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ABSTRACT

Street vending is an important economic activity. The Street vending has grown significantly over the past few decades throughout the world. In India also the informal workforce is overwhelmingly huge and comprises 92 per cent of its working population. A substantial portion of such employment opportunities is generated in the urban areas and a majority of this workforce is economically marginalized. Street vending, as one of the means of survival for the urban poor in India, has been flourishing over the years. It plays a significant role in the urban informal economy by providing employment and generating income for the urban poor. It has been estimated that around 30 per cent of Mumbai's work force buys at least one meal a day from vendors (Bhowmik 2001).



KEYWORDS :economic activity , Mumbai Human Development Report (MHDR) , hosiery, leather products.

INTRODUCTION :

Thus, it can be said that street vendors are in fact a solution to some of the problems of the poverty-stricken urban dwellers. According to the Government of India (GoI), there are around 10 million vendors in India (NCEUS 2006). As per the Mumbai Human Development Report (MHDR) 2009, the total employment in Mumbai is 5.3 million (HDR 2010). The total employment in the informal sector is 4.3 million (ibid). The self-employed workers engaged in Mumbai number about 2 million, which accounts for 37 per cent of the total employment (ibid); of whom around 250,000 are street vendors (NCEUS 2006). Thus, 12.5 per cent of the total self-employed population in the city are dependent for their livelihood on street vending. Street Vending is carried out in several ways. Vendors sell different kinds of goods such as clothes and

hosiery, leather products, plastic products and different goods of household necessities. Most of these goods are manufactured in micro or small scale or home based industries which employ large number of workers (Bhowmik 2001). The manufacturers themselves could have hardly marketed their products on their own.

In addition to non-agricultural products, street vendors also sell perishable items such as vegetables, fruits, cooked food. Hence, they provide the market for home-based manufacturing products and as well as agricultural products and support micro or small-scale or home-based workers as well as agricultural producers. It can therefore be said that there are several sectors that are linked with street vendors in terms of products which they sell.

According to Tiwari (2000) and Bhowmik (2001) the employment context, street vendors also support urban rich as well as urban poor. They prop up urban rich to provide daily requirements as available on their doorsteps. Interestingly, lower income groups also benefit as they spend a higher portion of their income on purchases from street vendors because the goods are cheap and affordable. Urban youth also prefer to purchase clothes and other accessories from them because products sold by them are typically cheaper than those found in formal retail outlets.

Street Vending: An Emerging Segment of Urban Informal Economy :

It is important to understand what one means by a 'street vendor' and where are they located in the informal sector? In the era of globalization, the retail sector is the fastest emerging one in terms of providing employment opportunities; second only to agriculture in India. This sector contributes to about 10 per cent of India's GDP (Gaiha and Thapa 2007). The retail sector has been broadly segmented into two parts; organised or formal retail undertaken by registered, licensed retailers and traditional low cost retail undertaken by the unorganised or informal retailers. The latter are low-capital intensive (Guruswami et. al 2005). However, in recent times, global retail chains, such as Walmart, Tesco and Carefour too are planning to enter the Indian market due to market liberalisation. Domestic retail chains like Reliance Retail, Aditya Birla Group, S Kumar's, Shoppers Stop, etc are contributing to the expansion of the organised retail sector.

Besides this sector, small scale retailers, largely a part of the unorganised retail market, such as the local 'kirana shop', grocery vendors, static and mobile vendors are also growing in the Indian labour market. However, in the urban Indian economy, the small scale retail sector plays a significant role by providing employment to the urban poor. Small retailing including street vending has been one of the easiest ways for the working poor to survive. It is also widespread in the urban informal sector in India because the retailers sell products at cheap costs. Before prioritizing street vending in the urban informal sector, one needs to examine who they are and their importance in the urban informal sector.

Who are Street Vendors?

The national policy on urban street vendors (NPUSV) and NCEUS (2006) stated that street vendors are broadly defined as 'self-employed workers in the urban informal sector who offer their labour for selling goods and services on the street without having any permanent built-up structure'. Street vendors have been grouped into three categories in the policy. First, vendors are those who carry out their vending on a regular basis in a specific space. Second, vendors are those who carry out vending not on a regular basis and without a specific location, for example, vendors who sell goods in weekly bazaars. The third type of the vendors is those who are the mobile

street vendors. Thus, the street vendors are stationary by way of occupying space on the pavements or other public places or may even be mobile in the sense that they move from one place to another carrying their wares on push carts or in cycles or baskets on their heads, or may sell their wares in moving buses, trains and etc (NCEUS 2006 and MoHUPA 2009).

Street vendors have been broadly classified into three categories (ibid). First, there are those who ply their trade on a regular basis in a specific space. Second, there are those vendors are those who do not engage in vending on a regular basis and do not have a specific location, for example, those that sell goods in weekly bazaars. Thirdly, there are those that are mobile street vendors. Thus, street vendors may be stationary (those occupying space on the pavements or other public places) or may be mobile (those that move from one place to another carrying their wares on push carts or on bicycles or baskets on their heads, or sell their wares in a moving bus, etc (ibid)). In the present study, stationary vendors have been taken into consideration. NCEUS (2007) has categorized workers in the unorganized sector/ informal sector based on the level of income. Interestingly, NCEUS has found that around 75 per cent of the self-employed workers belong to the poor and vulnerable groups in the unorganized sector in India and only around 25 per cent belong to high income group. It has also categorized different types of workers within the self-employed workers based on income. Street vendors, according to NCEUS, belong to the low income self-employed group of workers. They are poor and vulnerable. There is a deep rooted and persistent relation between working in informal sector and being poor.

