

Effects of Age, Gender, and Education on Income of Petty Traders in Dharan During COVID-19 Pandemic

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Abstract

Petty trade refers to small-scale businesses operated by individual sellers on bicycles, carts, sheds, and small unorganized spaces. The epidemic of COVID-19 has had a great impact on the economy of Nepal like other countries. Therefore, the main objective of this study was to find out the effect of small businesses on household income due to COVID-19 in Dharan sub-metropolitan city. Data was collected through direct personal interviews with 48 people using a simple random sampling method. Collected data were analyzed through descriptive statistics using SPSS. The Pearson correlation test explains the relationship between different variables, the independent sample t-test-, and the ANOVA test for the hypothesis test. There is no significant relationship between household income and with age, gender, and education of petty traders. Similarly, this study concludes that the planners and policymakers of the Dharan sub-metropolitan city need to formulate appropriate policies and manage the business of the informal sector including small traders. The government should encourage programs that protect the economic rights of small traders and reduce various taxes imposed on them.

Keywords: Education, employment, street, informal, developing country, investment

Introduction

Nepal has a dual economic system i.e. one is the capitalist sector means the urban sector and the other is the subsistence sector means the rural sector. In rural areas, most of the growing population cannot get good employment opportunities except in the agriculture sector because the non-agriculture sector cannot provide jobs to the people. Consequently, most of the surplus labor migrated towards the capitalist sector to search for better employment opportunities (Lewis, 1954). But when they fail to get good employment opportunities and inadequate capital investment, they engage in petty trade. These petty traders do not have a fixed place for conducting their business. They are also known as street vendors. Their working areas are the cities. ILO reports reveal that petty trade provides employment opportunities to about 96 percent of the active population of the world (ILO, 2002). Despite the low level of income, petty trade provides a significant amount of employment opportunities. It has also

become an alternative source of employment for an unemployed and low-income group of people in Nepal.

The Nepalese economy is affected by COVID-19 because the Nepalese government decided to lock down on March 24, 2020, when a few cases were identified as COVID-19-positive patients (Basnet et al., 2021). Consequently, during the lockdown period, most sectors including tourism, transport, manufacturing, and others were closed. Even the informal sector including petty trade was halted. (Basyal & Ranjan, 2020), found that in Nepal during the lockdown 90 percent of economic activities were badly affected. The study in petty trade is very limited. This paper also selects petty trading as an economic activity that covers some of the household income in Dharan, Nepal. During the high time of the COVID-19 pandemic, petty traders are mostly affected and this paper aims to find the impact of the COVID-19 pandemic on the household income of petty traders.

Statement of the Problem

The Nepalese economy is based on agriculture. Until now, about 66 percent of the Nepalese people are based on agriculture, and about 80 percent of the people of Nepal are engaged in agriculture. But the development and expansion of the agricultural sector is very insignificant. As a result, there is a very low level of capital formation and Nepalese people do not have the ability to earn income by investing in the large-scale business sector. Therefore, it is not an exaggeration to say that earning income by making small investments and doing business activities is the appropriate way for the Nepalese economy. However, while running a petty trade, various questions may arise in business activities which are as follows:

- What is the effect of the age of petty traders on their income?
- What is the impact of the gender of small businessmen on their income?
- What is the effect of the education of small businessmen on their income?

Research Objectives

The objectives of this study are as follows:

- To analyze the effect of age of small businessmen on their income.
- To explore the effect of gender of small businessmen on their income.
- To examine the effect of education of small businessmen on their income.

Literature Review

Those traders who do not have a fixed place for conducting their business are known as street vendors. There is no single and universally accepted definition of petty traders. In Tanzania, it has been used synonymously with micro trade and micro enterprises which refer to the trade operating in the informal sector (United Republic Tanzania, 2002). Micro enterprises indicate those activities that need to start capital below five million Tanzanian Shillings and are

run by up to four persons and even by family members (URT, 2003). Generally, the operation of micro-enterprises needs a fixed place but it also runs on the sidewalk of a road in cities. The act of operation in a non-fixed place held by bicycle, pushcarts, and carrying their goods on their head, etc (Kazimoto, 2007). Thus, it has been clear that from these definitions petty trading includes a low amount of capital, no fixed place to some extent, and several informal characteristics. This paper also selects petty trading as an economic activity that involves a collection of individual buyers and sellers with a low amount of capital and no fixed place.

