negotiation of market identity."

Throughout the process, constant comparison and memo writing ensured rigor and transparency. The resulting theory offered a clear explanation of the economic and social dynamics of *tabuan* traders, grounded firmly in their perspectives.

2.2 Sampling

The study employed a combination of purposive and random sampling to ensure both depth and diversity of perspectives. Purposive sampling was employed to identify key informants who possessed specialized knowledge of the *tabuan* market, including long-time traders, market organizers, and community leaders. These individuals were selected due to their expertise and influence, which enabled them to provide valuable contextual insights into the social and economic dynamics of the market. In contrast, random sampling was applied to select twelve traders for semi-structured interviews. This approach minimized researcher bias and ensured that a wide range of voices and experiences were represented in the study.

The sample size was structured to capture different layers of market participation. For the demographic survey, all traders present during the survey period were invited to participate, resulting in a broad profile of the market community. From this pool, twelve traders were randomly chosen for semi-structured interviews, allowing for a more detailed exploration of their lived experiences. Additionally, five individuals were purposively selected as key informants due to their recognized expertise and long-standing involvement in the *tabuan* market. Together, these sampling strategies provided a balanced and comprehensive foundation for understanding the traders' social and economic engagement.

This study sampled active *tabuan* market participants to capture the full range of roles, vulnerabilities, and livelihood strategies present in the shadow economy. The *tabuan* market is characterized by a diverse range of participants, each contributing uniquely to its vibrancy and sustainability. Small-scale farmers and indigenous peoples dominate the market, offering local crafts, organic produce, and fresh catch, often trading to sustain their daily needs. Alongside them are dual-income traders—professionals employed in the formal sectors who sell products at *tabuan* to augment their regular incomes. Capital-backed sellers also play a role, as individuals with sufficient financial resources engage in *tabuan* trade to capitalize on market opportunities. Established merchandisers, typically owners of formal shops, use the *tabuan* as a platform to boost sales and attract additional customers. Consignment traders add another layer of dynamism, acquiring products on a consignment basis, paying only for sold items, and returning unsold goods. Second-hand goods vendors further enrich the market by dealing in pre-loved clothing, footwear, and household items, catering to a diverse range of social classes. Finally, specialized sellers—such as herbal product vendors and purveyors of imported goods sourced through informal channels—contribute to the market's variety, though they are less common in *tabuan* activities.

2.3 Data Collection Methods

To ensure a comprehensive understanding of the *tabuan* traders' conditions and interactions and to capture the complexity of the *tabuan* market and its participants, a variety of data collection methods were employed.

An initial demographic survey was conducted to gather the profiles of the traders, with questionnaires distributed to respondents to provide foundational insights into their backgrounds. Complementing this, field observations were carried out over four consecutive weekends, particularly on Saturdays, to document the dynamic interactions and economic activities within the market. Detailed field notes were recorded to enrich the observational data and allow for a deeper understanding of the phenomenon. To further explore participants' perspectives, twelve respondents were randomly selected for semi-structured interviews, a method that offered flexibility while maintaining focus on key research themes and capturing nuanced insights into the traders' social and economic experiences. Additionally, five individuals identified as key informants were interviewed to provide expert knowledge and contextual information relevant to the *tabuan* market. Finally, opinions and analyses from existing literature were reviewed and integrated to situate the study's findings within broader theoretical and empirical frameworks.

2.4 Coding Procedures

Each interview has been transcribed and anonymized, and then two to three transcripts were read to spot repeating ideas and get a sense of the data. Key phrases were underlined, and short codes (one to two words or numbers) were written in the margins beside relevant lines. All margin codes were collected on a single page, duplicates merged, and a simple code list was created with one-line definitions for each code. Transcripts were revisited to mark code numbers beside lines (or highlight the lines with the code), and approximately 20% of interviews were double-checked with a partner to compare coding and resolve any discrepancies. Regular consistency checks were done by re-reading an earlier transcript every eight to ten interviews and updating definitions as needed. Finally, related codes were grouped into 3–6 themes, and short



memos were written to summarize the main points of each transcript. Dated versions of the code list and memos were saved as an audit trail.

