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# INVESTIGATION... Thugs rule in Rivers markets, force multiple illegal taxes on petty traders, as govt feigns ignorance

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By Ripples Nigeria

*There are **98 million** Nigerians living in extreme poverty, according to a **report** by the United Nations. To survive, many, especially women engage in petty trading in various markets. But the youths in Rivers State communities, who force traders to pay multiple illegal taxes, have become a stumbling block to local businesses. In this investigation, **KELECHUKWU IRUOMA** visited six markets in Port Harcourt to expose on camera, young men who extort traders.*

On a Wednesday in May, the morning sun was already shining bright as early as 10:00 am. Miracle Onwuamaeze, 19, sits on an empty 15-litre paint bucket selling onions wrapped in white polythene nylons. The parcels of onions were placed on a stainless tray propped up by a white bucket.

She sells each wrap at N100, except the smaller ones kept in a blue sieve on the floor. Those are sold for N50. Onwuamaeze wakes up at 5:00 am on Wednesdays to sell at the popular Oil Mill Market in Port Harcourt, the capital of Rivers State in southern Nigeria. Her favorite selling position is at the roadside along Port Harcourt-Aba road, while her mother sells in a stall inside the market.



*Miracle Onwuamaeze was forced to pay N200 for illegal levies*

From nowhere, three young men approached her, demanding market levies. While two of them requested N100, the other also asked for N100.

They threatened to seize her onions if she did not pay promptly. Left with no choice, she reluctantly gave them N200. The value of her entire wares were about N3,000, but she paid no fewer than nine groups of tax collectors that day.

“If I don’t pay, they will carry my goods to their office and when I get there, I will pay double the amount I am supposed to give them initially,” she said bitterly.

This is what Onwuamaeze and other traders at various markets in Rivers State go through on a daily basis. Local government councils in the state are responsible for the collection of taxes in markets, according to Nancy Iheduru, a former vice president of Network of Entrepreneurial Women (NNEW), a non-governmental organization that advocates for the good business environment for women to operate and ensures their businesses grow. But community youths forcefully collect illegal taxes in the form of levies from traders, and they do not issue receipts. Traders who refuse to comply are harassed and their goods are seized.

## Thugs collecting N200 levy from an onion seller at oil Mill market



A report from the Nigeria Bureau of Statistics (NBS) shows that Rivers State has the second highest unemployment rate in Nigeria with **36.4 percent** as at the third quarter of 2018, with an unemployed population of 1.6 million.

These unemployed youths and the elderly are those who commonly engage in petty trading to survive, but they are being harassed, frustrated and driven out of business by community youths who tax them illegally.

### How multiple illegal taxations affect the informal sector

The informal sector is a major contributor to the Nigerian economy, accounting for a significant portion of employment and national Gross Domestic Product (GDP). According to the International Monetary Fund (IMF), the Nigerian informal sector accounts for **65%** of Nigeria's 2017 GDP and employs over **75%** of the country's labour force.

Petty traders such as kiosk owners, fruit sellers, and roadside sellers are part of the informal sector, which is not subjected to government regulations. They are recognised as people who work in the informal sector, and who do not declare their earnings and pay no income taxes.





*Entrance of Mile 3 market in Port Harcourt*

"I am not happy about how they are doing it [tax collection]," said Mercy Sylvanus, a mother of one who sells tubers of yam at the market in Rumuokoro. "Only one person should be collecting, not many people," she suggested.

She sits on a stool in front of the tubers placed on the roadside as she calls the attention of passers-by along the busy Port Harcourt-Owerri road to patronise her. "The fees are illegal," she lamented. "I pay N500 daily here and N7,000 every month to the council [Obio/Akpor local government]. When they [tax collectors] come, I give them money but any day I don't have, they seize my tubers of yam. It is bad that they treat us that way."



*Mercy Sylvanus's tubers of yam were seized for refusing to pay an illegal levy*

### **Traders extorted for selling on roadsides**

In most markets in Rivers State, traders usually create space on the main road to sell their goods. They complain that shops and stalls provided by the government inside the markets

are exorbitant to afford. A stall at the market, according to Sylvanus, is over N200,000 annually.

Hence, many resort to selling by the roadside. But community youths tell traders the government doesn't want them to sell by the roadside, and their job is to drive away roadside vendors except those who are ready to pay levies to the government. Many traders have discovered that this narrative is false, because in many cases, after paying the daily levies, the traders are still sent out of the roads by the government task force.

