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Street Vendors' Socio-Economic Empowerment in Kenya: Current Business Infrastructure Challenges in Urban Areas

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Abstract

Street vending constitute a very significant part of the business industry of Kenya's economy and an alternative source of livelihood to the urban poor. Despite its role, there appears to be relatively widespread agreement on the infrastructure constraints among which include lack of storage facilities, sanitary services and electricity accessibility. The author argues that if the street vending microenterprise field does not make some significant changes, the street vendors will not be able to improve their well-being that is intertwined with their business success. Strategies to address these challenges depends on the intervention of the local government. The study was guided by Development as Freedom Approach and adopted descriptive cross-sectional survey design. The data was collected through survey questionnaires from street vendors, interview guide from Local Government officers and through and observation guide. The sample size of *384* street vendors was targeted from Nairobi, Mombasa and Kisumu. The findings were statistically significant given the probability value of 0.000 <0.05. Thus implying that quality business infrastructure has a positive effect

on socio-economic empowerment of street vending micro enterprises. In particular, water and sanitation, electricity and storage facilities.
Keywords: Business Infrastructure, Socio-Economic Empowerment, Street Vendors, Urban Areas, Kenya

Introduction

The nexus between economic growth and micro enterprise employment is both a contentious and vital policy issue. Micro enterprises are principally set up with the goal of poverty alleviation. These enterprises have a very central and effective role in both developed and in developing countries as it is considered the backbone of their economies (Geremewe, 2018). A cursory review on the characteristics of enterprises in Sub Saharan Africa shows that significant or dominant share of small micro enterprises are operated from informal sector (Gichuki et al., 2014). Consequently, there is lack of coverage in economic measurement in most of the cities around the world.

Street vending forms very important part of microenterprises especially in developing economies. It is perceived as offshoot, spillover and often uncontrolled subset of the urban informal sector (Forkuor et al., 2017). SMEs in general are the main source of employment in developed and developing countries comprising of over 90% of African business operations and contributing to over 50% of African employment and GDP, (Kamunge et al., 2014). Street vending in particular accounts for between 2% and 24% of the total urban informal workforce in African, Asian and Latin America (LAC) (ILO & WIEGO, 2013). Yelwa & Adam (2017) emphasized that that Street vending is considered a source of living to a majority of the poor, unskilled, socio-economical marginalized population and is a vital means of survival for people in countries lacking proper socio-economic safety nets and unemployment insurance.

Globally, street vending activities have existed for centuries globally and especially in developing countries. These existed as far back as 1820 by the Jewish and Europe immigrants who sold food in push carts in the streets of New York City (World Bank, 2009). The great depression in the 1920s which began as an American crisis had great effect on the worldwide economy. Many people, mainly native citizens lost their jobs, and ended up vending in the streets selling different commodities, for survival (Bromley, 2000). Mramba (2015) reiterated that in the ancient times, street venders were selling their merchandise in towns, moving from house to house and were tolerated and treated with dignity unalike vendors of the present day. Microenterprises provide the second source of livelihood, after farming (Ahad, 2016). This paper looks at business infrastructure on socio-economic empowerment of street vendors in Urban areas in Kenya.

Objective of the Study

I. To establish the effect of availability of business infrastructure on Socio-economic-eempowerment of street vendors in urban areas in Kenya.

Literature Review

Investing in microenterprises can back the attainment the targets established in the Sustainable Development Goals and consequently help developing countries reach the SDGs. Street vending is one of the most common Microenterprise in Africa. insufficient, ineffective, and non-functional infrastructure facilities drive up the operating costs because microenterprise are forced to rely on private utility providers (Olusola & Olusola, 2013). Poor business infrastructure has been identified as the main constraint that lead business to high

worktime loss, reduce productivity, and increased cost of enterprise production. Efom and Edet (2020) reiterates that operational environment of microenterprises strongly indicate that their productivity is constrained by lack of adequate infrastructure as well as inefficient institutions. Sepedi and Nkosi (2022) identified various infrastructural challenges faced by street vendors among them was limited access to electricity, lack of access to water and sanitation.

Business Infrastructure denotes to the logistic support in terms of activities and resources to offer customer value (products). While street vending plays a big part in most of the developing economies, a small percentage is capable of making full use of opportunities and cope effectively with threats without assistance. Smallness confers some inherent competitive disadvantage, if some sort of external support is warranted; these micro enterprises can perform to their full potential (Mugo & Kinyua, 2019). According to Nyaja (2014), alternative street economy has been reported to be people friendly. A research done by Mkhize, et. al (2013) cited access to basic infrastructure such as shelter, toilets, water and storage as a major issue hindering vendor businesses. On this, Palei (2015) reiterates that water accessibility would lead to increase in production for microenterprises.

