

The Influence of Street Vending Business on Household Characteristics in Dar es Salaam and Coast Region in Tanzania

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Abstract: The aim of the study was to investigate on the influence of street vending business on its household characteristics in Dar es Salaam and Coast region. The study applied the Survey methods in data collection. Data were collected around bus stops along the Morogoro Road, in ten (10) different localities from Kimara bus stand (15 km) to Mlandizi which is 65 kilometers from Dar es Salaam city. A sample of 100 respondents were interviewed, 10 from each centre. Quantitative data were analyzed based on descriptive statistical analysis. Qualitative data were processed manually by applying the content analysis. The findings indicated positive relationship between the persons involved in business and household size. There was a blurred relationship on mobile street vendors with household characteristics. There were also observed positive relationship between static street vendors and household characteristics as a means to fulfill consumer demands at particular places. Policy makers and business stakeholder's needs to align their policies and plans in support on street vending business, which will influence better business performances at household levels in Tanzania.

Key words: Street vending, household, Tanzania, Africa.

I. INTRODUCTION

Street vending is defined as a global urban phenomenon as the type of informalized labor forces that performs trading activities in urban settings (De Soto, 1989; Portes, Castells and Benton, 1989). This type of micro business has been asserted as an instrument for creation of business opportunities and job (Graaff and Ha, 2015). The term informal business activities was for the first time coined in 1970s, whose understanding varied widely depending on which activities were regarded as "informal" (Mazhambe, 2017). In Africa the informal sector accounts almost 60% of informal workers and street vendors have large share (Turok & McGranahan, 2013). The informality of street vending business is associated with being neglected by the governments and hence illegality, thus makes the measurements on the number of street vendors to be difficult, as they are not included in the municipality and cities plans (Skinner, 2008). For despite the number of street vendors measurements is difficult, the number of street vendors has been growing from year to year, for example the street vendors in Dakar, Senegal accounts 13% of urban population, Lomé, Togo accounts 24% of the population and Kenya they accounts 5.2 % of the non-agriculture workforce (Skinner,

2008; Turok and McGranahan, 2013). In Dar es salaam they are estimated to account at about 1 million (Mramba, 2015). The fact that street vending continues to persist, with increasing numbers of young men and women getting involved, it deserves attention to study how it links with household characteristics

Referring family household characteristics and micro business growth in United Kingdom, Baines *et al.*, (2002) indicated a greater role of household involvement in business growth. However, Greenbank (2001) in his study on understanding the objective of micro business in the same country revealed a limited ambition on business growth on the owner managers of family households surveyed, rather than personal values. In South Africa, most of the street vending business which originates on family households do not grow to the next level (Fatoki, 2014). Therefore, with these contradictory findings on the links between household characteristics and micro business, there was a need to analyse the existing links between household characteristics and street vending business characteristics in Tanzania context, particularly in Dar es Salaam and the Coast region.

Most of the studies done in both developed and developing economies, particular in Africa, have scantily touched on assessing the links between household characteristics and the type of street vending business, that street vendors undertake. However also, there is scant information regarding the relationship between household and street vending in Dar es salaam and Coastal areas of Tanzania. For example the study done by Gebremarian *et al.*, (2004) in United States; Mramba *et al.*, (2016) in Tanzania; Lyons *et al* (2013) in Tanzania; Mazhambe (2017) in Harare Zimbabwe; Adhikari (2011) in Nepal have focused either on street vendors' performance, technology innovation, economic development or poverty reduction. This study has focused on the influence of street vending business on household characteristics in Dar es Salaam city and coast region, in Tanzania. The specific objectives of the study was to assess if there is any relationship between the income of street vendors and household characteristics, to establish if there is any relationship between the size of business performances of street vendors and the household size and also to establish the

relationship between mobile and static street vendors and household characteristics.

II. THEORETICAL AND EMPIRICAL LITERATURE REVIEW

Altruistic theory of household as described by Kantian Economic Approaches and models is that heads of family have got independent decisions, however other members in the family as per "Becker's Rotten Kid Theorem" which states that, their egocentric motives in their perceptions, will act altruistically, towards the common goal of the family heads households in making rational decisions (Schulze *et al.*, 2003). This means that the household decisions are centered on fulfilling the household decisions irrespective of the individual's decisions and perspectives of the matter. This theory is beneficial in enhancing performances of the business, because as the single persons cannot deteriorate the majority decisions of the household as all have the same vision and goals on business performances.

