Formalisation of Street Vending in Dar es Salaam: Implementation and Enforcement of the Wamachinga Identity Card Initiative

Constantine George, Colman Titus Msoka & Hezron Makundi

To cite this article: Constantine George, Colman Titus Msoka & Hezron Makundi (2022): Formalisation of Street Vending in Dar es Salaam: Implementation and Enforcement of the Wamachinga Identity Card Initiative, Forum for Development Studies, DOI: 10.1080/08039410.2022.2112277

To link to this article: https://doi.org/10.1080/08039410.2022.2112277

Published online: 06 Sep 2022.
Formalisation of Street Vending in Dar es Salaam: Implementation and Enforcement of the Wamachinga Identity Card Initiative

Constantine Georgea, Colman Titus Msokab and Hezron Makundib

"REPOA, Dar es Salaam, Tanzania; "Institute of Development Studies, University of Dar es Salaam, Dar es Salaam, Tanzania"

Abstract Street vending in urban Tanzania is a big sector that touches different activities. This research paper applies the ‘forbearance’ conceptual understanding to investigate the introduction and implementation of small traders’ Identity Cards or simply Wamachinga IDs as an official formalisation strategy. It reports the findings of a qualitative research design undertaken to explain the process of formalisation of street vendors and their trade in Dar es Salaam region. Multiple interpretations of the strategy were noted, such as a technique to collect data for further planning, a revenue collection tactic and an approach to equality between informal and formal traders. The study found that stakeholders embraced the initiative as progress towards gaining business freedom and access to improved earnings while boosting the government’s coffers from the so-called informal sector. Additionally, the study found that the initiative had exposed challenges such as the lack of some important personal information in the IDs. It is hence sometimes dismissed as a politically-motivated initiative lacking legality. Moreover, the Local Government Authorities (LGAs) face challenges in managing business waste, business spaces, congestion and collection of some other revenues. Some formal business people/enterprises were reported to recruit young men and buy them Wamachinga IDs to sell items on their behalf. This was noted as a trick for tax evasion, which impedes tax compliance efforts. The study, therefore, recommends a participatory approach to improving the Wamachinga ID initiative alongside related by-laws to address the challenges this ID system faces.

Keywords: street vending; informality; urban Africa; livelihood; forbearance

1. Background and introduction

The flow of street vendors is common in the landscape of African urban space, although their total number remains hard to establish. For decades street vendors have been selling wares such as clothes, shoes and foodstuffs while utilising urban public spaces in African cities. Although it is difficult to produce accurate estimates of the number of street vendors in Dar es Salaam city, their number has significantly increased over the last decade. In 2007, Lyons and Msoka estimated a population of 700,000 street vendors in Dar es Salaam. However, the data from the city authority
in 2014 shows that the figure had surpassed one million (Mramba, 2015). Based on these statistics, street vendors constitute the largest sub-group of the informal workforce after home-based workers. Jointly, informal sector groups account for 10-35% of the non-agricultural workforce in developing countries compared to 5% of the similar workforce in developed countries (ILO, 2002). In 2005, the Institute of Liberty and Democracy (ILD) estimated that 55% of Dar es Salaam’s small businesses were in commerce, with 30% in services and only 15% in manufacturing (ILD, 2005). Street vending is not only one of the options for earning a living amidst the rising poverty levels but also contributes remarkably to offsetting urban unemployment and alleviating poverty (Batréau and Bonnet, 2016; Jimu, 2005; Lyons et al., 2012; Mramba, 2015; Tripp, 1997). Also, Riley and Legwegoh (2014) pointed out that research in different cities suggests that street vendors contribute to the food security of many poor urban residents through their incomes.

According to Uwitije (2016), street vending operates outside the formal legal framework and violates zoning codes and non-compliance with labour codes and tax liabilities. Government officers dismiss these vending activities as discomfort and a barrier to smooth urban management (Brown et al., 2010; Bhatt and Jariwala, 2018; Ndhlovu, 2011; Njaya, 2014). Moreover, street vending compounds congestion in urban areas. City by-laws in Sub-Saharan Africa either make it hard for street traders to operate or treat them as illegal, hence, unprotected (Lyons and Msoka, 2010; Gosebo, 2016; Ndhlovu, 2011). South Africa is one of the exceptional African countries where street vendors have legal protection and recognition (Mitullah, 2005; Mramba, 2015; Njaya, 2014). Street vendors in many Sub-Saharan African (SSA) towns undertake their businesses without any legal status; as a result, they face the wrath of city police, harassment, confiscation of their goods or hefty fines, corruption, or imprisonment (Women in Informal Employment Globalizing and Organizing [WIEGO], 2013; Msoka, 2007; Ishengoma and Kappel, 2006). Mitullah (2005) contends that urban authorities in SSA, except in South Africa, rely on outdated policies and regulations that emphasise the illegality of street trade.

In addition, informal livelihood activities have received limited attention in policies and regulations governing land use during both the colonial and post-independence eras (Babere, 2013). For many years, the Tanzanian government has been swooping on street vendors to curb tax evasion and maintain clean cities which were losing the competitive edge and becoming less attractive to investors. Other reasons behind the street vendors’ crackdown include a bid to control the spread of waterborne diseases such as cholera, manage the growing levels of crime, and reduce congestion in cities that both pedestrians and cars face (Msoka, 2007).

