

Socio - Economic Features of Street Vending Enterprises in Kerala

Dr.Pradeep kumar.K.S

Higher Secondary School Teacher Commerce, Mayyanad .H.S.S, Mayyanad.P.O

Abstract: The study sought to investigate the nature, operations and socio-economic features of street vendors in Kerala. Urban population growth has stimulated a rise in the number of street vendors in many cities in Kerala. Migration from rural areas to urban centers has created a daily need among many working people to eat outside the home. The study revealed that street vending, far from being a hindrance to progress and sustainable development, is in fact the basis of a vibrant street economy which has strong linkages with the formal economy. Street vendors were observed in most public and private places including industrial and construction sites, hospitals,, bus stations, shopping and commercial centers, pavements, open spaces and along streets in the High Density Suburbs. Street vending survived not merely because it was an important source of employment but because it provided urban dwellers with inexpensive and varied indigenous goods. Now Government has started initiating for recognizing street vending in Kerala. Which would enable them to develop code of practice for their businesses Future research should focus on welfare measures for street vendors in Kerala and their economic and social security.

Keywords: informal economy; street food; street food vendor, sustainable development, lively hood.

I. INTRODUCTION

Globalization and liberalization of the Indian economy has increased competition and resulted in creating new markets .Entry of multinational companies comes in to the retail market. The presence of the corporate would affect the business performance of the street vending. . While consumers are increasingly depends up on street vendors. It is thus important to explore the nature and operations of street vending in terms of demographic composition, modalities, initial investment, challenges caused by street vending and problems faced by the vendors themselves. Street vendors provide wide variety of goods at lower prices. Vendors' stalls are usually located outdoors or under a roof which is easily accessible from the street. They have low-cost seating facilities which are sometimes rudimentary. Their marketing success depends exclusively on location and word-of-mouth promotion. Street vending businesses are usually owned and operated by individuals or families but benefits from their trade extend throughout the local economy. Hence this paper intends to understand the 'working life' of street vendors in keeping with their financial stability, social security, occupational well being the working condition in Kerala with in the frame work of decent work. Moreover, this study has also focused how the member based organizations regulate the decent work indicators to provide them a decent working life and decent working environment.

II. STATEMENT OF THE PROBLEM

Although street vendors have occupied the streets of municipal corporations in Kerala , their activities and motivations have remained poorly understood. Street vending micro-industries are vital for the economic planning and development of many towns in Kerala. The contribution of street vendors to the economies of development of the cities has been vastly underestimated and neglected. However, statistics for some places do exist. The significance of the street vending industry has often been ignored because it is considered part of the informal sector. Previously, the informal sector was thought to symbolize a lack of economic development that would and should disappear with modernization. Until more permanent jobs could be provided by the modern sector, the former was expected to absorb unskilled workers who migrated to the

city from rural areas. Informal businesses in general and street vendors in particular are commonly considered to be typical informal workers who invariably escape compliance with state regulations of their business enterprises. But, what is the nature of street vending in Kerala? What are the modalities and operations of street vendors in Kerala? This study is the benchmark study on social security for street vendors in Kerala.

III. STUDY OBJECTIVES

The study's primary aim was to investigate the nature, operations and socio-economic features of street food vendors in Kerala. The specific objectives of the study were:

- To establish the socio-economic characteristics of street vendors in Kerala.
- To describe the nature of street vending in Kerala.
- To Understand the financial accessibility of their economic activity including institutional credit and other purpose and role of the organizations towards their financial accessibility.
- To identify problems cause by street vending in Kerala.
- To identify problems and impediments faced by street vendors in kerala.

IV. SAMPLING DESIGN

In order to collect primary data for the purpose of the study, multi-stage sampling technique is adopted. At the first stage 3 municipal corporations namely Calicut, Cochin, Trivandrum were selected randomly. In the second stage sampling error can be reduced either increasing sample size or to make heterogeneity in nature, stratification method help to make homogeneous group in that group of workers. In each city, street vendors have been divided in to five stratum such as food vendors, vegetable vendors, fruits vendors, garments vendors and others

V. TOTAL SAMPLE SIZE

This study covers 300 samples from the three cities in Kerala. The samples selected from each study area have been shown in the table 1 which as follows:

Table 1: Total Sample Chosen from each Study Area

Name of city	Total sample choosen
Trivandrum	100
Cochin	125
Calicut	75

VI. DATA COLLECTION TOOLS

Structured Questionnaire has been used to directly associate with the survey based on the objectives of this study. *Closed ended* and *open ended* question have been asked to the respondent. Since some of the research questions are explorative in nature, open ended questions helped to explore the current situations. *Personal interview* and *group interview* methods have been conducted for the method of interview. Personal interview of 300 individual street vendors have been conducted for the survey.

VII. SOCIO-DEMOGRAPHIC AND ECONOMIC PROFILE OF THE STREETVENDORS

The following all sections show the possible outcomes of the present study and corresponding percentages of the outcomes which are represented by values within the paper. In this section, socio-demographic and economic profiles of the vendors based on primary data have been explained.