This study is based on the altruism theory due to the fact that, the benefits of one individuals in the family is related to the welfare of others (Schulze *et al.*, 2003). This means that the total efforts of street vending business performances is the sum of individual efforts of the households, as guided by the head of family or household, thus parents, guardians and children's depends upon each other (Schulze *et al.*, 2003). Advantages of this theory is that, it promotes better relationships in the households, which in turn enhances better household characteristics in terms of savings and consumption's patterns, and ultimately better business performances of the household (Eshel *et al.*, 1998; Quentin and Barnet, 2015)

2.1 Street Vending business and Household Characteristics in Tanzania

Tanzania like other East African Countries and Other Sub Saharan Countries have a decline in the manufacturing of products such that, there are few exported manufactured agricultural products (Park, 2018). As the results most of these countries have been importing much of the products from china (World bank, 2018). This business cycle has resulted in fall of industrialization and technological breakthroughs, and the emergence of the rampant street vending business for sustaining the standard of living of its communities. (World bank, 2018). This business cycle contributes to the economy but not to the extent when the country had manufacturing industries (Park, 2018). Its contribution is meager, and sometimes contributes only on subsistence living of the street vendors and their families. The repercussion of non-productivity for business exporting has resulted to unemployment and fewer wages, which has facilitated the growth of the street vending business, which has its roots from the house hold (Broadman, 2007). But the role and its impeding characteristics of households are not well established in its contribution of the growth of micro business of street vendors.

Household dynamics and the types of street vending business, the capital outlays within the family, and the influence of the family heads have relationships with the growth of the street vending in Tanzania (Kantis, *et al.*, 2012). In most literatures, empirical evidence has shown that most studies on street vending dwells on the determinants of macro and micro economic factors, social infrastructure, technology breakthroughs, the policies and business techniques and its linkage with street vending business. Few literatures have touched on the household characteristics and its influence on the type of street vending business and its growth, especially in developing countries in the Tanzanian context (Malefakis, 2015). For instance, most study of street vending business in Tanzania, have focused on challenges faced on small business operations and prospects (Mfaume and Leonard, 2004); doing business reforms in Tanzania for street vending business (Lyon *et al.*, 2014); income generation, use of technology (Mramba, 2015; Mramba *et al.*, 2016); Capital inadequacy and resilience on street vending business in morogoro, Tanzania (Munishi and Casmir, 2019). so there is a need to examine the influence of street vending business on the household characteristics in Dar e salaam and cost region in term of income, types of business performed and the family size of street vendors.

2.2 Relationship between income, Family and the Type of Business Performances.

The economic measurement of any country is the Gross Domestic Products (GDP). GDP is the indicator on the level of the country's economic growth that affects the income of the family and thus determines the family size, the capital formation and expenditures of the household and the ability to execute the selected type of business (World Bank, 2018). In most developed countries like United Kingdom and United States of America, income differences, family size has relationship with business startups, performances and growth (White, 2015). This implies that the differences in terms of income in developed countries have the repercussions on the family size, the social structure and the income earned. That means the smaller the family, the more time for business opportunities and innovation, and it implies the small the income gap, which give rise into more financial accessibility, which results into more market opportunities, that enhances more business creativity and innovation. This is contrary to the situation in developing countries, where income inequality is high which affects technological breakthroughs and business innovations, social and business networks that had its effects on productivity and doing business, which also has its root cause on effects on the household holdings (White, 2015). Household income and street vending business success have direct relationship, this implies that the success in acquiring resources, mentoring and giving support in the process of starting the business and in the period of growth has a spill over effects on household income growth (Adhikari, 2012)).