2.5 Validation Processes

The researcher carefully checked all project materials, including consent forms, recordings, transcripts, and field notes. A sample of transcripts was reviewed again to ensure their accuracy. The findings were compared across surveys, observations, interviews, and existing studies to confirm consistency. Early themes were also shared with participants to gather their feedback. The researcher led the validation process, bringing together the evidence and conducting the necessary checks. Validation was done after the first round of coding and repeated at the end, with the results summarized in a short validation report.

2.6 Data Analysis

The collected data were systematically coded and organized to identify emerging themes and patterns. The analysis process involved the following steps:

The analysis followed a systematic three-step process to ensure rigor and depth. In the first step, data from surveys, observations, and interviews were coded to facilitate the identification of recurring themes. Concepts were formed through iterative analysis, ensuring that insights were firmly grounded in the data. The second step involved theoretical positioning, where the researcher engaged with existing theoretical frameworks to align the emerging findings with established concepts in the literature. This stage allowed for a robust interpretation of the market dynamics. Finally, in the third step, theory generation was undertaken in alignment with the principles of Grounded Theory. The study developed a general explanation of the economic and social processes shaping the experiences of *tabuan* traders, highlighting key factors that influence market dynamics and providing a conceptual foundation for practical recommendations.

2.7 Ethical Protocols

We obtained written approvals from LGU Quezon and Barangay Alfonso XIII and carried dated copies during fieldwork. Interviews were transcribed, anonymized, and assigned ID codes. Participation was voluntary, and consent (both verbal and written) was recorded in the local language. Physical notes were kept confidential. Consent forms and contact lists were stored separately from transcripts; reports use pseudonyms and de-identified quotes. Interviewers avoided incriminating questions and stopped or rephrased any distressing items. Modest, non-coercive tokens (transportation/refreshments) were offered and declared upfront. A plain-language summary of findings was shared with barangay officials and participants.

3. Results and Discussions

The study's findings provide a detailed understanding of the market dynamics, economic conditions, and thriving factors affecting *tabuan* traders operating within the shadow economy.

3.1 Analysis of Market Dynamics in 'Tabuan'

The market dynamics of the *tabuan* economy reveal an environment characterized by perfect competition. Each vendor operates as a relatively small entity within the market, lacking significant market power. These vendors are considered price takers, adhering to the prevailing market price rather than setting their own. The high level of competition among vendors ensures that any attempt to raise prices above the market level is unsuccessful, as consumers will naturally gravitate toward other vendors offering similar goods at lower prices. This intense competition has the potential to stimulate innovation, foster production efficiency, and enhance the quality of goods and services, thereby contributing to broader economic growth.

3.1.1 Market Accessibility and Competition

The *tabuan* market demonstrates high accessibility, enabling individuals willing to sell goods and services at competitive prices to easily enter. Similarly, the low barriers to exit enable participants to leave the market when profitability declines, particularly in the face of negative returns. This is in stark contrast to monopolistic markets, where dominant firms leverage cost advantages, privileged access to resources, and economies of scale to create significant barriers to entry for smaller competitors.

A notable feature of the *tabuan* market is its capacity to provide consumers with cheaper alternatives to goods typically found in formal markets. This cost advantage stems not only from heightened competition among vendors but also from the absence of taxation and other regulatory costs. While this presents economic benefits to consumers, it also poses challenges to the formal economy, as vendors in the *tabuan* market often operate outside the purview of government taxation.

3.1.2 Taxation and Informality

Most *tabuan* vendors earn incomes below taxable thresholds, exempting them from formal taxation obligations. However, there are cases where individuals with relatively higher economic status participate in shadow economic activities within *tabuan* to supplement their formal incomes. This includes professionals and individuals from the formal economy who engage in *tabuan* activities to earn additional income, often without declaring these earnings for taxation. Such practices exacerbate tax revenue losses for the government, underscoring the informal nature of the shadow economy.

