

## INFORMAL SECTOR IN URBAN ECONOMY: A STUDY OF STREET VENDORS

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**Abstract:** From the ancient time, the informal sector has been associated with urban economy, throughout the world. Unlike developed countries in developing countries, like India, the informal sector plays an important role in urban economic development and providing livelihood to the large segment of population. During past couple of decades, rapid urbanization along with liberalization has also played an important part in growth of urban economy as it has opened up the opportunities to the bulk of people to migrate from rural to urban areas and earn their livelihood by working in different sectors. However, all people migrated from rural or less developed areas are not engaged in an organized sector of urban economy. Hence, they are compelled to engage in urban informal sector, for their survival. Street vending is one of the common activities in urban informal sector. They also fulfill the needs of a large section of the urban society, nevertheless street vending is considered as illegal activity by Urban Local Bodies. The main thrust of the present study is to examine the socio-economic profile of street vendors in the study area. This study is descriptive in nature which is primarily based of primary data. The data was analyzed through different statistical tools by using SPSS 24.0 software. The deplorable conditions of sample respondents recommend that there is need to implement street vendors Act more effectively.

**Keywords:** Informal Sector, Street Vending, Urban Economy, Urbanization, Migration

### INTRODUCTION

Informal sector, an integral part of urban economies, engages a large portion of the workforce. Although an old phenomenon, the last few decades of rapid urbanization and economic development has played a significant role in bringing to limelight the informal sector; and thus the segment of population engaged in it. The process of urbanization has a very important role in social and economic development; as it opens up the opportunities for a number of people in various segments of the corporate sectors providing valuable services to the society. The process of urbanization has motivated a number of rural people to shift to the cities in search of employment or better existence. However, all migrants are not in a position to get jobs in urban formal sector because of lack of skills and education required in organized sector (Mukherji 2006). Besides, permanent protected jobs in the urban formal sector are also shrinking day-by-day and hence, a large segment of people are compelled to get engaged in some alternate

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economic activities – termed as „informal sector“ (Bhowmik 1998) with a variety of heterogeneous activities (Chen 2007). Presently, street vending is one of the most visible and important economic activities in informal sector all over the world (ibid).

In developing countries, a substantial proportion of workers earn their livelihood by selling goods and services on the sidewalks in cities and this has long attracted the attention of policy makers, city planners, social development activists and academicians. In India, a report of the Ministry of Housing and Urban Poverty Alleviation estimated that about 10 million people, which accounts for nearly 3% of the total non-agricultural employment, earn their livelihood through street vending (Unni 2010). Considering the importance of the informal sector, only a few studies have been conducted which deal with major cities of the country. However, literature focusing on smaller and remote cities is lacking; for example, there is no study pertaining to Himachal Pradesh, where people from different states of the country come and work as street vendors. In this regard, the present study is an attempt to analyze the socioeconomic condition of the vendors working on sidewalks.

Keith Hart (1973), a British anthropologist, in his article, “Informal Income Opportunities and Urban Employment in Ghana” coined the term „informal sectors. According to him, the workers engaged in this sector have lack of social security, economic support, and legal protection and they earn inadequate wage. There is surplus labor in this sector compared to the requirement of urban labor market and this leads to a high degree of informality in the income generating activities of the workers (Kundu 1993). The informal sector includes all economic units and workers which are not a part of the formal economic activities (Chen 2007). The workers in this sector can be grouped as: 1. wage workers (employed against remuneration including casual or temporary workers, migrants workers or domestic workers), 2. Self-employed (those who engage in a profession or trade, either on their own account, including unpaid family workers, partners or home based workers) and, 3. Unprotected wage workers (including categories of regular, casual and contract workers who are engaged in formal sector but are unprotected and are being employed informally in the formal sector).

