
ROAD MERCHANTS AND SOCIO-ECONOMIC DEVELOPMENT: A STUDY OF CROSS RIVER STATE OF NIGERIA

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ABSTRACT

Road merchandise contribute to socio-economic development of developing countries. This investigation assessed the contribution of road merchants to the socio-economic development of Cross River Sate in Nigeria. The work employed a survey research and adopted a mixed method to gather data from road vendors. Purposive sampling was used to select the unit of analysis. The result showed that road vendors contribute to socio-economic development through self-employment; and the road vending helps to reduce poverty. The investigation concludes that road merchandising contributes to economic growth of Cross River State, Nigeria; and recommends that road merchants should be assisted by government through soft loans and developmental partners to improve their entrepreneurial skills and transform their wellbeing.

Keywords: Road merchants, socio economic development, poverty reduction, unemployment

INTRODUCTION

The concept of merchandizing developed in the 17th and 18th centuries as the public grew to overcome great hardship to carve a home and a way of life out of the wilderness (Hill, 2001). According to Donald (2011), as population grew and cities assumed increased economic importance, the dream of being in business for oneself evolved to include small merchants, independent craftsmen and self-reliant professionals. The led to the growth of small enterprise.

Road merchandising is an informal activity comprising micro, small and medium enterprises (MSMES) which are most dominant in low income economies (Mramba 2015), and helps to scale up income and livelihood of individuals (Lyons 2010). Road merchants have played significant roles in shaping unregulated aspects of developing economies since the ancient times, selling their merchandise in town and villages along the road.

In Nigeria, especially in Cross River State, it is argued that road merchandising stand at 60% on job creation. Since the 1980's and 1990's retrenchment of workers; and as Structural Adjustment Programmes (SAPs) and recession brought high cost of living and economic hardship in Nigeria and especially in Cross River State, where majority of the citizen are civil servants.

Road merchandising has since then evolved to become an option for survival in cities and communities of most developing economies. Nevertheless, they are seen to be insignificant, unrecognized by government at the federal and state levels, harassed by local Government Authorities that confiscate their good every now and then, affected by kidnapping, and highly vulnerable to physical and sexual abuse. This study therefore seek to uncover these nuances that is enshrined in this very important ubiquitous gladiolus actors but yet dissimulated and obscured

The main purpose of the study is to assess the contribution of road merchants towards socio-economic development of Cross River, Nigeria. The study specifically examines if and how road merchandizing has reduced unemployment; and how road merchandizing has reduced poverty in Cross River State, Nigeria.

LITERATURE REVIEW

Drawing from the structuralist perspective which holds that human society and culture is teleologic and can be understood through relationship, needs and desires. The theory suggests that economic transition of urban life affects informal working groups such as street vendors and highway merchants who have to find alternative ways to fulfill their needs and desires, therefore developed a survival mechanism (Williams & Gurtoo 2012).

The perspective explains that the increase of street vending is as a result of unemployment. So, individuals engage in street vending to earn income. Highway merchandizing is an important source of employment for the poor (Fletcher & Ahmed, 2011). Street vending involves providing cheaper goods and services that are in most cases unavailable in the formal sector thus making highway (road) merchandizing a unique activity (Steel etal 2014).

Financial management plays a big role in the growth and development of this unique mercantile activities. It involves all the activities like control budgeting and evaluation that enable an enterprise to obtain capital for growth, allocate resources efficiently, maximize the income potential of the business activity and monitor results through accounting documents. Such management requires a well-written, comprehensive financial management plan. Clearly outline the assets, debts and the current and future profit potential of the enterprise (Ziegler, 1990).

According to Huang (2015), highway merchandizing can be distinguished by the type of goods they sell. They carry out commercial activities on a regular basis with a specific location and can be mobile and non-mobile but also assisted by children.

The non-mobile occupy public spaces close to highways. They are mainly static and may have permanent location and draw customer's attention through children. These vendors display goods that generate small profits using different structures, including tables, racks, wheel barrows, handcarts and bicycle seats with double stand (Njaya, 2014). Some of them display their goods on the ground over a mat or bag. Others hang their goods on trees, fences and small shades near highways (Indira, 2014).

The mobile vendors are less dependent on location and easily accessible to buyers. Their mobility may limit the items they carry due to the weight. These vendors carry their commodities on pushcarts or baskets on their head (Radhi, 2014). They sell their products to other vendors. They live close to their areas of operation and move on foot to work (Mitullah, 2003). Highway merchandizing provides attraction to people on sideways, reducing the need for time and travel expenses.

