Influence of Urbanization on Street Vending Business in Dar es Salaam and Coast Regions of Tanzania

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Abstract: The overall objective of the paper was to establish the links between urbanization and the types of small business. The study assessed whether various types of street vendors by categories of goods they sold, nature and the number of street vendors had relationship with urbanization. The study was conducted in Dar es Salaam and Coast Regions to investigate the nexus between expansion of cities and the changing types of street vending business in Tanzania.

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 kilometres from Dar es salaam city centre. A sample of 100 respondents were interviewed, 10 from each centre; and gender considerations was emphasized. Interviews that used semi-structured questionnaires were employed in data collection. Data were processed by using the Statistical Package for Social Scientists (SPSS); whereby descriptive statistics were computed. Qualitative data were processed manually by applying the content analysis. The findings indicated a positive relationship between mobile street vendors and urbanization as the numbers of mobile street vendors increased with higher levels of urbanization. However, the study unveiled a negative relationship between types of products sold by street vendors and urbanization. Moreover, the study demonstrated dominance of consumer products on street vending selling behaviour. The study recommends that street vendors’ business environment be improved by local government, central government, and private sector to align their policies and plans in supporting this fast growing informal sector. The needs of formalization of the street vending activities is of great significance too.

Key words: Street vending, urbanization, Dar es Salaam, Coast Region.

I. INTRODUCTION

Urbanization is defined as a process of expansion of towns and cities to areas which were predominantly rural characterized by primary economic activities mainly agriculture. This is due to both natural population increase as well as rural to urban migration(Tacoli, 2017). Peri-urban growth patterns are shaping most of the urban development in sub Saharan Africa accommodating most of demographic expansion in cities (Ricci, 2011). However, There are two observation on the concept of urbanization by researchers, the one is discouraging on the movement of population in urban and peri urban areas and regard is as destructive and unproductive, while the other regards it as the innovative measure orchestrated by the rural population that has an advantage of improving the living standards of small business and the economy of both developing and developed countries(Tacoli, 2017). Turok and McGranahan(2013) argued that Urbanization can have a positive impact on the economic growth as the case of china, due to investment on infrastructure development and social services in urban area, but countries can have little impact on urbanization growth, if is not well connected with infrastructure and social services. As the case of china, urbanization had a better spill over effects on economic growth, as it has made the average income of the urban population to increase three times as it was in the 1980s, which is contrary to the case of India.(Turok & McGranahan, 2013). The rate of economic growth can not only be linked with urbanization, but will also depend on the type of urbanization and the economic forces implemented by a particular country.(Turok & McGranahan, 2013). Tacoli, 2017 et al, argue that Urbanization is the situation in which the share of the urban population is increasing and it is a different concept with the urban population growth, since when the urban population is increasing and the rural population is increasing in the same rate, there will be no urbanization. This study refers urbanization as the movement of the local population in Tanzania from rural to peri urban and urban areas for the intention of performing business and in turn enhance the living standards of the individual and stimulate economic development(Journal & Mar, 2018).

The concept of urbanization growth patterns, if properly implemented by the specific country, the repercussions is an increase in different types of economic activities such as manufacturing and business particularly small scale trade, which tend to replace traditional ones. Urbanization is central to national growth as it prompts rural-urban migration for jobs which are more productive and better paid (Collier and Jones, 2016). Most scholars have written on the challenges and opportunities of urbanization in both developed and developing countries particularly in Africa. For example the study done by Mcgranahan and Turok (2013) on the Urbanization and economic growth, the arguments and evidence for Africa and Asia, Njoy, (2003) Urbanization and development in Sub Saharan Africa, Deborah, (2009) on the slowing of the Africa Urbanization. But a few have tried to link it with economic activities especially on street vending activities, in particular. Due to the fact that, developing economies in African countries are moving on the free market principles, and the fact that, street vending activities are associated with urbanization due to the mass influx which cannot be accommodated in cities, which give rise in
there is a linkage between street vending business, urbanization for enhancement of economic growth. Therefore, better business opportunities are expected to emerge out of better plans of urbanization and transportation networks that link both local and international markets (Spence et al., 2009; World Bank, 2009). This will be attained effectively if street vending business is recognized by government authorities in Africa especially in Tanzania, by being incorporated in government plans and policies (Haule & Chille, 2018). This explanation implies that, discussion on urbanization and its linkage with street vending business in order to understand its contribution in economic development and business growth remains inevitable (World Bank, 2008; Venables, 2010; Henderson, 2005, 2010).

