

# The Conception of Street Vending Business (SVB) in Income Poverty Reduction in Tanzania

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## Abstract

Street vending is ubiquitous, especially in developing countries. Despite its role in pro-poor economies, it has received little attention; much has been focused on its negative impacts like, use of public space, congestion, health and safety risks, tax evasion and the sale of shoddy merchandise. In Tanzania, street traders are usually concerned with confrontation with local authorities, and at the end they lose their products and money. This study is basically concerned with exploring the approaches of street vending business operation and conceptualizes the best mode of operation for successful income poverty reduction. It is carried out by reviewing previous studies relating to SVB and the micro informal business sector in general. The study proposes a model for street vending business operations and its interventions that can lead to an income poverty reduction.

**Keywords:** Street Vending Business (SVB), income poverty reduction, street vendors

## 1. Introduction

### 1.1 Background to the Study

Unemployment, low productivity in agriculture and the need to migrate to the urban to search for employment has forced millions of the youth in developing countries to engage in informal trade (Aryeetey, 2009). Globally, it was estimated that in 2000s, the informal sector constituted 18% of economy in OECD countries, 38% of the economy in transition countries and 41% in developing countries. In fact, the informal sector contributes about 55 per cent of Sub-Saharan Africa's GDP and 80 per cent of the labor force (African Development Bank, 2014). It is now estimated that 48% of the Tanzania economy are in the informal sector (Maliyamkono et al., 2012). Mugoya (2013), estimate that in 2011 there were about 1.2 million persons working in informal retailing business in Tanzania. Some of the largest and fastest growing sectors of African economies are dominated by informal firms: wholesale and retail trade, transportation, restaurants, reproduction of CDs and tapes, carpentry, construction, real estate, etc. (Benjamin et al., 2014). A popular form of informal retail trade in Tanzania is Street Vending Business.

A study by (Bhowmik, 2005) has defined street vending as an informal type of business, which offers goods for sale to the public, without having a permanent built-up structure. Lyons and Msoka (2010) define street vending as all non-criminal commercial activity dependent on access to public space, including market trade, trade from fixed locations and hawking (mobile vending). The term "street vendor" in English is typically used interchangeably with "street trader," "hawker," and "peddler". Statistics about street vendors are scarce at national and international level due to the nature of vending business e.g. mobile, part time, and informality (Skinner, 2008). However, as a share of total informal employment, street traders generally accounted for 15-25 percent in African cities, 10-15 per cent in Asian cities, and 5-10 per cent in Latin American cities for the year 2001/03 (Esquivel, 2010). Lyons and Msoka (2008) estimated 700,000 street vendors in the Dar es Salaam city in 2007. However the interview with the city authority shows that the number is more than 1 million in 2014. Street vendors could be stationary and occupy space on the pavements or other public/private areas, or could be mobile, and move from place to place carrying their wares and move on the street (Bhowmick, 2005). The mode of operation of SVB differs from one vendor to another, depending on the type of products sold. The most common structures used to carry/display products are tables, wheelbarrows, bicycles, baskets, and buckets. Others carry their products on hand, shoulders, or by using a special board built by used boxes and gunny bag. When it comes to clothes, vendors usually hang their products over the walls, fences, parked cars, and on bridges.

It is common to find street vendors in highly populated areas like bus stands, high traffic roads, near the market, football grounds and worship centers.

Micro-enterprises (e.g. SVB) are claimed to be important for surviving or escaping poverty in developing country cities (Lyons, 2013). This is because they provide employment, income, relative cheap price products, and a variety of newly products to the public (Adhikari, 2012). Conversely vendors are continuously on the run due to constant harassment, assault and seizure of goods by the local government authorities or police in and other users of the city space (Asiedu & Agyei-Mensah, 2008). Furthermore, they are challenged by limited access to capital, unstable security, unplanned policies on urban development, harassment from the owners of formal business, and low level of business skills (Falla, 2013). They lack intrinsic empowerment, basic freedoms, self-confidence, walking with dignity, feeling respected, and living without fear (Nussbaum, 2003). These hindrances limit opportunities for street vending business (SVB) to work efficiently for the income poverty reduction. Godfrey (2011) argues that the informal economy has a great potential for poverty reduction and researchers should focus more into this relation.

