



WIEGO
Women in Informal Employment
Globalizing and Organizing

Informal Economy Monitoring Study **Sector Report: Street Vendors**

by Sally Roever

April 2014



Informal Economy Monitoring Study Sector Report: Street Vendors

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About the Informal Economy Monitoring Study

The Informal Economy Monitoring Study (IEMS) is a major, longitudinal study of the urban informal economy being undertaken initially at two points in time, 2012 and 2016, in 10 cities around the world: Accra, Ghana; Ahmedabad, India; Bangkok, Thailand; Belo Horizonte, Brazil; Bogota, Colombia; Durban, South Africa; Lahore, Pakistan; Lima, Peru; Nakuru, Kenya; and Pune, India. The study combines qualitative and quantitative research methods to provide an in-depth understanding of how three groups of urban informal workers – home-based workers, street vendors, and waste pickers – are affected by and respond to economic trends, urban policies and practices, value chain dynamics, and other economic and social forces. The IEMS will generate panel data on the urban informal economy.

In each city, a team of five researchers worked in collaboration with a local membership-based organization of informal workers from April 2012 to April 2013 to collect and analyze the first round of the data.

All city research reports, as well as sector reports (one each for home-based work, street vending and waste work), a global report, and other information on the study can be found at www.inclusivecities.org and www.wiego.org.

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Executive Summary

Street vendors provide easy access to a wide range of goods and services in the public spaces of cities around the world: from fresh fruits and vegetables to building materials; garments and crafts to consumer electronics; prepared food to auto parts and repairs. Official statistics show that street vendors make up between 2 and 24 per cent of total urban informal employment in African, Asian and Latin American cities. Their activities generate demand for formal and informal suppliers, create jobs for porters, guards, and transport operators, and generate revenue for local governments. In many countries, especially in Africa, the majority of street vendors are women.



Vegetable vendor in Durban: A. Buckland

Street vendors are one of three urban informal worker groups who form the focus of the Informal Economy Monitoring Study. The 10-city study aims to provide credible, grounded evidence of the range of driving forces, both positive and negative, that affect working conditions among home-based workers, street vendors and waste pickers; the responses of informal workers to these driving forces; and the institutions which help or hinder their responses. The IEMS is based on a collaborative approach between researchers and membership-based organizations (MBOs) of informal workers in each city. Street vendors in five cities — Accra, Ghana; Ahmedabad, India; Durban, South Africa; Lima, Peru; and Nakuru, Kenya — participated in the study. The sample in each city was designed to be representative of the population of partner MBO members.

The IEMS is based on qualitative and quantitative methods. The qualitative component consists of a participatory informal economy appraisal (PIEA), an innovative method designed to capture systematically the perceptions and understandings of informal workers, in their own words, in focus group settings. Fifteen focus groups of about five workers each were conducted in each city-sector. The quantitative component consists of a survey administered to the 75 focus group participants per city-sector plus another 75 workers who did not participate in focus groups. A total of 743 street vendors participated in the study.

Key Findings

Individuals, Households and Enterprises

The street vendors in the sample engage in a variety of activities: from producing or transforming goods at home and selling them in the streets; to sourcing from wholesalers and selling at diverse locations; to providing a range of services including dressmaking, masonry, hairdressing, knife sharpening, carpentry, car guarding, computer repairs, accounting, shoe and watch repair, editing, and physical therapy.

Forty-eight per cent of respondents in the survey sample have complete primary education or less. Eighty-five per cent live in households for which the main source of income is informal work: 68 per cent rely on street vending as the main source of income, and 17 rely on the informal work of others. Less than seven per cent live in households in which formal wage employment is the main source of income. Women are nearly twice as likely as men to sell fruits and vegetables, and are half as likely as men to hire paid helpers on occasion. Nearly all — 95 per cent of women and 97 per cent of men — classify themselves as own-account workers.

Driving Forces

The study found that drivers related to urban governance are the most significant for street vendors. The only driver to be ranked among the three most important in focus groups in all five cities, and the most highly ranked overall, was abuse of authority: including police harassment, arbitrary confiscations of merchandise, demands for bribes, and physical abuse. Focus groups also identified the lack of a secure workspace, evictions, and relocations as significant drivers. Quantitative data confirmed that insecure workplace conditions affect many vendors, especially those who work in the streets rather than in markets: 53 per cent of street vendors in the combined survey sample said insecurity of vending site and harassment are significant problems.

The study also found that licensing and regulatory restrictions affect working conditions for street vendors. Licenses are difficult or impossible to acquire for some — 7 of 10 fruit and vegetable vendors reported that obtaining a license is a problem, for example — while others who hold licenses are still subject to merchandise confiscations. In addition, about two-thirds of the combined survey sample reported that poor access to urban infrastructure is a significant problem, and focus groups ranked poor quality of workplace infrastructure — including water, electricity, toilets, shelter and storage — as a significant driver.

Among macroeconomic drivers, the study finds that rising prices and sluggish demand restrict the working capital available to many vendors, limiting the amount of stock that can be purchased and increasing the need for vendors to borrow from informal moneylenders. In each of the five cities, more than 70 per cent of street vendors reported that their supplies had become more expensive over the past year. Many vendors are unable to pass high prices on to consumers because of intense competition in the sector and expectations among customers to negotiate low prices in the streets. Eighty per cent or more in Ahmedabad, Durban and Nakuru reported that competition is a significant problem, and over 50 per cent in every city said they have difficulty negotiating higher prices from customers. Among value chain drivers, the lack of available credit and unfavourable terms for borrowing were significant for vendors in all cities.

Positive drivers were also identified in most cities. Focus groups in Accra identified urban growth and the expansion of urban infrastructure as positive drivers, as well as the availability of loans, good quality and availability of wholesale products, and good relations with suppliers. In Ahmedabad, eight of 15 focus groups identified good relations with customers as a positive driver, seven groups said demand was sufficiently strong to maintain a livelihood, and five said the proximity of the wholesale market was helpful. Durban's vendors did not identify a single positive driver, while Lima's vendors said the current policy environment, as well as urban growth and access to licenses in some parts of the city, were positive drivers. In Nakuru, nine groups identified access to capital as a positive driver, and four groups identified having a fixed workplace or effective permit as positive.

Responses and Mediating Institutions

Of the 502 total responses to negative drivers identified in the focus groups, the most common was to resort to the debt cycle by taking out a loan or buying on stock on credit; this was an especially common response to macroeconomic drivers, such as rising prices, and city / government drivers,

particularly merchandise confiscations. Many vendors expressed frustration with their lack of leverage vis-à-vis city officials, to the extent that it is less costly for them to absorb the costs of harassment and merchandise confiscations than it is to resist them. In most cities, the focus group data indicate that MBOs play a central role in collective responses to negative drivers related to the city/government.

In both the survey questionnaire and the focus groups, street vendors were asked which institutions help or hinder their ability to respond to the driving forces they identified. Seventy-eight per cent of survey respondents identified MBOs as helpful; 65 per cent said other workers are helpful, and 46 per cent said NGOs help their sector. Focus groups corroborated the survey data, identifying MBOs and cooperatives as the most helpful institutions, followed by NGOs, wholesalers, and community institutions like churches, hospitals, schools and universities. Conversely, the study found that street vendors view local government, national government, large retailers, and banks as largely unhelpful.

Linkages and Contributions

The study found that street vendors' activities generate demand for both formal and informal suppliers: 51 per cent acquire their goods primarily from formal enterprises and another 27 per cent buy them primarily from informal enterprises, while the remainder produce the goods they sell. In addition, 84 per cent of street vendors in the sample pay for services provided by porters, security guards, transport operators and others, generating additional economic activity. About two-thirds in the sample pay fees for licenses, permits or the use of public space, creating revenue for local governments; and many participants noted that they contribute revenue to national governments through value-added taxes on their purchases of stock and other supplies. Many focus group participants also said they provide cleaning and security services at their workplace, keeping the streets clean and safe in order to attract customers.

Theoretical and Policy Implications

Theoretical Lessons

The study findings imply a need to rethink common assumptions about constraints on informal enterprises and on the nature of linkages between informal enterprises and the state. First, the findings indicate that street vendors are well within the regulatory reach of the state, contrary to the conventional wisdom that informal workers operate "outside of" regulation; yet they lack effective legal rights and bargaining power around important issues like security of workplace and access to basic infrastructure.

The study also finds that vulnerabilities are more prevalent among street vendors than market vendors, and more prevalent among fruit and vegetable vendors than vendors of other goods and services. Like formal enterprise operators, informal own-account workers are subject to certain kinds of commercial risk through such factors as rising prices, sluggish demand, and unreliable supply chains. But without effective legal rights as workers, street vendors are also subject to earnings and expenditure risks — as well as physical risks — that formal enterprise operators are not. Their unpredictable business environment and unstable earnings and expenditure cycle undermine vendors' ability to accumulate assets over time.

Put differently, street vendors engage with the state regulatory system on fundamentally different terms than formal entrepreneurs. Street vendors pay a range of costs that formal enterprise operators do not: ranging from cash payments to access a space on the street or sidewalk, to bribes to ward off evictions, to fines levied for real or imagined transgressions of by-laws, to in-kind payments in the form of confiscated merchandise that is never returned. Vendors also pay for basic services such as water, electricity, storage, public toilets, and waste removal, whether or not those services are delivered adequately in return. And many vendors pay value-added tax on their purchases of stock without being able to claim it on their sales. The evidence around the unfavourable terms of exchange between street vendors and states reinforces the need to understand the disadvantageous ways in which informal economic actors are incorporated into the economic and social life of cities — and by implication the ways in which improving those terms may help street vending enterprises become more productive.

Policy Implications

One key policy lesson from the study is that urban planning and local economic development strategies should explicitly recognize street vendors as workers for the role they play in generating economic activity, providing jobs, and bringing retail goods to consumers. While in most cities it is impossible to accommodate all street vendors in public space, urban planning authorities should study the carrying capacity of natural market areas and the size of the street vending population at the city level, and accommodate an appropriate number of vendors through licenses or permits that grant authority to work in public space.

It is important to recognize the need to accommodate street vendors in public space, as many are unable to accumulate enough capital to invest in a market stall or to generate regular and sufficient earnings to support monthly rent payments. In part, this is because street vendors and their households are subject to a wide range of risks and enjoy few forms of legal or social protection. Urban planning practice must consider the role of public land in supporting livelihoods. Norms for land allocation that support street vending livelihoods in natural market areas, combined with urban design innovations that take into account the day-to-day work process, would lay the foundations for a more supportive and dynamic urban economy.

The findings suggest that there is an urgent need for a set of basic legal rights and protections for street vendors and other informal workers whose workplace is public space. City authorities should work with street vendors and their organizations to identify regulations that *appropriately* address the practical reality of the work process and the role of vendors in the urban economy, and *effectively* protect vendors' basic rights to livelihood and property. No vendor should be beaten, arrested or jailed for selling legal goods or services in the streets.

In addition, planning authorities should consider ways of designing and delivering urban infrastructure to support productivity in the informal economy. Making basic infrastructure such as running water and toilets available to vendors and consumers would help keep street markets more hygienic. Providing street lighting and affordable and well-regulated electricity would make the streets safer for everyone and support certain kinds of activities. Adequate shelter and storage facilities would help vendors protect their goods from spoilage and theft, in turn reducing the necessity of borrowing from informal moneylenders. The study findings show that urban infrastructure plays a critical role for workers at the base of the economic pyramid, not just for those at the top.

Finally, any policy intervention should take into account the ways in which the street vending sector is segmented between more and less vulnerable vendors, and the ways in which the voices of street vendors and their organizations can be heard in policy processes. Interventions that do not take such differentiation into account are not likely to succeed, nor are interventions that do not recognize the day-to-day realities of the work process. Street vendors and their representative organizations are in the best position to identify the sources of precariousness and vulnerability in the sector, and they should be full partners in designing and implementing measures to address them. Membership-based organizations of street vendors, meanwhile, should look for productive ways to engage in the urban planning process and build alliances with other organizations of informal workers.

Introduction

Street vending is a vibrant sector of the urban informal economy that has attracted sustained academic and policy attention for several decades. Current official statistics indicate that it is most prevalent in sub-Saharan Africa, where in many cities it accounts for 12 to 24 per cent of total urban informal employment (ILO-WIEGO 2013). In India, street vending makes up 11 per cent of total (non-agricultural) urban employment, and 14 per cent of total (non-agricultural) urban informal employment (Chen and Raveendran 2011). Some Latin American cities also see high concentrations of street vendors: in Lima, Peru, for example, street vending accounts for 9 per cent of total urban informal employment (ILO-WIEGO 2013).



Vegetable vendor in Lima: C. Roca

Prevailing policy approaches toward street trade have evolved in tandem with broader trends in development theory and practice. In the 1970s, street vendors were valued or tolerated as resourceful survivalists in cities with heavy rural-to-urban migration and weak industrial bases. Neoliberal reform processes in the 1980s and 1990s brought with them mayors whose concerns about public order – along with business groups’ claims of unfair competition – led to efforts to clear public space of street vendors, especially in Latin America’s downtown areas and historic centres (Middleton 2003; Donovan 2008). While the logic of neoliberal urban governance continues to support evictions as a common component of urban renewal schemes worldwide, in recent years some cities have experimented with public-private partnership models to relocate vendors into off-street commercial space (de Pádua Carrieri and Benevides Dutra Murta 2011). Whether through eviction or relocation, however, cities aspiring to “world-class status” do not see vendors as part of a modern urban landscape: in the past decade, displacements have been documented from Mexico City to Delhi, Harare to Istanbul, Maseru to Hanoi (Crossa 2009; Dupont 2011; Skinner 2010; Öz and Eder 2012; Setsabi 2006; Turner and Schoenberger 2011).

Resistance to these urban governance strategies among street vendors is now well documented in certain cities, as are alternative models that consider vendors in natural markets as an essential

component of local economies and legitimate participants in urban policy processes (Brown et al. 2010; Çelik 2009; Crossa 2009; Dobson and Skinner 2009; Lindell 2010; Kumar 2012). There is also increasing recognition of the variety of working conditions in the sector and the need for more finely-tuned policy approaches toward vendors in public space. But little is known about what drives working conditions in different segments of the street vending population – including the impact of macroeconomic conditions, specific urban policy drivers, and value chain dynamics. No existing studies use mixed methods to gauge the impact of these trends on street vendors’ lives and livelihoods in multiple cities, via structured comparisons, over time. The Informal Economy Monitoring Study (IEMS), of which this report is a part, aims to fill that gap.

IEMS Study: Objectives and Methods

The objective of the IEMS is to provide credible, grounded evidence of a range of driving forces, both positive and negative, that affect conditions of work in the informal economy over time. Using two primary data collection techniques – one qualitative, one quantitative – the study examines the impact of these drivers across and within sectors, and also informal workers’ responses to them. Designed as a panel study, it is based on a collaborative approach between researchers and membership-based organizations (MBOs)¹ of home-based workers, street vendors, and waste pickers to monitor the state of the urban informal economy over time. This report synthesizes data from the first (2012) round of IEMS fieldwork in the street vending sector in five cities: Accra, Ghana; Ahmedabad, India; Durban, South Africa; Lima, Peru; and Nakuru, Kenya. Its focus is on the ways in which three sets of driving forces – macroeconomic, city / government, and value chain – play out among different segments of the street vending sector across cities and how those dynamics may inform current urban policy and planning approaches.

The qualitative component of the study is based on participatory informal economy appraisal (PIEA), an innovative method designed to capture systematically the perceptions and understandings of informal workers, in their own words, in a focus group setting.² Each city team³ conducted 15 focus groups of about five participants each per sector.⁴ Nine tools – organized around the themes of sector characteristics, driving forces and responses, institutional environment, and contributions of the sector – were used to generate data related to the conceptual framework. The results of the focus groups were recorded into reports of about 10-12 pages, on average, immediately after each focus group was conducted. Those reports were then analyzed systematically and synthesized into a city report.

The quantitative component consists of a survey questionnaire administered to the 75 focus group participants, plus another 75 workers for a total of 150 respondents in each city-sector. The questionnaire is designed to supplement the focus group data by collecting information on the household profile and income sources of the workers; the asset profile of the workers’ households; the enterprise or occupation of the workers; and the linkages between their informal work and the formal economy. The questionnaires were administered using a data capture tool.⁵

The sampling approach was designed to maintain comparability in the results across cities, on the one hand, and to allow some flexibility as demanded by local circumstances, on the other hand. Each city team aimed to include only MBO members or affiliates. Street vendors were sampled along two variables in each city, sex and location, where location was dichotomized into centre-city and

¹ The term “membership-based organizations” (MBOs) in this report refers to those representing informal workers. Informal workers’ MBOs are a subset of the broader category membership-based organizations of the poor, which are broadly defined as organizations whose governance structures respond to the needs and aspirations of the poor because they are accountable to their members (Chen et al. 2007).

² The qualitative methodology was developed collaboratively with Caroline Moser, Angélica Acosta, and Irene Vance, who designed the tools and trained the city teams in data collection methods and data analysis. It is an adaptation of earlier participatory methodologies developed by Chambers (1994); Moser and Holland (1997); Moser and McIlwaine (2004); and Moser, Acosta and Vásquez (2006).

³ Each city team consisted of an MBO coordinator, two qualitative researchers, and two quantitative researchers. A member of WIEGO’s Technical Advisory Committee supported each city team through data analysis and report writing.

⁴ “Sector” refers to occupational group throughout this report. In three IEMS cities, two sectors were studied: street vending and home-based work in Ahmedabad, and street vending and waste picking in Durban and Nakuru. In the remaining seven IEMS cities, only one sector was studied.

⁵ The translation of data collection tools into local languages represents a potential shortcoming of the comparative methodology, as not all terms could be translated with the certainty that their meaning would be equivalent in all settings. An intensive training workshop, held before fieldwork began, was designed to prepare the field workers and local coordinators to ensure that the conceptual framework was kept as consistent as possible throughout the data collection process.

non-central areas.⁶ Among the respondents in the sample, 72 per cent are women and 28 per cent men. In each city, the research team developed the most representative sample possible of MBO members, including both street and market vendors. The findings presented here are not necessarily representative of the entire street vending population in each city – only those affiliated with the MBO.

Report Structure

Part 1 of the report analyzes the individual, household, and enterprise characteristics of the 743 street vendors who participated in the study. It describes the day-to-day work process among different kinds of vendors, and uncovers patterns around gender, product category, and employment status that affect the earnings from vending on which most households are dependent.⁷ Part 2 then analyzes the quantitative and qualitative data related to driving forces, showing how especially those related to city/government policies and practices shape working conditions for different categories of vendors. It also examines the range of responses to these driving forces, with particular attention to the role of debt in coping with all kinds of drivers. Part 3 analyzes the mediating role of institutions, especially MBOs of street vendors; linkages between the street vending sector, the urban economy, and formal institutions; and the contributions of vendors to the city. Part 4 summarizes key findings and offers theoretical lessons and policy recommendations derived from the first round of study.

⁶ The exception was Ahmedabad, where only women street vendors were sampled because the partner MBO, the Self-Employed Women's Association (SEWA), has only women members. In that case, the second sampling variable was product category, dichotomized as food and non-food vendors.

⁷ Although the term "labour process" commonly refers to the wage employed, there is a need to extend a broader notion of "work process" to the self-employed, given the large share of the workforce in developing countries that is self-employed (ILO and WIEGO 2013) and the relation between work process, working conditions and earnings.

Part 1. Individual, Household and Enterprise Characteristics

Street vendors offer a wide range of goods and services, generate different levels of earnings and cope with a diverse set of challenges across the five cities in the IEMS study. Yet some clear patterns emerge around status in employment, enterprise structure, gender, and working conditions. This section details some of those patterns, placing particular emphasis on the ways in which the street vending sector is segmented between more vulnerable and less vulnerable groups. The findings help explain how policy choices are likely to play out across these different segments, a theme that is picked up in the last section of the report.



Potato vendor in Durban: A. Buckland

1.1 Street Vendors: Basic Characteristics

The street vendors in the study consist mainly of working age adults who are the main breadwinners in their households. Of the 743 in the sample, nearly half are between 31 and 45 years of age, and another 30 per cent are between 46 and 60, with a median age of 42. Street vending is not a temporary occupation for most vendors in the sample: on average, women have been working as street vendors for 14.2 years and men for 12.8 years. Participants in the study have been MBO members for an average of about six years.

The day-to-day work process among street vendors is generally not well documented in the literature,⁸ but the IEMS focus group data reflect three categories of activity, where each activity or work process poses distinct challenges for vendors to generate enough profit to make the business viable.

Buy-Sell: First, some vendors engage in straight buy-sell activity: in this case, the work involves sourcing goods, typically from wholesalers; transporting the goods to a vending post in public space; and selling them at a small margin. These vendors are challenged to find good prices from suppliers;

⁸ One exception is Gordon (2011), who relates neoliberal outlooks of individualism, entrepreneurship, and competitiveness among vendors in Bolivia not to the promotion of neoliberal ideology on a macro-political scale but rather to the nature of the work itself and the labour process and social relationships that underlie it.

keep other costs, such as transport and storage, to a minimum; and sell at volume to generate profit. For vendors without a fixed post – those who walk along streets, sidewalks, and transport routes, selling only what they can carry – the profit margin depends on their ability to sell in areas with a large enough customer base and small enough number of competitors.

Transformation: A second category makes, manufactures, or transforms goods and sells them directly to consumers. These vendors must find a place to make their goods, usually at home or in the street, but sometimes at a workshop or other unused space; then they must find a place to sell them to consumers. They must also find a place to store unsold goods, or to store the equipment used to make the goods (such as portable stoves or juice machines for cooked food or prepared drink vendors). The work of these vendors entails value addition and is sometimes more dependent on workplace infrastructure, such as electricity and running water, than buy-sell traders.

Services: A third group performs services from street vending posts. This is a broad category that includes, among many other examples, dressmaking, masonry, hairdressing, knife sharpening, and carpentry (Accra); car guarding, tailoring, and computer repairs (Durban); and accounting, shoe repair, watch repair, auto repair, editing, and physical therapy (Lima). Service providers have fewer challenges when it comes to transporting goods, although they may need machinery or tools to be stored at or transported safely to their vending post. However, they are often reliant, like manufacturers, on electricity and/or need either specialized training or substantial access to capital to purchase the necessary machinery, tools or inputs.

Street vendors' activities are carried out in a variety of urban spaces. The IEMS sample consists of vendors from two kinds of urban locations: a city-centre area, meaning established central-city markets (Accra), downtown transport junctions (Durban, Nakuru), or a set of centrally located administrative districts in the larger cities (Ahmedabad, Lima); and one or more non-central areas or districts in the urban periphery. City-centre areas tend to have more natural markets⁹ with denser populations of both consumers and street vendors, and therefore often have a distinct policy dynamic relating to more intense contestation of public space. In Nakuru, a smaller city than the others (table 1), all MBO members work in the downtown area, making the central/non-central distinction unworkable; instead, the Nakuru research team distinguished vendors who work at the city's crowded bus stage from those who work outside of it.

	Total Population, Latest Available Year
Accra, Ghana	1,848,614
Ahmedabad, India	7,214,225
Durban, South Africa	3,442,361
Lima, Peru	9,751,717
Nakuru, Kenya	1,603,325

Source: www.citypopulation.de (accessed 30 January 2014).

In addition to location, the IEMS explores patterns of working conditions in different workplaces and premises. One third of vendors in the IEMS sample work in built markets, while two thirds work in spaces other than built markets.¹⁰ Of the 196 market vendors in the sample, most are from Accra and Durban. Two thirds of vendors sampled in Accra work in Makola, Circle, and Kantamanto markets in the central city and Madina market outside the city centre. In Durban, more than one third of the sampled vendors work in markets in the Warwick Junction area. Of the two thirds who work outside of markets, 89 per cent work in the street. Those who named another place of work mentioned working

⁹ The term “natural market” in this paper refers to a “market where sellers and buyers have traditionally congregated for more than a specified period for the sale and purchase of specific products or services,” as per India’s Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act of 2014. The paper does not, however, follow the act in specifying that a natural market “has been determined as such by the local authority” in its references to natural markets in cities outside of India.

¹⁰ A “built market” refers to a market that was designed, designated and built as a market, in contrast to a “natural market” that develops organically in an urban space with many passersby. The term “market vendors” in this report refers to those who work in built markets.

in parks, on public transport, at or outside of schools, or at their homes. The latter identify themselves as primarily street vendors, but also work at home producing or transforming the goods they later sell on the streets.