Street vending, therefore, 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). 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” (Graaff and Ha, 2015). 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 neglect by the governments and hence illegality, this 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, Lome, Togo (24%), Kenya they accounts 5.2% of the non-agriculture workforce. 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 urbanization.

Referring urbanization growth in the city of Dar es Salaam, there was a growth of more than 6% of population, between year 2002 and 2012, whereby more than 70% is accounted for by rural urban migration (Wenban-, 2014). Tanzania is currently 30% urban and it is expected to reach 50% by year 2030; and that the urban population is expected to triple in 34 years’ period (Collier and Jones, 2016).

Therefore, the need to analyse the existing links between urbanization and street vending business characteristics in Africa and Tanzania, particularly in Dar es Salaam and the Coast region, is important in fostering economic development within urban settings. It is of great importance to establish the existing business dynamics of street vending business with a consideration of expansionist character which is the character of the population moving to the urban centres.

However, most of the studies done in both developed and developing economies, particular in Africa, have scantily touched on assessing the links between urbanization and the type of small business that street vendors undertake. However also, there is scant information regarding the relationship between urbanization and street vending in Dar es Salaam and Coastal areas of Tanzania. For example the study done by Gebremariam et al (2004) in United States; Mramba et al (2016) in Tanzania; Lyons et al (2012) 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 urbanization on street vending business in Tanzania. The study investigated the nexus between expansion of cities and the changing types of street vending business in Tanzania.

In Dar es Salaam city and coast region, Tanzania, where this study was undertaken, street vending expands at unprecedented rate (Collier and Jones, 2016), though little has been done to establish on how such businesses relate to urbanization in terms of the existence of causations between the two. The paper set to unveil the existing relationship between street vending business and urbanization in Dar es Salaam and the Coast region as the case study, which is one of the critical steps towards sustainable urban development in Tanzania. The specific objectives of the study was to assess if there is any relationship between types of products sold by street vendors and urbanization and to establish if there is any relationship between the type of street vendors and the urbanization.

II. THEORETICAL AND EMPIRICAL LITERATURE REVIEW

The linkage between urbanization and the types of small business are described with finding the relationship between small business and urbanization and how it affects business growth, such that when investigating the root causes of small business in peri-urban areas, small wages, and unemployment were mentioned to be proxy factors. In this way, small businesses were mainly observed to be a coping strategy for survival (Briggs and Mwamfupe, 1999). Whether this finding remains true for Tanzania, is an aspect that needs validation. Mandere et al. (2010) had a similar observation that most of households in peri-urban Nyahururu were engaged in-farm low income productive activities but some had high income activities compared to their rural counterpart parts of the same district. One needs to establish also whether there is any causation between households’ income levels, urbanization, the level of socio-economic development of the relevant locations and the types of small business undertaken at a particular society.

According to the Tanzania Household Budget Survey done by the National of Bureau Statistics (NBS) in 2011/12, about 28.2% of Tanzanian populations live in absolute poverty based on the national poverty line of Tanzanian Shillings.
36,482 per adult equivalent per month which is equivalent to 16.2 US Dollar per month in 2012 prices (NBS, 2014). Thus, most population depend on subsistence purchasing and living, thus necessitating the existence of street vendors. This is a general result of the increasing poverty among the rural and urban population. The growing income gap between the rich and poor is widening, while at the same time prices of goods and products of street vendors are regarded as always cheap. Although, in the poor urban suburbs, street vendors carry a heavier burden as they are always suppressed by local authorities and city planners (Chen & Skinner, 2014) due to unavailability of trade policy and regulations that guides street vending activities in Tanzania.

