

# **Informal Street Food Trade: A Source of Income Generation in Urban Nepal**

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## **Abstract**

*Street food trade is a growing sector in many developing countries, Nepal among them. As a means to provide low-cost food to a growing urban population of poor, unemployed people and low-wageworkers, street food trade –a predominantly self and family-based activity – has become an opportunity to generate income for many among those same urban poor living in Kathmandu Metropolitan City. On the basis of cross-sectional data collected from a sample of 50 street food vendors in two main areas of the city – namely New Bus Park and Ratna Park – this chapter analyzes the determinants affecting street food vendors’ income: whether it is correlated to vendors’ investment rates, education level, and labor supply, thus attempting to find employment and income patterns. Data are analyzed using OLS regression, and STATA-12 statistical software.*

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**Key words:** Street food, Vendors, Income, Informal sector, Urban Kathmandu

## **1. INTRODUCTION**

Food service industry is a fastest growing industry in the hospitality field (Aquino et.al, 2015). Street foods are ready-to-eat foods and beverages prepared and or sold by vendors especially in streets and other similar public places (FAO, 1986). It is found all over the world but particularly prevalent in developing countries. Street foods are consumed by an estimated two and a half billion people world-wide (FAO, 2001). Street food has recently begun to attract the attention of the government and various international organizations due to the features of urbanization (Draper, 1996). It is one of the key manifestations of urban poverty especially in developing countries. Now it becomes growing small-scale economic activity due to lack of alternative source of income. Street food vending is a simple way of income generation by investing small capital. Thus poor people are interested in such activities. Street foods are considered as an important element in the urban food production and consumption and employment sectors. Street food vendors can earn a reasonable income, in some countries well above the minimum wage. For consumers street foods are also a dependable source of cheap foods, often economies of scale in preparation mean that they can be cheaper than food prepared at household level and thus constitute a significant portion of nutritional intake for the urban poor (Tedd et al.,2002).

The street food vendors of Nepal are not enumerated in the formal sector of country's economy. They are identified as those belonging to the informal sector where their business are conducted as a form of the irregular, unstable activities. The informal sector refers to small enterprise operators selling food and goods or offering services and thereby involving the cash economy and market transactions. This urban informal sector is more diverse than the rural one and includes a vast and heterogeneous variety of economic activities through which most urban families earn their livelihoods (Adhikari, 2011). An informal industry feeds millions of people every day and employs millions of semi-skilled and under skilled workers (Dawson & Canet, 1997). Food vending is seen as a relatively easy opportunity to raise funds to support with education, medical expenses and to supplement family income.

Because of socioeconomic changes in many countries, this sector has experienced significant growth during the past few decades. Urbanization and population growth, especially in developing countries, are expected to continue into the next century and street-vended foods, which are largely but not exclusively an urban phenomenon, will expand accordingly (WHO, 1996). Urban population growth has stimulated a rise in the number of street food vendors in Nepal.

Food vending is often seen as a relatively quick and easy avenue to raise funds to assist with education, medical expenses and to supplement family income. Many temporarily unemployed persons resort to street vending in order to maintain their standard of living (Food and Agriculture Organization, Pan American Health Organization, 2002).

Street food vendors are often viewed as an irritation or obstruction to other commerce and the free flow of traffic. Since they typically lack legal status and recognition, they often experience frequent harassment and evictions from their selling place by local authorities or competing shopkeepers. Their goods may be confiscated and arrests are not uncommon. The places where they work are often dirty and hazardous. Nevertheless, street vending may be the only option for many poor people. Therefore, the right to vend within reasonable limits or constraints should be considered a basic economic right (ILO, 2002).

## **2. LITERATURE REVIEW**

Dipeolu, Akinbode and Okuneye (2007) analyzed the income generating potentials of street food vending businesses in Ogun State, Nigeria. Main objective of this study was to show the profitability of the street food business in Nigeria. To fulfil this study primary data was used. The data were subjected to simple analysis such as descriptive statistics to describe the socio-economic characteristics of the vendors. In addition,

budgetary analysis was used to analyze cost and returns and the net profit of food vending business in the study area. Cost and return analysis of food vending business included the cost structure, the gross margin analysis and profitability analysis such as net profit, net operating margin on sales.

