Exploring Street Vendors Characteristics and Social-Economic Significance in Mwanza Tanzania

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ARTICLE INFO

ISSN: 2798-2688

Keywords:
street vending; informal economy; poverty; development; economy;

ABSTRACT

The street vending business is an important employment opportunity in African cities. Millions of youths, less educated, women, and the poor make their living through selling on the street. Despite being important, little is known regarding their typologies, social-economic importance, and challenges hence difficult to design contextualized interventions for improving their economic wellbeing. This paper is exploring the nature, characteristics, and typologies of street vendors in Mwanza Tanzania. Data was collected from 396 respondents through qualitative and quantitative techniques. Street vendors in Mwanza are characterized by little experience, dominated by youth, a rudimentary education, married, little capital of fewer than 50 USD, little profit of less than 4USD per day, long working hours up to 13 hours, have other extra income beyond vending, their capital sourced from the family members. The social-economic importance of street vending includes personal income, employment opportunity, ability to support dependents, distribution of low-priced goods, improving livelihood, building houses, paying school fees, improving the quality of life, and improving food security, hence reducing poverty. Challenges facing street vendors include lack of infrastructures, long walking distance, financial exclusion, formal business location, lack of legal recognition, lack of business skills. The government and development stakeholders need to rethink the best approach of accommodating street vending and other informal activities to the formal economy. This is important because the number of street vendors is increasing every day due to a fall in informal employment, rural street migration, and unattractive productivity in the agricultural sector.

Introduction

More than 60 percent of the world’s working population makes their livelihoods in the informal sector (ILO, 2018). Approximately 2 billion workers (60.1 percent) of the employees all over the world in 2019 (ILO, 2021). Many of the informal workers are in Africa, making up 70 percent of employment in Sub-Saharan Africa and 62 percent in North Africa. The informal economy provided roughly 80 percent of employment, 30 percent of gross national products (GNP) in Sub-Saharan Africa in the 2000s (Joseph, Nevo, & Nwolisa, 2022). In Tanzania, 76.2 percent of the adult population is employed within the informal sector and contributes 48 percent of GDP (Mugoya, 2012). The fame of the informal economy in Sub Saharan Africa is attributed to the inability of the formal economy to absorb the labor force, high costs and difficult government regulations for entering the informal economy, low skills, and necessary infrastructure, structural adjustment programs in the 1980s and 1990s, demand for low-cost goods and services, economic hardship, and poverty (Jackson, 2011). Contrary to the conventional belief of the diminishing presence of informal
entities in a more globalized world, there has been an upsurge in the size of the informal economy in recent decades (La Porta, 2011). The most visible form of the informal economy is street vending. The focus of this research is to unveil the typologies, characteristics, social-economic importance, and the challenges of street vendors in Mwanza Tanzania. The findings of this research are important in setting plans, strategies, and policies for improving the street vending business.

A street vendor is defined as a person who offers goods for sale to the public without having a permanent built-up structure from which to sell (Bhowmik, 2005). The definition has been broadened to include other features of street vending by (Lyons & Brown, 2009) hence calling it all non-criminal commercial activities dependent on access to public space including market trade, trade from fixed locations, and hawking (mobile vending), while public space is framed by the social relations that determine its use (Lyons & Brown, 2009). Since street vending is one of the categories for the informal economy, Cross, (2000) sees it as, the production and exchange of legal goods and services that involve the lack of appropriate business permits, violation of zoning codes, failure to report tax liability, and non-compliance with labor regulations. This definition is good as it considers all features of informality, which is the main characteristic of street vending. From these definitions, one can conclude that street vending is a process of trading in absence of legal permits and formal premises.

Street vending is an important source of employment, income, and low-priced goods (Mitullah, 2003), they create social life (Kayuni & Tambulasi, 2009) and social safety-net in undeveloped welfare systems (Donovan, 2008). Street vending income is used to support family, dependents, pay school fees, and pay medical expenses (Lyons, Brown, & Msoka, 2014), also they supply low-priced goods (Cross, 2000). Street vending is popular in Africa because one can start it with relatively low capital and level of education (Mramba, Mikko, Emmanuel, & Erkki, 2016). La Porta and Shleifer (2008) found that there is no doubt that the number of street vending will increase in Africa since formal employment and production activities are declining. This is contrary to dualists who consider informal enterprises as extremely unproductive and will wither away and die with modern, industrial growth.

Despite being important, street vending is constrained by many challenges, which limit its growth and sustainability. The challenges include lack of collateral to access formal finance (Mramba, et al., 2015), illegal in terms of commercial laws and business locations (Lyons, Brown, & Msoka, 2014), eviction, marginalization, not peacefully, harassment, assault, and seizure of products (Kamunyori, 2007). Other challenges include negative perception by formal business owners, public authorities, and politicians (Kayuni & Tambulasi, 2009), exclusion from important national policies and strategies (Rogerson, 2016), and weak trade associations (Brown, Lyons, & Dankoco, 2010). The existence of street vendors has become a problematic issue in many countries. Despite various arguments that either support or reject their presence in street environments, street vendors generally have been accused of disrupting the
order of the environment and therefore suggested to be removed from the street (Yatmo, 2008). Given these difficulties, street vending can’t attain its full potential and work successfully for achieving sustainable development goals. This situation calls for research to understand the ecology of street vending in Mwanza city. This research is focusing on answering the question who is the street vendor? Focusing on typologies and social-economic characteristics. What are the social-economic importance of street vendors and What are the challenges confronting street vendors in Mwanza Tanzania?