Street vending activities involve non-financial services which may include storage facilities, water and sanitary services, and electricity and security (Mitullah, 2003). These services are hardly provided to street traders. These problems are compounded by *the lack of access to* garbage disposal (Sassen, et al., 2018). It has been noted that street vending activities operate mostly without access to water and sanitation where in most cases, vendors rely on unsafe water sources, unhygienic methods of refuse disposal and use of open spaces as sanitary facilities (Alebachew, 2017; Woldu et al., 2017; Sepadi, & Nkosi; 2022). Likewise, Mkhize eta l (2013) noted that high proportion of vendors do not have access to toilets and running water which is one of the main concerns for the well-being of not only vendors and consumers but also the general public.

Adequate shelter and storage facilities would help vendors protect their goods from spoilage and theft, would save street vendors from carrying back to their home's unsold goods in turn reducing the necessity of borrowing from informal moneylenders (Roever & Skinner, 2016; Alebachew, 2017; Woldu et al., 2017). Forkuoh and Li (2015) argued that electricity is a crucial element if business as it is used for purposes that are varied from productivity, storage, lightening the site, displaying among others. Endris and Kassegn (2022) identified access to electricity, as first and major constraints for the development of microenterprises in Ethiopia.

Theoretical Perspective

The study was guided by Development as Freedom Approach by (Sen, 1999). argues that freedom is both the primary objective of development, and the principal means of development. Freedom is the central value in development. Expansion of freedom is both the primary end and as the principal means of development. The infrastructure constraints encountered by street vendors ought to be addressed in providing greater freedoms for Street vendors and thus significant on their well-being.

Methodology

The study utilized descriptive cross-sectional survey design. A sample size of 384 street vendors from Nairobi, Mombasa and Kisumu was arrived at. Primary data was collected using questionnaire survey from which 300 were returned. Piloting of the research instruments was conducted. Content validity of research instruments was established through expert

judgments and the reliability was established using Cronbach Alpha. All Likert scale items were reliable. Data was analyzed using descriptive and inferential statistics with the help of Statistical Package for Social Sciences (SPSS) version 21. Results were presented in tables, figures, and narrations. Inferential statistics used were regression and Pearson correlation coefficient tests. Ordinary Least Square (OLS) method was adopted for regression analysis while correlation was conducted using Pearson's approach. Analysis of variance (ANOVA) was used to test the significance of the overall model at 95% confidence level and 0.05 level of significance.

Results and Discusssion

The effect of Quality Business Infrastructure on Socio-economic Empowerment of Urban Dwellers in Kenya

The aim of the fourth objective was to establish the effect of Quality Business Infrastructure on Socio-economic-eempowerment of urban dwellers in Kenya. Firstly, the study sought to know how the street vendors rated the need for business infrastructure. Summary statistics are provided in Table 1

Table 1
Rating the need for Business Infrastructure

Response	Frequency	Percent
Very Small extent	10	3.3
Small extent	57	19.0
Moderate extent	75	25.0
Great Extent	68	22.7
Very Great extent	90	30.0
Total	300	100.0

Source: Researcher (2023)

From the findings, majority of the respondents 90(30%) agreed to a great extent the need for quality business infrastructure. These results imply that business infrastructure such as water and sanitation as well as communication and roads are very critical for street vending businesses. Next, respondents were required to rate various statements related to quality business infrastructure on a scale of 1-5; where 1-Totally disagree (TD), 2- Disagree (D), 3-Neutral (N), 4-Agree, (A) 5-Totally agree (TA). Summary findings are displayed in Table 2.

Table 2
Quality Business Infrastructure Descriptive Statistics (N=300)

Variable	TD %	D %	N %	A %	TA %	Mean	Std. Deviation
There is needed water and sanitation services for my business	2.7	34.5	11.7	27.7	23.2	3.3409	1.24496
There is need for electricity for My business	6.4	32.3	11.4	31.4	18.6	3.2364	1.26004
There is needed storage facilities for My goods given	3.2	4.5	17.3	51.8	23.2	3.8727	.92760
Vending activity has brought improvement in accessibility to water and electricity	3.6	45.9	20.5	22.3	7.7	2.8455	1.05715
There is accessibility to water services for my business	3.6	37.3	20.9	25.5	12.7	3.0636	1.13296
There is accessibility to electricity for my business	5.9	53.2	17.3	16.4	7.3	2.6591	1.05431
There is accessibility to storage facility for my business	2.7	19.1	20.5	45.5	12.3	3.4545	1.02156

Key: Mean *Totally disagree=1-1.9, Disagree=2-2.9, Neutral=3, Agree=3.1-4, Totally agree=4.1-5*

