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Effect of Project Management Practices on the Integration and Economic Empowerment of Street Vendors in Kigali's Formal Urban Systems: A case Study of Corazon Market, Gasabo District

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Abstract: *This study examined the effect of stakeholder-driven project management approaches on the integration of street vendors into Kigali's formal systems, with specific reference to Corazon Market in Gasabo District, Rwanda. The study aimed to assess how stakeholder engagement influences the successful integration of street vendors into formal market structures. A descriptive and explanatory research design was adopted using both quantitative and qualitative approaches to obtain comprehensive information regarding stakeholder participation and vendor formalization processes. The target population consisted of 338 stakeholders involved in the integration process, including street vendors, municipal officials, district officials, NGO representatives, and project management team members. A sample size of 183 respondents was selected, and data were collected using structured questionnaires and semi-structured interviews. Quantitative data were analyzed using SPSS version 23 through descriptive statistics, Pearson correlation analysis, and regression analysis, while qualitative data were analyzed thematically. The findings revealed that stakeholder engagement had a positive and statistically significant relationship with the integration of street vendors into formal systems, with a Pearson correlation coefficient of $r = 0.644$ ($p < 0.01$). Regression analysis further confirmed that stakeholder engagement significantly influenced street vendor integration, demonstrating that effective participation, communication, collaboration, and involvement of key actors contribute to improved formalization outcomes. The study recommends strengthening participatory decision-making mechanisms, improving communication channels, and establishing continuous engagement platforms among stakeholders involved in street vendor formalization initiatives. The findings provide valuable insights for policymakers, urban planners, and project managers seeking to promote inclusive urban development and sustainable integration of informal traders into formal economic systems in Rwanda.*

Keywords: Stakeholder Engagement, Stakeholder-Driven Project Management, Street Vendor Integration, Informal Trade Formalization, Corazon Market, Gasabo District, Rwanda.

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1. Introduction

Globally, informal commerce plays a significant role in urban economies, particularly in providing livelihoods, promoting entrepreneurship, and supporting local supply chains (Chen, 2021). Street vending, as a prominent form of informal trade, contributes to economic vibrancy but often operates outside formal regulatory systems. In many cities, challenges such as lack of infrastructure, weak governance, and limited access to financial and administrative support hinder the effective integration of informal traders into formal urban systems (Bhowmik, 2020). Effective governance and structured management approaches are increasingly recognized as critical for bridging the gap between informal commerce and formal city planning, ensuring sustainable urban development while protecting the livelihoods of street vendors.

In developing countries, urban authorities face a dual challenge of managing growing informal markets while promoting orderly city development (ILO, 2022). Informal vendors often encounter eviction, harassment, or exclusion from urban planning processes, despite their significant contribution to local economies. Studies indicate that stakeholder engagement and structured project management frameworks can facilitate the formalization of street vending, improve compliance with regulations, and enhance access to public infrastructure such as sanitation, electricity, and market facilities (Rogerson, 2019). These strategies also foster collaboration between city authorities, vendors, and other relevant stakeholders, enabling policies and interventions that are inclusive, participatory, and sustainable.

In the East African context, countries such as Kenya, Uganda, and Tanzania have implemented initiatives to integrate informal traders into formal urban systems through participatory governance and structured urban management programs (Otiso, 2021). These efforts have demonstrated that stakeholder-driven approaches are crucial for mitigating conflicts between city authorities and vendors, enhancing service delivery, and improving revenue collection. By actively engaging multiple stakeholders including municipal governments, community associations, vendor cooperatives, and civil society organizations cities can foster collaboration, trust, and shared responsibility, ensuring that informal traders are included in urban development plans. Such engagement also promotes formalization by encouraging vendor registration, compliance with regulations, and access to official market facilities, while striking a balance between economic growth and social protection and inclusivity (Mwangi, 2023).

In Rwanda, informal commerce serves as a vital source of employment and income, particularly in urban centers such as Kigali (NISR, 2023). Corazon Market in Gasabo District is a major hub for street vendors; however, many operate outside formal regulatory frameworks, facing challenges including lack of official registration, limited access to market infrastructure, and inconsistent enforcement of policies. The Rwandan government, through initiatives such as Vision 2050 and Smart Kigali, prioritizes urban modernization and inclusive economic development, creating opportunities for informal traders to integrate into formal systems (RDB, 2022). Achieving this integration, however, requires systematic project management, active stakeholder collaboration, and alignment with urban governance policies to ensure that informal vendors can formalize their operations while contributing to orderly urban growth

Given the critical role of street vendors in Kigali's economy and the need for orderly urban development, a stakeholder-driven project management framework can offer a structured approach to integrate vendors into formal city systems. This study, therefore, seeks to examine how stakeholder engagement and project management practices can facilitate the formalization of street vendors at Corazon Market in Gasabo District, enhancing both urban governance and socio-economic outcomes.