Data from the focus groups indicate a strong reliance among vendors on having a regular workplace where returning customers can easily find them; in the survey, 90 per cent reported that they work at the same place every day. This work takes place from a variety of premises. Men are over-represented among those who have a fixed stall or table, while a higher percentage of women than men work from a mobile stall or from a blanket or tarp on the ground (table 2). Seventy-seven per cent of all vendors in the sample work in the open air, while 23 per cent have covered stalls where they are protected from wind, rain and sun. Among the few who do not work at the same place every day, 40 per cent are mobile hawkers who carry their goods and sell on foot, and 60 per cent have some sort of cart, stand, table, or ground cover.

	Men	Women	Total
Fixed stall, stand, or kiosk	30.50	22.20	24.51
Mobile stand, cart, bicycle, trolley, car	16.50	30.50	26.60
Table, carton, crate, box	26.50	18.73	20.89
Ground, on a blanket or tarp on the ground	8.00	18.92	15.88
Self (basket/bag/hands)	13.00	7.34	8.91
Other	5.50	2.32	3.20
Total	27.86	72.14	100.00

***Statistically significant at the .001 level (χ^2).

Source: IEMS survey data (2012) (n=718)

1.2 Household Profile

The average number of household members among street vendors in the sample is 4.7. More than two thirds of vendors live in households for which street vending provides the main source of household income. In every city except Durban, over 88 per cent of vendors rely either on their own work as street vendors or the informal work of another household member (table 3). In Durban, nearly two thirds of vendors' households rely on informal work as their main source of income, but almost one third access government transfers, primarily women who qualify for the child support grant or elderly individuals who qualify for the old age pension (Mkhize, Dube and Skinner 2013). In no city does formal wage employment provide more than 9 per cent of households with their primary source of income.

	Accra	Ahmedabad	Durban	Lima	Nakuru	Total
Own work as street vendor	78.67	43.42	59.31	77.70	82.52	68.16
Informal work of others	9.33	48.03	4.14	13.51	10.49	17.34
Formal wage employment	8.67	7.24	4.83	7.43	4.20	6.50
Other	3.33	1.32	31.72	1.35	2.80	7.99

Source: IEMS survey data (2012) (n=743)

In addition to the heavy reliance on informal work as the main source of household income, 62 per cent reported that the household has no alternate source of income.¹¹ Vendors in Ahmedabad and Nakuru were especially vulnerable in terms of income at the household level, while those in Durban were the most likely to have an alternate income source, mostly through cash transfer programmes

¹¹ The alternate sources of income about which the IEMS survey asked include government grants, unemployment insurance, worker's compensation, rental income, retrenchment packages, parental child maintenance payments, remittances, and pensions.

(table 4). Just 2 in 10 overall reported that someone in their household has access to health insurance; nearly all of those were from either Accra or Lima, where 51 per cent and 39 per cent of the city samples, respectively, had access to health insurance.

Table 4. Household Access to Alternate Income Source (%)						
	Accra	Ahmedabad	Durban	Lima	Nakuru	Total
Has access	44.00	19.08	76.51	35.57	13.29	37.82
No access	56.00	80.92	23.49	64.43	86.71	62.18

Source: IEMS survey data (2012) (n=743)

1.3 Segmentation in the Sector

Among street vendors in the five cities, men have significantly higher levels of education than women. While nearly one quarter of all women in the sample have no schooling at all, less than 1 per cent of men have no school at all; and more than half (56 per cent) of women have primary education or less, while one quarter of men have primary or less. Education levels are especially low in Ahmedabad, where 60 per cent of the all-female sample has never been to school.¹²

Disparities in education levels are also reflected in the products that street vendors sell. Fresh produce, for example, is a higher risk category: fruits and vegetables spoil easily, so produce vendors are especially dependent on volume of sales and vulnerable to income losses related to inclement weather (such as extreme heat or heavy rains), sluggish demand, or confiscations by the police. As table 5 shows, produce vendors are more likely to have primary education or no education at all, whereas vendors of durables are significantly more likely to have at least partial secondary education.

Table 5. Product Category by Education Levels (%)			
	Complete primary or less	Partial secondary or more	Total
Produce	33.52	7.20	19.70
Durables	15.06	23.39	19.43
Consumables	24.72	39.07	32.25
Services	2.27	3.34	2.83
Other	24.43	26.99	25.78
Total	47.50	52.50	100.00

***Statistically significant at the .001 level (χ^2). Consumables includes vendors of prepared food, livestock, toiletries and cosmetics, household products, traditional medicine, medicine/pharmacy, newspapers and books, and cigarettes.

Source: IEMS survey data (2012) (n=741)

Many vendors in the focus groups (FG) were aware of the limitations that low educational levels place on their ability to engage in market competition and to interact with the authorities. As one vendor from Lima (FG 13) explained in a discussion of relocation projects:¹³

“We street vendors don’t have higher education. We don’t understand the majority of what they [city officials] tell us. Each group has done a [relocation] project, but we are not prepared. To be sure, we don’t want to stay in the streets, not forever...my association has done a [relocation] project, but it hasn’t gone well. Each member has gone in with 3,000 soles, and it hasn’t brought results. We are afraid of this. We are bringing our capital together, and we invest it in an enterprise, [but] if we aren’t well prepared we are going to kill the capital and end up with nothing.”

¹² In all cities, the participatory methods posed a challenge for vendors who were unable to, or lacked confidence to, read and write. In most groups, participants compensated by drawing pictures or relying on one participant to do the writing.

¹³ In Lima, it is common for state-sponsored relocation projects to require street vendors to reach savings quotas and then use the savings to pay for an off-street work site.

These comments demonstrate not only low education levels, but also a desire to be off the streets – suggesting that vendors at the survivalist end of the income distribution face substantial constraints to formalize their enterprises. As another vendor in the same focus group said, “For the most part we aren’t prepared to work in an enterprise. We are fighting hunger. Each one figures out how to work however he can.”

The contrast between fresh produce vendors and vendors of durables is equally as stark in terms of gender disparities. Overall, women are nearly twice as likely as men to sell produce, and men are nearly twice as likely as women to sell durables. The latter includes, most commonly, garments, electronics, and DVDs; in Accra, this also includes, for example, construction materials sold by vendors in fast-growing residential areas. The data also show gender differentiation in services: in Lima, for example, women are more likely to engage in hair dressing or physiotherapy, while men work in the streets as auto mechanics, watch repairmen, or accountants.

1.4 Enterprise Structure and Earnings Instability

More than 95 per cent of women and 97 per cent of men in the sample classify themselves as own account workers, defined in the International Classification by Status in Employment (ICSE) as those who operate their own enterprises and hire no employees. Own account workers take on all of the risk involved in operating a business, and are particularly exposed to losses related to the inability to work. One quarter of street vendors in the sample – 28 per cent of women and 16 per cent of men – do have unpaid family helpers to assist with the enterprise. When asked what happens when they are unable to work, close to 60 per cent of all vendors said nothing could be done, and no income would be earned during that time.

In addition to having less education and selling higher risk goods, women are only half as likely as men to hire paid helpers (table 6). This relationship held across three of the four cities in which both women and men were sampled, with Lima as the exception (where only 6 per cent overall hire paid helpers: seven women and two men in a sample of 149). When we compare those who hire paid helpers and those who do not by levels of education and product category, those who hire paid helpers are significantly more likely to have higher education levels and sell higher-value/lower risk goods or services.

	Men	Women	Total
None	78.92	89.25	86.38
One or more	21.08	10.75	13.62
Total	27.79	72.21	100.00

***Statistically significant at the .001 level (χ^2).

Source: IEMS survey data (2012) (n=734)

Median monthly earnings in the street vending sector are higher among men than women (table 7), and a slightly higher percentage of women than men earn less than two thirds of their city-sector median. Differences in earnings are especially significant between age groups: median monthly earnings are 28 USD among 15- to 24-year olds and 152 USD among those 55 and older. Earnings also vary according to marital status: widows have the lowest median monthly earnings (68 USD) and those who never married have the highest (101 USD). Notably, more than 27 per cent of vendors in the sample operate at a loss.

	Men	Women	Total
Median monthly earnings (unadjusted USD – 2012 prices)	97.24	87.09	90.22
% who earn less than 2/3 of their city-sector median	34.78	36.70	36.17
N	186	484	670

Source: IEMS survey data (2012)

As the following section will discuss, vendors in the IEMS sample described unstable patterns of earnings and expenditures and unpredictable work environments. They tend to face frequent disruptions in earnings and savings – not only from being unable to work when they are ill, but also from costs imposed through systemic factors – that undermine their ability to save over time. For example, a typical vendor may make a daily profit of USD 2 to USD 4, but after a week or two of making a net profit, would see her goods confiscated, stolen, or spoiled. This would wipe out her stock and prompt her to take on a loan sourced from an informal lender who charges high daily interest rates. Recovering from these disruptions while keeping up with household expenses was a common challenge, particularly for the most vulnerable vendors.

Part 2. Dynamics in the Street Vending Sector: Driving Forces and Responses

After four decades of debate, street trade is now increasingly recognized as a sector that consists of both “survivalists” and “opportunists”: vendors who generate a subsistence income at best, and more entrepreneurial vendors who take advantage of opportunities to avoid certain costs in order to generate higher profits. The survivalist/non-voluntary theoretical model implies a low-productivity mode of vending that is mostly unlinked to the formal economy and operates in unregulated markets; the opportunist/voluntary model implies a higher-productivity mode of vending that is unlinked to formal regulatory regimes, if not formal enterprises, through avoidance behaviour on the part of vendors (Chen 2012).



Vegetable vendor in Ahmedabad: J. Luckham

Yet there is little understanding of the nuanced ways in which systemic factors may push vendors into different tiers of earnings and productivity – or that may nudge an individual vendor up or down the earnings distribution over time. And while several case studies have carefully documented vendors’ resistance strategies in the face of evictions and relocations, little is known about their day-to-day strategies for coping with, and mitigating the effects of, these systemic factors. This section explores how macroeconomic forces, government policies and practices, specifically but not exclusively at the city level, and value chain dynamics play out across different segments of the sector in the five IEMS cities, including an analysis of vendors’ individual and collective responses to them.

Both data collection methods – focus groups and survey questionnaires – were used to investigate driving forces and responses. The term “driving forces” refers to systemic factors that may impact, in either positive or negative ways, the livelihoods of urban informal workers. In the focus groups, participants were asked to list the driving forces that affect their work; and then, based on this listing exercise, to rank which driving forces have the greatest impact on their work. Another tool used in focus groups was a causal flow diagram, in which participants sketched out the effects of the highest-ranked negative drivers and their responses to those drivers. These tools generated data on the

salience of drivers; on the intensity of their effects; and on causal mechanisms, recorded via diagrams drawn by the groups and direct quotes from individual participants.

2.1 Macroeconomic Drivers

Street vendors in the five cities identified three principal driving forces related to the macroeconomic environment. The most common economic driver across the cities was rising prices (table 8). Higher prices for inputs limited the amount of stock vendors could buy, and reduced the profit margin on sales because of vendors' limited leverage to pass on higher prices to consumers. In Accra and Ahmedabad, vendors reported rising prices in a context of strong macroeconomic growth; focus group participants in Accra, for example, reported that "money in the system" was a positive factor in their working conditions, but rising prices were making it difficult to turn a profit. In Lima, another context of strong macroeconomic growth, rising prices were especially significant among fruit and vegetable and prepared food vendors; spikes in prices occurred just before fieldwork in that city took place (Castellanos 2013). A related economic driver in Accra, and one that was the most significant driving force overall in that city, was the depreciation of the Ghanaian currency, the cedi (Anyidoho 2013).

Table 8. Top-Ranked Driving Forces Related to the Macroeconomic Environment, by City						
	Accra	Ahmedabad	Durban	Lima	Nakuru	Total
NEGATIVE						
High/rising prices	7	1	1	5	4	18
Currency depreciation	8	0	0	0	0	8
Bad economy/low demand/ slow sales	2	0	0	3	3	8
Increased competition	0	2	3	1	0	6
High interest rates	1	0	0	0	0	1
High taxes	0	0	0	0	1	1
Unemployment	1	0	0	0	0	1
Supply shortages	1	0	0	0	0	1
Electricity blackouts	0	0	0	0	1	1
Strikes/demonstrations	0	0	0	0	1	1
POSITIVE						
Good economy/demand/ enough for livelihood	2	7	0	0	0	9
Availability of loans	3	0	0	0	0	3
Development projects	2	0	0	0	0	2
Falling price of inputs	1	0	0	0	0	1
Total	28	10	4	9	10	61

Source: IEMS focus group data (2012) (n=75 focus groups).

Drawing from a listing and ranking exercise applied in all focus groups, the table shows the number of instances in which a focus group listed one of these macroeconomic forces as a significant driver and then ranked it as one of the top three drivers overall. Negatives and positives were ranked separately, so the total number of top three ranks possible for each was 225 (15 focus groups x top 3 drivers x 5 cities) across all three categories of drivers. However, some focus groups identified fewer than three drivers (especially positives) and some drivers listed and ranked in focus groups were not systemic and thus were omitted from the table.

The second macroeconomic driver identified across the five cities was whether overall demand was generally strong enough for vendors to earn a livelihood (nine focus groups in total), or sluggish enough that it was difficult to earn a livelihood (eight in total). In particular, focus group participants in Ahmedabad indicated that merely being able to earn a livelihood as a street vendor was a positive force though demand was not great, while vendors especially in Nakuru identified low sales, low profits, sluggish demand and an overall "bad economy" as a significant driver in the sector – and

vendors in Accra appreciated the good economy. These results are broadly consistent with data on annual growth rates in each country (table 9). The third economic driver identified through focus groups was competition, both from an increasing number of street vendors selling the same goods and from increasing competition from supermarket chains and malls. Each will be explored in turn below.

Table 9. Annual GDP Growth Rate, 2007-2012 (Country-Level Data) (%)

	2007	2008	2009	2010	2011	2012
Ghana	6.5	8.4	4.0	8.0	15.0	7.9
India	9.8	3.9	8.5	10.5	6.3	3.2
South Africa	5.5	3.6	-1.5	3.1	3.5	2.5
Peru	8.9	9.8	0.9	8.8	6.9	6.3
Kenya	7.0	1.5	2.7	5.8	4.4	4.3

Source: World Bank (<http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG>, accessed August 23, 2013.)

2.1.1 Rising Prices

In each of the five cities, more than 70 per cent of street vendors surveyed said that their supplies had become more expensive over the past year. Both survey and focus group data revealed a preoccupation with rising prices, especially among food vendors. In the survey, 86 per cent of food vendors perceived a rise in prices, compared to 82 percent of vendors of durables and 71 per cent of service providers. Accra and Ahmedabad had the highest percentage of vendors reporting higher prices for supplies, at 87 and 86 per cent, respectively. The widespread reports of rising prices among street vendors mirror national-level data on inflation in the years leading up to the field work, except in Lima, where food price spikes were not matched by rising prices economy-wide (table 10).

The focus group data illustrate how high or rising prices play out among vendors with different day-to-day work processes. Traders who buy and sell especially lower-value goods (like fresh vegetables) operate on thin margins, so the profitability of the enterprise is highly sensitive to the price of supplies and the volume of sales that the enterprise can generate. Higher costs for support services such as transport and storage also affect enterprise profitability. Others identified a general rise in prices as a problem in the context of overlap between household and enterprise expenses: *“The price of everything – including rent, school fees, etc. – goes up and this has an effect on how much money we have to trade”* (Accra FG 9).

Table 10. Annual Inflation (Consumer Prices), 2007-2012 (Country-Level Data) (%)

	2007	2008	2009	2010	2011	2012
Ghana	10.7	16.5	19.3	10.7	8.7	9.2
India	6.4	8.4	10.9	12.0	8.9	9.3
South Africa	7.1	11.5	7.1	4.3	5.3	5.4
Peru	1.8	5.8	2.9	1.5	3.4	3.7
Kenya	9.8	26.2	9.2	4.0	14.0	9.4

Source: World Bank (<http://data.worldbank.org/indicator/FP.CPI.TOTL.ZG>, accessed August 23, 2013.)

In some cases, vendors responded by charging higher prices for the goods they sell, passing the cost along to the consumer. But many said that they were reluctant to raise their prices for fear of losing customers: among the 521 vendors who reported in the survey that prices of supplies are higher now than they were this time last year, one third said they were unable to charge higher prices to customers; 11 per cent said they actually are selling at lower prices, despite rises in the price of supplies, as a way of keeping their customer base or avoiding losses related to unsold perishable goods. Focus group data indicate a strong reluctance among street vendors to charge higher prices due to fear of losing customers (box 1).

Box 1. Difficulties Caused by Rising Supply Prices

Accra

“People don’t buy when the price goes up. Those who buy from us negotiate and buy at lower prices. If we don’t sell we lose because the good [banana] is perishable. If we sell at the prices they want to buy, we are unable to get our money back. We therefore find it difficult to make profit from this business.” (FG 12)

Ahmedabad

“Now I have to pay 180 rupees for an auto rickshaw whereas earlier it was only 60 rupees. Customers buy less quantity because the commodities have become expensive. Customers ask us why we are selling at high prices. What can we say? Now we are getting a box of apple for 2,500 rupees which earlier cost only 700 rupees. It’s very difficult to manage the inflation in our trade.” (FG 6)

Durban

“The ever rising prices destroy our business. This issue is really getting me worked up. We need our special market where traders can buy and get things at discounted prices so they can trade without challenges.” (FG 12)

Lima

“The prices of products have gone up on me; I make a conscious rise in prices, but still, the people don’t pay me, they are without money.” (FG 1)

Nakuru

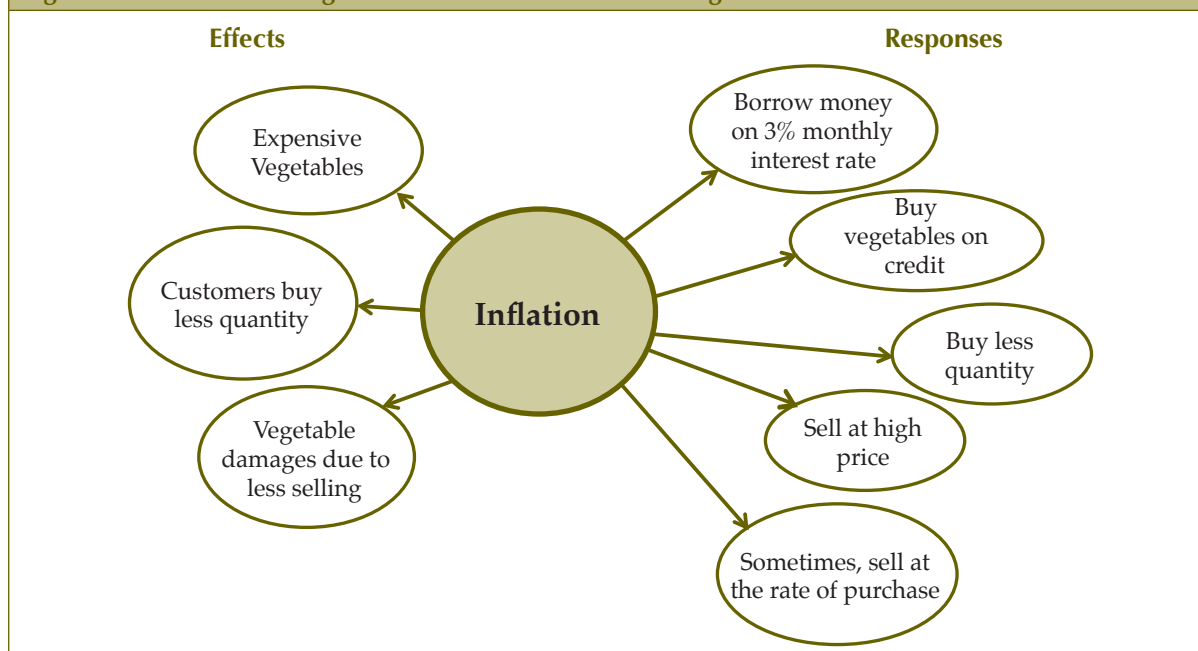
“If I was selling sweets at one shilling for a sweet, so when transport costs go up and I have to sell the sweet at two shillings, I will lose my customers. Therefore, we have fewer customers.” (FG 5)

Source: IEMS focus group data (2012)

Just over half of all vendors in the survey sample also reported difficulty in negotiating better prices from suppliers. Produce vendors were most likely to report difficulty in these negotiations: 61 per cent of produce vendors reported difficulty in negotiating better prices from suppliers, as compared to 54 per cent of vendors of durables and 48 per cent of consumables vendors. For some, this difficulty may be related to dependence on a single supplier: just over 40 per cent of all vendors reported that they always buy from the same supplier, in many cases because of social relations that enable vendors to buy on credit, a theme explored further below.

Vendors who engage in manufacturing or transformation, and those who provide services, were affected in slightly different ways. Prepared food vendors, for example, have some flexibility with regard to recovering costs when the prices of their inputs rise; some reported that they may reduce the amount of an expensive ingredient in a prepared dish, for example, or slightly reduce the quantity of the prepared food they sell while keeping the price the same. Others looked for ways of minimizing transport costs or changed their routine to prepare food at home instead of paying for water at the market. Service providers, particularly those who rely on electricity (like hairdressers), reported losses related both to rising prices for electricity and an unstable power supply.

Figure 1. Causal Flow Diagram of Effects of Inflation Among Ahmedabad Vendors



Source: Ahmedabad FG 6

A recurring theme was the reliance on credit as an individualized coping strategy in the face of rising prices, even where demand was strong. Figure 1 shows a causal flow diagram from Ahmedabad that traces the effects of inflation as experienced by vegetable and fruit vendors (left side), and their varied responses to it (right side). With inflation vegetables get more expensive, customers buy less, and the unsold stock is spoiled; in response to the related loss of income, vendors must take out loans, buy on credit in the hopes that they can make up for the initial loss, buy less quantity, increase their own prices (at the risk of losing customers), or sell at the rate of purchase and settle for breaking even.

In Accra, high prices were experienced as part of a macroeconomic context of strong growth and significant currency depreciation. Many traders reported that they sell goods originating outside the country, including shoes from China, used shoes from the United Kingdom and Spain, cloth from Togo, and dried cow meat from Niger. Because of the volume of trade in goods imported from other West African countries, street vendors were affected not only by the cedi's fall against the dollar, but also other currencies. As one vendor in FG 9 explained:

“People hear more about the way the cedi is falling against the dollar because this affects the bank people who sit in offices. No one is talking about the way the cedi is falling against the CFA.”¹⁴

As in other countries where inflation was a key driving force, vendors in Accra said they are now buying fewer goods, and having trouble passing higher prices on to their customers.

2.1.2 Demand

The second-most significant macroeconomic driver identified in the focus groups was the broad economic context and related levels of demand for vendors' products and services. Low demand was especially significant in Durban and Nakuru, where nearly all survey respondents said it was a major or moderate problem (table 11).

¹⁴ The CFA refers to the franc currencies used in 14 countries of West and Central Africa.

Table 11. Significance of Low Demand as a Problem by City (%)

	Accra	Ahmedabad	Durban	Lima	Nakuru	Total
Major problem	12.75	53.62	85.23	42.28	75.52	53.71
Moderate problem	24.16	30.43	10.74	34.90	18.88	23.76
Not a problem	63.09	15.94	4.03	22.82	5.59	22.53
N	149	138	149	149	143	728

***Statistically significant at the .001 level (χ^2).

Source: IEMS survey data (2012)

In Durban, where 8 in 10 vendors said low demand was a major problem for them, focus group participants said that low profits and a chronic shortage of funds prompted them to borrow from “loan sharks.” This practice of borrowing in order to cover immediate expenses traps some vendors in a cycle of debt, given the high interest rates charged by informal moneylenders. In Nakuru, low demand and a slow economy appeared to be related, at least in part, to inadequate infrastructure: bad roads, frequent power outages, and disruptions in transport which led to supply shortages throughout the urban economy.

Unlike Durban and Nakuru, challenges around demand and profits in Lima varied substantially by sex and location. Vendors there reported low profits especially outside of the downtown city centre: 79 per cent of women and 47 per cent of men in the periphery reported low profits as a major problem, compared to 61 per cent of women and 30 per cent of men in the city centre. The gender gap in Lima was also notable in terms of demand: women were far more likely than men to identify “too few customers” as a major problem. This gender gap is likely due to a concentration of older, higher-earning men in established markets in Lima.¹⁵ Responses to low demand, slow sales and a lack of capital among vendors in Lima were universally individual rather than collective; the most common response was to sell to consumers on credit, adjust inputs or portions (in the case of prepared food), or invest more personal effort.

