

An Investigation into the Value of Street Vending in Nigeria: A Case of Lagos State

Friday Osemenshan Anetor
Department of Economics, University of Lagos, Akoka, Lagos, Nigeria
E-mail: anetorfriday@yahoo.com

Abstract

Street vending is an integral component of urban economies around the world and has become a common phenomenon in most of the developing countries. It constitutes a significant proportion of the informal sector activities in Africa, Asia, and Latin America. Despite this recognition, research has not been conducted to understand the value of street vending in Nigeria. The aim of this study is to investigate the value of street vending in Nigeria in order to help the government and business communities to capitalize on its benefits. The study administered questionnaires to 42 street vendors on 10 major street vending locations in Lagos state, Nigeria. A descriptive analysis was carried out, and it was found that street vending had contributed immensely to the economic, social, and economic life of Nigerians.

Keywords: Street Vending, Value of Street Vending, Lagos State, Nigeria

1 Introduction

Street vending is an integral component of urban economies around the world and has become a common phenomenon in most of the developing countries. It has existed for hundreds of years and is considered as a cornerstone of many cities' historical and cultural heritage (Skinner, 2011). Street vending can be defined as the selling of goods and services in the street without using a permanent built-up structure (Bhowmik, 2005). Street vendors include all those that sell goods and services in a public space such as regulated street markets, transportation hubs, natural market areas, sidewalks, and in and along the streets. Street vending constitutes a significant proportion of the informal sector activities in Africa, Asia, and Latin America. For example, it is estimated that street vending account for 15 to 25% of total informal employment in Africa cities (Skinner, 2011). In Asia countries such as India, street vending account for about 3% of the total non-agricultural employment, which translate to more than 3.1 million street traders nationwide (Unni, 2010). In Latin America, such as Peru, street vending constitutes about 9% of the total informal employment, which translate to about 240,000 vendors (Herrera et al., 2011).

Street vending in recent year has become an area of interest and has culminated into heated debate. Extant literature has argued that street vending in Nigeria has exposed children to abuse such as physical injuries, abandonment, sexual abuse, and child labour (Akpan & Oluwabamide, 2010). It is also argued that the non-regulation of street food vending in Africa; particularly Nigeria portends danger of outbreak of food poisoning (Nurudeen et al., 2014). In addition, it is argued that street vending poses many dangers, particularly to the girl child. These dangers include the possibility of the young girl to be exposed to sexual abuse in form of rape, harassment, and molestation; the possibility of the girl child forfeiting her education; the possibility of her learning some social vices; and the possibility of been exposed to dangers posed by fraudsters and ritual murderers (Umar, 2009). Other arguments leveled against street vending is that, street vendors contribute to traffic congestion and pollution. In addition, some of the street vendors are perceived to involve in criminal activities, from theft to the sales of illicit goods and services. In Nigeria, there are no clear-cut by-laws guiding street vending and licenses are hard to get. Hence, street vendors have become vulnerable to harassment, confiscations, and evictions.

Street vending is widely recognized to be the most proximate channel to the end consumers. Despite this recognition, research has not been conducted to understand the value of street vending to Nigerian business environment. The aim of this study is to investigate the value of street vending in Nigeria in order to help the government and business communities to capitalize on the benefits offered by street vending and improve the path towards the official recognition of the channel.

This paper is structured into six sections. The first section is this part that introduced the topic. The second part is the literature review, the third section explains the methodology adopted for the study, and the fourth section presents the results and discussions. The fifth section is the conclusions and recommendations part while the last section features the limitations of the study.

2 Literature Review

Many studies have been conducted with respect to the issue of street vending. The outcomes of most of these studies tend to present the adverse effects of street vending while focusing less on its value. A few of such studies will be examined in this section. However, an effort will also be made to examine some studies that

unravel the benefits of street vending.

