

## **Background Paper for the 2005 World Development Report**

### **STREET VENDING IN AFRICAN CITIES: A SYNTHESIS OF EMPIRICAL FINDINGS FROM KENYA, COTE D'IVOIRE, GHANA, ZIMBABWE, UGANDA AND SOUTH AFRICA**

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#### **Abstract**

This report is a synthesis of six case studies on street vending in Africa. The case studies are drawn from Kenya, Uganda, Zimbabwe, Ghana, Cote D'Ivoire and South Africa.

The synthesis of the case studies arose out of a World Bank invitation to Women In Employment Globalising and Organising [WIEGO] to contribute to its forthcoming World Development Report [WDR] focusing on the theme 'Investment Climate'. The main interest of the World Bank is the assessment of constraints to business growth in the informal economy. Those working in the informal economy work in unregulated and unprotected environments that are not conducive to business. The synthesis of the six case studies assesses the business/environment constraints for street vendors and the responses made by various stakeholders including the vendors themselves.

The views expressed are those of the authors and do not necessarily reflect official views of the World Bank.

## 1: BACKGROUND

### 1.1 Introduction

This report is a synthesis of six case studies on street vending in Africa. The case studies are drawn from Kenya, Uganda, Zimbabwe, Ghana, Cote D'Ivoire and South Africa.

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Petty trade in Africa is viewed as an economic activity for those with a low level of education. For women, it is considered an extension of their reproductive and domestic role. The level of education attained has an influence on their occupational placement. Since women are comparatively less educated than men, they cannot effectively compete in the formal job market.

### 1.2: Overview of Study Cities

Apart from Cote d'Ivoire, all the other case studies share an English colonial background where there were colonial laws aimed at controlling indigenous business operations. Two countries; Uganda and Ghana have experienced military coups while Kenya and Zimbabwe have not. In spite of Zimbabwe not having experienced any coups, since independence, the country has experienced an autocratic rule. Kenya on the other hand, has recently engaged active plural politics that is contributing to the review of policies, laws and regulations affecting business operations, especially within the informal economy. South Africa overthrew its apartheid regime ten years ago and has been putting in place frameworks that respond to local needs.

The Kenya study covered Nairobi, Kisumu, Migori and Machakos. Both Nairobi and Kisumu are major cities with a population of 2.1 million and 322,734 thousand respectively. Machakos and Migori are smaller towns with a population of 143,274 and 95,446 respectively. Migori is on the boarder of Kenya and Tanzania and has cross boarder trade, while Machakos is quite close to the capital city, Nairobi, traders then can easily get their whole sale supplies from the city.

The Uganda study covered the capital city Kampala with a population of 1,208,544. Vendors operating in St. Bulikuddembe Market, Parkyard Market, Taxi Parks, and streets, were sampled for the survey. The city owes its origin to the famous Buganda kingdom where many kings had their palaces dotted around the various hills that constitute present day Kampala

The Ghana study covered Kumasi, the second largest city with a population of 1,170,270. The study focused on Race Course Market. Kumasi is the capital city of the famous Ashanti kingdom. It has a strong political power niche in the country and has remained the centre of opposition to the national government. It has a traditional authority system that operates parallel to the Kumasi Metropolitan Authority. Traditional Authorities control land in and around the city of Kumasi. It is also the commercial hub linking the Northern and Southern parts of Ghana. The largest market, Kumasi Central Market is located at the heart of the city within a forest zone. As a result there are many forest products and related industries that account for the prosperity of commercial activities in Kumasi.

The Zimbabwe case study covered two urban centres, Harare and Mutare. Harare is the capital city of Zimbabwe and had a population of one million in 1995. In Harare, the study covered: Fourth Street Bus Terminus, Mabelreign Shopping Centre, Mbare Msika Rezende Street and Cleveland House. In Mutare Main Street Vendors and Musika weHuku [Sakubva Market] were covered.

The Cote d'Ivoire case study covered Abidjan, the capital city with a population of 2.8 million in 1995. The markets covered included: Cocody, Sicogi market in Yopongou, Gouro Market in Adjawe and Belleville Market in Treichville.

### **1.3: The Importance of Street Vending**

In all the cities covered, street trade is rampant and a source of employment and income for many urban dwellers. However, in most of the countries, it is unaccounted and unrecognised in national economic statistics. Street trade has in the past, been viewed as an underground activity that undermines the healthy function of the formal economy. This perception has resulted in conflicts with urban authorities over licensing, taxation, site of operation, sanitation and working conditions.

Mainstream economists are perceived as lacking an understanding of street vending, and hence its lack of coverage in economic measurement in all the countries and cities covered. Even the Local Authorities who collect substantial revenue from the sector do not maintain records of the numbers and the contribution of the sector to urban economy. This implies that the Local Authorities cannot adequately plan since they have no representative statistics of the sector. There has also been minimal research in the area of street vending. For example, in Ghana a number of studies have been done on market trade but the case study was the first study on street vending. Thus, the case studies do not provide estimates of street vendors.