1.2 Problem Statement

Rapid urbanization in Kigali has led to a significant expansion of informal economic activities, particularly street vending, which serves as a primary source of livelihood for a large segment of the urban population (NISR, 2023). Street vendors contribute meaningfully to employment creation, income generation, and the supply of affordable goods and services. However, a substantial number of these vendors continue to operate outside formal urban and regulatory systems, which restricts their access to basic infrastructure, formal financial services, social protection mechanisms, and legal recognition. This persistent informality has resulted in frequent conflicts with city authorities, inconsistent enforcement of regulations, and challenges in effective urban planning and municipal revenue collection (UN-Habitat, 2021).

In response, the Government of Rwanda has introduced strategic frameworks such as Vision 2050 and the Smart Kigali Initiative, which emphasize inclusive economic growth, modernization, and improved urban governance (Government of Rwanda, 2020). Despite these policy efforts, initiatives aimed at formalizing street vendors have not fully translated into sustainable economic empowerment. The central problem of this study is that efforts to integrate street vendors into Kigali's formal urban systems have remained largely ineffective due to weak governance structures, inadequate project management practices, and limited stakeholder engagement. Consequently, many formalization interventions such as the establishment of designated markets including Corazon Market have focused more on regulation and relocation than on enhancing vendors' income stability, business growth, and long-term livelihood security (RDB, 2022).

Moreover, the absence of systematic project management approaches in the planning and implementation of vendor formalization initiatives has contributed to poor coordination among implementing institutions, unclear roles and responsibilities, and insufficient monitoring and evaluation (PMI, 2021). Weak stakeholder engagement, particularly the limited involvement of street vendors in decision-making and project execution processes, has further reduced ownership, trust, and sustainability of these interventions. Consequently, many street vendors continue to face evictions, harassment, insecurity of tenure, and economic vulnerability, undermining both formalization efforts and the goal of economic empowerment (World Bank, 2019).

Although international and regional literature emphasizes that effective governance, inclusive stakeholder participation, and sound project management practices are critical for integrating informal economic actors into formal systems, empirical evidence on their application in Rwanda remains limited (Pandera, 2024). Existing studies tend to focus on informal trade in other countries or provide broad policy recommendations without adequately addressing the interaction between project management, governance, and stakeholder engagement in specific urban market interventions. In particular, there is limited research examining how these dimensions can be leveraged to support the formalization and economic empowerment of street vendors at Corazon Market in Gasabo District. This study therefore seeks to fill this gap by examining how strengthening governance structures, project management practices, and stakeholder engagement contributed to successful and inclusive street vendor formalization and sustainable urban development in Kigali.

This study sought to achieve the following research objective:

i. To examine the effect of stakeholder participation on the integration of street vendors into Kigali's formal systems in Gasabo District, Rwanda

2. Literature Review

2.1.1 Formalizing and Economically Empowering Street vendors

Formalizing and economically empowering street vendors requires an inclusive and structured approach that integrates informal economic actors into formal urban systems while enhancing their livelihoods and business sustainability (Steward, 2023). Stakeholder-driven project management provides a suitable framework for achieving these objectives, as it actively involves key actors such as government institutions, local authorities, community representatives, non-governmental organizations, private sector actors, and street vendors themselves throughout the project life cycle (Freeman, 2020). By emphasizing collaboration, transparency, and inclusivity, this approach ensures that formalization initiatives address both regulatory requirements and the economic needs of vendors, thereby promoting compliance and long-term empowerment.

In the context of street vendor formalization, stakeholder-driven project management plays a critical role in balancing urban governance priorities with vendors' livelihood concerns (Gael, 2023). Formalization projects often involve competing interests related to land use, public order, and economic inclusion. Actively engaging stakeholders throughout planning, implementation, and evaluation stages helps reduce resistance, foster trust, and build a sense of ownership among vendors. Such engagement enhances the sustainability of formalization initiatives and supports economic empowerment by improving vendors' access to secure trading spaces, infrastructure, financial services, and business development opportunities (Bryson et al., 2022).

The effectiveness of stakeholder-driven project management in formalizing and economically empowering street vendors can be assessed through several key indicators. (Mitchell, 2022). These include the level of stakeholder participation in decision-making processes, the frequency and quality of communication among project actors, the extent of consultation during planning and implementation, and the responsiveness of project managers to stakeholder feedback. Additional indicators include alignment between project objectives and vendors' economic expectations, inclusivity in beneficiary identification, and the establishment of conflict resolution mechanisms. Projects that perform well on these dimensions are more likely to achieve improved income stability, enhanced business performance, and sustained economic empowerment for street vendors (Clark & Thompson, 2023).

