

ECONOMIC STUDY OF THE FORMAL MARKET IN THE CENTRAL AREA OF RIOBAMBA, AND ITS LEGISLATION APPLYING INFORMATION AND COMMUNICATION TECHNOLOGIES, YEAR 2022

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Abstract

The markets worldwide have suffered great mishaps that have put the economy at risk, due to an unpredictable fact such as COVID 19 which has caused a large part of the population to suffer great losses in many areas but mainly the economic, without neglecting those internal problems at the country level that keep many with panoramas uncertain and remains on the tightrope, even more so

those small merchants who interact in the traditional markets of a small city or sector, therefore these events have aggravated family income much more, so many prefer to avoid formal trade generating chaos and losses for both formal businesses and the treasury, the same ones that have suffered losses of income due to taxes as it happens in the city of Riobamba. In this sense, an "ECONOMIC STUDY OF THE FORMAL MARKET IN THE CENTRAL AREA OF RIOBAMBA, AND ITS LEGISLATION YEAR 2022" is designed, with the purpose of analyzing the problems faced by the traditional market, proposing measures to consider to make decisions.

Introduction

In recent years the world economy has suffered many ups and downs due to the economic recession especially those developing economies, which causes the fall in purchasing power where few people can maintain their quality of life and many others will not be able to improve them therefore an author mentions that:

According to Food insecurity concerns remain considerable in several emerging and emerging market economies. Such concerns are driven by the impacts of the global recession on incomes, difficulties in local food availability and customs restrictions that have restricted labour supply. Food price inflation has accelerated considerably in several countries. (World Bank, 2020)

As for the different economic challenges that may arise in an economy, it is always important to have sufficient reserves to withstand the crisis, injecting it in an optimal way in those sectors that need it most in order to maintain a panorama or a stable position in the different markets trying to avoid at all costs closures that could cause layoffs and therefore Aggravating the economic situation of the population in general is why:

Central banks need to continue to employ all available tools to prevent the current external shock from spreading to the region's economies and prevent a deepening of the economic slowdown. In order to preserve macro-financial stability and curb the amplification of transmission channels for excessive exchange rate variations, it is necessary to promote the use and diversification of foreign exchange instruments, such as intervention in foreign exchange markets, in a complementary manner with macroprudential measures focused on foreign currency transactions, including the active management of international reserves. as well as the regulation of capital flows. (Economic Commission for Latin America and the Caribbean (ECLAC), 2022)

According to (Montoya et al., 2020) Latin America and the Caribbean, it is the most unequal and vulnerable region, where most workers work in the informal sector and, therefore, lack a social safety net. This will make it very likely that levels of general poverty and working poverty in particular will increase dramatically.

Latin America and the Caribbean throughout its history have carried with them the weight of inequality in terms of the economic and social sphere, of course, over the years those factors that aggravate this environment have also been studied and analyzed in order to mitigate the However, there are external factors which we cannot manipulate in any way. And this is what influences scenarios not as favorable in the economic field as those currently experienced as:

According to the During the year, a fall in external demand facing the region is expected. Before the war in Ukraine, a slowdown in economic activity was already taking place and global GDP was forecast to grow by 4.4% in 2022, compared to 6.1% growth in 2021 (...). Like growth dynamics, world trade has been negatively affected by the war between the Russian Federation and Ukraine, and is expected to grow by 3% in volume terms, representing a downward revision from the 4.7% projected by the World Trade Organization (WTO) before the start of the conflict. (Economic Commission for Latin America and the Caribbean (ECLAC), 2022)

According to most countries, such as Peru and Colombia, managed to reverse until 2021 the GDP losses that took place during the pandemic crisis. Among those nations is not Ecuador, which accumulated losses of 3.77% of GDP. If the forecast of 4.3% planned for 2022 by the World Bank is fulfilled, Ecuador could only reverse the losses of the health crisis this year. But the World Bank's projection is more optimistic than that of the Central Bank of Ecuador, which foresees a more modest GDP recovery of 2.8%. (Firsts, 2022)

According to the economic context of the current situation of households in Riobamba in relation to the months January to April of the year 2022 in terms of the situation of the household, it can be noted that 12% has improved, while 69.38% has not had any change and the remaining 18.32% indicated that their situation has worsened. Similarly, in the case of the future situation, the surveys applied show that 20.94% expect their situation to improve in the next three months, 32.46% do not expect any change and 46.57% believe that their situation will worsen. (Sànches et al., 2022)

At present, with a somewhat special reality due to the post-pandemic stage, we have witnessed that the markets have had problems due to various factors that have reduced their productivity, impacting the economy and tax collection in a certain way, in the long run it could cause the bankruptcy of the markets since many prefer to bet on

informality and leave formal positions. Based on the fact that the economy of Riobamba is based in part on agricultural production and from it large product fairs are held several days in the main markets of the city, this being the livelihood of many families and also the environment where much of the local economy moves, it is important to study how it is being managed so that economic activity follows a favorable course or in which it is failing for possible corrections.