3.2 The Extent of Economic Condition: The Case of *Tabuan*

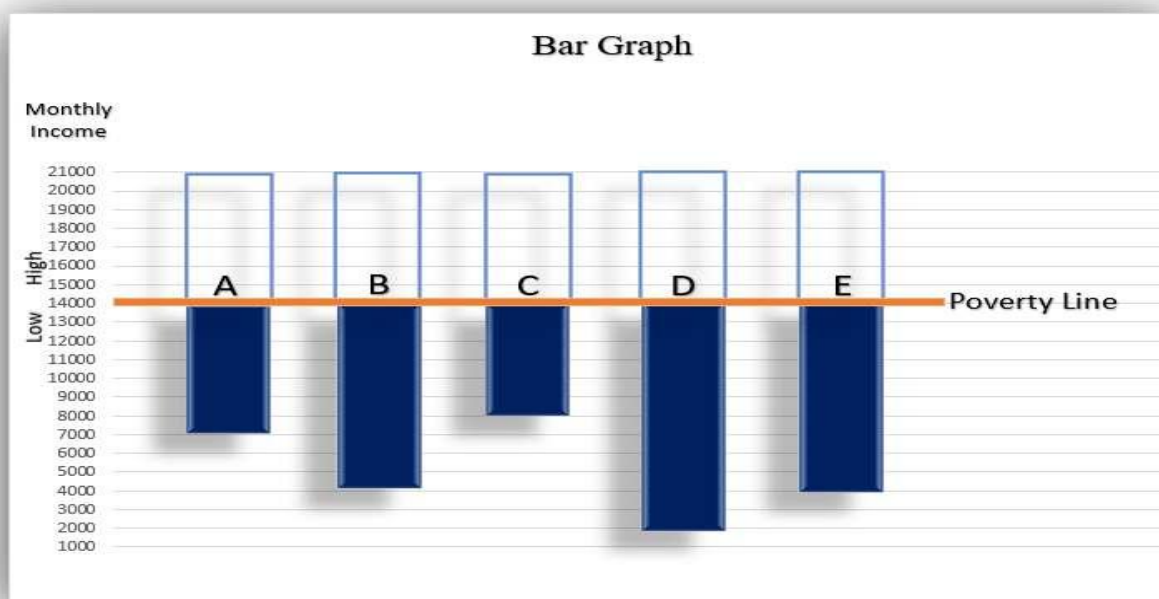


Figure 1. Income level of the *tabuan* vendors

Figure 1 reveals that the fifteen respondents, divided into three groups of five individuals, all reported incomes falling below the poverty line, with earnings ranging from ₱7,000 to ₱13,000. This data underscores critical



socio-economic challenges, highlighting a pronounced concentration of poverty among the surveyed population. These findings have significant implications for policy formulation, particularly in the design and implementation of targeted social interventions and poverty alleviation programs. The evident income disparity suggests restricted economic mobility and insufficient access to essential goods and services for this group.

Table 1. Demographic Profile of *Tabuan* Traders

Category	Key Characteristics	Vulnerability Level
Small-scale farmers	Limited landholdings, traditional methods	High
Indigenous Peoples	Remote areas, poor infrastructure	High
Fishermen	Reliant on volatile marine supply chains	High
Dual-income traders	Professionals supplementing formal income	Low–Moderate
Capital-backed sellers	Financially stable, exploit market gaps	Low
Consignment traders	Pay only for sold items	Moderate
Second-hand goods vendors	Pre-loved clothing, household goods	Moderate
Specialized sellers	Herbal/imported goods	Moderate

3.3 Challenges Faced by Vulnerable Groups in *Tabuan*

A large share of *tabuan* vendors are small-scale farmers, fishermen, and Indigenous Peoples who face persistent structural disadvantages. Their limited landholdings prevent them from achieving economies of scale, while the high cost of modern farming technologies discourages adoption, leaving them reliant on traditional, less efficient methods.

Most *tabuan* vendors reside in remote areas with poor infrastructure and inadequate road networks, which makes it difficult for them to transport goods to market. Financial constraints force many to sell on the ground rather than rent stalls, reinforcing their marginalized position. Discrimination in trading space allocation and exclusion from social protection programs, such as the 4Ps and Phil Health, further deepens their vulnerability.

Access to formal credit is also restricted, as these traders lack collateral and official documents. As a result, they often depend on predatory lenders who impose exorbitant interest rates and harsh collection practices. These combined challenges—technological lag, poor infrastructure, limited social protection, and financial exclusion—trap vulnerable groups in cycles of economic hardship, preventing them from scaling up or improving their competitiveness.

3.4 The Role of Education in Economic Informality

Educational attainment is a crucial factor influencing economic informality. In the *tabuan* study area, approximately 98% of participants lacked access to formal education. The *tabuan* market presents both opportunities and challenges for its diverse participants. While it offers a lifeline to many facing economic

adversity, structural inequalities, lack of social protection, and limited access to education and financial services perpetuate the vulnerability of certain groups. Addressing these challenges requires targeted interventions to improve infrastructure, expand social protection coverage, and enhance educational opportunities, fostering an environment where all participants can thrive.

