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Street vendors and informal trading: Struggling for the right to trade

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Negotiations about international trade tend to have relevance for large firms or formal enterprises. But, asks Winnie Mitullah, what about the rights of the large number of workers in African cities involved in informal trade?

When one hears the word trade what comes to mind is the large-scale formal traders, and international trade organizations such as the World Trade Organisation (WTO) and regional organizations such as the Common Market for Eastern and Southern Africa (COMESA). While such traders and institutions are important, street vendors and informal trade, which provides employment and incomes to a significant percentage of people in Africa, in particular within the urban areas, hardly comes to mind.

Street and informal traders fall within the informal economy sector. The sector comprises one half to three quarters of non-agricultural employment in developing countries. Specifically, these figures amount to 48% of non agricultural employment in Africa, 51% in Latin America, 65% in Asia, and 72% in Sub-Saharan Africa, excluding South Africa. Employment in this sector operates without contracts, worker benefits or social protection, and most employees and individuals have no rights to organize and be represented.

The theme of the UN-HABITAT Global Campaign on good urban governance is the 'Inclusive City'. The campaign advances the position that an inclusive approach must be used for balancing, reconciling and trading off competing interests and priorities. In most cities the interests of micro and small enterprises such as street and informal traders are competing with those of medium and large-scale enterprises, with the former being disadvantaged. All types of enterprises in urban areas, whether micro, small, medium or large, should have the right not only to the Central Business District (CBD) but to all urban goods and services. The global campaign has noted that the notion of inclusion has different resonances in each region with exclusion of specific groups being most significant in some regions and exclusion of the poor majority more important in others. The campaign urges actors to discuss the question of 'who' in a particular city is excluded from 'what' and 'how'. This article demonstrates how street and informal traders are not integrated in urban planning and development.

Concepts such as participation, empowerment, and social inclusion have become buzzwords, and yet to the poor who are engaged in informal economic activities the concepts do not make much sense. In the usage of these concepts, emphasis is often placed on participatory development, and participatory political processes, rather than participatory market processes. Further, the proponents of democratic practices tend to focus on political democracy to the neglect of economic democracy, while the proponents of empowerment and voice tend to focus on individuals rather than collectivities. Street and informal traders are still to fully adopt joint action in dealing with urban authorities.

The human rights organizations responsible for the clamour for rights are still to adequately specify what they mean by economic rights or adequately strategise about how to claim or enforce worker rights. Even the micro financial institutions, whose clients work mainly within the

informal economy, have focused on financial services to the neglect of other business services and of how the wider policy and regulatory environment affects their clients. Most vendors rely on money-lenders or informal sources of credit in order to buy their merchandise. As a result, they pay exorbitant interest rates, and their businesses rarely grow beyond subsistence levels.

The Bellagio International Declaration of Street Vendors of November 1995 urged governments to develop national policies for hawkers and vendors by making them a part of the broader structural policies aimed at improving their standards of living by giving them legal status, issuing licenses and providing appropriate hawking zones in urban areas. The declaration further called on governments to integrate vendors into urban development plans. Since then, a number of global, regional and local associations have been established to protect the rights of street and informal traders. The global networks include the Women in Informal Employment Globalising and Organising (WIEGO) with a secretariat at the Harvard University, MA USA and StreetNet International with headquarters in Durban, South Africa. StreetNet has regional and local networks which have begun engaging urban authorities in policy dialogues, including issues relating to the right to trade in urban space.

Location of Trade

Street vending and informal trade is rampant in most developing country cities, and is a source of employment and income to a large percentage of urban households. The trade takes place at strategic points with heavy human traffic - along main roads, streets, parks, pavements, within shopping centers, and at prominent corners of streets and roads where traders are visible to pedestrians and motorists. The traders use different structures, including mats, gunny bags, tables, racks, wheel barrows, handcarts, and bicycle seats to display their goods. Some traders simply carry their commodities on their hands, heads and shoulders, while others hang their commodities on walls, trees and fences. An advanced but insignificant group of the traders construct temporary shades with stands for displaying their goods.

Challenges of Trade

The greatest challenge facing street and informal traders is with regards to site of operation and right to trading space. Most of the spaces traders occupy are considered illegal since the spaces have not been set aside for trade. In cases where they are allowed to operate, the spaces are considered temporary and eviction occurs at the will of urban authorities. There are various conflicts relating to their sites of operation. A major conflict often arises when the vendors are required to move in order to give way for planned development. This brings them into direct confrontation with urban authorities and land developers. Most of the spaces the traders occupy have no tenure, and are not allocated and sanctioned by urban authorities. At the same time, the traders are also in conflict with formal shop owners and landlords who contend that the traders infringe on their businesses and/or premises.