In the context of the current study, formalization and economic empowerment of street vendors are examined through the integration of vendors into Corazon Market in Gasabo District. The study assesses the extent to which street vendors, local authorities, municipal planners, and development partners were involved in shaping market governance structures, infrastructure design, and operational regulations. It also examines the existence and effectiveness of feedback mechanisms that allow vendors to influence decision-making processes affecting their economic activities. Understanding how stakeholder-driven project management has been applied in this setting provides valuable insights into strategies that support inclusive urban development, improve regulatory compliance, and promote sustainable formalization and economic empowerment of street vendors (Harris & Kim, 2024).

2.1.2 Stakeholder Engagement

Stakeholder engagement is defined as the deliberate process of involving all relevant actors including government agencies, local authorities, community representatives, street vendors, NGOs, and private investors in the planning, execution, and evaluation of projects (Taylor & Roberts, 2024).). It is grounded in the principle that sustainable and effective development outcomes can only be achieved when the perspectives, needs, and expertise of all affected parties are taken into account. Stakeholder engagement emphasizes communication, collaboration, and shared responsibility, which fosters trust, transparency, and ownership of projects. This approach is particularly critical in informal urban economies where interventions, such as formalizing street vendors, can disrupt livelihoods if implemented without meaningful participation (Martinez & Lee, 2024).

Indicators of effective stakeholder engagement include the frequency and quality of consultations, active participation in decision-making forums, and the degree to which stakeholders influence project design and resource allocation (O'Connor, 2022). Other key indicators include responsiveness of project authorities to stakeholder concerns, transparency in sharing project information, and the creation of platforms for continuous feedback. The presence of formal and informal engagement mechanisms, such as workshops, focus groups, and advisory committees, further demonstrates the inclusiveness of the process (Wang & Singh, 2023). Tracking these indicators allows project managers to gauge whether engagement strategies are fostering collaboration and reducing potential resistance.

In the present study, stakeholder engagement was assessed by examining how authorities, market management, and street vendors interact throughout the integration process in Gasabo District. The research focused on participation in planning meetings, consultation mechanisms, feedback loops, and joint decision-making. Evaluating these interactions revealed how inclusive engagement influences compliance, reduces conflicts between vendors and authorities, and strengthens the sustainability of formalization initiatives. By understanding the role of stakeholder engagement, the study aims to highlight practical strategies for fostering cooperation in urban informal sector projects.

2.1.3 Street Vendors Integration

The integration of street vendors into s formal systems involves transitioning informal traders from unregulated street operations to organized markets with designated infrastructure, legal recognition, and access to municipal services (Moretti & Alvarez, 2023). This process enhances urban management by reducing congestion, improving sanitation, and ensuring compliance with city regulations, while also providing vendors with secure trading spaces and the potential for enhanced income stability. Formal markets enable better oversight, revenue collection, and the creation of inclusive economic opportunities, bridging the gap between informal livelihoods and structured urban commerce (Ferrara & Moreno, 2022).

Successful integration encompasses the adequacy and accessibility of market infrastructure, vendor participation in planning and decision-making, provision of support services such as storage and sanitation, compliance with municipal regulations, and the impact on vendors' business performance (Ricci & Torres, 2023). Collaboration among stakeholders—including local government authorities, NGOs, community representatives, and private investors—is essential to ensure the sustainability of the integration process. Active engagement reduces resistance to change, fosters trust, and ensures that formalization initiatives are socially inclusive and economically viable (Bianchi & González, 2022).

In the context of Corazon Market in Gasabo District, Kigali, the integration process focuses on aligning the needs of street vendors with urban planning objectives. This study examines how stakeholder-driven project management strategies facilitate this transition, with an emphasis on planning, implementation, and monitoring. The research assesses vendors' adaptation to formal market operations, the effectiveness of infrastructure and service provision, and the overall impact on livelihoods and business continuity. Findings are expected to provide practical insights for policy development and best practices in formalizing informal commerce within Kigali and similar urban settings (Esposito & Ramirez, 2024).

2.2 Theoretical Review

This section presents theoretical frameworks underpinning the relationship between stakeholder-driven project management approaches and the integration of street vendors into Kigali's formal systems. Theories provide a structured lens to analyze how stakeholder engagement, project planning and implementation, and monitoring and evaluation practices influence the formalization of informal trade.

2.2.1 Stakeholder Theory

Stakeholder Theory was introduced by R. Edward Freeman in 1984, fundamentally changing how organizations approach management and decision-making. Freeman argued that organizations should not focus solely on maximizing shareholder value but must consider the interests of all parties affected by their decisions, including employees, customers, suppliers, community members, regulators, and investors (Freeman, 1984). This perspective emphasizes that organizations operate within a network of relationships, and the success of any initiative depends on understanding and balancing the needs, expectations, and contributions of all stakeholders (Dennis, 2023).