**Method**

The used concurrent mixed research method. Qualitative and quantitative data are collected simultaneously, analysed separately, and then compared and/or combined. The choice of concurrent mixed research approach is motivated by its ability to capture much data with minimal time (Mayoh & Onwuegbuzie, 2013). A qualitative approach is used to reveal the truth about the life of street vendors. Qualitative research is relevant in street vending because it allows face-to-face interaction and dialogue with street vendors & other stakeholders hence the participants will gain an opportunity to express their thoughts, feelings, and opinions based on the realities they face in their business. Qualitative data was collected through interviews (personal interview, key informant interview) and the focus group discussion (FGD). The quantitative data was used to compare features of different categories of Mwanza Street vendors. Demographic profile and contribution of street vending to the municipal economy information was based on quantitative information. Quantitative data was collected through closed-ended questions (survey).

Based on the nature of the research, primary data dominated the study. Primary data was collected from the street vendors and their stakeholders like municipal and city officers, customers, and suppliers. Five enumerators were hired. Each enumerator was responsible for five to six wards. All enumerators were trained and evaluated before going to the field. Enumerators were graduates in business subjects.

Focus group discussion was used to collect the shared views, opinions, and experiences, about the business environment of street vending in Mwanza. In this research, FGD was used to confirm/ deny what was obtained from personal interviews, forming a useful basis for data triangulation. Each FGD lasted for a maximum of 35 minutes. Each FGD contains a maximum of 8 and a minimum of 6 participants depending on availability (Creswell, 2013). Participants of FGD were legal officers (1 group), Economic, community development, statisticians (1 group), street vendors (3 groups), street vendors associations (04 groups). The survey (close-ended questionnaires) was prepared in five points Likert scale and personally administered to 321 street vending in the study area using. Respondents for the quantitative survey were computed using proportionate sampling, based on the population size of each ward. Population for each ward was obtained from the Municipal Director. The enumerators read the questions to respondents and their answers were spotted.
questionnaires were translated into the Swahili language to easily capture issues of interest. The questionnaires were clear and precise to encourage response. The electronic data collection software Magipi+ is used to increase efficiency, preciseness, and allow for automated data verification and loading.

The purpose of these key informant interviews is to explore in-depth how street vending does business. The participants of key informant interviews were municipal legal officers (02), women food vendors (02), street vendors association (02), economists (02), NGO (02), community development officers (02), and ward representatives (03).

The sample was drawn from 27 wards of Ilemela and Nyamagana District. The number of respondents in each ward is determined based on proportional sampling (based on population size). Convenience sampling was used to get respondents for qualitative research. Convenience sampling is appropriate in street vending research because of the difficulties to access street vending as discussed in (Mramba, et al., 2015). It is difficult to estimate the exact sample size of the street vending because of the nature of the trade-informal, part-time, no registration (Roever & Skinner, 2016). We decided to use a pragmatic approach (smaller-scale surveys) (Denscombe, 2010) which allows a minimum of 270 respondents for small research projects. However, the study covered 396 respondents (321 for quantitative survey and 75 for qualitative research)

Data collected in Mwanza Tanzania. Mwanza is one of the fastest-growing cities in Tanzania. Mwanza city is made up of two municipalities: Nyamagana & Ilemela. Research has chosen Mwanza given the rapid growth in population and street vendors. Content analysis was used to analyse qualitative data, whereas descriptive statistics and correlation was used to analyse quantitative data

Result and Discussion

Typology and characteristics of street vendors

In the first research question, the paper wanted to know who a street vendor in the Tanzanian context is. Since Keith Hart first coined the phrase ‘informal sector’ in the early 1970s to describe the range of subsistence activities of the street poor in Ghana, there has been considerable debate about what exactly the term refers to. The best way to describe the informal economy and street vending is by using their characteristics. This section provides the results from the quantitative survey aimed at understanding the salient features of street vendors in Mwanza.

Business Experience
Regarding the business experience, the research showed that most of the street vendors in MCC have 1 to 5 years (51 percent), and 6 to 10 years (19 percent), the rest of the categories have less than 10 percent. This finding implied that many street vendors were fresh. They came to the business in the last 5 years. Lack of more experienced vendors (11-15 and 16-20 years) means that either previously there were few street vendors, or they have graduated to formal businesses. Another reason for a high percentage of street vendors in recent years may be the freedom of vending granted by the recent president, the lack of formal employment we are experiencing now in Tanzania, a fall in disposable income, and the rural-urban migration. The interview with government officers and formal business owners showed that hundreds of youths are coming to town every day to start street vending. Most of the vendors with 1-5 years are female (52 percent) whereas less than 1 year are male (72 percent). A chi-square test was performed, and no relationship was found between business experience and profitability, p = .802. The research revealed that some of the street vendors were supposed to be in school (primary & secondary) but have quieted and come to vending because entry is relatively easy. This situation needs to be eyed because the future generation may end up being street vendors. One of the respondents highlighted that “the strong manpower which was supposed to be the producers of agricultural products or being in schools are vending, how can Tanzania industrialization be achieved?”