A large number of workers engaged in informal sector work as self-employed (Chen 2007), where street vending is one of the common economic activities throughout the world. A substantial proportion of workers in developing countries earn their livelihood by selling goods and services on the sidewalks of the cities, because they cannot afford the rent for the place of selling (Herrera et al. 2011, Skinner 2011). Before going details into the study of street vendors, there is need to understand the concept and definition of vendors. According to National Policy of Urban Street Vendors (NPUSV), 2004 a „street vendors is broadly defined as a person who offers goods or services for sale to the public without having a permanently built structure. On the basis of this definition, street vendors may be a. stationary (occupying temporary space on the pavements) or b. Mobile (who move from place to place carrying their wares on push carts or baskets on their heads, or may sell their wares in moving bus or train). Besides these two categories, street vendors have also been categorized on the basis of the type of

their business. On this basis (Yatmo 2008) street vendors can be (i) Licensed (who have obtained licenses to vend in a particular area), (ii) Squatting (who do not have licenses and their vending in the area would be illegal), (iii) Stationary (who vend on a given place throughout the day), (iv) Mobile (who walk around the city to sell their goods and services), (v) On-street (road side vendors) and (vi) Off-street (street vendors of local market). As pointed out, street vending provides a major source of employment to a significant portion of population (Bhowmik 1998; 2000, Nirathron 2006, Adhikari 2012) and acts as a vital counterweight to fluctuations in the formal economy by providing alternate employment for those who are laid off in the formal sector (Bhowmik 2005, 2010). The nature of employment of street vendors is full of uncertainty and insecurity (Chen and Snodgrass 2001) and they are rarely treated with the dignity. Bhowmik (2001) carried a study for the National Association of Street vendors (NASV) of India in seven big cities (Mumbai, Kolkata, Bangalore, Bhubaneswar, Patna, Ahmadabad and Imphal) highlighted four major issues of street vendors; (a) the legal status of vendors, (b) the nature of trade and their socio-economic conditions, (c) the allotment of space for vendors in urban plans and (d) the perception of customers towards vendors.

The nationwide growth of street vendors influenced the central government of the country to bring NPUSV in the year 2004. It had the following major objectives (i) to give vendors legal status and provide legitimate hawking zones in urban plans, (ii) to promote organizations of street vendors, (iii) to take measures to promote better future of street vendors, and (iv) to facilitate social security (pension, insurance, etc.) and access to credit for street vendors. Later, the policy was revised as NPUSV, 2009 with several marked advancements over the earlier policy in the areas of provision of civic facilities. In 2014, the revised legislation for the Street Vendors came into the existence with the efforts of self-employment women's association, NASVI, MHUPA and State Governments. The aim of this Act is to regulate street vendors in public areas and protect their livelihood rights and provide them social security. However, the government policy pertaining to urban street vending is rarely followed in spirit. In addition, they are flourishing successfully in many cities with their numbers as their services are widely demanded by the public (Bhowmik 2005). Street vendors play a substantial role in urban economy but they are generally ignored and not properly treated by the urban authorities-the municipality and the police. Therefore, the study has been designed as an endeavor to investigate the social and economic status of street vendors.

**Objective** of the study is to explore the situations of vendors working on the streets under their social, economic and demographic framework.

## **METHODOLOGY**

The present study relates to Solan city of Himachal Pradesh. The mountainous state of Himachal Pradesh is known for its tourism potential and also for cultivation of many fruits and vegetables. As a result, there is a flow of people coming to the state. The major cities of the state have thus seen a sizeable increase in street vending activities, along with the increase in other business activities. Although the state comes under the least

urbanized states of the country, with around 10 percent urban population, some of its cities attract people from distant places within and outside the state which has resulted in fast growth of urban population and urban informal sectors. Solan is one such city and because of its vicinity to Chandigarh (the joint capital of Punjab and Haryana) and Shimla, the capital city of the state, the city attracts people from surrounding regions because of better business opportunities and because of its pleasant climate. Further, the city is an educational hub thus there is a large population of students pursuing their educational programs in different fields. Besides, people from different rural and semi-urban areas around the city also come to the place for seeking job opportunities. However, with low skills and in most cases, lack of education, most people are unable to find secured employment in the formal sector, and get absorbed in informal sector where most of them work as street vendors.