The supply side of the street foods sector is dominated by females who are mainly primary school certificate holders. Street food is a profitable enterprise, which could serve as a primary occupation to earn a living and also serve as a source of employment generation. Street foods businesses have become common and important features of urban towns in many developing countries including Nigeria. Apart from providing incomes for those involved, they also provide a ready source of food for the urban population.

Fulton et al. (2009) has prepared a paper entitled "Women Entrepreneurship in West Africa: The Cowpea Street Food Sector in Niger and Ghana". The main objectives of the study were: To determine the importance of the cowpea-based street food sector in Niger and Ghana, to evaluate internal and external factors that drive the success of cowpea-based street food enterprises, to conduct a cross-country comparison to determine the impact of religious, cultural, income and geographic differences on the success of women entrepreneurs selling cowpea-based street foods. This paper was based on both primary and secondary data. Primary data were collected via in-person interviews with 114 and 122 women street food entrepreneurs in the Niamey of Niger, Kumasi, Ghana in 2009. Additional secondary data on minimum wages and population of selected zones were obtained from government and research agencies. OLS regressions were further used to determine entrepreneurial success.

Women entrepreneurship in the informal sector, such as street food vending is important for economic development and poverty alleviation in West Africa. The street food sector provides employment for women and inexpensive and nutritious food for the urban poor. In this paper, writer determine the importance of the cowpea street food sector, evaluate the determinants of successful enterprises and ascertain the impact of economic, cultural and religious and geographic differentials between enterprises in Niamey and Kumasi.

The main findings of this study were: Women entrepreneurs engaged in the cowpea street food sector can earn income significantly higher than the minimum legal wage in Niamey and Kumasi. These vendors are micro entrepreneurs rather than dependent workers, providing employment not only for them but also for other people. Incomes earned from these entrepreneurial activities contribute directly to health, education and needs of their families. Higher educational levels are not associated with more

successful enterprises which are contrary to much of the business literature. The reasoning for this phenomenon is that these individuals may be involved in street food vending as a temporary activity while they search for better employment opportunities and have no incentive to invest and expand their businesses. Family support is central to the operation of most street food enterprises, particularly where religious beliefs dictate the manner in which women entrepreneurs conduct their business. Cross-country comparisons revealed that enterprises in Kumasi are larger and more successful (earning higher incomes) than those in Niamey. Religious beliefs influence business success in Kumasi where seclusion rules result in “strictly observant Muslims” entrepreneurs earning less income than Christian entrepreneurs.

Women street food enterprises are important avenues for employment and income generation. Enterprise development strategies geared at poverty alleviation in West Africa should include proactive measures that alleviate market barriers specific to informal women entrepreneurship such as street food vending.

Dhungel and Dhungel (2011) analyzed the impact of current financial crisis on the employment of street vendors in the urban centers of Kathmandu valley. The main objectives of the study were: to show the huge impact of the global economic crisis on the street vendors of Kathmandu Valley. To analyze the different kinds of Vendors with respect to their shops and goods, street vending requires less investment and the income from that investment is satisfactory for at least sustaining a family in the city. To fulfill these objectives primary and secondary data were used. The secondary information has been collected from the office record, different government agencies. The website of the concerned government agencies has been used to collect the secondary data. Both descriptive and quantitative methods are adopted for data analysis.

This study showed that the analysis of the impact of age in the rise in competition a huge number of working age people are selling goods and services in the street. A significant number of working age people were forced to return from foreign employment or poised to remain at home due to the lack of opportunities abroad ultimately engaging in vending business for survival. It is reported that the competition in vending business from the past couple of years has gone up thereby reducing sales volume of the vendors. However, the flow of customers has increased in the street but since the number of street vendors have increased in the recent. Looking at the trend, more educated people have entered the vending business which indicates that even the high school graduates and above have lost their jobs in foreign employment and back home. Having lost the jobs they have started street vending business making this sector even more competitive. Street vending sector is an important sector that is providing employment to the poor people. Street vending requires less investment

and the income from that investment is satisfactory for at least sustaining a family in the city.