Street Vendors Age

About the age of street vendors, the research showed that youth of 29 to 38 years (50 percent) dominated street vending. There were very few children of less than 8 years (0.3 percent) assisting their parents or hired to sell small items like groundnuts, baobab cakes, bites, etc. The research observed that most of those children were assisting their parents during evenings and weekends. Adult vendors (48 years and above) were also significant (32 percent), meaning that vending business is not only for youth but everyone in the society. In addition, the research showed that most of the vendors were above 58 years, mostly female (70 percent). From these findings, it was observed that most of the adult vendors were female. A Pearson’s Chi-Squared test was carried out to assess whether there was a relationship between age and average profitability of street vendors. There was no significant evidence of the associations. The same results happened when testing the relationship between age and the capital invested.

Street Vendors Education

Street vending in Mwanza is dominated by primary school leavers 61 percent followed by secondary school leavers’ 18 percent and non-formal education 16 percent. From these findings, street vending was seen as an economic activity for the less-educated segment. A Pearson’s Chi-Squared test was carried out to assess whether the level of education and profitability were related. There was significant evidence of the association (X² = 68.606, P < 0.001). Also, a Pearson’s Chi-Squared test was carried out
to assess whether the level of education and capital invested were related. There was significant evidence of the association ($X^2 = 97.756, P < 0.001$). The holistic framework of the composition and causes of informality (World Bank, 2007) reasoned that many youths with a low level of education run street vending because of insufficient human capital to get a formal job. Therefore, many of these primary and secondary school leavers move to street vending because of a lack of other employment opportunities.

Marital Status

Regarding marital status, many vendors (57 percent) were married therefore have family responsibilities. Most of the married street vendors (54 percent) work for 14-17 hours, most of the singles (67 percent) work for 1-3 hours, meaning that married vendors work more hours to sustain their family needs. Most of the married women are full-time vendors (87 percent).

Capital Invested

Most of the street vendors at Mwanza (30 percent) invested capital ranging from 100,000-500,000 shillings. 14 percent invested between 52,000 to 100,000 shillings whereas 13 percent invested more than 500,000. From these findings, it was observed that a large portion of street vendors (57 percent) have a capital starting from 51,000 shillings and above. Capital in informal business is lower than formal enterprises. This is in line with (URT, 2012) which showed that the start-up capital of 64.9 percent of small businesses in Tanzania was less than 100,000 and about 94.6 percent of small businesses had a start-up capital of less than 1 million. The average investment of start-up capital was about TSh 220,500. 84 percent of female street vendors operate through a credit arrangement commonly known as Mali Kauli. A Pearson’s Chi-Squared test was carried out to assess whether the amount of capital invested, and sex was related. There was significant evidence of association ($X^2 = 33.330, P < 0.001$) hence a relationship between capital and the amount invested.

Profitability

The findings showed that most of the street vendors (33 percent) earned between 1000-5000 shillings as profit per day, 28 percent earned between 6000-10,000 shillings, and 11 percent earned between 11000-15000 shillings, the rest were less than 10 percent. From these findings, it was observed that despite the importance of street vending, vendors still earn little profit. Another research conducted in Dar es salaam (Mramba et al. 2016) found most vendors earned an average of 0-10.000TZS (38.4 percent) per day. Data about profitability in informal sectors need to be translated with care because many street vendors cannot compute the correct profits they get. Sometimes what is reported as profit is not (Mramba, et al., 2015). The correlation didn’t find the relationship between profitability and the type of products or place of origin.

Working Hours
Majority of street vendors (67 percent) in Mwanza work for 10-13 hours. 17 percent work for 7-9 hours while the rest work for less than 10 hours per day. Everywhere in the world street vendors work for many hours, for example in Mumbai India majority of them work for almost 10 hours (Bhowmik & Saha, 2012), 8-12 in New Delhi (Pinki, 2006), all hours of the day in Bangkok (Batréau & Bonnet, 2015). The correlation analysis didn’t find the relationship between working hours and profitability. Men work for more hours than women for example in the category of vendors who work for 14-17 hours per day the majority were men (54 percent), 10-13 hours per day the majority were men (54 percent), whereas 1-3 hours 100 percent were women. Food vendors, clothes, shoes, and electronic sellers vend for more hours than their counterparts.

Occupations Before Street Vending

The findings showed that the majority of the street vendors (28.4 percent) were doing casual labor, 22.8 percent had no employment, and 16.9 percent were doing farming activities. Casual work is the engagement of workers on a very short term or an occasional and intermittent basis, often for a specific number of hours, days, or weeks, in return for a wage set by the terms of the daily or periodic work agreement. These jobs are uncertain because sometimes they are unavailable. Many people are running out of casual work to street vending because of the uncertainty. Another category of street vending entrants are those people with no employment at all. The findings showed that several women (74 percent) fell under the category of "no employment before". In Tanzania, most of the casual jobs (Vibarua) are done by men. A Pearson’s Chi-Squared test was carried out to assess whether sex and the occupation before starting street vending were related. There was significant evidence of the association between pre-street vending occupation and sex ($X^2 = 33.164, P < 0.001$).