Despite efforts by the government of Tanzania to restrict and remove petty traders from the streets, particularly in the 1970s and 1990s, their business expanded between 1986 and 1990. This was the time of structural adjustment programs (SAPs), where the state-owned and directed economy was replaced by a market-based economy driven by the private sector. During this period, lots of people lost their jobs because of either the
closure of state companies or privatisation/restructuring of the then public corporations. Those who finished their studies at different levels were unable to get jobs because companies were downsizing or unable to absorb new employees due to low production. The economic crisis was further exacerbated by internal reasons associated with inefficiency and lack of capacity to manage the modern sector. Furthermore, the external factors triggered a shock wave in the economy differently. For example, Tanzania’s ambitions to industrialise amidst a heavy dependence on externally-acquired equipment, technology and some raw materials exposed the economy to external pressure against industrialisation and competitiveness (Msoka, 2007).

Amidst a serious economic downturn and high rates of unemployment, the Human Resources Deployment Act (known in Kiswahili as ‘Sheria ya Nguvu Kazi’ of 1983) was deployed to ensure that every capable person is engaged in ‘productive work,’ as accredited by registration with local governments and reception of a work identification number. The government, in this regard, implemented ‘Operation Kila Mtu Afanye Kazi’ (every person must work). Municipal authorities were responsible for overseeing all the trading activities and the legality of other income-generation activities, including those related to hawking and street vending. Shaidi (1984) contends that in the 1980s, the hawkers and street vendors were criminalised as ‘loiterers’ who were arrested at will and forcibly removed from the city. Sequentially, the Act authorised street trading activities as a mechanism for mitigating unemployment, hence the revision of the existing by-laws for such traders to receive the so-called ‘Nguvu Kazi’ licenses aimed to recognise their income-generating activities. Mwaiselage and Mponzi (1999) affirm that rural-urban mobility outgrew the ability to absorb small traders, hence the ending of license issuance in 1993.

1.1. Introduction of Wamachinga identity cards (MIDCs)

Wamachinga IDs serve as a pass for them to undertake businesses in urban areas/town centres. The Wamachinga IDs strategy in December 2018 by President Magufuli as a means for identifying, recognising and enabling small entrepreneurs—hitherto operating on the margins—to run their business at any place countrywide without being disturbed or harassed by the authorities as was hitherto the norm. These IDs were provided to every small Tanzanian trader with a business value not exceeding TZS 4,000,000 in the capital. The ID cards valid for a year cost the petty vendors/hawkers TZS 20,000 paid to the central government. Previously, levies from street vendors operating were collected by local government authorities, but with the ID system, the practices have ceased.

1.2. Research problem, objective and guiding questions

In many cities worldwide, street selling is an intrinsic part of contemporary urban life and economy. Vendors, nevertheless, are often eyesores undertaking unwanted
activities. In Tanzania, they are mainly dubbed as *Wamachinga*, who usually deal with street trading and hawking in urban spaces, essentially in cities and towns. The informal sector, which includes street vending activities, is typically ignored, despite creating jobs and self-employment for growing numbers of unemployed youths. Moreover, it is a potential revenue spinner for local governments (Ilona, 2018). In many cases, street traders are forcibly evicted by municipal authorities for breaking the law and for hygiene reasons. By operating outside the legal framework, informal enterprises are effectively delinked from the formal market mechanisms, a situation that denies them legal recognition, freedom of operation and ready access to strategic opportunities and services, including finance, institutionalised markets and protection by the state.

In 2018, the Tanzania government introduced the *Wamachinga Identity Cards* programme as an initiative for recognising and allowing Wamachinga to operate without harassment from authorities while contributing TZS 20,000 annually to state coffers. Since then, there has been a dearth of studies on explaining the post-authorisation of the street vendors in the country. This paper, therefore, aims to explain the implementation of the strategy in Dar es Salaam. The guiding question for this study is: How has the strategy been understood and what are the experiences pertaining to implementing Wamachinga IDs in Dar es Salaam. Specifically, the paper seeks to answer three main questions: How do street vendors and other stakeholders understand the strategy? What are the challenges to the implementation of the strategy? How can the ID strategy be improved? This paper is designed to inform readers and researchers on potential approaches to improving and sustaining the street vendors’ identification strategy.

2. Theoretical framework

To understand the context of *street vending formalisation* in Tanzania, the paper adopts the concept of ‘forbearance’ and examines its applicability as a motivation behind the initiative. The concept was employed by Holland (2014) when studying the squatting and unlicensed street vending in three Latin American capital cities of Santiago, Chile; Bogotá, Colombia; and Lima, Peru. Formalisation of street vending businesses happens to be a long-awaited development by mostly the street vendors/hawkers in Tanzania, particularly in Dar es Salaam city, the business hub with the highest urban population in the country. Holland defines ‘forbearance’ as a situation when a government chooses not to enforce state laws and regulations that the poor tend to violate when it is in their electoral interest. The concept is differentiated from the various forms of weak enforcement capacity with actors failing to enforce the law. In forbearance cases, the capacity to enforce exists, but the intent to do so is absent. Such enforcement preferences differ between design actors and those who implement a law or policy.

Forbearance is also revocable and the state reserves the right to enforce the law. Here, the state formally or informally surrenders its enforcement rights, which is applicable in the current study. In most cases, the forbearance framework has helped to
explain why a certain decision was made. In the current case, the issue is why were the IDs introduced?

This paper employs the framework for enforcing and executing the formalisation strategy. Politicians often desist from sanctions to maximise votes. In this regard, revocability permits a form of dependent exchange in which those who violate the law require a politician’s continued kindness. Holland (2014) further points out that, in many developing countries, legal rules are ignored, businesses evade tax and ignore labour regulations. Unlicensed street vendors even block city streets, making them inaccessible for other uses. This gap between written law and lived reality often signals a weak state with limited capacity to monitor and sanction the defaulters (Holland, 2014).