Poverty is often presented as an evolving concept linked to dominant development paradigms. It can be defined and measured in different ways; the common ones are direct and indirect methods. A direct definition of poverty focuses on relative deprivation (poverty seen as having unfavorable living condition), usually base on basic living requirements. The indirect poverty definition is using a yardstick for consumption and living conditions such as disposable income (poor if disposable income is less than minimum subsistence) in other words it is referred to as income poverty (Dixon et al., 2002). In other words, income poverty is when income fails to meet the established threshold. The international standard of extreme poverty is set to the possession of less than 1\$ a day (Smelser & Baltes, 2001). Poverty is often presented as an evolving concept linked to dominant development paradigms. Poverty can be defined and measured in different ways; the common ones are direct and indirect methods. A direct definition of poverty focuses on relative deprivation (poverty seen as having unfavorable living condition), usually base on basic living requirements. The indirect poverty definition is using a yardstick for consumption and living conditions such as disposable income (poor if disposable income is less than minimum subsistence) in other words it is referred to as income poverty (Dixon et al., 2002). In other words, income poverty is when income fails to meet the established threshold.

The international standard of extreme poverty is set to the possession of less than 1\$ a day (Smelser & Baltes, 2001). Tanzania is one of the poorest countries in the world; for instance, in the human development index (HDI) -2013 its value is 0.488 which is in the low human development category, positioning the country at 159 out of 187 countries in the report (UNDP, 2014). Despite recording high rates of economic growth over the years, averaging 7 per cent per annum since 2001, the level of poverty remained high in Tanzania with one-third of the population considered poor (UNDP, 2014). The Tanzania Household Budget Survey, 2011/12 shows that the incidence of Basic Needs Poverty has declined from 34.4 percent in 2007 to 28.2 percent in 2011/12 whereas Extreme poverty has been reduced by 6.5 percent between 2007 and 2011/12. Regardless of the significance in the decline of poverty over recent years, Tanzania remains a poor country. In 2012, its average per capita income stood at US\$ 570, placing it in the 176th position out of 191 countries in the world (World Bank, 2014). Hence there is a need out on how to reduce this level of poverty.

### *1.2 Problem and Aim of the Study*

Despite of a large number of research about the informality of street vending business, there is a lack of knowledge about how to make it work efficiently for income poverty reduction in Sub Saharan Africa counties particularly Tanzania. Therefore, this study aims at conceptualizing the street vending business for income poverty reduction in Tanzania. The objective of this study is to develop a conceptual model for income poverty reduction through street vending business.

## **2. Literature Review**

### *2.1 Theories of Informal Sector*

There are three schools of thoughts about the informal sector; romantic, parasite, and dual. The romantic view (De Sato, 1989) holds that, most of the informal undertakings are not quite different from the formal one; the distinction is that, they happen to be born in informal environment. If they will be intervened by the government in terms of policies, regulations, capital and skills they could perform in the same way as the formal sector (Granström, 2009). Basing to this view the informal sector is an engine of growth just waiting to be released by giving informal firm's property rights (Porta & Shleifer, 2008). According to this view informal firms are potentially productive, but held back by government policies, regulations, and limited access to finance. Therefore if such barriers would be eliminated informal businesses would register and take advantage of the

benefits of their formal status. Generally, this view believes that informal undertakings are basically similar to official ones.

