

The Urban Informal Workforce: Street Vendors

Street vendors provide access to a wide range of goods and services in public spaces. In many countries, street vendors represent a significant share of urban informal employment. The Informal Economy Monitoring Study (IEMS) examines the driving forces that shape their working conditions, their responses to these drivers, and the institutions that help or hinder their responses. Across five cities, 743 street vendors took part in the research (see box below). Quantitative and qualitative data were collected in collaboration with membership-based organizations in each city. The findings inform the policy recommendations on the last page of this report.

Street Vendors as Economic Agents

Street vending is an important source of employment in many cities.

- It accounts for 12-24% of total urban informal employment in many sub-Saharan African cities.¹
- In India, street vending makes up 14% of total (non-agricultural) urban informal employment.²

About IEMS and the 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 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. Three groups of informal workers – home-based workers, street vendors and waste pickers – and their membership-based organizations (MBOs) are involved (see Note on Sampling & Methodology, page 2). The project is led by Women in Informal Employment: Globalizing and Organizing (WIEGO).

Street vendors were studied in five cities. Research partners included their MBOs:

- Accra, Ghana:** StreetNet Ghana Alliance
- Ahmedabad, India:** Self-Employed Women's Association (SEWA)
- Durban, South Africa:** Asiye eTafuleni (AeT)
- Lima, Peru:** Federacion Departamental de Vendedores Ambulantes de Lima (FEDEVAL)
- Nakuru, Kenya:** Kenya National Alliance of Street Vendors and Informal Traders (KENASVIT)



Photo from Durban: A. Buckland

- Latin American cities also see high prevalence: in Lima, street vending accounts for 9% of total urban informal employment.³

Street vendors' work generates revenue for formal enterprises and city governments.

Over 50% of street vendors in the sample – and 77% of fruit and vegetable vendors – source their goods from formal sector suppliers.

- Nearly two thirds of street vendors make payments to their city government for a license, permit or access to public space for vending.
- Three in four street vendors pay for transport to and from the place where they work. One in four pay for lights, electricity, and/or water at the workplace.
- Half of street vendors pay to use public toilets; four in ten pay for access to a storage space.

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)⁴

Street vendors generate work for others.

- 84% of street vendors use the services of porters, guards, transport operators, storage providers, repairmen, delivery services, public toilets, childcare providers, or municipal services in their daily work process.

¹ ILO and WIEGO. 2013. *Women and Men in the Informal Economy: A Statistical Picture (Second Edition)*. Geneva: International Labour Office.

² Chen, Martha A. and G. Raveendran. 2011. *Urban Employment in India: Recent Trends and Patterns*. WIEGO Working Paper (Statistics) No. 7.

³ Ibid.

⁴ All quotations are from focus groups held in the city designated.

- One quarter of street vendors have either paid or unpaid helpers who learn skills from them.

We also contribute in reducing the unemployment rate because we employ those who need jobs to assist us on our tables, then pay them. (Durban)

Street vendors make efforts to keep the city clean, safe, and sociable.

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. (Accra)

We pay for the collection of solid waste. (Lima)

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. (Nakuru)

Our existence in a city adds to vibrancy; without us everything would be barren and non-lively. (Ahmedabad)

Economic activity generated through street trade contributes to growth and poverty reduction.

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)

Driving Forces in the Street Vending Sector

Legal access to a secure workspace is a key issue for street vendors.

- One in two vendors reported insecurity of their vending site as a significant problem. Many are unable to access a license or permit that would provide effective legal access to space.
- Focus groups in every city ranked abuse of authority as one of the most important drivers of working conditions in the sector, including police harassment, demands for bribes, arbitrary confiscations of merchandise, and physical abuse.
- Obtaining a license is most difficult for fruit and vegetable vendors: 7 of 10 reported that obtaining a license is a problem.
- Street vendors are twice as likely as market vendors to face insecurity of workplace.

There is abuse here on the streets especially towards women traders. They do not report these actions because they are afraid. (Durban)

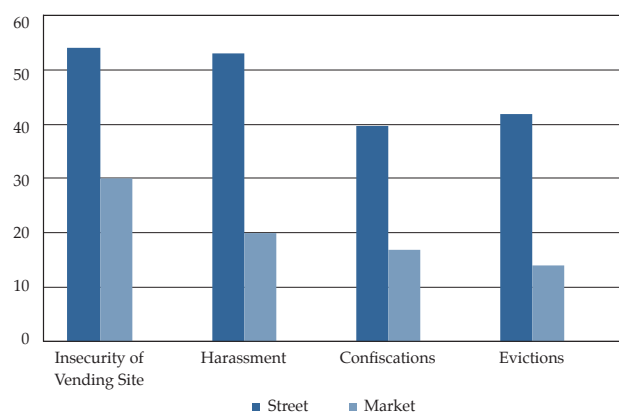


Photo from Accra: D. Mireku

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. (Nakuru)

Even if we do have permits the police still take our goods. The moment you go to the toilet, if you are not around your goods, by the time you come back it's all gone. (Durban)

Major Insecurities Encountered, by Place of Work (%)



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.