In Ahmedabad, where only women were sampled, significant variation in demand and profits appeared between food and non-food vendors. Nearly 76 per cent of food vendors identified low profits as a significant problem, versus 49 per cent of non-food vendors; food vendors were also more likely to report too few customers than non-food vendors, at 54 per cent and 33 per cent, respectively. More vendors in the city centre of Ahmedabad reported decreasing revenues than vendors in the periphery, possibly because of the recent implementation of urban renewal projects in the centre.

While three quarters of vendors in the combined survey sample complained of low demand, some focus group participants recognized the benefit of a stable and (in the case of Ghana) generally positive macroeconomic environment. For many of Accra’s vendors, a strong economy and associated urban growth had brought more housing and other construction projects, and with them, more workers who need to buy food and other provisions from vendors. A booming population and housing industry especially in the non-central areas of Accra helped vendors in the periphery increase their customer base (FGs 1 and 3).

Yet even in this positive macroeconomic environment, some traders said that sales were low enough that they periodically have to change their trade, reduce inventory, or even just stop leaving the house; as one said, “Selling iced water at home is better than taking out a loan and not being able to pay it back because business is bad” (Accra FG 2). The discussions of coping strategies among vendors in Accra – in which several said they were thinking of changing product line or driving a taxi instead – suggest a growth context that is not consistently or evenly pulling informal workers out of poverty. “There’s no money in the country. Nowadays, workers are not paid on time, and that doesn’t help” (FG 10).

2.1.3 Competition

The salience of competition as a major problem for street vendors followed a similar pattern as low demand: it was highest in Durban, where 89 per cent reported “too many competitors” as a major or moderate problem, while also high in Nakuru and Ahmedabad (79 and 78 per cent, respectively),

¹⁵ The MBO partner in Lima, FEDEVAL, has some members who work in private markets where earnings are eight times higher than in the streets and seven times higher than in public markets.

and lowest in Accra (46 per cent). The percentage of vendors who identified competition as a major problem was nearly identical for men and women, and employers and own account workers, across the combined sample – around 70 per cent for each group. But by product category, 79 per cent of produce vendors complained of competition, versus 68 per cent of those who sold durables and 67 per cent of those who sold consumables. Along with other findings on produce vendors, the stronger competitive context in produce suggests a more challenging enterprise growth path for those at the bottom of the earnings distribution.

A common pattern across the cities was the strong perception of new entrants into the street vending sector, particularly from identifiable ethno-linguistic groups or foreign countries. In Ahmedabad, where three in four said that the number of vendors there had increased over the past year, vendors perceived an influx of competitors from states other than Gujarat: Bihar, Orissa, Uttar Pradesh, Madhya Pradesh and Maharashtra were all mentioned. An increase in vendors has meant more conflicts over space, and the uncertainty of selling off one's stock has prompted many to scale down their enterprises.

Vendors in Accra and Durban were especially vocal about the increasing presence of foreign traders and their capacity to undercut local businesses. As one vendor in Accra (FG 3) said, *"Foreign traders have taken over our table-top businesses. They are coming from China and Nigeria."* Another trader specified that foreign traders with more capital and links to import markets were selling goods directly to consumers, rather than wholesaling to other traders; this perception was confirmed by other vendors in the focus group and viewed as a negative development that was making it hard for Ghanaian traders to turn a profit (Anyidoho 2013).

The issue of preferential wholesale practices along the lines of ethnicity or nationality were most pronounced in Durban, where economic conditions overall were the most challenging. As one vendor (FG 6) said:

"We have a problem with Somalians and Indians.¹⁶ We do not know where they are getting their stock because they are selling the same goods as we do but at very low prices. So what happens is that customers will buy from them and leave our stock and as soon as it gets finished they go order more stuff while ours is still there, that is very sad and bad for us and our business."

The appearance of Chinese vendors was also mentioned in Durban (FG 2). But the most significant challenge was pricing practices that privilege one ethnic group over another: *"We are not charged the same prices at the market. There are Indian prices, which are different from African prices. For example, Indians may get a box of bananas at R30 while Africans are charged R50 for the same box."* Others said that Indians get the best quality products, while Africans are sold boxes with good fruit at the top and spoiled fruit underneath. *"We fight a lot!"* one male vendor in Durban said. *"It causes violence between Indians and Africans"* (FG 9).

Competition from large retailers, supermarkets and shopping malls was also identified as a problem for informal street vendors, particularly in Nakuru and Durban. As stated by one woman from an area in Durban where a new mall had been built, *"Business is not good at all now. Things have changed because of the Bridge City shopping mall which they have built closer to our trading sites"* (FG 10). Vendors linked the lack of municipal services at street vending sites to increasing competitive pressure from malls; they said although they pay high stall rental fees, their markets lack shelter, running water, toilets and waste management, and these deficits make it difficult for their businesses to compete with malls. The tension among informal street vendors around the theme of shopping malls is evident in the discussion documented in Box 2.

¹⁶ References to "Indians" in Durban likely refer to South African Indians, not foreign traders.

Box 2. Focus Group Discussion Among Street Vendors on Shopping Malls in Durban

The second negative force that was mentioned by participants was the emergence of shopping malls. [M.] said, *“They take our customers and that is unfair because we are the ones who started trading in these sites. They build malls right next to us.”* [P.] said, *“The owners of the mall as well as owners of shops in the mall, hate traders so much. When we go there with our stock to sell to people outside the mall, they chase us away by force and through police.”*

[Z.] added, *“Police reprimand us even if we just go to the mall to buy some things we need. Just because we are traders, they chase us away, particularly if we have our stock in our hands.”* [M.] said, *“This increases poverty amongst us.”* [P.] said, *“No one assists us. Even government is letting us down. Allowing the mall to be built here was one main form of letting us down. It is like we do not exist.”* [M.] said, *“We are not catered for, we are neglected.”* [P.] said, *“This matter has become a racist issue. Mall owners, who are whites and Indians, do not want us, blacks. If the mall emerged in Durban, traders there would feel the pain that we are feeling at Bester site. Mall owners really hate us.”*

Source: Durban FG 11 report

2.2 Urban Policies and Practices

Notwithstanding the significant role of the macroeconomic environment, street vendors overwhelmingly identified forces related to the city and its government as the most significant drivers. For the most part, city drivers identified in the focus groups related to street vendors' place of work and the non-transparent policy and legal-regulatory environments that impinge on it. Without exception, vendors in each city described government practices that undermined their ability to accumulate capital over time.

One driver was ranked among the three most important in every city, and was also the most highly ranked overall (table 12): abuse of authority. This includes police harassment, demands for bribes, arbitrary confiscations of merchandise, and physical abuse. These practices tend to take place in urban policy environments that do not define a role for street trade or offer a viable space to accommodate it. In that context, street traders also rank the lack of a fixed and secure workplace and evictions from (or demolitions of) existing workplaces among the most significant negative drivers. Conversely, where vendors did have a secure workplace or permission to work, they ranked it among the most positive forces.

A related set of driving forces reflects attempts by cities to regulate street vending in certain areas. With the exception of Ahmedabad, the city's licensing and permitting practices and their associated taxes, fees, tolls and levies have a significant influence on vendors' working conditions. Also significant was the lack of dialogue and consultation around such practices. While some vendors complained that the costs were high, many others identified their exclusion from decision-making around these costs and restrictions as the more significant problem. And, notably, vendors did not complain about the costs of formalization per se, but rather of the costs of using public space as a workplace, even while remaining informal. Put differently, although these vendors mostly operate enterprises that are not registered under micro enterprise or business law, and are not subject to enterprise taxation, they pay all manner of tolls, levies, and fees – as well as bribes – to use public space. Rather than choosing to operate “outside of” legal-regulatory and taxation systems, the data indicated that street vendors work in parallel to regulatory systems that limit their ability to trade and, thereby, to accumulate savings.

A third set of city-related drivers relates to urban infrastructure and services, both at the city-wide level and in street markets. Especially in the African cities, vendors reported that a lack of shelter and deficits in urban infrastructure to handle the effects of heavy rains have an enormous impact on the profitability of, and growth prospects for, their enterprises. Restricted access to toilets and running water, and deficits in power supply and waste removal, were also said to undermine productivity: prepared food vendors must cook at home or ferry water to their stalls, street tailors and hairdressers stop working when the power goes out, and market vendors spend time and money organizing ad-hoc waste removal systems where city services fail. On the other hand, the construction of new urban settlements, good transportation infrastructure, and well-located wholesale markets were identified as positive forces that support livelihoods.

Table 12. Top-Ranked Driving Forces Related to the City/Government, by City						
	Accra	Ahmedabad	Durban	Lima	Nakuru	Total
NEGATIVE						
Police abuse/harassment	2	10	7	4	8	31
No fixed/secure/adequate work space	0	14	2	0	3	19
Evictions and relocations	1	7	0	5	0	13
Lack of shelter/weather impact/bad roads, drains	4	0	3	0	3	10
Licenses, fees, tolls	1	0	3	3	1	8
Regulatory restrictions	0	0	1	7	0	8
Urban renewal projects	0	2	0	6	0	8
Poor relations with authorities	2	0	3	1	1	7
Lack of toilets/water/electricity/waste removal	3	0	3	0	1	7
Inadequate storage facilities	0	0	6	0	0	6
Insecurity/crime	0	1	3	0	0	4
Lack of or poor transport/high cost of transport	1	1	0	0	0	2
Inadequate services	0	0	0	0	2	2
POSITIVE						
Urban growth/infrastructure	4	0	0	3	0	7
Permits/ID cards/fixed work space	0	1	0	3	4	8
Wholesale market location/proximity	0	5	0	0	0	5
Current policy environment	0	0	0	4	0	4
Safety	0	1	0	0	0	1
Total	18	42	31	36	23	150

Source: IEMS focus group data (2012) (n=75 focus groups)

Drawing from a listing and ranking exercise applied in all focus groups, the table shows the number of instances in which a focus group listed one of these city/government forces as a significant driver and then ranked it as one of the top three drivers overall. Negatives and positives were ranked separately, so the total number of top three ranks possible for each was 225 (15 focus groups x top 3 drivers x 5 cities) across all three categories of drivers. However, some focus groups identified fewer than three drivers (especially positives) and some drivers listed and ranked in focus groups were not systemic and thus were omitted from the tables.

2.2.1 Abuse of Authority, Security of Workplace, and Evictions

Using public space as a place of work is a defining feature of street trade. Most countries' constitutions grant regulatory authority over urban public space to local governments, but few local governments formally recognize public space as a livelihood resource for the urban working poor. Except in places where historic street markets (like Makola market in central Accra) have been preserved, vendors report ongoing challenges to access a secure and stable workplace. These challenges include being temporarily chased away from a place of work by the authorities, being harassed while staying there, or being evicted to clear space for vehicular traffic or upscale developments.

The participatory tools used in the IEMS focus groups generated rich data on the dynamics of workplace insecurity and especially the effects of harassment and abuse of authority on informal livelihoods. Even in Accra, where very few vendors reported these problems in the survey (table 13), the focus group exercises revealed that practices of bribery and harassment do take place, especially outside of the built markets.¹⁷ Several reported that confiscation of their merchandise undermined their ability to repay loans and meet household needs. Accra’s vendors also said that police demand bribes when drivers park delivery trucks by the roadside to unload goods for them (FG 7), and that harassment of vendors outside of the markets undermines sales for market traders who serve as their suppliers. One focus group reported physical abuse: a task force officer beat and jailed a fellow vendor (FG 14).

Table 13. Problems Encountered in Work (%)						
	Accra	Ahmedabad	Durban	Lima	Nakuru	Total
Insecurity of vending site	6.71	67.76	49.31	60.14	42.22	45.33
Harassment	8.00	61.18	55.41	43.54	43.97	42.41
Confiscations	3.33	44.08	53.42	21.77	38.35	32.01
Evictions	7.33	63.16	44.90	17.36	27.35	32.39

Source: IEMS survey data (2012). Ns range from 728 to 738.

***Differences between cities are statistically significant at the .001 level (χ^2) on every item.

In the four other cities, abuse of authority – including physical harassment, merchandise confiscations, demands for bribes, and cat-and-mouse games with state or non-state agents chasing vendors away from their workplaces – were a defining feature of vendors’ day-to-day efforts to turn a profit. Focus group data indicate that these practices take place even when vendors have permits or pay daily levies for their use of public space. To deal with these practices, vendors in all cities said they take on debt from informal moneylenders in order to recover from losses, undermining their ability to accumulate savings or even, in some cases, to turn a profit at all.

In the survey sample, produce vendors were more likely to report that insecurity of their vending site is a problem: 62 per cent of fruit and vegetable vendors said they had encountered this problem, versus about 41 per cent of durables and consumables vendors, and 31 per cent of those who provide services. The same pattern held for the problems of harassment, merchandise confiscations, and evictions: in every case, produce vendors were at least twice as likely as vendors of other goods and services to encounter these problems. These problems were not significantly related to sex, status in employment, or central/non-central location.

Harassment and the Lack of Rights and Protections

Patterns of harassment reported in the IEMS ranged from police simply taking merchandise off of vendors’ tables or tarps as they pass by, to more sophisticated ways of taking advantage of local by-laws for personal benefit. In all five cities, by-laws related to street vending restrict the activity of vendors and confer the power to sanction on local authorities. In that context, the public, open-air display of goods, particularly those easily consumed, provides an easy opportunity for local security forces to use their positions of authority for personal advantage, and for the advantage of others with more power than vendors. One group of street traders in Nakuru (FG 5), for example, said not only do police take fruits and vegetables for themselves, but they also allow others to do so:

“We know who these guys are; a simple way is to check in the evenings when everyone is going back home. When you see men carrying assorted vegetables that have been strewn together and carried in huge polythene bags, you know that is stolen items from street vendors... These men are just obsessed with taking goods for free.”

¹⁷ Although less than 10 per cent said they were problems in the quantitative survey, harassment and/or confiscations were mentioned in more than half of the focus groups in Accra. This discrepancy may result from a negative response bias (in which vendors fear reporting harassment when interviewed individually, and when responses are being recorded into a handheld electronic device used for data capture in the IEMS), or it may be a chance occurrence that the few participants who viewed it as a problem were dispersed across different focus groups. It could also be related to the timing of the election cycle vis-à-vis the fieldwork, according to local experts.

Women vendors in Ahmedabad echoed this, saying local police take vegetables, or as a show of power allow criminals, hoodlums and drunks to harass vendors while they are working. Even if these “anti-social elements” do not take vegetables for themselves, sometimes a vendor will give them free vegetables just to make them go away. As one said, *“Drunken people come and abuse us. To avoid them, I will give vegetable without any charge. They don’t have any respect but we have”* (FG 2).

The lack of workplace rights and protections imposes significant costs on vendors, even when vendors have allocated workspaces. One group in Durban, for example, said it was not the lack of workspace itself, but the lack of clear demarcation that cost them customers: though they began work at 5 a.m., they said trolley operators who transport goods between suppliers and buyers leave their trollies in their workspaces, preventing them from setting up their tables (FG 1). While the municipality had designated land for their vending activities, the vendors said they could not defend it from other workers. Another group in Lima said that private security guards hired by formal shop owners routinely chase them away.

More common was the theft of stock and lack of recourse vendors have in the justice system to protect themselves from it. *“Our goods get stolen and we are forced to close the business down; if your shop is closed you cannot be able to survive, that is when we need to start going to the loan sharks to borrow money in order to solve that problem”* (Durban FG 5). Another vendor said that some thieves steal the metal burglar guards that are used to protect their storage space overnight and sell them to the metal scrap yard, leaving their goods exposed. This trader added that they had to borrow money from loan sharks to replace the stock that is stolen (Durban FG 10).

Several traders in Durban associated theft with drug abuse and violence, and indicated they have little leverage with the police on the matter. In FG 11, one noted:

“The worst is that [the police] do not protect us from thieves as they are supposed to do. Should we report thieves to them, they pretend to take them to prison. In few hours or a day, you see the same thieves loitering around and boasting that there is nothing we can do to them. Police take bribes from these thieves.... This exacerbates their reign of terror.”

Physical abuse on the part of local security forces was also reported in Ahmedabad, Durban, Lima, and Nakuru. One male vendor from Durban said that abuse was *“specifically targeting female traders”* (FG 12). Another in the same focus group continued:

“There is abuse here on the streets especially towards women traders. They do not report these actions because they are afraid. We are dealing with a case of a woman who has been sexually abused for many years and she kept quiet about it because she was afraid. The sad part is that this has been going on for many years making her life unbearable.”

Focus groups in Nakuru also said that female traders were pressured to exchange sex for permission to vend in the streets.

Arrests were also described as a routine aspect of work for Nakuru’s street vendors. In one focus group, participants said that the local police force (council askaris) accuse street vendors of violations they do not commit, including allegations that vendors abuse municipal officers (FG 7). Again, such allegations force vendors to seek loans from informal moneylenders in order to pay off local authorities and return to business.

Merchandise Confiscations

More commonly, said focus group participants, police invent reasons to confiscate their merchandise, and then invent methods to avoid returning the confiscated merchandise to the vendor. These practices were reported especially among fruit and vegetable vendors in Ahmedabad, Durban, and Nakuru, although some groups in Accra and Lima also discussed them. In Durban, one vendor remarked, *“Those police are no longer buying fruits for their consumption. They do not even know how much they cost. This is because they eat the very same fruits they confiscate from us!”* (FG 9). Vendors from all sampling categories in Durban – men and women, central city and non-central – reported that even holding a permit does not prevent merchandise confiscations when a permitted vendor is away from her or his stall.

In every city, the lack of transparent procedure around confiscations was a major issue for street vendors. Local security forces generally do not document violations committed by traders, nor do

they accurately document merchandise that is confiscated. These practices open the door for all manner of abuses, many of which were described in some detail in the focus groups. A vendor in Nakuru (FG 14) said:

“If your goods are taken and you go the next day you will be fined. After paying the fine you are told to go to the storage area for your items, but you may not find your items, so you are told to take someone else’s items. These could be your neighbour’s things, so when you go back home you will get into problems with your neighbour.”

A focus group in Durban (FG 9) described a more roundabout method that police use:

“When they have taken our goods we have to go pay in order for us to get back our goods. If you do not have money you leave your goods there. What they do is they charge you a ticket of 100 rands for goods that are worth 25 rands knowing that you are not going to pay so much for a thing like chips. Sometimes they do not take all your goods; they choose what they want.”

In other words, because there is no rule that establishes uniform sanctions for violations, police can set the fine at a level higher than the goods are worth, knowing that the vendor will not pay to recover them – to the point that they only confiscate the goods they want to take home for themselves.

The effects of unregulated merchandise confiscations on vendors’ enterprises were significant in all cities. Most significant were the expenditure shocks that vendors confronted when their goods were confiscated, including borrowing money at high daily interest rates to get the confiscated goods back and/or to replenish the stock that was lost. In every city, vendors linked confiscations to cycles of debt. Focus group participants said it was rare to recover confiscated goods in full, not only because they had to pay fees higher than the value of the goods, but because the goods went missing (box 3, Accra, Durban) or were spoiled or damaged (box 3, Ahmedabad, Nakuru) while in the hands of local authorities. They also identified the opportunity costs of having to spend time running away whenever police are in the area, and of having to negotiate their way out of jail when arrested for vending in the streets (box 3, Lima, Nakuru).

Box 3. Effects of Merchandise Confiscations on Traders

Accra

“Some hawkers don’t have a stable place in the pedestrian market, or maybe they do have stores in here but they haven’t made any sales the whole day and they want to go to the street to sell to workers on their way home Even then, the ‘aabayie’ (local authority enforcement personnel) will hound them,” one said. “And when they seize your goods, you have to go pay to get them back – but then you get home and realize half your goods are missing” (FG 10).

Ahmedabad

“Our goods are worth 5000-6000 rupees and if they confiscate it we have to bear the loss; and by the time we get them back they are totally damaged.” (FG 7).

Durban

“Should [the municipal authorities] come to your table or stall while you are away at the toilet, they will ask for permit; if others report that you are on your way back, they will simply confiscate your stock. This is so harsh because it means that we cannot take a break, or go to have lunch”¹⁸ (FG 2).

“...one of the female traders bought cigarettes amounting to 15,000 rands. Unfortunately for her, the stock was confiscated immediately. When she went to pay and reclaim it, she only found 7,000 rands worth of cigarettes. This is really destroying our businesses” (FG 2).

“After they have taken your goods, when you have paid for it and ask if you can count them to see whether they are still the same as they were before, they refuse and start fighting with you; and there is nothing you can do, because even if you report that issue to their superiors, nobody will follow it up. The matter remains with them; they do as they please” (FG 6).

Lima

“Why do they take our merchandise? You can’t sell, you always have to be looking for a place to sell” (FG 15).

Box 3. Effects of Merchandise Confiscations on Traders (continued)

Nakuru

“The fines range from 5,000 shillings to 8,000 shillings. We simply lose our goods; they are oftentimes deliberately damaged. We are also arrested, imprisoned, and also fined. We are also asked to pay bribes if we are to continue staying in the workplace” (FG 11).

“We get together as traders and ask fellow traders to go to the chairman. The chairman then goes to the council to challenge their actions. A lot of times we agree to pay bribes so that we can continue to operate in our workplaces. It does not matter even if you have paid the necessary levies and licenses. You just pay the bribe! Otherwise you will be evicted from your workplace” (FG 11).

Source: IEMS focus group data (2012)

The costs of confiscations were not only economic. One group of women vendors in Lima (FG 8) talked about humiliation and low morale because of confiscations:

“Your morale goes down; because of this you go back to your house and you start to cry because you don’t know what to do.”

“You have to be hiding as if you were a robber.”

“You have to be hiding yourself worse than a criminal, because at least they catch and then release the criminal.”

“When they take your things you lose everything, and you have to look for someone to give you a loan to start all over again.”

Some in Lima (FG 15) linked the pressures of merchandise confiscations to serious illness and even death:

“I have seen colleagues in poor health, to the point that they have died; it all started when they took away what he was selling, his utensils, everything, and he started drinking a lot and then had diabetes.”

Evictions and Relocations

In the two large cities, Ahmedabad and Lima, ongoing urban development projects at the time of fieldwork were intensifying the threat of evictions and relocations from vending sites. In the case of Ahmedabad, the implementation of a model roads scheme, expansion of a Bus Rapid Transit System (BRTS), and several beautification projects had displaced thousands of vendors from natural market areas by the time of the 2012 fieldwork, and were expected to displace more as their implementation continued. For example, according to SEWA data the model roads scheme alone had affected 5,142 vendors, and the first phase of the BRTS had affected another 2,000; in some cases vendors were evicted, and in other cases the city attempted relocation projects, only to place vendors in areas that lacked enough customers to keep the vendors in business (Mahadevia and Vyas 2013).

For vendors in centrally located parts of Lima, work instability resulted from the short-term basis (four to six months) of permits, and from the threat of being evicted or relocated as urban development projects were rolled out. The most significant changes included two rapid transit projects, the electric train and the *Metropolitano* bus system, and the impending relocation of the city’s primary wholesale market. In the district of La Victoria in particular, where the city’s historic wholesale market was located at the time of the research (and subsequently relocated to another district), vendors knew a big change was coming but were unable to access reliable information about when and how it would take place. They anticipated a violent eviction at any moment, and in their anticipation, were limiting their stock to hedge against losses. This discussion took place in FG 10:

“It’s a daily preoccupation. I go to work, and I don’t know what’s going to happen,” said a vendor of eyeglasses. “The other day the robocops¹⁹ came....My colleagues started to pack up and go....The leaders said to them that it wasn’t the day [for the eviction]....”

¹⁸ This issue – that the police confiscate merchandise while vendors are away from their stalls using the toilet – was mentioned over and over in the Durban focus groups.