Sources of Capital

Lack of access to finance is often rated as the most serious constraint to informal businesses, preventing them from expanding their production and productivity. This relates to both informal small and medium enterprises, as well as smallholder farmers who often cite cash flow as their major problem. The research wanted to know where street vendors got capital for starting and running their businesses. The findings showed that 54 percent accumulated per capita by themselves from different sources, 19 percent got from their parents and relatives, 14 percent from selling agricultural products, and 10 percent from other sources. Most of the women (73 percent) got capital from their parents, while men accumulated (52 percent), from agriculture (69 percent), previous employment (56 percent). These findings observed that parents care for their girls by giving them capital to start businesses.

Social-Economic Importance of Street Vendors
In the second research question, we wanted to know how street vendors contribute to social-economic development. Since the macroeconomic data about the informal sector are unavailable because of the informality, the research used the parameters used by the previous researchers to predict the contribution of the informal sector to the economy. In Africa, until now the estimates of the informal sector in National Accounts are absent, irregular, not updated, and not accurate (Charmes, 2000). To accomplish this assignment, this research followed the approach used by Mazhambe, (2017) an assessment of the contribution of street vending to Zimbabwe’s Economy using a case study of Harare CBD. This research analysis is based on the ability of street vendors to support their families and dependents’ needs, access to health and education services, increase in purchasing power and disposable income, and lastly assurance of food security.

The interview with community development and economists at Nyamagana and Ilemela districts revealed different ways in which street vendors contribute to the local economy. Street vending gives employment hence reducing the number of dependents in the family. Some disabled people used to beg on the streets but now are vending to sustain their families. The vending income enables vendors to get three daily meals hence reducing malnutrition and risks of diseases. Also, the vending income enables vendors to pay for accommodation or build their own houses, therefore, minimizing the number of street children and homeless people. Also, the street vendors help the distribution of goods. The products there were to be bought in cities e.g., radios and small solar powers are now available even in rural areas because of the street vendors. Street vendors solicit the products for sale from numerous wholesalers hence having various products. The district officers were of the view that street vendor groups could grow faster, pay tax, and graduate to formal businesses if their business environments could have been improved. In addition, the street vendors have increased money circulation, they buy several times from the wholesaler hence making them more liquid. On the side of customers, street vendors have reduced transport costs of going to city centers for shopping but get each and everything near their homesteads at a relatively low price. Customers who were interviewed thought that street vendors are easily accessible and have lower prices than formal business owners. In addition, street vendors pay indirect tax through purchases.

The findings confirmed the previous research in different ways. The research showed that the income obtained from vending is used to support the vendor’s family members and dependents. The research showed that (56 percent) of street vendors in Mwanza have between 2 to 5 dependents and it is only 8.7 percent of vendors who do not have dependents. All these dependents are subsisting with the income generated from street vending. Both male and female vendors have relatively the same number of dependents in totality, however, in terms of composition male vendors have the largest number of dependents per family. In terms of age, the children and adults have less number of dependents when compared to others. Vendors aged between 19-48 years’ dependents were as follows; (less than 18 years have 37 dependents, 19 to 18 years have 261 dependents, while 49 to 58 years have 94 dependents). The age...
dependency ratio is the ratio of people in the ‘dependent ages’ (those under age 15 and age 65 and older) to those in the ‘working age population’ (15-64) was slightly higher at 99 in Mwanza than the national average of 92 in 2012 (URT, 2014).

Besides dependents, street vendors’ income is used to finance the daily requirements of the family members. The researchers observed a very large number of members in almost all families. The majority of the respondents (60 percent) have 3-6 family members. This number is larger than the National level of 4.9 people per family but a regional benchmark which was 5.7 in 2012 (URT, 2014). These findings implied that the street vendors’ income is very important to make a living. Male vendors were found to have a relatively high number of family members compared to female vendors. The middle-aged vendors aged between 19-48 years have a large number of family members as compared to other age groups.

The findings showed that 59 percent of the street vendors are the sole breadwinners, hence their income is used to sustain their families. Most of the breadwinners were male (60 percent). The middle-aged 19-48 seemed to be more breadwinners than the others. In African countries the majority of the men are breadwinners (culture). Research by Zuo & Tang, (2000) examined changes in gender ideologies of married men and women regarding family roles, defined as wife’s economic role, husband’s and wife’s provider role, and wife’s maternal role. The empirical results suggested that both genders are moving in the direction of egalitarianism. Men of lower breadwinning status and women of higher status are less likely to hold conventional gender ideologies. Because the decline in men’s breadwinning status tends to promote egalitarian ideology among men. The street vendors who were not the sole breadwinners received assistants from their husbands/wives. A Pearson correlation coefficient was computed to assess the relationship between the age of the respondents and the sense of being the breadwinner. The results showed a strong negative correlation (r = -0.985, n = 5, p = 0.002), meaning that when one variable increases the other decreases and vice versa.