Most of the cities of developing countries are their working areas. There are several features of petty street traders in cities of Nepal like small size, temporary place, temporary structure, self-employment, low investment, and low skills (Sharma & Pradhan, 2017). Such type of trade plays an important role in the economy of poor developing countries like Nepal. Likewise, petty trade contributes to the national economy by providing employment opportunities to the people. Different urban-based development theories define the cities of developing countries as the place for street trade. It is the main source of employment (Lewis 1954; Fei & Ranis 1961; Todaro, 1976). However, still adequate studies about petty trading in the urban economy in the Nepalese context. Therefore, this study tries to analyze and explain the household income of petty traders. According to UN-Habitat (2009), petty trading employs about more than 60% of urban areas in developing countries. So, this study tries to explore the impact of petty trade on household income in the study area.

Petty trading is also defined as the informal economy. The informal economy covers all activities that are performed outside the formal sector. Hence, it indicates "all economic activities that are in law or practice not covered or insufficiently covered by formal arrangements" (Husmanns, 2004). More than half of jobs in cities in poor developing economies are called the informal economy. According to ILO, (2002), all economic activities are run by the owner and not covered by law or not sufficiently covered by the law. However, the meaning of the informal sector is different in the context of Nepal because it includes large areas like unregistered and unorganized production. It provides employment opportunities to about 96 percent of the active population. The Labor Act (2048) seems to have some space for workers in the informal economy and the government addressed the problem of informal workers. In Nepal, social protection of labor is an emerging issue. ILO has performed a study (2004) on the "Social Protection for People in the Informal Economy of Nepal" to examine the situation of social protection for the people in the informal economy. Despite the low level of income, the informal sector provides a significant amount of employment opportunities. In Asia, about 50-80 percent of employment is in the informal sector out of non-agricultural employment (Kundu & Sharma, 2001). It is an alternative source of employment for an unemployed and low-income group of people.

The petty traders have not got favorable conditions in Nepal. The municipal authorities in Nepal have controlled the informal activities of the poor street traders. However, there are several examples of favorable support taken by the different governments in different countries for street traders (Koirālā & Sharma, 2004). One of the examples is in India, the Department of Urban Development and Poverty Alleviation issued a directive to Mumbai Municipality to stop the destruction of stalls and tents which was permitted under the 1985 Court judgment to reduce traffic crowd (ILO,2002). As in countries like India, petty traders have gotten favorable conditions. So, following India's policy towards petty traders, the Nepal government also can provide a favorable working environment for petty traders. In Nepal, both central, as well as local governments, should follow such an example and should provide a favorable working environment for petty traders.

The current bulge shows that the agricultural, industrial, services and other sectors bulged to grow by 2.6 percent, 3.2 percent, and 2 percent respectively in Nepal (Basyal & Ranjan, 2020). Much study has been done regarding this topic. However, none of the researchers has done research in this study area. The above reviews show that researchers have studied the impact of COVID-19 on the world economy as well as on the Nepalese economy. However, they have not done research on the effects of age, gender, and education on income of petty traders in Dharan during covid-19 pandemic. That's why I researched this topic.

Hypothesis

Based on the research problem, I have formulated the following hypotheses:

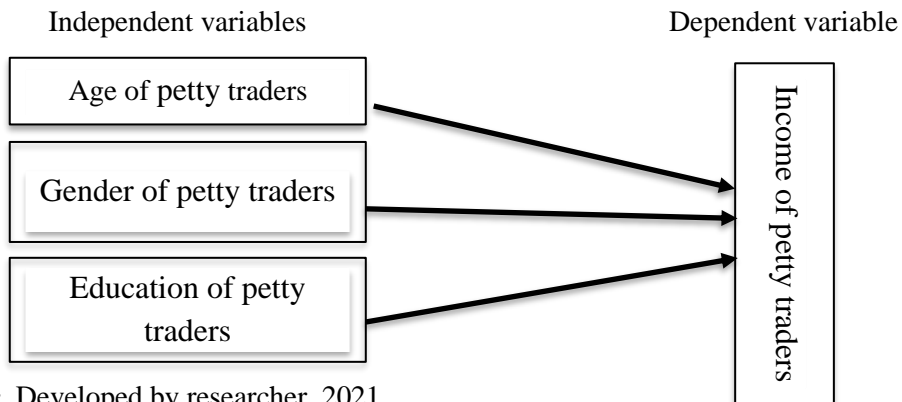
- H₁: There is a significant relationship between the income and the age of petty traders.
- H₂: There is a significant relationship between the income and the gender of petty traders.
- H₃: There is a significant relationship between the income and the education level of petty traders.