Unlike the capacity-based approaches whereby politicians’ attempts to enforce the law fail, in forbearance, politicians tend to achieve their missions of manipulating law enforcement. Forbearance toward laws that the poor often violate is reportedly more prevalent in developing than in developed countries because social policy remains inadequate and hard to expand locally. In the absence of welfare alternatives, forbearance becomes an attractive instrument for politicians to mobilise voters, whereas enforcement carries high electoral costs. Thus, a politician must change the enforcement outcome, whether by demoting bureaucrats who enforce the rules or stalling in meeting penalties for a type of offense or group (Holland, 2014).

Furthermore, forbearance can also benefit a group of the poor to secure a coalition, particularly in favour of politicians who require the support of the poor to win office (Luna, 2010; Resnick, 2013; Shami and Majid, 2014). In other words, forbearance is an ‘informal welfare policy,’ which can either be progressive or regressive. This study focused on progressive forbearance, which occurs when lower-income groups receive greater absolute or relative benefits through the tolerance of law-breaking than upper tranches. Usually, progressive forbearance targets laws that the poor tend to violate while redistributing resources progressively. Despite public positions, forbearance is an informal policy in unwritten form and is communicated outside formal political channels. Moreover, forbearance is most likely to occur in absent or truncated social policies, particularly when the distributive demands of the poor are hardly met. When uncertainties shroud the credibility of formal welfare systems, forbearance becomes a powerful instrument for politicians to assert their commitment to the poor.

3. Research methodology

This study adopted a qualitative research paradigm to examine the street vending activities in their context-specific environments in the selected municipalities. The approach was preferred due to its suitability for case-study research; moreover, it was the most appropriate based on the nature of the research. Significantly, the approach ensures a deeper understanding of the phenomenon and the contexts in which the identification and formalisation of the ‘Wamachinga’ occur (Yin, 2009). In this regard, the researcher’s goal was linked to the benefits of adopting a qualitative
approach. Additionally, an explanatory approach was adopted to study the selected cases to establish a thorough understanding of the implementation of the strategy.

3.1. Study area and participants

This research was conducted in three municipalities of Dar es Salaam—Temeke, Ilala and Kinondoni. These sites were selected based on their high number of street vendors and high state-Wamachinga interactions. Other reasons include the researchers’ familiarity with the three municipalities, researchers’ knowledge of some of the street vendors in the selected areas and easy access to the study sites relative to other business cities and towns in Tanzania. The respondents were sampled purposively.

A total of 56 participants drawn from the three municipalities participated in interviews and FGDs. Of these, 30 were street vendors, one (1) street vendors’ leader, one (1) Umoja wa Wenye Viwanda na Biashara Ndogo (VIBINDO Society) chairperson, one (1) SHIUMATz chairperson, six (6) LGA Officials, two (2) informal sector experts, four (4) Ward Councillors, five (5) Ward Executive Officers and six (6) Mtaa Executive Officers.

3.2. Data collection methods and analysis

Data were collected through interviews, FGDs and observation. Interview and FGD questions focused on issues related to the main theme of the study: ‘Formalisation of street vendors in Dar es Salaam city: Prospects and challenges.’ The FGD participants were drawn from groups of street vendors. Each municipality had two groups of five participants (see Table 1). Secondary data were collected from national and municipal regulations, guidelines, by-laws and reports relevant to street vending.

The study employed thematic analysis techniques to analyse the qualitative data gathered through interviews, FGDs, observation and documentary review. Using NVivo 11 Plus (computer-based software), the study analysed the collected data and thematically organised and managed it under the objectives of the research.

4. Results and discussion

From the interviews, street vendors acknowledged that IDS had made a difference in their work. As one street vendor pointed out, before IDs were introduced, Wamachinga were extremely harassed and had no freedom of doing businesses. The

---

1 An umbrella association that represents and protects the interests of the micro-enterprise businesses in Tanzania.
2 The Association of Roaming Businessmen in Tanzania (‘Shirika la Umoja wa Machinga Tanzania’ or ‘SHIUMA’)
3 Kiswahili term for a small administrative unit at a street level in the structure of a local government.
introduction of the Wamachinga IDs instantly elevated the status of the petty traders. Generally, the findings indicate that the identification and issuance of IDs to street vendors in Tanzania, particularly in Dar es Salaam city, has been positively received by vendors, given their memories of harassment and mistreatment by the city authorities and militias in the past. Furthermore, the identification and formalisation of street vending boost the country’s domestic revenue collection.

First and foremost, it is important to note that, in December 2018, President John Pombe Magufuli handled 670,000 IDs to entrepreneurs whose business capital does not exceed TZS 4 million and presented 25,000 IDs to each regional Commissioner for onward distribution. It was reported by the Tanzanian Revenue Authority (TRA) Taxpayer Services and Education Director that a total of 1.59 million IDs worth 31.86 billion were being distributed up to June 2020 (Daily News, 2020). Before the exercise, the President said Tanzania’s tax base was very poor compared to neighbouring countries, including Kenya, since only 2.2 million people in the country, with a population of 55 million, were taxpayers.