Although street vendors are always humiliated with impunity, partly due to their low education level and their scanty knowledge and skills on how to manage their businesses, their contribution in assisting availability of products and services to consumers in the society is substantial, their role in selling goods in the urban areas of the cities and growth of business is very important, as there are demands from the urban populations. Most of street vendors depend on walking while vending, which consume their time and energy. Whether changing to non-formal low income businesses and its mobility is a survival strategy or just an alternative activity, is an issue which needs to be determined. However, there are also street vendors who are static in a particular location in Dar es Salaam and Coast regions. The paper, therefore, unveiled their business characteristics and their relationships with the urbanizing cities in Tanzania.

According to the World Bank data published in 2016, there were estimated 767 million people living on 1.90 US Dollar per day, while a majority of the world’s absolute poor are from developing countries, and in most cases Sub Saharan African (SSA) countries, where the level of poverty reduction is still slow (World Bank, 2017). Worldwide, Urbanization in both developed and developing countries have triggered the need of formalization of street vending in some countries (Steck et al., 2013), thus making cities and local authorities forcibly removing street vendors from some places with impunity by using city council soldiers. The intention is removing informal business in urban areas and public spaces. However, despite such plans and efforts, still street vendors are increasing in numbers while they move from one place to another, mostly to invade peri-urban centres of cities in both developed and developing countries.

Research on street vending as well as its dynamics in business and its contribution to urbanization is of interest, particularly in how street vendors operate their businesses and how their business can increase economic welfare of the local communities and the needs of formalization. Several authors have written much referring to street vendors and the problems facing them in their business (Hornett and Fredrick, 2005).

2.1 Lewis model of Dual economy, its Implications in Business Success and Urbanization

There are few studies discussing the linkage of street vending and urbanization within the framework of Lewis theory in Tanzania. (Ercolani, 2010) Lewis theory explains the emergence of business growth in urban centres which is attributed by economic growth which is attained by rapid accumulation in the non-agricultural sectors (industrial and service) (Roever & Skinner, 2016), which is facilitated by drawing surplus labour from agricultural sector. The Lewis(1954) dualistic theory of economic development emphasize that taking of the surplus of labour in agricultural production, and brings the labour forces in non-agricultural activities will have the spill over effects on economic development, and this is the source of the labour movement from rural centres to the urban centres (Zaheer & Kadri, n.d.). The structural Adjustment programme in the 1990s in Tanzania, which gave rise into to the market liberalization, have led to the increase in business opportunities and consumers demands. This has reinforced on the influx of the labour forces in major cities and towns (Amoah-Mensah, 2016). Later the Lewis theory was coined with Ranis and Fei(1961), which defined the dualistic economic development in three phases as the breakout point, which results into reduction in agricultural labour, the shortage point which leads to economic growth with disguised agricultural unemployment and commercialization point which leads to the self-sustaining economic growth with the commercialization of the agricultural sector (Zaheer & Kadri, n.d.). Therefore the study wanted to assess the relationship of the migration of the street vendors and their businesses from rural to urban with the theory.

2.2 Effects of Urbanization, Location and Social services on Small Business

The best location around the vicinity of industrial and consumer products, availability of raw materials, availability of infrastructure are some of the important factor for small business development growth. (Minai and Luck, 2011). Therefore, location is an important factor that influences success or failure of business. The better the location with social services and availability of products and services, the better the business opportunities and the income of the street vendors. However this situation will be affected by business environmental factors such as local government policies, availability of goods and services needed by customers. These factors have positive and negative influence on urbanization and small business growth. Therefore, if you look well on this , one can argue that. local government laws and policies such as the Urban planning Act 2007 dictates success or failure of street vendors in Tanzania, this is due to the fact that street vendors are sometimes displaced and humiliated which results into loss of their belongings. The converse if also true that, if the policy is well implemented will have positive influence on street vending business and economic growth of the country.
For establishing the link between urbanization, small business growth, productivity and urbanization in developing and developed countries, Tusk and McGranahan (2013), explained that, there are more than 50 percent of the Chinese people who are living in urban centres. This has been contributed by rapid urbanization which reinforces better infrastructure and enabling environment on business growth. Urbanization in many cases goes with the expansion of cities and infrastructure. For example, crude oil pipeline project in Chongoleani village in Tanga region, Tanzania, has brought about many expectations on expansion and emergence of small business to local entrepreneurs in the area (The Citizen, 6th August, 2017). Therefore, urbanization creates influx of business opportunities and emergence of small business as the cost of doing business is reduced with the availability of better infrastructure. Thus, if the available local government laws and policies that favour city expansion support the street vending business, there will be much emergence of small business and thus will alleviate poverty and stimulate development in specific communities.