United Nations Sustainable Goal Number 2 calls for ending hunger and all forms of poverty through ensuring food security. The findings showed that street vendors’ food security and ability to pay for health services have improved after starting street vending. 92 percent of the respondents agreed that they are now able to buy the needed foodstuff and pay for health services than earlier before street vending. Hunger and the inability to pay for health services are among the key causes of poverty in Africa. Through street vending, the vendors use the profit to buy food for their families and pay for medical expenses. Some of the respondents reported that through street vending they can pay for health insurance services for their family members.

From the question of if street vendors have witnessed some of their friends upgrading from street vending to formal businesses the findings showed that 22.4 percent strongly agreed, 54.3 percent agreed, and only 16 percent disagreed. These findings implied that street vending is a bridge toward big formal businesses.
finding supports what was revealed by Mramba et al. (2016) that many youths are doing street vending as a means of collecting capital for starting formal businesses. Thus, any initiative/intervention to empower today’s street vending will be seen in tomorrow’s formal businesses growth and sustainability. This is contrary with Voluntarism school of thought, which viewed informal workers as comprised of entrepreneurs who choose to operate informally to avoid taxation, commercial regulations, electricity and rental fees, and other costs of operating formally and never graduate (Maloney, 2004).

There were street vendors who managed to buy land and houses from the income they earned from vending. From the survey question if respondents knew or have seen some of the street vendors own houses or bought plots from the income generated from street vending the findings showed that vendors who strongly agreed were (28 percent ) agreed (52.3 percent ), meaning that a large proportion of the street vendors have either plots or houses. Thus, this finding suggests that street vending is a powerful tool in economic development. In another section, the findings showed that 33 percent of street vendors built their own houses and 49 percent paid house rents from the income obtained from street vending, meaning that street vending has a significant contribution to the individual economy and poverty reduction. Out of 131 street vendors who have built their own houses 70 were women and 61 were men meaning that street vending incomes empower the marginalized people like women.

Some of the street vendors’ children study in private schools hence pay school fees for them. From the question, if there were street vendors who pay school fees from vending income the findings showed that, 36percent strongly agreed and 51.3percent agreed, meaning that, there were street vendors who afford to pay school fees for their children in private schools. The government of Tanzania has abolished the formal school fees in both public primary and secondary schools. Although the formal fees have been abolished, indirect school costs like transport, stationary, food, uniform, and supplies still inhibit thousands of children from accessing basic education. Also, there are thousands of people missing basic health services as they don’t have money to pay for it. The research showed that a large proportion of street vendors can meet these costs through the income obtained from street vending.

“My husband died 14 years ago, at the time when our firstborn was 3 years old and the 2nd was 1 year old. Now the 1st born has completed secondary school, and her sister is in form 3. All of them are studying through the income obtained from selling mitumba (used clothes), and this gene (table for selling vegetables and fruits), said a widow aged 48 years old at Nyahingi Mwanza”

Findings showed that many street vendors (80 percent ) agreed that, soon after they started street vending their disposable incomes have increased significantly. Disposable income is the final income that one uses for ultimate consumption. There were different responses from the street vendors including, “(1) I like this job though it is challenging, now I am making my own money,” (2) “I pay myself a salary, previously I was
a housemaid, and my freedom was under the control of my boss, now I am free.” Research findings also showed that 73 percent of street vendors’ purchasing power increased after starting vending. "You see, for three years since I started street vending my ability to purchase nice clothes for Christmas for my children has increased. Previously I used to ask my husband to buy them. Now I am happy I can do it myself" reported one woman. In addition, the findings showed that street vendors’ ability to meet the needs of their families and support their dependents have increased after they started vending. From the question aimed to measure this aspect, the findings showed that 73 percent of the respondents confirmed that their abilities have increased.

Many economists agree on the suitability of saving capacity as a measure of individual economic strength (Wang, 2016). The saving capacity of street vendors has increased after starting vending businesses. 67 percent of the respondents reported that now they save more as compared to how they did when they were not vending. There is no correlation between savings and the sex of the respondents. However, the analysis found a significant negative correlation between average profit per day and saving \( r = -0.307 \; P<0.001 \) meaning that when one variable increases the other decreases, and vice versa.

“My friend, before I started this business I was in the worst situation, I had nothing to save. I created a special box to keep the coins as savings but I broke it and took all the money, because of poverty. Now I am saving, I keep 1000 every day at M-Pesa. This saving will help me and my family when there is an emergency like sickness or funeral” said one respondent at Mkolani Mwanza.

During the interviews, street vendors were asked about their satisfaction with vending businesses and if they would recommend it to their relatives, friends, and family members. The findings showed that vendors were satisfied with vending businesses because they don’t have enough capital to start formal businesses or access formal employment. Therefore, to them, street vending is done because there are no other formal opportunities. Street vendors explained that though vending businesses are challenging, they still get the income necessary for sustaining their families and dependents. Street vendors recommended for the people who are staying at home and complain of unemployment to wake up and start vending. They see street vending as a user-friendly business because of ease of start and degree of flexibility.

