

STREET VENDORS IN KAMPALA CITY, UGANDA: A QUESTION OF URBAN ECONOMIC POLICY REFORMS



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Executive Summary

One of the key strategies was to do away with street vendors and hawkers within Kampala, law enforcement officers for KCCA resorted to arrests, impounding of vendors' merchandise, and other sorts of enforcement procedures majority of which were 'hard measures'.

In 2021, Kampala Capital City Authority (KCCA) re-enforced its decision to decongest the city. One of the key strategies was to do away with street vendors and hawkers within Kampala, law enforcement officers for KCCA resorted to arrests, impounding of vendors' merchandise, and other sorts of enforcement procedures majority of which were 'hard measures'. There are several zoned markets in Kampala City such as St. Balikuddembe (Owino), Nakasero market, Wandegaya Market, Nateete, and Busega. However, from a survey conducted by Gateway Research Centre (2022), 85% of the traders lamented about the reduction in daily income arising from working in the zoned markets compared to street vending. This leads to loss of vendors' average daily income earned from street vending, from fifty thousand shillings (UGX 50,000) which is approximately USD 13.5 per day compared to only seven thousand shillings (UGX 7,000) hence less than USD 2 per day earned by working in a zoned market.

Various provisions of the KCCA Act (2010) and the Local Government Act (1997) have been found to have policy gaps some of which are portrayed in this policy brief.

For example, the KCCA Act (2010) does not i) Provide for how street vendors shall be controlled. It only gives functional responsibility to KCCA, ii) Define the role of the secretary for security and trade order in the Village Urban Councils and Street Committees to the preservation of the human and economic rights of street or market vendors, iii) Provide adequate time to some committee members since having part time committee members would imply there is limited time to address stakeholders of streets including street citizens, and vendors. The Local Government Act (1997) i) evolves some of the functions to lower local councils but does not define how markets and trading centres will be managed, ii) provides a limited definition of the term 'Trade' within the Act and eliminates the possibility of including street vending as one of the forms of trade.

There are other Policies such as Local Economic Development Policy (2014), Uganda Micro, Small, and Medium Enterprise (MSME) Policy (2015). These do not specifically accentuate street vending as one of the economic activities that can contribute to both local government revenue generation and livelihood improvement. Urban development requires robust inclusive economic policies that accommodate all stakeholders including street vendors.

Background

From a survey conducted by Gateway Research Centre (2022), 85% of the traders lamented about the reduction in daily income arising from working in the zoned markets compared to street vending.

In 2021, Kampala Capital City Authority (KCCA) re-enforced its decision to decongest the city. One of the key strategies was to do away with street vendors and hawkers within Kampala. Law enforcement officers for KCCA resorted to arrests, impounding of vendors' merchandise, and other sorts of enforcement procedures majority of which were 'hard measures'.

The KCCA Executive Director Ms. Dorothy Kisaka had instructed all street vendors to start operating from zoned locations mainly including major markets gazetted by the city authorities such as St. Balikuddembe (Owino), Nakasero market, Wandegeya Market, Nateete, Busega.

From a survey conducted by Gateway Research Centre (2022), 85% of the traders lamented about the reduction in daily income arising from working in the zoned markets compared to street vending. The average daily income from streets was fifty thousand shillings (UGX 50,000) which is approximately USD 13.5 per day compared to only seven thousand shillings (UGX 7,000) which is less than USD 2 per day earned by working in a zoned market. This implies the average daily income earned per vendor in a zoned market is below that of street vendors by 86%. Other concerns raised by vendors have been explained in this policy brief.

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Various provisions of the KCCA Act (2010) and the Local Government Act (1997) have been found to have policy gaps some of which are portrayed in Table 1 and Table.

Table 1: Vendor-related Policy Gaps in the Kampala Capital City Act (2010)

#	Provisions within the KCCA Act	Gaps
1	The Third Schedule of the Act gives responsibility to the city authorities to Prohibit, restrict, regulate or license— (a) the sale or hawking of wares or the erection of stalls on any street, or the use of any part of the street or public place for the purpose of carrying on any trade, business, or profession	The Act does not provide for how street vendors shall be controlled. It only gives functional responsibility to KCCA.
2	The Act provides for village urban councils and street committees whose Executive Committee includes a secretary for security and trade order and other members	The inclusion of a secretary for security and trade order in the Village Urban Councils and Street Committees does not define the role of this secretary to the preservation of the human and economic rights of street or market vendors.
3	Members of ward and village urban council executive committees and street committees shall serve on a part time basis.	Part time committee members would imply there is limited time to address stakeholders of streets including street citizens, and vendors.

Source: Kampala Capital City Authority Act (2010)
https://www.kcca.go.ug/uploads/KCCA_ACT_2010.pdf

Table 2: Vendor-related Policy Gaps in the Local Government Act (1997)

#	Provisions within the Local Government Act	Gaps
1	One of the functions devolved by district councils to lower local councils is the control of trading centres, markets, and landing sites; and the carrying on of local industries and the organisation and encouragement of local trade.	The Act devolves some of the functions to lower local councils but does not define how markets and trading centres will be managed.
2	Across the Act, the word trade is generalized and does not define the various forms of trade	Given the limited definition of the term 'Trade' within the Act, it eliminates the possibility of including street vending as one of the forms of trade.