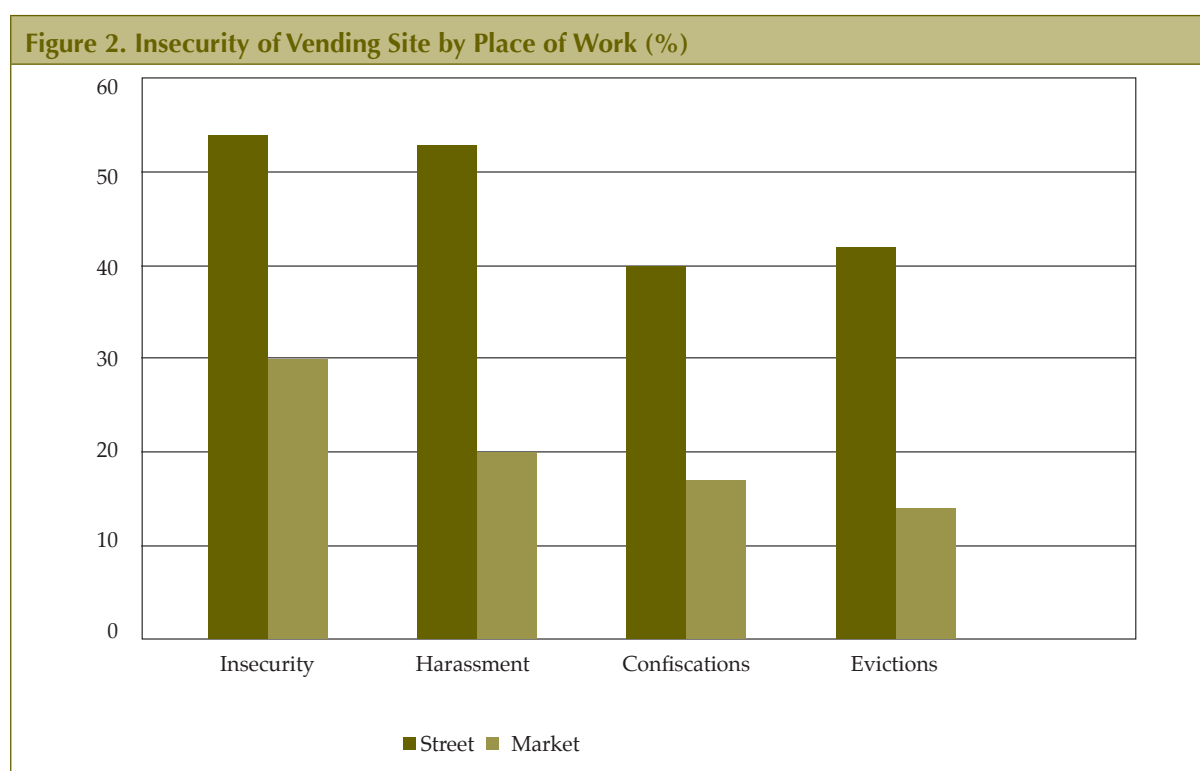
¹⁹ “Robocop” is the nickname given by vendors to the branch of municipal security personnel who have more sophisticated uniforms and who are usually responsible for evictions.

Another responded, “We can’t buy stock in quantity, because you don’t know what’s going to happen. If you knew the date, you could go ahead and buy as you normally would.”

A third added, “We can spend all of our money, but if the eviction comes then we will be without any money because we didn’t know.”

The immediate concerns about a sudden and unannounced eviction were amplified by longer-term concerns about how they would operate once the wholesale market was relocated; as one vendor of chemical products said, “You know, we are so stressed, not knowing what we’ll bring home for our kids. [We don’t know] where we will go when they evict us, where our clients will go—surely we will survive, [but it could be] at least two years; sure, we’ll find a place, but it won’t be the same.”

Across the full sample, street vendors were more likely than market vendors to identify workplace insecurity, harassment, confiscations, and evictions as a problem that they have encountered in their work (figure 2). While market vendors were not immune from these issues, they were significantly less likely than street vendors to identify them as problems. As noted above, the ambiguity of vendors’ rights to access public space for vending plays a significant role in undermining security of workplace; even where vendors hold licenses authorizing them to work in public space, those licenses do not necessarily guarantee security.



Source: IEMS survey data (2012). Figure shows per cent of each type of vendor who answered “yes” to the question of whether they encounter the problem in their work.

Responses: Security of Workplace

The responses identified through the focus group tools reflect the significance of threats to workplace insecurity for vendors. Of the 291 responses to city-related driving forces,²⁰ 68 per cent were related either to general workplace insecurity, merchandise confiscations or evictions. Significantly, the most common type of response to workplace insecurity of any kind was to absorb the costs²¹ on an individual basis (table 14). Among the strategies that focus group participants reported for absorbing costs were: taking on debt (by borrowing from informal moneylenders, buying goods on credit, or

²⁰ The focus groups identified a total of 502 responses through the causal flow tool. These are responses to one of the two most significant negative driving forces identified in the listing and ranking exercise. Thus, 291 of 502 (58 per cent) related to city drivers.

²¹ The most common kinds of costs associated with workplace insecurity are loss of stock (e.g. from merchandise confiscations) and loss of access to a location (e.g. being evicted or chased away by police).

selling on credit); finding a new location or shifting to itinerant vending; paying bribes, fines, fees; or simply stopping work.

Table 14. Responses to Workplace Insecurity (%)					
	Individual		Collective		Total
	Absorb Cost	Resist	Seek Help from MBO	Self-Help among Vendors	
General workplace insecurity	22.34	4.57	9.14	1.52	37.57
Harassment and merchandise confiscations	30.96	5.58	4.06	2.03	42.63
Evictions	11.17	3.05	4.57	1.01	19.80
Total	64.47	13.20	17.77	4.56	100.00

Source: IEMS focus group data (2012) (n=197)

Absorbing costs was particularly common among those engaged in buy-sell activity – particularly those who sell perishable goods – who have little or no leverage with which to resist abuse of authority, and who rely on daily access to working capital in order to buy stock. As one fruit vendor from Durban said, *“In the case where the stock is confiscated, when going to pay the release price of your stock, you find that the stock has been reduced and no one is prepared to entertain your query.”* Another added, *“When they are taking your goods and throwing them on their trucks, the goods get damaged; even if you can get it back, it will not be the same”* (FG 6).

The focus group data indicate that vendors feel powerless in the face of corrupt practices on the part of authorities. *“You cannot prosecute them,”* said a participant in one of the Nakuru focus groups (FG 5). *“They trump up charges then get you locked up for not less than 5 months. Before you get to court, you are put on the truck and moved around in the hot sun or rains for the day before you are charged. If you are fortunate, they will ask you to pay a bribe of between 1,000 to 5,000 shillings.”*

A trader in Durban relayed a similar lack of leverage when it comes to police harassment: *“One police came to us. He was selling stock that he confiscated from other traders.”* Another elaborated, *“In such cases, how do you report municipality police in the municipal court? It is even difficult to afford a lawyer due to the nature of our work. We do not make enough money to enjoy those services”* (FG 9).

One trader in Nakuru said simply, *“we are powerless”* (FG 15).

Though by far the most common responses were some form of individual coping, forms of resistance – both individual and collective – were also identified. Some participants said that they lodge complaints with the police even though they are unlikely to get a result, and others said they find a way to negotiate with the local authorities, residents, or other counterparts. Most collective responses were channelled through the workers’ MBOs; this was especially common in Ahmedabad and Lima, where the MBOs – SEWA in Ahmedabad and FEDEVAL in Lima – have been in existence for several decades. Other collective strategies mostly involved organizing demonstrations, strikes, and protests, but included creative forms of self-help as well.

MBOs in Ahmedabad and Lima undertook a variety of strategies to counteract workplace insecurity. In Ahmedabad, SEWA representatives accompany vendors to make complaints at the police station or municipal corporation office. For several decades, SEWA has also lobbied for a national policy on urban street vending, which was first passed in 2004, then revised in 2009 and passed in the lower house of Parliament as the Street Vendors (Protection of Livelihood and Regulation of Street Vending) Bill in 2012. In 2014, the upper house of the Indian Parliament passed the Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act. In Lima, FEDEVAL has also pursued legal strategies. Through its affiliation to the Trade Union Confederation (CUT) it has been involved in the development of a law on self-employment, and some of its members mentioned participating in the metropolitan-level process of revising by-laws for street vending.

2.2.2 Regulation, Taxation, and Relocation

The second cluster of city-related driving forces centres on issues related to regulation and taxation. Durban and Lima have licensing regimes that more actively constrain when, where and what most

vendors may sell; these cities had the most focus groups (7 and 11, respectively) that ranked licenses and fees, regulatory restrictions, and poor relations with authorities²² among the top three driving forces. Discussions of the regulatory environment extended to the policy environment in many groups, particularly as it relates to relocation projects and the lack of access vendors have to the policy process.

Licenses and Fees

For authorities, licensing regimes represent a regulatory lever to control the extent to which public spaces may be used for street vending; to vendors, they offer a mechanism to obtain formal authorization to pursue their activities. In most cities, the number of vending licenses issued by local authorities is far below the total number of people who pursue livelihoods as vendors. This imbalance creates divisions within the street vending population, with some vendors obtaining licenses and fixed locations to work, and other vendors who are left out from the licensing system and subject to confiscations, fines, demands for bribes and other penalties. IEMS participants expressed no opposition to licensing regimes per se; on the contrary, those who do not hold licenses indicated a willingness and desire to obtain them. The main obstacles they identified were that they could not save enough income to pay the required fees, or that not enough licenses were made available.

Vendors left outside the licensing system reported that they have fundamentally poorer working conditions than those who hold licenses, and that the lack of authorization to work in public space was a constant factor in their work. Without municipal authorization to sell in the streets, said one older vendor from Lima, one must continuously move from one location to another in order to avoid having merchandise confiscated (FG 1). *"If you don't have a permit, they take everything,"* said another (Lima FG 13). Unlicensed vendors from the latter focus group reported a physical toll stemming from the lack of authorization: *"You go out to vend, you have to be alert, looking from one side to the other."* An older shoe vendor added, *"Sometimes you have to pay the security forces off."* A third concurred: *"They make you move, every little while, you can't stop."*

Focus group data reflect a willingness among participants to exchange fees for the effective right to work. As one young vendor in Lima said, *"I would like for the municipality to engage in dialogue seriously; for us to negotiate. And if it's necessary we can pay taxes according to our abilities, in order to work without problems. Because if not, there is no peace; there is always tension."* Focus groups in Nakuru confirmed the sentiment that they would pay taxes if they could; for example, one group explained that when you pay for a license you are less likely to be harassed, but some vendors had large families and only one income stream, and could not afford the license at the prices set by the authorities (FG 2). An unlicensed vendor in Ahmedabad, who was not currently paying fees, indicated a willingness to do so if it would secure a workplace: *"Even if they collect regular fees from us, we are ready to pay them for some fixed vending space"* (FG 1).

Notably, vendors who did have effective permits – that is, permits that were respected by local authorities – said that they were a significant change for the better. *"When we started street trading, police were harassing us saying we were not authorized to operate our businesses,"* said one male vendor from Durban (FG 12). *"The sector evolved, permits were introduced. We now have permits and are trading with ease not fearing harassment from police."*

Confirming the patterns identified above, survey data show that obtaining a license is much more of a problem for produce vendors than vendors of other products: 7 in 10 produce vendors reported major or moderate difficulty in obtaining a license, more than twice the rate of vendors of durables (table 15). Women were also twice as likely as men to identify obtaining a license as a major problem.

²² "Poor relations with authorities" is grouped with regulation and taxation because it typically referred to a process by which restrictions on vending are issued without the participation of those affected.

Table 15. Obtaining a License by Product Category (%)					
	Produce	Consumables	Durables	Services	Total
Major problem	62.99	24.10	16.13	29.63	32.48
Moderate problem	8.44	13.65	12.90	7.41	11.79
Not a problem	28.57	62.25	70.97	62.96	55.73
Total					100.00
N	154	249	155	27	585

***Statistically significant at the .001 level (χ^2).

Source: IEMS survey data (2012)

Regulatory Restrictions, Taxation, and Relocation Projects

In addition to licensing regimes, cities also commonly experiment with regulatory restrictions on vending – sometimes linked to the licensing regime – to ease the pressure on public space, particularly in areas where it is highly contested. Some regulate the space itself, limiting vending posts to a particular size or a particular place on the sidewalk or street. Some also regulate the products being sold, particularly food and drinks. Alternatively, some cities design relocation projects that move certain vendors out of public space and into privately owned, off-street commercial space. Several IEMS focus groups identified these regulatory approaches as driving forces and described how they affect working conditions in the sector.

The introduction of spatial regulations to limit street vending inevitably produces divisions within the sector, between winners and losers of access to public space. The case of a young vendor of magazines in Lima is illustrative: he said that he will have trouble selling in the omnibuses, as is his current practice, because the metropolitan authority recently passed an ordinance imposing fines on omnibus drivers who allow vendors on board. The perception of these vendors was that the current administration was making more of an effort at dialogue, but only with certain groups of vendors, while others were being left out of the dialogue process. In effect, they were seeing laws passed that would take away their livelihood, without having had any input in the decision making process (FG 1).

Others reported that restrictions on product categories limit their ability to diversify in response to changing market forces, such as seasonal fluctuations in demand. For example, a vendor from Lima who holds a license to sell soft drinks explained, “If you have permission to sell soft drinks, you can only sell soft drinks; I wanted to sell orange juice, but the municipality didn’t give me authorization for that; it came down hard on me” (FG 13). Another responded, “You can sell another thing, but if a [local government] security agent sees you and asks ‘what are you selling?’ then you have to pick one or the other; there’s no other way.” As a result of these restrictions, some changed their schedules to sell a second product on those days or at those times when fewer security agents were on duty.

In addition to regulatory restrictions that undermine their ability to accumulate savings, focus groups identified taxes as an issue. Vendors from several cities said they either already pay taxes, levies, and fees, or are very willing to pay as long as they are proportional to what they earn. “When we buy [stock] we are already paying taxes,” said one vendor from Lima (FG 15). “We pay all of it in the stores; they tell us we don’t pay taxes, but it’s not like that.” A group from Nakuru (FG 15) linked excessively high taxes and fees to a cycle of corruption and sometimes abuse:

Shoe shiner: “The income is too little, and we have too many fees and levies to pay. You are not able to pay the Muni.”

Soda vendor: “You will be arrested for failure to pay. When you are arrested you will be jailed and/or fined. The jail term is not less than a month. If you need space, they will ask for at least 50,000 shillings, which is too high, or ask to have sex with you.”

Book vendor: “This then brings corruption. So if you are arrested you will pay a bribe of at least 200 shillings so you just sustain a chain of corruption.”

Sweets vendor: “Paying bribes eats into the business capital. Ultimately you are forced to close down your business.”

Even among those who sell higher-end services, there was a perception that fines, fees, and taxes were disproportionate to their means and undermined vendors' ability to stabilize their enterprises. A comment from a street-based vendor of accounting services in Lima is indicative: *"The fines, the taxes, they are heavy...if you don't issue a receipt, you have to pay up to 7,000 soles. With these fines they kill off the micro entrepreneur. I only ask that the taxes be fair, that the fines not be so tough"* (Lima FG 7).

Focus groups especially in Lima also identified relocation projects as a significant driver. Many projects require vendors to open savings accounts, meet monthly savings quotas, and then collectively purchase an off-street commercial lot to which their vending posts are relocated. Metropolitan Lima and the municipal districts within it have experimented with this model²³ since the mid-1990s as part of a broader process of urban consolidation (Aliaga Linares 2012). As one explained, *"Right now the municipality has taken out all the street vendors. It is the decision of the mayor's office. They have required us to enter a [relocation] project...if there is no project, there is no permission. They've given us a time frame of 36 months to form our own enterprises"* (Lima FG 13).

The most significant obstacle is that the savings quota in such schemes exceeds many vendors' earnings. *"Look, the fact that they're going to kick us out [means] one can't develop [the business]; there are people who just can't. There is supposed to be savings of 30 soles a day. That's difficult; although there are some who can"* (Lima FG 15). Another in the group added that if the authorities confiscate merchandise in the meantime, vendors are unable to earn enough to meet the savings quotas, because they have to spend their time constantly looking for another place to sell.

Box 4. Why Relocation Projects Have Mixed Results and How Vendors Respond

The government of Metropolitan Lima has experimented with a variety of relocation programs over the past decade. A central component of these programs is to require that vendors save over time and then contribute savings to the purchase or rental of an off-street property. Vendors in the IEMS explained why these programs have mixed results. These comments are drawn from one focus group.

Juice vendor [on why she can't save enough]: *"You don't sell anything, your kids get sick, there are other debts – there are a lot of problems."*

Female vendor [responding to the above]: *"Between 2004 and 2005, there was a program called Capitalizando, and those of us who were in an association, who participated, they created obstacles for us. We were going to sell, but it failed, it turned out badly. Later, [the municipality of] La Victoria did some new workshops about Capitalizando, but there were no savings, there was no support...[either] some other members didn't save, or we had to take out of our savings for personal necessity...because of this, now there are very few who are saving."*

Female vendor: *"There are people who have three or four businesses, but for someone who only has one...no way"* (FG 15).

In one neighbourhood of Lima, the frustration with relocations programs that require savings but do not support vendors along the way was especially evident: *"In our organization, we are tired already – of documents, workshops, meetings with municipal officials...about 50 of us have decided on confrontation, to go out in self-defense...we don't want to just listen anymore. They don't see the street vendor, who has family responsibilities, children who study, who gets sick...we have to make ourselves respected. Nothing happens when you go through the association"* (FG 15).

In addition to onerous requirements for savings, vendors identified poor market design as a problem in cases where vendors are relocated. The pedestrian market at Kwame Nkrumah Circle in Accra was an example: *"The way the market has been built is not good enough. If you are outside the market, it is difficult to see what goes on in the inside of the market. If you look at the Commercial bank, it is open and people can see the inside from outside. [But] the wall bordering the market is high. Also, our market is divided by the lorry station so there isn't a good flow of people from one end to the other"* (FG 9). Spaces in built markets also tend to go to the wealthiest traders: *"They (the government) will say they are building a market, but when it's finally done, people with more money have taken it over and then those who originally wrote their names are left out. They need to think of us poor people"* (FG 2).

Relations with Authorities

Discussions of licenses, fees and regulations centred as much on process – and specifically, the extent to which the policy process includes or excludes vendors – as they did on how high the fees were.

²³ These projects are called "formalization projects" in Lima, but are essentially relocation projects without necessarily involving other elements common to formalization processes elsewhere, such as registration and formal legal protections.

The lack of communication from local authorities to vendors on what the regulations are is one aspect of exclusionary practices reported in the focus groups. Vendors reported not knowing what the rules for vending are and not knowing what violations they are fined for at the time fines are issued. One female vendor from north Lima said, for example, *“They don’t orient us; we don’t know, and they don’t even tell us what we are doing wrong to give us the infraction.... They put it on us, that’s it. What notice?! Without any notice they fine us”* (FG 4). A similar concern was expressed in Durban: *“The municipality does not give us the written guidelines that we need to follow when issuing us the permits,”* said a chicken vendor (FG 3). *“We have to know if there are guidelines so that we also follow on those protocols.”*

The survey data also indicate a perception among vendors – especially within the more vulnerable segments – that regulations are not enforced fairly or equally. For example, 52 per cent of market vendors agreed with the statement that regulations are fairly enforced, versus 31 per cent of those who work on the streets. Similarly, 60 per cent of market vendors agreed with the statement that regulations are easy to understand, versus 44 per cent of street vendors. In terms of product category, again fruit and vegetable vendors were less likely than vendors of other products to agree with the statements that regulations are easy to understand and fairly enforced. Across the full sample, nearly two-thirds disagreed with the statement that regulations are enforced fairly and equally.

Despite the emphasis on regulations as a negative driving force, focus groups in Lima also indicated that a more inclusive approach on the part of the metropolitan authority was making a tangible difference to their working conditions. *“The municipal [authorities] now are more friendly than before,”* said one vendor. *“Before, they were more impulsive; now they are more sensible. We cannot deny that the new administration is more democratic; they collect suggestions before they modify the norms...”* (FG 1).

Responses to Licensing, Regulation, and Relocation Issues

As indicated above, individual coping is the predominant mode of responding to these issues. Yet collective action, particularly through MBOs, played a more significant role in responses to regulatory issues than to workplace issues like police harassment. Notably, most of the focus groups that identified licensing and regulation as a driving force were composed of either exclusively men or a mix of men and women; focus groups composed of only women, by contrast, identified either harassment or infrastructure deficits as the most significant drivers.²⁴

In Lima, street vendors working in the centre-city district of Lima-Cercado were supportive of an effort by FEDEVAL to lobby for a law for the self-employed in response to some of the regulatory constraints on street vending. At the time of research, the Ministry of Labour had initiated a bill that would offer some protections to the self-employed, but the bill had stalled and FEDEVAL members thought it was time to resume pressure: *“I think we have to respond with a march, putting pressure on the authorities so that the new law comes out. If not, the proposal will stay on the back burner”* (FG 1). Vendors in this group also reported that they have participated in the process of developing a new metropolitan ordinance on street vending as a response to the insufficient licensing system.

Workers’ organizations in Lima are responding to the political opportunity offered by a more receptive administration. In Nakuru, by contrast, collective responses to issues like the high cost of licenses were generally not to protest or negotiate but to engage in collective coping strategies. A focus group of men who work outside the central business district offers an example: the five responses they identified were to self-organize a credit cooperative (merry-go-round), find a way to avoid paying, *“come together to represent one license”* (i.e. share the cost of one license among themselves), and pay bribes as a compromise (if caught sharing a license) (FG 8). In this context, the responses are, in effect, coping strategies rather than efforts to mitigate the licensing problems by changing the rules.

2.2.3 Workplace Amenities and Urban Infrastructure

The third set of city-related drivers identified in the focus groups consisted of issues related to urban infrastructure and workplace amenities. About two thirds of the combined sample reported in the survey that poor access to infrastructure, such as water and electricity, was a major or moderate problem in their work, while just one third said it was not a problem. The infrastructure deficits were most urgent in Durban, where 72 per cent of vendors said poor access to infrastructure was a major

²⁴ While women vendors in Ahmedabad’s focus groups did report that they rely on SEWA or their market committee to help resolve disputes over space and take complaints to the police station, they articulated the problem as “lack of workplace” or “no fixed space to vend” rather than as a problem related to licensing and regulation. This reflects the fact that the municipal corporation, at the time of research, had not implemented a street vending policy with licensing as a central component.

problem, and the lowest percentage of vendors reported that they have access to running water and toilets (table 16). In addition to problems around access, about two thirds of respondents in Durban, Lima, and Nakuru said the cost of infrastructure services was a problem. Participants in the focus groups also identified the quality of basic services, in addition to access and cost, as an issue that undermined productivity.

Vendors in Durban who pay rent for a space also complained that their rent payments were not used to provide any services or infrastructure: *“In all fairness, we do not know why we are paying rent because there are no facilities or services worth paying for, simply a white line”*²⁵ (FG 12). The lack of services in general is also reflected in comments about crime in the streets, even where vendors pay for security and provide waste removal themselves. As one vendor from Lima put it, *“We work with all the risks; we are robbed, there are a lot of delinquents, and we even pay for security”* (FG 5).

	Accra	Ahmedabad	Durban	Lima	Nakuru	Total
Running Water	86.30	30.40	21.48	60.99	47.27	45.33
Toilet	91.16	51.91	45.52	95.89	86.67	42.41
Storage	90.41	52.42	60.14	75.34	91.00	32.01

***Statistically significant at the .001 level (χ^2).

Source: IEMS survey data (2012)

Finally, participants in the focus groups distinguished between problems around basic urban infrastructure citywide, and infrastructure and services at their workplace. A common problem around citywide infrastructure was bad road conditions that undercut supply and demand. As one trader in Accra explained, *“Some of the roads are so bad because of the rains. At times the goods go bad because of the poor roads, which means we suffer losses”* (FG 6). At the workplace, infrastructure deficits related to water and toilets, shelter and storage, and waste removal are also common.

Water and Toilets

As with any worker, access to running water and functioning toilets is a basic workplace necessity for street vendors. Inadequate access to running water was of particular concern to prepared food vendors, who need to wash their hands after using the toilet or who need clean water as part of the work process. Even where vendors have access to a tap, some said there is very little water running, so it is still difficult to wash their hands. As one vendor from Nakuru said, *“Without water there is no work that you will do. When there is no water, you can’t eat because all food must go through water”* (FG 12).

Inadequate access to running water posed an additional cost not only for prepared food vendors, but also some service providers, such as hairdressers in Durban – who have to pay porters to buy water and transport it to their vending site (FGs 2, 13). When water is unavailable, the vendors said they must refer customers to their competitors, chipping away at their customer base. Above all, traders were concerned for their own hygiene and that of their customers: *“We all know that water is important and hygienic. We need it to wash our hands and quench our thirst,”* said one (FG 13).