However this relation is not a simple one and is determined by the employment status within the informal sector itself (Charmes 2000, Sethuraman 1998 and Chen 2002).

A street vendor is broadly defined as a person who offers goods for sale to the public at large without having a permanent built up structure from which to sell. Street vendors may be stationary in the sense that they occupy space on the pavements or other public/private spaces or, they may be mobile in the sense that move from place to place by carrying their wares on push or in baskets on their heads. In this essay, the term street vendor includes stationary as well as mobile vendors and it incorporates all other local/region specific terms used to describe them.

In this study, the terms 'street vendor' and 'hawker' have the same meaning and they are often interchanged.

There is substantial increase in the number of street vendors in the major cities around the world, especially in the developing countries of Asia, Latin America and Africa. We have identified two main causes for the growth of street vending in these countries. Firstly, lack of gainful employment coupled with poverty in rural areas has pushed people out of their villages in search of a better existence in the cities. These migrants do not possess the skills or the education to enable them to find better paid, secure employment in the formal sector and they have to settle for work in the informal sector. Secondly, there is another section of the population in these countries who are forced to join the informal sector. These are workers who were employed in the formal sector. They lost their jobs because of closures, down-sizing or mergers in the industries they worked in and they or their family members had to seek low paid work in the informal sector in order to survive. Both causes are directly related to globalisation. Let us explain why. Globalisation as we know of it at present started in the mid-1980s. Till this time most of the less developed countries had protected markets and regulated economies. Imports from other countries, especially developed countries, were regulated most strictly. When the markets in the less developed countries started opening up due to pressures from agencies like the International Monetary Fund, World Bank and other allies these economies underwent radical changes and not all were for their good.

Globalisation meant opening up of markets and creation of new employment opportunities. In most developing countries it meant privatisation of services that were earlier in the public sector. These include IT enabled services, transport, infrastructure etc. Though new jobs were created they were mostly in the services sector and were insecure and lacked social protection. The present trend shows that large-scale manufacturing has declined sharply and instead there is a rise in small scale manufacturing using sweated labour. Most of this manufacture takes place in the developing countries as labour there is cheap. The rapidly expanding garment industry, micro-electronics industry (mainly assembling of products), leather goods, and manufacturing of industrial or automobile parts are some cases of this type.

Another feature of globalisation is displacement of workers in large enterprises. A large section of these workers or their spouses turned to street vending as an alternative source of income. This can be seen in the case of several Asian countries such as India, Mongol, Philippines etc., in Brazil, Mexico and Columbia in Latin America and in South Africa, Kenya etc. In Asia the small group of wealthy and dynamic countries known as Asian Tigers faced a sudden slump in the financial sector in 1997. As a result street vending increased rapidly after this. Hence we find that there are links between street vending and global trends in the economy. This is more so for countries that have undergone structural adjustment as a prelude to opening up their markets to welcome foreign trade and foreign investment. Besides these new features of shift of labour from organised manufacturing sector or the financial sector to the informal sector, the traditional reasons giving rise to street vending still hold. The main reasons why a section of the working population takes to street vending are lack of or insufficient skills to get regular jobs, low investment required and the comparative ease at entering the trade. These are the reasons why a large number of the rural poor take to street vending when they migrate to urban areas in search of work. Hence we find that street vendors are mainly those who are unsuccessful or unable to get regular jobs. This section of the urban poor tries to solve their problems through their own meagre resources. Unlike other sections of the urban population they do not demand that government create jobs for them, or engage in begging, stealing or extortion. They try to live their life with dignity and self-respect through hard work. Almost all studies on these workers the world over show that they work for long hours and under trying conditions though their earnings are highly disproportionate to the efforts they put in. The poorer sections too are able to procure their basic necessities mainly through street vendors, as the goods sold are cheap. The study on street vendors showed that the lower income groups spend a higher proportion of their income in making purchases from street vendors mainly because their goods are cheap and thus affordable. Had there been no street vendors in the cities the plight of the urban poor would be worse than what it is at present. In this way one section of the urban poor, namely, street vendors, helps another section to survive. The total employment provided through street vending becomes larger if we take into account the number of industries it sustains by marketing their products. A lot of the goods sold, such as clothes and hosiery, leather and moulded plastic goods, household goods and some items of food, are manufactured in small scale or home-based industries.

Street Vendors and their Proportion to the Urban Population :

In January-December 2011, a project—'Financial Accessibility of Street Vendors: Cases of Exclusion and Inclusion' was conducted jointly by TISS, UNDP and MoHUPA, GoI. It was an outcome of the findings from 15 Indian cities. It was found that the number of street vendors has been rising across all major urban agglomerations. It must be noted that estimating the number of street vendors is not easy because of the informal nature of their occupation. These numbers

depend on time of day or the season of the year when they take to vending. Some vendors only sell in the morning or the afternoon, or evening, while some sell only on weekends; and others sell only during certain seasons. Data on the total number of street vendors has been drawn from various trade unions, associations and municipal corporations in each city. However this data is only an approximation as very few Indian cities in the country have accurate data on the actual number of the street vendors. Moreover the number of vendors is increasing rapidly which also makes enumeration difficult.

As noted from the available literature on street vendors, there is no reliable source and appropriate calculation or statistic on this segment of workers. Until the numbers of street vendors and their contributions to the economy are regularly quantified at a national and local level, it is unlikely that negative perceptions surrounding street traders will change. Despite the growing importance of the street vendors in the urban economy, the issues pertaining to their economic activities, working conditions, their relationship with the civic authorities, policies and regulations relating to their operations are not well researched and documented. This situation alarms for the scientific and systematic studies on street vendors.

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