

SOCIO-ECONOMIC EMPOWERMENT OF URBAN DWELLERS IN KENYA: AN EMPIRICAL STUDY OF THE EFFECT OF RESOURCE MOBILIZATIONS AMONG THE STREET VENDORS

^{1*} **Onego Roseline**
roseonego4@gmail.com

^{2**} **Rotich Gladys**
grotich@jkuat.ac.ke

^{3***} **Mutundu Kennedy**
kmutundu@mku.ac.ke

^{1,2} *Jomo Kenyatta University of Agriculture and Technology*

³ *Mount Kenya University, Kenya*

Abstract: *Globally, the search for Development has taken the direction of Socio-Economic empowerment. Socio-Economic entitlements are privileges to access to resources; employment, education, skills, health, adequate living standards and income levels. In most developing economies principally in sub-Saharan Africa, the population continues to grow, and so does the number of people migrating to urban areas. Economic growth, on the other hand, does not keep with the pace of population growth which outstrips the capacity of both industrial and urban socio-economic services to efficiently absorb the growing labor force. In Kenya, street vending has become a critical component of economic growth and development. It constitutes a large proportion of the informal micro enterprise in urban economy. While the existence of street vending micro enterprise activities is well known, its implication on Socio-economic empowerment is contentious. Thus, the study explored an objective guided by a hypothesis that resource mobilization of street vendors has no statistically significant effect on Economic Empowerment of urban dwellers in Kenya. The study was guided by Development Freedom approach and adopted descriptive cross-sectional survey design. Using a sample of 384 street vendors from Nairobi, Mombasa and Kisumu, data collection entailed face to face questionnaire survey. The study found that most street vendors' lack the capacity to raise capital for their business. This can be attributed by their inability to raise collateral required to obtain loans from financial institutions like banks. The study indicated the existence of negative and statistically significant correlation between socio-economic empowerment and capital as well as financial support and a positive correlation with regard to collateral requirements. Nevertheless, only the coefficient of capital has a strong correlation. The study concluded that resources mobilization has a statistically significant effect on street vendors' socio-economic empowerment. This is through financial support including provision on collateral for loans.*

Keywords: *Socio-economic, Empowerment, Street vending, Resource mobilization, Urban dwellers*

1.0 INTRODUCTION

Background to the Study

Street vendors make important contributions to their cities. Research shows a significant increase in the number of street vendors in the major cities globally (Recchi, 2020, Forkuor, J.B, Akuoko & yeboah, 2017). It was estimated that in 2000s, the informal sector constituted 18% of economy of 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 (Roever & Skinner, 2016, African Development Bank, 2014). Wang, (2011) in Kanoga, Njugana and Bett, (2015) illustrated that 763 street

venders in 50 major cities of the United States have licenses to operate their business. Even though statistics are rare to find, there is a manifestation in the increase of street vending micro enterprises also in the major street cities in developing economies (Recchi, 2020, Forkuor et al., 2017).

In Asian cities, street vendors account for a slightly lower share of informal employment (Roever & Skinner, 2016). In China, the struggle is to exclude street vendors through political campaigns such as “National Sanitary City” and “National Civilized City” (Zhong & Di, 2017). The campaigns are said to pursue modernity and beautification of urban spaces by distinguishing street vendors as disorderly, unsanitary, and obsolescent (Recchi, 2020, Mazhambe, 2017). In East Asia, Street vending has been largely treated as part of the indigent or beggar class and swept off the streets wherever possible. From Seoul to Beijing to Taipei and, perhaps in the future to Bangkok, the urban street vendors have been confined to state-mandated areas, subject to receipt of services such as water and electricity and integrated into the tax base (Walsh, 2010).

But in Indian cities, the share of street vending is lower from 4.4 percent (Mumbai) to 6.5 percent (Ahmedabad) of total urban informal employment and is higher among employed men than employed women. While trade is still an important branch of economic activity in Indian cities, non-trade services and manufacturing account for higher shares of total urban employment (Roever & Skinner, 2016). In developing countries, the rural-urban drift in many cities is mainly due to the inequalities of infrastructural facilities, services, and economic activities in favor of urban centres and this has brought about street vending (Mazhambe, 2017; Mitullah, 2003, Uwutije, 2013).

Street vendors constitute a significant portion of the nation’s informal labor force and a significant proportion of the nation’s work force especially in developing economies (Lewis, Kebede, Brown & Mackie, 2019; Mhando and Mramba, 2020). In Kenya, the 2015 Kenya economic survey report confirms that the informal sector had the largest share of employment accounting for 82.7% of the total employment (Economic Survey, 2021). Street vending falls within the SMEs sector and provides employment and income to about 70 per cent of Kenya's population, especially in urban areas (ILO-WIEGO, 2013). Thus, the study explored the objective guided by a hypothesis that resource mobilization of street vendors has no statistically significant effect on Economic Empowerment of urban dwellers in Kenya.

Statement of the Problem

Street vending has become a critical component of Kenya’s economic growth and development. It constitutes a large proportion of the informal micro enterprise in urban economy. While the existence of street vending micro enterprise activities is well known, its implication on Socio-economic empowerment is contentious (Mramba, 2015; Mazhambe, 2017). Due to the ever-increasing unemployment and poverty rates in urban areas of Kenya, many residents have opted for street vending micro enterprises as a source of livelihood (Muiruri, 2010; Racaud , 2017 Onyango et. Al., 2012, Kirumirah & Munish, 2021). Despite the said merits, street vending micro enterprise still face various constraints that hamper their operations, the conditions under which they operate in are not conducive. They operate on open grounds, have exceptionally constrained provision for credit, have no store rooms for their products and are not furnished with the essential business services, they lack proper structures and necessary resources (Kirumirah & Munish, 2021, Racaud, 2018; Njaya, 2014).