III. METHODOLOGY

The study aimed at investigating the influence of street vending business on household characteristics in Dar es Salaam city and Coast region. The study was based on positivism stance, thus the studied phenomenon were independent of the researchers opinions and attitudes (Raphael, 2016). The study used the Survey method in data collection due to the fact that the approaches of the study was deductive (Prof & Burney, 2008). The variables under study measured were the nature and size of business, the value of business and type of street vendors which were regarded as independent variables. Dependent variable were household characteristics including the numbers of member of the family. The analysis of types of products was mainly based on agricultural and industrial products, though specific types of products were as well, determined.

In order to answer the research objectives of the study both qualitative and quantitative approaches were employed. Primary data were collected using a structured questionnaire and interview guides. Data were collected along Morogoro Road, at ten (10) different localities from Kimara bus stand (15 km) to Mlandizi which is 65 kilometres from Dar es Salaam city. A sample of 100 respondents were interviewed, 10 from each centre whereby the respondents were 54 male and 46 females; thus, the gender consideration was emphasized. Descriptive statistics analysis was applied on quantitative data; which were processed using the SPSS; whereby. Qualitative data were processed manually by applying the content analysis.

IV. RESULTS AND DISCUSSION

4.1 Typology of Street Vendors of Dar es Salaam and Coast Region by Nature of Business

Regarding the types of street vendors, the nature of street vending business and its relationship with household characteristics the followings surveyed data explains its relationships

4.2 Household size of street vendors and the Estimated Value of their Business

Table 4.1 indicates the household size of street vendors and the value of their business. The study wanted to look on the link between the value of business and household size. From the data below, it is evident that few street vendors, i.e. 9% (9) have sales net worth valued at Tshs 250,000 and above, and the second 2% (2) have value of 200,001 shillings to 250,000 shillings and the remained 89% (89) have business value less than 250,000 shillings. From the data below, it is clear evidence the larger the household size the lower the value of business.

Therefore, this paper has contribution on the current discussion of street vending activities and its benefits on economic growth, in developing countries, with the emphasis that, the growth of household can have negative effects on

small business growth and operations. The findings of this study are in consistent with other studies which indicated that the street vending business fails to grow in business at high level in Africa due to the low-income patters, poor business planning and operations (Bisseker, 2014). These also are limiting factors in household management, as the increase in the number of household size, has indicated decrease in business value, which has a root cause of poor business planning and operations within the households.

Business Value (in Tanzania Shillings)	Frequency	Percent	Valid Percent	Cumulative Percent
10,000 - 50,000	25	25.0	25.0	25.0
50,001 - 100,000	13	13.0	13.0	38.0
100,001 - 150,000	39	9.0	9.0	47.0
150,001 - 200,000	12	12.0	12.0	59.0
200,001 - 250,000	2	2.0	2.0	61.0
250,000+	9	39.0	39.0	100.0
Total	100	100.0	100.0	

Source, Field data, 2017

4.3 Number of Street Vendors of Dar es Salaam and Coast Region and the Household characteristics

Regarding the number of street vendors performing in business and the household size, there was need to establish the existing linkages between the two variables. that is the number of street vendors and the household size and the data in Table 4.2 indicated that, there were large numbers of street vendors, that is almost 86% (86 of street vendors were from household range of 1 to 5 persons. The remaining 14 % (14 of street vendors constituted household of 6 to 10 persons. This shows the relationship on how the small the household size the more the numbers of persons participating in business. These findings are in support with Kantis et al., (2012) findings, which revealed that the differences in terms of income in small business have the repercussions in the family size, the social structure and the income earned. That means the smaller the family, the more time for business opportunities and innovation, the small the income gap, which give rise into more financial accessibility.

Household size	Frequency	Percent	Valid Percent	Cumulative Percent
1	18	18.0	18.0	18.0
2-3	34	34.0	34.0	52.0
4-5	34	34.0	34.0	86.0

	6-7	11	11.0	11.0	97.0
	8-9	2	2.0	2.0	99.0
	10+	1	1.0	1.0	100.0
	Total	100	100.0	100.0	

Source; Field data,2017

4.4 Mobile street vendors, Static Street Vendors, and their relationship with Household characteristics

There was need to establish the existing linkages between mobile and static vendors and their relationship with household characteristics. Survey data in Table 4.3 indicate that large numbers of street vendors, i.e. 75% were stationary, meaning that they had their business conducted at a specific site and their household were within the vicinity of their business premises. Such businesses include food, fruit and charcoal/firewood selling points. Stationary street vending was mentioned to be less tiring as the seller was not required to move seeking for customers. Such vendors had the advantage of having their selling points and nature of the products they sale known to the neighboring customers, hence in a way being certain of selling their products daily.