Specifically, 97% of the interviewed vendors in this study possessed IDs and only 3% without. This is to say that the response by the vendors to pay for IDs and operate their businesses without harassment was high. The introduction of IDs for petty traders yielded positive results. Before that, most of them never flourished or grew simply because they operated clandestinely. But after obtaining IDs, they could conduct businesses openly without fear of being charged ad hoc levies or their goods being confiscated by militias. IDs enabled some of them to expand businesses and access commercial loans. For instance, the CRDB Bank⁴ set aside TZS 10 billion for disbursement as loans to petty traders as ‘Machinga Loans,’ divided into individual and group loans. The loan ranges from TZS 10,000–500,000, payable in three months through Sim Banking (Daily News, 2020; 2019; The Citizen, 2018). The Machinga ID would be used as the only collateral required to secure a loan. While the IDs are termed as small entrepreneurs’ identity cards or famously ‘Wamachinga IDs,’ it

<table>
<thead>
<tr>
<th>SN</th>
<th>District</th>
<th>Number of the arranged traders</th>
<th>Expected to be arranged</th>
<th>Paid IDs from March 2021 – Feb. 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ilala city council</td>
<td>24,714</td>
<td>18,610</td>
<td>6,637</td>
</tr>
<tr>
<td>2</td>
<td>Kigamboni</td>
<td>2,355</td>
<td>2,355</td>
<td>397</td>
</tr>
<tr>
<td>3</td>
<td>Kinondoni</td>
<td>3,484</td>
<td>3,484</td>
<td>309</td>
</tr>
<tr>
<td>4</td>
<td>Temeke</td>
<td>8,756</td>
<td>3,938</td>
<td>845</td>
</tr>
<tr>
<td>5</td>
<td>Ubungo</td>
<td>5,545</td>
<td>11,000</td>
<td>391</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>44,854</strong></td>
<td><strong>39,387</strong></td>
<td><strong>8,579</strong></td>
</tr>
</tbody>
</table>

Table 1. Number of small informal traders ‘Wamachinga’ in Dar es Salaam Region.
Source: Dar es Salaam Regional Office

---

⁴ One of the biggest commercial banks in Tanzania
was discovered that there is no clear definition of who is a machinga or even the identification criteria (Steiler and Nyirenda, 2021).

Importantly, there is a critical problem with the number of Wamachinga in the Dar es Salaam region. While the estimated number of street vendors in Dar es Salaam was 700,000 (Lyons and Msoka, 2008), and the data from the city authority in 2014 shows that the figure had surpassed one million (Mramba, 2015), emerging data shows a very different picture. Table 1 has data from the Dar es Salaam regional office showing a huge difference from the previous data. However, one of the reviewed official documents from the Dar es Salaam regional office acknowledged that one of the elements in their current strategic plan is to know the number of ‘Wamachinga’ and their operational areas.\(^5\)

Moreover, it was said that more than 25,000 IDs were paid in 2019 and 2020. The number started to drop in 2021 and 2022 (see Table 1) as the government was planning to review the initiative, hence, slowing down the implementation of the initiative, including printing, distribution and enforcement.

This kind of data does not provide a good room for planning the future of street vendors. What size of vendors should the city plan for, and how is it growing? This is a difficult question that calls for a comprehensive effort to enumerate the number of street vendors and those in the informal sector in general in each of the five municipalities of the city.

4.1. **Understanding of Wamachinga IDs**

Respondents of this study had a different understanding of the logic of introducing IDs. However, varied understandings of the strategy were largely attributed to inadequate education among street vendors and local government officials. During the FGDs, street vendors were asked to explain how they thought the identity card programme would help sustain their business formalisation processes. The most common perspective was that society now recognised them and, thus, they could conduct their businesses everywhere in the country without being harassed by government officials or city militia. Others indicated that their businesses and trade areas were already formalised by having IDs. This implies that the understanding of street vendors has brought about some policy confusion and contradiction regarding the whole idea of business formalisation and enforcement of related laws. Contrary to these views, some believed that the IDs had nothing to do with formalisation because there was no law to back up such identification, and they were trading from undesignated business areas.

Other street vendors felt that the ID programme was a government’s instrument for collecting statistics on them for planning. However, some stated that it was a government revenue collection gimmick. Generally, most street vendors were supportive of

---

5 Presentation statement to discuss how to plan for small businesses and service providers
the ID programme. During an FGD conducted at Mwenge, one street vendor alleged: ‘Since 1997 when I started my business, my fellow vendors and I went through many challenges. But now we commend our President for lifting us with these Wamachinga IDs.’

Regardless of a widely supported view that the ID strategy offers the best solution to the problem of street vending illegality in the country, a deeper understanding of stakeholders’ perspectives, particularly local government officers and street vendors, on this matter remains crucial. It is worth noting that the programme originated from the top (the President) to the bottom (vendors) at the grassroots before local government authorities, who are principal implementers and overseers of the sector could digest and adopt it.

A significant share of the respondents treated the ID strategy as a technique for identifying and securing information about small entrepreneurs in the country for planning purposes. For instance, the data on the small traders are deemed useful for guiding the government in allocating and building special and permanent trading areas for their businesses. Also, the data can help determine how much revenue the government can collect from the vendors based on their registered numbers and the potential figure of new entrants into the vending trade yearly. During an interview with a local government official from Mwenge it was explained that:

Here at Mwenge, for instance, we had no data on the number of Wamachinga. I used to ask Wamachinga representative about their number today, he would tell me they were 3,000, and the next day he would say they were 2,000 or 800. So, it made it impossible to supervise them and have information for collecting revenues. The distribution of IDs will help us to get data on how many street vendors are operating here. (Interview with Mwenge local government officer, 27 April 2019).

