

## Accra's Street & Market Vendors: Realities & Recommendations

Informal workers are important contributors to the life and the economy of their cities. The Informal Economy Monitoring Study (IEMS) has examined the realities informal workers face, the forces that affect them, and their contributions across the urban economy. In 2012, focus groups were held with 75 vendors in Accra and a survey was administered to 150 vendors (51 men, 99 women). The findings, detailed below, inform the policy recommendations on the last page of this report.

### Characteristics & Driving Forces

#### Informal work is essential to urban livelihoods.

- Almost 88 per cent of vendors surveyed rely on informal work as the primary source of household income.
- Fewer than 9 per cent report formal sector wage employment as a primary source of household income.

Thus vending is a matter of **survival** for informal vendors and their families, who have few or no other employment opportunities.

#### Despite working long hours, vendors returns are diminishing.

Vendors experience financial instability and hardship, despite working 56-66 hours in a week. Many reported a declining profitability in the occupation – over 62 per cent said their revenue had fallen in the past year.

#### There are differences in the circumstances of street vendors.

- **by location:** Vendors in Central locations report total sales more than twice that of their non-Central counterparts, probably due to the higher customer traffic.
- **by sex:** Among vendors, men have a much higher total value of sales than women **in both Central and non-Central locations** (most likely because men more often trade in higher value items).

Policies and practices must take these differing realities into account when addressing vendors' needs.

#### Vendors are significantly affected by wider economic conditions.

The vendors identified a healthy economy as vital to their business success, because this increases demand through higher employment and thus more disposable income among the customer base.

*... this was not what it was like before. At first, you didn't have to take loans because you could make enough money to live on, but now...<sup>1</sup>*



*Street trading is a matter of survival for vendors and their families. Photo: D. Mireku*

#### Current economic forces are causing increased hardship.

Negative economic forces loomed larger in the vendors' lives. Vendors cite the following major issues:

**A depreciating currency** combined with high import tariffs drive up the cost of imported goods, affecting profit margins. For traders who import goods from neighbouring countries, the value of the cedi against the CFA and the Nigerian naira was as significant as the cedi's value against the US dollar.

*You have to use more of the cedi to buy fewer goods than you would've previously.*

**Inflation** has increased both the cost of inputs and the cost of living. But 55 per cent said it was difficult to negotiate higher prices with customers. This is, in part, due to the increase in **competition** from cheap imported goods in the marketplace and from larger retailers and supermarkets.

*People don't buy when the price goes up. ... If we sell at the prices they want to buy, we are unable to get our money back.*

In response to negative forces, individual vendors reduce prices and lose revenue, increase prices (and lose customers), risk accepting credit, drain household budgets or rely on loans. However, interest rates are high and borrowing/repayment terms unfavourable. Vendors need access to better credit sources that can help them maintain or grow their businesses.

<sup>1</sup> Quotations used throughout this material are taken from focus groups held as part of this research.

Mean Monthly Expenditure on Licenses and Permits (Cedis)				
Positive Forces	Central	Non-Central	Men	Women
Formal permit to operate	14.4	7.4	10.8	12.3
License fees	3.2	9.4	6.7	3.5
Fee to secure the space used for activities	18.7	41.8	23.6	27.1
Income tax	19.6	4.8	32.9	3.9
Other tax	2.5	4.2	2.2	3.9

### Vendors' Contributions

The IEMS made clear that the informal and formal economies in Ghana interact, and that street and market vendors make significant contributions in both arenas.

#### Vendors pay taxes, fees, levies and provide other forms of revenue to the local/central governments.

The revenue gained from their work promotes development and helps strengthen the economy. However, while taxes are high and increasing, vendors do not receive services or respect commensurate with their value to the city and the economy.

Most of the vendors surveyed – about 79 per cent – make some payments that generate government revenue, either directly or indirectly. The table above shows the average amounts that these vendors pay.

*When it comes to taking money, they are very active, but they don't help in the development of the market.*

#### Vendors provide for people's needs and make goods accessible.

This is true everywhere, but is especially valuable in newly-settled locations, where vendors bring goods in and save customers travel time and money.