Conceptual Framework

The market can be defined as a place that is composed of different factors with the changeable relationship between them (Nystrom,1998). It also indicates a place where goods and services are not only brought to buy and sell but also for other purposes like exchanging views, working, and so on. Hence, this study focuses on analyzing the different factors which affect household income in the study area. The conceptual framework is used to show the cause-and-effect relationship between two variables. The conceptual framework of the impact of petty trade on household income during COVID COVID-19 period in Dharan is as follows:

Figure1

Conceptual Framework of Petty Traders



Note. Developed by researcher, 2021.

The above conceptual framework chart depicts that the household income of petty traders is a dependent variable and age, gender, education level, and income during COVID-19 are independent variables. There are different variables by which the income of petty traders’ changes. Here, the change in age, gender, and education level, income during COVID-19, of petty traders brings to change.

Materials and Methods

The main objective of this study was to explore the effects of age, gender, and education on income of petty traders in Dharan during covid-19 pandemic. (Mfaume & Leonard, 2004) studied titled ‘Small Business Entrepreneurship in Dar es Salaam-Tanzania: Issues and Prospects for Future Development’ based on this methodology. So, I also researched this topic based on this method. This study used a quantitative research design. The descriptive study explains the effects of age, gender, and education on the income of petty traders in Dharan during covid-19 pandemic. The required data are collected from the primary source. Interviews were guided by using structured questionnaires prepared by the researcher to petty traders. Then interviews with 48 Pitty traders were conducted to collect the data.

In this study, simple random sampling techniques were used to collect a representative sample from petty traders. The researcher collects from those who want to be ready to respond to the questionnaires. The required sample was selected as traders traveled to their place for business motives and informed them to get consent to collect the required information in the study before starting the data collection. With this procedure, the researcher managed to collect data from petty traders including both males and females. According to Bailey (1994), by ignoring the population size a sample of 30 informants is stripped minimum for studies in which statistical data analysis is to be performed for a study. In the research, the process of

data collection comes after the sampling. Gubba and Lincoln (1998) stated that data analysis is a well-ordered process in which Working with collected data, it is organized and divided into small suitable parts. There are two types of variables i.e., independent variable and dependent variable. Age, gender, and education are independent variables, and the income of small traders is the dependent variable.

The literature review revealed that the household income of petty traders was affected by factors including age, gender, and education levels, during the COVID-19 period. Mean, standard deviation, and Pearson’s correlation were calculated with the help of Statistical Package for Social Sciences version 20 (SPSS), and, the data were analyzed according to the were used to describe the data.

Results and Discussion

The main objective of this study was to find out the effects of age, gender, and education on the income of petty traders of Dharan during COVID-19. This study mainly focused on the analysis of age, gender, education level, and income of petty traders during the COVID-19 household in Dharan. This is because of the fact these all variables play an important role in determining the household income of petty traders. The result from the survey related to the effects of age, gender, and education on income of petty traders in Dharan during covid-19 pandemic is in Table 1.

Table 1

Descriptive Statistics of Petty Traders

Statistics		Age of the petty traders	Gender of the petty traders	Education of the petty traders	Daily income of petty traders in COVID-19
N	Valid	48	46	47	48
	Missing	0	2	1	0
Mean		40.46	.72	.23	1.00
Std. Deviation		11.64	.46	.52	1.05
Skewness		-.19	-.99	2.21	1.37
Std. Error of Skewness		.34	.35	.35	.34
Kurtosis		-.95	-1.05	4.25	3.04
Std. Error of Kurtosis		.67	.69	.68	.67

Note. Field Survey, 2021.

Table 1 depicts the mean value of the age, gender, and education of petty traders in 2021 A.D. is 40.46, 0.72, and 0.23 respectively. It shows that the lowest mean value of

education of petty traders (0.23) and the highest mean value of age of petty traders (40.46). Likewise, the standard deviation of the age, gender, and education of petty traders is 11.46, 0.46, and 0.52 respectively. The standard deviation of the gender of petty traders is the lowest (0.46) and the standard deviation of the age of petty traders is the highest (11.46). It shows that the gender of the petty traders is more consistent with the lowest standard deviation and the age of petty traders is less consistent as it has the highest standard deviation. Similarly, the value of skewness for the age, gender, education, and daily income of petty traders during COVID-19 are found to be -0.19, -0.99, 2.21, and 1.37 respectively. The value of skewness for age is -0.19, which lies between -.5 to +0.5. So, the distribution of data is nearly symmetrical. Similarly, the value of skewness for gender is -0.99 lies between -0.5 to -0.1, indicating that the distribution of data is slightly skewed. Again, the value of skewness for education and daily income of petty traders during COVID-19 are 2.21 and 1.37 respectively, indicating the distribution of data is highly skewed.