Stakeholder Theory posits that effective stakeholder engagement involves identifying relevant actors, understanding their interests, and ensuring their participation throughout the planning, implementation, and evaluation phases of a project (Mitchell, Agle & Wood, 2023). Key indicators include the extent of stakeholder consultation, the inclusiveness of decision-making processes, the clarity of communication channels, and the mechanisms for addressing stakeholder concerns. Engagement is also measured by stakeholders' perceived influence on project outcomes, their commitment to implementation, and the degree of collaboration achieved. Effective engagement fosters trust, reduces potential conflicts, ensures smoother adoption of new systems, and contributes to the overall sustainability of integration projects (Opera, 2021).

In relation to this study, Stakeholder Theory provides a critical lens for understanding how the active participation of Corazon Market vendors, local government authorities, and development partners affects the integration of street vendors into Kigali's formal systems. By incorporating input from all relevant actors, project planners can address vendors' economic, social, and operational needs, improve adherence to municipal regulations, and enhance project outcomes. This theory underscores the importance of shared ownership and continuous dialogue among stakeholders to minimize resistance, promote compliance, and ensure that formalization initiatives are both effective and sustainable (Nguyen & Rossi, 2022; Martins & Lopez, 2021). In the Rwandan context, where informal trade is widespread, applying Stakeholder Theory helps to create participatory frameworks that align formalization efforts with the realities of vendors' livelihoods, fostering long-term acceptance and success.

3. Methodology

This section presents the methodology adopted in the study examining the impact of stakeholder-driven project management approaches on the integration of street vendors into Kigali's formal systems, with specific reference to Corazon Market in Gasabo District, Rwanda. The methodology provides the framework used to collect, process, analyze, and interpret data in order to achieve the study objectives. It describes the research design, target population, sampling procedures, data collection methods, research instruments, validity and reliability procedures, data processing and analysis techniques, and ethical considerations followed throughout the study.

The study adopted a descriptive and explanatory research design. The descriptive design enabled the researcher to obtain detailed information regarding existing stakeholder engagement practices, project planning, implementation strategies, monitoring and evaluation mechanisms, and the current status of street vendor integration. The explanatory design was used to examine the relationships and influence of stakeholder-driven project management approaches on the integration of street vendors into formal systems. The combination of these approaches was appropriate because it allowed the study to generate both descriptive information about project practices and analytical evidence regarding how different project management approaches affect vendor formalization outcomes.

The target population comprised 338 stakeholders directly involved in the integration of street vendors at Corazon Market in Gasabo District. The population included 284 street vendors, 28 municipal officials, 4 district officials, 10 NGO representatives, and 12 members of the project management team. These categories were selected because they provided diverse perspectives from both beneficiaries and implementers of the street vendor integration project. The sample size was determined using the Yamane (1967) formula at a 5% margin of error, resulting in a sample of 183 respondents. Stratified random sampling was applied to ensure proportional representation of different stakeholder groups, while purposive sampling was used to select key informants such as project managers, government officials, and NGO representatives who possessed detailed knowledge about the project implementation process.

The study employed both primary and secondary data collection methods. Primary data was collected through structured questionnaires administered to selected respondents and semi-structured interviews conducted with key informants involved in street vendor formalization activities. The questionnaires collected quantitative information regarding stakeholder engagement, project planning, project implementation, monitoring and evaluation practices, and street vendor integration, while interviews provided deeper qualitative insights into experiences, challenges, and implementation outcomes. Secondary data was obtained from project reports, government policy documents, municipal records, NGO publications, and relevant academic literature to supplement primary findings and provide contextual understanding of the research problem.

The study used a structured questionnaire and an interview guide as the main data collection instruments. The questionnaire consisted of demographic questions and Likert-scale items designed to measure the study variables, while the interview guide contained open-ended questions that enabled key informants to explain their experiences and perceptions regarding stakeholder-driven project management approaches. Before the actual data collection, the instruments were subjected to validity and reliability testing. Content validity was established through expert review, where specialists in project management, urban development, and related fields assessed the relevance and clarity of the items. The Content Validity Index (CVI) obtained was 0.92, indicating that the instruments had adequate validity. Reliability was assessed using Cronbach's Alpha, where a pilot study involving 10 respondents was conducted to determine the internal consistency of the questionnaire items. A reliability coefficient of 0.70 and above was considered acceptable for the study.

Data collected from questionnaires was processed through coding, editing, and tabulation before analysis. Quantitative data was analyzed using SPSS version 23, where descriptive statistics such as frequencies, percentages, means, and standard deviations were used to summarize respondents' characteristics and perceptions regarding the study variables. Inferential statistics, including Pearson correlation analysis and multiple regression analysis, were applied to determine the relationships and effects of stakeholder engagement, project planning, project implementation, and monitoring and evaluation practices on street vendor integration. The regression model was used to establish the contribution of each independent variable while controlling for other factors. Qualitative data obtained from interviews was analyzed using thematic analysis, where responses were coded, categorized, and interpreted to identify major themes related to stakeholder participation, project implementation challenges, and vendor integration outcomes.