Popular markets such as: Centro Comercial Popular La Condamine, Mariano Borja La Merced, Simón Bolívar San Alfonso, Víctor Proaño Santa Rosa and Pedro de Lizarzaburu San Francisco are part of those regulated under rules established by the state, therefore they must comply with the relevant obligations and ensure that they have the necessary requirements to carry out the generating act according to the law to not having setbacks with control agencies or decentralized governments, it is important to mention the COVID 19 pandemic as a precedent of great importance since due to this global event, it aggravated the problems that already existed in terms of the economies of all the people who are part of this sector due to the measures that were taken such as the closure of the same and later the limited and slow reactivation Economic.

Methodology:

Different methodologies studied in the chair were used according to the nature of the research work, in addition to applying surveys, interviews, qualitative and quantitative methods the same that helped us to perform the analysis and subsequent suggestions that provide a feasible solution to the problem exposed. Information technologies were applied for automated data collection using web crawlers, and to conduct online surveys. For data analysis and the generation of econometric models, Excel and R were used. Artificial intelligence models were also applied for sentiment analysis in order to automatically evaluate the feedback provided by respondents.

Social Justification

Se justifies in the social field since economic events that influence the homes of all those who are part of the traditional markets themselves that are key in the development of the local economy will be studied, therefore knowing and improving the weaknesses of the sector will generate benefits to the population in general.

Formal Trade

We can understand as formal trade all those businesses that operate in compliance with the provisions issued by the different control bodies, also carry out their economic activities in a place established as suitable

for trade respecting the spaces of free movement, for which different positions are presented. which mention the following:

According to (Mendez, 2019) formal commerce are those commercial activities carried out by people who own a workplace or a commercial premises, providing guarantee, safety, efficiency and quality to the products and services offered to the public, governed by permits, laws and standards established by the government.

We understand that this type of commercialization protected by laws and regulations in force where exchanges of goods and services are carried out in adequate spaces and prepared for the purpose in question, whether wholesale or retail, welcomes a large part of the population seeking clear rules and equal opportunities, fulfilling their obligations and thus helping national and of course local development.

Economic study

According to (Galán, 2018) "It is the basis of the theoretical and academic study of economies. Its research center is the behavior of individuals and organizations when making decisions and interacting with other agents."

According to "It deals with the great dilemmas of every social system. Among them are how to meet our needs, how to carry out the exchanges of rigor, how to reward work."(Uriarte, 2020)

As we can see in the words of the author the economic analysis or also called economic study gives us the bases we need to determine the behavior of those involved in it, without analyzing qualitatively and quantitatively these involved would not be possible to propose solutions with solid bases.

Thanks to the tools of economic analysis, it has been possible to progressively address the study of rational behavior in the academic literature. That is, the way in which consumers and producers opt for different alternatives while exercising or implementing an economic activity. .(Galán, 2018)

The economic study has been taking shape and direction focusing in addition to purely numerical data or mathematical equations, also chooses to analyze how those involved act before and during the launch of any economic activity since these could also be a great support to understand the statistical behaviors we could say in if the externalities that currently takes a lot of importance for the time in which we find ourselves and these same are the that have generated great changes in the economic environment because we adapt to new realities after overcoming major events.

Taking into account that the economic study seeks to go beyond just analyzing the elaboration and commercialization of goods and services

or also known as those that satisfy the needs of people, it gives us a much broader perspective socially speaking about how the purchase and sale of them is carried out and later how the money that is born from these commercial activities is managed, the same ones that sustain a country by So you know the best ways to take advantage of that economic flow that never stops.

Taking the words of we have to analyze the way in which societies put order to satisfy their material and immaterial needs, through the obtaining, distribution and exchange of different products, that is, they study the strategies in which people get or produce their consumer goods. (Uriarte, 2020)

Focus of the Economic study.

According to Economics is divided into two major branches of studies: Microeconomics and Macroeconomics. Microeconomics studies the behavior of economic agents in the market, such as firms and households. Macroeconomics studies aggregate variables, such as the general price level, domestic production, employment, wages, as well as the international environment.(Valenzuela, 2018)

As we can evidence, having a defined approach facilitates to some extent to analyze each of the events or factors that will be taken into account at the time of the investigation in order to avoid considering issues that may not be so useful in the scenario in which we want to place ourselves. Of course, if we need to rely on some of these we could mention them in a summarized way in order to dispel small doubts or issues that could help a better understanding.