The negligence of the street vending activities has resulted in the lack of accurate estimates of the numbers of street traders. Charmes [1999] in his work provides some figures that can be used for assessing the importance of vending activities. In 1999, street based workers in Kenya were estimated to number 416,294. This accounted for 5.2 per cent of the non-agricultural labour force of which women were 3.9 per cent [Charmes, 1999].

The above situation shows that street vending has a significant contribution in the urban and national economy of African countries. In Kenya, street vending falls with the Small and Micro Enterprises [SME] which provides employment and income to about 70 per cent of Kenya's population, especially in urban areas. In the year 2002 alone, the SME sector employed about 5,086,400 people up from 4,624,400 in 2001. This was an increase of 462,000 persons and consisted of 74.2 per cent of total national employment.

Although it has been argued that vending attracts those who have limited opportunities for obtaining formal employment and/or prestigious business, and minimises chances of social exclusion and marginalisation; street vending is increasingly becoming an option for many citizens. It is no longer limited to the lower social groups, especially the underprivileged who carve out a living in an environment full of harassment by urban authorities as experienced in the case studies. A number of entrepreneurs have entered the trade as an option, especially since the beginning of the Structural Adjustment Programmes [SAPs] that resulted in the retrenchment of civil servants across Africa.

The Uganda case study shows the importance of the informal economy throughout Uganda's turbulent civil strife. The informal sector is nearly the largest employer in Uganda accounting for 13 per cent of the labour force as compared to 5.3 per cent in the formal sector. The growth of the sector dates back to the military regime of Idi Amin that resulted in economic dislocation and mismanagement of the economy. Amin's expulsion of Asians disrupted Uganda economy. Instead of replacing the Asian entrepreneurs with a structure that would foster economic development, a bureaucratic structure that fostered vandalism of the abandoned Asian establishments was installed.

In all the case studies, women dominate street vending. This is due to the limited economic opportunities for women in both rural and urban areas, gender bias in education, and augmenting husbands income. Besides these facts, street vending has a special appeal for women due to its flexibility. Women can easily combine street vending with other household duties, including taking care of children. The Uganda case study points out that women participate in street vending as a way out of a predicament. Women have moved from being subsistence and commercial farmers to engaging in trade and informal employment. In most cases they vend when their husbands cannot sustain the family or to supplement the husbands income. The Kenya case study argues that the formation of women's groups gives women some form of recognition and freedom in an otherwise male dominated society.

#### **1.4: Methodology**

This synthesis is based on a review of six case studies conducted in six countries in Africa. Each of the case studies relied on both primary and secondary data. The case studies have been reviewed, synthesised and complemented, with additional secondary

and primary data in response to the Terms of Reference [TOR]<sup>1</sup> for contribution to the World Development Report [WDR]. The studies on which this synthesis is based was done by a team of researchers based in each of the six countries. The teams include Professor Patrick Alila and Winnie Mitullah in Kenya, Dr. Rudith King and Mrs Bettie Solomon-Ayeh in Ghana, Mme Gnaammon Agnes Adiko and Mr. Paul Anoh Kouassi in Cote d'Ivoire, Tsitsi Nzira and Tsitsi Dodo in Zimbabwe, Ms Josephine Ahikire and Ms Christine Ampaire in Uganda and Professor Francie Lund and Ms Caroline Skinner in South Africa.

## **2: STREET VENDING ACTIVITIES**

There are slight regional and country variations in the goods and services provided by street traders. However, based on research findings from the case studies certain generalizations are applicable to street vending in Africa as reflected in Box 1

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<sup>1</sup> See Appendix 1 for TOR

### **BOX 1: Generalizations on Street Vending**

- Majority of street vendors are women, although there is also a large number of men and children
- Majority of street traders are own account workers, with a majority engaged in retailing
- Most traders are married and support large families with a high percentage of women being sole breadwinners. The rest of the traders are either single, widowed or divorced
- Most female traders take care of their own domestic chores, only a few are assisted by relatives. The same applies to working in the streets.
- The male traders have domestic work done by their wives who are mostly housewives.
- At work places in the streets, more men hire assistants or have helpers as compared to women
- Most street traders live close to their work place and walk to work. Few use taxis and buses
- Most traders have primary and below levels of education. A few have secondary education while very few have professional training. However, the younger traders tend to have higher education than the older traders
- Male traders seem to have more professional training as compared to women traders
- Most street vendors undertake vending due to lack of other sources of income and employment.
- Widows and women who have been deserted by spouses opt for the street trade
- Men tend to join street trade while young and leave early for other jobs, while women join street trade later in life and continue till old age
- Male traders invest in businesses that require high capital and also yield more profits, while women make less profits because they are mostly engaged in activities that require less capital
- Most street traders work between 8 – 12 hours a day, although the starting and closing time vary depending on gender, type and location of business. Men tend to trade for longer hours

Street vendors trade in a number of commodities in different locations of cities and provide a variety of services such as transport, shoe polishing, transport, hairdressing, photography, commercial pay phone services, barbering, mechanical repairs, music recording and accessories, security, designing, manufacturing and all types of repair work including garment, shoes, watch and clock repairs among others. The section below discusses commodities and volume of trade.