The mean score responses range between disagree and agree. This means that street vendors had undivided opinion on whether there existed quality business infrastructure or not. For example, the respondents disagreed with the arguments that vending activity has brought improvement in accessibility to water and electricity (mean=2.8455, SD=1.05715), and that electricity is accessible to their business (mean=2.6591, SD=1.05431). The results also show that the respondents agreed on the statements that there was need for water and sanitation services for their business (mean=3.3409, SD=1.24496)/ The analysis also shows that there was need for storage facilities for their goods (mean=3.8727, SD=.92760) and that the respondents have access to storage facilities (mean=3.4545, SD=1.02156). On the same, observation guide revealed that street vendors preferred sites that had stable electricity. This is in tandem with the study done by Endris, and Kassegn in Ethiopia (2022) identified access to electricity a major constraint for the development of microenterprises.

Factor Analysis for Quality Business Infrastructure

The first output of the analysis is the KMO and Bartlett's Test presented in Table 3. The KMO value of 0.596 shows that there was sampling adequacy. In addition, since the Bartlett's Test p-value is less than 0.05 **(**0.000), finding imply that Bartlett's test for Sphericity is significant, and therefore factor analysis was satisfactory.

Table 3
KMO and Bartlett's Test for quality business infrastructure

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.596
	Approx. Chi-Square	593.588
	Df	21
Bartlett's Test of Sphericity		
	Sig.	.000

Source: Researcher (2021)

Next, the part analyses total variance explained (see Table 4.) which indicates that two factors were extracted from the process. The two factors account for 65.01 percent of the variance in the entire data set. These imply that 65.01 percent of the information from the seven variables was retained in the two components.

Table 4
Total Variance Explained for quality business infrastructure

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.519	35.989	35.989	2.519	35.989	35.989	2.405	34.358	34.358
2	2.031	29.021	65.010	2.031	29.021	65.010	2.146	30.652	65.010
3	.956	13.660	78.670						
4	.561	8.021	86.691						
5	.447	6.389	93.080						
6	.324	4.625	97.705						
7	.161	2.295	100.000						

Extraction Method: Principal Component Analysis.
Source: Researcher (2023)

Finally, the rotated component matrix shown in Table 5 indicate that the first six variables associated with electricity and sanitation facilities are substantially loaded to the first component while the last variable associated with storage facilities is adequately loaded on the second component. These imply that electricity and sanitation infrastructure has been combined by the PCA process.

Table 5
Rotated Component Matrix[a] on Quality Business Infrastructure

Variables	Component	
	1	2
There is needed water and sanitation services for my business	**.874**	.154
There is need for electricity for My business	**.906**	.081
Vending activity has brought improvement in accessibility to water and electricity	**.639**	-.248
There is accessibility to water services for my business	**.883**	.083
There is accessibility to electricity for my business	**.518**	.095
There is accessibility to storage facility for my business	.043	**.840**

Extraction Method: Principal Component Analysis.
Source: Researcher (2023)

Correlation Analysis between Quality Business Infrastructure and Socio-economic Empowerment

Pearson correlation approach was adopted to compute correlation coefficients of quality business infrastructure and socio-economic empowerment of street vendors. Results of this analysis are presented in Table 6

Table 6
Correlations between quality business infrastructure and socio-economic empowerment

		Socio-economic empowerment	Sanitation & Electricity	Storage facilities
Socio-economic empowerment	Pearson Correlation	1	-.426**	-.205**
	Sig. (2-tailed)		.000	.002
	N	300	300	300
Water & Sanitation Electricity	Pearson Correlation	-.426**	1	.000
	Sig. (2-tailed)	.000		1.000
	N	300	300	300
Storage facilities	Pearson Correlation	-.205**	.000	1
	Sig. (2-tailed)	.002	1.000	
	N	300	300	300

***. Correlation is significant at the 0.01 level (2-tailed).*

Correlation coefficients show that quality business infrastructure variables (sanitation & electricity and storage facilities) are negatively correlated with socio-economic empowerment. In addition, the correlation is statistically significant but weak. Generally, these results imply that there is a relationship between quality business infrastructure and socio-economic empowerment of street vendors. Further analysis of this relationship is explored in the regression analysis in the following sub-section.