The Parasite view, sees informal enterprises from the perspectives of illegality and presents them as a means to gain an unfair advantage in their competition with the formal sector (Porta & Shleifer, 2008; Jütting & Laiglesia, 2009). It views, informal sectors as surviving at the expense of the formal sector. The parasite view holds that informal firms need to stay small to avoid detection. The decision to remain in the informal economy is a rational one, because the cost advantage of escaping taxes and regulations allows unofficial firms to undercut official firms in prices. Informal firms are thus hurting growth because their small scale makes them unproductive and because they take away market share from more productive, formal competitors. Government policy should aim to eradicate informal firms by reducing tax evasion and increasing government regulation enforcement.

According to the dual view as advocated by Harris and Todaro (1970), informal firms are highly inefficient, do not pose much threat to the formal firms, but also do not contribute to economic growth, which is driven by the efficient formal firms (Porta & Shleifer, 2008). The dualists argue that the informal actors and their operations have few linkages to the formal economy, but, rather, operate as a distinct separate sector of the economy (Chen, 2007). Given the heterogeneity of the informal economy, there is some truth to each of these perspectives.

Unlike the previous study (La Porta & Shleifer, 2014), this work is in favor of De Soto's romantic view of informality. This means that if the street vendors will be empowered in terms of business permits (license), policy, regulation special vending zones, appropriate business skills, vending association, and business security they would provide impetus to income growth and general business development which in turn could reduce poverty.

## 2.2 Empirical Review

The World Bank (2000) defines poverty as the economic condition in which people lack sufficient income to obtain certain minimal levels of health services, food, housing, clothing and education generally recognized as necessary to ensure an adequate standard of living. Poverty reduction is a function of many things, but the common one is the economic growth (Khan, 2009). Roemer and Gugerty (1997) argued that "GDP growth of ten percent per year is associated with income growth of ten percent for the poorest. These results give strong support to the proposition that growth in per capita GDP can be and usually is a powerful force in reducing poverty. Adenutsi (2009) argues that entrepreneurship (e.g. SVB) is the catalyst for economic growth and development through job creation, income, empowerment and poverty reduction in an economy. This suggests that in order to create high-income generating job opportunities and reduce poverty through entrepreneurship, there is the need for policy measures and intervention programmes that are critical and consistent with the objective of welfare improvements. In this sense there is a need for government and other development stakeholders to intervene the operation of street vending business in order to make it work for poverty reduction.

Wadzanai (2011) carried a study to investigate the impact of informal trade on poverty reduction in Zimbabwe. The findings show that the informal cross border trade contributes positively to poverty reduction. The contribution has been noticed through the improvement in the socioeconomic well-being of traders, traders to acquire assets, and improved food security. This calls for the government to develop policy and regulations for effective informal business operation, hence contribute to the national development. In sub-Saharan countries where formal employments are little and the level of education of many youth is minimal, informal business could serve as an alternative source of employment.

Another study by Misati (2007) in Kenya argues that the creation of wealth and poverty reduction in SSA is associated with informal sector particularly through the creation of employment. The study recommends that, policy in low income countries should include the role of informal sectors and the governments should improve the working conditions of the informal sector. In many African countries the working conditions of the informal sector are difficult and not regulated by the government policy and regulations.

Kar and Marjit (2009) in India explore the connection between informal trade and poverty. The findings show that the, growth of informal wage in the informal sector is capable of reducing the incidence of urban poverty. The study argues that, real informal wage increased with trade reform and transmitted favourable impact on urban poverty reduction. Yeboah's (1980) study in sub-Saharan Africa argues that instead of discouraging informal trade activities emphasis should be on encouraging them and providing them with institutional, managerial, technical, and financial support necessary to grow and contribute to the economies. Mlinga and Wells (2002) Study in Tanzania show that, the informal sector (construction) is ignored and receives little support from the government. The study argues for the government to develop policies for supporting the informal sector that can be used to address the needs of the informal sector, where the bulk of the labour force is found, as well as those of the

formal sector. The study found strong linkages between formal and informal construction industries in Tanzania in the form of outsourcing. All these studies prove the ability of the informal sector to contribute to poverty reduction, through creation of employment and earnings. However, all the studies recommend to the government to develop favorable policy and regulation for smooth and effective informal sector operation. The informal sector is a combination of many industries e.g. construction, manufacturing, trade, employment, and many others yet none of them explore the linkages of street vending business and informal business.