3.5 The Role of Economic Conditions in Market Dynamics

The precarious financial situation of vendors and traders in the *tabuan* market has a direct impact on the broader dynamics of the shadow economy. Limited financial resources and access to capital hinder their ability to increase productivity and improve the quality of the goods and services they offer. The lack of adequate funding often leaves these vendors unable to invest in the necessary tools, equipment, or infrastructure to scale their operations or enhance their competitiveness within the market.

The findings underscore the pressing need for policies and programs that address the economic vulnerabilities of market participants in *tabuan*. Such measures should focus on providing access to affordable financing, skills development, and resource allocation to empower vendors and enable them to break free from the cycle of poverty. Additionally, improving the infrastructure of the shadow economy, while simultaneously considering pathways toward formalization, could help create sustainable livelihoods for these individuals and foster greater inclusivity within the broader economy.

3.6 Thriving Factors in The Shadow Economy: The Case of *Tabuan*

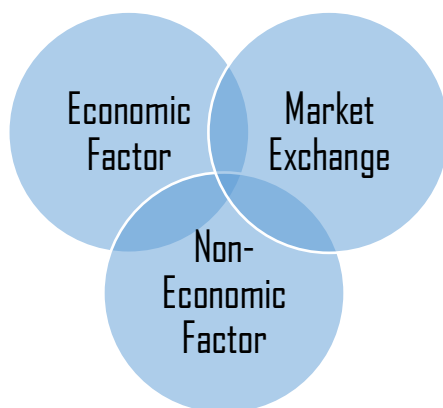


Figure 2. Intersections of economic, non-economic, and market exchange factors in *tabuan* trade

3.6.1 Economic Motivations Behind Tabuan Market Participation

Economic factors are the primary motivation for participation in the *tabuan* market, as traders strive to generate income to meet their essential family needs.

This reality is vividly captured in the personal accounts of *tabuan* traders like Mang Eddie, a 51-year-old farmer, who shared:

If we stay at home with my family, we will survive because we have our own agricultural produce to support our everyday food needs. However, I have my son in high school and a daughter in college who need my financial support for tuition fees and other expenses. I think the school will not agree if I barter my agricultural products for tuition fees. So, I sell my produce during tabuan and use the money for their school needs. – Mang Eddie



Similarly, Minan of Barangay Pinaglabanan, a vendor of wood crafts, expressed:

All the products we have laid down during the *tabuan* market are purely in exchange for staple goods, which enable us to stay alive, and for sale in exchange for money, so we can buy the basic commodities needed to have a basic food supply. - *Minan*

Such narratives reflect the widespread need among *tabuan* trading participants to earn monetary income to sustain their households. The demographic structure analyzed in this study reveals that many of these traders enter the *tabuan* economy driven by the imperative of making ends meet—feeding their families, covering educational expenses, purchasing clothing, and fulfilling other basic needs. For these individuals, participating in the market is not merely a matter of economic opportunity but a necessity for survival.

The economic motivations of *tabuan* traders underscore the significant role of informal markets in alleviating immediate financial pressures for vulnerable households. However, they also highlight the limitations of relying on informal trade for long-term economic stability and mobility. Without adequate support systems such as access to formal credit, social protection programs, or education opportunities, many participants remain trapped in precarious financial conditions.

These findings reinforce the need for targeted interventions to address the structural inequalities that drive individuals to the shadow economy. Policies that support skill development, access to affordable financing, and improved social protection could enable traders to transition toward more stable and sustainable livelihoods, ultimately reducing reliance on informal markets like *tabuan*.

3.6.2 Market Exchange in *Tabuan*: Price, Profit, and Scarcity Dynamics

A prominent example in the local context is the scarcity of marine products. Investors from urban areas monopolize the purchase of marine goods from commercial fishing traders, prioritizing shipment to metropolitan markets and export destinations. This practice significantly reduces the availability of marine products for local consumption, leading to food shortages within the community. Such circumstances motivate small-scale, marginal fishermen to capitalize on the scarcity by selling their products at higher prices during *tabuan* market days.