Aquino, Pedalgo, Zafra, and Tuzon (2015) examined the perception of local street food vendors of Tanauan City. The main objectives of the paper were; to determine the demographic profile of local street food vendors in terms age, gender an educational attainment, to know the perception of street food vendors on food safety. To fulfil these objectives primary data was used. For data gathering procedure the researchers used the survey questionnaire.

In terms of food cooking processes, respect to time is important while additional process in cooking affects Tanauan Street food vendors' products. In terms of indicators towards vendors' hygiene, the highest rated indicator is washing of hands. In food processing, hands are the ones which are mostly exposed to food. However, the presence in the workplace even during restroom breaks is the lowest rated indicator. Regarding food preparation, the highest rated indicator is cleanliness of utensils while the combination of raw and cooked.

### **3. RESEARCH METHODOLOGY**

This paper aims to analyze the factors affecting the incomes of the street food vendors in the Kathmandu Metropolitan city. This study is based on both primary and secondary data. Data collection methods are primarily determined by the kinds of questions to be answered, as well as the type of research to be conducted, and also the nature of the research itself. As far the primary data is concerned, structured questionnaire was used to collect data of street food vendors in Kathmandu metropolitan city. The activities of street food vendors of Kathmandu metropolitan city area has been clustered in few locations and for the study 50 sample size has been taken on the basis of their activities. The secondary information is collected from the office record, books, and bulletins, periodic and annual reports of different government agencies. The website of the concerned government agencies has been used to collect the secondary data.

#### ***Sampling Design***

The study on the street food vendors of Kathmandu is focused into two areas namely *Ratna* park area and *New Bus* park area. The size of sample for interview was determined by observation method following a pilot survey. Most of the respondents are of semi-mobile nature, some are mobile activities. The size of data was kept in proportion to their universe size which has been conducted at locations for interviews and selected randomly on the basis of street food items. The interview of most of the respondents, who were in semi-mobile and mobile activities, has been taken at working place.

### ***Size of Sample***

According to the Nepal Street Vendors Trade Union (NEST) representative, street food vendors alone count about 500 population size in these study areas. The size of sample is 10% of total population, that is, 50 out of 500. From each location 10% of the street food vendors were selected randomly, that is, 23 vendors out of 230 from Ratna Park-area and 27 vendors out of 270 from New Bus Park area were included in the sample. Then they were interviewed individually by the researcher. The information was taken within two week period from February 1, 2012 to February 15, 2012.

### ***Model Specification***

Model mainly focused on how the street food vendors' earning has been affected by changing different explanatory variables. This is examining by using in multiple regression technique. The general functional form of regression, the factors affecting the income of the street food vendors of the Kathmandu Metropolitan city with explanatory variables is expressed as:

$$Y=f(\text{INV, LS, ED, AWH, WY, SEX, AGE}) \dots (1)$$

where, Y= income, INV= Initial investment; LS= supply of labour; ED= education level of respondents; AWH= Average working hour per-day; WY= working years; SEX= sex of the respondents; AGE= Age of the respondents.

In this model, income represents the monthly income of respondent. Investment means the money spent in the starting phase of business. It is very important factors to commence a business; without it running a business is almost impossible. That's why it is chosen an independent variable. On the other hand, supply of labour indicates the total members of a worker involved in this sector. It causes the changes in the income of business-runners. Education is another important factor that affects in street business. It is because of the fact that an educated person can perform better than an uneducated person. Illiterate, under SLC and SLC or above have been used to represent the level of education of the individual operating the street vending. Another effective factor in street business is working hours per day. A person who contributes more time generates more income. Age and sex also effects income of street business. Normally young age of the respondents perform better than old age. Similarly, male street vendors perform better than female one. They earn more from their business because they are, to some extent, free from household works in comparison to females. These independent variables are chosen on account of given reasons. Data are analyzed using OLS regression, and STATA- 12 statistical software.