### 2.3 Street Vending Business in Tanzania

The micro-trade sector (street trade) is an important part of the economy, because it employs a large number of less educated people and acts as a 'shock absorber' in the livelihood and earnings of the poor (Lyons & Msoka, 2008a). According to the recent survey Dar es Salaam City Council more than one million people are making living out of SVB in the city (URT, 2013). Furthermore many women vendors are major breadwinners in poor households in developing countries (Mitullah, 2003; Kusakabe, 2006). In a context of economic growth it is virtually the only redistributive mechanism for spreading the benefits of growth to large numbers of the poor. However the current policies at national and local government levels undermine micro-trading. The policies of eviction, reallocation and illegality are detrimental not only to vendors, but also to local authorities due to loss of trading revenues and costs of policing (Lyons & Msoka, 2008b). If the micro trade sector will continue to be undermined then, it can't work for poverty reduction and even the evicted traders can engage in criminal activities. Another study in Tanzania by Lyons (2013) shows, that street vending is imperative for surviving and poverty reduction in the developing world. However, it is informal (in terms of business activities and commercial laws), stigmatized, impossible to access finance (e.g. capital and credit), and their business growth and sustainability is impeded. The study argues that the recent Tanzania Property and Business Formalization Programme (MKURABITA) have addressed partially the challenges of street vending business. For example the study shows that the abolition of hawking license (Nguvu Kazi license) has worsened the street vending business operation. MKURABITA's reform process failed to take into account the political economy of legal empowerment in this area.

Lyons and Msoka (2009) interviewed 622 traders in from Ilala, Kinondoni, Arusha, Mbeya and Mwanza in Tanzania and point out that, street vending business is an engine of pro-poor development and a means of participation by the poor in an increasing commercial economy. The study showed that Tanzania Local bylaws in the 1960s and 1970s made petty trading illegal, but the 1980s economic crisis and the introduction of the *Nguvu Kazi* license gave traders some legitimacy. However, the Business Licensing Act (2003), simplified license categories, and abolished the peddling license, cancelling the *Nguvu Kazi* license and effectively making street-trade illegal. The findings of the study suggest that the current legal and business reforms in Tanzania failed to address fully the needs of micro business (street vending in particular) hence continue to stigmatize it. Furthermore, it failed to address fundamental contradictions between current urban policies on micro-trade. Charles (2014) research aims to establish the antecedents and challenges of street trading in the Dar es Salaam city. The findings show that, street traders in Tanzania experience serious challenges of eviction, limited access to capital, unstable security and unplanned policies on urban development. The study suggests that violent confrontations between the government and street vendors cannot address the challenge of street vending. Instead, careful planning, negotiations with and the involvement of vendors' organizations could facilitate relocation, formalization and order in running street trading.

## 3. Making Street Vending Business Work for Income Poverty Reduction

### 3.1 Introduction

According to the romantic view (La Porta & Shleifer, 2008) the total factor productivity of informal enterprises are large, but their size is small due to the obstacles to their growth (regulation, policy, commercial laws, licensing, etc). If these hindrances made free, then the informal sectors could contribute to the economy the same as formal sector does (Pagés, 2010). Despite being potential for the employment, income generation, and distribution of relative priced good street vending businesses do not contribute significantly to economic growth and poverty reduction due to many constraints impeding it. Studies show that, a street vendors earn more than 1 USD per day, however they could earn more than that (Saha, 2011; Bhat & Nengroo, 2013; Mitullah, 2010). In many developing countries street vending is often looked down as an undesirable activity undertaken by criminals which impinges on the use of public space. Also, it is often persecuted, lives in uncertainty, and works in poor conditions, with little access to infrastructure (Donovan, 2008). Being a part of the marginalized urban poor, street vendors are treated as trouble makers whose sole purpose is to create chaos on the streets (Bhomick, 2003). The public criticizes the existence of street vendors because they cause congestions and jams on the road; however the

formal business owners do not like street vendors because they cause unfair competition because of the low priced goods. In order to make street vending business meaningful for income poverty reduction the following are proposed