The link between the Wamachinga ID initiative and enhanced urban security attracted mixed views. As indicated earlier, whereas some respondents indicated that the identification system had enabled LGAs to manage street vendors, others reported that it legalised criminals and illegal immigrants. For instance, one ward officer in Kijitonyama defended the move during an interview, saying that the issuance of these IDs is mainly by the ward office, who are present on the ground all the time, live with and know the street vendors. As such, the officers were not inclined to give identity cards to a stranger. The officer added that giving such IDs to undeserving individuals was risky as some could abuse the vendors’ IDs as a gate-pass to committing crimes and, consequently, endanger the country’s security. So, they guarded against issuing such IDs to non-Tanzanian and those with dubious identities not fitting the profile of petty vendors. The ID issuance exercise also considered the risk of giving identity cards to those hiding under the name of street vendors, including thieves and other disqualified people.

Furthermore, it emerged from the study that introducing the smallholder entrepreneurs’ IDs was understood as a government strategy for bolstering equality and fairness
in revenue collection. This argument is rooted in the fact that all the street vendors who were not directly contributing to government revenues now had an opportunity to do so. Many of the Wamachinga used to pry their trade-in undesignated areas without paying any taxes/levies. In Tandika, Temeke municipality, one officer said:

I must congratulate President Magufuli for coming up with the idea of IDs which enables our government to collect more revenue and brings some equality. Informal traders were selling similar goods in front of the formal shop without paying any tax. They could sell at a lower price and attract more customers. This tendency was thus threatening the survival of formal businesses. (Interview with Tandika local government officer, 24 April 2019).

The research reveals a broadly positive view regarding the participants’ knowledge and understanding of small entrepreneurs’ IDs and how they could facilitate the formalisation of street vendors’ businesses. Both traders and local government officials were pleased with the aspects of the programme in terms of the freedom to conduct businesses without harassment, easy to get traders’ information, managing and planning for them, strengthening of urban securitisation, and fairness in collecting government revenue between the hitherto informal vendors and formal businesses. Furthermore, before the introduction of IDs, many incidences of fighting and hostile relationships between street vendors and government officials were commonplace, but not anymore.

4.2. Street vending and the Wamachinga ID initiative: legality, space-use and revenues challenges

The strategy of using ID cards was announced by the Head of State, followed by three presidential orders and did not have a legal framework to support it. The orders that smallholder traders be recognised and authorities stop harassing them; identification and issuing of Identity Cards (IDs) to the petty traders at a fixed charge of TZS 20,000 per annum; traders with IDs be allowed to undertake their trading activities freely in any place across the country without paying any extra amount of money to any authority were given by the President. The official announcement clarified that traders without these IDs would not be allowed to conduct business. Local Government Authorities were also tasked to explore conducive and adequate trading areas where traders would be comfortable undertaking their activities.

Yet, some aspects of the ID strategy conflicted with by-laws and regulations guiding the operations in particular municipalities. Inevitably, the ID system posed challenges to by-laws enforcement. The conflicting by-laws include those related to the daily collection of fees on the use of land, waste management/environmental cleanliness levy, land use, and hygiene regulations. For instance, the vendors’ freedom to operate anywhere literally gave them license to operate even in unsafe and non-authorised areas such as the fire escape lanes, pedestrian strips, service roads, sanitary corridors and public open spaces.
Additionally, the presidential orders have fuelled conflicts in some areas in Dar es Salaam. Some years back, some traders decided to stop doing business due to continuous enforcement of regulations by the authorities and business hardships. They opted to move somewhere else or pursue other life alternatives for two years. However, when they heard about Wamachinga IDs and the President’s protection to work even in the undesignated areas, they returned in full force and ‘re-claimed’ their spaces. Indeed, this provides a challenge to Local Government officials. During an interview, an officer from Tandika ward explained their take on this dilemma thusly:

… you know I had moved out of this business because the authorities were disturbing us and chasing us, but now I have returned since I have valid IDs. The challenge is my business space has been occupied by someone else, so I am claiming it back. (Interview with Tandika local government officer, 01 April 2019).

In such cases, local leaders solved the problems by telling them to negotiate or squeeze and share the available space. Other studies have also found that fighting for land use is often reported as among the challenges of informal livelihood operations in urban areas, especially for unauthorised spaces (Bromley and Mackie, 2009; Iyenda, 2005; Kamete, 2010; Tripp, 1997).

At Kariakoo, Buguruni, Tandika and Bunju, traders with Wamachinga IDs are reportedly a major source of increased solid waste spread and congestion in densely populated areas. Though the Local Government Officials appreciated the contribution of TZS 20,000 to government coffers, they also raised concerns about the Wamachinga’s reluctance to recognise any other fee they were requested to pay, such as waste collection fee. One ward officer explained that a lot of waste was dumped by the roadside and an outsourced private company was required to collect and dispose at an authorised dumping site. Now that vendors are refusing to pay, it is a challenge.

Street vending-related activities produce about 70% of the solid waste here at Kariakoo. We have been using the amount from formal businesses to pay a private company to remove the refuse. But the amount is not enough. (Interview with Kariakoo West local government officer, 03 April 2019).

The local leaders claimed that street vendors’ environmental cleaning levy was an important contribution. Thus, their refusal to pay without alternative funding has created a challenge. This could lead to a dirty city and the potential outbreak of diseases, particularly waterborne ailments such as cholera. Wamachinga reportedly abused the President’s protection and dodged their key responsibility of keeping the environment clean. This tendency seems to escalate the tension between informal traders and Local Government Officials in the areas under study.