## **2.1 Trading Sites and Structures for Displaying Goods**

Street trade and service provision in African cities occur in different parts of streets and roads. Most traders locate themselves at strategic points with heavy human traffic, while others walk from one place to the other. They locate themselves along main roads and streets, near shopping centres or at corners where they can be seen by pedestrians and motorists. Traders settle in streets spontaneously without any official allocation. However, the case study from Kenya shows that there are informal methods used in locating and operating within a particular site. A few traders consult the owners of neighbouring yard, others negotiate with acquaintances, others, are allocated spaces by the Local Authorities, while some share with friends and colleagues.

In all cities covered, availability of an acceptable site of operation is a pre-condition for compliance with various statutes relating to business operation. Most street vendors in Africa have no authorised sites of operation, which results in incidences of confrontation and brutality between street vendors and urban authorities. The authorities are reluctant to allocate vending sites, especially within the CBD. In Nairobi and Kampala, vendors have severally been allocated vending sites outside the CBD that they have rejected, arguing that they are not accessible to customers.

While the urban authorities in the cities view vending sites as temporary, the vendors view them as permanent. It is the urban authorities perception of street trading as temporary that makes them not see the need to provide vendors with proper market facilities.

Traders use different structures, including tables, racks, wheel burrows, handcarts, and bicycle seats to display their goods. Others display their goods on the ground over a mat or gunny bag, while others simply carry their commodities on their hands, heads and shoulders. There are also those that hang their goods such as clothes on walls, trees, fences and an advanced group that construct temporary shades with stands for displaying their goods.

Most street traders have no tenure for the sites they use, and hence the temporary nature of the structures and display tools they use. The numbers that have tenure are negligible as compared to the total numbers that are engaged in street vending activities. This gap can be captured by looking at the numbers of street vendors licensed to trade, compared to the numbers that trade. For example, within the city of Nairobi, where there are over

100,000 street and roadside traders, at no point have the authorities licensed more than 10,000 traders.

## **2.2 Commodities of Trade**

Street vendors trade in a variety of commodities ranging from food stuff, both fresh and processed, largely dominated by women, fabrics/clothes, shoes, cosmetics, flowers, traditional herbs, craft/artwork/pottery, kitchen ware, plastic products, hardware, electrical appliances and general merchandise such as office stationary, school supplies, books, sweets, brooms, tobacco and newspapers among others.

Knowledge of the volume of sales is relevant for efficient planning and appreciation of the contribution of street trade. However, this information is generally lacking since most traders lack written records of income and expenditure. The Ghana study notes that even in the council markets such as Race Course, the volume of goods that go in and out of the market are not documented; and the market officials have no idea about the volume of various goods that enter and leave the market. Indeed, this neglect of record keeping can explain the little importance given to street and market trade. These activities are viewed more as casual nuisance services as opposed to the economic production that requires recording and quantification.

## **2.3 Volume of Sales and Earnings**

The profit margins made by street traders depend on the size of business, the location of the business, tax burden, and the commodities of trade. However, given the poor conditions of work most traders make minimal profits. In Ghana, majority of the vendors at Race Course Market earned upto 100,000 cedis while in South Africa, street traders earn between Rand 600 and 800 per month. In Cocody market in Cote d'Ivoire, traders make a moderate profit margin of CFA 96.251 in a month.

## **2.4: Access to Markets and Market Relations**

The market for street vendors is largely the pedestrians who pass by on their own businesses. In a few cases, especially when street vendors have done business in one spot for a long time, customer relations develop thereby expanding the market beyond the pedestrians. Some street vendors look for customers in offices, homes and beyond the urban areas where they are based. This is quite dominant among those who have invested substantially in the street trade, especially those who use trucks, pick-ups and bicycles. Such vendors trade in cooked food, fruits, vegetables and clothes. Overall, the high transport costs and low profits prohibit street traders from accessing better markets in most of the case studies.

The market relations are mutual, except in cases where there is intense competition among street vendors. Poor location of business, low purchasing power among customers and unreliability of customers who take goods on credit also affects the market. In addition, low levels of professionalism due to low technical education among vendors



and low access to modern information communication technologies on productivity information hinders their performance in business marketing [\*more]. Other factors that affect the market include: use of abusive language by male customers as reflected in the case of Uganda and the high levels of insecurity as reflected in the Uganda, Ghana and Kenya case studies.

## **2.5 Business Development Services**

Street vendors require a number of services, which include financial and non-financial services. The non-financial services include: Business Development Services [BDS], storage facilities, sanitary services, water, and electricity. Whereas the financial services are minimal, the non-financial services are hardly provided to street traders. A few Micro Financial Institutions focus on informal economy activities. However, their interest rates are high some charging more than 20 per cent. At the same time they have restrictive requirements for support, for example [\*]. Extract and include]

In view of the above, the main sources of finance for traders are cooperatives, Rotating Savings Credit Associations [ROSCAs], relatives and friends. These sources provide low amounts of finances that are not adequate for expanding the businesses. In addition, the associations are plagued by governance problems, including leadership and mismanagement.