Similarly, the introduction of rare and imported goods into the *tabuan* market is becoming increasingly prevalent. These products, often illegally transported through backdoor channels from neighboring countries, evade government taxation, enabling sellers to fetch substantial profits. The interplay between heightened demand and limited supply for such items further amplifies their market value, demonstrating the strong influence of scarcity on price mechanisms.

When it comes to the implications of market exchange dynamics, the scarcity-driven pricing in the *tabuan* market highlights critical challenges and opportunities within the shadow economy. On the one hand, these dynamics provide small-scale traders with a means to enhance their financial positions through strategic pricing and profit generation. On the other hand, they underscore the vulnerabilities associated with informal markets, including dependence on volatile supply chains, the absence of regulatory oversight, and potential legal and ethical concerns surrounding the trade of smuggled goods.

Addressing these issues requires a nuanced understanding of the interconnected factors driving scarcity and pricing in informal markets, such as *tabuan*. Policymakers must strike a balance between the need for regulation and formalization and the economic benefits that informal markets provide to marginalized groups, ensuring that these markets continue to serve as vital spaces for community trade and livelihood generation.

3.6.2 Non-Economic Motivations of *Tabuan*: Social and Cultural Significance

The *tabuan* market serves not only as an economic hub but also as a social and cultural institution within the community. Beyond its primary role in facilitating trade, it serves as a platform for interaction and connection

among people from diverse backgrounds. *Tabuan* markets have a long-standing tradition in the locality, with barangays designating specific days each week—either on weekends or mid-week—for residents to barter and trade agricultural produce, crafts, and other local goods. Over time, this practice has evolved into a vital aspect of rural life, one that communities have come to embrace as a means of fostering social bonds and cultural continuity.

For rural residents, *tabuan* is more than a venue for commerce; it is a space for storytelling, exchanging news, and maintaining connections with friends and relatives. The activity reinforces a sense of community and belonging, allowing individuals to engage in social interactions alongside trading goods. Buyers from varied income levels frequent *tabuan* markets in search of affordable options and good bargains, catering to both their economic and social needs. Low-income buyers benefit from opportunities to negotiate lower prices and secure essential goods within their budget.

The *tabuan* market also supports bulk buyers, who purchase goods for resale, taking advantage of wholesale prices and establishing strong connections with traders. Such repeat customers, known locally as *suki*, play a key role in sustaining market relationships and ensuring consistent demand for their weekly offerings. These interactions exemplify the dual function of *tabuan* as both an economic and social medium, particularly for individuals from lower-income groups who rely on its affordability and accessibility.

3.7 Social and Cultural Contributions to the Shadow Economy

Tabuan markets serve as a vital platform for fostering relationships between traders and buyers, bridging social gaps and creating opportunities for community engagement. The informality of these markets encourages the establishment of networks and connections that transcend purely economic activities. By offering a space for interaction, the *tabuan* market indirectly contributes to the broader shadow economy by facilitating access to goods and services for underserved populations. Furthermore, it supports the cultural practice of bartering, which remains deeply ingrained in the community's way of life.

The *tabuan* market transcends its economic role to become a cornerstone of social and cultural activity in the locality. Its function as a meeting point for diverse individuals reinforces community bonds and provides an accessible marketplace for people from all income levels. By integrating social interaction into its fabric, the *tabuan* market exemplifies the interconnectedness of economic and cultural systems, highlighting the importance of informal markets as spaces of both commerce and community.

3.8 Theoretical and Comparative Perspectives: Tabuan's Economic Condition

The *tabuan* market embodies a vital yet complex aspect of the informal economy, offering diverse opportunities for individuals facing various economic challenges. Participation in this informal market is often viewed as a survival strategy, a concept supported by the International Labour Organization ([ILO], 2019), which describes such activities as a means for the underemployed and the economically vulnerable to make ends meet during challenging times.

While many participants in the informal sector subsist on a hand-to-mouth basis, it is evident that not all individuals engaged in *tabuan* activities belong to the poorest or most underprivileged classes. A segment of traders consists of individuals with regular formal employment seeking additional income opportunities. For instance, office workers participate in *tabuan* to supplement their earnings, while some traders own decent homes and live above the poverty line. This aligns with the ILO's findings, which indicate that informal activities often offer lucrative opportunities for those willing to put in the effort. Many participants attest to earning more than the minimum wage through small-scale entrepreneurial endeavors (ILO, 2019).