Primarily descriptive in nature, the present study uses primary data collected from the 150 street vendors in study area. The sample respondent street vendors were selected from five sites/wards in the city through proportionate allocation of the sample to selected ward named chauk bazar, ganj bazar, mall road, old bus stand and saproon bypass. The supporting secondary data was collected from the office of the Municipal Corporation, Solan. As per report of Municipal Corporation, 2017, there are total 156 street vendors. However, the empirical investigation found that there were 463 street vendors. The sample has covered nearly one third of the total vendors of the study area. Primary data were collected on different socio-economic variables. The collected data was analyzed through different statistical tools like descriptive statistics and correlation by using SPSS 24.0 software. The analyses of the data have been discussed in the following section.

## FINDINGS AND DISCUSSION

### *Socio-Demographic Profile:*

Major cities of Himachal Pradesh experience a flow of people from different regions from within and outside the state in search of employment in informal sector, particularly in street vending. Solan is an important city of the state where the phenomenon of street vending is old and quite prevalent. The findings of the study suggest that city has street vendors from different states with the highest share (76%) being that of migrants from outside the state; categorized as the inter-state migrants in this study. In terms of prominence of the migrants it was found that majority of these are from Uttar Pradesh, followed by Gujrat, Haryana and Bihar. There is also the presence of people from Rajasthan, Madhya Pradesh and Kashmir who are engaged in street vending. The intra-state migration was found be relatively low; with prominence of migrants from Hamirpur, Kangra, and Sirmour. In addition, a few people from across the border from Nepal also are engaged in employment in informal sector in the city.

These migrants basically belong to rural areas and migrate from villages to cities in the hope of finding better economic opportunities and better life (Alfie 2014). Table 1.1

presents the origin wise distribution of the sampled Street Vendors in Solan city and the distribution suggest that about half the migrant street vendors are from UP and Gujrat.

*Table 1.1: Distribution of Street vendors by Migratory Aspects (Percentage)*

Street Vendors	State / Country	Vendors (%)
Inter-State Migrants	Uttar Pradesh	29.3
	Gujrat	16.6
	Haryana	8
	Bihar	4
	Rajasthan	0.7
	Madhya Pradesh	0.7
	Kashmir	0.7
Intra-State Migrants	Himachal Pradesh	12
International Migrants	Nepal (Kathmandu)	4
Residential		24
Total		100

An attempt to perceive the reasons behind their migration, revealed that a relatively high proportion (around 36%) of sample street vendors leave their native place because of poverty, unemployment and lack of earning opportunity. Nearly one-fourth (24.6%) of the migrant street vendors were influenced by the experience of their family members who had migrated earlier to earn livelihood outside their native place. Similarly, 17.5% of the total migrant street vendors opined that since some of the co-villagers or relatives were already working here and this also prompted them to opt for Solan; as the feedback from their co-villagers and friends was very positive about the city for living conditions and for earning opportunities. However, the basic reason of their rural-urban migration is economic constraints in their native places; and 22% sample respondents reported that they have small land in village which is inadequate for survival of the family. Besides this, it was also pointed out that their social network also acted as an engine to pull them from their place of origin.

A critical probe into the phenomenon of street vending in the city revealed that it is primarily male oriented occupation. The gender composition of sampled street vendors showed that an overwhelming majority of the vendors are male, whereas females constitute only 14.7% of the total street vendors. Since society, as yet, has not accepted street vending as a respectable profession, people often look down the street vending profession and thus do not prefer their women to sit on the roadside for street vending. In fact, it was found that except for a particular section of the local people, local women were not involved in street vending. Women, in fact in most cases men as well, join this profession only when they have no choice or no other earning member in the family. Also, street vending is also believed to be relatively laborious job and families generally do not want their females to get engaged in such activities. In addition, higher

proportions of vendors, who migrated from other areas, are males as it is a belief in the society that migration is easier for males than females; in fact this is one of the reasons for dominance of males in street vending in India.