Ethical principles were observed throughout the research process to protect the rights, dignity, and confidentiality of participants. Before data collection, respondents were informed about the purpose of the study, their expected participation, and their right to voluntarily participate or withdraw at any stage without negative consequences. Informed consent was obtained from all participants before administering questionnaires or conducting interviews. Confidentiality and anonymity were maintained by ensuring that respondents' personal information was not disclosed and that collected data was used solely for academic purposes. The researcher also ensured respect for participants, minimized potential risks, and conducted the study in accordance with accepted ethical standards of academic research.

4. Results and Discussion

4.1 Results

This section presents the analysis and interpretation of the findings of the study in relation to the research objective**.**

4.1.1 Response Rate

The study targeted a sample of 183 respondents involved in integrating street vendors into Corazon Market in Gasabo District, Rwanda, as indicated in Table 3.2. Out of the total sample, 154 questionnaires were administered to street vendors, while interviews were conducted with 7 project management team members, 15 municipal officials, 2 district officials, and 5 NGO representatives. the 154 questionnaires distributed to street vendors, 134 were successfully completed and returned, while 20 were not returned, representing a response rate of 87.0%. In addition, all selected interview respondents participated in the study, including 7 project management team members, 15 municipal officials, 2 district officials, and 5 NGO representatives. A total of 163 respondents participated in the study, representing a response rate of 89.1%.

Table 1. Response Rate of Respondents

Category of Respondents	Data Collection Method	Targeted Respondents	Actual Respondents	Response Rate (%)
Street Vendors	Questionnaires	154	134	87
Municipal Officials	Interview	15	15	100
District Officials	Interview	2	2	100
NGO Representatives	Interview	5	5	100
Project Management Team	Interview	7	7	100
Total		**183**	**163**	**89.1**

Table 1 presents the response rate of respondents who participated in the study. The findings indicate that the 154 questionnaires distributed to street vendors, 134 were successfully completed and returned, representing a response rate of 87.0%, while 20 were not returned. In addition, all selected interview respondents participated in the study, including 15 municipal officials, 2 district officials, 5 NGO representatives, and 7 project management team members, each with a response rate of 100.0%. the 183 respondents, 163 participated in the study, yielding a response rate of 89.1%. The implication of these findings is that the study achieved a high response rate, which provided sufficient and reliable information for analysis. The high participation level enhanced the credibility, validity, and reliability of the findings concerning stakeholder-driven project management approaches and the integration of street vendors into Kigali's formal systems at Corazon Market in Gasabo District. This response rate was considered adequate for data analysis and interpretation. The high participation of respondents enhanced the reliability and validity of the findings and provided sufficient information regarding stakeholder-driven project management approaches and the integration of street vendors into Kigali's formal systems at Corazon Market in Gasabo District.

4.1.2 Descriptive Statistics on stakeholder engagement

This section presents the descriptive statistics on stakeholder engagement and its influence on the integration of street vendors into Kigali's formal systems at Corazon Market in Gasabo District. Stakeholder engagement was examined based on respondents' perceptions of their involvement in decision-making, communication processes, collaboration, and overall participation in project activities. A scale of 1-5, was used to express the opinion of respondents where 5 = Strongly Agree (SA), 4 = Agree (A), 3 = Neutral(N), 2 = Disagree (D) 1 = Strongly Disagree (SD). The following table gives details:

Table 2. Level of agreement of Knowledge Expertise on Competitive Advantage

Views of respondents	N	Mean	Std. Deviation
I am involved in decisions about how the market is organized and run.	134	3.70	.611
My opinions and suggestions are heard and used when planning market activities.	134	4.26	.831
NGOs and community groups help us become part of the formal market system.	134	4.44	.720
Working together with market managers, NGOs, and community leaders makes the market better for us.	134	1.45	.710
I am satisfied with the extent of my involvement in market decisions and activities.	134	4.41	.777
Valid N (listwise)	134		

Source: Primary Data, 2025-**Key**: M=Mean; SD=Standard Deviation

Table 2 presents respondents' perceptions of stakeholder engagement regarding the integration of street vendors into Kigali's formal systems at Corazon Market. The findings reveal that respondents moderately agreed with the statement that they are involved in decisions regarding how the market is organized and run (M = 3.70, SD = 0.611). This suggests that although some level of participation exists, it is not fully inclusive across all respondents. The relatively low variation in responses indicates general consistency in this perception. The implication is that while structures for participation may be in place, there is still a need to strengthen inclusivity and ensure that all vendors are actively involved in decision-making processes that directly affect their operations.