“Street vending gives us employment and makes us busy, otherwise we could have been thieves, drug users, or any other lawbreakers,” said one street vendor at the city centre.

**Challenges facing street Vendors**

Street vendors face a lot of challenges. Many researchers around the world confirm that street vending is often looked down on as an undesirable activity undertaken by criminals which impinge on the use of public space (ILO, 2018). Street vendors are often persecuted, live in uncertainty, and work in poor conditions with little access to infrastructure (Wongtada, 2014). Street vending is closely connected

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with the availability of street public space pavements, roads, parks, beaches, etc. and many difficulties associated with vending activities, including the generally negative way street vending is perceived by wider society, are linked to how such spaces are managed by the authorities (Brown, Lyons, & Dankoco, 2010). Mramba (2018) summarized the common challenges facing street vendors in Africa as; informal business constraints, difficulty to access formal finance-collaterals, illegality (commercial law and business location), evictions, marginalization, harassment, and seizure of products. Other challenges included negative perceptions, exclusion from National policies, weak associations, and lack of necessary business skills. This research explored different challenges affecting street vending businesses in Mwanza and the findings are presented below.

In 2015, the United Nations General Assembly declared sanitation a universal human right (Klasing & Smaak, 2017). This means that everyone, everywhere, has the right to a toilet. Street vendors in Mwanza do not see access to toilets as a core problem to their businesses. In the question that measured if the unavailability of basic human services like toilets constrain businesses the answer was; 35 percent agreed (men 36 percent, women 64 percent ), and 65 percent (male 54 percent, women 46 percent). Observations and interviews with street vendors showed that there are few toilets in the city center owned by individuals or city authorities whereby access to those services is charged between 200 and 300 shillings. Those services are not available a few kilometers away from city centers. In middle and big market centers like Buhongwa, there are few toilet facilities. In the city center, toilets are few and sometimes far from where the vendors operate. In areas where toilets are unavailable, vendors go to bars or restaurants’ toilets, individual houses, use open spaces and sometimes urinate in bottles. Inaccessibility to toilets denies the privacy and human rights of street vendors. The inadequate toilet is a problem in almost all street areas in Tanzania. This research observed several posts warning people not to urinate in unauthorized areas, and a fine of 50,000 TZS would be charged for disobeying the warnings. During the interview, the formal business owners complained that street vendors urinate (especially at night) in front of their business premises. Observations from this research in auction places did not find toilets designed for those vendors. According to the findings, 52 percent of men and 48 percent of women did not see a lack of toilets as a problem to their businesses. During the interview, women complained about the shortage of toilets and long queues, particularly in the mornings.

Street vendors walk from one place to another to find customers for their products. The exact number of Kilometres they walk per day is not known (no records), however, the walk starts between 08:00 a.m.-10: 00 a.m. and ends after sunset. Some street vendors walk even at night. They visit bars and restaurants where they can access customers. Street vendors in Mwanza pointed to long working hours as a challenge for their businesses. From the question that wanted to know if long walking hours is a problem the findings showed that 57 percent agreed (men 48 percent, women 52 percent), 43 percent disagreed (men 50 percent, women 50 percent), mode 2=agree. There was no correlation between age and long walking distance problems.
Most street vendors who disagreed were stationary vendors who do not move from one point to another. In the interview, some of the vendors reported that as they walk, they cross through three districts each day they walk.

Madani vendors move from one auction to another while walking. When asked why they don’t hire bicycles or motorcycles, they said they preferred to walk because they can see many potential customers when walking, also the cost of hiring bicycles or motorcycles could reduce their profits. “The profit is very small/sometimes no sales at all. How can I hire someone’s bicycle. I don’t want to be jailed,” one vendor reported. Walking is very challenging because of weather conditions. (Hot and rainy reasons). During rainy seasons street vendors cannot walk hence any sales at all.

Access to finance and additional capital to improve street vending was also a challenge mentioned by previous scholars. There was no correlation between sex and the problem of accessing credit or additional capital. 68 percent of street vendors aged between 19-38 years agreed that access to capital is a threat to their businesses. The descriptive analysis showed that even those street vendors who are considered to have invested large capital in their businesses, needed additional finances too to boost their businesses. The analysis of capital distribution showed that 57 percent of the street vendors who were interviewed in this study have invested more than 51,000 shillings in their businesses which is in line with the baseline survey conducted by URT, (2012) that showed the start-up capital of 64.9 percent of small businesses was less than the 100,000 and about 94.6 percent of small businesses had a start-up capital of less than the 1 million. Access to finance and additional capital is needed to expand the street vendors’ businesses. Most street vendors cannot access finances because of informality, skills, collateral, costs, and business records (Mramba, 2018). The interview with street vendors revealed that additional finance is needed to increase the volume of their businesses, stock a variety of products, buy products in large quantities hence enjoy economies of scale, travel to Dar es Salaam, Kampala, and other cities where they can access many products at lower prices. They also need additional finances to hire rooms for operating formal businesses.