Studies have shown that micro enterprises such as highway merchandizing play a major role in reducing income inequality and improving socio-economic growth. Lyons (2013) argue that highway merchants promote high-income generating opportunities through employment. The informal enterprises are taking

over the industrial sector especially in less developed countries (Chen et al. 2005). Many highway vendors pay different kinds of taxes and levies. They generate revenue for cities through payment for licenses and permits, fees and fines that contribute to economic growth.

Most street vendors work to provide for families, and to reduce poverty. Poverty can be measured by the number of people living below US\$1 per day. Most road merchants provide the main source of income for their households, bring food to the table, taking care of their families and paying school fees (Epymsom, 2015). Road merchandizing works as a means of survival and promotes financial independence.

METHODOLOGY

A cross sectional survey design was used in the study. Utilizing both ideographic and nomothetic approaches, otherwise known as methodological triangulations. The study targeted population was 240 people. A sample size of 148 was derived using Krejcie and Morgan (1973) Table for sample size determination. Interviews were conducted and questionnaire administered.

RESULTS

Demographic Profile of Respondents

Age of respondents

The age of respondents was analyzed to find out whether age groups were fairly represented. The ages were categorized as 20-30 years; 31-40 years; 41-50 years; 50 years and above. The responses are presented in Table 2.

Table I: Age of respondents

Age Bracket	Frequency (f)	Percent (%)
21-30year	42	40.8
31-40 years	23	22.3
41-50 years	26	25.2
51 years and above	12	11.7
Total	103	100.0

Source: Primary data

Table I shows that majority of respondents were aged between 21-30 years (40.8%), followed by those in the age bracket of 41-50 (25.2%). The least group are those aged 51 years and above (11.7%). Though there was difference in the age category, it can be concluded that the sample was fairly selected since all the age categories found in the population were captured in the sample.

Gender of Respondents

In addition, respondents were asked to reveal their gender. This was intended to find out whether the sample was fairly selected from the population. The responses is presented in fig. 1.

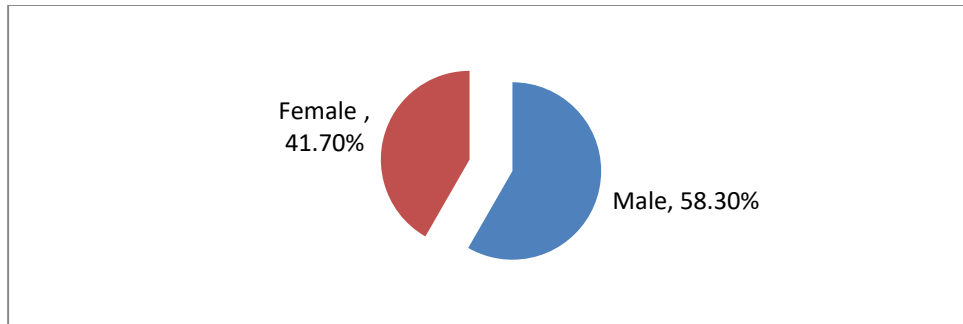


Fig. 1: Gender of Respondents

Source: Primary data

Fig. 1 shows that majority of the respondents (58.3%) were males and the least (41.7%) were females. The observation shows that male respondents were the majority that participated in the study. Though there was a difference in the age category, it can be concluded that the sample was fairly selected since all the sex categories found in the population were captured in the sample.

Marital status of respondents

Respondents were asked to reveal their marital status. This was intended to find out whether the sample was fairly selected from the population. The responses were presented in Table 3.

Table 2: Marital status of respondents

Marital status	Frequency (f)	Percent (%)
Single	33	32.0
Married	53	51.5
Widow/widower	8	7.8
Separated	7	6.8
Divorced	2	1.9
Total	103	100.0

Source: Primary data

Table 2 Shows that majority of respondents (51.5%) are married followed by those who are single (32%) and the least (1.9%) are divorced. Though there were differences in marital status of respondents in the distribution, the sample was fairly selected since all categories found in the population were captured in the sample.

Education level of respondents

Respondents were asked to reveal their education level. This was intended to find out whether the sample was fairly selected from the population. The responses were presented in Table 6.