### *3.2 Illegality*

Majority of street vendors around the world, undertake business with fear of eviction, jailed, harassed, and fined because the laws do not recognize their operations. In many cases they pay a part of their daily sales as a bribe in order to continue do business (Bhowmik, 2005). Almost in all countries in Asia and Africa with exception of part of India Street vending is illegal and sometimes they are treated as criminals. Urban authorities in SSA except South Africa, operate with out-dated restrictive policies and regulations that lay emphasis on the illegality of street trade (Mitullah, 2003). Beside this, many vendors are not aware of these policies and regulations.

On March 2014, the President of India approved a law passed by both houses of Parliament, titled Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014. According to the law, every street vendor in India shall have a right to carry on the business of street vending activities in the vending zones allotted to him in accordance with the terms and conditions mentioned in the certificate of vending (Gupta, 2014). India is the only country that has provided legal protection to street vendors for conducting their business. For the betterment of the street vending business to work for poverty reduction, there is a need for the African governments to address supportive policies, regulations and organization of street vending, that will take into account the current problems facing street vendors.

### *3.3 Business Location*

Street vending is the sub-sector of informal businesses that operate in urban spaces meant for other uses. The locations that street vendors took up are usually influenced by attractiveness, accessibility, number of customers, competitors, allocation by municipalities and the original site where vendor businesses started (Onyango et al., 2012). A study by (Ndhlovu, 2010) has established that, for street vendors accessibility to customers is a key consideration and they strategically located on the streets to avoid formalization costs such as rent, taxes and licenses. Hence the potential sites for SVB are the places with highest levels of pedestrian and vehicular congestion. As a result SV have been criticized as they because traffic accidents, increase levels of vehicle – generated air pollution, impede the flow of police, fire, ambulance, crowded sidewalk, and blocking the pathway (Bhowmik, 2005). Tanzania and Zambia has taken some initiatives to assist SV in terms of business locations. The “Machinga” complex is a 7-storey building built by the government of Tanzania to accommodate 10,000 street vendors in the Dar es Salaam city. Unfortunate vendors refuse to use the building for the reason that the location of the building is not accessible to customers, rent is high, and avoidance of paying tax. Instead, they prefer the open-air roadside stall lined along major arteries such as Uhuru and Msimbazi Streets. The same scene happened in Lusaka Zambia, where in 2009 the Zambian government completed the construction of Soweto Market and allotted the vendors with stores. However the allotted vendors did not occupy instead they continue vending on the street. The reason for rejection was high rent rates ranging from 12.6 USD to 6290.5 USD per month depending on the size (Ndhlovu, 2010). The fact is that, street vendors can't operate where there are no customers, therefore the Tanzania government could not even spend 32 billion to build the particular infrastructure, and instead it could assign specific roads / streets for street vending business only. The lesson is; the local government authorities should include the street vending aspect in the urban planning policies. Vendors should be assigned specific streets/ roads to undertake business

### *3.4 Business License*

Tanzania Licensing Act (1972) requires every person doing business in Tanzania to possess the business license. Business licenses are the permits issued by the government that allow individuals or companies to conduct business within the government's geographical jurisdiction. In Tanzania, street vendor was served by Nguvu Kazi License since 1980s. It was issued by the local government authorities under the Human Resources Development Act, and its purpose was to provide a limited legal status for microenterprises which were really too small to envisage what is often called the 'big' license (Nelson & De Bruijn, 2005). Unluckily the Business Licensing Act, 2003, abolished the hawking license (Nguvu Kazi), hence making the SVB being illegal (Lyons & Msoka, 2010). Furthermore the Tanzania Business Registration Act 2007, aimed at simplifying doing business, didn't incorporate the aspect of SVB (URT, 2007). Basing on these explanations, street vendors in Tanzania don't have a business license, hence operate informally/illegally. In developed countries like the United Kingdom and United States, food vendors have identity cards and vending permits and they pay a specified amount of money as a fee. Business license is used as a tool for collecting tax and levies from the formal business by the local authorities.