The remaining 25% constituted mobile street vendors. These are the ones who keep moving with their products seeking for customers along the way. They are known for covering long distances as they conduct their business. The mobile street vendors have the advantage of meeting customers on their mobility. Sometimes, if not most of the time, they may happen to sell products to people who make decision to buy just because they have seen a particular product they need. Wide varieties of products ranging from consumer products to industrial products were found being sold by the mobile street vendors. This study is in contrary with the study done by Sean *et al.*, (2011) in Bronx county in New York, United states where the mobile street vending especially on foods were many than the static street vendors.

		Freq uenc y	Percent	Valid Percent	Cumulative Percent
V a l i d	Mobile	25	25.0	25.0	25.0
	Stationary	75	75.0	75.0	100.0
	Total	100	100.0	100.0	

Source, Field data, 2017

Table 4.4 Distribution of Respondents by Location and Nature of their Business

S N	LOCATION	Mobile	Stationary
1	Kimara Mwisho	2	8
2	Kimara Temboni	0	10
3	Mbezi Mwisho	8	2
4	Kibamba	3	7
5	Kiluvya	1	9

6	Kibaha	5	5
7	Kibaha Kwa Matias	1	9
8	Kongowe	2	8
9	Visiga	0	10
10	Mlandizi	3	7
	TOTAL	25	75

Source, Field data, 2017

V. CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

The specific objectives of the study were to assess if there is any relationship between the income of street vendors and household characteristics, to establish if there is any relationship between the value of business performances of street vendors and the household size and also to establish the relationship between mobile and static street vendors and household characteristics.

The findings of the study have shown, there is positive relationship between the small the household size and the persons involved in business, that is, the more the numbers of persons participating in business the small the household and vice versa.

In addition, there was a marked positive relationship noted between the street vendors' value of business and the household size, that larger household size has very small business value. The findings revealed that the amount of capital invested with the smaller the household size of street vendors had high business value.

The findings of the study are in consistent with the Altruistic theory which insists on the collective benefits of the society, in its decision making and proper utilization of the household resources for better future prospects, which results into better relationships among the households, which in turn improves the business performances (Eshel *et al.*, 1998)

There was blurred relationship between mobile street vendors with household characteristics as it was observed that the majority of mobile street vendors were moving following the consumers demands from rural households to the cities. The mobile street vendors came from households irrespective of their sizes.

A positive relationship was also observed between static street vendors and household characteristics, as most of the household were living on the vicinity of their business premises, as a means to fulfill consumer demand at a particular place on with particular types of both consumer's products and industrial products; thus to fulfill certain household needs which are further away from the city of Dar es salaam and Coast region.

VI. RECOMMENDATIONS

There is a need of the government and business stakeholders to intervene to reduce the high poverty gap of households, as there is high income inequality in households, which affects business productivity and growth. This could be mitigated by ensuring the majority of street vendors have an opportunity to improve their business performances. This can be achieved in case policy makers and business stakeholder's align policies formulation to support and modernize the street vending business with better working environment such as latest technology.

There is a need of having developing plans in support the fast-growing informal sectors through training and giving them better business opportunities, such as credit and saving facilities, value additions for promotion of small-scale industrializations after effective and output-oriented business training opportunities

There is a need of most household to engage more in street vending business in a more innovative way, as few households were successfully involving in street vending business with high business values (income).

Formal recognition of the street vending business, by the policy makers, will make this informal sector to be innovative, creative; an aspect which can make them better entrepreneurs who can compete in national and international markets and remove the family and/or household burden of dependency and poverty.

Further studies regarding street vending links with household characteristics, needs to be done, with the fact that the study was done only in two regions out of more than 26 regions of Tanzania. that the sample may sometimes not be the actual representation of the entire population, regarding street vending and household characteristics in Tanzania

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