In countries such as Kenya, street traders have suggested the establishment of Micro Entrepreneurs bank that can avail loans to MSE operators at reasonable interest rates. Entrepreneurs think that such an establishment might operate better if placed under the umbrella of a Ministry of MSE development.

## **3. INSTITUTIONAL FRAMEWORK**

Efficient institutional and legal framework is important for ensuring the smooth operations of business. Inappropriate regulations raise the cost of business entry, growth and distort markets. The institutional framework for informal activities including street trade has generally been hostile in most African countries. The policies, by-laws, regulations, registration, licensing, organising, relations with government and other partners are major issues of concern as discussed in this section.

### **3.1 Policies and Regulations**

Policies are tools for setting standards in the provision of public goods and services. Policies protect consumers, investors and the general public, while by-laws set controls that ensure that urban areas are safe and clean. In the area of street vending, by-laws set standards in the provision of public goods and services provided by the street vendors and the expected manner of operations. They also enable the Local Authorities to collect revenue for payment of services such as refuse collection and management of vending sites.

Local Authorities in Africa are a major obstacle to the development of informal sector activities. Most of them use out-dated restrictive policies, by-laws and regulations originally intended to control and regulate the growth of indigenous enterprises. The restrictions make vending principally illegal, and view vendors as responsible making cities dirty, obstructing traffic and therefore a public nuisance. Such provisions and perceptions were for dealing with cities planned for colonial governors. The policies did not provide for any trade within the Central Business District [CBD], and most street trading activities that take place within the CBD had no legal provisions. The policies did not appreciate the role of street vending in an urban economy. In Uganda, the Local Government Act of 1997 does not engender a review of by-laws. The Act simply gives powers to Local Authorities to enforce laws and by-laws consistent with the National framework. This implies that the Local Authorities have to review their by-laws to be line with the 1997 Local Government Act.

The case studies revealed that most Local Authorities are operating with out dated by-laws that require review. Most cities have placed the responsibility for street trading in wrong departments, with most of them managing street traders through the Traffic and Enforcement Departments. In this respect, vendors are viewed as a problem that has to be controlled rather than to production units that contribute to the urban economy. Although South Africa is still a young country, it has initiated processes through its Constitution, that have potential for improving the business environment for MSE, providing services to communities and promoting social and economic development.

The South African National Government is committed to creating a conducive environment for small informal economic activities, including street trading. In order to realise this, at National, Provincial, and Local Levels, new laws are in place or about to be put in place. The Business Act of 1991 changed the legal approach to informal trading. The Act acknowledged street traders as business people who contribute to the economy. The Act has provided the traders with the right to trade, whereby the Local Authorities merely regulate but cannot prevent traders from trading.

The White Paper on National Strategy for Development and Promotion of Small Businesses in South Africa of March 1995, commits the Government to the creation of an environment that encourages and assists the development of all categories of the informal economy. The 1998 White Paper on Local Government requires that Local Government be committed to 'working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and to improve the quality of their lives'. South Africa also has laws and policies aimed at protecting the rights of women and raising their status in the country. They include the requirement that 1/3 of all ANC Parliamentarians must be women, establishment of a Commission on gender equity in 1996, setting up an office on the status of women to ensure gender equity

The progress made in South Africa, differs across South African cities with Durban having the best environment for street vendor operations. Durban has a Department of Informal Trade and Small Business Opportunities. The Council has also designed

innovative private sector based approaches for managing street vending. The approach include street vendors organisations leasing land from the Council and further leasing to traders on organisation's terms, property owners applying for sidewalk lease and public/private sector management of markets planned for street vendors.

The situation in the cities of Kenya, Uganda, Zimbabwe, Ghana and Cote D'Ivoire is almost the same. The policies and regulations are not appropriate for street vendors while and the street vendors are hardly consulted in the development of the by-laws and planning vending sites in respective urban areas. Additionally, except for Kenya and Uganda, street vendors are not aware of the by-laws applicable to their operations. Research in Zimbabwe shows that many street vendors are unaware of the existence of by-laws, and have no access to them, while others know but choose to ignore them. This is made worse by the lack of effective street vendors associations to expose vendors to policies and regulations and to lobby for the review of policies, by-laws and integration of vending activities in urban development. This is a major obstacle to the growth of street vending activities in Africa.

In Kenya, majority of street vendors indicated that the policies were inappropriate, while only a few indicated that they were appropriate. The reasons for thinking that policies are inappropriate, include: expensive daily charges, poor and insecure working locations, inappropriate hours of business, poor locations for business, constant harassment, confiscation and loss of goods by urban authorities and poor enforcement approaches by urban authorities.

The studies show that, although the urban authorities collect revenue from vendors, street vendors hardly participate in important issues such as planning and management of urban development. There is poor communication between the urban authorities and street vendors and their associations. There is hardly any dialogue, and relationships are largely determined by favouritism, nepotism and corrupt practices. Thus, the vendors have no influence on any policies developed for managing their operations, while the urban authorities hardly provide services nor are they accountable to vendors. This has affected potential joint action and impaired relationships between vendors and urban authorities. This is partly due to a lack of joint action by the different weak vendors associations. Their weakness has partly contributed to the imposition of decisions by urban authorities on their operations. In order for street vendors and their associations to influence policy, they need to be organised with well-established effective channels of communication with urban authorities.