Furthermore, the ID initiative and associated orders have increased congestion, as reported at Kariakoo, Majimatiitu C, Tandika and other prime congested areas.
Wamachinga places their stalls and display their ware on the grounds everywhere, be it on the road or in front of formal business doors. Meanwhile, the famed Kariakoo market area occupies a limited area, which covers Msimbazi, Uhuru, Lumumba, and Mafia streets. Yet, the Kariakoo Wamachinga Association (KAWASSO) has registered more than 7,000 members, leave alone the unregistered ones. In other words, the number of street vendors is very high leading to congestion. Vendors display their goods on the pedestrian pathways alongside the ‘Dar es Salaam Rapid Transport Buses’ (DART) project and force people to walk in the bus lane. The uncontrolled congestion poses a high risk to the pedestrians’ lives.

In both interviews and Focus Group Discussions, some respondents reported that the ID initiative was somehow politically-motivated rather than a thoughtful, sustainable move aimed at heartening small businesses to formalise. They said that the politicians did superficially good things to get support or weaken other political parties/competitors, which had far-reaching implications. President Magufuli’s introduction of the ID programme was the election tool for 2020 and a strategy for weakening the opposition parties and getting assured of the Wamachinga’s votes. At Mwenge, an FGD participant said:

In my opinion, the Wamachinga IDs initiative is politically-driven. I am saying this because, in the previous general election of 2015, motorcyclist entrepreneurs and Wamachinga supported the coalition of opposition parties (UKAWA). It threatened the ruling party (CCM). The President is using Wamachinga ID for political gain because it attracts a large group of Wamachinga to support him. This has been a politician’s game (FGD with Mwenge street vendors, 12 March 2019).

These statements suggest that politicians have been promising street vendors good business environments to woo their votes as proposed by the concept of forbearance. But there have not been sustainable solutions to meeting the street vendors’ long-term needs and primary expectations. The provision of IDs and the support given by the President to the vendors were expected to bring results in his campaign for the 2020 general election. These actions are also consistent with the forbearance theory, which works on the assumption that governments may choose not to enforce state laws and regulations that the poor tend to violate when it is in their electoral interest (Holland, 2014).

Moreover, the Wamachinga ID strategy and supported orders were mentioned to be a catalyst in maintaining the informality. First, the freedom given to street vendors discouraged existing Wamachinga from formalising their business while encouraging more people from within Dar es Salaam and migrants from upcountry to join the sector. Some arrived in the city upon the invitation of their relatives and friends who were already in business. Second, the study found that the opportunity for any businessperson, including the formal ones, to pay TZS 20,000 per annum

---

6 A Kiswahili abbreviation for coalition of citizens’ constitution
for Wamachinga IDs and do business was an appealing deal as it was more prudent and cost-effective than to formalise and incur a minimum charge of TZS 3,000,000 per month on rent, business license, solid waste levy, presumptive or value-added tax (VAT), fire extinguisher, security and electricity charges, and service levy.

The situation was worse at Narung’ombe street, where formal business people sell shoes and Wamachinga sell the same products outside their doors. As if that was not enough, some formal business people/enterprises were reported to recruit young men and buy them Wamachinga IDs to sell items on their behalf. It was a trick for tax evasion and impeding tax compliance efforts. These findings are confirmed by Berenstein et al. (1995) and Mfaume and Leonard (2004). They found that informal operators, categorised as unwaged workers, were taking merchandise from shop owners under an agreement to sell them at premium prices while taking their commission from the price difference.

Also, most of the municipal officials interviewed treated the issuance of Wamachinga IDs as an uncoordinated and poorly implemented exercise primarily because no thorough assessment was made to establish a common understanding of Wamachinga activities and their actual business locations. LGAs are the government’s custodians of Wamachinga affairs. Thus, they ought to have been involved from the onset to devise an implementation plan instead of just receiving orders via the mass media from the head of the state. This top-down approach is reported to be poor ownership of the ID project by the local authorities. Some local government officials did not know what it was and how it would end. For instance, one of the local government officials said:

You cannot touch any Machinga with an ID because they are recognised by the President and is, therefore, allowed to operate anywhere. We hope to receive new instructions, enabling us to resume executing our normal duties and plans (Interview with Buguruni local government officer, 26 March 2019).

The Wamachinga also displayed the various forms of misconceptions about the ID strategy. For instance, one FGD participant said: ‘When you receive the identity card, it is the same as a business license. It means that the government recognises you as a street vendor and that you are formalised’. In other words, there was missing information among both the vendors and the officials on what exactly the ID strategy entails and its purpose.

Another challenge was the weak enforcement of the ID programme. After introducing the Wamachinga IDs, the order was that every smallholder trader with business capital not exceeding four million Tanzanian shillings must have an ID. However, there was no difference between those with IDs and those without them. For those who got them, they were likely to be discouraged after seeing that there were no steps taken against those who refused to acquire petty trade IDs. Implicitly, they could also decide at some point not to buy identity cards. As one Kibondemaji FGD participant pointed out:
We are in a dilemma because there is no difference between those with IDs and those without them. Earlier it was announced that every Wamachinga must have an ID, and there would be inspections, but we do not see anything happening (FGD with Kibonde-maji street vendors, 27 March 2019).

Conversely, there were alternative views from another participant from Kariakoo FGD who sees a difference, those who have Wamachinga IDs are more confident in running their businesses than those without. This is evident when inspectors arrive; some people tend to hide their wares. Impliedly, if the authorities responsible failed to enforce the use of IDs and make thorough and regular inspections, some traders would get discouraged and others could exploit the loophole not to pay for the IDs. By the time this study was carried out, the difference between Wamachinga with IDs and those who continued to do businesses without the cards was almost non-existent as some hid in the middle of those with IDs and those with IDs were not necessarily displaying them. Moreover, local authorities were generally hesitant to pursue any legal or administrative measures against any street vendor in their respective areas due to fear of repercussions from the top government leaders behind the IDs.