Table 3: Respondent's level of education

Level of education	Frequency (f)	Percent (%)
Valid certificate	36	35.0
Diploma bachelor's	35	34.0
degree postgraduate	28	27.2
diploma masters and	3	2.9
above	1	1.0
Total	103	100.0

Source: Primary data

Table 3 shows that majority of respondents have certificates (35%) followed by those with diploma (34%) and the least were those with masters and above (1%). Though there were differences in marital status of respondents in the distribution, the sample was fairly selected since all categories found in the population were captured in the sample.

Occupation/business of respondents

Respondents were asked to reveal the nature of business/ occupation they were undertaking. This section looked at employees of microfinance institutions, agro businesses, retail businesses, and welding and metal fabrication. The intention for this was to find out whether the sample was fairly selected from the population for the results to be relied upon. The responses were presented in fig. 2.

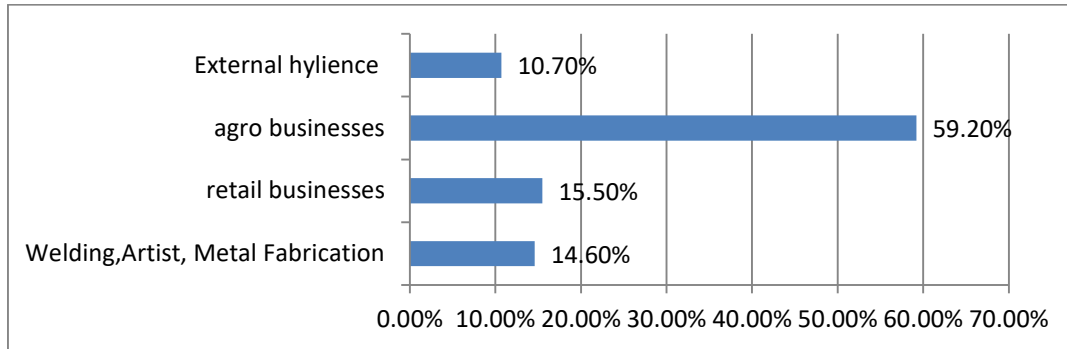


Fig. 2: Occupation/business of the respondents

Source: Primary data

Figure 2 shows that majority of respondents were in agro business (59.2%), followed by retail businesses (15.5%) and the least were external influence (legal authorities) (10.7%). Though there were differences in marital status of respondents in the distribution, the sample was fairly selected since all categories found in the population were captured in the sample.

Number of years in Road merchandizing

Respondents were asked to reveal the period they have been in business /occupation. The period was categorized as 0-1 years, 1-5 years, 6-10 years and 11 years and above. The result is presented on a bar graph in fig. 3.

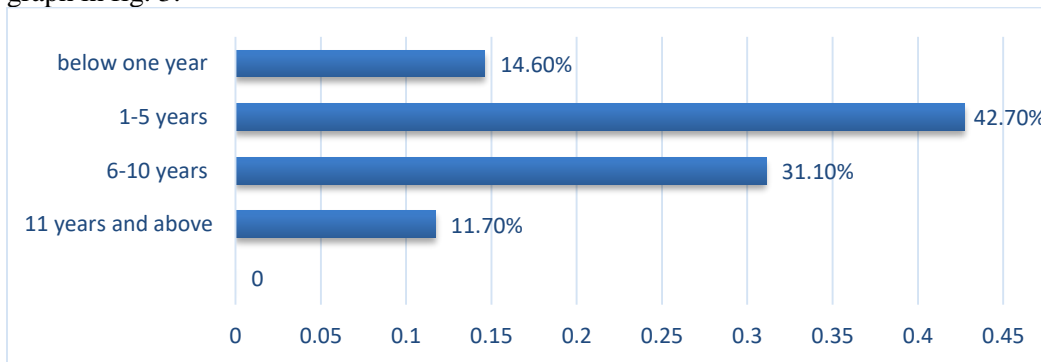


Fig. 3: Number of years in Road merchandizing

Source: Primary data

Fig. 3 shows that majority of respondents (42.7%) have been in business for 1-5 years followed by those who have spent between 6-10 years (31.1%) and the least are those who have spent 11 years and above (11.7%).

(11.7%). Though there were differences in marital status of respondents in the distribution, the sample was fairly selected since all categories found in the population were captured in the sample.