#### Vendors provide employment.

- 23 per cent reported paying someone to help during the busiest times of the year.

#### Informal vendors' enterprises are linked to formal economic opportunities.

- Vendors are customers of formal businesses and financial institutions.
- Vendors provide goods and services to people involved in both the informal and formal economies. Customers include workers with formal employment and students in formal institutions.

## Poor Planning and Promotion Harm Market Vendors

Vendors say a lack of inclusive planning, unfair practices and poor promotion have prevented the pedestrian mall in the city centre near Kwame Nkrumah Circle from becoming a thriving place of commerce. The process of developing the market was perceived by vendors as non-participatory:

*When they (AMA) were setting up the market, they didn't consult us ... And they haven't told anybody that we're here; they haven't advertised.*

Space within the market was allocated using preferential treatment, with affluent vendors getting the best locations and others put far away from customers.

*Those on the protocol list who got access to shops have now rented out their shops to people and are making money from it. They are not actually trading in these shops.*

The physical structure is a problem:

*... 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.*

Vendors noted that when the AMA sold the billboard that advertises the market to a private company for its own use, the market lost an important means of advertising its presence.

### Note on Sampling & Methodology:

The IEMS uses qualitative and quantitative methods. The qualitative component captured perceptions of informal workers in their own words through 15 focus groups of about five participants each, per sector. The quantitative component consisted of a survey questionnaire administered to focus group participants plus another 75 workers for a total of about 150 in each city/sector. The sampling approach was designed to maintain comparability across cities/sectors while allowing some flexibility to meet local circumstances. Where the MBO maintains a registry of members, it was possible to develop a stratified random sample

that was statistically representative of the MBO population. In cities where there was no accurate registry, the city team used a quota sampling approach. Local researchers worked with the MBO to identify the best possible sample based on circumstances. For Accra, two variables were used: 1) sex; and 2) location – whether the vendors traded in the city's Central markets or in non-Central locations. Central vendors were from Makola Traders Association, Kantamano Traders Association and Circle Traders Association. Non-Central vendors were from three branches of the Ga East Traders Association: Madina, Agbogba and Abokobi.

## **Vendors take over responsibility for cleaning the market or city when local authorities are negligent.**

Vendors in Central Accra said they pooled money to hire a waste management company to collect garbage from the market when it became clear that the Accra Metropolitan Assembly would not do it.

*We don't have a place to dump refuse generated from the market. The market becomes filthy and this keeps customers away.*

## **Perceptions & Relations With Governments**

### **On the positive side, local government helps vendors.**

- By designating a market and allocating space to vendors, the city helps build their businesses and avoid evictions or seizures of goods.
- The expansion of electricity to new settlements draws new residents and customers.

Negative perceptions were more common to vendors in this study, who perceive city officials and the national government as hostile, or at best indifferent, to vendors' rights and needs.

### **Vendors say local authorities do not provide an environment conducive for business.**

- Vendors cited municipal failures to provide electricity, pipe-borne water, and refuse disposal.

While most vendors have access to toilets, water and storage, quality of the facilities is inadequate.

- Vendors in a Central market identified garbage piling up as their most urgent concern. There are no designated refuse dump sites and the garbage cans provided by the city (at the insistence of the women) are not emptied. This makes for an unhealthy environment and hurts businesses.
- Non-Central vendors were concerned with factors that prevent customers from residing in their area. Women in one area listed bad roads as a big problem.
- Vendors in many areas identified erratic power supply. Power outages can bring business to a standstill, interfere with access to goods or raw materials, and even cause conflict with clients.

### **Demolition of trading spaces and confiscation or destruction of goods can devastate livelihoods.**

*We have to move our goods from point to point looking for places to sell. Sometimes our goods are destroyed and the business comes to a standstill, making us become poorer....*

### **Local governments are considered a hindrance to vendors' businesses.**

Vendors complained of harassment by authorities, corruption (demanding bribes), and lack of attention to maintenance of the market.