According to the economic analysis of a society or community can be very diverse. Depending on the approach, some or other variables will be taken into account (...). Theoretical economics and empirical economics; microeconomics and macroeconomics; normative economics and positive economics, orthodox and heterodox economics.(Uriarte, 2020)

Theoretical Economics

In a slightly more general context we have positions that mention that theoretical economics is said by:

Acombination of hypotheses, of models, which try to provide a theoretical explanation for the events that occur in the real economy. These events can occur in the two main fields into which the economy is divided: macroeconomics and microeconomics. In this way, economic theory tries to provide the explanation of why the variables interact, giving a series of results. Depending on the point of view you look at, it tries to encompass the set of related hypotheses about causes and effects, as well as action and reaction. In other words, the interaction

that occurs between the different economic agents and the behavior of economic variables in relation to them. (Morales, 2020)

"It seeks to define rational models of economic functioning to balance different (Uriarte, 2020)societies."

From the macroeconomic point of view, economic theory tries to model the interaction that occurs in the main global indicators of the economy. That is, the gross domestic product (GDP), unemployment, exchange rate, balance of payments, as well as all those variables that concern the economy from a global point of view. (Morales, 2020)

From the microeconomic point of view, it is a question of modelling the behaviour of individual agents. That is, the interaction that occurs between the economy and all agents such as consumers, companies, workers, investors, as well as all those individual agents that, with their actions, interact in the markets and, therefore, in the economy. (Morales, 2020)

Empirical Economics

"It seeks to approve or invalidate rational models released by empirical economics through their use or verification." (Uriarte, 2020) .

"Empirical economics is the branch of economics that uses data from reality to test or propose theories." (Westreicher, 2020)

Microeconomics.

The branch of economics that studies the behavior of economic agents, such as companies, households or individuals, and the relationship they have with markets. One of its basic principles is the analysis of the law of supply and demand. This is generated by studying the effect on changes in prices of consumers and producers. Microeconomics is also responsible for developing mathematical models that allow us to understand the behavior of individuals. These models are based on assumptions, which means that these models are only fulfilled when these assumptions are met. (Barrios, 2022)

"Se refers to the choices of economic agents (individuals, companies and governments) for economic exchange" (Uriarte, 2020).

Macroeconomics

It is a branch of economics that focuses on the study of the economy as a whole, rather than on a specific part of it. It is interested in the behavior of financial markets, the price level, gross domestic product (GDP), employment, consumption, investment, savings and the balance of payments. The main objective is to analyze how these factors are related and how they interact with each other to affect the economy at the macro level. (uniR LA UNIVERSIDAD EN INTERNET, 2022)

"It looks at the international, if not global, economic system at a panoramic level." (Uriarte, 2020)

Consider how different economic factors are related nationally and internationally. As for the quantitative approach, it focuses on the use of numbers and data to analyze the different aspects of the economy. To do this, macro economists use mathematical models and techniques to analyze how different economic factors interrelate, as well as predict and measure the effects of economic policies. (uniR LA UNIVERSIDAD EN INTERNET, 2022)

Normative Economics

Thenormative understanding identifies which objectives are desirable and then applies knowledge of positive economics to achieve them. The choice of objectives depends on the ethical and political considerations of the economist, so it is usually considered that it is not a purely scientific economy.(Spindles, Normative Economics, 2017)

"It tempers the duty of the economy, pursuing its possible rules. " (Uriarte, 2020)

It enters a value judgment, so it ceases to be completely objective. Thus, the recommendation that the normative economist will make will not be based only on objective cause-effect relationships, but also on his judgment about the desirability or not of certain situations. In these value judgments intervene other disciplines such as politics, ethics or even re-elected(Spindles, Normative Economics, 2017)

Public Economy

Positive or descriptive economics then seeks to explain how the economy works based on reality, that is, empiricistically. Therefore, it tries to describe what was, what is and what will be, investigating the consequences of different economic phenomena. (Spindles, Positive Economics, 2017)

"It studies economic behavior as a living, changing issue." (Uriarte, 2020)

"The positive economy starts from an economic phenomenon and seeks to find the origin and its consequences. To do this, it is a question of establishing a chain of cause-effect relationships between the different facts. In this way, it will be possible to know the impacts on reality of any change in the variables studied. (Spindles, Positive Economics, 2017)

Orthodox Economics

"It attempts to understand economics through the concepts of rationality-individualism-equilibrium and is most commonly taught in universities." (Uriarte, 2020)

Local Development.