The reporter was at Oil Mill Market as early as 7:00 am to witness the scene of how youths struggled for tickets to collect levies in the market. "Na so dem dey fight because of the useless money dem dey collect," a woman selling soft drink said in pidgin. "Sometimes dem dey wound themselves."

The Police also use the community youths to collect their levies from the traders. They still tell the traders they collect the levy because they sell on the roadside. "Give me police money," a woman wearing a dreadlock wig told a trader at Rumuokoro. She collects N200 from each trader that sells along the roadside.

### **Thugs seized a trader's tubers of yam for refusing to pay them**



She was harassing the trader and trying to seize her goods. When she noticed she was being filmed, she quickly stopped and left. She was accompanied by a young man whose wheelbarrow was used to seize the goods of traders who refuse to pay.

“We know selling here may be illegal,” Sylvanus admits. “They come to harass us that the government said we should not sell here and they still come to collect money from us. We don’t know who the government is. If they know they are the government, they should stop collecting money from us.”



*Thug seizing the goods of a trader at the Rumuodumaya market*

Amaka Asiegbu has been selling polythene nylons and condiments at the Rumuodumaya market for two years. She used to pay N200,000 annually for a stall inside the main market she rented. “But my children are now grown and I can’t afford to pay that again,” she said.

“The levies being collected here are affecting me. They come every day and I pay N1,000. Every month, I pay N5,000. They say they are the owners of the land. The Police people say because it’s walkway and they collect money from us for using the walkway. The community youths insult us and they must surely collect the money whether we like it or not,” she lamented.



*A female tax collector on wig harasses traders who refuse to pay Police levy*



## Women are harassed

The reporter experienced a scene where a woman in her early 60s selling periwinkles was harassed by a tax collector who she refused to give N200. She begged that she had not sold and that she be given more time to sell. The tax collector was adamant, and moved to seize the stainless basin filled with periwinkles, but the woman held on to it. This resulted in a struggle between both parties. He then decided to throw the whole periwinkles on the floor. With tears on her face, she knelt and picked them up.

Lucy Uco who sells crayfish said she pays N800 daily for levies. According to her, she was almost stripped naked one day and injured. She said even though she may not have made sells for the day, collectors come to tax her.



*A female trader's periwinkles were thrown to the ground for refusing pay a levy*

Ellen Nkpor sells Bambara beans popularly known as Okpa with her mum at Oil Mill market. According to her, she pays 10 different groups of men N100 and N200 each. “I pay up to 4,000 on Wednesdays for my mother and me. It is too much. They will always carry our goods if we don’t have.”

One of the tax collectors was caught harassing a young lady selling African salad popularly called abacha at Sangana market in Mile 1. He requested N100 from her, which she refused to give. “Give me money make I commot here. If you make me vex, I go act film wey you go like and I go like, and two of us go follow watch am,” he threatened in pidgin.



## A thug harassing a petty trader selling abacha at Sangana market



He had already seized her plastic plates used for takeaway when he noticed he was being filmed. He quickly left the scene and approached a stall where his colleagues were seated smoking cigarettes. “Investigators don come o,” he said to his colleagues repeatedly. With fear, he and two others entered the passage-way of a-story-building.

At the mile 3 market, levies are minimal. According to Sabina Onos who sells condiment, N50 levy is paid daily besides Saturday where N200 is paid to three different groups of men. “It is still good compared to other markets,” she says.

### **Rumumasi market is an exception**

In Rumumasi market, there is nothing like levies. None of the community youths was seen around. The market is calm and quiet, with traders selling in shops and stalls assigned to them. No trader is allowed to sell on the roadsides. This is a way to stop the community youths from harassing market women and forcing them to pay illegal levies.

“The orderliness and sanity in the market depends on the market leaders and how they want to handle their government,” said Ngozi Adiele, Chairperson of the Market. “The heads of markets have meetings with the so-called community people. We have leaders that always say bring and let us share. I don’t allow such here. My belief is that whatever I sow, definitely I shall reap.”

Before she became the chairperson, levies were being collected but she brought a change to stop multiple illegal taxations. Community leaders came to persuade her to allow traders to sell on the roadsides so they will be collecting levies, but she refused. “People I am leading know the type of money they are supposed to pay. We pay for electricity and security only.”



*Ngozi Adiele, Chairperson of Rumumasi Market who refused to entertain thugs to collect levies*

### **Thugs collect illegal taxes to empower themselves**

The local government denied having anything to do with the community youths who collect taxes from traders. Chairperson, Temporary Structure and Makeshift of Obio/Akpor local government, Ndidi Nsirim, said, “On the problem of taxation, the council does not have a hand. It’s a community problem and not local government. They collect money from them (traders) more than three times daily.”