The value of kurtosis for the age and gender of petty traders is -0.95 and -1.05 respectively, indicating the distribution is platykurtic. In the same way, the value of kurtosis for education is 4.25 showing that the distribution is leptokurtic and the value of kurtosis for income of petty traders during COVID-19 is 3.04 indicating that the distribution is near the mesokurtic.

Table 2
Correlations

Correlations		Age of the petty trader	Gender of the petty traders	Education of the petty traders	Daily income of petty traders in COVID-19
Age of the petty trader	Pearson Correlation	1	-.184	-.434**	.033
	Sig. (2-tailed)		.222	.002	.824
Gender of the respondents	Pearson Correlation	-.184	1	.196	-.437**
	Sig. (2-tailed)	.222		.191	.002
Education of the respondents	Pearson Correlation	-.434**	.196	1	.030
	Sig. (2-tailed)	.002	.191		.839
Daily income in COVID19	Pearson Correlation	.033	-.437**	.030	1
	Sig. (2-tailed)	.824	.002	.839	

** . Correlation is significant at the 0.05 level (2-tailed).

Note. Field Survey, 2021

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Table 2 shows the relationship between the variables, and whether each variable has a strong correlation with other variables or not. The age and the gender of the petty traders have a negative and low degree and negative correlation (-0.184). The age and the income of the petty traders during COVID-19 have a positive but low degree and negative correlation (0.033). There is a negative and low degree of correlation between the gender and daily income of petty traders during COVID-19 (-0.437). There is a positive but low degree of correlation between education and the daily income of petty traders during COVID-19 (0.030). Similarly, according to the result of this research p-value of age and daily income of petty traders is (0.824) > significant value (0.05), the null hypothesis is accepted, and the alternative hypothesis is rejected. We have sufficient evidence that there is no significant relationship between age and daily income of petty traders during COVID-19. The p-value of gender and daily income of petty traders is (0.002) < significant value (0.05), the null hypothesis is rejected, and the alternative hypothesis is accepted. We have sufficient evidence that there is a significant relationship between gender and the daily income of petty traders during COVID-19. Similarly, the p-value of education and daily income of petty traders is (0.030) < significant value (0.05), the null hypothesis is rejected, and the alternative hypothesis is accepted. We have sufficient evidence that there is a significant relationship between education and the daily income of petty traders during the COVID-19 period.

Conclusion

Here, the research explores how age, gender, and education affect the household income of petty traders during COVID-19. For this study, the researcher must collect the data and analyze the collected data. This research was limited to primary data with only 48 respondents. For which a structured questionnaire was created and the data of petty traders in some areas of Dharan was collected through a direct personal interview method. Therefore, the findings of the study cannot be generalized. This research to find the answer to the question of how age, gender and education affect the household income of petty traders during the time of COVID-19, when testing the hypothesis, it was concluded that there is no significant relationship between the age of petty traders and their daily income during the time of COVID-19. But during the Covid-19 period, a significant relationship was found between education and the daily income of small traders. Similarly, during the Covid-19 period, there is a significant relationship between education and the daily income of small traders, for which we have ample evidence.

In the end, what I would like to suggest as a researcher is that many Nepalis are attracted in this type of business due to the lack of sufficient capital, equipment, and skill for large investments in Nepal. Therefore, the government should bring such policies to increase the morale of such businessmen. Also, I could not collect the data of many petty traders due to the lockdown, limited time, limited budget during the time of COVID, so I suggest the future

researcher to increase the number of data and study more deeply. Those variables were not sufficient to correlate with the household income of small traders and other variables. Therefore, the researcher should increase the number of variables and continuously collect data to find out the connection between these variables. There are very few studies in this area, so studies in this area should be increased to show the relationship between household income and other variables. Similarly, the above finding will help the planners and policymakers of the Dharan sub-metropolitan city to formulate appropriate policies and manage the informal sector including petty traders.

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