The lack of proper business infrastructure (Woldu, Guanche, Adinew; 2017), lack of clear planning process for markets and financial capacity (Onyango et al, 2012; Raman & Muduli, 2012) have been highlighted as critical issues affecting their existence (UN-Habitat, 2006). Studies indicates that eliminating street vendors in access to financial resources, to market sites, and commodities and business infrastructure and services could affect their productivity (USAID; 2019, ILO, 2014). Nevertheless, it remains unclear on how the highlighted

factors affect the operations of street vendors and their socio-economic implications on city dwellers. Therefore, this study seeks to fill these gaps through a robust investigation using primary data from Nairobi, Mombasa and Kisumu cities.

General Objective

The study sought to establish Street Vending Micro Enterprise determinants of Socio- economic empowerment of urban dwellers in Kenya.

Specific Objective

- i. To assess the effect of resource mobilization of street vendors on Socio- economic empowerment of urban dwellers in Kenya

Research Hypothesis

H₀₁: Resource mobilizations of street vendors has no statistically significant effect on Economic Empowerment of urban dwellers in Kenya

2.0 LITERATURE REVIEW

Street vending activities are usually small in size and require comparatively simple skills, basic facilities and minimum capital to begin with (Njaya, 2014). While it can be argued that financial inclusion and inclusive growth can together generate self-employment opportunities and alleviate poverty and unemployment, easy access to formal credit institutions is the stumbling block for the street vendors (Bhowmik & Saha, 2013, Ramana & Muduli, 2018). Credit is an essential requisite in microenterprise activities, both to sustain existing activity and to upscale it. Provision of affordable credit has increasingly been identified as an effective strategy that can raise the income of urban poor populations in African countries. Unfortunately, informal workers do not have access to credit by regulated-by-regulated financial institution given their lack their lack of collateral.

Financial constraint is the most problem of the microenterprises, both insufficient capital and no source of credit. Limited access to finance for investments is one of the most serious obstacles to micro enterprises growth, and access to credit is a significant determinant of firm performance. Street vending microenterprises need working capital as well as well as finance however, banks in low-income countries largely do not have the appropriate products, and the high transaction costs for lenders to process, monitor, and enforce micro enterprises loans increase interest rates, making borrowing more expensive or unavailable for street vendors (Steiler, Ilona; Nyirenda & Chediell, 2021).

European Investment Bank (EIB) studies revealed that only 30% of the small firms in Sub-Saharan African countries have access to affordable and proper financial capital (EIB, 2018). Dearth of collateral requests, low income, difficulties in filing tax repayment reports and unsound business plans are some of the major reasons for the unwillingness of the formal banks giving credit, to majority of entrepreneurs who own microenterprises. Lack or poor access to capital, credit schemes and the constraints of financial systems are regarded by potential entrepreneurs as main hindrances to business innovation and success in developing economies (Uwitije, 2016; Ramana & Muduli, 2018).

Lack of technology, the required human and financial capacity informal sector lack information, but information is necessary for capital building, product improvement and managing the marketing strategies (Woldu et al, 2017, Ramana & Muduli, 2018). Despite this, these vendors often face unfavorable terms of exchange from public authorities; costs include demands for cash payments to access public space and bribes to avoid evictions, confiscation of goods or fines for real or imagined transgressions of by-laws, and in-kind

payments for unreturned confiscated merchandise. All these penalties reduce income and curb productivity (Roever, 2014; Chen, 2012; Munandi, 2012). Small investments in their business result in low profits. As a result, Street vendors are not really able to transform their informal status into formal one as they are not capable to meet the requirements (Mitullah, 2003, Forkuor, 2017).

Despite the fact that Street vendors usually show high repayment capacity, lack of collateral and firm domiciliary status usually bars them from institutional credit (Saha, 2010). For vendors who have access, in most cases, they take recourse to high interest loans from non-institutional lenders because they work on a turnover basis (Sarma, 2016) Street vendor have been reported to have low levels of capital due to their low levels of savings thus their inability to build on their capital. Street vending activities have owners with minute capital investment which oftentimes transforms into limited chances for growth into a viable business (Njaya, 2014). But there are also vendors who accrue capital and, considering their daily incomes, can be grouped under middle income (Nirathron & Nirathron 2019). For those with additional income it is used to boost the working capital of their vending business.

Several authors have reported that employees of the informal sector make a smaller amount of income, have unsteady returns, and do not have access to basic securities and services (Njaya, 2014). Wages in informal firms are roughly one-half of those in small formal firms and less than one-third of those in large formal firms (Roever & Skinner, 2016; Porta & Shleifer, 2014). Street vendors have similarly been recounted to have uncertainty of income due to removal and evacuation of markets which makes their life more miserable (Sheik & Sareswathy, 2016). Street vendors in Colombia report higher income than the average citizen, but they are unable to capitalize on their earnings and escape poverty (Acevedo & Martínez, 2018). The reason responsible is being their inability to capitalize on their earnings and escape poverty. Street vendors have also been reported to have the financial capability to pay back their debts because they profit from access to credits from banks of microfinance institutions with lower interest rate, or other legal financial instruments (Sheik & Sareswathy, 2016; Ramana & Muduli, 2018).