Adedeji et al. (2014) examined the spatial implication of street trading in Osogbo, Nigeria and found that the activity has serious negative impacts on accessibility, erection of illegal structures, solid waste generation, traffic congestion, auto-accident, and deface of urban aesthetics. Umar (2009) study on street vending, particularly its implication on the girl child found that it exposes the girl child to all forms of abuses that ranges from, rape, harassment, to molestation. The finding also showed that the girl child becomes street wise, which culminate to her quest for sex and other immoral and criminal behaviour. In addition, the study asserts that, there is a high tendency for the girl child to forgo her education thus, losing all the benefits of education. Metiboba & Kakwagh (2014) examined the safety, and hygienic implication of the street vended food in Kogi state, Nigeria. They found that most vended food were unsafe for human consumption. Furthermore, the study identified the poor construction and locations of the vending site, as well as the lack of facilities such as refuse collection facilities, as the main factor responsible for the lack of safety and quality of food. According to Chukuezi (2010) street vendors play important roles in meeting the food demands of urban dwellers, but their activities are associated with a number of health hazard. Bromley (2000) posited the following arguments against street vending in his study on street vending and public policy. He opined that street vending contributes to vehicular and pedestrian congestion that cause traffic accident, increase pollution and impede the flow of police, ambulance, and other emergency vehicles. He also asserted that street vending often result in the blockage of the routes of egress from crowded building such as theatres and stadia thus, increasing the scale of tragedy in the event of a major fire, explosion, or toxic gas escape. Bromley further argued that the street vendors' ease of mobility gives them the opportunity to swindle their customers and avoid official regulations. He also argued that some street vendors engage in selling contraband, fake or contaminated goods and disappearing to other locations before they are apprehended by angry customers or the police. Furthermore, Bromley stated that street food vendors pose major public health problems because they often expose their goods to the sun, air pollution, and contamination by passers-by. A further assertion made by Bromley is that, street vending contributes to underground activities that support and facilitate crime and tax evasion thus, undermining the fabric of civil society.

Few studies have, however, embarked on assessing the value of street vending, even though such studies were not wholly devoted to such purpose. Some of these studies include the work of Dipeolu et al. (2007), who examined the income generating potentials of street food vending businesses in Ogun state, Nigeria. They found that street food vending are very profitable and yield a substantial monthly income to the street vendors. Nakisani Carol & Ongori (2013) investigated the importance of street vending as a livelihood strategy and strategies to lessen the challenges bedeviled by street vendors in Gaborone, Botswana. They found that street vending was mostly a source of income and a way of creating employment for the urban poor. In the same vein Amoo et al. (2012) investigated the street trading activities and maternal health in the urban area of Nigeria and found that street trading has provided employment opportunities for mothers. Bromley (2000) study on street vending and public policy has also presented the following assertions in favour of street vending. He stated that street vendors, through their transactions, contribute directly to the overall economic activity of a nation. In addition, it forms a potential source of income to the government through the levy of licensing fees, sales and value-added taxes. Bromley also asserted that street vending provides entrepreneurial opportunities to people that may not be able to afford to buy or rent fixed premises. He further stated that street vending offers a considerable flexibility in hours and levels of activity, and provides choices in terms of locations. According to Bromley, street vending can be practiced as an extra job that generate and increase gross income.

The foregoing arguments have induced this study to investigate the value of street vending in the context of the Nigerian business environment.

3 Methodology

3.1 Population

The study was carried out in Lagos state, the south-western part of Nigeria. Lagos state was chosen for this study because, it is the commercial centre of Nigeria as 60% to 70% of business and industrial transactions are executed in Lagos state (Lucky et al., 2011: 111). Lagos state is the nation's largest urban centre and has the highest population that is over 5% of the national estimate. The state population growth rate is 8%, which has resulted in capturing about 37% of Nigeria's urban population (Odebiyi, 2010).

3.2 Sample

Ten (10) most well-established street vending locations in Lagos state were purposely selected. These locations are major traffic routes where street vending is predominant. The study administered structured questionnaires that consist of questions on street vending and associated informal structure to forty-two (42) street vendors. The data collected from the 42 street vendors were subjected to descriptive and inferential statistical analysis using SPSS 20. These locations are shown in Table 1 below.