"Local development consists of a strategy aimed at improving the quality of life and well-being of the communities in which they are implemented. It is a multidimensional strategy, as it affects and takes into account a wide variety of social, economic and environmental elements. (Jungle, 2021)

On the one hand, the entire territory, all its regions, municipalities and communities, becomes visible, not only as "problems" or as "sources of various demands", but also and mainly as subjects and generators of democracy and development. It is therefore necessary to break with the approaches that see local development as part of the reform of the state, or associated with processes of decentralization that, ultimately, promote the impoverishment of the national and also of the local. We do not understand local development as compensation for a national "bad development", but as a new way of looking and doing. (Gallicchio, 2013)

As for local development, it will always seek to generate scenarios in which a large part of the population can improve their quality of life both collectively and individually and this could be achieved by taking into account positions in which they mention that emphasis should be placed and we realize if what is being done, it should be emphasized that development Local could not be possible without the commitment of all those involved both directly and indirectly, therefore we have to:

"The process character of development, rather than the emphasis on the final result, development is seen as forms of daily relationship, based on participation, solidarity, unequal relationships and where participation and self-transformation are simultaneously instruments and products of this. Sustainability as an essential requirement for development, seen in the relationship between society and nature and in the use of all wealth: natural, cultural, human, historical, technological and, above all, sustainability in the possibility of self-propelled, self-regenerative continuity, driven by the agents involved in the process. (Iglesias Pérez & Jiménez Guethón, 2017)

Local development appears as a new way of looking and acting from the local level in this new context of globalization. The challenge for local societies is posed in terms of inserting themselves in the global sphere in a competitive manner, capitalizing as much as possible on their capacities through the strategies of the different actors at stake. (Gallicchio, 2013)

Cultural dimensions

Economic-productive growth with social equity in the satisfaction of basic needs and in the projection of public welfare; technological improvements and innovations and improvements in objective and

subjective working conditions; Institutional creation of opportunities for socioeconomic and political participation, and spaces for the expression of cultural diversity (ethnic, sex-gender, religious, generational). Likewise, the generation and provision of information for its application for the sake of individual, group and collective socio-psychological well-being; capacity building and promotion of work and daily living styles that ensure sustainability of development processes and their achievements; institutional attention to the generation or enhancement of opportunities for the strengthening of community self-management and institutional attention to cultural reproduction as one of the bases of the sustainability of development. (Morín López, 2019)

Economic Dimensions

There must be a diversified productive apparatus based on the potential of its resources and socio-cultural vocations to produce, promote the reinvestment of the economic surplus in local society, which will allow the expansion of employment and the satisfaction of needs and allow the incorporation of appropriate technology to the local reality. (Iglesias Pérez & Jimenéz Guethón, 2017)

Social dimensions

It is necessary social integration and cohesion through overcoming forms of social exclusion or poverty, on the one hand, and on the other, to guarantee and promote integral social development for the entire population. This dimension is essential within the Local Development Strategy, closely interwoven with the decisions and actions of the economic-productive field, ratifying that development processes are not simply economic growth, but always raises the synergistic articulation of productive efficiency and equity, as a fundamental objective of local development for the reduction of inequalities, through a better distribution of the social product. (Iglesias Pérez & Jimenéz Guethón, 2017)

Legal-political-administrative dimensions

"It is considered a necessary condition for local development, since it can grant the various territorial levels sufficient degrees of autonomy to become efficient administrators of their own resources"(Iglesias Pérez & Jimenéz Guethón, 2017)

Social Participation Dimensions

Motivation, awareness-raising, information and training actions are very useful tools to achieve this, hence local development strategies have been assuming a generational perspective, concretized in policies and programs that address that dimension, also emphasizing minorities and vulnerable groups, recognizing the differences not only of gender, but of age and ethnicity. (...) estimates and weighs the roles and needs of both men and women. In addition to integrating women into a given

development process, it is a question of constructing a different perception that modifies power relations based on their subordination; A framework in which it is necessary to achieve transformation through integration, which does not mean adding a female component, but a gender equity component. (Iglesias Pérez & Jimenéz Guethón, 2017)

Types of Proposals towards local development

Over the years, studies have been developing and improving actions that could mitigate the fall in development and thus be able to provide solutions to the most disadvantaged places, however collective support is not the most encouraging, especially in urban areas where public goods are not valued or little cared for, causing the progress achieved to deteriorate. , managing on certain occasions to go back more than achieved, at this point we have to. The reasons that explain the progress of some economies and the backwardness of others, the reasons why a significant number of people live below the poverty line, the most effective means to close the gap between rich and poor, among many other questions relevant to the prosperity of the human being, require the understanding of the characteristics and components of concepts such as wealth, inequality, poverty and development, becoming the starting point for formulating theories, models, methodologies and policies that try to improve the quality of life of the population (Iturralde Duran, 2019)

(Pérez I. , 2014) Making small sustainable samples are part of a lifestyle, independent of the crisis, it goes further. It is an issue linked to our attitude to things and situations and situations that are changing standards, and the approach to products and services.