Another aspect in migration is age of the migrant. It is believed that urge and capacity to migrate, and take risks, is higher when a person is young. With the increase in age the tendency to migrate goes down. In this context the results of the present study showed that the composition of migrant street vendors showed that majority of the respondents fall in the age group of 25 to 55 years (Table 1.2). It is suggested by the age wise distribution of street vendors in the city that majority of vendors (46%) are in the age group of 25-44 years. More than 34% of the migrant street vendors were in the age group of 35-44 years as compared to 19.4% of the local vendors in this age group. In case of local vendors a high majority of them (41.7%) were in the age group of 45-55 years of age. This distribution suggests that people want to migrate in their early earning age to outside places. Not many of the youngsters (15-24 years) migrate for street vending and children generally accompany elders or their families while moving out. The results also indicate that the preference in the higher age group is to live in their native place as suggested by a low (10.5%) of people in the age group of 55 and above involved in street vending in the city. At the overall level, it was noted that only 12 percent of the respondent street vendors of this age group were there in the city.

*Table 1.2: Distribution of Street Vendors by Social Characteristics (Percentage)*

Indicators		Street Vendors (%)		Total
		Native	Migrant	
Gender	Male	63.8	92.1	85.3
	Female	36.2	7.9	14.7
	Total	24	76	100
Age	15-24	2.8	11.4	9.3
	25-34	19.4	20.2	20
	35-44	19.4	34.2	30.7
	45-55	41.7	23.7	28
	Above 55	16.7	10.5	12
	Total	24	76	100
Civil (Marital) Status	Married	85.2	50.1	58
	Unmarried	10.2	4.5	6
	Widow/Widower /Divorcee	4.6	45.4	36
	Total	24	76	100
	Nuclear	13.9	61.4	50
	Joint	86.1	14.1	31.4

	Single or with siblings/ friends	0	16.5	18.6
	Total	24	76	100
Family Size	Total	24	76	100
	Small (1-4)	13.8	44.7	37.3
	Medium (5-6)	63.9	48.2	52
	Large family (7 or more)	22.3	7.1	10.7
	Total	24	76	100
Religion	Hindu	100	88.6	91.3
	Muslim	0	11.4	8.7
	Total	24	76	100
Caste	Scheduled Caste	63.9	50.9	54
	Scheduled Tribe	0	1.7	1.4
	Other Backward Caste	8.3	23.7	20
	General	27.8	23.7	24.6
	Total	24	76	100
Education	Illiterate	30.5	26.3	27.4
	Primary	44.4	57	54
	High School	19.5	9.7	12
	Above 10 <sup>th</sup>	5.6	7.0	6.6
	Total	24	76	100

(Figures in parenthesis show row percentage)

Migration also influences the family patterns and generally, people moving from villages to cities prefer to live in nuclear families as they are unable to afford the expenses of large family. In addition, they also influenced by urban way of living. A high majority (81.6%) of the resident street vendors in the city were living in joint families as opposed to 61.4% of the migrant street vendors. This suggests, as also pointed out by other studies (Ghurye 1961, Rao 1974) that traditional Indian family structure, like the joint family system, is undergoing a change; and the trend is towards nuclear family. Some vendors were also living either alone or with friends and send remittances to their families in native places. The surveys also suggested that the visits of the relatives and friends of the street vendors often encourage further migration from their native places to the city. On the basis of number of family members living together in the study areas, the respondent families have been categorized as the small, medium and large (Table 1.2). The maximum migrant families are in the category of medium families, followed by the small families in case of migrant street vendors. On contrary, in case of residential street vendors the medium sized families were followed by the large families as most of them live in joint families.