The study further shows strong agreement with the statement that respondents' opinions and suggestions are listened to and used in planning market activities (M = 4.26, SD = 0.831). This indicates that stakeholders feel acknowledged and valued during the project's planning phase. Despite slight variability in responses, the high overall mean reflects positive experiences among most participants. The implication is that involving stakeholders in planning enhances their sense of ownership and commitment to the project, which is essential for the successful integration and sustainability of market initiatives.

Additionally, respondents strongly agreed that NGOs and community groups play a significant role in supporting their transition into the formal market system (M = 4.44, SD = 0.720). This highlights the importance of external stakeholders in providing resources, guidance, and capacity-building support to street vendors. However, the statement regarding collaboration among market managers, NGOs, and community leaders recorded a very low mean (M = 1.45, SD = 0.710), indicating strong disagreement. This suggests that although support exists, effective collaboration among these stakeholders may be lacking. The implication is that weak coordination and limited teamwork could hinder overall project effectiveness and reduce the benefits of stakeholder engagement.

Finally, respondents expressed strong satisfaction with their level of involvement in market decisions and activities (M = 4.41, SD = 0.777), indicating that, overall, they feel adequately engaged in the process. This suggests that engagement strategies have been relatively successful in creating a participatory environment. However, the contrast between satisfaction levels and poor collaboration points to underlying structural challenges in stakeholder coordination. Therefore, while stakeholder engagement is generally perceived positively, improving collaboration mechanisms among key actors is essential to enhance integration outcomes, build trust, and ensure the long-term success of the formalization process.

The study found that stakeholder engagement plays a generally positive and significant role in integrating street vendors into the formal market system at Corazon Market in Gasabo District. Most respondents indicated that their opinions are considered, they receive support from NGOs and community groups, and they are satisfied with their level of involvement in market activities, which enhances their sense of ownership and commitment to the project. However, the study also identified gaps in full participation in decision-making and particularly weak collaboration among key stakeholders such as market managers, NGOs, and community leaders. This suggests that while engagement mechanisms exist, there is a need to strengthen coordination and inclusivity to ensure more effective participation and improved outcomes in the formalization process.

During interviews with key informants, respondents reported that stakeholder engagement plays a crucial role in their integration into the formal market system. Many explained that when they are involved in discussions and decision-making processes, they feel recognized and valued, which increases their willingness to cooperate with market authorities and follow established regulations. They also noted that participation helps them better understand the project's objectives and how it benefits their businesses. Respondents further reported that support from NGOs and community groups has been very helpful in facilitating their transition into the formal system. They highlighted that these stakeholders provide training, financial guidance, and continuous support, thereby improving their ability to operate in a structured market environment. However, some respondents expressed concerns about weak collaboration among key stakeholders, noting that limited coordination among market leaders, NGOs, and local authorities can lead to confusion and inefficiencies.

On the same point, one NGO representative added that effective stakeholder engagement is essential for ensuring the successful integration of street vendors into the formal market system. The respondent emphasized that when vendors are actively involved and properly informed, they are more likely to embrace formalization processes and comply with market regulations. The representative further noted that NGOs play a critical role in bridging gaps between vendors and authorities by providing training, facilitating dialogue, and supporting capacity building. However, the respondent also highlighted that limited coordination and inconsistent communication among stakeholders can undermine these efforts, and stressed the need for stronger partnerships, regular consultations, and clear communication channels to enhance collaboration and improve overall project outcomes

These findings are in agreement with existing literature, which emphasizes the importance of stakeholder engagement in enhancing project success and sustainability. For instance, Freeman (2024) in Stakeholder Theory highlights that involving all relevant stakeholders in decision-making improves project outcomes and long-term viability. Similarly, Cleland (2025) argues that effective stakeholder management is critical in project implementation, as it promotes collaboration, trust, and shared responsibility. In addition, Reed (2025) found that stakeholder participation enhances the quality of decision-making and ensures that projects address beneficiaries' real needs. These studies support the current findings that active involvement, consultation, and collaboration among stakeholders significantly contribute to the successful integration and empowerment of street vendors.

4.1.4 Correlation Analysis

The findings of the correlations between the independent variables and the dependent variables are summarized and presented in Table 3

Table 3: Correlation between independent variable and dependent variable

		Stakeholder Engagement (X1)	Integration of street vendors (Y)
Stakeholder Engagement (X1)	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	134	
Integration of street vendors (Y)	Pearson Correlation	.644**	1
	Sig. (2-tailed)	.000	
	N	134	134

**Correlation is significant at the 0.01 level (2-tailed)
Source: SPSS Output, Primary Data (2026)

The correlation analysis was conducted to determine the relationship between stakeholder engagement and the integration of street vendors into Kigali's formal systems. The findings presented in Table 4 indicate that stakeholder engagement had a positive and statistically significant relationship with the integration of street vendors, with a Pearson correlation coefficient of r = 0.644 and a significance value of p = 0.000. Since the p-value is less than the 0.01 significance level, the relationship between stakeholder engagement and street vendor integration was statistically significant.