Many African governments don't earn revenue from street vending business as these don't pay tax (Muiruri, 2010; Walsh, 2010). However, street vendors cause unfair competition with formal businesses which pay tax and other levies that are compulsory before getting a business license. Mensah et al. (2010) argue that street vendor's success is attributed with the ability of selling the products at the relatively low price compare with formal shops. This competitive advantage is obtained by not paying rent, tax, and other compulsory payments. The government of Tanzania is losing billions of shillings, which remain uncollected due to failure to incorporate informal business enterprises in formal identification arrangements for inclusion in the national tax base. Mugoya (2013), establishes that the government of Tanzania would collect about Sh86 billion annually by having small retail enterprises and informal tourism operations formalized. In countries like Cambodia street vendors pay varieties of taxes and fees e.g. Rent for space, rent for umbrella, tax, sanitation fees, security fees, and other fees (Kusakabe, 2006). Tanzania should develop a mechanism for collecting taxes from the street vendors. However, the size, time, and mode of collection should correspond to the nature of street vending business.

### *3.5 Street Vendors Associations*

Street vendors as with other micro businesses, their ability to improve working environment rests on the ability to organize themselves. The street vendors' organizations/associations are supposed to enable vendors to defend their rights, secure access to the basic services, influence public policy, and increase their bargaining power (Muiruri, 2010). In Sub-Saharan Africa, except South Africa, vending associations address largely welfare issues, with very few focusing on business issues affecting their operations such as services, site of operation, licensing, policy and advocacy (Chen, 2001). In South Africa, associations provide some business services for members, such as bulk purchase, storage, marketing, training, negotiation and advocacy. Other associations in African cities are weak and cannot effectively advocate for their right to trade, they happen to arise only when there is a need thereafter disappear. In Dar es Salaam some group of vendors referred themselves as association based on contributions they made per day/week/month however they don't have clear organizational goals, policy and regulations.

One of the best street vending associations in the world is National Association of Street Vendors of India (NASVI). NASVI has more than 540 member organizations, involving over 350,000 individuals (Ray, 2014). It is a coalition of trade unions, community based organizations (CBOs), non-government organizations (NGOs) and professionals. It is responsible for ensuring livelihood and social security of street vendors through policy interventions and changes in political, legal environment, building capacity of street vendor organizations, evidence gathering and dissemination of evidences and issues concerning street vendors and undertaking schemes and programs enabling vendors to get access to financial services, such as Credit & Thrift Cooperatives, Self Help Groups, formal banking institutions and insurance companies (NASVI, 2014). Tanzania street vending associations are very weak and unofficial, hence impossible to defend the needs, and rights of the street vendors. The Tanzanian government, NGOs, CBOS, needs to assist street vendors to establish a competitive association like NASVI. Strong Street vending association could be used to organize street vendors, responsible for the unethical and misconduct of the vendors, organize for the skills development of the vendors, arrange and coordinate the finance of the vendors and act as a bridge between street vendors and government.

### *3.6 Street Vending Policy*

Street vending policy is a tool for setting standards in the provision of public goods and services. Policies protect consumers, investors and the general public, while by-laws set controls that ensure that urban areas are safe and clean (Mittulah, 2003). In most of the African cities there is no specific policy for SVB, they are governed by either trade policy or SME policy, while their business environments are quite different. Among other issues a street vending policy should address the main challenges of SVB e.g. business location, license, taxation, skills development, inclusion of SVB in urban planning, and harassment from the local government authorities, public and formal business owners.