It can be better achieved continuously in terms of the standard of living of the population in general by reinforcing what is already at hand, that is, by identifying the strengths of the sector and its inhabitants in order to avoid making decisions that may have little impact and reception by those involved. In addition, work in the field of social awareness to be caretakers of structural progress since it is one of the most affected by misuse and little care.

With the aim of implementing local development in the territories and taking advantage of their potential benefiting their inhabitants, local development initiatives have been created that are very different in each territory or locality and that for their elaboration it is necessary to take into account the needs, the actors and the availability of materials of the territory. These initiatives aim to: generate activities, companies or new jobs. To achieve effective local development it is necessary that all the actors involved in the process identify themselves and that they know the resources available to the community to carry out the process, it is important that they have well defined the objectives that they are going to achieve with the process and that they have to be directed to:

improve the quality and standard of living of citizens, reduce dependence on the outside, strengthen the collective spirit, grow and generate more employment, preserve the natural environment and develop the culture of the community. (Martinez, 2010)

(Martinez, 2010)He mentions that local development consists of a series of components that interact and we must consider them in order to meet the objectives set such as:

- Sectoral investments do not necessarily lead to local development
- Local development models are characteristic of each locality
- It must be born with the population of the place with a certain extension.

Because sustainability does not exist without Social Responsibility. In fact, it must be extrapolated to all areas of action among our stakeholders, we must not only focus on caring for the environment. Environments must be sustainable because they must seek the balance of the system, whether environmental or social, so, to use our personal social responsibility, it is a lever of change and at the same time of investment of the future through the care and improvement of the environment. If a company takes care of the environment, but applies bad practices to its staff, is it responsible? No. (Pérez I. , 2014)

Cooperation between public actors at different institutional levels (local, regional, national, international), as well as cooperation between the public and private sectors are central aspects of the process. For this to be viable, local actors must develop cooperation strategies and new alliances with extra-local actors. (Gallicchio, 2013)

These in turn in order to:

- Improving citizens' living standards
- Encourage teamwork
- Generate sources of employment
- Environmental conservation
- Cultural development

When focusing on local space as an important dimension of development, it is necessary that the different actors that participate in the process such as companies, social entities, unions, parties, governments are articulated in the community and that they are committed so that they are integrated according to the public interest and the development of the community. (Martinez, 2010)

Decentralized Autonomous Governments in Ecuador

"The GADs are decentralized institutions that enjoy political, administrative and financial autonomy, and are governed by the principles of solidarity, subsidiarity, equity, interterritorial, integration and citizen participation." (Regional Observatory of Planning for Development, n.d.)

The decentralized autonomous governments shall enjoy political, administrative and financial autonomy, and shall be governed by the principles of solidarity, subsidiarity, interterritorial equity, integration and citizen participation. In no case will the exercise of autonomy allow the cession of the national territory. Decentralized self-governments are rural parish councils, municipal councils, metropolitan councils, provincial councils and regional councils.(Constitution of the Republic of Ecuador, 2008)

The Constitution of the Republic of Ecuador in 2008 in its Art. 238 mentions the following:

The decentralized autonomous governments shall enjoy political, administrative and financial autonomy, and shall be governed by the principles of solidarity, subsidiarity, interterritorial equity, integration and citizen participation. In no case will the exercise of autonomy allow the cession of the national territory. Decentralized self-governments are rural parish councils, municipal councils, metropolitan councils, provincial councils and regional councils.(Constitution of the Republic of Ecuador, 2008)

Competence

The changes that Ecuador has been suffering in terms of the political and economic motivated the GA DS to become and act as protagonists in terms of the local development of the respective provinces for which each of their competences were strengthened and protected in the Constitution of the Republic of Ecuador the same that in its article 264 details each of the competences of this entity as it is:

- 1 Plan cantonal development and formulate the corresponding territorial planning plans, in an articulated manner with national, regional, provincial and parish planning, in order to regulate the use and occupation of urban and rural land.
- 2 Exercise control over the use and occupation of land in the canton.
- 3 Plan, build and maintain urban roads.
- 4 Provide public services of drinking water, sewerage, wastewater treatment, solid waste management, environmental sanitation activities and those established by law.

5 Create, modify or suppress through ordinances, fees and special contributions of improvements.

6 Plan, regulate and control traffic and public transport within its cantonal territory.

7 Plan, build and maintain physical infrastructure and health and education facilities, as well as public spaces for social, cultural and sports development, in accordance with the law.

8 Preserve, maintain and disseminate the architectural, cultural and natural heritage of the canton and build public spaces for these purposes.