Traditionally, the caste system in the country has been a big factor in unequal distribution of economic resources, particularly land, and social alienation of some sections of people. The disadvantaged sections of this social hierarchy, the lower caste

people, often migrated more in search of living. This has been found to be so in present study as well where overall 54% of the street vendors (about 64% in case of local vendors and about 51% of the migrant vendors) belonged to scheduled caste. However, lack of skills, education and inadequate job opportunities in native area forces people from other social groups to street vending. Therefore, about one-fourth of total vendors in the city were from the general category. Similarly, education also plays an important role in encouraging people to move out of relatively disadvantaged areas to cities in search of earning livelihoods. Education, in fact, is one of the central determinants linked with employment and income of individual in the modern society (Sewell and Hauser 1977). Regarding the educational status, it is found that nearly one third of the sampled street vendors are either illiterate or attend school up to primary level. Most of them who reported that they attend primary education are hardly able to read or write. Those who reported to complete education up to secondary or senior secondary are primarily residential street vendors. They adopt street vending as their occupation. These are the people who are unable to find job in formal sector and depend upon sidewalk vending for survival. Due to inadequate and irregular income they are unable to provide standard education to their offspring and thus, they are unable to break the cycle of deprivation.

**3.2 Economic Status:** There are two types of street vendors in the city; first the self-employed and second the wage employed. Majority of them fall in first category. They arrange their own stall/kiosks on the sidewalks. However, not all vendors are registered and only 22.7 % of the sampled street vendors were registered. Comparing the situation of residential and migrant street vendors, it is found that the proportion of unregistered vendors is higher among migrants. Some of the vendors use registered place of other vendors and for this they pay a sizeable amount of their income to the license holders. The results of the study revealed that some 13% of street vendors are wage employed and majority of them are those migrants who come in off season, generally in summers.

One the basis of nature of work two types of vendors (a) stationary and (b) mobile, are operating in the city. An overwhelming majority (74.7%) of the street vendors in the city were the stationary vendors. However, many of them were also illegally occupying some patch of pavement for vending purposes as suggested by their worried responses/ reactions to visits by the teams of the municipal corporation. They have semi-permanent structure/fixtures like tables, picnic umbrella, polythene sheet etc. which can be easily folded in times of need. Some vendors sit on pavements, corner areas, at the entrance of shops or stand whole day to sell their wares.

Table 1.3: Distribution of Street Vendors by their Employment related Characteristics (Percentage)

Characteristic				Street vendors (%)		Total	
				Native	Migrants		
Employment Status				Self Employed	100	83.3	87.4
				Wage Employed	0	16.7	12.6
				Total	24	76	100
Nature of Work				Full time	100	97.3	98
				Part time	0	2.7	2
				Total	24	76	100
Types of Street Vending				Stationary	88.8	70.2	74.7
				Mobile	11.2	29.8	25.3
				Total	24	76	100
License	for	Street		Own license	38.9	17.6	22.7
Vending				No license	52.7	71.9	67.3
				Other's license	8.4	10.5	10
				Total	24	76	100
Years	spent in	present		0-5	5.6	18.4	15.3
occupation				6-10	5.6	5.3	5.3
				11-15	2.8	15.8	12.7
				16-20	63.8	57	58.7
				20+	22.2	3.5	8
				Total	24	76	100
Working Hours				5-8 hours	2.7	7.0	6
				9-10 hours	38.9	37.7	38
				11 or more	58.4	55.7	56
				Total	24	76	100
No.	family	members		One	41.6	31.6	34
engaged	with	main		Two	2.8	13.2	10.7
vendors				Three	0	4.4	3.3
				4 & more	0	2.6	2
				None	55.6	48.2	50
				Total	24	76	100

(Figures in parenthesis show row percentage)

The length of engagement in an occupation allows a person to better understand the niceties of the occupation and improve upon the situation. In case of sample respondents (street vendors) majority of the respondents (58.7%) were involved in the business for 16-20 years at the overall level and this proportion for the migrant vendors is high at 57 percent. In fact, some 8% of the respondents were engaged in street vending for more than 20 years. This indicates that street vending plays an important part in their

life and it has almost become their way of life. Another indication of this is that the business of street vending in the city may be allowing them a level of livelihood that is better than the alternate opportunities. The fact that almost all sampled migrants are full time street vendors also gives strength to this explanation.