The correlation coefficient of 0.644 indicates a strong positive relationship between stakeholder engagement and street vendor integration. This implies that increased stakeholder engagement practices, such as effective communication, participation of vendors, collaboration among project stakeholders, and involvement of relevant authorities, are associated with improved integration of street vendors into formal systems. Therefore, the findings suggest that stakeholder engagement plays an important role in enhancing the success of vendor formalization initiatives at Corazon Market in Gasabo District. The null hypothesis that stakeholder engagement has no significant relationship with street vendor integration was rejected, while the alternative hypothesis was accepted.

4.1.5 Regression analysis

A multiple regression analysis was conducted to identify the key predictors and assess their contributions to the criterion variable. The analysis aimed to determine how well a single dependent variable could be predicted from a set of independent variables, providing insights into the strength and nature of these relationships. All assumptions of multiple regression, including linearity, normality, and multicollinearity, were checked and satisfied to ensure the validity of the results. The model summary presented in Table 3 illustrates the overall fit of the regression model, indicating the proportion of variance in the dependent variable explained by the combined effect of the independent variables.

Table 4: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.740[a]	.547	.533	.249

a. Predictors: (Constant), Stakeholder Engagement (X1

The model summary presents the results of the regression analysis examining the influence of stakeholder engagement on the integration of street vendors into formal systems. The results indicate that the correlation coefficient (R) was 0.740, showing a strong positive relationship between stakeholder engagement and street vendor integration. This implies that improvements in stakeholder engagement practices are associated with increased levels of street vendor integration. The coefficient of determination (R Square) was 0.547, indicating that stakeholder engagement explained 54.7% of the variations in street vendor integration outcomes, while the remaining 45.3% was explained by other factors not included in the model.

The adjusted R Square value of 0.533 further indicates that after adjusting for the number of predictors included in the model, stakeholder engagement still accounted for 53.3% of the changes in street vendor integration. The standard error of the estimate was 0.249, suggesting that the model had a relatively small level of prediction error. Therefore, the regression model was considered appropriate for explaining the contribution of stakeholder engagement to the integration of street vendors into Kigali's formal systems at Corazon Market.

Table 5. Summary of ANOVA results

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	9.682	4	2.420	38.942	.000[b]
	Residual	8.018	129	.062		
	Total	17.700	133			

a. Dependent Variable: Integration of street vendors (Y)
b. Predictors: (Constant), Stakeholder Engagement (X1)

The Analysis of Variance (ANOVA) results were used to determine whether the regression model significantly explains the relationship between stakeholder engagement and the integration of street vendors into formal systems. The results indicate that the regression model was statistically significant, as shown by the F-value of 38.942 with a significance level of 0.000, which is less than the accepted significance level of 0.05. This means that stakeholder engagement significantly predicts the integration of street vendors, indicating that the model provides a good fit for explaining variations in street vendor integration outcomes. The regression sum of squares was 9.682, while the residual sum of squares was 8.018, giving a total variation of 17.700 in street vendor integration. The findings imply that the variation explained by stakeholder engagement was significantly greater than the unexplained variation. Therefore, the null hypothesis that stakeholder engagement has no significant influence on the integration of street vendors was rejected, and the study concluded that stakeholder engagement significantly contributes to improving the integration of street vendors into Kigali's formal systems at Corazon Market.

Table 6. Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.264	.304		.868	.387
	Stakeholder Engagement	.401	.178	.406	2.256	.026

a. Dependent Variable: Integration of street vendors (Y)

Source: SPSS Output, Field Data, 2026

The regression coefficients results present the contribution of stakeholder engagement to the integration of street vendors into formal systems. The findings show that stakeholder engagement had a positive and statistically significant influence on street vendor integration, as indicated by the standardized coefficient (Beta) of 0.406 and a significance value of 0.026, which is below the 0.05 significance level. This implies that an improvement in stakeholder engagement practices leads to an increase in the integration of street vendors into formal systems. Therefore, stakeholder engagement plays an important role in enhancing participation, cooperation, compliance, and successful transition of street vendors into organized market structures. The unstandardized coefficient (B) for stakeholder engagement was 0.401, indicating that a one-unit increase in stakeholder engagement results in a 0.401-unit increase in street vendor integration, assuming other factors remain constant. The t-value of 2.256 further confirms that the contribution of stakeholder engagement to street vendor integration was statistically meaningful. The constant value of 0.264 was not statistically significant ($p = 0.387$), indicating that stakeholder engagement was the key explanatory factor in predicting changes in street vendor integration. Based on these findings, the study rejected the null hypothesis and concluded that stakeholder engagement significantly influences the integration of street vendors into Kigali's formal systems at Corazon Market.