## **About IEMS and the Accra Research Partners**

These findings are based on research conducted in 2012 as part of the Informal Economy Monitoring Study (IEMS), a project under Inclusive Cities. Conducted over three years in 10 cities in Africa, Asia and Latin America, the study is examining how informal livelihoods are changing, how informal workers respond to these changes, and what institutions help or hinder their lives. Informal workers and their membership-based organizations (MBOs) are at the centre of the analysis. The project is led by Women in Informal Employment: Globalizing and Organizing (WIEGO). In Accra, WIEGO partnered with the Institute of Statistical, Social and Economic Research (ISSER) and StreetNet Ghana Alliance. See Note on page 2 for information on the sample and methodology.

## **About StreetNet Ghana Alliance**

StreetNet Ghana Alliance (SGA) is a national affiliate of StreetNet International, an alliance of market and street traders working around the world. Formed in 2003, SGA is composed of membership-based organizations (MBOs) of vendors, traders and hawkers collectively referred to in the IEMS research as "street vendors". Its primary objective is to promote and protect the rights and interests of street vendors. To achieve this, SGA aims to expand at district, regional and national levels; build the leadership capacity of women; collect, document and disseminate information; and engage in advocacy for policies that promote the interests of street vendors. The alliance has approximately 6,000 members in street and market trading, two thirds of whom are women. SGA partners with the Ghana Trades Union Congress (TUC).

## **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. See [www.inclusivecities.org](http://www.inclusivecities.org).

**To read the full IEMS city, sector and global reports, visit [inclusivecities.org/iems](http://inclusivecities.org/iems).**

## Policy Recommendations

These recommendations can help build an environment that is supportive of the working poor and conducive to vendors' livelihoods:

### Attitudes

Governments at all levels should recognize the contribution of street vendors to the economy through their participation in the production and distribution systems for goods and services, and through their taxes and other fees. Governments must shift from an adversarial position to one that acknowledges street/market vendors as citizens, residents and workers with a right to make a living.

More effective engagement of vendors with policy processes will advance this shift.

Greater attention should be paid to the impact of policies and the macroeconomic environment on informal livelihoods. Official analysis of macroeconomic and social policy should include reference to the effects on informal workers.

### Market Spaces

Market spaces create employment; demolition of market spaces destroy the businesses that workers struggle to establish, thus creating unemployment. Finding other spaces to trade was said to be difficult and expensive.

*Demolitions lose us customers. ...It is difficult maintaining the household and even more difficult to pay school fees for our children.*

The policy of removal of vendors and their goods from "unauthorized" locations should not happen unless the city can provide adequate alternatives.

Practices of harassment and eviction cost both local authorities and vendors, who must move their businesses elsewhere to make a living. Greater gains could be achieved on both sides through a process of dialogue to identify appropriate policies and practices.

For those without market spaces, concerted efforts should be made to designate and fairly allocate market spaces to them. A lack of space was especially acute for Accra's non-Central vendors.

### Work Environment

The government should respond to vendors' concrete suggestions for electricity, pipe-borne water, toilet facilities and refuse disposal. These basic services improve sanitation important to public health. Also, electricity and pipe-borne water were described by vendors as inputs for their work; for example, food sellers use water to cook, while tailors need electricity for their sewing machines.



*Informal street and market vendors make significant contributions to the economy. Photo: D. Mireku*

### Inclusive Decision-Making

Active engagement and inclusion of vendors at all stages when deciding on policies or practices is the best way for officials to support, rather than hinder, the businesses of these important economic actors.

The leaders of market associations regularly meet with the Accra Metropolitan Assembly. Other organizations representing vendors' interests should also be invited to the policy table to bring different voices and perspectives.

Market association leaders should be provided with training on policy processes and technical skills such as budgeting and budget analysis in order to be more effective in policy and planning discussions.

Capacity-building work related to advocacy should be supported.

### Differences Between Vendors

Policymakers must take the distinct differences between men and women and between Central and non-Central vendors into account.

- Male vendors reported higher total sales and smaller household sizes than women. Women's turnover was just 68 per cent of men's in Central locations and 74 per cent of men's in non-Central locations.
- Vendors in Central locations sell more than those in non-Central locations.
- Non-Central vendors have fewer amenities, like toilets and running water.