4.3. **Suggestions to improve ID strategy and prospects**

Respondents were also probed for their views on better ways of improving Wamachinga ID as a business formalisation strategy. The initiative of formalising Wamachinga trade activities has been commended by many of the respondents as progress towards providing freedom to street vendors in their trading activities. This serves the policymakers with reliable data on those who engage in street vending activities, thus becomes easy to track and manage them. Nevertheless, the findings suggest that more improvement is needed on several aspects of Wamachinga IDs due to the ongoing challenges, for instance, the difficulty inherent in the municipalities’ identification of the ID bearers. In other words, the current IDs are susceptible to forgery and impersonation.

There were also concerns from the respondents who called for the enhancement of the strategy. One of the issues pointed out is the need to include more information about the holder of the IDs, such as names, date of birth, photo, signature, location and type of business. Such detail could enable everyone to identify their ID effortlessly, even when it was misplaced. Also, if the card was stolen, someone else could not pretend to be the owner and use it. The inclusion of business locations is crucial in getting correct data of business places for better planning and for minimising space conflicts. For instance, at Mwenge one officer allegedly sold Wamachinga IDs to Wamachinga, who were operating at Kimara and Mbagala, which are more than 20 Kilometres away. There was a suspicion that Wamachinga who possessed IDs might conspire and share their cards with those with no IDs at the inspection time.
to cheat authorities. That was to say, there was inadequate research before coming up with Wamachinga ID and hence, improvement is necessary.

Another suggested improvement featured in the discussion was the need to formulate a special policy to oversee street vending activities and IDs. One of the street vendors participating in the Kariakoo FGD said:

We are living under the mercy of our honourable President; we are requesting through the Prime Minister that the order be translated into a law that will permanently protect street vendors. Looking at our ruling system, the President’s term is fixed and, therefore, when President Magufuli leaves office, the ID strategy could be thrown away. (FGD with Kariakoo street vendors, 02, April 2019).

This fear was founded as President Magufuli died unexpectedly on 17 March 2021. This development further underscores the need to formalise the street vendors’ activities with a legal framework. It seems that the provision of Wamachinga IDs is not satisfactory because the available policies and regulations are still silent on street vendors’ trading activities. The same feeling emerged during the FGD at Buguruni when one participant said: ‘On my side, I think having Wamachinga ID is not enough. We need to be in a legal system, registered, issued with say small license and contribute to the government revenue through taxes/levies/charges’ (FGD with Buguruni street vendors, 26, March 2019).

Moreover, participants from Bunju in Dar es Salaam insisted on the need to have petty trade IDs that consider the size and value of the businesses as a base of revenue collection. The study participants also urged the government to draw lessons from the 2019 experiment on the Wamachinga ID programme and improve upon it. The annual rate of TZS 20,000 for ID was received as a reasonable amount but also high or very little among some entrepreneurs depending on their business size. It appeared unfair for a woman who was selling bites (vitumbua) to pay TZS 20,000 to get an ID just as someone selling cosmetics or footwear on the street. Such disproportionality calls for a flexible payment model. Respondents stressed that IDs should be provided based on the value of businesses and estimated profits. For example, small street vendors pay TZS 10,000, the medium ones pay TZS 20,000, followed by 30,000; 50,000, etc. Additionally, the smallholder traders needed to be allowed to make payments in instalments, which was not the case.

The study encountered a pressing need for the Municipal Councils to clarify the eligibility of Wamachinga IDs since the presidential order says any trader with capital less than TZS 4 million should pay for Wamachinga ID. However, there should be a thorough assessment to establish the targeted groups. The study findings, in this regard, confirmed the difficulty of identifying those who qualify to be given the Wamachinga IDs. A clear definition and criteria of the Machinga are imperative as the sector has evolved tremendously within the last decade (Steiler and Nyirenda, 2021). Wamachinga have creatively and innovatively ventured into a range of new products and services, using cutting edge selling strategies, making the Machinga sector wide and fluid.
All key informants interviewed and street vendors who participated in the FGDs repeatedly emphasised the participation of key stakeholders, including the Wamachinga, in the formalisation of their businesses; vendors’ association to be supported and empowered to lead their fellow Wamachinga in the formalisation processes. One of the experts interviewed in informal sector argued:

In Rwanda, the vendors’ association has, to a large extent, been involved in the formalisation process. It owns and manages workspaces; it has built and rented some structures. It was possible because of the contributions from members and it can also borrow from financial institutions (Interview with informal sector expert I, 31 July 2019).

Likewise, local government officials from the three municipalities had correlated findings that affirmed that they had an ongoing participatory initiative, which is somehow related to giving identification cards to the smallholder traders. However, the ID initiative came as a direct order with less stakeholder engagement. In the same vein, the Wamachinga and their representatives underscored the importance of their participation in the formalisation process.

The use of the street vendors association as a tool for formalising their businesses was also pointed out by Olomi and Charles (2016) that the use of indirect formalisation through empowering associations and co-operatives to deliver formalisation services to their members is far more effective and efficient than the use of formal government institutions (direct formalisation). Indirect formalisation has a greater potential of being inclusive and reaching the base of the private sector pyramid than direct formalisation. The participatory approach could then be applied during planning, enactment of laws, and relocation to newly-designated areas. In India, the Town Vending Committee/Ward Vending Committee, which set the terms and conditions (planning) for hawking and took corrective action against defiant hawkers was composed of hawkers’ representatives, planners, police, local councillors, resident welfare associations, traders’ associations and municipal functionaries (Government of India, 2014). Associations representing street vendors play an essential role in the selection of space for business activities, defend workers’ rights, secure access to basic services, influence policy, and boost their bargaining power (Muiruri, 2010; Nnkya, 2006).