9 Form and manage urban and rural real estate cadastres.

10 Delimit, regulate, authorize and control the use of sea beaches, banks and riverbeds, lakes and lagoons, without prejudice to the limitations established by law.

11 Preserve and guarantee the effective access of people to the use of sea beaches, riverbanks, lakes and lagoons.

12 Regulate, authorize and control the exploitation of arid and stone materials, which are found in the beds of rivers, lakes, sea beaches and quarries.

13 Manage fire prevention, protection, relief and extinguishing services.

14 Manage international cooperation for the fulfillment of its competences(Constitution of the Republic of Ecuador, 2008)

SWOT Analysis

This type of analysis allows us to focus clearly on four essential aspects before launching any type of project, because in it we identify positive aspects such as the Fortalezas and Opportunities with which they are counted, at the same time they can be exploited, In the same way the negative aspects which are sought to change or mitigate in such a way that by analyzing everything in the same table can generate ideas in which the available resources are used to the maximum. Based on this we also find positions of an author who mentions the following:

SWOT analysis allows you to identify the strengths, opportunities, weaknesses and threats of a specific project or your overall business plan. With this tool, your team can strategically plan and stay ahead of market trends.(Raeburn, 2021)

Strengths in FODA

"Strengths in SWOT analysis represent a company's strengths. It includes all the positive aspects that emanate and on which the future of the organization may depend." (Pursell, 2023)

"SWOT strengths refer to internal initiatives that work well. They could be compared with other initiatives or with an external competitive side. By analyzing these areas you can understand what already works." (Raeburn, 2021)

Opportunity in SWOT

"They represent all the good opportunities that the company has and from which it can benefit. They are all those internal aspects that can help an organization achieve its goals." (Pursell, 2023)

"It's the result of strengths and weaknesses, along with any external initiatives that will put you in a stronger competitive position. It could be anything, weaknesses that you would like to improve or areas that had not been identified." (Raeburn, 2021)

Weaknesses in SWOT

They represent the weaknesses or negative aspects internal to a company. These depend on the same organization and place it in an unfavorable point compared to its competitors. These can be lack of skills and experience or even equipment or technology. (Pursell, 2023)

"They refer to internal initiatives that do not work properly. It's a good idea to analyze strengths before weaknesses to generate references of what success and failure mean." (Raeburn, 2021)

SWOT Threats

"They are all those problems, challenges, obstacles or difficulties that a company can go through. These negative situations can cause problems, conflicts or even jeopardize the permanence of the organization." (Pursell, 2023)

"They refer to areas that have the potential to cause problems. They differ from weaknesses in that the threats are external and usually beyond our control." (Raeburn, 2021)

Population

"A statistical population is the total of individuals or set of them that present or could present the characteristic trait to be studied." (Lopez, 2019)

"By population is usually referred to the set of human beings who live in a certain geographical space or territory. That is, it usually refers to the human population." (significados.com, s.f.)

Table 1: Population

Mercados							
Año	Población	C.C. La condamine	Santa Rosa	San Alfonso	San Francisco	La Merced	
2022	1719	808	287	376	165	83	
	Desocupados	18	17	97	71	0	
	1516	790	270	279	94	83	

Source: Field Research

Made by: Roberto C, Padilla, J. 2023

To determine the population to whom the survey will be carried out we consider only the occupied places giving us a total population of 1516 merchants who currently work in the different markets considered, this same figure will be considered for the calculation of the final sample to be surveyed.

Sample

"A statistical sample is a subset of data belonging to a data population. Statistically speaking, it must consist of a certain number of observations that adequately represent the total data."(Lopez, 2018)

"It refers to a quantity extracted through various methods that represent the product of a totality, this is called population and sample, using probability as the main tool. " (Perez M., 2021)

To calculate the sample size, considering that it is a finite population, the adjusted formula is applied to take into account the total population size. The formula is as follows:

$$n = \frac{z^2 N p q}{e^2 (N - 1) + z^2 p q}$$

Where:

n is the sample size.

N is the total population size.

z is the critical value corresponding to the desired confidence level. For example, if you want a 95% confidence level, Z will be about 1.96.

P is the estimate of the proportion or percentage of the population that is expected to have a certain characteristic or response.

q is the complement of p (1 - p).

e is the acceptable margin of error, expressed as a proportion or percentage.

For this case the formula takes into account the correction factor (N - 1) in the denominator to adjust the sample size when working with small finite populations, assuming simple random sampling.