### **3.2 Registration and Licensing**

Most traders in the case studies pay some form of tax or dues to enable them operate in various locations. The taxes vary from region to region or tow to country. They include Municipal tax, license, security tax, rent for space or table, cleaning tax, electricity tax, and association/union fees. Most urban authorities have no consistent policies and regulations applying to vendors as far as regulations and registration is concerned. They

view street trade as a nuisance, and in some cases, even the licensed vendors are harassed in generalised raids.

The Ghanaian case study notes the arbitrary nature of urban authorities and their inability to formulate clear and consistent policies and regulations. The study points out that aspects of inconsistency include a mix of uncoordinated, privatised, and public service for eating houses, operated by women street vendors. The women are affected by the collection of fees by private firms while health inspection, is done by urban authorities. Due to lack of coordination between the two providers, women end up paying fees and failing to operate due to their inability to meet the health requirements. In order to continue operating in such a poorly coordinated environment, women are pushed to bribes, and in some cases offer sexual favours to enforcement officers. This is detrimental to women's health, especially with the prevalence of HIV/AIDS.

In Kenya licensing of street traders is a major problem and has contributed to the confrontation between street traders and urban authorities. Few street vendors have a license to trade. The prevailing situation is that many vendors are trading without any license. Some urban authorities charge daily fees, while others fear that this would attract more street vendors in the streets. The process of obtaining a license is cumbersome in most of the case study cities, and most urban authorities issue very few vending licenses and generally have a negative attitude towards vending. In Kenya, those who get a licence have to either pay a bribe or are well connected to urban authorities or influential personalities.

Obtaining a license does not give street vendors full trading rights. Vendors have to observe other trading requirements, for example, trading in approved or designated areas, and observing health requirements. While this is appropriate, a majority of street traders are not aware of the details of the health requirement. This results in their licenses being confiscated for not observing health requirements.

### **3.3: Associations of Street Vendors**

Participation of street vendors in planning their activities and general urban development is very limited due to weak and poorly organised associations. The associations have no bargaining power and cannot effectively advocate for their right to trade and to contribute to the urban economy. All the case studies except South Africa show that most associations address largely welfare issues, with very few focusing on business issues affecting their operations such as services, site of operation, licensing, policy and advocacy.

In South Africa, associations provide some business services for members, such as bulk purchase, storage, marketing, training, negotiation and advocacy. For instance, Queenstown Hawkers Association in South Africa, represented street traders from various groups during negotiation of By-laws; while Self Employed Women's Union [SEWU] negotiated with the Durban Central Council for the improvement of facilities such as water supplies and toilets, shelter, and child care facilities for its members. Street

vendors from the other case studies have not ventured into negotiating such services to members. As opposed to the case of South Africa, vendors from other case studies lack shelter, water and sanitary facilities, services that a significant number of street vendors in South Africa have.

Most of the organisations in the cases studies are issue driven. They appear, disappear and reappear depending on a felt need. For example, the Oxford Street Association in South Africa was formed to put pressure on Local Governments to reduce the number of foreign street traders.

There is hardly any inter-associational cooperation between street vendors associations. This issue has been of concern to StreetNet International, an international organisation established to assist street vendors in organising and advocacy on issues affecting their operations. In Africa, especially Kenya the efforts of StreetNet are already bearing fruit in major urban areas such as Kisumu and Nairobi. Even in the case of South Africa where there is a strong culture of worker organisation, organisation in the informal sector is relatively new and organisations get little support from the formal economy unions. Among the case studies, South Africa, Ghana and Cote d'Ivoire have established links with formal economy trade unions. This is quite relevant if the street vendors have to succeed in their negotiations and advocacy for integration in the urban economy.

The case of Pretoria Informal Business Association [PIBA] and the National Independent Business Development Association [NIBDA] provide good examples of what business associations can do. NIBDA supports its members in bulk buying from the formal economy, while PIBA does training in business skills for street traders. PIBA was set up with the support of the urban authority and has become a partner of the Local Authority, and is responsible for removing traders who are a problem. This is a responsibility that is often very confrontational when taken by Local Authorities as demonstrated in the other case studies. Gompo, another independent association in South Africa has a lot of influence over Local Government. The association is consulted on issues such as by-laws and the development of trading areas. Other associations such as the Green Point Fleamarket Traders Association and the Cape Town Deck Traders Association have been contracted by the local Authority to manage trading areas.

Traders across the case study cities have the capacity to organise and assist in the management of their sites of operation. However, there is need to facilitate this process, especially where associations are young and not quite organised. In other case studies, especially Kenya and Ghana, street vendors organisations are new and have began engaging the urban authorities. This relationship is often abrasive, especially where urban authorities have not accepted street vending as an important economic activity. The section below discusses some of the problems vendors experienced in their relations with government authorities.