Durban’s vendors were particularly animated about the amount of rent they pay for stalls relative to the infrastructure available to them at those stalls. *“We pay the municipality a lot of money – about 450 rand! – for a small space of about 2.5 or 2.4 square metres per month,”* one said (FG 3). *“So it’s very difficult to come up with the rent if you did not do well that month; that means you won’t be able to eat even at home trying to save the money for rent.”* Yet despite the high rents, *“where we sell there are no toilets, sometimes we can’t even get water....”* *“It is a hygiene issue here,”* responded another. *“How are we going to sell for people with dirty hands?!”* Leaving the stall to use a toilet and wash hands somewhere else, as noted above, results in merchandise confiscations under Durban’s by-laws, which require the vendor to be at the stall at all times.

While 85 per cent of market vendors had access to toilets, only 69 per cent of street vendors had such access. Again, “access” for street vendors typically meant paying to use a toilet or buying water from a third party, rather than having the infrastructure available at the workplace as a benefit of rent paid.

²⁵ In Durban, space that vendors rent from the municipal authority is demarcated with white painted lines.

In terms of product categories, fewer fruit and vegetable vendors (58 per cent) had access to toilets than vendors of other products (84 per cent of durables vendors, for example). Not surprisingly, vendors working in buildings or fixed market stalls were more likely to have access to a toilet than mobile or temporary street stall vendors, and men were more likely to have access to a toilet than women across the full sample. Markets vendors were also more likely than street vendors to have access to running water.

Shelter and Storage

Like water and toilets, convenient access to shelter and storage was only part of the problem reported by focus group participants. Where shelter does exist, several said, it is inadequate for protecting themselves and their goods. Said one vendor who works at Durban's beach front, *"The building that we are operating under in the beach is in a bad condition; if it rains our goods are getting wet. During winter we were feeling so cold"* (FG 4). Shelter was particularly an issue in the African cities, where hot sun and heavy rains affected their work: vendors of perishable products had their goods spoil, and other goods were also damaged by sun and rain. Vendors in Nakuru said they have to stop working while it rains, causing them to lose working hours and thus sales – unlike shop owners, who could stay open in bad weather conditions.

Durban's vendors also identified the lack of shelter as a significant problem in the context of strong sun and heavy rains. *"When it rains,"* one said, *"because I do not have shelter, I drag my stock to the dry part under the veranda of the shop that is next to my trading site. The owner does not have a problem, but when the police see this, they harass me and give me a fine"* (FG 11). Another said, in regard to a similar system for storage, *"Currently, we store our stock in the shops. If our stock gets lost, we only get a big 'sorry' from them, nothing else to compensate us for the loss."* The result is that *"we end up buying less stock so that we can manage to take leftovers home and bring back the next day"* (FG 15). In other words, without access to secure storage, vendors buy only as much stock as they can sell in one day or carry home at night.

In the case of storage, although more than half of vendors in every city report having access to it, the storage units are not safe. *"The problem is that we do not have safe storage to keep our goods,"* explained a bead worker (Durban FG 4). *"So most of the time our goods are stolen because of the break-ins that take place."* The inadequacy of storage facilities eats into profits, another in the same group explained: *"It is not fair that we are paying high fees to the municipality but our goods are not well looked after. You leave your stuff at night, [and] the next day people have stolen everything and nobody is going to compensate you."* Replied another, *"You start again struggling, as it is hard to get someone who is going to finance you when starting your own business; we need to get tight[er] security."*

In addition to security, the size of storage spaces limited vendors' ability to keep their stock protected. *"We have to keep a lot of things on top of each other, and you find that some goods are broken because of that,"* said a Durban vendor (FG 4). The lack of cold storage contributed to income losses for vendors of perishable products. Some described even more dramatic problems; one group in Durban said that because of the impact of rain and sun, the containers in which they stored their produce were rotten, and rats and mice could get into the storage area and eat their goods overnight (FG 10). Another stated that insecure storage enables vendors who sell illegal electronics to hide their pirated CDs and DVDs in the stock of other vendors, so that during police raids the other vendors are the ones fined for counterfeit goods (Durban FG 15). In Lima, vendors in one district said the local government recently had passed a measure prohibiting the storage of goods in the street, which had caused their daily expenditures to skyrocket (FG 5).

The problem of storage appears to affect women disproportionately: in the combined sample 87 per cent of men, compared to 68 per cent of women, had access to storage for their goods. Again, vendors viewed the insufficient storage facilities as a breach of contract with the municipality, to which they pay substantial rental fees. As one in Durban put it, *"Another frustrating issue here is that we pay for pavement, [but] the quality of our items is compromised by the sun burn and rain. There are no toilets for us to use. Where exactly does the money we pay towards permits help?"* (FG 2).

Waste Removal and Sanitation

Street and market vendors particularly in the African cities identified the lack of waste removal and sanitation services as another infrastructure deficit that affects their ability to generate sales. In Accra, gutters running at ground level through the markets become clogged with rubbish because of the lack of services, causing water to back up and create stagnant pools that breed mosquitoes: *"The*

drains in the Makola market are terrible, although we pay our tolls and taxes,” said one vendor (FG 5). Even in established markets where vendors pay fees for sanitation and waste removal, the services are deficient: *“We don’t have a place to dump refuse generated from the market. The market becomes filthy and this keeps customers away,”* said one woman from Kantamanto market (FG 7). *“Our sheds have been engulfed by filth,”* added another. *“It’s difficult to breathe in the market.”*

Many traders in Accra reported that they had made complaints about the sanitary conditions at the market, both to their organization and to the local authority, but nothing had been done to address them. As a result, they end up double-paying: *“We pay for the cleaning of the market, but this is not done and we have to pay again for private cleaners to clean the market for us”* (FG 5). A vendor from Lima said, *“We take care of the cleaning, and on top of all of that they still want to evict us”* (FG 5).

Responses to Infrastructure and Service Deficits

As in the case of other city-related drivers, responses to inadequate infrastructure typically involved absorbing the cost by paying for services to be provided by a third party. In the case of inadequate shelter at rented stalls in Durban, for example, vendors said they buy or rent tents to cover their goods on rainy days (FG 7). For toilets, a trader in Nakuru said *“Most street vendors work in areas without toilets. They have to pay for the few available in town”* (FG 12). For water, again vendors are forced to buy from third parties at high rates: *“We survive by buying bottled water, which is mostly not enough,”* a vendor from Nakuru explained (FG 12). *“Sometimes you have no water and you have no money to buy the water; it will force me to close my business,”* added another. In the case of sanitation, *“We often fall sick because of the filth in the market,”* said a fruit vendor from Accra (FG 7). *“When we fall sick, we are unable to come to the market to trade which affects our businesses and we also use our capital to pay medical expenses.”*

Traders in Durban said that local organizations had been instrumental in helping them address problems related to infrastructure and crime: one helped get lights installed on a road where crime was high, and an organization of local traders designated specifically to address crime had developed a positive relationship with the police. As a result, one said, *“Indians and whites are coming in numbers to buy from us – this is because they feel safe,”* where they had not before (Durban FG 2).

Yet even where collective action was viewed positively, Durban’s vendors reported that they face an uphill battle in leveraging any government resources to support their work. The terms established by the municipality for operating a market stall in Durban – with high rent and inadequate services – sent a message of disdain from the authorities to the vendors, according to several focus groups there. One Durban discussion (FG 3) summarized the problem like this:

“Our products are getting wet if there is rain, as the municipality does not provide us with proper shelter,” said one herb seller.

A producer of traditional shields added, *“There are no security guards who are employed to look after our business, there are thieves who steal if you are not around. Our job is not respected by anyone.”*

“We are suffering from the police who are taking away our goods; it is a very serious matter that one needs to look at. Even if we do have permits the police are still taking our goods,” a chicken vendor chimed in.

“The moment you go to the toilet, if you are not around your goods, by the time you come back it’s all gone,” added a fourth vendor. *“That’s what makes us say they do not respect our business.”*

As with the case of merchandise confiscations, taking complaints to the police over issues related to inadequate infrastructure was said to be fruitless. In the case of goods stolen from storage facilities, for example, *“The only time the police come fast is when they are coming to confiscate our goods,”* said a belt vendor in Durban (FG 4). *“But if people have stolen your goods and you call them, you will never see them coming to help you. Their problem is that they want to take our goods, even if you have the permit.”*

The lack of accountability with local authorities around sanitation services prompted vendors in Accra (FG 7) to respond through self-provision:

C: *“When people come to the market and they see the rubbish, they just don’t buy and decide to go elsewhere to buy.”*

R: *“We don’t have a container to dump the refuse in and the rubbish piles up in the market.”*

M: “We have to organize and clean the market ourselves. Just yesterday, I had to pay four cedis as a contribution to help clean the market.”

R: “The AMA [Accra Metropolitan Assembly] people came to the market the other day and I personally spoke to them about the poor sanitation situation in the market. As a result, they provided us with a container for the refuse. When the container got full and they came to pick it up, they didn’t bring it again. The refuse now piles up in the market.”

2.3 Value Chain Dynamics

Although street vendors did not rank value chain dynamics as highly as drivers related to the city, they were a common theme of the focus groups. Their comments illustrated a lack of bargaining power, situated as they are at the bottom rung of the distribution chain. The availability of capital, and the terms on which loans could be sourced, was an especially common theme across the cities – both on the positive side and on the negative (table 17). Street vendors in several cities mentioned high interest rates, particularly from informal moneylenders, and challenging repayment terms, like having to repay a loan daily or weekly and having valuables seized when repayment was not possible. In other cities the challenge was a more generalized lack of capital among vendors; this was evident particularly in Nakuru, where more than half of the focus groups ranked access to capital as a top driving force on both positive and negative sides.

Table 17. Top-Ranked Driving Forces Related to the Value Chain, by City						
	Accra	Ahmedabad	Durban	Lima	Nakuru	Total
NEGATIVE						
Lack of capital/high interest rates	2	2	2	1	8	15
Unfair practices: shop keepers/intermediaries	0	2	0	4	0	6
Wholesale products: bad quality/low availability	0	1	0	3	2	6
Unfair practices: wholesalers	1	4	1	0	0	6
Selling on credit	2	0	0	0	1	3
Abusive customers	0	0	0	0	1	1
No marketing strategy	0	0	1	0	0	1
POSITIVE						
Access to capital/loans	3	0	0	0	9	12
Good relations: customers	0	8	0	0	3	11
Wholesale products: good quality/good availability	3	0	0	0	3	6
Good relations: suppliers	3	1	0	0	0	4
Credit from wholesalers	2	2	0	0	0	4
Location of wholesalers	0	0	0	0	2	2
SHG for credit	0	0	0	0	1	1
Total	16	20	4	8	30	78

Source: IEMS focus group data (2012) (n=75 focus groups)

Drawing from a listing and ranking exercise applied in all focus groups, the table shows the number of instances in which a focus group listed one of these value chain forces as a significant driver and then ranked it as one of the top three drivers overall. Negatives and positives were ranked separately, so the total number of top 3 ranks possible for each was 225 (15 focus groups x top 3 drivers x 5 cities) across all three categories of drivers. However, some focus groups identified fewer than 3 drivers (especially positives) and some drivers listed and ranked in focus groups were not systemic and thus were omitted from the tables.

Vendors across the five cities also ranked relations with wholesalers as a significant driving force in the sector. On the negative side, vendors cited unfair practices or terms of transactions with wholesalers (as well as shopkeepers, intermediaries, and service providers) that transferred risk to them and the lack of leverage they have in negotiating better transaction terms. In addition to unfair practices, they also mentioned more generalized problems around the availability of products – mostly due to forces outside the control of wholesalers, like bad roads or bad weather – and the quality of products sold to vendors. On the positive side, many vendors said they use suppliers who are willing to sell to them on credit, which is a necessity for many. Others said they had good relations with suppliers and were generally able to get good quality products that were easy to move on the streets.

Finally, the focus groups emphasized the importance of relations with customers, mostly in their discussions of value chain dynamics (though less so in the ranking exercise). As noted above, 9 of 10 vendors in the combined sample work in the same place every day, and their comments in the focus groups reflected a strong reliance on maintaining good relations with customers and fostering loyalty with them given strong competition. Their reliance on customer loyalty limited their room to manoeuvre as they looked for ways to cope with systemic forces like inflation and low demand.

2.3.1 Role of Capital and Sourcing Credit

A lack of capital was identified in both focus groups and the survey questionnaire as a significant issue for many vendors. In the survey, 85 per cent of street vendors and 77 per cent of market vendors said lack of funds was a major or moderate problem; among produce vendors, 92 per cent identified it as a problem. Women were slightly more likely to say it was a problem than men: 61 per cent of women said it was a major problem and 24 per cent said it was a moderate problem, versus 53 per cent (major problem) and 24 per cent (moderate problem) for men. The problem was most acute in Durban and Nakuru; in both cities, about 85 per cent of vendors said lack of funds was a major problem and another 10 per cent said it was a moderate problem.

In focus groups, vendors said the fundamental difficulty was having enough capital to maintain variety, quality, and consistency in the stock they offered to customers. They also identified a compounding effect in which a lack of capital limited their stock, which slowed their sales. In turn they could not earn enough to pay for a license or to pay off the police; as a result they were arrested or fined, leading to more costs. The discussion in a focus group from Nakuru (FG 10) is indicative:

P: *“Life gets hard. When I lack money for business I am unable to pay the council [and the] officers arrest me. Lack of job leads to lack of money and this leads to arrest....”*

J: *“When your capital is low, you can’t have a variety of products.”*

W: *“You also lack the morale to do your work; you are arrested because of lack of money.”*

P: *“You can’t be competitive because you don’t have enough goods.”*

E: *“You lose customers because you lack the variety of products.”*

These vendors said they try to cope by borrowing from friends, taking goods on credit from wholesalers, and procuring bank loans through a savings group. *“We get money from merry-go-rounds,”* said a vendor from another Nakuru group (FG 1) who implied the extra lengths one has to go to. *“If you get money from friends and relatives then you are lucky. But this does not come easy. In other cases, you know, sometimes, we have to sin to get money.”* Others said they have to dip into savings to keep the business going. Or, *“You can also look for another causal job like washing clothes, gardening, construction, porter, washing vehicles”* (Nakuru FG 4). A vegetable vendor from another group in Nakuru (FG 5) put it starkly: *“We survive by using loans. If you do not borrow you will die.”*

Many said the terms of borrowing were difficult for vendors to meet. *“The interest on loans is too high and the terms of payment are not good. They take repayments on a daily and weekly basis. How do we get money to run our businesses?”* asked one of Accra’s vendors in frustration. *“They should allow us to pay our loans monthly”* (FG 5). Without enough time to repay, traders cannot afford to buy a quantity and variety of goods that would attract customers. *“We can’t take loans from the banks as the interest rate is too high and they come to take the [repayment] money from us on a weekly basis,”* echoed another (Accra FG 6).

Vendors source loans from both banks and informal money lenders, each of which presents challenges. Formal banks have the leverage to seize the assets of borrowers, so vendors run the risk

of losing their possessions if they have a bad week of sales: said a cloth vendor from Accra, *“We can’t take more loans as we are unable to repay. The banks come to our houses to take our valuables.”* A dry cow leg vendor added, *“If you have a container, the banks come with the police to close down the container.”* Even high-end market vendors sometimes had to sell off possessions: as one atypical trader from Accra said, *“We sometimes sell our valuables such as land, jewels, and cars to reinvest into our business”* (FG 5).

The indignity of dealing with banks was expressed by several, including this vendor of jeans in Accra (FG 9):

“I know a woman who took a loan of 2,000 cedis and she’s being asked to pay 2,900 cedis. Taking a loan doesn’t really help us. I used to save with a bank for many years. About three years ago, I needed 1,000 cedis and when I went to the bank they said they will need to have one of the bank officials go to my house to inspect the place before giving me the loan. Can you imagine? And this is a bank that I have an account with. In the end I just gave it up. Plus, the banks seize the goods of people who default on their loans.”

Informal moneylenders fill the gap that banks leave, but they also loan on terms that are bad for vendors. *“It stresses us, to the point I would say it causes us anguish,”* said one vendor in Lima (FG 2). Another added that the lack of capital undermines their health, produces problems in the household, and causes low self-esteem. Having to deal with informal moneylenders sets vendors back: *“[There are] high interest rates and a lot of usury. And [with] the usury it means you have to work three times as much just to pay. There are people who charge daily [interest rates], charging 20 per cent.”*

2.3.2 Relations with Suppliers: Quality, Availability, and Terms of Sourcing Goods

Many vendors in the IEMS sample source their goods in the formal economy: about half in the quantitative survey (49 per cent) buy them primarily from a formal supplier and another 2 per cent acquire them from formal suppliers to sell on commission. About 31 per cent buy them from other street vendors or informal enterprises, and 17 per cent are producers who source raw materials and then make the finished goods themselves. Producers are located mostly in Accra and Durban: a quarter and a third of the city samples, respectively, make the goods that they sell.

For those engaged in buy-sell activity, the potential profit margins to be made from selling goods on the streets depend on wholesalers and other types of suppliers. Focus group participants reported several types of challenges related to their wholesalers, including the risk of taking on low-quality or spoiled goods. *“They now have a tendency of packing the best quality fruits at the top so that when you open the box, you quickly get satisfied and pay without any doubts,”* explained a male vendor in Durban (FG 9). *“When you get to your trading site, you are hit by surprise that the rest of fruits in the box are of very low quality or the worst, rotten.”* Another responded, *“As much as we would have loved to return those rotten fruits, we cannot, because it is costly to make trips back.”*

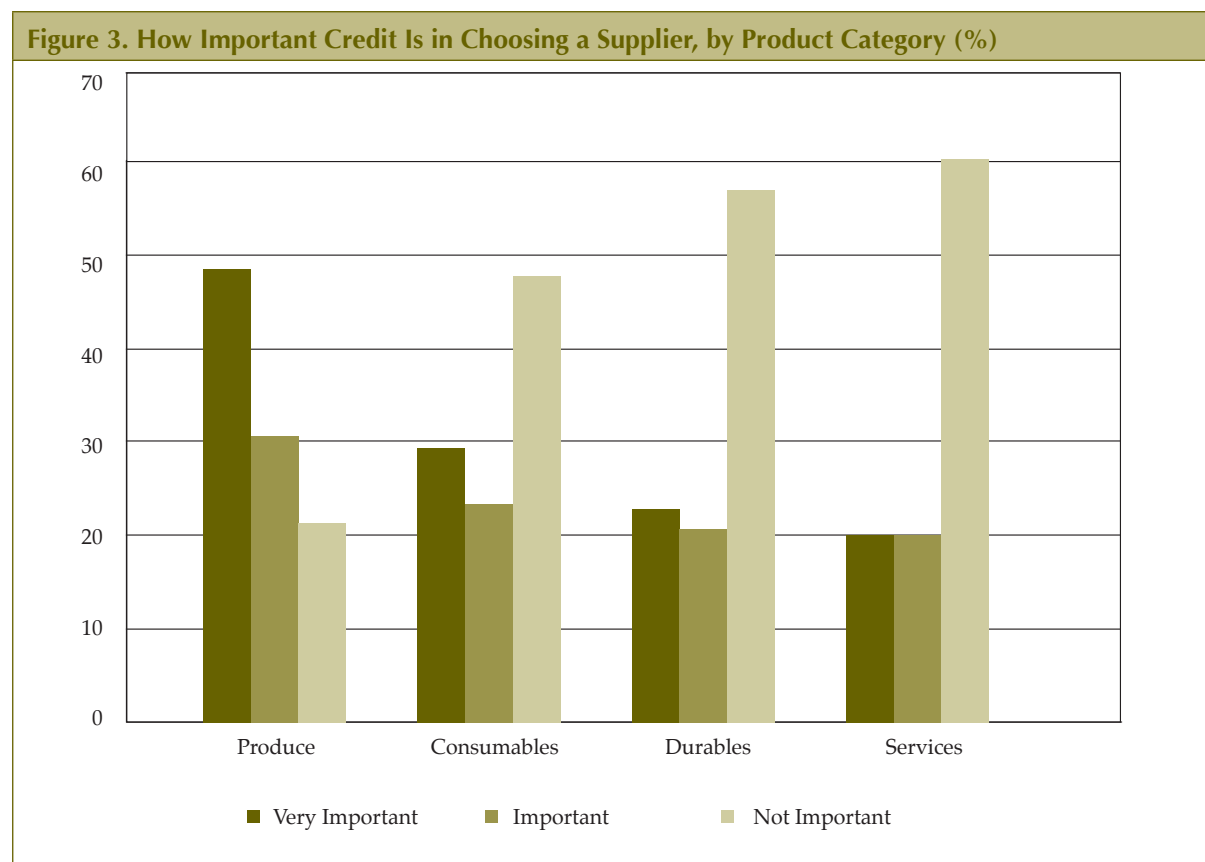
“The value chain has a lot of intermediaries, [and] they engage in bad practices,” said an older produce vendor from Lima (FG 7). *“For example, purple corn that comes from the farms already aired out, before bringing it into Lima, they take it to the gas stations, they wash it, double its weight, and then sell it in La Parada (at the wholesale market). Imagine!”* Another said, *“Yes, the intermediaries, they charge me more, [and] they make a lot [of profit] when it doesn’t come directly from the farm.”*

Among produce vendors, a common challenge was to find a way to vend profitably when intermediaries held competitive advantages. In Ahmedabad, for example, a tax on produce that was previously charged to farmers has been shifted to wholesalers; the wholesalers, in turn, pass that cost to large-scale retailers, and those retailers pass it along to small-scale vendors, making the unit cost slightly more down each link in the supply chain (FG 2). Although vendors were ultimately absorbing a disproportionate amount of this tax, they were also the most vulnerable to having fruits and vegetables confiscated or spoiled, so that profits remained higher up the chain. Others identified a competitive disadvantage of street vendors vis-à-vis other retailers: *“We are charged 7 per cent if we bring fresh produce from the farms, while retailers can buy from farms at no surcharge,”* said one vendor. *“We open our market at 06h00 and close at 15h00, while they can open at 06h00 and close as late as 19h00.”* The effects of these disadvantages sometimes reach the household. *“I am not able to manage the transport fee, my children suffer at school since I am not able to pay the school fees, and if we cannot pay rent they close our work places, then I will have to borrow money to pay the rent,”* said one vendor about limitations on when they can work (Durban FG 5). *“We do not have money to buy food,”* added another.

For others the main issue was how to manage when rising wholesale prices could not be passed on to consumers. As noted earlier, passing on rising prices to consumers is especially hard for vendors of fruit and vegetables that perish quickly. As one banana vendor from Accra explained: *“Bananas spoil fast. If you increase the price in line with the general price increase, people won’t buy and then the banana will go bad. So when prices increase, it really affects our business”* (FG 7). Another trader in the group related this problem to the introduction of chemicals: *“People who grow bananas use chemicals such as carbide to get them ripe. Because of the chemicals, the bananas go bad quickly and we make losses when we buy these bananas.”* Because vendors could not always tell the difference between bananas that had been treated with chemicals and those that had not, their vulnerability to loss increased.

Many reported that they rely on credit from their suppliers, which in turn depends on maintaining good relations with them. But *“not all suppliers are able to understand our situation [and provide credit] because they might also have taken loans for their businesses which they will need to repay within a stipulated period,”* some recognized (Accra FG 5). And there is a disadvantage to buying on credit: *“If you are going to pick or buy goods on credit, you will end up being charged high prices...People charge high prices to minimize the amount of goods you can take on credit”* (Nakuru FG 13). Yet for others, buying on credit is routine: *“I take stock on credit every morning then pay back in the evening.”* And it calls for social relationships: *“We maintain the distributors,”* said a food vendor in the same group. *“You cannot get stock if you are not known. You can even borrow from fellow street vendors. We also borrow from friends”* (FG 13).

The survey data indicate that although price was the most important factor in choosing a supplier, credit is also important for particular segments of the street vending sector. Supplier credit is more important to street vendors than market vendors: twice as many street vendors (38 per cent) than market vendors (19 per cent) said whether a supplier offers credit is very important in their decision about where to source products. Consistent with other findings, produce vendors also place more importance on credit than vendors of other products: for example, while 48 per cent of produce vendors said whether a supplier offers credit is very important, 23 per cent of durables vendors said the same (figure 3). And a higher percentage of women (37 per cent) than men (24 per cent) said the same.