III. METHODOLOGY

The study investigated the links between small businesses of street vendors and urbanization in Dar es Salaam city and Coast region due to limited time and resources of undertaking the study, various cost effective methods of assessing the informal sector activities were used. While distance urbanization was considered to decrease with increasing distance away from the city centre, types of products sold were used to determine the characteristics of street vending business. The analysis of types of products was mainly based on agricultural and industrial products, though specific types of products were as well assessed.

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 female; thus the gender consideration was emphasized. Quantitative data were processed using the SPSS; whereby descriptive statistics were computed. Qualitative data were processed manually by applying the content analysis.

IV. RESULTS AND DISCUSSION

4.1 Categories of Goods Observed being sold by Street Vendors

The first objective of the study was to assess if there is any relationship between types of products sold by street vendors and urbanization. The findings of the study on examining the two variables are as described in figure 2; which shows the types of products sold by street vendors which were: fruits, spices, vegetables, industrial products, clothes, soft drinks, snacks, charcoal and firewood. From the data below, it was evidenced that 25% of the vendors sold fruits as the dominant type of products, and the second largest types of products were other food items (18%), followed by soft drinks, which represented 15% and industrial products which accounted for 13% of the street vendors.

For the matter of this study, industrial products included cell phone chargers, small radios, watches, compact disks, make ups cigarettes, vouchers, electric lights and soaps. From the figure 2 it demonstrates clearly that there is a variation in consumer demands on products and the majority of street vendors sell consumers products types but the findings did not show any links with urbanization.

Figure 2: Distribution of Respondents by their First Main Selling Products. (Source, field data, 2017)

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

The second objective was to establish if there is any relationship between the type of street vendors and the urbanization. This was done by looking on the types of street vendors, the nature of street vending business and its relationship with urbanization, there was a need to establish the existing linkages between the two variables. The data in Table 1 indicate that large numbers of street vendors, i.e. 75% were stationary, meaning that they had their business conducted at specific sites. Such businesses included fruits, other food items and charcoal/firewood selling points. Stationary street vending was mentioned to be less tiring as the seller was not required to move seeking customers. Such vendors had the advantage of having their selling points and nature of the products they sold known to potential customers, hence in a way being certain of selling their products daily.

The remaining 25% constituted mobile street vendors. These were the ones who kept moving with their products seeking customers along the way. They are known for covering long distances as they conduct their businesses. The mobile street
vendors have the advantage of meeting customers along the way. 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. A wide variety of products ranging from agricultural products to industrial products were found being sold by the mobile street vendors.

Table 1: Distribution of respondents by location and nature of their business

<table>
<thead>
<tr>
<th>SN</th>
<th>Location</th>
<th>Mobile</th>
<th>Stationary</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Kimara Mwisho</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>2</td>
<td>Kimara Temboni</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>3</td>
<td>Mbezi Mwisho</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>Kibamba</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>5</td>
<td>Kiluvya</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>6</td>
<td>Kibaha</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>7</td>
<td>Kibaha Kwa Matias</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>8</td>
<td>Kongowe</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>9</td>
<td>Visiga</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>10</td>
<td>Mlandizi</td>
<td>3</td>
<td>7</td>
</tr>
</tbody>
</table>

Source; Field Study, 2017

4.3 The Linkages between Urbanization and Nature of Street Vendors by Products They Sale

The data in Table 1 show an interesting pattern regarding distribution of stationary street vendors. The vendors were clustered closer to Dar es Salaam city, i.e. Kimara Mwisho (8), Temboni (10); and the furthest localities, i.e. Kwa Mathias (9), Kongowe (8) Visiga, and (10) Mlandizi (7) that the closer the vicinity to the city of Dar es Salaam and some of the urban areas of the Coast regions, had the larger the numbers of stationary street vending business. There were intermittent variations on numbers of stationary street vendors along the Morogoro Road. No special inference could be made regarding how stationary street vendors were located in respect to distance away from the city centre. Therefore, blurred linkages could be established between the two variables.