According to ILO researchers Bonnet and Leung, while informality is not exclusively associated with poverty, it remains both a cause and a consequence of it (ILO, 2018). Their research highlights that poverty rates are disproportionately higher among workers engaged in informal employment, and informal work is more prevalent among the economically disadvantaged.

In economic theory, equitable access to resources and opportunities is essential to enabling all individuals to pursue their goals and achieve their greatest happiness. Rawls (2005) argued that social and economic arrangements should be structured to benefit everyone and remain accessible to all. This emphasis on fairness and inclusivity is foundational to fostering sustainable economic growth, particularly at the micro-level, where grassroots initiatives play a critical role.

The International Labour Organization (ILO, 2019) reinforces these principles through its promotion of Goal 8 of the 2030 Agenda for Sustainable Development (United Nations, 2015). This goal advocates for sustained, inclusive, and sustainable economic growth, alongside full and productive employment and decent work for all. Decent work, as defined by the ILO, incorporates several key elements:

- Provision of fair income and secure employment.
- Ensuring safe working conditions.
- Guaranteeing equal opportunities and equitable treatment.
- Extending social protection to workers and their families.
- Facilitating personal development and encouraging social integration.
- Allowing workers to express concerns and organize collectively freely.

By prioritizing these elements, Goal 8 underscores the importance of work as a cornerstone of human dignity and economic empowerment, particularly for marginalized communities.

3.9 Policy Context: Social Reform and Poverty Alleviation

Under Republic Act (RA) 8425, also known as the Social Reform and Poverty Alleviation Act of 1995, individuals and families whose incomes fall below the poverty threshold are officially classified as poor. This threshold, as determined by the National Economic and Development Authority (NEDA) and the Philippine Statistics Authority (PSA) provides a benchmark for understanding the severity of poverty within the *tabuan* community. The findings from this analysis confirm that the economic conditions of *tabuan* vendors and traders are substantially below this established threshold.

3.9.1 Legislative Support for Workers in the Tabuan Shadow Economy

The Philippines has taken significant steps to support workers in the informal economy through legislative measures, such as Senate Bill No. 1746, also known as the Magna Carta for Workers in the Informal Economy. Chapter II, Section 5 of this bill outlines a comprehensive set of rights and benefits designed to empower workers in the informal economy.

Key provisions include:

- The right to freely choose or accept work as a means of livelihood.
- Access to affordable healthcare, housing, clean water, sanitation, electricity, and efficient transportation systems.
- Equal access to education, skills training, and economic resources, especially for the youth, without discrimination.
- Accessible social protection programs, including social security, health care, and insurance.
- Infrastructure support, such as farm-to-market roads, secure workplaces, farmers' markets with proper storage facilities, and inventory bulk buying centers.

- Policy support to ensure the smooth transport of goods and produce.
- Promotion and protection of locally produced products, enhancing the local value chain.
- Capacity building to facilitate direct access to markets, including e-marketing platforms to bypass intermediaries.
- Access to financial services, such as low-interest, collateral-free credit, with gender balance.
- Availability of appropriate machinery, equipment, and technologies to boost productivity and growth.
- Protection against unjust displacement from economic activity sites, ensuring "relocation before demolition."
- Provision of shared facilities, product development support, and adequate marketing resources.

These rights and benefits directly address the challenges faced by informal workers, fostering economic resilience and sustainability.

3.9.2 Addressing Vulnerable Employment in the Shadow Market

Despite the outlined protections, vulnerable employment remains a persistent challenge. It is often characterized by inadequate earnings, low productivity, and unsafe working conditions, which undermine workers' fundamental rights. These conditions underscore the need for robust policies and frameworks to support informal workers, thereby ensuring their integration into the broader economy and promoting equitable growth.

Economic growth at the micro-level requires the integration of theoretical frameworks, global principles, and localized legislative efforts. By prioritizing fairness, inclusivity, and opportunity, initiatives such as the ILO's agenda for decent work and the Philippines' Magna Carta for Workers in the Informal Economy address the unique challenges faced by informal workers. Ensuring access to resources, education, and infrastructure empowers vulnerable populations to make meaningful contributions to economic development, fostering sustainable and equitable growth.

