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## **An empirical study on the socio-economic conditions and problems of street vendors in India**

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### **Abstract**

Street vendors have an important role in the urban informal economy in terms of generating more employment. It encompasses large number of people due to low level of financial investment, easy access to entry, low education and low skill oriented etc. Street vendors support both urban poor as well as the rich people because they provide platform for easily accessible market and inexpensive shopping experience for people. Consumers prefer street vendors because they provide services at convenient places such as outside the Government institution, railway station, bus stand, Historical monuments etc. Even though they are the indispensable section in the society, they are facing so many problems in order to compete with the formal sector. Almost all street vendors are doing their business independently and majority of them are struggling to survive because their daily income is less than Rs. 500 and have large competition in this field. This paper tries to examine socio-economic and health conditions of street vendors in their business life. Street trade also adds vibrancy to urban life and in many places is considered a cornerstone of historical and cultural heritage. In this study, the researchers evaluated the problems faced by street vendors in their workplace and the prospects needed to get facilitated. The researcher's selected 110 respondents from India by adopting convenient sampling form selected areas of India and the study is descriptive in nature. Interview method was used to collect data. This study aims to find out the problems faced by the street vendors and prospects needed, in order to protect their rights and do their street vending business. The paper provides spatial solutions for policy measures for regulating these informal entrepreneurs.

**Keywords:** Informal economy, financial investment health conditions, consumer, government institution

### **1. Introduction**

India is a developing and second most populated country in the world. The population growth leads to a rapid increase in migration from rural areas to urban. Urban centers are not able to provide employment to all workforces in formal jobs and majority of labors are engaged in informal sectors. The people with low skills and less educational qualification normally gets expelled from the organized sectors. This has led to a rapid growth of informal sectors in most of the cities and they play significant role in economic growth and development of urban economies. Street vendors are identified as self-employed workers in the informal sector who offer their labor as selling of goods and services on the street without having any permanent built-up structure, (National Commission on labor).

As per the National Policy on Urban Street vendors 2009, there are three basic categories of street vendors,

- Those Street vendors who carry out vending on regular basis with a specific location
- Those Street vendors who carry out vending not on a regular basis and without any specific location for example vendors who sell goods in weekly bazaars during holidays and festivals.
- The mobile street vendors: those who moves from place to place vending their goods and services on bicycles, buses, trains and mobile units on wheels.

Street vendors are the main distribution channel for a large variety of products of daily consumption, perishable goods like fruits, vegetables, fish and meat and nonperishable goods like readymade garments, shoes, household utilities, toys, stationery, newspaper, magazines and so on. Even though they are the essential factors of the society, they are facing so many problems in order to survive among the formal sectors.

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Their major problems are related to credit and infrastructure inadequacies, social security, economic instability, working instability, lack of awareness about legal rights, non-availability of basic amenities, weather fluctuations, harassment by municipal and police officials related to occupying major traffic junction and lack of shelters and storage space etc.

## 2. Literature review

Debdulal Saha (2011) [10], Study on "Working life of street vendors in Mumbai" pointed out that the main problem faced by street vendors is that they borrow money from local money lenders and wholesalers for access to credit for their business as well as social security purposes and they pay high rate of interest to money lenders. The current working hours of the vendors and the safety and security conditions in their workplace, together with extensive rent seeking by local authorities, contribute to a deteriorating working environment as well as economic deprivation for street vendors. This study reveals poor working condition of vendors in terms of excessively long working hours in a day and unhealthy and unsafe condition in the workplace.

Bhat, Aasif Hussain Nengroo (2013), in their study on Urban Informal Sector: A case Study of Street Vendors in Kashmir highlighted the reason for choosing street vending as their employment option. The main reason for choosing street vending was found to be lack of employment opportunities, absence of earning member in the family. He found that the largest concentration of vendors was in the age group 16-35 year. Most of the vendors are from poor educational background.

Most of the vendors start their business early in the morning and were working about 7 -10 hours daily. The earning of vendors depends upon the type of product they sell. The highest profit was earning those vendors who were selling footwear followed by cloth and fish.

SK Shibin & PM Nishanth (2017), studied the problem of street vendors in Kollam district and observed that most of the common people mainly middle class and the lower-class people depend on street vendors for their purchase satisfaction. The street vendors depend only on their vending profession as livelihood. They do not have any other means of income other than vending. This study depicts that socio-economic status and the challenges faced by street vendors in their business life as Economic instability, social insecurity, weather conditions, barriers towards credit facility, health issues, discrimination, working instability, lack of awareness about legal right etc. Harpreet Kaur, Sanpreet Kaur (2017), 'A study on Quality of work life of street vendors of Khanna', founded that street vendor provide a platform for an easily accessible market for an inexpensive shopping experience.

