

Nakuru's Street Vendors: Realities & Recommendations

Informal workers make important contributions to their cities. The Informal Economy Monitoring Study (IEMS) is evaluating the realities that informal workers face, the forces that affect them, and their contributions to the urban economy. In Nakuru, 74 street vendors participated in focus group discussions and a survey was administered to 143 vendors.¹ The findings are summarized in this report and were used to develop relevant **policy recommendations** that appear on the last page.

Characteristics & Driving Forces

Informal work is essential to urban livelihoods and families' survival.

- 9 out of 10 surveyed street vendors said informal work is the main source of income for their household; few had a second job to supplement income.
- 56% reported *no other* workers in their household.
- 14% have a formal worker in the household, but only 4% said that formal employment provided the household's main income.
- 9% receive remittances; 2% access government grants; less than 1% have a pension.

Vendors struggle for survival – and their returns are diminishing.

Over 73% said their revenue had fallen in the preceding year.

A lack of capital is the most common and significant problem.

Without sufficient capital, vendors are unable to maintain stock levels. They lose customers. Several said that as a result, they are unable to meet their own daily needs, including for food, or pay to belong to an organization.

*"I really cannot participate in the [self help] group and that is because I lack capital."*²

Vendors reported depression, stress, low morale, debt and borrowing more to pay off loans.

A bad economic climate negatively impacts street vendors.

Disruptions in transport, rising fuel prices, power outages and high taxes all adversely affect the businesses of the street vendors.



"When the economy worsens, transport costs rise. Since our businesses are dependent on transport, increases in transportation costs will result in high prices of our goods."

- 84% said they expect prices for supplies—already their largest expense by far—will continue to climb. When prices increase, vendors lose customers.
- 83% believed competition for customers would also increase over the next year.

Local government policies and practices hinder businesses.

Vendors complained of the high cost of licenses and inadequate infrastructure. Harassment by officials—including arrests, bribes and confiscation of goods—was a big problem. These are discussed in detail in the next pages.

Street vendors are looking for better options to respond to hardships.

Street vendors have few responses to difficulty except to go without or to increase their debt. Institutional interventions were identified as potentially helpful. These include:

- more favourable interest rates
- less asset repossession
- better workplace infrastructure
- more affordable licences

¹ The sample consisted of 76 men, 65 women and two respondents whose sex was not recorded. All are members of the Kenya National Alliance of Street Vendors and Informal Traders (KENASVIT) and trade in the Central Business District, both within and outside "the stage." See **About IEMS and the Nakuru Research Partners** on page 3.

² Quotations used throughout this material are taken from focus groups held as part of this research.

Contributions & Linkages

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

Vendors pay taxes and license fees.

"...because we are many we pay a lot to Municipal Council of Nakuru."

Informal vendors' enterprises are linked to formal economic enterprises.

- 44% of vendors acquire the goods they sell from formal enterprises – the proportion is highest (49%) for those inside the stage.
- Street vendors deposit their daily revenue in formal banks.

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

- Virtually all vendors provide goods and/or services to the "general public"—which includes customers who work in and outside the formal economy.
- Over 10% had formal businesses among their customers.

"We provide quick services. There are customers who would not like to go to town to buy products so we deliver these goods, products, and services to small traders, therefore contributing to the growth of the city."

Vendors provide employment.

- Outside the stage, 27% of vendors pay someone to take over when they are unable to work.
- Street vendor businesses generate jobs for carriers, porters, security guards and storage space operators.

Street vendors help keep Nakuru clean by putting out garbage collection bags and cleaning up the surroundings where they work.

Street vendors are a vital part of the movement of goods from the producer to the consumer.

"We contribute to the growth of the town. We attract people because of the good service and customer relations. When we sell, the wholesaler also grows and our [national] economy grows; also the economy of Nakuru grows."

Street vendors buy a variety of goods to sell at different places. For example:

- Clothing is often bought in Nairobi and taken to Kenyatta Avenue or to the Brotherhood school.
- Vendors buy cereals from farms or from middlemen at the Soko Wakulima (farmers' market). Some cereal is sold to formal establishments (e.g. the Midland Hotel) or to institutions.
- Shoe shiners buy polish, shoe brushes and soap in the market and provide their shoe shining service along various streets.

Nakuru's vendors are significantly affected by value chain dynamics.

- Nearly 78% said they had too few customers; the same percentage reported low profits.
- Large variations in income impair the ability to plan.

Low population (a limited market), the risk of selling on credit, security issues and abuse by customers were some other problems the vendors cited.

"Customers needlessly insult you; saying 'Why did you not go to school?' Adding that if you had successfully gone to school, then you should have found a good job and not as a street vendor. These people think that street vending is not a job"

Location has a significant influence on working conditions for street vendors in Nakuru.