Source: IEMS survey data (2012)

In addition to challenges around the quality of goods, the prices wholesalers charge, and the constraints of buying on credit, the availability of goods is sometimes an issue. Particularly in Nakuru, a small city that is 160 kilometres from Nairobi, supplies can be erratic and unpredictable (Lubaale and Nyang'oro 2013). One Nakuru vendor (FG 13) said:

"When you do not have materials you just close that business. Sometimes you just switch and change to another business. For example when there is no fish or the prices of some of the commodities increase, then you leave that line of business. Customers may not take you seriously. Some wonder why you are always changing your business and [they do not] stick with you."

The problem was not limited to Nakuru, however. "Customers visit shops because they're sure of getting the particular goods they need," said one vendor in Accra (FG 6). "If they visit a shop and are unable to get what they want, they go to another shop and the next time they are in need they will again go to that other shop."

Difficulties with service providers also created vulnerability for vendors. Nearly half of street vendors in the combined sample said they use the services of carriers (people who carry stock to the vending post) or porters; the percentage who rely on carriers was very high (71 per cent) among produce vendors and low (22 per cent) for durables vendors. But theft was an issue for several vendors: "We also have a challenge with barrow boys. They steal our stock when it is with them for storage," a Durban vendor said (FG 14). Another added, "Sometimes barrow boys do not give us the best service. Our stock gets wet or even stolen while in their care." A third ventured, "We provide barrow boys with service but they steal our stock and sell to other people in other streets."

Wholesalers may play a positive role when it comes to trade networks along national or ethnic lines, however. Referring to Ghanaian wholesalers, one trader in Accra (FG 11) said:

"They don't sell at wholesale rates to individuals (unlike the foreign traders). They work with us – if one of your customers goes to them, they'll charge him the retail price and then give you the difference (between the retail price and the wholesale price). They work with us." Added a colleague, "But the Chinese, whether you're buying one item or selling a roomful of things, they'll sell you the same price."

But this was not necessarily a generalized pattern: another group said suppliers will also sell at wholesale prices in the market if the market traders don't have enough capital to buy all of their goods (FG 12).

Moreover, some vendors of durables indicated that they do have some leverage with wholesalers over the quality and price of supplies. One focus group of men in Accra, for example, ranked "understanding between suppliers and traders" as the most important positive driving force in the sector. "This ... enables the traders to access goods on credit," said a vendor of electrical supplies (FG 12). "The good understanding between suppliers and traders makes it possible for suppliers to supply us with good quality products and this boosts our sales," added a chicken vendor. "Even if the goods supplied are not of good quality ... it is possible to renegotiate with the suppliers over the price," said the former.

2.3.3 Relations with Customers

A clear theme in the focus groups – in both discussions of macroeconomic drivers and value chain drivers – was the importance of attracting and maintaining repeat customers: through visibility (selling in the same location every day), through offering a reliable selection of quality stock, and through keeping prices low. Yet vendors sometimes do not have much control over either of the first two factors: access to space for many depends on local authorities, and reliable access to goods depends on wholesalers and credit. So many rely on keeping good relations with customers, by selling at cost or selling on credit when necessary.

As noted earlier, many vendors expressed difficulty in passing rising prices on to customers. "When you give your price of your item to a customer, they refuse it and they argue for a lower price," said a male trader from Durban (FG 13). "Surely they would not do this to established retailers but just because it is me trading on the street, they undermine me. If you end up not reaching an agreement, you have to let the customer go, which of course makes us lose money but it has to be done to avoid conflict." The constraints on negotiating higher prices with customers were reflected in a sense of hopelessness among some: "What can you do about it? It just means that your business sinks, that's all" (Accra FG 10).

In an effort to retain customers without selling at a loss, many focus group participants said they sell on credit. *"It is not possible to do business without getting and giving credit,"* said a vendor from Nakuru (FG 3). *"If you do not give credit, you will not have customers."* Yet the contradictory effects of selling to customers on credit was evident in comments like this one, from a pastry seller in Accra (FG 1): *"It makes your business go down and that means you can't do the things you need to do, like pay your children's school fees. It also means you can't expand your business."* A vendor from Lima (FG 2) expressed a similar sentiment: *"In order to sell you have to give credit, but then they don't pay you. I am tired of charging them and having them not pay."* Another said, *"You have to know who you can give credit to. You have to use psychology to know if they will pay or not"* (FG 14). In the combined survey sample, 65 per cent of all vendors said they face the problem that customers do not pay what they owe.

Mobile vendors without a fixed post where customers can find them said the problem is compounded because they only sell a few units per day. *"You sell your product as you pass by, and only for a short time,"* said a banana leaf vendor from Lima (FG 2). *"It's not like having a post where people already know where you are and go looking for you. [If you have a post] you don't sell three or four but twenty."* A service provider added, *"You can't create a niche, a place in the market"* without a post. But it is difficult to earn enough income to acquire one as a mobile vendor with little bargaining power with consumers.

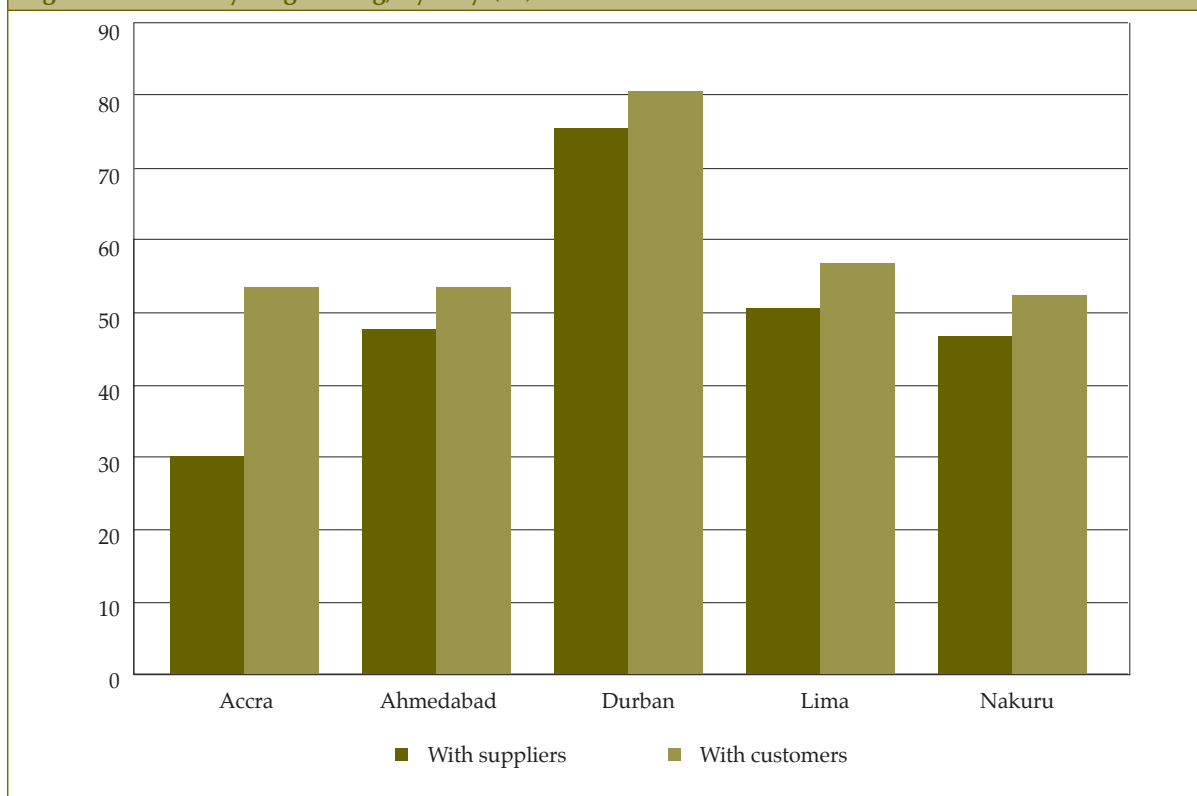
Finally, vendors absorb insults from customers because they work in the streets. *"Customers needlessly insult you; saying why did you not go to school then you should have found a good job and not as a street vendor,"* said a vendor who sells socks in Nakuru's streets (FG 1). *"These people think street vending is not a job."*

2.3.4 Responses to Value Chain Dynamics

Responses to value chain dynamics as reported in the focus groups were very mixed: of the 54 responses identified in causal flow diagrams, 12 were related to the debt cycle (buying on credit, selling on credit, or taking out loans, for example); 6 said they do nothing; 5 involved attempts to negotiate with customers or suppliers; 4 were to either decrease prices or decrease inputs; 4 were different kinds of collective responses undertaken outside the MBO; and 3 were to work through the MBO to improve conditions. All the rest were individual coping strategies named only one or two times: for example, look for a new supplier; dip into personal savings; or try to diversify products. The variety of responses reflects the difficult position of vendors in the value chain, where their individual leverage is limited and their prospects for collective action few.

As noted above, constraints on negotiating lower prices from suppliers and higher prices from customers are common. At least half of the survey sample of vendors from every city said that they had difficulty negotiating higher prices from customers, and around half in every city except Accra said they had difficulty negotiating lower prices from suppliers. The problems were most common in Durban, where over three quarters of vendors said negotiations of both kinds were difficult (figure 4).

Figure 4. Difficulty Negotiating, by City (%)



Source: IEMS survey data (2012)

Notably, differences between street and market vendors, men and women, and produce vendors and vendors of other goods were minimal in terms of the difficulties negotiating; none of these differences were statistically significant.

Collective strategies, both through MBOs and other organizations or independent of them, reflected the importance of social relations in street vending. As a vendor in Nakuru (FG 6) said, a common response is “partnering in business, especially when a customer is in a hurry and you don’t have enough stock, you look for your colleague.” Another confirmed, in the case of unreliable supplies, “You know most of the fruits are seasonal. So what we do is to combine what we stock and give our customers options. In other cases, you have to join up with colleagues and buy fruit in bulk. That way you will be in business” (FG 13). MBO support also makes a difference: “KENASVIT helps street vendors by representing them to the municipal council; it provides training, gives loans and helps initiate group projects,” one group participant confirmed (FG 13).

In Ahmedabad, SEWA has begun to call attention to the impact that shopping malls have on the street vending sector by organizing short strikes and rallies. Vendors there said they cannot compete on price with the supermarket chains because the latter can buy in bulk directly from large wholesalers; store a large quantity in their own cold storage facilities; and avoid the brokerage fees in the wholesale market that street vendors have to pay. “If vendors start giving discount on commodities, they could not sustain it, due to small profit margins,” one explained (FG 6). According to the group, the high number of intermediaries between the farmer and the street vendor leads to increased costs to the vendor, while customers’ unwillingness to accept high prices from street vendor limits their ability to manoeuvre. Another added, “Right now we are buying potatoes at the rate of 22 rupees per kilo and selling at the rate of 25 rupees per kilo, while shopping malls are selling at the rate of 18 rupees per kilo. How can we expect anyone to buy from us?” In response, “Once we had organized a rally against shopping malls and called off our market for one day with the help of SEWA.”

Yet collective action is mostly reserved for driving forces that are related to the city and its institutions. As one vendor in Lima said, they will use collective action for political matters, but not for economic ones: “To avoid evictions we unite, but to come up with joint economic strategies, no” (FG 14).

Part 3. Institutions, Linkages and Contributions

Institutions play a role both in the driving forces that affect working conditions in the informal economy, and in mediating informal workers' responses to them. This section analyzes how street vendors perceive and engage with different kinds of institutions, including those in the public, private, and non-profit sectors. It then describes linkages between street vendors and other economic actors, including backward and forward linkages with formal enterprises; and linkages between street vendors and formal institutions. The section concludes with street vendors' perceptions of the contributions they make to the urban economy, to their households and communities, and to the city.



Jewelry vendor in Accra: D. Mireku

3.1 Mediating Institutions

In both focus groups and the survey questionnaire, street vendors were asked whether institutions were helpful or unhelpful in their work. In the combined survey sample, the only institutions that were considered “helpful” by more than half of street vendors were their MBOs and “other workers” (table 18). By contrast, a quarter or less viewed national government, local government, police, and large retailers as helpful. A considerable share – between one fifth and one third – viewed most institutions ambivalently, as neither helpful nor unhelpful. More than half did not respond when asked about trade unions, and among those who did respond, nearly half said they were unhelpful. About half saw government, police, and large retailers as unhelpful.

Table 18. Street Vendors' Perceptions of Whether Institutions are Helpful, Unhelpful, or Neither Helpful nor Unhelpful: Survey Questionnaire (%)

	Helpful	Neither	Unhelpful	N
National government	17.82	33.17	49.01	606
Local government	25.75	22.14	52.11	664
NGOs	45.51	24.28	30.21	523
MBOs	77.57	10.85	11.58	691
Police	23.43	28.41	48.15	623
Other workers	65.02	15.25	19.73	669
Trade unions	31.13	23.69	45.18	363
Large retailers	22.39	25.59	52.02	594

Source: IEMS survey data (2012); Ns are based on valid responses with “don’t know” coded as missing.

The focus groups used an institutional mapping tool to identify the most important institutions that affect the sector in each city, indicate their relative importance, and signal the extent to which they help or hinder street vendors in their work. The combined results show a pattern broadly consistent with the quantitative data, in which MBOs are viewed as helping vendors while local and national government are perceived as hindering them (table 19). Yet the focus groups, in which vendors were allowed to define the institutional environment themselves, also identified a significant role for community organizations, neighbourhood groups, and the community more broadly, as well as institutions like churches, universities, and hospitals. They also identified the important role of support NGOs.

The institutional mapping tool used in the focus groups also revealed that a classification of institutions as “neither helping nor hindering” could mean one of two things. In some cases, it indicates that the institution does some things that are helpful, and some things that are unhelpful. In others, it indicates that there is reason for the institution to be relevant to the sector, but it has not taken meaningful action. For instance, a group in Lima said the Ministry of Labour had initiated a bill on self-employment that could help vendors, but the bill had been stalled, so it should be on the map but without a designation as helping or hindering because to date it had not achieved anything (FG 1).

Table 19. Street Vendors' Perceptions of Whether Institutions Help, Hinder, or Do Neither: Focus Group Institutional Mapping Tool (# of mentions)

	Help	Neither	Hinder	Total
National government entities	6	15	14	35
City government	5	28	79	112
Local government/municipality	2	27	48	77
Police	0	1	27	28
Councillors and politicians	3	0	4	7
MBOs, NGOs, and trade unions	98	14	7	119
MBOs and cooperatives	59	10	4	73
NGOs	28	4	2	34
Trade unions	9	2	1	12
Community	35	13	6	54
Universities, schools, churches and hospitals	11	6	0	17
Customers	9	0	0	9
Community-based organizations	6	0	1	7

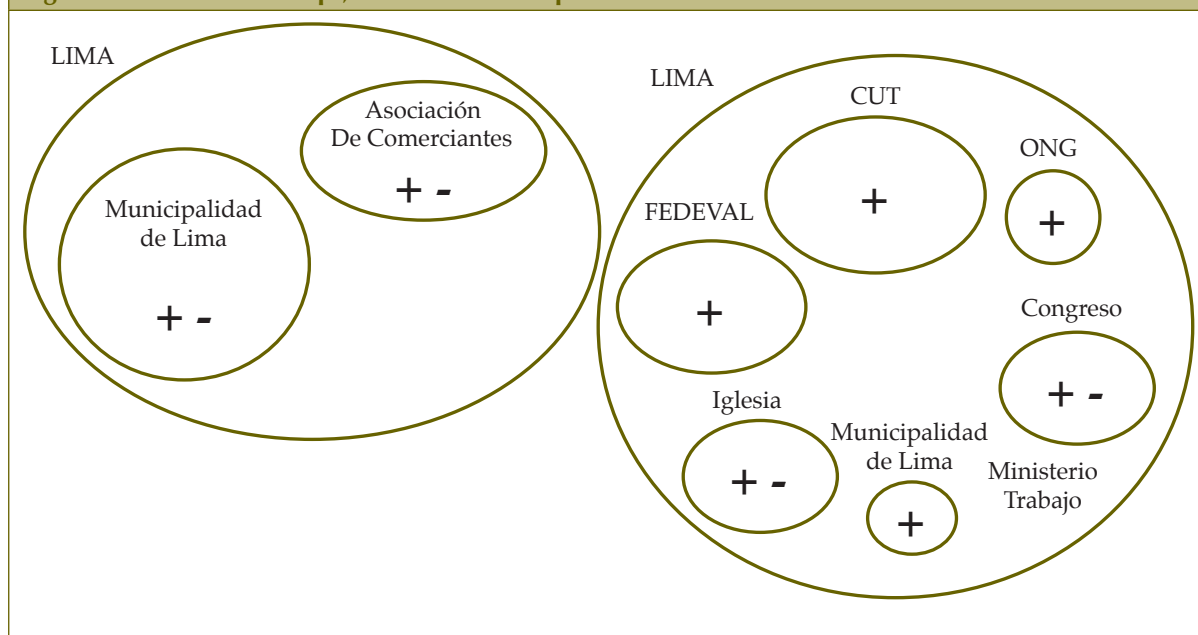
Self-help savings groups	1	4	0	5
The community at large	1	1	3	5
Other vendors and markets	4	0	0	4
Media (television, radio, print)	1	0	2	3
Other (e.g. chiefs and elders, market queens)	2	2	0	4
Private Sector	25	12	41	78
Banks, finance and insurance, moneylenders	9	3	30	42
Wholesalers and suppliers	11	3	3	17
Formal businesses, malls, commercial centres	5	4	5	14
Other (e.g. middlemen, business groups)	0	2	3	5

Source: IEMS focus group data (2012); Ns are the number of mentions in the 75 focus groups (15 per city). The number of mentions can exceed the number of focus groups because more than one kind of institution may exist in a single city: for example, in Lima “local government” may refer to either the Metropolitan Lima government or the local municipal district government, and a single focus group may mention both. Trade unions refer to those other than the MBO, where the MBO is registered as a trade union (as in the case of SEWA).

The discussions around the institutional maps reflected a perception of disjuncture between the work vendors do to sustain their families and the treatment they receive from government entities. “Government does not recognize us,” a Durban vendor said starkly (FG 13). “We are not taken as people who also exist in this country.” In Lima, where some groups viewed the Metropolitan Lima government as helpful because of a recent opening for dialogue with informal worker groups, others remained isolated; the following institutional map drawn by a group consisting of all women, mostly itinerant street vendors, offers a telling example: in comparison to groups of fixed-post vendors in the centre city, their knowledge of and interaction with institutions is limited, and their perception of them ambivalent (figure 5).²⁶ While the average number of institutions identified in the mapping tool in Lima was 4.5 (and a third identified six or seven), this group named only two: the city government and the MBO. There is no mention, as there is in most other groups, of neighbourhood groups, community based organizations, churches, banks, trade unions or national institutions.

²⁶ Most were prepared food vendors; two of them took their young children to work with them for lack of alternative child-care. The analysis of the focus group conducted by the local research team noted that in this group “there is a sensation that everything is unfavourable for them, that the future is uncertain, [...] that their experience with associations is weak,” and “the locus of their lived experience is in fear, struggles with violence from different angles and dimensions that are repetitive and iterative for a significant number of vendors” (Focus Group Report 9: 13).

Figure 5. Institutional Maps, Lima Focus Groups 9 and 1



Notes:

- Municipalidad de Lima = Metropolitan Municipality of Lima (the metropolitan city government)
- Asociación de Comerciantes = Vendors’ Association
- FEDEVAL = Departmental Federation of Street Vendors of Lima and Callao (the MBO partner)
- CUT = Trade Union Confederation (to which FEDEVAL is affiliated)
- Iglesia = churches
- ONG = NGOs
- Ministerio de Trabajo = Ministry of Labour
- Congreso = Congress of Peru

Source: IEMS focus group data (2012), Lima FG 9 (left) and Lima FG 1 (right)

3.1.1 The Role of Institutions in Mediating Responses to Driving Forces

An integrated analysis of vendors’ responses to all three categories of driving forces reinforces the sense of isolation from the institutions of their cities other than their own MBOs. Omitting “other” responses that could not be sensibly grouped or categorized, table 20 shows the number of times a particular type of response was mentioned in a focus group in relation to each type of driving force. As noted earlier, responses related to the debt cycle – including taking out loans, buying on credit, and selling on credit, for example – were the most common, both overall and in relation to two of the three driving forces (macroeconomic and value chain).

Taking action through the vendors’ MBO was the second most common response, and the most common one in relation to the city / government. The next four most common types of responses – absorbing the cost by paying (fees, fines, etc.), doing nothing, stopping work, or individually negotiating or attempting to negotiate a solution – are all individual-level coping responses. Thus, of the five most common types of responses that account for 50 per cent of the distribution, only MBO action offers the possibility of mitigating the negative drivers; all the others imply absorbing losses. Collective responses that did not involve the MBO – like borrowing stock or capital from fellow vendors – accounted for just over five per cent of all responses. Beyond that, only lodging complaints (typically in response to city / government forces) and paying bribes involved institutions. As one vendor from Lima put it, “we improvise in a thousand ways” (FG 2) to manage the range of challenges that they collectively identified.

Table 20. Type of Responses, by Type of Driving Force (number of times identified in causal flow diagrams of focus groups)

	Macroeconomic Environment	City/ Government	Value Chain Dynamics	Total	%
Debt cycle	49	20	12	81	17.76
MBO action	6	42	3	51	11.18
Absorb cost/ pay fee	1	37	1	39	8.55
Do nothing	8	20	6	34	7.46
Stop working	6	22	0	28	6.14
Try to negotiate	5	16	5	26	5.70
Decrease prices	9	13	3	25	5.48
Collective (non-MBO)	5	16	4	25	5.48
Relocate	0	24	0	24	5.26
Decrease inputs	13	7	1	21	4.61
Lodge a complaint	1	16	2	19	4.17
Increase prices	14	0	1	15	3.29
Pay bribes	1	12	0	13	2.85
Diversify products	7	3	2	12	2.63
Change suppliers	6	1	2	9	1.97
Change marketing strategy	3	5	1	9	1.97
Shift to itinerant vending	1	7	0	8	1.75
Use savings	4	1	2	7	1.54
Look for other work	5	1	0	6	1.32
Reduce household expenditures	3	0	1	4	0.88
Total	147	263	46	456	100.00

Source: IEMS focus groups 2012

3.1.2 Membership-Based Organizations

In each of the five cities, more than 60 per cent of survey respondents said that MBOs were helpful with regard to their work as street vendors. In Ahmedabad this reached 95 per cent; SEWA is the largest and oldest trade union of self-employed workers in the world, and its positive impact on women in the informal economy has been documented widely over the decades (Bhatt 2006; Rose 1993; Chen 2004; Chen and Snodgrass 2001). Street vendors were more likely than market vendors to say their MBO is helpful (81 per cent to 69 per cent, respectively), but there was no significant difference between men and women or between vendors in different product categories.

The focus groups identified three primary ways in which MBOs are helpful to street vendors. First, they mediate the relationship between vendors and the authorities. MBOs primarily engage with local authorities, but may also form a bridge with national authorities. In Ahmedabad, all 15 focus groups said that SEWA helps them deal with the authorities: for example, one said *“sisters from SEWA help when our goods get confiscated; without them it is impossible to retrieve back our wares from the corporation”* (FG 12). Four groups in Durban and eight in Lima also said their MBOs play this role; in Durban the MBOs that did the mediating were base organizations, while in Lima the focus groups identified not only base organizations but also the Lima-wide federation of street vendors (FEDEVAL) and the national trade union to which FEDEVAL is affiliated (the CUT) as MBOs that perform a mediating role.

Second, MBOs are a critical source of information, training, advice and guidance to street vendors. Several focus group participants said that MBOs helped increase their awareness, especially of basic rights and current developments in policy. *“Nakuru Street Traders and Hawkers Association (NASTHA) educates us on our rights and represents us before the Municipal Council and provincial administration,”* said a male trader from Nakuru (FG 8). Several in Lima said that FEDEVAL had organized useful workshops and training programmes, and recommended that more training be planned (Lima FGs 1,3,4,7,8,11,15).