The growing rate of urban poor find their source of livelihood in street vending and help in wedging the gap between the customer and the seller considerably. However, the involving scenario and efforts of government have left out this important entrepreneur from the margins of global development. The institutional sources focus on important business and their development but choose to ignore the credit need these.

Shibulal. A.L (2018), study on "Needs and Problems of Street Vendors: An Inquiry" observed that most of street vendors in Kerala engage in trading activities more than 8 to 10 hours. They cannot support the family or family

members at their time of need. In terms of social security, the street vendors are not getting support from NGOs. Nor they have the security of insurance. Vinod C & Abhin Vyas (2020), study on "Socio-economic profile of street vendors in Kerala: A case study of vendors in East fort, Thiruvananthapuram". According to their study male dominate the street vendors in vending process. The security problem faced by the women and the male dominance may be the reason behind the smaller number of females in these sectors. As compared to males, females are less in number. The study showed that the participation of youngsters was less in street vending because youngsters prefer white collar job. Now a days most of the youngsters are highly qualified and they might not want to do such type of job. The vendors those were of below 25 were mostly from North Indian state

## 3. Statement of the problem

Street vendors are the main distribution channel for a large variety of products of daily consumption like fruits, vegetables, readymade garments, shoes, household utilities, toys, stationery, newspaper, magazines and so on. The common people mainly middle class and low class depend on street vendors for their purchase items. This is because people are getting necessary items from these informal sectors in reasonable price which is affordable to them than the formal sector.

The basic problem of Street Vendors is unhealthy working conditions, insecurity and uncertainty as their profession is considered unlawful, but according to the government of India assessment in 2004 shows around 2.5% of local poor urban people lives on working this occupation. So, this also has to be examined.

## 4. Significance of the study

The study is attempted to explore the situation of street vendors in India. The results of the study will provide a better understanding view of the street vendors and awareness to policy constructors, to design an operative and proficient policy for the improvement of the livelihood of the street vendors. The study also serves as stages who are interested to conduct research on street vending. Moreover, it maybe helps to the policy makers as sources of information about subsistence view of the street vendors.

## 5. Objectives

The following specific objectives are given bellow

- To illustrate the demographic profile of the street vendors.
- To explore the socio-economic conditions and issues of the street vendors.

## 6. Problems/Issues faced by the street vendors in India

Street Vendors faces many troubles as they are vulnerable people. Some of the problems faced by vendors have been discussed below.

- 1 Increased traffic affects their mobility on Main Street.
- 2 Pollution is affecting them in many ways, road widening also effect of street vendors.
- 3 Harassment from local authorities or from policemen during vending.
- 4 Uncertainty and insecurity are the basic problem of vendors as their profession is considered illegal.
- 5 Vendors are not protected by government, NGO's, labour union by any labour laws.

- 6 They are insecure due to their low income, irregular employment and their sale fluctuation.
- 7 They are not getting easy financial assistance from bank due to their low income and fluctuation in income.
- 8 Vendors needs some market amenities such as water toilet, storage or shades, waste disposal.
- 9 The street vendors all the time go through struggle with

other street vendors because of instability in market prices and also crisis of market places.

## 7. Data analysis and interpretation

Street vendor means a person who selling goods to the public with having a temporarily static structure on the side of the street. However, in station road, Street vendors could be occupying space on the roadway areas.

**Table 1:** Demographic profile of vendor

Variables	Male		Female		Total	
	No.	(%)	No.	(%)	No.	(%)
<b>Age Distribution</b>						
15-24	17	17.00	9	9.00	26	26.00
25-59	37	37.00	17	17.00	54	54.00
60 above	12	12.00	8	8.00	20	20.00
<b>Marital Status</b>						
Married	43	43.00	19	19.00	62	62.00
Unmarried	15	15.00	3	3.00	18	18.00
Widow	3	3.00	5	5.00	8	8.00
Separated	5	5.00	7	7.00	12	12.00
<b>Educational Status</b>						
Non-literate	11	11.00	8	8.00	19	19.00
Ability to sign	38	38.00	17	17.00	55	55.00
I – IV	12	12.00	8	8.00	20	20.00
V – X	5	5.00	1	1.00	6	6.00