Consequently, small investments in their business result in low profits. As a result, Street vendors are not really able to change their informal position into formal one as they are not able to meet the requirements (Mitullah, 2003; Acevedo & Martinez, 2018 & Forkuor et al., 2017). Given their deprived settings of vending activities, most vendors make minimal but reasonable profits depending on their capital (Bell & Loukaitou, 2014). The profit margins made by street vendors in determined by the size of business, the location of the business, tax burden, and the commodities of trade (Mitullah, 2003). However, given the poor conditions of work most traders make minimal profits. In Ghana, majority of the vendors at Racecourse Market earned up to 100,000 cedis while in South Africa, street traders earn between Rand 600 and 800 per month. In Cocody market in Cote d'Ivoire, traders make a moderate profit margin of CFA 96.251 in a month (Mitullah, 2003).

According to Mitullah (2003) report, the low purchasing power among customers and unreliability of customers who take goods on credit also affects the profit margins. Vending activities involves very poor conditions of work; consequently, most traders make minimal profits (Acevedo & Martínez, 2018). However, they can also have high profits even though they usually remain poor. Street vendors operate below capacity because they have limited access to capital as they have no access to financial services such as credit, loans from financial institutions because they do not have collateral security. Therefore, the lack of capital or access to capital hinders the development of their activities (Uwitije, 2016). Street traders undertake the business due to lack of enough capital and to avoid paying rent in the formal markets. Ndhlovu (2011) reiterates that street traders undertake the activities as an easy means of setting oneself up as self-employed with low initial capital.

Theoretical Framework

The study was guided by Development as Freedom Approach by Amartya Sen (1999) .

Conceptual Framework

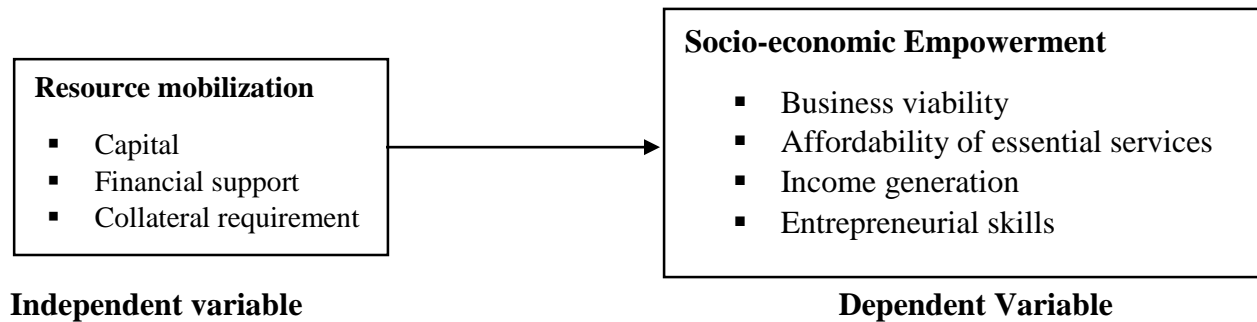


Figure 1: Conceptual Framework

3.0 RESEARCH METHODOLOGY

This study adopted descriptive cross-sectional survey design. The target population of the study was 1,800, 000 street vendors from Nairobi, Mombasa and Kisumu out of which a sample of 384 street vendors were selected based on Krejcie & Morgan (1970) formula. Three hundred (300) questionnaires were returned. Multistage sampling was employed to arrive at a sample size. Primary data was collected using face to face questionnaire survey. Piloting of the research instruments was conducted in one of the urban areas (Nakuru) which was not sampled for the main study. 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. Findings 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. According to Mugenda (2008) analysis of variance is used because it makes use of the F – test in terms of sums of squares residual. T statistics was also be used to test significance contribution of individual variable.

4.0 RESULTS AND DISCUSSION

The study sought to assess the effect of Resource mobilizations of street vendors on Socio- economic empowerment of urban dwellers in Kenya. To respond to this objective, the study analyses data for dependent variable (socio-economic empowerment) and secondly those of the independent variable which is Resource mobilizations. Street vendors were asked to rate various statements related to socio-economic empowerment on a scale of 1-5; where 1-Totally Disagree (TD), 2-Disagree (D), 3-Neutral (N), 4-Agree, (A) and 5-Totally Agree (TA). Results are presented in Table 1.

The mean scores for the statements regarding socio-economic empowerment of street vendors range from agree to Totally agree. For instance, the street vendor showed highest mean of 4.2773 and standard deviation of .72806 on vending enabling them to provide basic needs to their households. This was closely followed by acquisition of networking through vending at a mean of 4.2136 and standard deviation of .73079. This shows

that this item higher dispersion in the responses compared to that of highest mean item. Similarly, all the test items showed that the vending was positive on socio-economic empowerment as all had means of at least 3.5.

These findings are consistent with Racaud, (2018), Mazhambe, (2018) and Mungai (2021) who argue that Street Vending gives underestimated individuals access to a salary, however unpredictable, it is still key for family unit survival and also that small scale enterprises provide the entrepreneurial culture and boost of the economy against economic crises, such as low per capita income, poverty and unemployment. In Kenya, the small and micro-Enterprises play a significant role in the Economy. According to the economic survey (2006) cited in Mungai (2021), the sector contributed over 50 per cent of new jobs created in the year 2005.