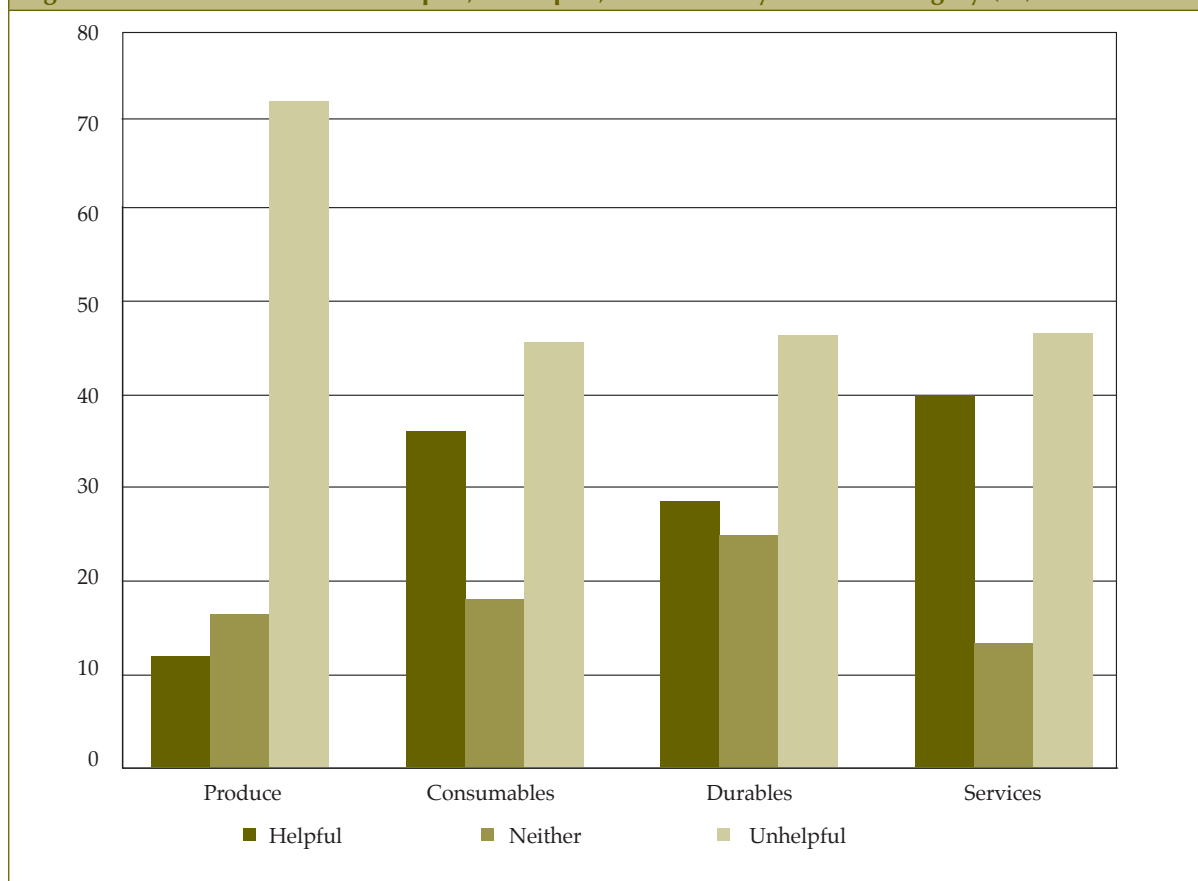
Third, MBOs help solve conflicts among street vendors and provide a forum in which their voices can be heard. Conflict resolution was especially relevant in Ahmedabad, where competition for space is strong. Providing a forum in which vendors could express their complaints and demands carried significant weight in many focus groups, given their lack of voice in other institutions and in policy processes. *“The CUT and FEDEVAL should continue helping the people who really need it, [so that] we have a place to complain about all of the abuses by the municipality,”* said a vendor of sweets from Lima (FG 15), for example. Many groups identified solidarity among vendors as an essential function of MBOs in a context in which they were otherwise marginalized.

Though perceptions of MBOs were overwhelmingly positive, it is worth noting that some participants were ambivalent about MBOs or thought they were unhelpful. One group located in a peripheral district of Lima, for example, noted that MBO leaders can sometimes become too close to the authorities, and as a result *“don’t know how to say no to the municipality”* – to the point that if the association fails to attend a training session sponsored by the municipality, its members are fined (Lima FG 4). *“The association is good, but if the leader sells out,”* one vendor concluded, *“it’s not worth anything.”* Some complained about weak leadership or the lack of solidarity within and among street vending organizations.

3.1.3 Government Institutions

About a quarter of both street and market vendors in the combined survey sample reported that local governments are helpful, while around half said they are unhelpful and the remainder characterized them as neither. Otherwise, there are significant differences among different types of vendors. Figure 6, for example, shows again how distinct the perceptions of fruit and vegetable vendors are when compared to vendors of other types of products; only one in 10 said local government was helpful while seven in 10 said it was unhelpful, versus 30 to 45 per cent of vendors of consumables, durables and services on either side. Similarly, while 37 per cent of men said local government is helpful, only 21 per cent of women said the same; and while 45 per cent of men said it is unhelpful, 55 per cent of women said the same. Ahmedabad and Durban are the cities with the highest percentage of vendors, around 74 per cent each, who said local government is unhelpful. Close to the same percentage in those two cities also said police are unhelpful, more than in any other city.

Figure 6. Local Government is Helpful, Unhelpful, or Neither by Product Category (%)



Of the 75 focus groups across all five cities, 33 identified a positive role that government institutions play. Most of these were either in Lima, where the metropolitan government under mayor Susana Villarán has been more accommodating and pragmatic toward street vendors than previous administrations, or in Nakuru, where despite the reports of abuse there is a system for issuing licenses and allocating space to street vendors. The groups in Nakuru reported that the local government also provides security, cleaning, garbage collection and lighting where street vendors work. Groups in Lima also named the Ministry of Labour and Ministry of Development and Social Inclusion, which have opened dialogue with street vending groups there in the past year. In Ahmedabad, a handful of groups considered it helpful when local government officials would warn them ahead of time that an eviction was coming. A few there and in Lima also identified individual officials who had been helpful on certain occasions.

3.1.4 Private Sector

The most significant private sector institutions identified in the focus groups were banks or moneylenders and wholesalers. Twelve of 15 focus groups in both Accra and Nakuru named banks or microfinance institutions as significant in their institutional maps, usually with both positive and negative designations. Several focus groups in these cities had lengthy debates over whether they were positive or negative, given that they made loans available to traders but also charged high interest rates. One focus group report (FG 1) from Accra is illustrative:

The facilitator interjected, “These are all institutions that are helping. Are there any that are hindering your business?” [J.] answered, “Okay, the banks charge high interest rates so that by the time you finish paying off your loan, your business has gone under.” Another woman added, “They (the banks) know that we are in a village, so they cheat us by charging high interest rates and then they make us fill this paper, and that paper...”

The facilitator asked, “Do the banks help at all?” “No, just with the loan,” [J.] said. The facilitator said, “But that is a help, isn’t it?” The women virtually chorused, “But they charge us high interest rates! So they are not helping us!”

Wholesalers were considered helpful by most focus groups, except in Durban where discriminatory practices were most common. Many helped vendors cope with shortages of cash by selling goods on credit, and several focus group participants recognized that their work would not be possible if it were not for the role of wholesalers in making goods available and affordable.

Other private sector institutions or entities mentioned were foreign contractors or traders (Accra), local industries (Accra), television and radio stations (Accra), small formal shopkeepers (Ahmedabad), the cellular network MTN (Durban), insurance companies (Nakuru), and transport providers (Nakuru). In a handful of groups, a specific company that had donated goods (like umbrellas or t-shirts) was named.

The survey questionnaire did not ask about the private sector in general, but did ask whether supermarkets and other large retailers were helpful, unhelpful or neither. Again vendors of fruits and vegetables stood out: 68 per cent said large retailers were unhelpful, versus 50 per cent of durables vendors and 42 per cent of service providers. Tensions between street vendors and large retailers were most significant in Durban and Nakuru, where around 80 per cent said they were unhelpful. In Lima, by contrast, nearly 60 per cent of vendors said large retailers were helpful, and another 30 per cent said they were neither helpful nor unhelpful.

3.1.5 NGOs, Community Organizations, and Customers

Non-governmental organizations (NGOs) and community institutions were also identified as significant in most focus groups, as were the local community itself and vendors' customers in particular. Support NGOs played the most important role in Lima, where both local and international NGOs are well established and have been engaged with street vendors for many years. Participants said NGOs mostly provide training, workshops, and information. Churches and hospitals were part of the institutional landscape in Nakuru, as were self-help groups and savings and credit cooperatives. Schools and neighbourhood associations provided access to customers and advocacy for safe streets in a few cases.

Many groups also identified customers as an institution, and rated them positively, not only for buying from street vendors but also for helping mediate with the police. *"Customers sometimes also bring other customers and talk to the police during evictions, taking our side,"* said a vendor from Ahmedabad. *"Sometimes customers also tell the police, 'Why are they not letting us do our work?'"* (FG 9). Yet again, they could alternatively harass vendors and undermine their meagre profits by insisting on bargaining: *"The never even ask for prices in an air-conditioned showroom, but at my stall they even fight for a rupee"* (Ahmedabad FG 12).

3.1.6 Synthesis: Coping in a Weak Institutional Environment

The IEMS data indicate that street vendors have weak ties to the institutional environment surrounding their work, even though institutions – particularly of the state – have a profound and direct impact on their working lives. Though MBOs clearly play an important role in supporting vendors, they are sometimes the only ones to play that role, and they do so in the face of strong countervailing forces.

As noted, the most common method of coping with negatives among street vendors was to resort to the debt cycle: by taking out a loan, buying on credit, or selling on credit. This was consistent across the three categories of driving forces and across the cities (table 21). The widespread reliance on the debt cycle results from multiple and overlapping drivers that disrupt the earnings cycle of vendors, making savings and accumulation over time difficult for many. It also points to an area for policy intervention, a theme taken up in the conclusion.

Table 21. Use of Debt as a Response to Driving Forces, by City			
	Macroeconomic	City	Value Chain
Accra	Currency depreciation, rising prices	Evictions/ demolitions of posts	Giving credit to customers
	<i>"Ninety per cent of us traders do it [borrow money] ..."</i> <i>"There are so many people who have had to run away because they have defaulted on their loans."</i>	<i>"Sometimes our goods are destroyed...we try to relocate by asking for money from friends, [or] looking for money from a bank."</i>	<i>"We no longer sell on credit to people we don't know." [because they cannot pay back their own loans]</i>
Ahmedabad	Competition, rising prices	Harassment of police, "anti-social elements"	Lack of capital
	<i>"In case any vendor buys on credit, wholesaler charges 5 rupees more on 100 rupees purchase."</i>	<i>"They just come to my stall and take whatever they want, without paying," so vendors take out small loans from money lenders.</i>	<i>"There is sometimes no initial capital to pay the brokerage, so I take loans from moneylenders or neighbours at 5-10 per cent rate of interest."</i>
Durban	Lack of income, low profits	Police harassment, no storage, confiscations	
	<i>"The solution...was to go to the loan sharks, even if there is no rent [to be paid] we have to go to the loan sharks."</i>	<i>"We borrow money"; "our goods get stolen...that is when we need to start going to the loan sharks."</i>	
Lima	Rising prices, low sales	Merchandise confiscations	Access to credit
	<i>"You have to ask for credit."</i>	<i>"When they take your things you lose everything, and you have to look for someone to loan you money to start all over again."</i>	<i>"The bank won't loan to you, but there are lenders. I solve my problems with the money lenders."</i>
Nakuru	Bad economy	Harassment	Limited capital
	<i>"We opt to borrow money to survive in business."</i>	<i>"When fined, you are forced to find money from [a moneylender] or you are jailed."</i>	<i>"You are not even able to pay the self-help group."</i>

Source: IEMS focus groups 2012

3.2 Economic Linkages

Despite the evidence that many street vendors face significant barriers to accumulation and expansion of their enterprises, they are nonetheless intimately linked to the urban economy, state institutions, and city life. Indeed, the evidence suggests that it is, in part, because of the nature of those linkages that some are not able to accumulate over time. For many vendors, market linkages – with suppliers, with intermediaries, and with customers ranging from formal enterprises to close acquaintances to the general public – operate on unequal or unfavourable terms. Likewise, vendors' linkages with the state – most commonly through taxes, fees, fines, confiscations and other interactions with local authorities – appear to generate higher costs than they do benefits. Yet the activities that vendors undertake each day generate demand, expand retail distribution networks, and form a cornerstone of everyday life in the streets of these cities. This section documents some of those linkages and highlights the contributions of vendors to the city.

Street vendors have both forward and backward linkages to formal and informal enterprises. As noted above in the discussion of value chains, about half of vendors surveyed buy their goods from

formal suppliers. Though there was no significant difference between women and men, street vendors were far more likely than market vendors to source their goods from formal enterprises (63 per cent versus 17 per cent, respectively), and produce vendors were more likely than vendors of other products to source their goods from formal enterprises (77 per cent versus 38 per cent for durables vendors and 43 per cent for vendors of consumables).²⁷ The percentages were highest in Ahmedabad and Lima, where most vendors sourced goods from large formal wholesale markets like Jamalpur in Ahmedabad and La Parada²⁸ in Lima.

Significantly, a far lower percentage of street vendors sell their goods to formal buyers: just 9 per cent of vendors in the full sample said that formal businesses were their main buyers.²⁹ By contrast, 95 per cent named the general public as one of their main buyers. This pattern is consistent with the notion that because of their unfavourable market position, informal enterprise operators are forced to “sell cheap and buy dear” (Basole and Basu 2011): with limited ability to negotiate better prices from customers, and limited ability to purchase in bulk or negotiate discounts from formal wholesalers, many vendors’ margin on sales remains thin.

Nonetheless, through their everyday activity, vendors generate demand for a range of support services, including carriers and porters, security guards, storage providers, repairmen, delivery services, private transport, public toilets, childcare services and municipal services. Of vendors surveyed, 84 per cent said they use at least one of these services; at least one third in the sample said they use storage, carriers/porters, public toilets and municipal services. The demand generated through street trade supports both formal and informal providers of these services, as well as formal and informal suppliers of goods.

Vendors’ economic and spatial linkages to major urban institutions and infrastructure are also notable. Predictably, street vendors in the survey sample reported that they locate themselves where there are economic opportunities: 70 per cent said their business is close to a transport route; just over 50 per cent said they work close to a taxi or bus rank; and about 60 per cent said they work near a shopping centre or market. Nine in ten said their business is located near pedestrians, while more than half said they work near homes. Women were more likely than men to work near homes, while men were slightly more likely than women to work near a bus or taxi rank. The high percentages overall who work near a major urban infrastructure node reflect vendors’ dependence on access to natural markets, and the important role of urban infrastructure and city institutions in helping or hindering economic opportunity at the base of the economic pyramid.

3.3 Linkages with Formal Institutions

3.3.1 Financial Linkages

About 60 per cent of street vendors in the full sample reported that they or someone in their household held a bank account. The percentage of market vendors belonging to a household with a bank account was significantly higher than for street vendors (73 and 57 per cent, respectively), and was especially high in Accra (81 per cent) and low in Lima (28 per cent). In Ahmedabad, the primary provider of banking services is SEWA Bank, which is owned and operated by SEWA and tailored to the needs of the poor; 68 per cent of respondents there said they or someone in their household holds a bank account. Less than 14 per cent in the full sample said that they or a household member currently holds a personal loan from a bank; the number was twice as high for market vendors as street vendors, and twice as high for men as women (about 20 to 10 per cent in each case). Only 27 in the full sample (3.6 per cent) said they sourced the start-up capital for their enterprise via a personal bank loan.

3.3.2 Payments to State Institutions and Formal Enterprises

Street vendors in the study sample are linked to state institutions in a variety of ways. The most common is through the payment of fees for licenses, permits, and access to space. About 30 per cent of vendors in the sample reported that they pay licensing fees.³⁰ The percentage was nearly identical for

²⁷ Over half of service providers who responded to the question said they source goods from formal enterprises, but there were only 23 total who responded, as most service providers did not rely on sourcing goods as part of their work process.

²⁸ Since the time of the research, Lima’s historic wholesale market has been relocated from the area known as La Parada, in the district of La Victoria, to the district of Santa Anita.

²⁹ One example was a pair of tile adhesive manufacturers in Accra who sold tile adhesive to companies higher up the value chain.

³⁰ The IEMS questionnaire asks how much vendors pay in licensing fees, rather than asking them whether or not they hold a license. The advantage of asking the question in this way is to reduce positive response bias, in which respondents fear revealing that they are unlicensed so answer yes to the question of whether they have one, even if they actually do not. To the research team’s knowledge none of these cities issue licenses at no cost, so it is likely that paying for a license and holding a license are roughly equivalent.

street and market vendors, suggesting that street vendors are no more outside the regulatory system than market vendors when it comes to holding licenses. Just 8 per cent of produce vendors said they pay for a license, versus about four in 10 vendors of other goods and services. A far higher percentage of men (44 per cent) than women (24 per cent) said they pay for a license.

Differences in licensing schemes across cities were evident in the proportions of vendors per city who pay for licenses: nearly three in four Nakuru vendors pay for licenses, while not one in Ahmedabad pays. The questionnaire did not ask why vendors do or do not pay for licenses, but the qualitative data suggest the main reasons are that the city does not issue them at all (Ahmedabad), the city does not issue enough of them (Lima), or vendors cannot afford them.

In addition to licenses, the questionnaire also asked whether vendors pay fees for formal permits or access to space. A similar percentage overall (34 per cent) said they pay fees for permits, while fewer (15 per cent) said they pay fees to access space. Overall, nearly two-thirds of all vendors pay for at least one of the three – licenses, permits or fees for space. In addition, about 13 per cent said they pay bribes, either to prevent arrests or confiscations or to gain access to a workspace, and about 12 per cent said they pay some kind of tax. Most vendors in the sample are therefore not outside of the state regulatory system in the sense of not interacting with it at all.³¹ Rather, they engage with it on different terms than formal enterprise operators.

Vendors make a variety of other payments to formal state institutions and/or formal enterprises. Half the vendors in the sample said they use public toilets, and another 40 per cent use other municipal services. Lights, electricity, and water at the workplace are all likely to be provided by formal state or private sector entities; about one quarter of vendors in the full sample reported that they pay for one of these. Transport and storage are services that may be provided by state entities or formal private sector providers, though informal providers predominate in all cities³²; three in four vendors said they pay for transport to where they work, and 40 per cent pay for storage. One participant in Accra said they make payments to a school as a type of rent; another paid 30 cedis per year to the Ghana Railway Authority because their market is located on railway-owned land.

About one in five vendors in the sample also said they have received some form of business support from government, including machinery, loans, marketing support, and training or participation in workshops. Most vendors who accessed such support were in Ahmedabad or Lima, where MBOs have had a stronger presence for a longer time than in the other cities.

3.4 Street Vendors' Contributions to Households, Communities, and City Life

Street vendors are keenly aware of their role in supporting households, communities, and daily life in cities. The focus groups concluded with a tool asking participants what contributions their sector makes to the city; the results both complement the evidence of linkages presented above and suggest ways in which vendors provide services that sustain communities where state and other actors do not.

3.4.1 Employment and Skills: Creating Jobs, Generating Economic Activity

Focus group participants in all five cities identified the role street vendors play in generating demand, both generally and for specific types of goods and services. Many groups emphasized their relationship to suppliers of goods: *"We increase the economy; when people come to buy from us we also take that money to the shops to place our orders, so our suppliers are also gaining from us,"* said one Durban vendor (FG 6). *"Big retailers and other suppliers are boosted by the street traders. This increases the city's economy,"* added another (Durban FG 12). Vendors perceive their role in supporting the agricultural sector in addition to urban wholesalers: for example, *"Farmers sustain themselves on our purchase of goods"* (Ahmedabad FG 1); and *"As we are selling fruits we are creating job opportunities at the farms; people make their orders from farmers and they bring it to Durban in order to sell. People need food in Durban"* (Durban FG 5).

Some groups emphasized the demand they generate for other small-scale operators. *"We provide employment to head loaders, tea sellers, and rickshaw drivers,"* noted one vendor (Ahmedabad FG 1). Also named were operators of refreshment stalls in the vicinity of street markets (Ahmedabad FG 6); water pouch sellers and guards (Ahmedabad FG 8), tailors, wash men, and renters of cots (Ahmedabad FG 14). Others focused on larger scale and/or formal suppliers: including formal shops in the area (Ahmedabad FG 11), clothing suppliers (Durban FG 1), and banks (Nakuru FG 3, 11): *"We are*

³¹ The questionnaire did not ask whether these fees were paid to state or non-state entities, but the qualitative data indicated they are paid to state institutions, usually local governments.

³² The questionnaire did not ask whether vendors paid formal or informal providers for these services.

investors: for example, we take our money to the banks. We buy products from companies and are part of the business community of Nakuru.” Some spoke of the role their activity plays in supporting personal or household consumption: a group in Ahmedabad (FG 9), for example, noted their income also goes to government institutions like schools and hospitals, in addition to the stock they purchase and services they procure.

Several noted the fact that they create jobs for themselves, and for their helpers. “We also contribute in reducing the unemployment rate because we employ those who need jobs to assist us at our tables, then pay them,” noted one (Durban FG 12). “We help with the economy because we buy and sell, generating employment, contributing to the development of the city, generating our own self-employment without any cost at all to the state” (Lima FG 1). And it is honest work, many said: they contribute “so that there is no crime,” and “so that people work honourably” (Lima FG 7). Several included the families of helpers and suppliers as beneficiaries of their economic activity (Durban FG 4, Lima FGs 4,7), and some noted that they train their helpers to learn a trade, which in turn generates more economic activity (Accra FG 6, Nakuru FG 13).

Most common was a broad view of the role of street trade in local and national economic development:

“I am part of this economy; I contribute with my skills” (Durban FG 3).

“You make the market yourself; it’s not a cold conglomerate, it’s human” (Lima FG 7).

“We contribute to the development” of the country (Lima FG 10).

“When there are no street vendors, there is no business for anyone” (Lima FG 11).

“Nakuru is one of the fastest growing towns in East Africa...everyone who is working contributes” (Nakuru FG 7).

“As we buy these products and sell them, all players grow – the street vendors, the wholesalers, the manufacturers also grow, and the town also grows” (Nakuru FG 10).

A handful located their activity within the global economy and the need to be active and competitive:

“There are big global changes and here, we also need to be active, have skills, not stay behind” (Lima FG 7).

Others noted the role simply keeping busy plays in economic development and crime reduction:

“As we engage in trading to generate income, we keep away from crime. That on its own reduces the number of thieves and crime for the city” (Durban FG 11); *“We make the town busy”* (Nakuru FG 4); *“We reduce idleness”* (Nakuru FG 6).

3.4.2 Distribution: Saving Customers Time and Money, Providing Access to Goods

Fifty of the 75 focus groups identified the important role street vendors play in distributing retail goods at low prices, in convenient locations. Location was a common theme especially among the Durban focus groups (box 5), where the spatial segregation of workers from their workplaces remains a significant legacy of the apartheid era.

Box 5. Distribution as a Contribution of the Street Vending Sector³³

Durban

FG 7: *“We help the community by bringing the goods they need closer to them, where they take their transport home; they do not have to go to the big shops and delay there.”*

FG 8: *“If you are in a hurry, or you have forgotten something while doing shopping, our presence helps the people – we bring their needs closer to their bus station.”*

FG 10: *“I am on my trading site very early in the morning to provide the community with their needs.”*

FG 12: *“We bring things closer to people to minimize their travel expenses of going to Durban.”*

FG 14: *“We also save them time of waiting at the long queues.”*

³³ Box 5 shows select quotes; it does not reflect the total number of focus groups in which distribution was identified as a contribution.