### **3.4: Relations with Government and Other Development Partners**

The Street Vendors mostly relate with local and central government. However, this relation is limited to a few individuals or vendors associations who are grafted in the identification of trading sites, licensing and payment of daily fees and related issues. The relations between them is generally poor, especially that between the vendors and urban authorities. It varies from opposition, cooperation, indifference or support depending on the issue at hand. Except in isolated cases, and more so in South Africa, the relations are limited to enforcement of regulations, allocation of trading sites, obtaining licenses, registration of associations, fund raising, arbitration of disputes, joint cleansing exercises, and rent seeking from street vendors.

In both Kenya and Uganda, apart from interacting with authorities while processing licence, or being allocated a trading site, harassment is the main mode of interaction between street vendors and authorities. In both Kampala Municipal Council and cities covered in Kenya law enforcement is inhuman, gender insensitive and largely exploitative. The vendors respond to this situation by resorting to corruption, while many enforcement officers openly ask for bribes. In some cases, for example in Kenya, the Central Government officials arbitrate between street vendors and the urban authorities. This leaves the street vendors in perpetual poverty.

The case study from Ghana observes that strikes and demonstrations as a way of voicing vendors concerns have not been successful because vendors depend on vending for daily livelihoods and a day of strike means no income. Due to their weak associations, the vendors have weak bargaining power. The urban authorities do not provide services in spite of collecting revenue, but the vendors are not strong enough to push for their right to services. In Zimbabwe and Cote d'Ivoire, there are hardly any associations for street vendors. The case study from Cote d'Ivoire points out that lack of information, confidence in leaders and resources prevent street traders from joining associations. Without associations, street vendors cannot effectively participate in policy reviews and in the enactment of by-laws. In South Africa, the street vendors have a working relationship with urban authorities. Urban authorities negotiate with the informal economy workers through their associations. In cases where associations do not exist, urban authorities have insisted that associations be formed to represent informal traders.

Street vendors have minimal relations with other development partners. The case study from Kenya shows that only 6.3 per cent of the sample interviewed, had any relations with other development partners, and the relations was limited to training and provision of credit. The partners that support street vendors in relation to business are the Micro Financial Institutions [MFI]. Most of these financial institutions require street vendors to form groups.

#### **4. INFRASTRUCTURE AND SERVICE PROVISION**

The case studies show that most street vendors operate in places that lack infrastructure and services such as access roads, water, electricity, refuse collection, sanitary and storage facilities. In few trading sites refuse collection is done, but water and sanitation,

electricity, storage and day care facilities are lacking. The urban authorities use the fact that the traders are not licensed, as a justification for not providing services. However, in many of the cities street vendors are charged daily fees, which is cumulatively more expensive than the cost of an annual license. Since the street vendors either lack or have weak associations, they are not able to lobby for service provision and fair fees.

In Ghana a day care centre is available in Kumasi Market and has made a great difference to women trading in this particular market.

Recent changes in Kenya have resulted in street vendors being allocated spaces on back-street lanes outside the Central Business District [CBD]. Most of the lanes have no services, although plans are underway to provide services. The case of South Africa is unique. The enabling policies are resulting in partnership approaches to service provision being developed between urban authorities and street traders. Urban authorities such as Durban provide a number of services to traders.

Transporting goods is a problem for all street vendors. Often, the vendors cannot afford to pay for the cost of motor vehicles and they have to rely on porters, wheel barrows, trolleys and handcarts. The latter is the dominant mode in Kenya. In isolated cases where vendors operate from one location, they use group transport, while in some cases the entrepreneurs provide wholesale services at the sites of operation.

The transport situation is compounded by the lack of storage facilities. This implies that each day, the vendors have to carry their commodities to and from sites of operation. This is because the spaces are not planned for trade and therefore do not have infrastructure and services. In South Africa, some Local Authorities like Durban have managed to provide storage facilities. However, the facilities are expensive for an average trader. In Kenya along the roadsides, the vendors pay night security personnel to ensure security of commodities left on open sites of operation. Race Course Market in Ghana is approved by the Kumasi Municipal Authority, but the stalls provided are temporary structures without adequate protection against weather. There is also limited security since it is an open space. Additionally, access roads are in poor condition. Nevertheless, the urban authorities collect daily fees from the vendors.

In Uganda, the case study notes that vendors operate in harsh and uncertain conditions. They work in open spaces without shelter, and lack storage. Some areas such as Parkyard totally lack toilets, while a large market such as Balikuddembe Market with over 100,000 traders has only four toilets. Refuse collection is inefficiently done. The few available garbage dumps overflow with waste due to irregular collection by authorities. In Kenya heaps of uncollected garbage is a common sight around vendors markets or street and roadside areas where vendors operate.

## **4.2 Training and Technology**

A few financial institutions relate with street vendors, however, this relationship is restricted to training and accessing credit. In South Africa, an effort between the street

vendors association, Pretoria Informal Business Association [PIBA] and Pretoria Local Authority has negotiated a free, full time five-week training at Pretoria college for their members. PIBA was created in response to a crisis over the control of trading sites in the city. In Uganda some traders have attended courses run by the police force on issues of general law and order, while in Zimbabwe the case study indicates that the involving nature of trade does not allow traders to attend training. Instead, they opt to support education programme for their children and other dependants.