## 4. EMPIRICAL RESULTS

### *Income Generation Situation of the Street Food Vendors*

This section has analysed the income impact of the street vendors through deferent variables (education level, investment and numbers of employer etc.) of respondents. Earning capacities of respondents in different locations and different age groups have been analysed by using the appropriate statistical tools.

### *Basic Information of Income*

Table 1 shows the basic information with respect to different respondents' characteristics regarding the survey in the study area. This table particularly displays the income with investment, education level, and average working hour per day.

**Table 1: Basic Information of Income with Investment, Average Monthly Working Days, and Average Working Hour per Day**

group		Total respondents	Average monthly income (Rs)	Average initial investment (Rs)	Average monthly working days	Average working hour per day
<b>location</b>	New Bus Park	27	18,926	19,852	27.0	9.9
	Ratna Park	23	21,665	34,108	28.	7.5
<b>sex</b>	Male	37	22,251	31,405	26,8	9.0
	Female	13	14,307	12,192	29.5	8.3
<b>Education level</b>	Illiterate	27	15,074	14,907	27.5	8.7
	Under S.L.C.	15	19,033	20,533	27.4	8.8
	S.L.C. or above	8	39,600	76,250	27.5	9.3
<b>Marital status</b>	Married	40	18,737	23,462	27.4	9
	Unmarried	10	25,980	38,200	27.8	7.3
	Self	29	16,104	22,241	26.2	8.3
<b>Types of employment</b>	With family	15	16,666	15,900	29.6	9.4
	With friends	5	51,460	77,400	28.4	8.8
	With workers	1	35,000	50,000	30	14
<b>Total</b>		50	20,186	26,410	27.5	8.8

Source:Field Survey, 2012.

In this table, income represents the average monthly income of respondents. Average investment means the money spent in the beginning phase of business. Average monthly working days indicates the sum of total working days of respondents divided by total respondents. And average working hour per day indicates the total working hours of the respondents divided by total respondents.

### *Average Monthly Income and Respondents' Characteristics*

There were 50 respondents. The study area seems to be dominated by the rural migrated people as some respondents have been working for more than 30 years in the area. Table 1, shows that the average monthly income of the respondents was NRs 20,186 spending 8.8 hours per day. And the initial investment of respondents was NRs 26,410; the ratio between income investments was 1.30. The average monthly working days was 27.5.

As compared to study area, Ratna Park in both average monthly income and investment of the respondents were higher than New Bus Park. The average working days of the respondents were slightly higher in Ratna park area but average working hours per day of the respondents were higher in New Bus Park. It is clear that there was positive relationship between incomes and other determinant variables investment, and working hours per day.

The situation of the respondents under gender in terms of income, investment, and working time has been shown in Table 1. Income, investment was higher for male respondents in comparison to female. The working hours of male respondents were slightly higher than females but average monthly working days of female respondents were higher than male. In the case of education, the study area is dominated by the respondents with illiterate 54% of total respondents. Income and investment both were higher for educated respondents in comparison of uneducated respondents. But monthly working days and working hour per day were same in both educated and uneducated respondents. This shows that the educated people have more idea in generating income in this sector.

Larger numbers of married respondents were involved in this field but the average monthly income was found less compared to unmarried whilst working hours per day was found more but average monthly working days was same. The situation under employment types of this sector in terms of deferent variables has been shown in Table 1. The largest size of the employment types was self- employed and involved with family but its size of income and investment was found small. Among the employment types employment with friends was highly significant rather than others, in this type's



income were much higher than others. It shows that investment more with friends play the crucial role to generate the income in this field.