Working hours of different vendors in the city were different depending upon the nature of work. Generally, the vendors worked for 5-8 hours, 9-10 hours and majority even for more than 11 hours. There was not much of difference in terms of working hours of native and migrant vendors and they were found to work for more than 9 hours. However, in case of category of 5-8 working hours the proportion of migrants was higher than that of local vendors. Most of the respondents opined that the longer the period of time they work the more are the opportunities for higher income; and hence the general trend of working for longer working hours. Those vendors who are engaged in selling perishable commodities start their day early because of the lack of facilities for storing the perishable products that they are selling. Fruits and vegetable sellers purchase the produce from the wholesale market in bulk and after that they have to spend time in cleaning and arranging them. After working throughout the day at the end they store the unsold produce in a makeshift facility and proper storage is a major problem for the street vendors. There are three ways of storing. These are at home, at the workplace (without any security) or at others' shop where they pay rent for the use of storage space. The vendors who sell cooked food items reported that they wake up early in the morning as they have to prepare the food items for selling. They need to work for long hours that affect their health. Such kind of works needs more working hands and therefore, most of the street vendors do their business with the help of other members of their family. The above data also shows that in case of 50% sample street vendors, one or more family member engages as helper of chief street vendor.

The items sold by vendors consist of variety of goods (table 1.4). The perishable goods include vegetables, fruits, cooked food items, kulfi/ice-cream etc. The non-perishable goods include clothes, plastic and leather items, small electronics, brooms, mops, etc. A high proportion of sampled street vendors (61.4%) engage in selling of the perishable items like fruits or vegetables and cooked food items as these generate relatively higher profit margins because of regular demand. That a good proportion of street vendors are engaged in fruit selling and this indicates the regularity of demand and also their better position than other vendors. If we see the situation of residential vendors, it is found that their proportion is higher as fruits and vegetable sellers. Most of the residential vendors were also having their own farmland and sell their product for getting monetary income.

The survey revealed that scope of ready-to-eat food/ fast food is also high in the city. Different food items like *paani puri*, *bhel puri*, *chaat*, readymade Chinese food items, ice-cream, and corn cobs etc. are in high demand. Some migrants are engaged in selling these items for a long time, indicating the stability and profitability of the business of selling street foods. Besides perishable items, vendors also engage in selling non-perishable items, however, their proportion is relatively lower (38.6%). In this group, a

highest proportion of vendors are involved in selling cloths. In this category again the proportion of migrant vendors is higher. In this category, migrants who have come from Gujarat are more prominent; who told that they are in this business because they lost their land to floods. Since this kind of work needs more working hands, other family members also help the chief earner. These vendors are also involved in collecting old clothes from door to door in return for utensils. Some other members engage in mending and washing to make the collected clothes ready for re-sale. Rest other members engage in selling these cloths which are generally purchased by lower class people who work as labors or vendors etc. Another group of cloth seller is the category of ethnic cloth sellers. During summers, some retailers from Rajasthan and Surat, Gujrat, migrate from their native places to different regions to sell ethnic cloths and earn high profit as these items are in high demand of urban youth.

Table 1.4: Street Vending Category-wise distribution of Street Vendors (Percentage)

Street vendors Category	Type of Vendor		Total
	Residential	Migrants	
Fresh fruits & vegetable			
Fruits	25	27.2	26.7
Vegetables	27.7	8.7	13.4
Fruits and Vegetables	2.7	2.7	2.7
Dry fruits	0	0.8	0.6
Total	55.7	39.5	43.4
Readymade food items			
Cooked food/ <i>Panipuri/Momos/ice-cream</i>	5.6	9.6	8.6
<i>Bhelpuri / Corn/ Gram</i>	11.3	8.7	9.4
Total	16.6	18.4	18
Clothing			
Old cloths	0	14.9	11.4
Ethnic Cloths	5.5	2.7	3.4
Garments/ladies fashion items	2.7	0	0.6
Cloths dye	0	1.7	1.3
Total	8.4	19.3	16.6
Leather and plastic items			
Leather items (Shoes or Chappal)	5.6	10.5	9.3
Cobbler	5.6	2.7	3.4
Toys/Plastic material	5.6	7.1	6.6
Total	16.6	20.2	19.3
Miscellaneous items	2.7	2.6	2.6
Strings, <i>Nephelines</i> , Balloons, Small toys,			
Total	24	76	100