In addition, majority of street vendors Totally agreed to the assertions that vending enable them to provide basic need to my household to afford three meals in a day (mean=4.2773, SD=.72806), through vending, they have acquired relevant networking skills with other businesspeople (mean=4.2136, SD=.73079). Similar arguments are made with regard to the rests of the statements.

Table 1: Socio-economic Empowerment Descriptive Statistics (N=300)

Variable	TD %	D %	N %	A %	TA %	Mean	Std. Deviation
Vending enables me to provide basic need to my household to afford three meals in a day	5	2.7	5.5	51.4	40	4.2773	.72806
I am able to educate my children (household) through vending	1.4	7.3	14.5	40.5	36.4	4.0318	.96225
Street vending business if profitable	9	2.3	19.1	40.9	36.8	4.1045	.85099
Through vending, I have acquired relevant networking skills with other businesspeople	0.0	3.6	7.3	53.2	35.9	4.2136	.73079
I am able to pay water and electricity bills through vending	7.3	3.2	13.2	45.9	30.5	3.8909	1.10081
I have acquired relevant experience to manage my business	0.5	1.8	13.2	45.9	38.6	4.2045	.76985
Vendor have been trained on how to manage their activities successfully	9.5	15.9	15.9	29.1	29.5	3.5318	1.31860
Through vending, I have acquired needed accounting skills for my business	3.6	9.1	10.5	35.9	40.9	4.0136	1.09994

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

Source: Researcher (2021)

These findings imply that vending business contribute greatly to the socio-economic empowerment of families in urban areas. It enables them to get daily bread as well as take care of the bills and education of household members. Due to the shrinking of the labour market, majority of Kenyans especially in the urban areas have found street vending as the only way to derive their livelihood and hence, this sector plays a central role towards socio-economic empowerment of the urban dwellers.

Factor Analysis Socio-economic Empowerment

The study adopted Principal Component Approach (PCA) to analyze variables in the socio-economic empowerment Likert scale. The purpose of factor analysis is to reduce the number of Likert scale variables into view while maintaining most of the information in the larger data set. The reduced variables can then be

used in computing correlation, regression and hypothesis testing. To ascertain the validity of the factor analysis process, the study computed Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's Test.

According to this test, KMO should be greater than 0.5 for the study sample to be termed adequate. Findings in Table 2 show that KMO is 0.860, an indication that the process is valid, or the sample was adequate. Bartlett's Test measures the strength of variables. The null hypothesis of the test states that, the correlation matrix is an identity matrix. A p-value of less than 5% leads to acceptance of the null hypothesis. With the p-value of 0.000, findings imply that Bartlett's test for Sphericity is significant, and therefore factor analysis is satisfactory.

Table 2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.860
Approx. Chi-Square	881.485
Bartlett's Test of Sphericity	28
Sig.	.000

The next output of the PCA is the total explained variance which indicates the number of factors that were extracted during the process (see Table 3). In addition, the output shows eigenvalues of factors, percentage of variance attributable to each factor, and the total variance of the factor and the previous factors.

Table 3: Total Variance Explained on Socio-economic Empowerment

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.440	55.503	55.503	4.440	55.503	55.503
2	.958	11.977	67.480			
3	.736	9.206	76.686			
4	.534	6.681	83.367			
5	.505	6.309	89.676			
6	.345	4.310	93.986			
7	.262	3.274	97.260			
8	.219	2.740	100.000			

Extraction Method: Principal Component Analysis.

According to the table, one factor was extracted from the process and this factor explains 55.503 per cent of the total variance in socio-economic empowerment of street vendors. The remaining variation is explained by other factors.

Finally, Table 4 presents component matrix which indicates that all variables were substantially loaded on one (1) component.

Table 4: Component Matrix^a on Socio-economic Empowerment

Variables	Component 1
Vending enables me to provide basic need to my household to afford three meals in a day	.767
I am able to educate my children (household) through vending	.741
Street vending business is profitable	.850
Through vending, I have acquired relevant networking skills with other businesspeople	.833
I am able to pay water and electricity bills through vending	.655
I have acquired relevant experience to manage my business	.805
Vendor have been trained on how to manage their activities successfully	.613
Through vending, I have acquired needed accounting skills for my business	.659
Extraction Method: Principal Component Analysis.	

a. 1 components extracted.

This means that only one variable for socio-economic empowerment of street vendors was extracted to help in the analysis of correlation, regression and hypothesis testing. The next sub-section conducts descriptive and factor analysis of mobilization of resources for street vendors.

Mobilization of Resources

Street vendors were examined on various indicators of resource mobilization. They were asked to indicate what their main source of capital was. Summary of the findings are presented in Table 5.

Table 5: Main source of capital

Source	Frequency	Percent
Bank loan	80	26.7
Shylocks	85	28.3
Family support	14	4.7
Personal savings	117	39.0
Others	4	1.3
Total	300	100.0

The results show that majority of the street vendors get their capital mainly from personal savings (39.0%). This could be attributed to the fact that most vendors have limited assets and hence, cannot raise collateral for bank loans at 26.7%. Followed closely were loans from shylocks at 28.3% and then, bank loans. A study by Saha (2010) reveals that despite the fact that Street vendors usually show high repayment capacity, lack of collateral and firm domiciliary status usually bars them from institutional credit.