Source: Local Government Act (1997): <https://molg.go.ug/publications/laws-and-regulations/>

Complementing the Local Government Act (1997), the Ministry of Local Government developed a Local Economic Development Policy (2014). Its overall purpose is to enhance and stimulate investments and opportunities that promote sustainable economic growth within the territorial Local Governments as well as to increase household incomes. It would thus be more ideal not to eliminate any form of business that i) is geared towards reducing poverty levels among households, and ii) can contribute to local government revenue generation to improve public service delivery. The Uganda Micro, Small, and Medium Enterprise (MSME) Policy (2015) accentuates similar assertions. MSME Policy explains the crucial role in value chain supply for sustainable economic growth with their Gross Domestic Product (GDP) contribution standing at 18%, and their employment and job creation rising to 90%, irrespective of age and gender. It highlights that MSME sector has grappled with wide ranging challenges, some legal, institutional and others attitudinal. Street vending would thus be categorized under the MSMEs, but these are not accorded maximum attention during execution of urban trade policies. This subjects them to frequent evictions, unclear daily and monthly rates, exposing them to limited economic freedom as expressed in the vendors' perspective below:

Street Vendors' Perspective

From a survey conducted by Gateway Research Centre (2022), an assessment was conducted on how market and street vendors are treated, and the economic conditions in which they work from. Some of their key concerns included:

Key Concerns from Vendors

"Much as the situation is tense, I cannot leave the streets and take up working space in the markets because of the low capital I use, low customer turn up and the unclear costs involved in the said markets. I move with my baby on the back and two others are left schooling. I walk around the city arcades with a basket of mangoes together with sweet bananas with the anticipation to attract buyers amidst inconveniences from KCCA law enforcement team", One of the female mobile street vendors in Kampala.

"Street vendors in Kampala are considered illegal and thousands resort to joining gazetted markets yet finding empty stalls is difficult", Market vendor during a Key informant interview.

"There is a makeshift market known as 'Smart Baza' which almost of all traders are not comfortable with....it is easy for robbers to rob our merchandise", One of the vendors during a Focus Group Discussion in Kisenyi market.

"KCCA allows all traders to work from zoned markets without paying any fees. However, these are characterized by bribery, extortion, and some traders masquerading as landlords for stalls, asking for more than three hundred thousand shillings (UGX 300,000)-approximately USD 90 to be given a stall. The space is thus for rent and vendors find it less economical given the small number of customers within zoned markets", A vendor complained.

Source: Survey Data, Gateway Research Centre (2022) Assessment on the Status of Market Vendors in Kampala City

Conclusions

Urban development requires robust economic policies which should be inclusive of all stakeholders. The failure by the local government policy, KCCA Act (2010), and other trade policies to clearly define street vending as one of the major businesses would explain why they are not accorded maximum attention. The zoning of markets to accommodate market vendors is done without consultation from the vendors, leading to loss of customers and ultimately a reduction in their average income.

<https://gatewayresearchcentre.org/>

Such lack of a consultative approach implies enactment of policies that are less inclusive and unfavourable to vendors. Existing policy gaps would thus require to be reviewed not only to promote economic freedom of street vendors, but also boost street vendors' potential contribute to local government revenue generation within Kampala Metropolitan region and other cities of Uganda. Key policy recommendations have been provided below:

Key Policy Recommendations

c) To the Ministry of Trade, Industry, and Cooperatives (MTIC)

➡ The Ministry of Trade, Industry, and Cooperatives should redefine MSMEs to include street vending as one of the major businesses especially within urban and semi-urban areas to prevent legal queries in their operations.

➡ The MTIC should liaise with the Ministry of Local Government to consider street vendors (including mobile vendors) as one of the recognized businesses.

d) To the Ministry of Local Government

➡ The Ministry of Local Government and the Parliament of Uganda should review the Local Government Act to define the forms of trade controls devolved to lower local councils to ensure inclusion of street vending.

➡ Clear bylaws on management of street vendors should be defined within the Local Government Act to prevent extortion from law enforcement teams, bribery, confiscation of merchandise and other forms of vendor mistreatment.

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a) To the Ministry of Trade, Industry, and Cooperatives (MTIC)

➡ The Ministry of Trade, Industry, and Cooperatives should redefine MSMEs to include street vending as one of the major businesses especially within urban and semi-urban areas to prevent legal queries in their operations.

➡ *The MTIC should liaise with the Ministry of Local Government to consider street vendors (including mobile vendors) as one of the recognized businesses that contribute to employment, livelihood improvement, and local government revenue generation.* This should be done not only for Kampala City, but also across the country to promote economic freedom and protection of human rights for vendors.

b) To the Ministry of Local Government

➡ The Ministry of Local Government and the Parliament of Uganda should review the Local Government Act to define the forms of trade controls devolved to lower local councils to ensure inclusion of street vending in more particular terms other than trade in general.

➡ Clear bylaws on management of street vendors should be defined within the Local Government Act. There is need to amend the act to include a clause on street vendors since

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these have been major stakeholders of the urban economy and cannot be ignored in the trade and economic policies. This will prevent extortion from law enforcement teams, bribery, confiscation of merchandise and other forms of vendor mistreatment.

The KCCA Act (2010) and the bylaws should be amended to legalize evening and night vending to promote economic freedom for vendors.

a) To KCCA and Ministry of Kampala City & Metropolitan Affairs

- ➡ The KCCA Act (2010) should be amended to redefine the role of village urban councils towards addressing the needs of street vendors.
- ➡ Zoning should include major streets identified with consultation from vendors to prevent loss of market by vendors, and limit illegal actions by law enforcement teams especially during unlawful eviction of vendors. Other challenges such as poor sanitation in zoned markets, pseudo landlords for market stalls within public markets, should all be addressed before vendors relocate to such markets.
- ➡ The KCCA Act (2010) and the bylaws should be amended to legalize evening and night vending to promote economic freedom for vendors.

References

1. Gateway Research Centre (2022) Assessment on the Status of Market Vendors in Kampala City
2. Kampala Capital City Authority Act (2010) https://www.kcca.go.ug/uploads/KCCA_ACT_2010.pdf
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