(Figures in parenthesis show row percentage)

Next, the category of vendors who sell leather and plastic items constitutes 19.3% of the sample. In this group again the proportion of migrants is higher. Vendors who engage in selling these items bring merchandise from Delhi or Chandigarh market on low-priced or discounted rate. Some other street vendors engage in selling miscellaneous item like strings, naphthalene balls, balloons, combs, etc. Generally women are engaged in these activities and they work as helper of chief earner. The field survey revealed that of different categories of street vendors, fruit vendors and ethnic cloths sellers earn higher incomes because of higher profit margins in this category of trade. The economic situation of readymade or cooked food seller is relatively better than other categories of vendors. Vendors engaged in selling leather and plastic items, second hand cloth and other miscellaneous items, were found to be most deprived categories of the street vendors in the city.

The findings reveal that the incomes of most of the street vendors are inadequate to cope up with the demands of city life (Table 1.5). The average income of street vendors in the city was estimated to be Rs. 1034 per month Although there is not much difference between the monthly income levels of residential and migrant vendors, yet the comparative analysis suggests that average monthly income of residential street vendors is higher than migrants (Rs.11389.4 and 10921.5 respectively). Most of residential street vendors also have some agricultural land. The study suggests that the situation of migrant street vendors is more deprived than residential.

*Table 1.5: Income Wise Distribution of Street Vendors (in percentage)*

Income Category (Rs. per month)	Type of Vendor		Total (%)
	Residential	Migrants	
0-5000	11.1	6.1	7.3
5001-10000	22.2	42.1	37.3
10001-15000	55.5	37.7	42
15001-20000	5.6	9.7	8.7
20001 and above	5.6	4.4	4.7
Total	24	76	100
Supplementary			
Source of Income			
No supplementary source	55.6	85.1	78
Agriculture	30.5	7.8	13.4
Own shop at native place	0	7.1	5.3
House rent/ old age pension/ other working member in family	13.9	0	3.3
Total	24	76	100

Status of Savings			
Bank/Co. Bank	72.2	59.6	62.6
	5.6	10.6	9.4
No Saving	22.2	29.8	28
Total	24	76	100
Source of Investment			
Wholesaler	72.3	71.0	71.3
Self-saving	25	26.3	26
Bank /Co-operative bank	2.7	2.7	2.7
Total	24	76	100
Indebtedness			
Wholesaler	50	41.3	43.3
Nearest shop	25	25.5	25.4
Rural Committee / Relatives	5.6	4.2	4.6
Bank / Co-operation bank	0	1.7	1.3
Not indebted	19.4	27.2	25.4
Total	24	76	100
(Figures in parenthesis show row percentage)			
		as self-employed, but their	

economic situation is poor and at times the incomes are hardly enough to repay the loans taken by them. Under such situation, supplementary source of income is required besides the main occupation. However, in this context, the collected data suggests that majority of street vendors (78%) have no alternate occupation or supplementary source of income (Table 1.5). In the days when they are unable to earn sufficient income they have to depend upon their most important asset - savings. It was brought out by the respondent vendors that they face such situations quite often. Overall, around 13 percent of respondents had farm lands and this proportion for resident vendors was about 31% while only about 7% of migrant labour had farm lands at their native places. Very a few of the residential vendors reported that they got supplementary incomes from giving rooms on rent, old age pension, and also through employment of other family members. About 7 percent of the migrant vendors got supplementary income from the running of shop in their native by other members of the family.