**Table 2: Correlation Coefficients among Different Variables**

INCOME	1.00					
LS	0.40	1.00				
INV	0.62	0.12	1.00			
SEX	0.27	0.39	0.24	1.00		
AGE	<b>-0.27</b>	0.09	<b>-0.14</b>	<b>-0.16</b>	1.00	
ED	0.61	0.12	0.53	0.25	<b>-0.31</b>	1.000
Variables	Income	LS	INV	SEX	AGE	ED

Note: Negative values are in bold form.

Table 2 shows that the education is positively correlated income land as well as with investment. The reason for this could be that the educated people can find the better income opportunities than uneducated and can have more income. Age of the household is positively correlated with labour supply but negatively with income and investment. This is reasonable because when the household head grows old, he may perform less and have not want to take investment risk. The positive correlation between age and numbers of labour supply shows that at the growing age people need their family support in business. Negative correlation with education indicates the low education opportunity in the past. Table 2 shows, that there is positive correlation between sex and income of street vendors, which implies that the female respondents are highly dependent on this work. Marital status is negative correlation with income implies that the married respondents have less income opportunities than the unmarried. Investment is positively correlated with income, which implies that higher level of investment leads to higher level of income.

### *Investment Situation*

Table 3 shows the investment pattern of different areas. The lack of opportunities in developing countries to invest other sectors, street vending is a good investment opportunity to invest a little amount, which they either invest themselves or take as loans from the microfinance companies.

**Table 3: Investment Pattern and Financed by**

loan	Financed		Total
	Self- financed	Paid after sales	
2 (4%)	41(82%)	7 (14%)	50(100%)
Investment Pattern			
Amount	Percent		
Less than NRs 10,000	21 (42%)		54 (88%)
11,000-20,000	12 (26%)		
21,000-30,000	4 (8%)		
31,000-40,000	5 (10%)		
41,000-50,000	1 (2%)		
More than 50,000	6 (12%)		6 (12%)

Source: Field Survey, 2012. Figures within parentheses are percentages.

More than three- fourth (82 percent) respondents invested from their own property to the business, only 4 percent respondents were taking loan from different finance institutions by paying high rate of interest. In total 14 percent respondents were taking goods in credit and they paid their dues after selling the goods. There was a significant difference between loans, self-financed and paid after sales where most of the respondents were found to be self-financed.

However, 42 per cent vendors invest less than NRs. 10,000 during startups. And more than 88 per cent food vendors invest less than NRs. 50,000 and only 12 percent respondents invest more than NRs 50,000 in initial phase. It shows that the street food vending business does not need a huge amount of money in their business. With the little money they have, they can run their business.

The econometric aspect of the relationship between dependent and independent variables has been shown in Table 4. Most of the explanatory variables are significant so, the result is quite satisfactory.

The result reveals that labor supply has highly significant impact in bringing change in income earned by respondent. The positive sign of coefficient conforms that increase in workers by one increase the income of the street food vendors by amount NRs. 6,890. Investment is another important variable; it brings significant positive effect in street vendors' income. The coefficient of the investment variable is positive which confirms that increase in investment brings increase in income of the vendors. The

coefficient indicates that NRs 1 increase in investment brings near about NRs. 0.113 increase in income.

**Table 4: Determination of Street Food Vendors' Income in Kathmandu Metropolitan City**

Variables	Description of the variables	Coefficients
INV	Initial investment	0.113 (2.52)*
LS	supply of labour	6,890 (4.27)**
	Ed1= illiterate, ED2= under SLC; ED3= SLC and above SLC	
ED	ED1	-12,022 (2.72)**
	ED2	-10,246 (2.32)*
AWH	Average working hour per-day	-160 (0.38)
WY	working years	-197 (0.67)
SEX	sex of the respondents (1=male, 0=female)	7,688 (2.21)*
AGE	Age of the respondents	-111 (0.83)
Constant		16,320 (2.20)*
Observations		50
R-squared		0.68

*Note:* Absolute value of t-statistics in parentheses. \* significant at 5% level; \*\* significant at 1% level

Education is another important variable affecting the incomes of street vending business. This variable is categorized into three levels: illiterate, under SLC, and SLC or above. Here the third level is taken as the reference category. The variables are found significant but have negative signs. The coefficient of ED1 indicates that the income of the illiterate respondents is NRs 12,022, less than that of the respondents having SLC or above. Similarly, the coefficient of ED2 indicates that the income of the

below SLC respondents is NRs 10,246 per month, less than that of the respondents having SLC or above. This shows that business performance of educated people is higher than that of non-educated people.