Next, the vendors were asked to rate their capital adequacy and summary statistics are displayed in Table 6. From the results, most street vendors argued that their capital was moderately adequate (47.7%). Nevertheless, 15.9 per cent of all those interviewed stated that their capital was not adequate.

Table 6: How do you rate capital adequacy?

Rate	Frequency	Percent
Very adequate	22	7.3
Adequate	87	29.0
Moderately adequate	143	47.7
Not adequate	48	16.0
Total	300	100.0

Furthermore, the study sought to find out the amount of capital the street vendors had for their businesses. Table 7 presents summary results.

Table 7: Amount of Capital for Business

Capital (Kshs)	Frequency	Percent
1000-5000	113	37.7
6000-10000	68	22.7
11000-15000	48	16.0
16000-20000	20	6.6
>21000	51	17.0
Total	300	100.0

Findings on the amount of capital show that most street vendors have between Kshs. 1000 and Kshs. 5,000. This means that most of these street vendors operate relatively small-scale business. However, there are street vendors with capital of more than Kshs. 21, 000. Indeed, Njaya (2014) argues that Street vendor have low levels of capital due to their low levels of savings thus their inability to build on their capital. In addition, Njaya (2014) states that street vending activities have owners with minute capital investment which oftentimes transforms into limited chances for growth into a viable business.

Finally, women were asked to rate various statements related to mobilization of resources on a scale of 1-5; where 1-Totally Disagree (TD), 2 Disagree (D), 3-Neutral (N), 4-Agree, (A), and 5-Totally Agree (TA). Results are presented in Table 8.

Table 8: Mobilization of Resources Descriptive Statistics (N=300)

Variable	TD	D	N	A	TA	Mean	Std. Deviation
	%	%	%	%	%		
I have collateral to secure a loan for my vending business if needed	41.4	28.2	7.7	19.5	3.2	2.1500	1.24242
My personal savings are sufficient to finance the vending business	3.6	25	51.8	10.9	8.6	2.9591	.92315
If I had more cash, I would I improve on my stock	3.6	9.5	9.5	41.1	33.2	3.9364	1.06653
I receive sufficient financial support from business for my family	48.6	19.5	14.1	10.5	7.3	2.0818	1.30424
vending activity gives me profits	9	1.4	13.6	47.7	36.4	4.1727	.78058

There is an alternative source of income to the family	35	20.5	11.4	28.2	5	2.4773	1.34959
Vending activity is my key source of income	31.8	1.4	9.1	36.8	50.9	4.3364	.84158

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

The mean response on mobilization of resources ranges from disagree to Totally agree. The highest mean of the items is at 4.3364 with a standard deviation of .84158. This means that the majority indicated that vending is their key source of income as it is skewed towards the totally agree rating. This imply that street vendors had divergent opinions on various arguments about mobilization of resources to fund their business. For instance, on one hand, they Totally agreed to the arguments that street vending activities gives them profits (mean=4.1727, SD=.78058) which can possibly be re-invested, and that, vending activity is their key source of income (mean=4.3364, SD=.84158). On the other hand, street vendors disagreed on the assertions that they had collateral to secure loans for their vending business if needed (mean=2.1500, SD=1.24242), their personal savings are sufficient to finance their vending business (mean =2.9591, SD= 92315) and also that, there is an alternative source of income to the family (mean=2.4773, SD=1.34959).

According to these findings, there is a general feeling that most street vendors do not have enough ability to raise capital for their business.

Factor Analysis for Resource Mobilization

Table 9 presents KMO and Bartlett's Test which shows that the sample was adequate given a KMO value of 0.697. 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 9: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.697
Approx. Chi-Square	304.222
df	21
Bartlett's Test of Sphericity	
Sig.	.000

The next output (Table 10) for Total variance explained, indicate that factor analysis process extracted three components which accounted for 68.61 per cent variation in the mobilization variable. This imply that the remaining percentage (31.39%) is accounted for by the remaining four components.

Table 10: Total Variance Explained for Mobilization of resources

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% Variance	% ofCumulative	Total	% Variance	% ofCumulative	Total	% Variance	% ofCumulative
1	2.520	35.995	35.995	2.520	35.995	35.995	2.175	31.064	31.064
2	1.267	18.094	54.088	1.267	18.094	54.088	1.588	22.684	53.748
3	1.016	14.520	68.608	1.016	14.520	68.608	1.040	14.860	68.608
4	.736	10.517	79.125						

5	.638	9.107	88.232
6	.508	7.252	95.485
7	.316	4.515	100.000

Extraction Method: Principal Component Analysis.

Finally, the study presents rotated component matrix which shows how variables were loaded on the three extracted components (Table 11). The first variable is substantially loaded on the second component associated with collateral requirement while the fourth variable is adequately loaded on the on the third component which is related to financial support. Finally, the second, third and fifth variables are substantially loaded on the first component which is associated with capital.

Table 11: Rotated Component Matrix on Resource Mobilization

Variable	Component		
	1	2	3
I have collateral to secure a loan for my vending business if needed	.293	.771	.011
My personal savings are sufficient to finance the vending business	.986	-.013	.086
If I had more cash, I would improve on my stock	.546	-.054	.003
I receive sufficient financial support from business for my family vending activity gives me profits	.024	.333	.727
There is an alternative source of income to the family	.722	.028	.126
Vending activity is my key source of income	.640	.315	-.195
	.764	.120	-.113

Extraction Method: Principal Component Analysis.

In the next sub-sections, the study conducted correlation, regression and hypothesis testing to establish the association between mobilization of resources and socio-economic empowerment of street vendors.