In Kenya and Cote d'Ivoire the case studies show that street traders had training in different areas along conventional gender lines. Women had training in nursing, tailoring, hair dressing, secretarial, sales and catering; whereas men had training in engraving, mechanics, joinery, tapestry, metal and electrical work among others. The studies further reveal that, women street traders require various forms of business training including business management. However, the study from Kenya shows that only few who access credit from MFIs benefit from such training. The case study from South Africa shows that many street traders, especially women do not find professional business training management a priority. Most of them view access to adequate finance as the key to good business, and yet without effective business management very little progress can be made.

Training for street vendors is largely done by the civil society organisations that provide financial support or those working in the area of human rights.

### **4.3 Conflict Management**

Street vendors are exposed to conflicts among themselves, with urban authorities and with formal traders. Apart from South Africa where Section 122 of the Constitution and the White Paper on Local Government protects street traders, others case studies have no legal provisions that protects street vendors. The South African legal provisions have improved the business environment of street vendors. In cases of problems Local Governments have to negotiate with the informal economy workers. In cases where vendors have not organised themselves, Local Governments have insisted on umbrella organisations to be formed to represent street traders organisations, while in some cases street vendors have formed organisations for negotiation and lobbying. Associations such as SEWU, Queenstown Hawkers and Gompo Association in South Africa are serving these purposes.

In other countries such as Kenya, conflicts between street traders and Local Authorities are frequent. They mainly arise from the site of operation, and the consequent arrests and confiscation of goods. Previously, violent confrontation has been the predominant way of solving conflict. However, due to research and consultations between the street traders and the Local Authorities facilitated by the Institute for Development Studies [IDS] of the University of Nairobi, dialogue between the two parties has been opened.

The IDS facilitation resulted in some Local Authorities reviewing their outdated By-Laws on street trade, examining the position of street trade in urban development, with a



policy coming from Central Government for Local Authorities to relocate traders specific vending sites outside the Central Business District [CBD]. The latter has reduced confrontation between street vendors and the Local Authorities, thereby improving the business environment. However, there is still need to facilitate street vendors to organise themselves in strong associations in order to influence changes taking place in their favour.

The case study from Uganda demonstrates the conflict between street traders and owners of shops and banks in the city of Kampala. Dispute between the groups culminated into a strike by shop owners and bankers. The latter complained of unfair competition and business stagnation due to the presence of street vendors on the streets. They threatened to stop paying taxes. The traders based at St. Balikuddembe market who also complained of reduced sales because of vendors, followed with a strike, threatened and closed the market. These threats and actions were followed by 'Operation Clean City' by the Kampala Municipal Council on April 2002. The plan to rid the city streets of street vendors was communicated to street vendors and on the material day the vendors were removed without confrontation, as was often the case.

The Kampala incidence compelled the Kampala City Council [KCC] to come up with alternative sites for relocation around the CBD, while at the same time, some days were set aside for trading in specified sites within the CBD. It is important to note the role played by the Kampala City Traders Association [KACITA] in championing the interests of its members in this exercise. It provided the vendors with a voice for negotiation and participation in the movement and relocation.

In Kenya where street vendors relocation was done in Nairobi City Council, the authorities did not use associations of street vendors. They selected individuals located in different sites where vendors operate to form a 'listening and order based team' as opposed to a negotiation team. Although relocation has been done outside the CBD, the process encountered a number of problems, which affected the outcome. The relocation process involved a lot of fight and constant placement of NCC enforcement officers in former street vendors sites of operation aimed at ensuring that they do not continue trading.

The Nairobi case shows lack of dialogue and adequate negotiation, an aspect that can be attributed to the failure to use established associations and leaders who the vendors identify with. An appropriate approach for dealing with street vendors has to be based on street vendors associations. In cases where associations either do not exist or are weak, the authorities in collaboration with other stakeholders have to take the deliberate option of nurturing associations.

#### **4.4 Crime and Security**

A secure environment is a pre-requisite for any type of business. In most streets of major cities in Africa, security is a major concern for formal and informal businesses as well as the general public. Street traders worry about their own security, and the security of their goods and customers. They view security and safety as an economic priority, and not simply one of personal safety. The case study from South Africa points out that crime results in loss of customers, frightens tourists, cripples businesses, and reduces incomes and generally interferes with trading. The case study shows that in Johannesburg, 10 per cent of street traders had been assaulted, while 55 per cent had been robbed. As a result of this some traders have formed voluntary associations to fight crime, while the police are often viewed as collaborators since they do not arrest some known criminals.

The insecurity in the streets is sometimes used as an excuse to evict street traders. In both Kenya and Uganda, sites for street trade are viewed by urban authorities as dens for thugs and robbers. The Uganda case study has observed that aggravation of city thefts and insecurity in Kampala were used by the city authorities as grounds for evicting vendors from the streets in 2001. It is argued that due to the overcrowding in the streets, pick pocketing and petty thieves were rampant in the streets of Kampala. While the Kenya case study points out that, it is due to high insecurity in other parts of the city that, the vendors invaded the CBD to find a more secure environment, where customers could shop freely.