Table 1: Sampling Distribution of Location

<i>S/N</i>	<i>Location</i>	<i>Frequency</i>	<i>Percentage (%)</i>
1	Iyana-Ipaja	3	7.14
2	Oshodi	5	11.90
3	Agege	3	7.14
4	Berger	7	16.70
5	Yaba	5	11.90
6	Obalende	5	11.90
7	Maryland	3	7.14
8	Ajah	5	11.90
9	Mile 2	3	7.14
10	Orile	3	7.14
	Total	42	100.0

Source: Author's Device, 2015

The range of merchandise sold by the street vendors includes food & drinks, household durables, electronics, apparel, accessories and book materials. Table 2 below shows the list of items.

Table 2: Product Categories & Specific product type

<i>Food & drinks</i>	<i>Household Durables</i>	<i>Electrical/Electronics /ICT</i>	<i>Apparel, fashion & Accessories</i>	<i>Books, journals & Magazines</i>
Sachet /bottled water	Bedcovers/pillows	Electric iron	Wearing apparel	Books
Soft drink/ fruit juice	Wall clock	Portable radio	Wrist watches	Celebrity magazines
Sausage rolls	Wineglass/ Tumbler	Mobile phones	Sunglasses	Special interest magazines
Biscuit & Pringles	Electric shavers	Electric bulbs	Hats, caps, stockings	
Energy/ yoghurt		Recharge Card	Wallets	
Ice cream/ yoghurt			Handkerchief	
Sweets/ chewing gum			Footwear	

Source: Author's Field Work

4 Results and Discussions

4.1 Educational Background of Street Vendors

Table 3: Educational Background of Vendors

<i>Qualification</i>	<i>Frequency</i>	<i>Percentage (%)</i>
Pry certificate	2	4.76
JSCE	2	4.76
SSCE	29	69.05
NCE	2	4.76
OND	3	7.15
University Diploma	1	2.38
Undergraduate	2	4.76
Graduate	1	2.38
Total	42	100

Source: Author's Field Work

Table 3 shows that street vending provides a source of employment to about 70% (69.05%) of the secondary school graduates. This phenomenon has helped in ameliorating the effect of unemployment on youth that are majorly secondary school leavers.

The results also indicate that about 5% (4.76%) of the undergraduate students also engage in street vending as a part-time job. This significant proportion of undergraduate in street vending is most probably due to the recent upward review of tuition fees by both private and public universities in Nigeria without an equal proportional increase in scholarship. In addition, the outcome also reveals that street vending provides a source of livelihood to about 3% (2.38%) of the unemployed graduate youth.

4.2 Number of Years Engaged in Street Vending

Table 4: Number of Years in Street Vending

<i>Years</i>	<i>Number of Vendor</i>	<i>Percentages (%)</i>
0-1yr	1	2.38
1-3yrs	10	23.81
3-5yr	11	26.19
5-7yr	5	11.91
7-9yr	7	16.67
9-11yr	2	4.76
11-13yr	2	4.76
13-15yr	2	4.76
15-17yr	1	2.38
17-19yr	-	0
20-22yr	1	2.38
Total	42	100

Source: Author's Field Work

Table 4 shows that about 20% (19.04%) of the street vendors have been on the business for a decade or more. The outcome also indicates that about 3% (2.38%) of the street vendors have spent two decades or more in street vending. Furthermore, the results indicate that about 27% (26.19%), which constitute the majority, have spent between 3 to 5 years in street vending. These connote the fact that street vending has formed the major source of livelihood to some people residence in Lagos.

4.3 Alternative Source of Employment

Table 5: Alternative Source of Employment (%)

<i>Engagement in other Business</i>	<i>Number of Vendor</i>	<i>Percentage (%)</i>
Yes	6	14.29
No	36	85.71
Total	42	100

Source: Author's Field Work

Table 5 reveals that about 86% (85.71%) of street vendors do not have any alternate source of income. This implies that street vending serves as the only source of employment and livelihood to a large number of street vendors. The outcome also shows that about 15% (14.29%) of street vendors engage in other businesses. It implies that only a small proportion of those that engage in street vending, engages in other business activities to augment their income.

4.4 Mode of Transaction

Table 6: Estimated Credit Level

<i>Credit Level</i>	<i>Number of Vendor</i>	<i>Percentage (%)</i>
Cash	23	54.76
Credit	19	45.24
Total	42	100

Source: Author's Field Work

Table 6 indicates that street vending provides credit facilities to about 46% (45.24%) of street vendors thus, facilitating the start-up of small scale businesses. It is important also to state that one of the main problems facing Nigeria's SMEs is the lack of easy access fund, and this has worsened the level of unemployment and crime rate in the country. Street vending has thus; ameliorated the challenges associated with access to credit.