Another explanatory variable was working hour per day. The variable is not found significant to bring change in income of respondents. And it has negative sign, which indicates that there is negative relationship between income and working hours. It means that the other important determinant variables are also needed to increase income, just working hour is not primary determinant variable.

The result reveals that working year is another variable affecting the incomes of respondents. The variable is not found significant to bring about the change to income. And it has a negative sign, which indicates that there is a negative relationship between income and working years. It means that the other important determinant variables are also needed to increase income, just working year is not primary determinant variable.

Sex is another explanatory important variable, which affects the income of respondents. It is significant at 0.05 percent level to bring change in income and it has a positive sign. It is seen that the income of the respondents for male is more by NRs 7,688 per month than that of female.

Age of the respondents is another important variable. It is not found significant in this analysis. It has a negative sign; this states that when respondents' age increases, the probability of the respondents' capacity to generate income decreases. The result shows that the effect of the selected variables on the income of the street food vendors is significant. The estimated model is capable of explaining 68 percent variations in income as indicated the value of  $R^2$ .

## **5. DISCUSSION**

Food distribution is well known to be a key factor for the social inclusion of the poor, as it creates small-scale business activities and impacts on the access of the poor to food commodities (Paule et al., 2008). There are a number of reasons why street trading is desirable. Practically, demographic and economic trends indicate that these activities are on the increase, thus street trading is a reality that is unlikely to go away. From a developmental perspective street traders are often responsible for large numbers of dependents. There are also a disproportionate number of women working as street traders. Research demonstrates that women are more likely than men to spend their income on the household needs (Levin et al., 1999). From a planning perspective,

street traders provide urban residents and particularly the urban poor, with goods and services in appropriate quantities and forms in parts of the Kathmandu Metropolitan city that contribute to the functioning of cities.

This study found that the income of the street food vendors has increased with the increase in the level of education. It means that educated respondents have many ideas about business; they know how to deal with their customers as well as which item is the best for sale to generate income. Investment and labor supply are other important variables which play significant role to generate street food vendors' income. Increase in investment and labor supply increased the income of respondents.

Most of the explanatory variables are significant and they play a vital role for making income of the respondents but some important variables are insignificant which are against researcher expectation. Average working hour per day was very important variable but this is insignificant because most of the people flow in street side at evening time. It is because of a reason that most of the consumers' buy street food during that time with the massive flow of the pedestrians. So, to increase more income no need more time. Working year is also insignificant in this study because most of the food vendors are young and educated who earned more than older and experience respondents.

The government side has conducted three informal sector studies by indirect ways. One of the studies was based on the primary data collected by Nepal Rastra Bank's Multipurpose Household Budget Surveys in 1984 and the other two studies were based on the report of Nepal Labor Force Survey 1989/99 and Nepal Labor Survey 2008/09 undertaken by CBS. Around 2142 thousand people aged 15 and over to be currently employed in the non-agricultural informal sector (70 percent of total non-agricultural employment) as compared to 1657 thousand in 1998/99 (73 percent of total non-agricultural employment) (CBS, 2009). This data shows that most of the Nepalese people involved in informal sector but government role is less to recognize this sector.