Source: Primary data

**Table 2:** Detail of vendors vending activity

Variables	Male		Female		Total	
	No.	(%)	No.	(%)	No.	(%)
<b>Daily Income (in Rs.) Gender-wise:</b>						
≥ 100	5	5.00	8	8.00	13	13.00
101-200	16	16.00	14	14.00	30	30.00
201-300	21	21.00	9	9.00	30	30.00
301-400	7	7.00	2	2.00	9	9.00
401-500	10	10.00	1	1.00	11	11.00
601-700	2	2.00	-	-	2	2.00
801-900	3	3.00	-	-	3	3.00
901-1000	1	1.00	-	-	1	1.00
≤ 1000	1	1.00	-	-	1	1.00
<b>Product- and Gender-wise Distribution:</b>						
Vegetables	29	29.00	14	14.00	43	43.00
Fruits	15	15.00	6	6.00	21	21.00
Flowers	8	8.00	9	9.00	17	17.00
Household Implements	5	5.00	-	-	5	5.00
Cooked Food	9	9.00	5	14.00	14	14.00
<b>Working Hours per Day</b>						
≥ 3	6	6.00	8	8.00	14	14.00
3-6	17	17.00	16	16.00	33	33.00
6-9	24	24.00	10	10.00	34	34.00
9-12	12	12.00	-	-	12	12.00
≤ 12	7	7.00	-	-	7	7.00

Source: Primary data

The table 2 deals with “Daily Income, Product-wise Distribution and Working Hours per Day” of the street vendors under study area. In case of ‘Daily Income’ on gender wise distribution of the respondents exhibits that the daily income status of the respondents exposes important facts about their standard of living and the amount of daily income. However, 13% respondents (across both the sexes) had deprived daily income ranging from Rs. 101 to Rs. 200. While, 30% respondents (across both the sexes) had daily income reaching from Rs. 101 to Rs.200 and Rs.201 to Rs. 300 and the clearly evident that the majority of the

respondents has been belong to this category with above mentioned income ranges.

The daily income of a considerable portion of the sample respondents (9 percent across both the sexes) was found to be Rs. 301-400. The daily income wise distribution also displays that in the higher range income such as Rs. 601-700, Rs. 701-800, Rs. 801-900, Rs. 901-1000 and Rs. 1000 and above rupees in a day had only male respondents however, no female respondents had not in the highest income groups.

A comparison of the male–female respondents of daily income that reveals lesser percentages of male vendors belong to the lowest income category compared to the female vendors. Where, a majority of the male vendors belong to the category with an income range of Rs. 201 to Rs. 300. Therefore, the daily income indicates that male vendors have a slight advantage with respect to income status compared to the female vendors.

The income of street vendors depends on which types of products they sell, and it varies product to product and also in terms of the amount of product and spending time for selling of the products. The daily income of the street vendors shows that a few vendors earn quite a high income. Remarkably, the table also illustrate that the incomes of street vendors depend on the selling's of verity of goods such as fruits, flowers, vegetables and cooked foods vendors.

The numbers of street vendors are increasing randomly day by day. However, most of the street vendors came from rural areas of India.

### 8. Suggestions

- 1 There is an urgent need to improve the socio - economic conditions of the street vendors in India and continuous efforts should be made to improve the education, health and hygiene in working atmosphere.
- 2 No doubt government has initiated programmes for street vendors, like Pradhan Mantri Street Vendors Atmanirbhar Nidhi, extends a loan of Rs.10, 000 as working capital to street vendors to restart their business hit by the Covid - 19 pandemic. In spite of this government can create a separate ministry under labor ministry to look after the welfare of the street vendors.
- 3 Government should do census survey to enumerate street vendors in India.
- 4 Step should also be taken to enhance the self-help group.
- 5 Education schemes should be implemented among the street vendors as well as among their children.
- 6 There should start an awareness programme among street vendors so that they can be benefitted from the government programmes.
- 7 Local authorities should take care of, toilet facilities, safe drinking water as well as the safety of the female street vendors.
- 8 Local authorities can take care of health and hygiene condition by means of regular checkup of their health conditions and improving the hygienic factors.
- 9 Problems of migrant street vendors should be taken up by means of building a shelter for them and improving the living condition.
- 10 Government should take an initiative to train the street vendors in food preservation methods; even they can be provided a common chilling house to preserve their prepared food.
- 11 Financial assistance can also be provided by the government in terms of subsidy.
- 12 Vending zone should be allotted, especially to the vendor to sell their products.

### 9. Conclusion

Street vendors are an important part of the informal sector because of their crucial roles; they play in the economy, and are an integral part of the society. The contributions of street

vendors are hardly ever recognized by the government but a significant amount of goods production by small industries are sold by them and people having lesser income purchase the products of their daily needs from them.

The study indicates the poor working conditions of the vendors in terms of working hours in a day, in addition to unhealthy and unsafe conditions in the workplace. The findings of the present study indicates that majority of the street vendors were earn low amount of daily that exposes about their standard of living life.

Finally, the present research paper advocates that street vendors in India should be provided social security; better occupational environment in terms of health and hygiene and economic and social security.

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