Correlation Analysis between Mobilization of Resources and Socio-economic Empowerment

The study adopted Pearson correlation approach to analyse how strong the relationship between Resource mobilization and socio-economic empowerment was. Findings are presented in Table 12.

Table 12: Correlations between Mobilization of Resources and Socio-economic Empowerment

		Socio-economic empowerment	Capital	Financial support	Collateral requirement
Socio-economic empowerment	Pearson	1	-.624**	-.216**	.210**
	Correlation				
	Sig. (2-tailed)		.000	.001	.002
Capital	N	300	300	300	300
	Pearson	-.624**	1	.000	.000
	Correlation				
Financial support	Sig. (2-tailed)	.000		1.000	1.000
	N	300	300	300	300
	Pearson	-.216**	.000	1	.000
Collateral requirement	Correlation				
	Sig. (2-tailed)	.001	1.000		1.000
	N	300	300	300	300
Collateral requirement	Pearson	.210**	.000	.000	1
	Correlation				

Sig. (2-tailed)	.002	1.000	1.000	
N	300	300	300	300

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

Findings indicate that there is a negative and statistically significant correlation between socio-economic empowerment and capital ($r=-.624$) as well as financial support ($r=-.216$) and a positive correlation with regard to collateral requirements (.210). In terms of strength, it is only the coefficient of capital which is strong. The rest indicate weak correlation. Generally, these findings imply that there is at least a relationship between street vendors Mobilization of resource and their socio-economic empowerment.

Regression between Resource Mobilization and Socio-economic Empowerment

The study employed Ordinary Least Square (OLS) approach to investigate the effect of Resource mobilization on street vendor’s socio-economic empowerment. Results of the analysis are presented in Table 13.

The ANOVA test indicate that the findings are statistically significant given the probability value of $0.000 < 0.05$. This imply acceptance of the OLS hypothesis that the coefficients of independent variables are different from zero. With regard to Adjusted R squared statistic value of 0.473, findings show that a unit change in Resource Mobilization led to 47.3% 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. These implies the validity of the model estimation.

Table 13: Regression results between Resource mobilization and socio-economic Empowerment

Model	Unstandardized		Standardized	t	Sig.	Collinearity	
	Coefficients		Coefficients			Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	1.002013	.049		.000	1.000		
Capital	.624	.049	.624	12.711	.000	1.000	1.000
Financial support	.216	.049	.216	4.397	.000	1.000	1.000
Collateral requirement	-.210	.049	-.210	-4.278	.000	1.000	1.000
Dependent	Socio-economic empowerment						
Obs	300						
Adj. R squared	.473						
Std. Error	.726						
F – ratio (3, 219) (ANOVA)	66.403						
Prob. > F	0.000						
Durbin-Watson	2.004						

Turning to the coefficients, the results show that there is a positive relationship between capital and socio-economic empowerment (.624, $\text{Sig.}=0.000 < 0.05$). Similarly, the study has established a positive and statistically significant relationship between financial support and socio-economic empowerment of street vendors (.216, $\text{Sig.}=0.000 < 0.05$). Availability of capital and financial support can boost street vendor’s business operations, and this could result into more revenues and hence, enhance their socio-economic empowerment.

Modelling the relationship between the variables would be as follows

$$Y = 1.002013 + 0.624W + 0.216Y - 0.210Z + 0.049$$

Where;

Y is the socio-economic empowerment

W is the capital

Y is the financial support, and

Z is the collateral requirement

This implies that while increase in either or both of capital and financial support would increase socio-economic empowerment of the street vendors, increase in collateral requirement would reduce it. A unit increase in capital would increase empowerment by 0.624 units while a unit increase in financial support would increase the empowerment by 0.216 units. On the other hand, a unit increase in collateral requirement would reduce socio-economic empowerment by 0.210 units.

An adjusted R squared = 0.473 shows that 47.3% of variations in the street vendors’ empowerment was attributed to the three resource mobilization indicators (capital, financial support and collateral requirement). Various studies have argued that financial inclusion and inclusive growth can generate self-employment opportunities and reduce poverty and unemployment. For instance, Ramana and Muduli (2018) opine that access to capital is necessary for micro enterprise activities to sustain the existing activities and even up scale.

Hypothesis Test for Resource Mobilization and Socio-economic Empowerment

Finally, the study sought to test the hypothesis that Resource mobilization of street vendors has no statistically significant effect on Economic Empowerment of urban dwellers in Kenya. Using Spearman’s rank approach, the results of the test are presented in Table 14.

Table 14: Test for first Hypothesis

Number of obs	300
Spearman's rho	0.6011
Prob > t	0.000

Findings indicate rejection of the null hypothesis given the P-value =0.000, less than 0.05. Thus, the study shows that there is a statistically significant relationship between resource mobilization and socio-economic empowerment of street vendors. These results are in tandem with regression analysis findings.

5.0 SUMMARY, CONCLUSION AND RECOMMENDATION

Summary of the Findings

The study findings showed highest mean of 4.2773 and standard deviation of .72806 on vending enabling them to provide basic needs to their households. This implied that the majority totally agreed that vending is key in the basic needs for households. The socio-economic variable indicator and its test items showed that the vending was positive on socio-economic empowerment as all had means of at least 3.5 which is above the neutral point. The findings show that majority of street vendors totally agreed to the assertions that vending enable them to provide basic need to my household to afford three meals in a day (mean=4.2773, SD=.72806).