The findings from another question that wanted to know where street vendors got the capital to start up their businesses showed that 54 percent (male 53 percent women 47 percent) accumulated capital from different sources, 18 percent (men 27 percent, women 73 percent) got capital from their parents and relatives, 9 percent (69 percent men 31 percent women) from selling agricultural products, and 9 percent (41 percent men, 59 percent women) borrowed from individuals, SACCOS, and other informal financial service providers. Most borrowers from external sources are women. These findings implied that many street vendors do not have access to or use formal finances. The linkages between street vendors and sources of finance need to be researched more in the future.

Street vendors are traders who do business in a place meant for other purposes. They put their products in unauthorized places (planned for other activities), for
example in pavements, sidewalks, roads, bus stands, bridges, car parking, etc. This study observed street traders displaying their products on electricity poles which is very dangerous to them. From the question, if access to formal vending locations was a challenge in street businesses the findings showed that 65 percent (men 49 percent women 51 percent) agreed and 30 percent (46 percent men, 54 percent women) disagree. This finding implied that lack of business location is a challenge to street vending. Formal business owners who were interviewed in this study complained about street vendors who displayed their products in front of their businesses. Municipal officers pointed out that street vendors have blocked all the sidewalks, pavements hence causing risks and dissatisfaction to the public. “Nowhere to cross, they have occupied the whole parking lot, this is our place not for street vendors” complained one taxi driver, when he was looking for space to park his car. “Street vendors are selling everywhere, they do not care, they have made the appearance of the city look bad” we need to do something, we can’t let this situation continue “reported one municipal officer in Ilemela. From these findings, it was observed that government officers, formal business owners, and the public are not satisfied with the way street vending is being operated in Mwanza, hence an intervention is needed.

Another challenge pointed out by the street vendors is the lack of legal recognition and registration. Unlike other formal micro-small businesses, which are registered and provided with business licenses, and tax identification numbers, street vendors do not. Lack of legal recognition means that one cannot access finances, government subsidies, and will face harassment from city planners (Mramba, 2018). The government of Tanzania has seen the consequences of managing traders who were unregistered and came up with Street Vendor’s Registration (TRA, 2018). The project is managed by the revenue authority, local governments, and the National microfinance bank. The project has a goal of identifying all street vendors, connecting them with final institutions, taxing, and networking with social security funds (Kolumbia, 2018). The interview with street vendors revealed that many vendors were not registered, and the few who were registered do not know exactly what the benefits of the registrations are.

“I have been given the TRA identity card, it is in my wallet, but I don’t know how it will help my business, I need additional capital, not this ID” Reported one young street vendor at Makoroboi.

All the informal workers are not legally recognized. Street trade is considered an illegal trade and the traders face constant harassment from the authorities (Bhowmik, 2005). Street trade is illegal because of using public spaces, making the pavements dirty, blocking traffic, and generally doing trade in unauthorized areas (Wongtada, 2014). In the 1960s and 1970s Tanzania’s by-laws made street trade illegal, but later in the 1980s during the economic crisis, street traders were given legitimacy. However, the Business Licensing Act, 2003, abolished the peddling license (Nguvu Kazi), hence making street-trade illegal (Brown, Lyons, & Dankoco, 2010). Until now street traders operate with unclear judicial procedures hence becoming the victims of
the local government by-laws. Two key forms of informality render street traders vulnerable to legal enforcement. First, spatial informality is the prime flashpoint for enforcement agencies. Second, street traders are informal in terms of business and commercial law, hold assets that are not formally registered, and cannot separate personal assets from business assets, which means that they have limited options for investment or credit, face undue risks when entering contracts, and so on (Lyons(b), 2013). Globally, street traders experience constant dis-empowerment due to laws that see them as invaders of public spaces, unfair competitors, and in extreme cases laws that see them as criminals (Vargas-Falla, 2016).

Another challenge experienced by Mwanza Street vendors is the few numbers of customers they get per day. The descriptive analysis showed that all categories of street vendors are faced with the challenge of not getting enough customers. The findings were triangulated with low sales volume among the street vendors, which showed that 68 percent earned sales of less than 30,000 per day.

Observations on streets found hundreds of street vendors with very few potential buyers. These findings suggest that there was no proportional increase between street vendors and the number of customers. The number of street vendors is increasing sharply because of the fall in agricultural productivity, lack of formal employment, urbanization, and globalization. Lack of customers in street vending is attributed to many factors including poor marketing strategies, weak customer care management, uncompetitive business strategies, and other business environmental factors (Mramba, 2018).

“"The economic situation is very bad, I have been in street vending for more than 10 years, without experiencing such a situation, I can close business with only 2000 shillings. How can I use it to pay for storage facilities, pay for bus fare, and buy food?" Complained to a one-woman street vendor at Nyegezi”.