Despite mixed opinions and perceptions regarding the identification and formalisation of street vendors through Wamachinga IDs, the general take on the issue is that the President’s strategy came with a set of benefits and challenges to the government and street vendors as elaborated throughout the findings section. In terms of benefits, the strategy has opened a space for street vendors/hawkers to do their businesses and, thus, contribute to their income and national revenue. Overcoming these outlined challenges could, thus, lead to improved livelihoods of Wamachinga in the form of employment, incomes, housing, clothing, food, financing of the social services such as education and health; promotion of planned and standard city environment, compliance with the by-laws and increased city revenues. Municipalities all over the country have responded positively to supporting the President’s initiatives by identifying and setting
up places for Wamachinga businesses. Nevertheless, there are still some key issues requiring solutions for improving the exercise of identifying and recognising vendors, including the re-interpretation of the President’s initiative and orders and coming up with guidelines and enforcement mechanisms to be implemented jointly by local municipal authorities, street vendors and other parties involved in this subsector.

5. Conclusion

The guiding questions for this study were three. The first question was: How do street vendors and other stakeholders understand the Wamachinga ID strategy? A good understanding of this is important for current and future policy purposes. It was noted that there are multiple interpretations of the strategy. Some treat it as recognition, full formalisation of their businesses, a government technique for getting vendors’ statistics for planning purposes, politicians’ tactics to win over the vendors’ support, permission to do business and some see ID strategy as a way of boosting government revenue. The second question was: What are the challenges to implementing the ID strategy? The main challenge was the lack of a legal framework to support the strategy. There were conflicting aspects between the strategy and existing regulations and, hence, a problem in the implementation procedure. The initiative contradicts some of the municipal by-laws for regulating vendors and their businesses, particularly when it comes to urban solid waste management and congestion controls. Moreover, they attract traffic jams and limit revenue collection by the LGAs. This arrangement prevents a street-vendor from evolving into formal taxpayer segments since their identification through Wamachinga IDs shields them and hence, there is no need to grow. The outcome is weak enforcement of related by-laws across the researched municipal authorities.

The third question was: How can the ID strategy be improved? The study established that there was a need to design methods for identifying the true bearer of the ID since, as it is now, the ID has fewer features than secure it. It needs a photo section, business details, location and other demographic information. It was also mentioned that there should be some consideration regarding the size of the business and fees payable to the government so that those with small businesses should pay less and those with relatively big enterprises should pay more. Also, there is a need to have a law that protects street vendors under the ID strategy since, at the time of the research, the strategy was under the mercy of the head of the state. The strategy was reported to be unsustainable as it was initiated from a top-down approach, thus non-participatory and largely lacking a supporting legal framework.

Theoretically, this paper was informed by the concept of forbearance. Holland (2014) defines ‘forbearance’ as a situation when governments choose not to enforce state laws and regulations when it is in their electoral interest. The capacity to implement the local government regulations exists but the decision is not to enforce the regulations for political purposes. Though local authorities wish to have law and
order, politicians want to safeguard their electoral interests. Even politicians would not
give these vendors a permanent document to legalise them. Instead, they issued tem-
poral and revocable IDs so that they could still control them. The concept of forbear-
ance, as it is applied in this study, provides a window of opportunity and knowledge
for policymakers/technocrats to understand politicians better.

Acknowledgments
The authors would like to thank Professor Anne Mette Kjær, Political Settlements and Revenue
Bargains in Africa team from Denmark, Uganda and Tanzania, as well as editors and anon-
ymous reviewers who will provide comments and advice.

Funding
This work was supported by ‘DANIDA Fellowship Centre and REPOA.’ The research for this
paper was part of a larger research Ph.D. project named ‘Challenges of Formalizing Street
Vendors’ Businesses in Dar Es Salaam City, Tanzania.’

Disclosure statement
No potential conflict of interest was reported by the author(s).

Notes on contributors

Mr. Constantine George is a Ph.D. candidate at the Institute of Development Studies, Uni-
versity of Dar es Salaam. His Ph.D. study focuses on the Challenges of Formalising Street
Vendors’ Businesses in Dar es Salaam City, Tanzania. Constantine has a background in edu-
cation, specialising in Educational Planning, Management and Administration. Currently, he
works as a researcher at REPOA, a research organisation based in Tanzania. Before joining
REPOA, he taught undergraduate courses at the University of Dar es Salaam (MUCE
Campus). His research interests focus on the informal sector and social service delivery. Con-
stantine holds a Master’s Degree in Educational Management and Administration.

Colman Titus Msoka, male, Tanzanian, Ph.D. 2005; is a Senior Lecturer-Development Studies,
at the Institute of Development Studies, University of Dar es Salaam. He was a Fulbright
Scholar 2016/17 and Visiting-PAUWES, Tlemcen Algeria 2015. Dr. Msoka has a background
in Sociology, Development Studies, and Demography. He teaches Research Methods, States
and Development and Rural-Urban Development. His research interests are centred on urban

Dr. Hezron Makundi is A lecturer and Coordinator for Postgraduate Studies at the Institute of
Development Studies of the University of Dar es Salaam. He acquired his Doctoral training at
KU Leuven, Belgium focusing on technology transfer and technological capacity building
under the cooperation between China and Tanzania. His recent research project covers the
topics of development cooperation, inclusive development, value chain analysis, decent
work, and informal economies.
References