Results on Socio-economic Impact of Road Merchandizing

Respondents were presented with items and requested to either agree or disagree based on a 5-point Likert scale of Strongly Agree (SA), Agree (A), and not sure (N). Disagree (D), Strongly Disagreed (SD). SA+A= Agreed, SD+D= Disagreed, N=Undecided/Not sure. The study grouped SA and A to mean agreed, SD and D to mean disagree, and N to mean respondents who were not sure/undecided. Percentages, mean and standard deviation were used to interpret empirical results. The mean above 3 implied that majority agreed, and that below 3 means disagreed while 3 imply undecided/neutral.

The Standard Deviation is a measure of how spread out numbers are; a small standard deviation indicates that the scores are very close to the mean which denotes a stronger agreement, large standard deviation indicates more widely spread-out from the mean which denotes a weaker agreement. Also Pearson correlation was used in establishing the relationship between the independent variables and dependent variables, and regressions (model summary) were run to establish the variance (contribution) of the IV on the DV.

Employment generation/Poverty reduction of road merchants

This section examined the performance of road merchants in terms of employment generation/poverty reduction was looked at in dimensions of output, business sustainability, revenue/sales and profitability measured using five point Likert scale and the respondents were asked to agree or disagree with the constructs involved in performance of road merchants.

Table 4: Descriptive Statistics for Poverty reduction / employment generation

Performance of small enterprises	Percentage Response (%)					Mean	Std. Dev.
	SD (1)	D (2)	N (3)	A (4)	SA (5)		
There has been an increase in output of small enterprises	1.0% (1)	4.9% (5)	43.7% (45)	43.7% (45)	45.6% (47)	4.28	0.845
Small enterprises are sustainable	8.7% (9)	11.7% (12)	9.7% (10)	45.6% (47)	24.3% (25)	3.65	1.218
Small enterprises have high revenue	5.8% (6)	11.7% (12)	14.6% (15)	36.9% (38)	31.1% (32)	3.76	1.184
Small enterprises are profitable	12.6% (13)	30.1% (31)	8.7% (9)	35.9% (37)	12.6% (13)	3.06	1.297
There has been an increase in the asset base for the business	4.9% (5)	13.6% (14)	8.7% (9)	51.5% (53)	21.4% (13)	3.71	1.099
Small enterprises have high sales maximization	1.0% (1)	4.9% (5)	14.6% (15)	42.7% (44)	36.9% (38)	4.10	0.891
Small enterprises expand and survive above five years	7.8% (8)	11.7% (12)	22.3% (23)	44.7% (46)	13.6% (14)	3.45	1.109
Small enterprises give birth to bigger enterprises	4.9% (5)	11.7% (12)	34.0% (35)	39.8% (41)	9.7% (10)	3.38	0.981
Small enterprise owners employ local and family labor force	3.9% (4)	10.7% (11)	10.7% (11)	53.4% (55)	21.4% (22)	3.78	1.028
Small enterprises are mostly family owned	3.9% (4)	15.5% (16)	4.9% (5)	59.2% (61)	16.5% (17)	3.69	1.048

Source: Primary data

Table 4 shows that the overall mean was 3.69 and standard deviation was 1.048 which indicates that majority of respondents agreed on features of performance. On the statement “There has been an increase in output of road merchandizing”, 89.3% of respondents agreed with the statement, 4.9% were not sure

about the statement and 5.9% disagreed with the statement. Mean was 4.28 which shows that majority of the respondents were in agreement with the statement and standard deviation was 0.845. On the statement “road merchandizing is sustainable”, 69.9% of respondents agreed with the statement, 9.7% were not sure about the statement and 20.4% disagreed with the statement. Mean was 3.65 which shows that majority of the respondents were in agreement with the statement and standard deviation was 1.218.

On the statement “road merchandizing has high revenue”, 68% of respondents agreed with the statement. 13.6% were not sure about the statement and 17.5% disagreed with the statement. Mean was 3.76 which shows that majority of the respondents were in agreement with the statement and standard deviation was 1.184. On the statement “road merchandizing is profitable”, 48.5% of respondents agreed with the statement, 8.7% were not sure about the statement and 42.7% disagreed with the statement. Mean was 3.06 which shows that majority of the respondents were in agreement with the statement and standard deviation was 1.297.

On the statement “These have been an increase in the asset base for the business”, 72.9% of respondents agreed with the statement, 8.7% were not sure about the statement and 18.5% disagreed with the statement. Mean was 3.71 which shows that majority of the respondents were in agreement with the statement and standard deviation as 1.099. On the statement “road merchandizing has high sales maximization”, 79.6% of respondents agreed with the statement, 14.6% were not sure about the statement and 5.9% disagreed with the statement. Mean was 4.10 which shows that majority of the respondents were in agreement with the statement and standard deviation was 0.891.