Lima

FG 2: *"We solve people's needs as they pass by or at their house.";* *"We are closer to the common consumer."*

FG 9: *"For a snack on the way home.";* *"It's preferable to carrying your refreshment for lunch.";* *"Because the people who work do not have time to cook in their houses, so they eat in the street."*

Nakuru

FG 3: *"We can reach customers who cannot get to town.";* *"We provide quick services; there are customers who would not like to go to town to buy products so we deliver these goods and products to small traders, therefore contributing to the growth of the city.";* *"We link farmers and buyers. We buy in town from wholesale and sell to people in the estates."*

FG 13: *"Goods and services are available. You know when our customers are coming from work and they are tired, they do not go far. They find all they need on the streets...we save a lot of people by bringing services closer.";* *"We save time and energy for everyone. Everybody is able to get what he or she needs as soon as possible."*

Vendors also emphasized that they offer goods and services at prices that are affordable for the low-income population. Thirteen of 15 focus groups in Ahmedabad emphasized low prices; in that city a distinct advantage of buying from street vendors is that one can buy very small quantities of a good – a single bar of soap, for example, instead of a package of three – thereby making the goods accessible to those with scarce resources. The fact that vendors sell at low prices was noted in every city. *"We sell what the public needs,"* said one participant from Lima (FG 4). *"Our prices are accessible for their budgets."* *"Our clients tell us, 'you save me time when I buy from you,'"* said another (Lima FG 13), *"and on top of that, they miss us [when we are not working] because we are always offering good deals."* Some noted the broader effect of their role in keeping prices down: *"We regulate prices,"* said another Lima vendor (FG 14). As in Lima, vendors in Nakuru also emphasized the quality of their low-priced goods. *"You know, even if we are despised, we provide a critical service,"* said one (FG 5). *"People leave the offices tired and late, but are able to receive high quality and competitively priced commodities such as food, vegetables, and other household items."* The sentiment was echoed in Durban (FG 7): *"We help the community by selling quality goods; our goods are fresh, and we do not sell things that people do not need."*

3.4.3 City Life: Providing Cleaning, Security, Vibrancy in Streets

The focus groups also challenged the notion that street trade creates filth and insecurity in cities; instead, they indicated that many vendors make an effort to keep the streets safe and clean. Safety and security were an especially strong theme in Durban. *"We protect our community from thieves; if we see someone who is in trouble we are there to help,"* said one (FG 7). *"There is no forest for thieves to hide in as we traders are all over the city, keeping it crime-free and safe,"* said another (FG 11). Some said they specifically help protect tourists from crime: *"I protect our customers from the thieves. If the tourists are buying, these boys who are smoking drugs are able to identify that this is a tourist, and they will take their chances; at that time we will whistle and everybody will run and catch the thieves"* (FG 5).

In Durban, many indicated their mere presence in the streets helps everyone: *"Our presence by the roads enables those pedestrians to walk freely knowing they are safe from being robbed"* (FG 2); *"We need to make sure that all the people are happy to walk in the streets as our police are not doing a very good job when it comes to combating crime, so we better do it ourselves to help our community"* (FG 6); *"If a thief tries to steal, we run after them as a result. They are also scared to rob people in front of us. Imagine if the road was so quiet"* (FG 8). Four groups in Lima and seven in Nakuru produced similar comments: *"Where I work, it is very difficult for people to vandalize or even steal cars or any form of theft or robbery when I am present. After all, it is difficult for someone I know to steal a car [in front of me]. Moreover, customers cannot come to buy our goods if our work places are unsafe. We know the thieves and robbers; and they know us. So they keep off our workplaces"* (Nakuru FG 9). *"We also restrain thieves from stealing other people's things; when we see that we rebuke them. So there is less crime where we work"* (Nakuru FG 12).

Focus groups also identified cleaning and sanitation as services that street vendors provide in public space, both by doing the cleaning themselves and by paying fees for waste removal services. *"We keep the road clean; before putting our goods in the morning we clean that space,"* said one (Durban FG 8). *"I clean where I sell"* (Durban FG 10). *"During the world cup in 2010 we cleaned the whole city"* (Durban FG 1). Six of 15 focus groups in Lima identified cleaning as a contribution, saying they clean their workspaces when they arrive, keep them clean during the day and make sure they are clean when they leave at night. The

Lima groups also reflected a concern with orderliness in the streets: *"We help with cleaning and order at our workplace"* (FG 6); *"We give a good image: ordering and cleaning with the trust of the public consumer"* (FG 6). Participants in some groups said they pay for waste removal services: *"We pay for the collection of solid waste"* (Lima FG 10). Participants in Nakuru said they provide bags for waste collection or do the waste collection themselves (FGs 7,9) or pay fees for waste collection services (FG 13).

In addition to security and cleaning, the focus groups identified other types of contributions that create vibrancy and sociality in the streets. *"Our existence in a city adds to vibrancy; without us everything would be barren and non-lively,"* said an Ahmedabad vendor (FG 5). *"We give personalized attention,"* noted a vendor from Lima (FG 3). *"We are friendly with the public"* (Lima FGs 4,6). Recent organizing efforts in Durban had resulted in better public safety for consumers: *"We have a forum that helps people who are involved in [car] accidents; we call the first aid"* (FG 5); *"If one falls in my presence, I help with first aid and then get necessary help. Some of us have certificates in first aid"* (FG 9). And many traders offer help to people in need. *"We also assist those people who are lost with directions. Others who have lots of parcels leave them with us for temporal arrangement while they continue shopping"* (FG 13). *"We even give them what they need even if they do not have enough money to pay for the item. Taxi drivers get things from us, which is very convenient due to the nature of their work. We also help people with transport fare should they experience a tough situation where they do not get money from the bank"* (FG 15).

3.4.4 City Revenue: Paying Taxes, Fees, and Fines

Focus group data support the findings from the survey that street vendors contribute revenue to local and national government through taxes (most commonly the value added tax on the purchase of goods) and fees (most commonly for licenses and/or space). Fourteen of 15 focus groups in Accra named taxes as a contribution of the sector, as did seven in Durban, eight in Lima and thirteen in Nakuru. While only two groups in Ahmedabad identified taxes as part of the focus group tool on contributions, several more said they pay tax on purchases at the wholesale market in other parts of the group discussion. Ahmedabad is the only city in which municipal authorities do not issue street vending licenses and therefore do not generate revenue through licensing fees.

Focus groups in Durban, Lima and Nakuru identified the value added tax as a significant contribution of the street vending sector. For example, they said, *"Our presence is very important to the economy of the city and the country as a whole because what we buy to sell has been taxed already"* (Durban FG 2); *"I contribute to the state with the taxes I pay when I buy stock"* (Lima FG 13); *"[We] pay taxes and VAT"* (Nakuru FG 5). Focus groups in each of those three cities also said they pay taxes or fees to the municipality. In Durban, permitting fees for space were identified: *"We are also paying rent to the municipality for providing us with the space that we use in conducting our business so in that way I am part of uplifting our economy"* (Durban FG 3). Focus groups in Lima and Nakuru identified taxes to municipal district governments as contributions: *"We pay for space"; "We pay taxes to the municipality"* (Lima FG 2); *"We pay the council"* (Lima FG 14); *"Increase in revenue for the municipality"* (Nakuru FG 3); *"The 360 shillings we pay contributes to the revenue of the municipality. The municipality is therefore able to pay staff"* (Nakuru FG 13).

One group in Durban noted the disjuncture between their contributions to city revenue and their absence from the budget: *"I feel sad as we are not part of the budget, yet we are putting our profits for the government"* (FG 8). A group from Nakuru hinted at the common assumption that vendors do not pay tax, even though they do: *"This matter of tax is very important. We are the ones who pay taxes"* (FG 11).

3.4.5 Household and Community Income, Savings, and Support

Focus group participants were vocal about their role in addressing poverty and hunger, both within their own households and in the broader community. Most fundamentally, the earnings they generate help feed their families and send children to school: *"Our children survive"* (Durban FG 4); *"We help fight poverty when we sell our stock to generate income. Our families no longer suffer from hunger; we are able to provide for our families"* (Durban FG 6); *"We pay for our children's education. We have educated children who are now professionals benefiting the city with skills which were paid for by the money from this sector"* (Durban FG 15); *"I do good work for my family"* (Lima FG 9); *"I educate my children"* (Lima FG 15).

Vendors said they address poverty in the community in two ways. First, they sell at low prices and even give goods away to people in need. *"We sell the items they need at lower prices to poor people so that those who want to stock from us and sell somewhere else, can do so and still make a profit to survive,"* said one Durban vendor (FG 11). *"We give items to people even if they do not have enough money,"* indicated

another (Durban FG 12). *"I give food to the poor and hungry people"* (Durban FG 15). Second, they offer employment opportunities to poor people and train them to learn the trade. *"I stop hunger; I provide for the poor; they are able to work, help me looking after my business; by paying them after work they are able to cover their needs,"* for example (Durban FG 5). *"We provide apprenticeship for others,"* indicated a participant from Nakuru (FG 3). *"I share my business ideas to help others grow since this work has helped me to raise my children,"* said another (Nakuru FG 12).

Vendors in Nakuru also added that they contribute important social support networks. *"We also get to know each other and make friends. We provide social solidarity,"* said one (FG 10). *"When street vendors are busy doing business, they go home tired and go home to rest so crime goes down,"* said another (FG 12). Another in that same group added, *"When youths are busy, crime in the community is low";* said another, *"Without street vendors the town won't be active."* And *"We also provide social support to the sick. We visit those who are sick at the hospital."*

3.4.6 Cultural Preservation: Providing Local Food and Goods to Residents, Tourists

Finally, several focus groups identified the provision of fresh local food and the preservation of local culture as a significant contribution, both to city residents and to tourists and other visitors. One group from Ahmedabad pointed out they provide fresh fruits and vegetables in contrast to shopping malls (FG 6), and several from Durban and Lima emphasized nutritious local food as well: *"We assist with giving people healthy traditional food so the city can save from health provision costs"* (Durban FG 15); *"Vendors contribute nutritious and inexpensive food"* (Lima FG 3); *"I give herbs to help cure people, herbal tea to drink"* (Lima FG 5); *"Fried fish is a traditional and nutritious meal"* (Lima FG 15). Vendors in both Durban and Lima also mentioned ways of preserving their culture and receiving tourists and visitors. As one shield maker in Durban said, *"My skills are on traditional and cultural promotion; making beads I ensure that we don't forget about where we come from. Our culture is very important. When people are buying our traditional clothes they always look good"* (Durban FG 3). One in Lima said *"We are honorary tour guides,"* (FG 1) and one in Accra noted that street vendors help travellers to have the goods they need (Accra FG 11).

More broadly, focus group participants noted their role in making the city a better place. An account of street vendors' efforts in Durban (FG 5) is indicative:

"When we started selling there at Durban station, there were shacks, and it was not a good place; all bad habits were happening in that place. No one ever thought it would become such a nice trading place that it is today. This is the result of our hard work; we have developed that place in a way that everyone feels safe in it now. Before people were getting robbed and or killed there. We started a women's forum where we were fighting crime, we chased the crooks away, but today that is how they are thanking us for making that place a safe place – now they are chasing us away."

Part 4. Conclusions

This concluding section summarizes the key findings of the study regarding street vendors' basic characteristics and working conditions; the most significant driving forces that affect their work; their most common responses to these drivers; and the institutions that mediate those responses. It then presents key theoretical lessons and policy recommendations based on the evidence presented above.



Traditional herb market in Durban: A. Buckland

4.1 Key Findings

Street vendors in the IEMS study provide easy access to a wide range of goods and services in cities: from fresh fruits and vegetables to building materials; garments and crafts to consumer electronics; prepared food to auto parts and repairs. Their activities generate demand for both formal and informal suppliers: 51 per cent acquire their goods primarily from formal enterprises, and another 31 per cent buy them primarily from informal enterprises, and 17 per cent are producers. In addition, 84 per cent pay for services provided by porters, security guards, transport operators and others, generating additional economic activity. About two thirds in the sample pay fees for licenses, permits or the use of public space, creating revenue for local governments; and many participants noted that they contribute revenue to national governments through value-added taxes on their purchases of stock.

Though many have low and unpredictable earnings, those earnings are essential to vendors' households: earnings from street vending are the main source of household income for 68 per cent of vendors in the sample. Formal wage employment provides less than seven per cent of households with their primary source of income, and 62 per cent of households have no alternate source of income other than informal work. Women vendors in the sample are more likely than men to have only primary education or no education at all, and are twice as likely as men to sell fresh fruits and vegetables, a higher-risk product category than durables, consumables and services. Because their work process depends on daily access to working capital, street vendors in every city reported that they buy and sell on credit and often take out high-interest loans, mostly from informal moneylenders.

The study identified a range of systemic factors that influence working conditions in the street vending sector. Overall, the one most consistently and highly ranked driver in every city was abuse of authority, including police harassment, demands for bribes, arbitrary confiscations of merchandise, and physical abuse. Street vendors also ranked the lack of a fixed and secure workplace and evictions from (or demolitions of) existing workplaces among the most significant negative drivers. Regulatory restrictions and government practices relating to licensing and fees were also significant. Notably, where vendors did have a secure workplace or an effective license to work, they ranked it among the most positive forces.

Urban infrastructure and services were also identified as significant drivers in all five cities. Vendors identified lack of shelter, inadequate storage facilities, and insufficient supply of water, electricity, toilets, and waste removal services as systemic factors that undermine productivity and limit their ability to accumulate over time. Significantly, the qualitative data revealed that lack of access to infrastructure and services was not the only problem; even where vendors did have access, the poor quality or high cost of basic infrastructure limited or undermined their productivity. In particular, the lack of adequate shelter and storage in natural market areas limits the amount of stock vendors can accumulate and exposes their stock to damage and theft. Insufficient access to clean water and toilets makes their workplaces unhygienic for both vendors and their customers. Again, where access to or quality of urban infrastructure was good, vendors identified it as a significant positive driver.

Macroeconomic pressures, especially high or rising prices and sluggish demand, also influence working conditions in the sector, particularly for those vendors in a disadvantageous position in the value chain. More than 70 per cent of street vendors in each city reported that their supplies had become more expensive over the past year; among fruit and vegetable vendors this reached 86 per cent in the combined sample. Higher costs for support services such as transport and storage also affected vendors' earnings. But many reported that as street vendors it is difficult to pass rising prices on to consumers, who look to them for low prices and negotiate the price they pay. Sluggish demand and intense competition, especially in Durban and Nakuru, combined to restrict vendors' working capital; limit their ability to maintain variety, quality and consistency in the stock they offer to customers; and prompt vendors to borrow from informal moneylenders.

The cumulative effect of these drivers is a segmented sector in which some types of vendors are consistently disadvantaged. First, vendors who work in the streets are more vulnerable to negative drivers than market vendors. Second, fruit and vegetable vendors are consistently and significantly more vulnerable to all three categories of negative drivers – macroeconomic, city government policies and practices, and value chain – than vendors of durables, consumables, or services. Third, women vendors tend to face more insecure working conditions than men. The overlapping vulnerabilities of women who sell fruits and vegetables in the streets were evident across the five cities: an unstable earnings and expenditure cycle – linked to an unpredictable business environment, a lack of leverage in the value chain, and an unhelpful institutional environment – limit their ability to sustain a livelihood.

Collective action through MBOs offers the primary channel for mitigating unfavourable conditions in the sector. MBOs help mediate the relationship between vendors and government authorities; provide information, training, advice and guidance to street vendors; help solve conflicts within the sector; and provide a forum in which street vendors' voices can be heard. While the most common responses to negative drivers were individual coping strategies, vendors consistently identified MBOs as institutions that help in institutional environments that are otherwise hostile.

4.2 Theoretical Lessons

The study findings help shed light on the nature of self-employment and entrepreneurship in the informal economy; the linkages between informal workers and the formal regulatory environment; and the role that workers' organizations play in mediating these linkages.

4.2.1 Self-Employment and Entrepreneurship in the Informal Economy

Many informal workers, including the majority of informal street vendors, are self-employed own account workers: generally they are not wage employees; they do not work on commission for formal firms; and they do not employ paid workers. Like formal enterprise operators, informal own account workers are subject to certain kinds of commercial risk through such factors as rising prices, sluggish demand, and unreliable supply chains. But without effective legal rights as workers, informal own account operators are also subject to earnings and expenditure risks – as well as physical risks – that

formal enterprise operators are not, because of their limited bargaining power within value chains and limited leverage with government. These risks are especially acute for street vendors who work in public space without licenses, whether because they cannot or will not pay, or because licenses are not made available or accessible to them.

The study findings thus shed further light on the distinction between survivalist enterprises and growth-oriented enterprises. As Grimm et al. (2012) argue, there is a segment of informal enterprises that have the potential to grow beyond the survivalist threshold, but that are constrained in some way; in their study, those constraints are limited access to finance, a fixed business location, and basic infrastructure. The IEMS data identify additional components of the external environment that constrain informal enterprises, as they are linked to a lack of effective legal rights and bargaining power. These include abuse of authority on the part of local governments; restrictive and non-transparent regulations; poor quality of infrastructure and services for which vendors pay; and unfair value chain practices. These constraints appear to be more pervasive toward the survivalist end of the sector. While policy interventions to address these constraints may not immediately transform vendors into high-growth enterprise operators, they would enable a more secure work environment, support an incremental accumulation of assets, and make a significant impact on household well-being in the longer term, given the high rate of dependence on earnings from street trade.

4.2.2 Linkages with the Formal Regulatory Environment

The study findings also imply a need to rethink common assumptions about informal entrepreneurship and the relation between informal enterprise operators and state regulatory agents. The literature defines informal entrepreneurship around the notion that informal entrepreneurs do not declare or register their activities – when by law they should do so – in order to avoid taxes or gain other types of benefits unavailable to those who do register (Williams and Nadin 2010). This approach, whereby an enterprise operator exploits the business regulatory environment to maximize benefits and minimize costs, is not evident in the IEMS data.

In fact, the data indicate that street vendors do not operate “outside of” regulatory systems in an attempt to avoid compliance with regulations; rather, they engage with the state regulatory system on fundamentally different terms than formal off-street entrepreneurs. Many operate at a loss or break even; and many of those who do earn a profit do not earn enough to separate household and business accounts or to pay income taxes. The majority of vendors in the IEMS sample do, however, contribute revenue to the municipality through fees for licenses, permits or allocated stalls. In addition, they pay a range of costs that formal enterprise operators do not: ranging from cash payments to access a space on the street or sidewalk, to bribes to ward off evictions, to fines levied for real or imagined transgressions of by-laws, to in-kind payments in the form of confiscated merchandise that is never returned. Vendors also pay for basic services such as water, electricity, storage, public toilets, and waste removal, whether or not those services are delivered adequately in return. And many vendors pay value-added tax on their purchases of stock without being able to claim it on their sales. The unfavourable terms of exchange between street vendors and states reinforce the need to understand the logic of formal-informal linkages (Meagher 2013) and the disadvantageous ways in which informal economic actors are incorporated into the economic and social life of cities (du Toit and Neves 2007).

4.2.3 Organizing in the Informal Economy

As recognition of the diversity of employment relations and enterprise types within the informal economy increases, so too does the recognition of informal workers’ organizations as agents (Jhabvala 2011; Kabeer et al. 2013; Lindell 2010; Samson 2009). As Lindell (2010) notes, the multiple identities of these organizations reflect the differentiated nature of the contemporary urban informal economy. The study findings indicate that despite this multiplicity of identities, MBOs have in common the fact that they often serve as the only pathway for low-income street vendors to collectively mitigate systemic factors that undermine working conditions in the sector. Moreover, MBOs most commonly do so in relation to the policies and practices of city governments, drawing on a variety of strategies and tactics. They also play an essential role in educating vendors about basic legal rights – a significant task in light of the findings related to abuse of authority.

The study therefore contributes to an emerging literature on informal worker organizing that re-examines the contemporary world of work in light of the persistence and growth of informal employment. The focus group data reflect the tension within and among organizations around whether street vendors should be considered entrepreneurs or workers. Some have positioned

themselves as worker organizations and/or affiliated with the trade union movement, while others position themselves as business or entrepreneurs' organizations. The extent to which the latter strategy may help improve working conditions for street vendors remains an empirical question, as does the extent to which either may improve street vendors' position in the value chain. Thus, there is a need for further research not only on how organizations of street vendors and other informal workers position themselves vis-à-vis the state (and especially the local state), but also vis-à-vis the value chain and the capitalist economy more broadly (Samson 2010).

4.3 Policy Recommendations

Street trade is a cornerstone of the urban retail economy in many cities, particularly those with few opportunities for formal employment. Urban planning and local economic development strategies should explicitly recognize street vendors as workers for the role they play in generating economic activity, providing jobs, and bringing retail goods to consumers. While it may be impossible to accommodate all street vendors in natural market areas, urban planning authorities should study the carrying capacity of such areas and the size of the street vending population at the city level, and accommodate an appropriate number of vendors through licenses or permits that grant authority to work in public space. National statistical agencies should support such efforts by collecting, tabulating and disseminating labour force survey data in a way that makes street vendors visible in official statistics.

It is important to recognize the need to accommodate street vendors in public space rather than (or in addition to) attempting to relocate vendors into off-street commercial spaces. While relocation may be possible for some vendors, particularly those who are employers and operate several street stalls simultaneously, many are unable to accumulate enough capital to invest in an off-street stall or to generate regular and sufficient earnings to support monthly rent payments. The latter are critically dependent on convenient access to consumers and subject to a number of systemic factors that undermine their ability to purchase stock at scale, increase their earnings and save over time.

The findings also show that there is an urgent need for a set of basic legal rights and protections for street vendors and other informal workers whose workplace is public space. The study confirms that where licensing regimes (which regulate trade) exist, the activities of vendors who cannot access a license are criminalized, and the activities of those who can access licenses are restricted to the extent that some are unable to generate stable earnings. Where permitting regimes (which regulate space) exist, the limited number of permits issued for viable trading sites in natural markets has the same effect of a licensing regime: many vendors, and particularly the most vulnerable, are excluded. City authorities should work with street vendors and their organizations to identify regulations that *appropriately* address the practical reality of the work process and the role of vendors in the urban economy, and *effectively* protect vendors' basic rights to livelihood and property. While any licensing or permitting regime is likely to exclude some vendors, the effective protection of basic rights is essential for street vendors and the households that rely on the earnings they generate. No vendor should be beaten, arrested or jailed for selling legal goods or services in the streets.

In addition, planning authorities should consider ways of designing and delivering urban infrastructure to support productivity in the informal economy. Making basic infrastructure such as running water and toilets available to vendors and consumers would help keep street markets more hygienic; providing street lights and affordable and well regulated electricity would make the streets safer for everyone and support certain kinds of activities. Adequate shelter and storage facilities would help vendors protect their goods from spoilage and theft, in turn reducing the necessity of borrowing from informal moneylenders. The study findings show that urban infrastructure plays a critical role for workers at the base of the economic pyramid, not just for those at the top.

Any policy intervention should take into account the ways in which the street vending sector is segmented between more and less vulnerable vendors, and the ways in which the voices of street vendors and their organizations can be heard in policy processes. The IEMS shows that street vendors are more likely to face negative drivers than market vendors; fruit and vegetable vendors are more likely to face negative drivers than vendors of durables, consumables and services; and women are more likely to face negative drivers than men. Interventions that do not take such differentiation into account are not likely to be sustainable, nor are interventions that do not recognize the day-to-day realities of the work process.

Street vendors and their representative organizations are in the best position to identify the sources of precariousness and vulnerability in the sector, and they should be full partners in designing and implementing measures to address them. MBOs of street vendors, meanwhile, should look for ways to leverage access to government resources, build their own capacity to engage in the urban planning process, and consider alliances with other organizations of informal workers.

Finally, urban planning practice should reconsider the role of public land in supporting livelihoods, and the appropriate balance not only between residence, commerce and leisure but also between formal and informal commerce. As the competition for urban public land increases, legislative norms must recognize the size of the informal economy and the important role it plays in generating economic activity and supporting households and communities. Norms for land allocation that support street vending livelihoods in natural market areas, combined with urban design innovations that take into account the day-to-day work process, would lay the foundations for a more supportive and dynamic urban economy.

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Both the Informal Economy Monitoring Study and the Inclusive Cities project are coordinated by Women in Informal Employment: Globalizing and Organizing – WIEGO (see www.wiego.org) – a global action-research-policy network that seeks to improve the status of the working poor in the informal economy, especially women. WIEGO has convened a Technical Advisory Committee (TAC) to guide the project.

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About Inclusive Cities: Launched in 2008, the Inclusive Cities project aims to strengthen membership-based organizations (MBOs) of the working poor in the areas of organizing, policy analysis and advocacy, in order to ensure that urban informal workers have the tools necessary to make themselves heard within urban planning processes. Inclusive Cities is a collaboration between MBOs of the working poor, international alliances of MBOs and those supporting the work of MBOs.

For more information visit: www.inclusivecities.org.

About WIEGO: Women in Informal Employment: Globalizing and Organizing is a global action-research-policy network that seeks to improve the status of the working poor, especially women, in the informal economy. WIEGO builds alliances with, and draws its membership from, three constituencies: membership-based organizations of informal workers, researchers and statisticians working on the informal economy, and professionals from development agencies interested in the informal economy. WIEGO pursues its objectives by helping to build and strengthen networks of informal worker organizations; undertaking policy analysis, statistical research and data analysis on the informal economy; providing policy advice and convening policy dialogues on the informal economy; and documenting and disseminating good practice in support of the informal workforce.

For more information visit: www.wiego.org.



SEWA

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