4.5 Estimated Monthly Revenues of Street Vendors

Table 7: Estimated Monthly Income of Street Vendors

<i>Income per month (N)</i>	<i>Number of Vendor</i>	<i>Percentage (%)</i>
20,000 - 35,000	2	4.76
35,000 - 50,000	3	7.15
50,000 - 65,000	1	2.38
65,000 - 80,000	0	0
80,000 - 95,000	4	9.52
95,000 - 110,000	4	9.52
110,000 - 125,000	6	14.29
125,000 - 140,000	1	2.38
140,000 - 155,000	1	2.38
155,000 - 170,000	2	4.76
170,000 - 185,000	1	2.38
185,000 - 200,000	0	0
200,000 & above	17	40.48
Total	42	100

Source: Author's Field Work

Table 7 shows that about 41% (40.48%) of the street vendors earn a gross monthly income of N200 000 (inclusive of expenses and tax) and above. This gross monthly income, however, depends on the nature of the goods and services sold. Hence, it is pertinent to assert that though street vending in Nigeria are largely informal (unregistered) activities, but, it has indirectly contributed to the nation's GDP in the form of indirect taxes.

5 Conclusions and Recommendations

The study has shown that street vending, its shortcomings notwithstanding, has contributed immensely to the economic, social, economic life of Nigerians. It has created employment opportunities for a number of school leavers that could not secure immediate admission to higher institutions of learning. Street vending has also formed a major source of livelihood to a number of Nigerians that are unable to find white collar jobs. In addition, street vending has helped to reduce crime rate in the country because, of the flexibility of the business and the ease of start-up. Furthermore, street vending constitutes a source of income to the local and state government, even though; a larger number of street vendors are unregistered.

It is, therefore important, for the Nigerian government to see how the activities of street vendors can be encouraged rather than harassing, confiscating, or evicting the street vendors and their goods. The following recommendations are postulated to enhance the productivity of street vending in the nation:

- Street vending has become a cornerstone of the retail economy in the cities especially to those who are unable to secure formal employment. Hence, Nigerian government should recognize street vendors for the role they play in generating economic activity, providing employment, and bringing retail goods to consumers. Though, it is not possible to accommodate all street vendors in the market areas, but government agencies should study the capacity of such areas and the size of the street vendor population and accommodate appropriate number of vendors through the issue of permits.
- The government should also devise a means of delivery urban infrastructure to support productivity in the informal sector. For example, the government can provide infrastructure such as street lighting, running water and public toilets to street vendors and consumers in order to keep the street markets more hygienic.
- Government, particular the ones at the local level, should plan a mean to capture the activities of the street vendors in order to reduce the incidence of tax evasion and record a more robust income via the imposition of indirect tax to street vendors. Revenues generated through this avenue should in turn be channeled into improving and supporting the street vendors.
- In a bid to forestall pollution on streets and market places, the government should also promote cleaning campaign in selling areas. In addition, waste disposal bins should be placed in strategic places in order to prevent indiscriminate dumping of waste by both consumers and street vendors.
- Government agencies should also allow street vendors to sell in permitted zones and avoid the indiscriminate harassment and confiscation of street vendors' merchandise.
- Consequence upon the roles played by street vendors, coupled with the aim of protecting the human right of street vendors, the government should develop the means through which the voices of street vendors and their organisations would be heard in policy processes.

6 Limitations of the Study

Although the study drawn its sample from Lagos state. This does not infer that the results cannot be used as a basis for decision-making in a matter relating to other parts of Nigeria. It is pertinent to also mention that street vendors were not that comfortable reporting all the material facts during the course of interview for the fear of sanction by government officials in the form of fees or confiscation of merchandise. This challenge, notwithstanding, has not affected the outcome of the study survey because, professionals were employed to administer the questionnaires, besides, this challenge was envisaged prior to the survey and appropriate measures had been taken to mitigate the fear on the part of street vendors.

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