### *3.7 Skills Development*

The development of relevant skills and knowledge is a major instrument for improved productivity, better working conditions, and the promotion of decent work in the informal economy (ILO, 2002). Also the possession of relevant business skill is important for a trader to perform core business activities like marketing research, sales, business strategy, bookkeeping, and general business management. However, the micro business (street vendors) in Sub-Saharan Africa possesses a low level of skills (Fretwell & Colombano, 2000; Riordan et al, 1997; Okubena, 2014; Msoka, 2013; Schwarze, 2008; Kimando & Njogu, 2012). Hence there is a need to intervene with these aspects in order to make SVB work efficiently to the income poverty reduction.

### 3.8 Explanation of the Model

The model includes three main parts; needed intersections, envisaged effects on SVB, and the income poverty reduction. According to the model SVB needs to be intervened in terms of policy, laws (regulations), license, skills development, association/organizations and business locations as discussed in section 3. In order to success in these agenda, there is a need to build a strong relationship with key stakeholders e.g. training institutions, urban authorities, street vendors themselves, public at large, formal business owners, and community based organizations/nongovernmental organizations responsible for trade. If these interventions will be successful, then street vendor productivity will be high, hence pay reduce confrontations with urban authorities, get more earnings, safety and security, clean environment, get appropriate skills and access to finance factors which are necessary for reducing income poverty through increase disposable incomes.

### 4. Conclusion and Recommendations

The most basic finding from this study is that street vending business like another informal business is important to the livelihood of many less educated Tanzanians. It acts as a substitute of employment for those who lacked such opportunity in formal sector due to low level of education or lack of sufficient capital. However, the street vendors face many challenges due to the absence of supportive laws, regulations, and policies of the government; as a consequence their contribution to the income poverty reduction is minimal. In order to strengthen the role of SVB in income poverty reduction the Tanzanian government should develop supportive policies, laws, and regulations that address the informality and illegality of street vending business. This supports the romantic view of informal economy that, SVB is the same like other forms of formal business what needed are constructive interventions. According to this view informal firms are actually or potentially extremely productive, but held back by government taxes and regulations as well as by the lack of safe property rights and access to finance. If such barriers were lowered, SVB would register and take advantage of the benefits of their formal status. Currently the government of Tanzania is using millions of money to pay police and security guards to remove street vendors in Dar es Salaam city, such amount of money could be used to make SVB be meaningful for income poverty reduction. The future studies should test the model in different African countries.

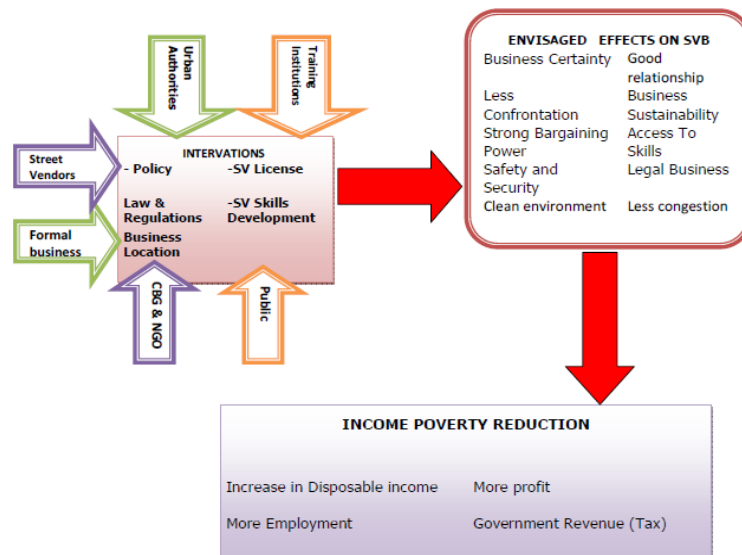


Figure 1. A model for conception of street vending business for income poverty reduction

Source: Developed by using various literatures.

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