Regression analysis between quality business infrastructure and socio-economic empowerment

The study adopted OLS approach to regress socio-economic empowerment variable on quality business infrastructure. Estimated coefficients are presented in Table 7

Table 7
Regression results between Quality Business Infrastructure and Socio-economic Empowerment

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	-1.001	.060		.000	1.000		
Sanitation & Electricity	.426	.060	.426	7.112	.000	1.000	1.000
Storage facilities	.205	.060	.205	3.433	.001	1.000	1.000
Dependent	Socio-economic empowerment						
Obs	300						
Adj. R squared	.216						
Std. Error	.885						
F – ratio (3, 219) (ANOVA)	31.184						
Prob. > F	0.000						
Durbin-Watson	2.00						

Source: Researcher (2023)

The regression analysis indicates that the findings are statistically significant given the probability value of 0.000 <0.05. This imply that the estimated results are statistically significant at 99% confidence level. With regard to Adjusted R squared statistic value of 0.216, findings show that a unit change in quality business infrastructure, lead to 21.6% change in socio-economic empowerment of vendors. The collinearity statistics indicate absence of collinearity in the model given the VIF value of less than 10 and the tolerance values of greater than 0.01. In addition, Durbin-Watson value of 2.00 show that the regression model did not suffer from autocorrelation. These implies the validity of the model estimation.
Concerning the coefficients, the study has established a positive and statistically significant relationship sanitation and electricity and socio-economic empowerment of street vendors (.426, Sig.=0.000, <0.05). This imply that sanitation & electricity influences street vending operations and hence, socio-economic empowerment of the proprietors. Similar, a positive and statistically relationship has been established between storage facilities and socio-economic empowerment (.205, Sig.=0.000, <0.05). This means that having access to and the nature of storage facilities available to the street vendors is important to their operations. Some street vendors have large volumes of merchandise which would be quite difficult to carry them home every close of business. The findings are in agreement with Woldu et al (2017) who found out that there was a positive relationship between quality business infrastructure and related microenterprise growth factors.

Hypothesis Test for Quality Business Infrastructure and Socio-economic Empowerment
Finally, the study tested the hypothesis that *business infrastructure for vendors has no statistically significant effect on socio-economic empowerment of urban dwellers in Kenya.* Using Spearman's rank technique, the results of the test are presented in Table 8

Table
1 Test for fourth Hypothesis

Number of obs	300
Spearman's rho	0.440
Prob > t	0.000

Source: Researcher (2023)

Findings indicate rejection of the null hypothesis given the P-value =0.000), less than 0.05. Thus, the study concludes that there is a statistically significant relationship between quality business infrastructure and socio-economic empowerment of street vendors.
Triangulating the quantitative findings with the qualitative results shows consistency. Through interviews with city managers and observation among the street vendors, the study revealed that design and provision quality business infrastructure for the street vendors can have a positive impact not only in their profits but also health. He noted

> *Such provisions would consider sanitation and availing of other essential social amenities. This will in turn keep them comfortable and hence work effectively for longer hours. Such infrastructure includes water services, electricity where applicable, toilets, dustbins and dumpsites for any wastes* [KI 001]

Another officer in a different city noted

> *When we constructed one market and designed t for the street vendors, we saw associated benefits like improved sanitation, organized business environment, orderly movement of the people on the streets, fewer reported cases of pickpocketing. That was attributed to the provided structures that contained washrooms, dustbins, daily cleaning services at the site among other* [KI 003].

The findings confirm the postulations of previous literature that associate organized business environment to increased profits and stability among the businesspeople (Woldu et al., 2017). In the same way, it all concurs with Palei (2015) who indicated that increase in the businesses infrastructure leads to increase in the business production for microenterprise because these provides decent working environment.

Recommendations

- The study recommends that government should lower street vending related barriers for the improvement of business infrastructure such as water, electricity, sidewalks and storage facilities to encourage street vending micro enterprises.
- To the performance of street vendors, required infrastructural facilities need to be created and increased. Local governments should pay attention towards improving and required infrastructures such as water, storage services and electricity.

Conclusion

The study concludes that quality business infrastructure has a positive effect on socio-economic empowerment of street vending micro enterprises. In addition, the study concludes that there is inadequacy of quality business infrastructure most especially water and

electricity. Thus the need for affordable and adequate clean water and electricity services. This will consequently improve the street vending earning potentials and consequently improved well - being.

Contributions of The Study

The finding of this study coincides with Amartya Sen (1999) argument in Development as Freedom Approach. It is freedom that should be maximized and not wealth. Street vendors are determined to improving their lives through vending. However, their freedom to manage and operate their business is negatively affected by urban authorities and regulators. This hampers their ability to maximize their potentials. From the perspective of authorities and regulators, street vendors are perceived negatively as the real enemies of urban modernity. The study concludes that expanding the freedoms of the poor can lead to improved wellbeing. Africa , and Kenya in particular should concentrate on basic needs of its population first as urban beautification for now seems to be luxury. Regulatory authorities in Africa need focus on policies that focus on boosting the efforts of the urban poor to enable them realize their basic human rights.

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