- Inside the stage, vendors are more likely to be mobile hawkers, with less stock and fewer expenses. Outside the stage, most businesses are operated in stalls.
 - Vendors inside the stage have stronger linkages to formal enterprises. Outside the stage, vendors are more likely to produce their own goods or source them from other street vendors.
 - Vendors outside the stage had significantly higher total sales than vendors at the stage.
 - Vendors outside the stage are six times more likely than those within the stage to have paid helpers who help during busy times or when the vendor is unable to work.
 - The average monthly storage fees and membership fees for street vendors outside the stage was twice that of their counterparts at the stage.
- Policies and practices must take differing realities into account when addressing vendors' needs.**

Harassment by the Municipal Council Askaris	
How vendors said they are affected	How vendors said they cope
We are arrested. High fines. No justice. We take losses when arrested. Our families are affected by the harassment.	We work for a few more hours. We bribe Municipal askaris. When fined, we are forced to borrow money from moneylenders or be jailed. We negotiate with local government to give us time to work.
Source: Focus group with five men from inside the stage, 23 July 2012	

Perceptions & Relations with Governments

Local government helps vendors, but also hinders them.

Vendors cited efforts by local government to allocate space for vending and provide licenses as helpful. However, vendors also cited several ways in which the municipality hinders their businesses.

Harassment by municipal officials places a great burden on street vendors.

Virtually all of the street vendors in the study identified harassment including arrests and confiscations of merchandise.

“They take the confiscated goods and give to their wives. To get your goods back is real stress. And it is difficult to ever get these goods.”

Bribes are sometimes demanded in exchange for allocation of space. Paying bribes reduces the earnings on which their households rely.

In one focus group, women complained that they were particularly harassed because of their sex.

There are signs of improvement, however. Nearly two-thirds of vendors thought incidents of harassment had gone down in the past year. This was more pronounced outside the stage.

About This IEMS Research

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 Nakuru, WIEGO partnered with the Kenya National Alliance of Street Vendors and Informal Traders (KENASVIT).

About KENASVIT

KENASVIT is a network of informal traders and street vendors. Started in 2002, KENASVIT was registered in 2006 under the Societies’ Act of 1968. Based in Nakuru, the organization currently has members in 14 urban areas of Kenya and plans to establish new branches. KENASVIT’s vision is “to transform street vending and informal businesses into corporate establishments.” Its mission is “to organize and empower street vendors and informal traders to improve their businesses through training, access to credit, dialogue with local authorities and other relevant institutions on appropriate by-laws and policies that would give recognition to and bring to an end harassment and discrimination against street vendors and informal traders.” Membership is through affiliated associations called Urban Alliances. In Nakuru the affiliate is Nakuru Street Traders and Hawkers Alliance (NASTHA), which was formed in 2003.

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 see www.inclusivecities.org.

To read the full city, sector and global reports, visit inclusivecities.org/iems.



As with all businesses, street vending requires local amenities to create an environment conducive for business. Vendors reported infrastructure problems and institutional obstacles.

- Lack of space for vending and for storage is a problem. One third of vendors have no access to storage facilities. Without storage, vendors can only purchase and sell small quantities of stock, which limits the growth potential of their enterprises.
- Lack of shelter, especially during bad weather, disrupts business.

“Our goods are even sometimes swept off by the winds. The dust also affects our goods. This is made worse by a low supply of goods – especially when the trucks that carry those goods to Nakuru are stuck on the roads.”

- Only 31% of vendors at the stage and 38% of vendors outside the stage can access running water.
- Almost 18% of vendors have no access to a toilet. This problem is particularly acute outside the stage.
- Vendors noted that the municipality should do more to improve drainage in markets and keep drains clear.
- More than 34% identified poor access to small business support centers as a hindrance.
- Nearly one third said occupational hazards affected safety.
- Licenses for vending, while considered a help, are too costly.

Policy Recommendations

Street vendors contribute to the urban economy as buyers, as distributors of goods and services to the public, as generators of jobs, and as taxpayers. They merit a policy framework that helps mitigate income loss and protects the earnings on which their households rely.

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

Inclusive Policy Environment

Given its significant role in the urban economy, the street vending sector in Nakuru should be provided with a statutory bargaining forum to engage in structured dialogue with local government. This forum should address deficits in working conditions that undermine livelihoods and limit household income. These include, in particular, fairness and transparency in licensing; the elimination of everyday harassment of vendors through an identity card programme and/or training of local security forces; and improvements in basic workplace infrastructure.

Productive Formal-Informal Linkages

The terms on which street vendors engage in transactions with private banks and formal sector suppliers should be monitored and regulated so that small and micro enterprise stability, productivity and growth are supported.

Access to Grants, Pensions, and Small Business Support

Households of street vendors and other informal workers should be targeted in eligibility and registration drives for government grants, pension schemes, and small business support facilities.

Participatory Urban Design

Street vendors and their membership-based organizations should work collaboratively with local government to design more appropriate vending zones and facilities inside the stage and at other natural markets where vendors and pedestrians congregate.

Local Economic Development Partnerships

Local government should identify mechanisms for local economic development partnerships with street vendors and other business actors, for example to support collective wholesale purchases by street vendors and boost overall demand for goods and services.