Furthermore, it is based on the assumption that the sample size is a small fraction of the total population size ($n/N < 0.05$) (Arora C., 2017).

$$n = \frac{z^2 N p q}{e^2 (N - 1) + z^2 p q}$$
$$n = \frac{(1,96)^2 (1516) (0,5) (0,5)}{(0,05)^2 (1516 - 1) + (1,96)^2 (0,5) (0,5)}$$
$$n = \frac{1455,97}{4,75}$$
$$n = 307$$

For the present research work, a total of 307 random surveys will be carried out to the traders of the aforementioned markets in person in order to obtain even more truthful opinions.

Survey

(Questionpro, 2022) He mentions that the survey is a technique that is carried out by applying a questionnaire to a sample of people because they provide information about the opinions, attitudes and behaviors of citizens.

In this study, surveys will be conducted among traders in the markets located in the central area of Riobamba.

Questionnaire

According to (Meanings, 2022) A questionnaire is one that poses a series of questions to extract certain information from a group of people.

They will be used when executing the surveys in order to obtain first-hand and real information on the different points considered in our research.

1. What is the main economic problem affecting the formal market?

He mentions that one of the main problems that occurred in recent times was the pandemic since it harmed formal trade due to the fact that there was a delay.

2. How has the market economy evolved in the last year?

In this questioning he mentions that, there has been an improvement, but every time there have been outbreaks and the issues of stoppages trade decreases again, also because the markets are an area of agglomeration by nature therefore, to mitigate in some way these events have implemented a system of home service with the WASAP platform as a means to request it, which cost a basket of food that was delivered to customers' homes

3. How do businesses close to the market affect economic activities?

Regarding this question, he mentions that if there is no negative affectation, rather they see it as a complement because those businesses sell products that do not find them in the market, he considers that there is a dynamism between the market and external people, he also tells us an anecdote where he mentions that in a neighboring business ubo a problem of overpricing and the press He did not specify the place rather he pointed out that the market was responsible taking his name, affecting his image before the population without having anything to do with those problems.

4. Are there projects to improve the commercial activity of the market?

At this point he again mentions that the home service that was implemented in the pandemic was a project that bore fruit, they have improved the organization of sales spaces, structural changes such as changing floors in several sections and also mentions that great changes have been achieved at the administrative level.

5. What does it take to move from informality to formality?

He mentions at this point that we must focus on the people since it is this that prevents informality from being reduced because they buy from this type of informal traders instead of going to the markets, he also considers that the issue of informality in the market has been reduced by 50% due to strategies that were implemented such as fencing, They have managed to put an end to a fair where many vendors were placed in the same market who did not pay the corresponding taxes to the municipality.

Strategic matrix

Table 2: Strategic matrix

		FORTALEZAS					DEBILIDADES				
		F1 cuenta con una infraestructura ubicada en una buena ubicación geográfica	F2 productos de buena calidad y marca al gusto del consumidor	F3 cooperación mutua con las autoridades	F4 controles continuos alrededor de los mercados.	F5 conservación de los espacios destinados a la actividad comercial	D1 desmorone en el cumplimiento de las diferentes resoluciones planteadas por las autoridades competentes	D2 manejo de gran parte del comercio de manera empírica por parte de los comerciantes	D3 dificultades para ampliar el público objetivo o acceder a otro tipo de clientes	D4 discrepancia en cuanto a las opiniones planteadas entre comerciantes	D5 poco interés en generar capacitaciones acorde a las realidades del mercado por parte de las autoridades
OPORTUNIDADES	O1 existen nuevos medios de publicidad gratuita un otras por precios accesibles como son las redes sociales	FO					DO				
	O2 posibilidad de aumentar las ventas gracias a la progresiva recuperación de la economía nacional y local	<ul style="list-style-type: none"> Realizar campañas de publicidad de los diferentes mercados para aumentar la demanda y ser reconocidos a nivel nacional 					<ul style="list-style-type: none"> Capacitaciones a los comerciantes en materia de información, finanzas y asesoría para que puedan postular a fondos de emprendimientos y demás tipos de financiamiento 				
	O3 predisposición de las autoridades para emprender cambios conjuntos a favor del comercio justo	<ul style="list-style-type: none"> Aprovechar el auge de las redes sociales para generar un vínculo permanente con los clientes que permitirá brindar información y distribución de contenido del producto para atraer clientes potenciales y mantener a las clientes actuales. 					<ul style="list-style-type: none"> Promover y divulgar las estrategias o planes que se llevaran a cabo a través de medios de comunicación con el fin de buscar la cooperación y participación de los involucrados 				
	O4 posible crecimiento de la demanda a raíz del crecimiento poblacional										
	O5 ferriados locales impulsan el consumo										
AMENAZAS	A1 sobreoferta de productos de la misma categoría en un solo lugar	FA					DA				
	A2 espacio limitado para realizar las ventas	<ul style="list-style-type: none"> Reuniones con grupos delegados durante el proceso, para informar sobre el avance de los procedimientos relacionados con la ejecución de las estrategias 					<ul style="list-style-type: none"> Proporcionar una atención de calidad para que los consumidores obtén por preferir acudir a realizar sus compras en establecimientos oficiales 				
	A3 lenta o nula adecuación de tecnologías modernas para apoyo del comercio										
	A4 poco interés de nuevas generaciones en continuar con la actividad económica										
	A5 estrategias de comercio obsoletas										