Market women in Kampala also complain about conmen and thieves who confiscate their commodities, and discourage customers from going to the markets. In Ghana, as well, the Race Course market, women complained of insecurity. They indicated that thieves at times pounce on their goods, especially bales of clothes, causing heavy loss to the traders. Drug pushers are also rampant within Race Course market.

## **5. SUMMARY AND CONCLUSION**

### **5.1 Summary**

This synthesis shows that street vending is an important as a source of income and employment in all the case studies. Vending provides an opportunity that minimises the impact of social exclusion for many urban residents. In countries such as Kenya, when development partners support was frozen in order to pressurise for multi-party plural politics, the informal economy sustained many families. Despite the important role of street vending, the activity is less understood, less recognised, and unaccounted for in National economic statistics. This has resulted in lack of enabling policies, regulations and organisation of the sector.

The street traders work in hostile environment without basic infrastructure and services, but full of harassment, including beating and confiscation of goods by urban authorities. They face both market and investment problems. Overcrowding, dwindling sales due to poor location and low purchasing power among customers are some of the market problems. Investment problems include: lack of capital, secure site of operation, corruption, heavy taxation and confiscation of goods by urban authorities among others.

Although traders pay dues to urban authorities, the authorities are not able to adequately deliver required services.

Most urban authorities, except South Africa operate with out-dated restrictive policies and regulations that lay emphasis on illegality of street trade. Beside this, many vendors are not aware of these policies and regulations. While most countries have attempted some form of decentralization that gives Local Authorities power to manage their affairs, most of them have not taken this challenge. They have not been able to review their policies and by-laws in response to the prevailing situation.

There is also minimal communication between the street vendors and urban authorities. Few street vendors associations have managed to influence policies and regulations. This is because the vendors associations are weak and require facilitation in organising and advocacy.

Street vendors have no access to formal finance, and largely rely on their own savings, and finances from friends and relatives. In cases where they have organised into groups, they are able to pool their resources through Revolving Saving and Credit Associations [ROACA]. The street vendors find these institutions easy to deal with as compared to the formal Micro Financial Institutions [MFI] that have come on board to fill the gap left by formal financial institutions that require collateral. The MFI requirements and interests rates have, over time approximated what the formal banking systems require, therefore pushing informal traders such as vendors away.

Security is a major issue of concern for street traders, particularly women. In many cities, crime threatens traders' lives and goods, and their customers' lives and properties. This reduces income and generally interferes with successful trading. It is unfortunate that most urban authorities view street traders as criminals and do not effectively respond to the insecurity facing them. Instead, they are harassed whenever there is increase of criminal activities around their areas of operation. The case studies show that women in both streets and markets lose their goods to thieves and con-persons. The data from the case studies further show that women's participation in trade is influenced by several factors. These include: patriarchal culture in many African societies, reproductive role of women, low levels of education, lack of adequate venture capital and gender insensitivity policies of urban authorities that does not recognise the need for child care facilities, and integrated planning that allow women to trade around their residential areas.

## **5.2 Conclusion**

There is need for African Governments through the Local Authorities to address policies, regulations and organisation of street vending. The South African case provides a lesson on what constitutional and policy response can do to informal economic activities. The policy environment of South Africa is comparatively supportive of street trade. The policies, as the country, are in transition and give every stakeholder a chance to make contribution to economic development.

In order to ensure formulation of relevant policies and laws governing street trade, governments must be committed to change. In collaboration with other development partners, they must strengthen street vendors associations to enable them lobby for vendors' interests in the context of economic reforms taking place across Africa. This requires creating effective communication channels for exchanging information between vendors, urban authorities and other development partners. There is need for caution on the method of communication, including language. Most countries assume that majority of their citizens understand English or French, while there are several languages in each nation. An effective approach requires that translation of important information materials be done in languages which traders are familiar with, including using pictorial and cartoon communication channels.

The above cannot be effective if the street vendors are not organised. Organisation of street vendors is a pre-requisite for any success. Organised entities can contribute to effective provision and management of vending sites as is happening in some areas in South Africa. The street vendors are many and operate in different sites, and urban authorities cannot afford to employ enough officers to manage the activity. Instead, self-management supported by urban authorities should be encouraged.

The financial support required by traders cannot be effective if the traders are not organised. Since most MFI use groups as collateral, effective organisation can provide collateral required by financial institutions. It also provides a good forum for providing Business Development Services to street vendors. The same approach can be used in ensuring security in areas of operation. As in the case of Johannesburg, traders can form voluntary crime surveillance groups that ensure security within their trading sites.

Overall, the case studies show that the investment climate constraints that street vendors face mainly include poor policies and regulations, lack of infrastructure, Business Development and general services such as child care, storage facilities, water and sanitation, refuse collection and lack of effective organisation among street vendors. These issues should be addressed by all stakeholders with the government playing a triple role of partner, facilitator and catalyst.