Note on Sampling & Methodology

The IEMS uses qualitative and quantitative methods. Informal workers' perceptions were captured in their own words through participatory focus groups held in each city/sector. A survey was subsequently administered to the 75 focus group participants in each city/sector plus another 75 workers (with some slight variations in sample size). The sampling approach was designed to

maintain comparability across cities/sectors while allowing flexibility to meet local circumstances. Where possible, the MBO developed a stratified random sample that was statistically representative of the MBO population. Where not possible, the city team used a quota sampling approach. Local researchers worked with the MBO to identify the best possible sample based on circumstances.

Urban infrastructure deficits undermine vendors' productivity.

- Two thirds of street vendors said that poor access to infrastructure was a problem in their work.
- Less than half have access to running water at the workplace. Inadequate access to clean water was a major concern of prepared food vendors.

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. (Nakuru)

- Insecure storage facilities resulted in theft or damage of stock for many vendors.

The problem is that we do not have safe storage to keep our goods. So most of the time our goods are stolen because of the break-ins that take place in the storage space. (Durban)

- Insufficient waste removal and sanitation services result in unhygienic market conditions and undermine vendors' sales.

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

Our sheds have been engulfed by filth. It's difficult to breathe in the market. (Accra)

Vendors pay a high price for licenses, but regulatory restrictions make it difficult to generate stable earnings.

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. (Lima)

The income is too little, and we have too many fees and levies to pay. (Nakuru)

Urban renewal projects and relocations disrupt street vendors' livelihoods.

We can't buy stock in quantity, because you don't know what's going to happen. If you knew the date [of the eviction], you could go ahead and buy as you normally would. (Lima)

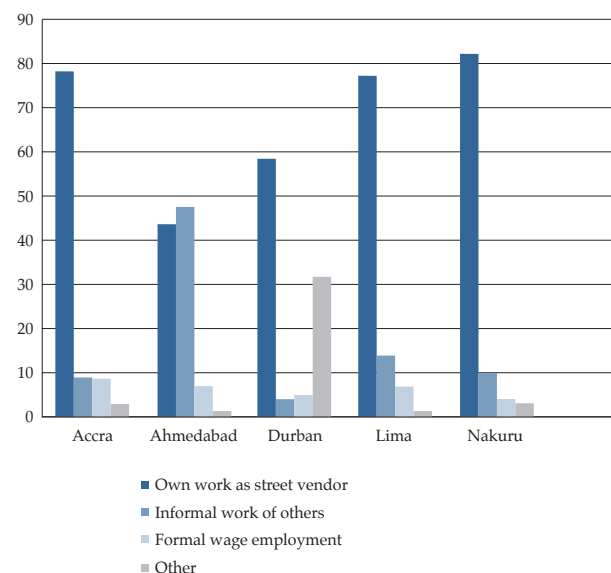
Implications for Households and Communities

- 68 per cent of street vendors live in households for which the main source of household income is street vending. The average number of household members among street vendors is 4.7.
- 62 per cent live in households for which there is no alternate source of income, such as government grants, unemployment insurance, rental income, remittances and pensions.
- In no city does formal wage employment provide more than 9 per cent of households with their primary source of income.



Photo from Lima

Main Source of Household Income for Street Vendors (%)



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



Photo from Nakuru: P. Mburu

Policy Recommendations for More Inclusive Cities

Urban planning and local economic development strategies

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 city's street vending population, and accommodate an appropriate number of vendors through licenses or permits that grant authority to work in public space.

Use of public space

It is important to recognize the need to accommodate street vendors in public space rather than (or in addition to) trying 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, sufficient earnings to support monthly rents. A number of systemic factors undermine their ability to purchase stock at scale, increase their earnings and save over time. These vendors are critically dependent on convenient access to consumers.

Licensing and permitting regimes

Cities should develop rules and regulations that offer an appropriate balance of legal protections for street vendors and sanctions against violations.

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.

Regulations should not grant discretionary powers to police officers to set fees or fines. Capacity building



Photo from Ahmedabad

should be offered to police officers and street vendors so that all stakeholders understand street vendors' rights along with their obligations.

Licenses and permits must allow reasonable flexibility to accommodate the daily work process of street vendors.

Urban infrastructure

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 attractive and hygienic; providing electricity and lighting would make the streets safer for everyone and support certain vending 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.



Inclusive Cities: 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.

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