Structure of the commercial action plan of business and local development

The following plan that will be announced will be developed taking into account the different needs of merchants, in turn seeking a balance between those involved such as the authorities and citizens in general, which is based on proposing actions that minimize and in the best of cases eradicate the problems manifested by the formal merchants in the downtown area of Riobamba.

Table 3: Action Plan Structure

Plan de acción comercial y desarrollo para contribuir con iniciativas de mejora y progreso del mercado formal de la zona centro de Riobamba, provincia de Chimborazo			
FASE 1	FASE 2	FASE 3	FASE 4
Programa de comunicación y respuestas de cuestionamientos	Programa de capacitación y fortalecimiento de la actividad económica	Programa de financiación y obtención de recursos humanos y económicos	Procesos documentales y ámbitos legales
Se requiere la participación comprometida y activa de los diferentes involucrados ya sea de manera directa con el fin de seguir un mismo horizonte.	Capacitación que genere fortalecimiento apoyado del control continuo de cada una de las actividades comerciales, en busca de brindar apoyo e incentivo al desarrollo de estos.	En este sentido la financiación de los diferentes estrategias o programas que se buscan implementar las asumirá el GAD Municipal apoyada con todas aquellas organizaciones privadas que deseen invertir.	Gestionar los requisitos y tramites que sean necesarios, propios de los procesos a implementarse.

Source: Field Research

Made by: Padilla, J, Costales R.. 2023

Information and consultation phase

Initiating the implementation of the established programs considering the order, the first phase would begin, which indicates the communication and response to questions program that is designed to

implement a strategy of rapprochement and communication between the main actors such as the authorities responsible for the Municipal GAD of Riobamba, and the formal merchants managing to generate a space for productive conversation where alternatives are proposed that can be recorded unanimously, as well as questions can be answered making it clear and in everyone's knowledge how to proceed.

Strategies:

- Establish viable communication mechanisms in order to generate a space for productive dialogue
- To make known to formal traders the legal framework on which the strategies will be based, in addition to pointing out and publicizing those who will be an active part, that is, those responsible for it.
- To inform the general population of the action plan for the organization and strengthening of community activity.

Scope:

- Preparation and proposal of a plan focused on informing formal traders and all agents involved in the development of this
- Schedule continuous meetings with delegates and managers in order to know each other those advances and results that are achieved.
- Encourage merchants in general to be part of the processes by supporting the emergence of their economic activity

Indicators:

- Consolidation of agreements between the parties involved
- Degree of growth or gradual development of trade
- Degree of beneficiary satisfaction

Meta:

- Record a unification in terms of mutual support of each initiative taken
- Generate agreements for the improvement of economic activity
- Strengthen spaces for sustainable dialogue and mutual cooperation

Conclusions

- In this work, an economic study of the popular markets in the central area of Riobamba, year 2022, was rehabilitated. The most important thing about this study was to know that many of these businesses are very susceptible to decline as soon as unforeseen events such as the pandemic happen because most of the people who are managing them lack technical knowledge to manage it. That is why the permanence in

time of this is very low in part due to its low profitability that leads to future generations not seeing it as an income option and decide to end the economic activity.

- Markets have been having improvements over time in terms of infrastructure and in certain cases in the way they are distributed by products in addition to externalities such as informality to some extent, even so there have been no major developments in this field because it has not focused on seeing something more important such as the way of living, to sell and consume which is the one that has evolved the most in the years therefore keep making the trade in the same technical way as a long time ago and not to adapt to the current trends prevents these from becoming profitable.
- The development of traditional markets in which a large part of the population interacts still has difficulties in terms of the level of sales, these being very low and in almost null times partly due to the economic crisis that the country is going through in general itself that reduces the purchasing power of people in addition to technological progress and ways to reach potential customers that has been digitized, This added to the ignorance of merchants in basic and essential areas such as customer service, marketing among others causes physical stores to receive fewer and fewer buyers.
- In order to ensure that formal markets can develop over time it is necessary to meet the basic needs of those who are part of them, the requests of these remain the same for a long time as it is an adequate training around the current economic and technological reality, in such a way that it generates Greater opportunity for progress through the development of commercial activity so that they do not end up stagnant.

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