The results imply that, with regard to mobile street vendors, as one moves from Mlandizi to the city of Dar es Salaam through Visiga to Kimara, the numbers of mobile street vendors increased. It may be observed there was an increase in the number of mobile street vendors with decreasing distance away from rural to the city centre. Therefore there was appositive relationship between urbanization and mobile street vendors Therefore, this finding coincides with the Lewis model of dual economy that the more the urbanized the areas are, the more the business opportunities coupled with the overt rapid increase in population growth in most cities in Tanzania. This also demonstrates a positive relationship with the increase in the customers’ needs and wants (demands) over the products generated in urban areas.

General observation indicates that those localities with clustered stationary street vendors have feeder roads that tend to bring some customers from rural areas. Such localities include Kibamba, Kiluvya and Mwa Mathias.

Table 2: Business Locations and Nature of Business and Urbanization

<table>
<thead>
<tr>
<th>SN</th>
<th>Location</th>
<th>Mobile</th>
<th>Stationary</th>
<th>Level of Urbanization</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Kimara Mwisho</td>
<td>2</td>
<td>8</td>
<td>Urban</td>
</tr>
<tr>
<td>2</td>
<td>Kimara Temboni</td>
<td>0</td>
<td>10</td>
<td>Urban</td>
</tr>
<tr>
<td>3</td>
<td>Mbezi Mwisho</td>
<td>8</td>
<td>2</td>
<td>Urban</td>
</tr>
<tr>
<td>4</td>
<td>Kibamba</td>
<td>3</td>
<td>7</td>
<td>Semi Urban</td>
</tr>
<tr>
<td>5</td>
<td>Kiluvya</td>
<td>1</td>
<td>9</td>
<td>Semi Urban</td>
</tr>
<tr>
<td>6</td>
<td>Kibaha</td>
<td>5</td>
<td>5</td>
<td>Urban</td>
</tr>
<tr>
<td>7</td>
<td>Kwa Mathias</td>
<td>1</td>
<td>9</td>
<td>Urban</td>
</tr>
<tr>
<td>8</td>
<td>Kongowe</td>
<td>2</td>
<td>8</td>
<td>Rural-Urban</td>
</tr>
<tr>
<td>9</td>
<td>Visiga</td>
<td>0</td>
<td>10</td>
<td>Rural-Urban</td>
</tr>
<tr>
<td>10</td>
<td>Mlandizi</td>
<td>3</td>
<td>7</td>
<td>Semi Urban</td>
</tr>
</tbody>
</table>

Source; Field Study, 2017

V. CONCLUSIONS AND RECOMMENDATIONS

The objectives of the study was assess if there is any relationship between types of products sold by street vendors and urbanization and the second objective was to establish if there is any relationship between the type of street vendors and the urbanization, the findings of the study have shown that, there was blurred relationship between the types of products with urbanization

In addition there was a positive relationship between mobile street vendors and urbanization based on an increasing numbers of street vendors which was observed as one moves towards the city centre, hence showing a positive relationship between the mobile street vending business and urbanization.

The findings of the study are in consistent with the Lewis model of dual economy which was further coined with Ranis and Fei(1961) on the three phases of the dualistic economy that the shift of street vendors from rural to urban areas is caused by the movement of labour from the agricultural sector to the industrial sector(Rannis,1963)

There is a need of Local government authorities to promote the growth of small business and urbanization by influencing street vendors to enhance better entrepreneurial skills, for better business growth. This can be done by policy makers and business stakeholders such as the local government authorities, central government, and private sector to align their policies and plans in supporting the fast growing informal sectors caused by the influx of street vending business opportunities and its significance for economic development of the nation. Needs of formalization of the street vending activities is of great significance too.
With the current availability of imported products that street vendors, particularly mobile ones, can sell, and covering fast expanding levels of urbanization, there a need of street vendors to be recognized on their contribution in the urban economy, which in turn will enhance their standard of living by poverty alleviation and economic well-being of theirs communities. Recognition will make this informal sector to be innovative, creative which can make them future entrepreneurs who can compete in national and international markets. (Mitullah,2003).

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

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