The findings reflect the existing literature (Mercuriol, 2017 and Onyango et. al., 2012) who acknowledge the role that street vending has played in the lives of many Kenyans across the country. Other studies (Kirumirah & Munish, 2021; Mercuriol, 2017) also noted that most street vendor rely on the activity for their household

provisions. Njaya (2014) posited that street food vending employs an average 37.8 percent of the labor force and contributes about 38 percent to total gross domestic product in Africa. This shows that the street vending activity is a significant household economic venture for not only Kenya but entire African continent.

On resource mobilization in street vending for improving socio-economic empowerment, the study showed that majority of the street vendors get their capital mainly from personal savings (39.0%). The study also showed that majority of the street vendors cannot raise collateral for bank loans at 26.7%. The study reflects the posting of Ramana and Muduli (2018) and the Steiler, et. al., (2019). This was cemented by the fact that about 15.9 per cent of all the respondents stated that their capital was not adequate. The capital status show that most street vendors have between Kshs. 1000 and Kshs. 5,000. This means that most of these street vendors operate relatively small-scale business. The results also indicate the posting by the EIB (2018) that only 30% of the small firms in Sub-Saharan African countries have access to affordable and proper financial capital.

In another perspective, the highest mean of the items is at 4.3364 with a standard deviation of .84158. This means that the majority indicated that vending is their key source of income as it is skewed towards the totally agree rating. The findings corroborate the findings by Sen, (1999) who argue that for most poor households in urban areas, street vending Micro enterprises are the sole source of income. The study also reported that street vending activities gives them profits (mean=4.1727, SD=.78058) which can possibly be re-invested, and that, vending activity is their key source of income (mean=4.3364, SD=.84158).

The study reported a negative and statistically significant correlation between socio-economic empowerment and capital ($r=-.624$) as well as financial support ($r=-.216$) and a positive correlation with regard to collateral requirements (.210). These findings reflect literature posting on the capital access and venture in street vending. Researchers (Bhowmik & Saha, 2013; Ramana & Muduli, 2018) have argued that financial inclusion and inclusive growth can together generate self-employment opportunities and alleviate poverty and unemployment, easy access to formal credit institutions is the stumbling block for the street vendors. The study also revealed a positive relationship between capital and socio-economic empowerment (.624, Sig.=0.000 < 0.05). Similarly, the study has established a positive and statistically significant relationship between financial support and socio-economic empowerment of street vendors (.216, Sig.=0.000 < 0.05).

The study findings showed that 47.3% of variations in the street vendors' empowerment was attributed to the three resource mobilization indicators (capital, financial support and collateral requirement). Resource mobilization of street vendors has no statistically significant effect on Economic Empowerment of urban dwellers in Kenya (P-value =0.000, less than 0.05). The study findings are in tandem with the positing of Woldu et al, (2017) and Ramana and Muduli (2018) who posited that information is necessary for capital building, product improvement and managing the marketing strategies.

Conclusion

The study concludes that mobilization of capital has a positive effect on the socio-economic empowerment of street vendors. Similarly, the study concludes that financial support has a positive effect on the street vendor's socio-economic empowerment. Furthermore, the study concludes that collateral requirement has a negative effect on the socio-economic empowerment of street vending micro enterprises.

Recommendations

Since capital and financial support influences street vending microenterprises positively, this study recommends that the government should support street vendors financially either through grants or soft loans

to enhance their business. This will help especially those who cannot raise capital through financial institutions due to lack of collateral.

References

- Acevedo J. D. R. & Martínez L., (2018). A Proposed Credit Risk Assessment for People at the Bottom of the Socio-economic Pyramid in Cali, Colombia. *Review of European Studies; Vol. 10, No. 3; 2018* ISSN 1918-7173
- African Development Bank. (2014, December 13). Recognizing Africa's Informal Sector.
- Bell, J. S., & Loukaitou, S. A. (2014). Sidewalk Informality: An Examination of Street Vending Regulation in China. *International Planning Studies, 1-24*.
- Bhowmik, S. and D. Saha (2013) *Financial Inclusion of the Marginalised: Street Vendors in the Urban Economy*. New Delhi: Springer
- Chen, M., Harvey, J., Kihato, C., & Skinner, C., (2018) Inclusive Public Spaces for Informal Livelihoods: A Discussion Paper for Urban Planners and Policy Makers. WIEGO
- Chen, M. A. (2012). The Informal Economy: Definitions, Theories and Policies. Retrieved from www.wiego.org
- European Investment Bank (2018) Banking in Africa: Delivering on Financial Inclusion, Supporting Financial Stability
- Government of the Republic of Kenya. 2021. *Economic Survey 2021*. Nairobi, Government of the Republic of Kenya.
- Forkuor, J.B. Akuoko, K., O., and Yeboah E., H, (2017) Negotiation and Management Strategies of Street Vendors in Developing Countries: A Narrative Review. Sage publication. P.1-13.
- ILO. (2014). Transition to formality in Latin America and the Caribbean. Lima: ILO, Regional Office for Latin America and the Caribbean.
- ILO-WIEGO. 2013. Women and Men in the Informal Economy 2013: A Statistical Picture 2nd Edition. Geneva: ILO.
- Kanoga, S. Njugana, R. & Bett, S. (2015). The Effect of Place on Performance of shopping malls in Nairobi County Kenya. *Journal of Social Sciences and Humanities, 1(4)*, 381-390.
- Kirumirah M.H., Munishi E.J. (2021) Characterizing Street Vendors in the Urban Settings of Tanzania: Towards Sustainable Solutions to Vendors' Challenges. In: Mojekwu J.N., Thwala W., Aigbavboa C., Atepor L., Sackey S. (eds) Sustainable Education and Development. ARCA 2020 2020. Springer, Cham. https://doi.org/10.1007/978-3-030-68836-3_22
- Mercuriol Q. 2017. Kisumu en ses échelles: Les conditions spatiales, temporelles et politiques des ambitions compétitives d'une ville secondaire kényane. Nanterre, University of Paris Nanterre, unpublished PhD diss.
- Mazhambe. A. (2017) "Assessment of the Contribution of Street Vending to the Zimbabwe Economy. A Case of Street Vendors in Harare CBD." *IOSR Journal of Business and Management (IOSR-JBM)*, vol. 19, no. 9, 2017, pp. 91–100