The paper covers only the income generation in street sectors but does not cover the negative impact created by street vendors: 1) congestion that street vendors create at the roads, over-head bridges as well as other public places; 2) lack of food safety; 3) attraction of illegal migrants and bad image of metropolitan city. There is conflict between authorities of Kathmandu Metropolitan City and street vendors. It can be argued that both the Kathmandu Metropolitan City authority and vendors have right from their own place and position. Vendors should have livelihoods rights and the Kathmandu Metropolitan City authority should have responsibility to manage

city environment. Since, their duties and responsibilities are conflicting with each other, one's duty and responsibility interfere another's duty and rights. It is because vendors see their rights and compulsion to stay on the street for livelihoods whereas authorities want to control them for the convenience of vehicle flow and pedestrians movement. In addition, local shop owners and inhabitants see vendors as an enemy. On the one hand, local shop owners take vendors as unfair competitors while on the other hand, local inhabitants see street vendors as an agent of urban environmental deterioration.

At the time of data collection all respondents respected the researchers and cooperated with the researcher's activity. Accordingly, they provided all the information which was the need for this paper. They also stated their problems of their street food business. One respondent says:

*"As a vendor, I deem that livelihood in the street is our right. Therefore, we all vendors have been fighting to assert our right to a dignified livelihood. Most of the vendors who are staying in the street are poor. If they were not allowed to stay in the street, they would have difficulty to live and care their children. If there were right to life, there should be right to do street business. So, government should provide proper place to vend".*

Most of the respondents argued that they would agree to pay some amount to the government if government manages a proper place and fixed time for vending without any obstacle.

It is estimated that a large number of people are engaged in informal business in street sites. They are creating self-employment and doing self-business independently as a part time and full time basis. It is assumed that their income and consumption level is above the national level. But till now no academic research are carried out to address the problems and their contribution to national economy. This study examines the way small vendors are linked to local and national systems of production and distribution and how this creates differences among informal workers with respect to income, profit levels, and socioeconomic status.

This paper on identity and development is innovative because it brings together analysis of national discourses about Nepalese with a study of the practices of street food issue. This is believed this research can be helpful to the street food vendors, researchers, development agencies and national or international policy makers.

## **6. CONCLUSION**

The paper tries to find out the role of the informal sector in the economic sector of Nepal with the help of case study of street food vendors of Kathmandu Metropolitan City. Street food vending is a sector which provides low-cost food and employment for the poor households in urban area. A majority of street food vendors are rural migrants, so this activity helps to reduce both urban and rural poverty in Nepal.

As compared to study area, Ratna Park in both average monthly income and investment of the respondents were higher than New Bus Park. The situation of the respondents under gender in terms of income and investment both were higher for male respondents in comparison to female. In the case of education, the study area is dominated by the respondents with illiterate 54% of total respondents. Income and investment both were higher for educated respondents in comparison of uneducated respondents. Larger numbers of married respondents were involved in this field but the average monthly income was found less compared to unmarried. The largest size of the employment types was self-employed and involved with family but its size of income and investment was found small. Among the employment types employment with friends was highly significant rather than others, in this type's income were much higher than others. It shows that investment more with friends play the crucial role to generate the income in this field.

In this study to explain the incomes of the street food vendors, chose the explanatory variables (education, investment, number of employment, average working hour per day, sex, age). Income generation is the main finding of this study. In this study labour supply has highly significant impact in bringing change in income earned by respondents. There is positive relation between labour supply and income. The coefficient of the investment is significant and positive, which confirms that increase in investment brings increase in income of the vendors. Education level also plays the vital role to generate incomes of street vending business. This variable is categorized into three levels: illiterate, under SLC, and SLC or above. Here the third level is taken as the reference category. The variables are found significant but have negative signs. The coefficient of illiterate and under SLC responds earn less than that of the respondents having SLC or above. This shows that business performance of educated people is higher than that of non-educated people.

The economic status of street food vendors sector is generally neglected in Kathmandu Metropolitan City. However, it constitutes for many households the main source of income. This sector provides them with the financial means to cope with the day-to-day problems of urban peoples' life. Most of the interviewed respondents of this

sector, the amounts earned have allowed them to solve their daily problems regarding housing, education, health, food etc.

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