“That Rumuokoro road where they sell is a major road. We have shops and stalls inside but they feel people will not come inside to buy from them, that is why they come outside to sell, which is pure illegality. That is what warrants the community youths to be collecting the levies from them. If they sell in the shops, the local government has the power to levy the traders once yearly and issue receipts to them.”

He brought out the tax form. He insisted the council has nothing to do with the community youths. But some of the goods seized by the community youths were kept in Ndidi’s office.

When asked why the local government does not want to stop and arrest the youths involved in collecting illegal levies, he said the youths use it to empower themselves and that the council has not had “strong petitions” to deal with the issue yet.



*Traders selling on the roadside at Oil Mill market*

“If he (governor) will have to vacate them [traders], the communities will not be demanding money from them because all of them will go to the stalls where the local government will collect taxes, which is N3,000 once a year,” he said.

Maxwell Nwala, President of Rivers State Market Traders Union blamed the traders for selling on the roadside, which is what motivates the community youths to collect illegal taxes from them.

“Women refuse to enter where the government provided for them. They will stay on the road selling. These boys who always ginger them to remain there are community boys who like to group themselves. Some will come in the morning, afternoon and evening and they collect various levies. In the end, women pay a huge sum of money. I have talked and they refused. They rather prefer to sell along the road.”

### **“Collecting illegal taxes are a reward for political roles played”**

The illegal tax situation is so tense,” said Iheduru. “It has its consequences. In the entire day, a woman’s life can end. The people that come to collect some of the taxes are unknown faces.” She frowns at the way the traders are being manhandled by the tax collectors.

“Beating them up is the worse situation. We have to tell the government to act.

“As a married woman, I don’t want them to naked me because of N200. I have to give them the money they ask. How will my husband feel when he sees me naked?” asked Uco.



*Nancy Iheduru said collecting illegal taxes are a reward for political roles played during elections*

Iheduru said the government knows about the illegal levies being collected by the thugs across markets in the state but keeps mum.

“Levy collection is a reward given to them for the roles they played during elections,” she claimed, urging the local and state governments to stop the youths from collecting illegal levies and ensure levies are paid once by a trader.

“It is an issue of not knowing who to pay and what amount to pay because many tax collectors come into the market and traders have to pay.”

### **Implication of multiple illegal taxation**

The Partnership Initiatives in the Niger Delta (PIND) is a non-governmental organization working to increase the production and profits of small businesses and traders in the Niger Delta such as Rivers State. Its Senior Market Development Advisor and Program Manager for business linkages initiative, Precious Agbuno said multiple taxations affect small business in ways that may be termed illegal.

“Different community boys come to extort money from the market women and it is on the same thing. You will always have to pay at the community, local government levels, and others. The levies discourage investments and the activities of the community boys worsen this.”



## Thugs struggle to collect tickets for levies to be from traders at ...



“What we try to tell them to do is to get the right permit and have it pasted somewhere. Still, it doesn’t help.” He said the best way to solve the illegal taxation is to engage all the stakeholders and make them understand how it affects the small businesses, which he said PIND is planning to do.

If significant efforts are not taken by the government to arrest these community youths and address the problem of multiple illegal taxes in Rivers State and other states of the federation, many traders will be driven out of business increasing unemployment rate.

The World Poverty Clock has predicted that Nigeria’s unemployment figure could further increase to **120 million** by 2030 if problems, like multiple illegal taxes, causing unemployment are not tackled. This will also have an impact on public safety, with many young people with no income, engaging in criminal activities.

“They should stop collecting these levies from us,” pleaded Onwuamaeze. “If they want to collect, they should collect once. If not, businesses will be affected.”

*This investigative report was supported by the Ford Foundation and the International Centre for Investigative Reporting, ICIR.*

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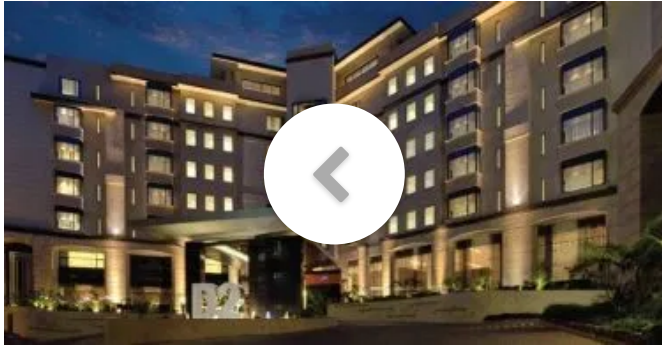


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