The socio-economic struggles faced by the majority of *tabuan* traders, who predominantly live below the poverty threshold. These individuals, who constitute the most vulnerable segment of the business sector, face various challenges, including limited access to financial support, inadequate healthcare services, a lack of formal education, job insecurity, and insufficient financial capital to sustain or expand their trading ventures. Additionally, the marginal trading spaces in which they operate lack adequate facilities, such as proper stalls, storage areas, and suitable ablution facilities. These constraints lead to inefficient and suboptimal trading and selling practices, thereby exacerbating their economic difficulties.

Despite these challenges, *tabuan* traders continue to engage in market activities out of necessity, driven by monetary reasons, the prospect of earning profits, and socio-cultural motivations vital for their survival. By participating in the *tabuan* market, these individuals contribute to lowering unemployment rates, despite their minimal returns on sales. The resilience and resourcefulness of *tabuan* participants underscore their pivotal role in sustaining economic activity within this informal market.

4. Conclusion

This study of the *tabuan* market reveals that participation in the shadow economy serves as both a survival strategy and a supplementary livelihood option, reflecting the dual nature of informality. Evidence gathered through qualitative interviews, focus group discussions, and participant observation demonstrates that small-scale farmers, fishermen, indigenous peoples, and marginalized traders primarily engage in *tabuan* to meet their immediate household needs, such as food, tuition, and basic commodities.



Narratives from participants like Mang Eddie and Minan illustrate how informal trade directly sustains family survival. At the same time, demographic data confirm that most traders live below the poverty threshold established under RA 8425. At the same time, comparative accounts highlight that not all participants are poor; some office workers and middle-income individuals join *tabuan* to supplement earnings, consistent with ILO findings that informal work can yield income above minimum wage. This methodological triangulation—combining survey data on educational attainment (98% lacking formal schooling) with ethnographic accounts of trading practices—substantiates the conclusion that informality is both a cause and consequence of poverty, as argued by Bonnet and Leung (ILO, 2018).

The analysis further reveals that scarcity dynamics and price mechanisms, as observed through market-day fieldwork and transaction mapping, enable traders to capitalize on limited supply (e.g., marine products, imported goods) but also expose them to volatile and unregulated conditions. These findings align with economic theory, which emphasizes equitable access to resources, and global principles of decent work (ILO Goal 8), stressing fairness, inclusivity, and social protection as foundations for sustainable growth (Rawls, 2005). Policy review and legislative analysis—particularly of the Magna Carta for Workers in the Informal Economy (Senate Bill No.1746)—demonstrates that while frameworks exist to protect informal workers, implementation gaps persist. Traders continue to face inadequate infrastructure, unsafe working conditions, and exclusion from social protection programs, as documented through site observations of marginal trading spaces lacking stalls, storage, and sanitation facilities.

In conclusion, the methodological evidence confirms that *tabuan* markets are indispensable to community survival and resilience, yet they remain structurally disadvantaged. Addressing these challenges requires integrated interventions: improving infrastructure, expanding social protection, ensuring access to affordable credit, and recognizing *tabuan*'s socio-cultural significance as a heritage practice. By situating local findings within theoretical and comparative perspectives, this research highlights the need for policies that strike a balance between regulation and inclusivity, enabling informal traders to transition toward sustainable livelihoods while preserving the cultural fabric of community trade.

5. Recommendations

Table 2. Strategic Recommendations to Support the Shadow Economy Traders in *Tabuan*

Focus Area	Key Evidence	Recommendation	Lead Agency
Infrastructure	Poor stalls, storage, and sanitation	Build farm-to-market roads, proper stalls, and facilities	DPWH; LGUs
Social Protection	Traders excluded from 4Ps, Phil Health	Extend healthcare, insurance, and education subsidies	DSWD; Phil Health
Financial Access	Reliance on predatory lenders	Provide microfinance and collateral-free credit	DTI; Land Bank; CDA
Education	98% lacked formal schooling	Offer literacy, vocational, and financial training	DepEd; TESDA
Governance	Weak implementation of RA 8425, SB 1746	Strengthen enforcement and participatory governance	LGUs; DILG
Formalization	Some traders earn above minimum wage	Create cooperative, e-marketing, and tax incentive pathways	DTI; CDA; BIR
Cultural Value	<i>Tabuan</i> as a social/cultural hub	Institutionalize <i>Tabuan</i> as a heritage market	NCCA; LGUs

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