The analysis of income levels of street vendors indicates that the amount is not sufficient to meet the varied demands and to have personal saving as the incomes were just enough to meet needs of every day survival. Nevertheless, about 63 percent of the respondents were having account in banks or cooperative banks. Also, about 28 percent of the vendors opined that they were not having any savings (Table 1.5). The results that about 9 percent of the respondent keep the money saved at home imply that this amount may be small and may need to be used in day-to-day running of the vending

business; because all vendors were very well aware of the need and benefits of savings. Whenever their earnings are better they save in the hope of making investments in the business and also to repay the loans taken from wholesalers.

Street vendors are as poor as they have nothing in terms of investment and therefore most of them are indebted. Regarding their investment to start their business, it is found that most of the street vendors initially worked as construction labor. They started their business with the help of saved income. However, after entering into the occupation of street vending, they have to borrow money as their earned income insufficient to fulfill all needs of the family members. Moreover, to continue their vending they have to borrow from wholesalers in the market. About 71% of the respondents had borrowed some amount from the wholesalers for some investments, while other almost depended on their own savings.

Regarding indebtedness, the study showed that street vendors live under economic constraints and are borrowing money for fulfilling their basic needs. All vendors were not having easy access to formal financial institutions for credit purposes for meet the requirements of different vending activities. In maximum cases they borrow from wholesalers to make continuity in vending. In the situation of inadequate earning they are unable to repay them on time and forced to borrow again. The lack of credit and indebtedness of street vendors has also been highlighted in other studies (Bhowmik 2001; Jhabvala 2000). In present investigation it is found that a large proportion of sample street vendors fall into debt trap due to high indebtedness.

Because of high competition and low incomes it is very difficult for them to break the cycle of indebtedness. Nearly one-fourth borrow from nearest shop in the form of some household materials and others borrow from rural committee or other relatives. A large number of respondents reported that they have to borrow every day to continue the occupation of vending. Apart from these reasons, some vendors have also borrowed for the purpose of education and marriage of their children.

## CONCLUSION

The results of the present study suggested that economic conditions of street vendors is very deprived. Most of the vendors in the city are rural migrants who come to cities in search of better livelihood. They belong to lower strata of social hierarchy. Their illiteracy or low educational status and lack of skill indicate their low profile of human capital. The study found that the vendors working on street rely on informal work as the main source of their income. A greater majority of street vendors are self-employed workers who have low level of income and expenditure and hence low standard of living. The analysis of economic aspects of street vendors has also led to the conclusion that economic condition of most of the street vendors is really deplorable. They can survive every day, but since the budget is limited they are unable to compete with the standard of society. In addition, street vendors in the city face various problems like obtaining license, insecurity of earning and insecurity of place of vending and proper storage for selling items. They have poor social protection. In spite of this, street vendors

play a vital role in urban informal sector. But, unfortunately, instead of protecting this sector, the government and Urban Local Bodies are indifferent to their existence. More often, street vending is considered an illegal activity. Despite, they are accepted as a functional group of urban society as they provide various consumer's good on affordable price. However, their own situation is deplorable. Sometimes their income is so inadequate to complete the basic needs of their family members and continue their vending. Hence, they have to borrow which further causes the problem of indebtedness. Even those who are licensed, rarely approach bank because of the huge paper work involved in getting loans. The improvement in the condition of vendors requires giving them legal status, fixation of number and proper place for vending etc. It can be said that historically marginalized section of Indian society still experiencing the problem of deprivation even after implementation of several policies. Although, the Street Vendors Act, 2014 has recommended various ways to uplift the situation of street vendors and accommodate them in the urban plan, but still four years of this legislation, it seems that these recommendations are on papers and have not been implemented so far. Vendors working in the city need support, not only because they are part of the poor and the weak, but, they work as functional assets of urban society. Thus, there is dire need to regulate street vending act, 2014 properly and protect the livelihood of millions. Without supporting such as large section of urban society, working as street vendors in the informal sector urban development is incomplete. In this regard, there is need to implement street vendors Act, 2014 successfully to uplift their situation in society.

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