On the statement “road merchandizing can expand and survive above five years”. 58.3% of respondents agreed with the statement, 22.3% were not sure about the statement and 19.5% disagreed with the statement. Mean was 3.45 which shows that majority of the respondents were in agreement with the statement and standard deviation was 1.109. On the statement “road merchandizing gives birth to bigger enterprises”, 49.5% of respondents / greed with the statement, 34% % were not sure about the statement and 16.6% disagreed with the statement. Mean was 3.38 which shows that majority of the respondents were in agreement with the statement and standard deviation was 0.981.

On the statement “road merchandizing owners employ local and family labor force”, 74.8% of respondents agreed with the statement, 10.7% were not sure about the statement and 14.6% disagreed with the statement. Mean was 3.78 which show’s that majority of the respondents were in agreement with the statement and standard deviation was 1.028. On the statement “road merchandizing are mostly family owned”, 75.7% of respondents agreed with the statement, 4.9% were not sure about the statement and 19.4% disagreed with the statement. Mean was 3.69 which shows that majority of the respondents were in agreement with the statement and standard deviation was 1.048.

Interviews (qualitative analysis) for performance revealed the following results based on key informant’s responses.

Most respondents revealed that small enterprises have grown and continue to grow in Nigeria over the years. One key informant noted that “Road merchandizing is unstoppable and their growth and expansion is almost guaranteed in Nigeria. Interviews further reveal that most businesses by the road side employ local and family labor. Small enterprises were observed not to have the capacity to hire external skilled labor unless there was real need for it as one respondent noted to this effect thus: “some enterprises don’t have the capacity to pay professionals, they therefore use their children or relatives to run the business which is risky since it sometimes limits growth and innovativeness of external experts.”

On the issue of survival of road merchants, the study found out through one key informant that “although there are many small enterprises and shops, their survival cannot be guaranteed since most collapse from

time to time. The only advantage is that new business men continuously come up to fill the gaps. This implies that some road merchandizing collapse before a year or before five years which is the question of their sustainability.

Observations/interviews Results

Interviews discovered that one cannot acquire startup capital from microfinance institutions and therefore have to provide themselves with initial capital for business. One key informant revealed that “One has to start small and grow big with time in as far as managing resources is concerned. No financial institution can risk giving startup capital to inexperienced entrepreneurs”. The respondents felt individuals have to show interest and experience in business before they seek external funding. Notice was made however that the government should increase on the youth funds scheme to uplift young entrepreneurs particularly in small scale private sector business.

Interviews further showed that much as the road merchants entrepreneurs have plans, these plans are not written down for proper follow-up and are not long term plans. The plans usually change from time to time given the circumstances surrounding the owner and his family. On the issue of record keeping, one of the key respondents interviewed had this to say:

“small businesses hardly keep any records or information. They have no books of accounts or financial records and if they do, they (records) are very sketchy and sometimes don’t have meaning or significant future plans.”

The interviews however reveal that road merchants are owners of small household assets as securities for loans, these are not titled pieces of land and therefore can’t secure big and long term loans for business. Participating observation from the researcher reveals that road merchants survive from hand to mouth and therefore have no savings.

The forgoing shows that highway merchandizing is dominant in both urban and rural communities along the road. They exist as mobile and non-mobile, this sector attracts employment opportunities and reduce poverty because of its informal approach and availability of cheap supply and pedestrian traffic arising from increase in population and automobile development.

CONCLUSION AND RECOMMENDATIONS

Road merchandizing is paramount in Cross River State and has a direct link to the socio-economic development through its contribution to poverty alleviation and self empowerment where normal employment has limited opportunities. The paper concluded that road merchandizing is an increasing phenomenon in Cross River ranging from eatable to non eatable items, and therefore should be legalized and financially supported by the government.

There is need for formal recognition as micro enterprises. There is a need for government to assist in the provision soft loans for road merchants and storage facilities for those in agro based businesses, including freedom to trade. The study further recommends that, government revise their bye laws and policies through ministries and local government authority bodies to accommodate road merchandizing. There is therefore the need to build relationships between NGOs and financial institutions to support road merchants and improve their livelihood and wellbeing in Cross Rivers State.

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