- Mramba, R. N. (2015) The Conception of Street Vending Business (SVB) Income Poverty Reduction in Tanzania. *International Business Research*, 8(5), p. 120.
- Mramba, N. R., & Mhando, N. E. (2020). Moving Towards Decent Work for Street Vendors in Tanzania, *Utafiti*, 15(2), 257-278. doi: <https://doi.org/10.1163/26836408-15020033>
- Mitullah., W. (2003). Street Vending in Africa Cities: Synthesis of Empirical Findings from Kenya, Cote d'Ivoire, Ghana, Zimbabwe, Uganda and South Africa. Washington DC.: World Bank.
- Mungai A., M., W., (2021) Role of Entrepreneurial Responses on the Growth of Women Street Vending in Kenya. Degree of Doctor of Philosophy in Entrepreneurship of the Jomo Kenyatta University of Agriculture and Technology
- Muiruri, P. (2010). Women Street Vendors in Nairobi, Kenya: a Situational and Policy Analysis within a Human Right Framework. Addis Ababa, Ethiopia: OSSREA.
- Munandi, I. K. (2012) Kenyan case study research. Public private partnership between: Municipal Council of Nakuru and Nakuru Street Traders and Hawkers Association. Durban: Streetnet International.
- Ndhlovu, N. P. (2011). Street vending in Zambia. A case of Lusaka District. Unpublished master's dissertation, Institute of Socio-economic Studies (ISS) The Hague, The Netherlands.
- Nirathron, N. and Yasmeen, G. (2019) "Street vending management in Bangkok: the need to adapt to a changing environment", *The Journal of Public Space*, 4(1), pp. 15-32. doi: <https://doi.org/10.32891/jps.v4i1.562>.
- Njaya, T., (2014) Employment creation or sheer survival? Case of street vendors of Harare Metropolitan in Zimbabwe. *Global Journal of Advanced Research*, 1(2), 2014, pp. 264-274
- Onyango, J.O., W.L.A. Olima and L. Onyango. (2012) "Dynamics of Street Vending Phenomenon in the Kisumu Municipality." *International Journal of Arts and Commerce*, Vol. 1(4), pp. 107-120
- Racaud S. (2018). Ambiguous resource: "informal" trading street in Kisumu, Kenya. *Articulo – Journal of Urban Research* 17-18.
- Recchi, S., (2020) Informal Street vending A Corporate Literature Review. *International Journal of Sociology and Social Policy* Vol 41. 1/8 906-825
- Roever, S. (2016). Informal Trade Meets Informal Governance: Street Vendors and Legal Reform in India, South Africa, and Peru. *Cityscape*, 18(1), p. 27.
- Roever, S. (2014) Informal economy monitoring study sector report: street vendors. Cambridge: Women in Informal Employment: Globalizing and Organizing.
- Saha, D. (2011). Working life for street vendor in Mumbai. *The Indian journal of labour economics*, 54 (2), 302-325
- Sen, Amartya (1999) Development as Freedom. New York: Alfred A. Knopf: 366 pp.
- ISBN 0 375 40169 0.
- Steiler, Ilona; Nyirenda, Chedi (2021) : Towards sustainable livelihoods in the Tanzanian informal economy: Facilitating inclusion, organization, and rights for street vendors, WIDER Working Paper, No. 2021/53,

ISBN 978-92-9256-991-4, The United Nations University World Institute for Development Economics Research (UNU-WIDER), Helsinki, <http://dx.doi.org/10.35188/UNU-WIDER/2021/991-4>

Sheik, M., & Sareswathy, D. (2016). A study on Financial Inclusion of Urban Street Vendors in Palayamkottan, *International Journal of Research*, Vol 4. No 45-50

Uwitije, C., (2016) Contributions of Street Vending On Livelihood of Urban Low Income Households in The City of Kigali, M.A Thesis, Dep of SDS, Nairobi University

Woldu ,Guanche, Adinew (2017) Street Vending in Addis Ababa. Department of public Administration and Development Management. Addis Ababa University.

Walsh, J. (2010). The street vendors of Bangkok: Alternatives to indoor retailers at a time of economic crisis. *American Journal of Economics and Business Administration*, 2(2), 185.

Zhong S., and Di H., (2017) Struggles with Changing Politics: Street Vendor Livelihoods in Contemporary China, in (ed.) *Anthropological Considerations of Production, Exchange, Vending and Tourism (Research in Economic Anthropology, Volume 37)* Emerald Publishing Limited, pp.179 – 204.