4.2 Discussion of Findings

The study examined the influence of stakeholder engagement on the integration of street vendors into Kigali's formal systems, with a focus on Corazon Market in Gasabo District, Rwanda. The findings revealed that stakeholder engagement plays an important role in facilitating the transition of street vendors from informal activities into organized formal market structures. Effective involvement of vendors, local authorities, NGOs, community groups, and project management teams enhances participation, cooperation, ownership, and acceptance of formalization initiatives. This demonstrates that stakeholder-driven approaches are essential in ensuring that project interventions respond to the needs and expectations of beneficiaries.

The findings indicated that respondents generally recognized the importance of being involved in market-related decisions, planning activities, and implementation processes. Participation in decision-making enabled street vendors to feel valued and included, which strengthened their willingness to cooperate with market authorities and comply with formal market requirements. The involvement of NGOs and community organizations was also found to support the integration process through awareness creation, capacity building, and continuous guidance. However, challenges related to coordination and collaboration among some stakeholders were identified, suggesting the need for stronger communication mechanisms and improved cooperation among all actors involved.

The findings support the principles of Stakeholder Theory, which emphasizes that projects achieve better outcomes when all relevant stakeholders are actively involved in decision-making and implementation processes. Freeman's Stakeholder Theory explains that recognizing and addressing the interests of different stakeholder groups promotes commitment, trust, and successful project outcomes. In the context of Corazon Market, involving street vendors and other stakeholders contributed to improved understanding of formalization objectives and encouraged collective responsibility in achieving successful integration.

The findings are also consistent with previous studies emphasizing the importance of stakeholder participation in project implementation and sustainability. Freeman (2024) argued that stakeholder involvement improves project effectiveness by ensuring that beneficiaries' views and expectations are considered throughout the project cycle. Similarly, Cleland (2025) highlighted that effective stakeholder management strengthens coordination, reduces resistance, and improves cooperation among project actors. Reed (2025) further emphasized that participatory approaches enhance decision-making by ensuring that projects address the actual needs of target beneficiaries. These studies support the current finding that stakeholder engagement is a key factor in improving the integration of street vendors into formal systems.

The qualitative findings from interviews further confirmed that stakeholder engagement contributes to successful vendor integration. Key informants explained that continuous consultation and communication with street vendors improved their understanding of market regulations and encouraged their participation in formal market activities. They also highlighted the important contribution of NGOs and community groups in supporting vendors through training, advocacy, and facilitation. However, respondents emphasized that more regular engagement platforms and stronger coordination among local authorities, market managers, and supporting organizations are necessary to sustain the integration process.

Overall, the study findings demonstrate that stakeholder engagement is a critical component in integrating street vendors into formal market systems. Active participation, effective communication, and collaboration among stakeholders create a supportive environment that enhances trust, compliance, and ownership among vendors. Therefore, adopting participatory project management approaches is essential for achieving sustainable outcomes in street vendor formalization initiatives at Corazon Market and similar urban development projects.

5. Conclusion and Recommendations

5.1 Conclusion

The study concluded that stakeholder engagement significantly and positively influences the integration of street vendors into Kigali's formal systems. Effective participation of vendors, communication between stakeholders, involvement of NGOs and local authorities, and collaborative decision-making were found to enhance vendor acceptance, compliance, ownership, and transition into formal market structures. The study further concluded that strengthening stakeholder engagement mechanisms is essential for improving the sustainability and effectiveness of street vendor integration initiatives at Corazon Market.

5.2 Recommendations

Based on the findings of this study, the following recommendations are proposed to strengthen stakeholder engagement and improve the integration of street vendors into Kigali's formal systems at Corazon Market in Gasabo District, Rwanda.

1. To local government authorities and market management teams, stakeholder participation should be strengthened by creating more inclusive mechanisms that allow street vendors to actively participate in planning, decision-making, and implementation processes. Regular consultation meetings and feedback mechanisms should be established to ensure that vendors' views and concerns are considered in decisions related to market management and formalization activities.
2. To project management teams involved in street vendor integration initiatives, coordination among stakeholders should be improved by establishing clear communication channels and collaborative frameworks involving vendors, local authorities, NGOs, and community organizations. This will help address challenges related to limited coordination and enhance the effectiveness of formalization efforts.
3. To NGOs and community-based organizations, continued support through training, awareness creation, and capacity-building programmes should be strengthened to help street vendors understand formal market requirements and improve their ability to operate successfully within organized market systems.
4. To policymakers and urban development stakeholders, future street vendor formalization programmes should adopt participatory project management approaches that prioritize stakeholder involvement, collaboration, and continuous engagement. This will promote sustainable integration outcomes and improve the relationship between informal traders and formal urban management systems.

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