Another challenge unveiled from this research is the lack of business skills among street vendors. From a survey question aimed to measure if street vendors in Mwanza are constrained by business skills, the findings showed that 71 percent agreed (men 48 percent women 52 percent ), 29 disagreed (men 56 percent women 44 percent ). These findings suggest that street vendors lack appropriate business skills to run their businesses. These findings are triangulated by other findings in this research which showed that only 4.1 percent of street vendors had attained formal business training, 27.3 percent learned from other traders, and 67.6 percent had never got any business training. In Tanzania, business education is usually taught from secondary schools where most street vendors did not attend. The interview with street vendors and their associations revealed that business training is being organized by the government and other private institutions, however, they are either expensive or inaccessible to street vendors. All the street vendors and informal workers around the world are confronted with a low level of business skills (Adams, 2012). Lack of business skills limits the potential of street vending because it weakens management,
marketing, entrepreneurship, finance, and finance management (Msuya, 2018). Wongtada (2014) revealed that many vendors’ business strategies are simple and lack differentiation hence face intense competition leading to low earnings and profits because they lack skills.

Many of the street vendors do not see a lack of storage facilities as a problem. This research wanted to know if a storage facility is a challenge in street vending at Mwanza and the results were 45 percent agreed (men 53 percent women 47 percent ), 55 percent disagreed (men 44 percent women 56 percent ). There was no correlation between the modes of business (stationary versus mobile vendors) and storage challenges. The observations and interviews with street vendors found that after closing business vendors put together their products, and cover them with canvases. One canvas can be shared by two to three vendors. The security guard’s informal business premises or offices are paid some tokens to look after street vendors’ products. Other vendors put their products in special rooms meant for storage for payment of 200 to 1000 shillings per night depending on the size of the products. Small-scale vendors go back to their homes with their products.

The research found no coercion and conflicts between street vendors and the city council. So far there were no conflicts between street vendors and the city council. The situation is cool after the President of the United Republic of Tanzania ordered that street vendors should not be disturbed. Similarly, the street vendors in Mwanza reported not having any conflicts with formal business owners, however, on the other side, formal business owners are not happy with street vendors. The formal business owners complained that street vendors displaying their products near their shops create unfair competition. Shortly, this may bring conflicts because both formal business owners and street vendors are competing for the same customers.

Conclusion

Street Vendors are an important part of their communities. Street vendors deliver many benefits, both to themselves and to their communities. For starters, since vending has low start-up costs, it expands economic opportunities. Thus, vendors can create new jobs and make a living to support their families, all while at a fraction of the cost of starting other ventures. In addition, vending unleashes the possibility of upward mobility. Research finds that Street vendors in Mwanza are characterized by little experience (less than 5 years), dominated by youth (mostly less than 38 years), a rudimentary education (primary and secondary school), married with children, little capital of fewer than 50 USD, little profit of less than 4USD per day, long working hours up to 13hours, have other extra income beyond vending, their capital sourced from the family members.
The social-economic importance of street vending includes increasing personal income, employment opportunity, ability to support dependents, distribution of low-priced goods, improving livelihood, building houses, paying school fees, improving the quality of life, and improving food security, hence reducing poverty. Street vending business improves the well-being of themselves and the people around them through employment creation. Some street food vendors have employed assistants e.g., porters, security guards, transport operators, storage providers, and others hence giving them income. Street vendors from an exclusive supply chain link between small-scale producers (e.g., small-scale farmers) and markets hence ensuring a constant supply in the economy. Availability of street vendors in the city ensures security, cleanliness, and tourism attractions. Some street vendors pay fines and fees, hence revenue to the municipality. Despite their positive contributions, street vendors are infrequently valued in policy terms as economic assets to cities. Research shows that street vendors have the potential to contribute more than this, if recognized, formalized, legalized, and empowered. Government and its institutions should consider street vending the same as other informal activities because it is here to stay (Mramba, 2018), though we shouldn’t celebrate as they operate outside the formal system.

The research finds challenges facing street vendors include lack of infrastructures (e.g. toilets, storage, buildings), long walking distance, financial exclusion, absence of legalized business location, lack of legal recognition, lack of business skills, and weak business strategies. The researchers suggest that street vendors themselves cant resolve the challenges they are confronting. Interventions to improve street vending business should include measures aimed at bringing financial, legal, and policy inclusions, improving training and education, and improving the working conditions. Much of them are macro hence need attention from multiple stakeholders in a holistic approach. Without resolving these challenges, only a few vendors will be able to grow and become big businesses. Mitigations for street vendors' challenges should be ecological, participatory, and sustainable. Mitigating street vendors' challenges is very important in achieving several sustainable development goals (goal number 1: poverty reduction, goal 8: decent work, goal number 10: reduce inequality, and goal number 11:sustainable cities and communities) and different ILO agreements on improving working conditions.

The government and development stakeholders need to rethink the best approach of accommodating street vending and other informal activities to the formal economy. This is important because the number of street vendors is increasing every day due to a fall in informal employment, rural street migration, and unattractive productivity in the agricultural sector. The findings revealed that hundreds of youths who were supposed to be in schools or produce on the farms are coming to town to do street vending. While this is happening the number of potential customers is getting down due to low purchasing power. The question is what will happen if everyone will go to street vending? Who will pay tax? Who will produce it? The government needs to institutionalize entry barriers to street vending, this may include but is not limited

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to vending licenses, vending permits, and registration for vendors. The process needs to be open.

Acknowledgment

I appreciate the financial support from Innovation for Inclusive Development which enabled the collection of 90 percent of the data used in this research. We appreciate the efforts made by all enumerators, which ultimately enabled this research.

References


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