The spaces occupied by traders are open and expose traders to harsh environmental conditions. Most commodities of trade such as fruits, vegetables and clothes are affected by the harsh environmental conditions, consequently resulting in loss of earnings to the traders. Overall, street vendors and informal traders have been noted to be perhaps the most regulated and least protected. They trade illegally due to lack of recognition and licenses. The traders are known to identify trading sites on their own, leaving the urban authorities with few options, which include eviction, tolerating traders or charging a daily fee without providing any legal protection.

In cases of eviction, the traders are often provided with an option outside the (CBD) where there are hardly any customers. This option is based on an exclusion framework which reserves the CBD to large scale traders and businesses which urban authorities argue pay taxes as opposed to the street vendors and informal traders. This argument is false, and research has shown that when both daily fees and bribes to urban authorities are taken into consideration, the urban authorities collect more from traders than required. Research has further shown that daily fee

charges are more expensive than lump sum payment for a license. However, the street and informal traders make minimal profit and are not able to make lump sum payments.

Lack of a street trading licenses exposes traders to harassment and punitive measures, including confiscation of goods. During harassment, traders lose their commodities, with some closing their businesses after losing their capital goods. Research from a number of African cities reveals that having a license does not guarantee safety and recognition by urban authorities. In most cases, vendors are not issued with any identification showing that they have a legitimate right to sell their goods in urban streets. This exposes them to harassment, including confiscation of goods, assault and demands for bribes.

Until the dawn of governance reform programmes in Africa, licenses were largely commodities of trade peddled by either urban authority officials or those who had access to the urban authorities. This outcome is attributed to planning laws, which do not take into account the existence of street vendors and informal traders. In most cases, such planning laws locate the traders on the peripheral areas of the city where there is no business, without any consultation. The experience across Africa shows that traders never stick to such areas. They drift back to the centre, resulting in punitive measures from the city authorities. Most of the policies and regulations being enforced on street and market traders owe their origin to colonial policies, which were retrogressive with regards to small scale local enterprises. Street and informal traders require laws that recognize their economic activities as an important component of the urban economy, and ensure their right to trading space.

Apart from the right to trading space, street and informal traders are also disadvantaged in the area of security, transport and municipal services. A secure working environment is a pre-requisite for any type of business. Security is a major concern for many people engaged in economic activities on streets. Municipal authorities have been the major source of insecurity for these traders. The authorities harass, beat and confiscate goods of street vendors without any warning. This does not only threaten the security of vendors but also their customers. A study of cities in South Africa has noted that an insecure environment results in loss of customers, frightens tourists, cripples business, reduces incomes, and generally interferes with trading.

The insecurity in the streets is sometimes used as an excuse for evicting street traders. In many cities in Africa, trading spaces of street and informal traders are viewed by urban authorities as dens for thugs and robbers. In 2001 Kampala Municipal Authority used an increase in city theft and insecurity as grounds for evicting vendors from streets. While it may be true that criminals mingle with traders, an assumption that street vendors and informal traders are criminals is part of a scheme by urban elites to exclude street and informal traders from the development benefits of cities. A rights perspective requires urban authorities to identify and deal with culprits as opposed to condemning a whole sector of an urban economy.

Most vendors find it difficult to transport their commodities from their homes and markets to their trading sites. This is because most transport systems do not service the areas where vendors live, and in cases where they do, the vendors can hardly afford the service. In some cases, there are restrictions on what an individual can take on the bus, mini-bus or train. This forces vendors to carry their goods on their backs or to hire handcarts or human carriers to transport their goods. This is complicated further by lack of storage facilities, which makes the traders carry back to their homes unsold commodities.

Other services such as water and sanitation are also not available to vendors and consumers. Apart from a few cities in South Africa, street and informal traders operate without access to water and sanitation. A few of them rely on services from the neighbouring formal markets, hotels and bars; while the majority of vendors rely on unsafe water sources, unsanitary methods of refuse disposal and use of open spaces as sanitary facilities. Others obtain services from their homes or nearby residential areas. Cleansing services provided by urban authorities are

inadequate and do not cover trading areas of street and informal traders, nor do the urban authorities facilitate the provision of services by traders and other stakeholders. In cases where traders are organized, they clean their sites of operation or hire people to collect and dispose garbage.

The poor, in particular street and informal traders, are disadvantaged in trade at global, regional and local levels. Under pressure from rich countries, the barriers to international trade in goods and financial services and investment flows have been lowered to the advantage of capital over labour and of large firms over small and micro firms. The negative trade and policy processes largely disadvantage the wage workers and own account producers in the informal economy, and yet they are the majority poor who are the focus of current policies and development processes. The neglect of the micro and small traders has to be reversed if African countries are to change existing poverty trends.

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