Demographic and Social Profile:

Street vending profession is mainly male oriented occupation in Kerala and the result of this study also shows that. The sex composition of the street vendors in the study area demonstrates that there are around 78 percent of the vendors is men vendors and about 22 percent is women (Table 2). In context of religion, there are about 41.67 percent Hindu vendors of the total, around 37.33 percent are Muslims, 21 percent of total is Christian (Table 2) In the case of caste composition, about 39 percent of the total belongs to general caste, 14.67 percent vendors belong to the SC categories, and 3 and 43.33 percent belong to ST and OBC categories respectively (Table 2). Out of total sample, around 0.67 percent

vendors are illiterate, about 3.6 percent of total vendors can sign only, and about 8 percent have only primary level of education, about 55 percent of total vendors have secondary education. Some of vendors having graduation

Table 2: Socio-Demographic Profile

Indicators	Possible Outcomes	Total No. of cases (percentage)
Sex	Male	234 (78)
	Female	66 (22)
	Total (N)	300 (100)
Religion	Hindu	125 (41.67)
	Muslim	112 (37.33)
	Christian	63 (21)
	Total (N)	300 (100)
Caste	General	117 (79)
	SC	44 (14.67)
	ST	9 (3)
	OBCs	130 (43.33)
	Total (N)	300 (100)
Educational Level	Illiterate	2 (0.67)
	Can Sign only	11 (3.66)
	Primary Education	49 (16.33)
	Upper Primary Education	49 (16.33)
	Secondary Education	165 (65)
	Higher Secondary Education	45 (15)
	Graduate	4 (1.33)
	Total (N)	300 (100)

Source: Computed by author based on primary data where n = 300

Level of Income:

The earning of street vendors depends on the products they sell, and it deviates from trade to trade, location to location, the volume of trade and terms of trade. Table 3 shows that around 16 percent vendors' per month income are between Rs. 3000 and Rs. 4500 while 20.67 percent vendors' per month income fall into Rs. 6000 and so on. It is seen that there are few of the vendors' income is quite high according to their business types, age of the business, location and product they sold. Interestingly, it is noticed from the data that income of garment vendors, vendors those who are selling fruits, food items deviates from vegetable vendors and small enterprises. But the profit margin of the vendors those who sold raw materials, namely, vegetable vendors, fruit vendors, food vendors is quite impressive than other category of vendors. These vendors earn about 50 to 60 percent profit of their daily sales.

Table 3: Earning Status (Monthly)

Income Interval (Monthly)	Total No. of Vendors (percentage)
3000 – 4500	48 (16)
4501 – 6000	62 (20.67)
6001 – 7500	117 (39)
7501 – 9000	29 (9.67)
9001 – 11000`	18 (6)
11001 – 13000	12 (4)
13001 – 15000	5 (1.67)
Above 15001	9 (3)

Source: Computed by author based on primary data where n = 300

VIII. FINANCIAL ACCESSIBILITY OF STREET VENDORS IN KERALA

Financial accessibility of street vendors depends on the volume of trade and types of the product they sold. Street vending profession is heterogeneity in character and this study considers only five types of the occupations (Table 4). Interestingly, it is observed that most of the women vendors are vegetable vendors since it requires very low investment comparing other activities. In contrast, more financial supports are required for the vendors those who sold garments, and food items.

Table 4: Types of the Occupational Distribution

Types of Occupation	Total No. of Vendors (percentage)
Vegetables	64 (21.33)
Fruits	72 (24)
Food	36 (28.67)
Garments	53 (17.67)
Others	25 (8.33)

Source: Computed by author based on primary data where n = 300

IX. CONDITIONS OF SOCIAL SECURITY OF STREET VENDORS

Social security covers medi care, sickness, maternity benefits, employment injury, inability and survivor's benefits, old age pension etc (Jhabvala 2000; ILO 2000). The social security programme in India can be segmented into two parts: one is protective social security measures, largely for the formal sector workers covering medical care and benefits consisting sickness, maternity, old age and so on so forth. On the other segment, promotional social security consists security towards self-employment, wage employment and provision for basic needs such as food, health and education, especially for unorganised sector workers. Vending profession is full of insecurity and uncertainty since they occupy road side and accidents occur at any time (Anjaria 2006). Since they do not have access any government assisted social security, they manage themselves. However, it is seen that around 88 percent street vendors don't know even the term 'social security'. Around 68.67 percent vendors of total vendors manage by saving in banks, cooperatives where as 18 percent vendors they manage their social protection by borrowing from different sources at exorbitant rate of interest around 3-10 percent per month (table 5). Furthermore, some of the vendors are paying rate of interest on their indebtedness over the decade who borrowed for their social protection purposes. Impressively, it is perceived that 40 vendors (about 13.33 percent of the total) have life insurance policy.

Table 5: Access to Social Security

Access to Social Security	Total No. of Vendors (percentage)
Saving in Bank and Co-operatives	206 (68.67)
Insurance	40 (13.33)
Borrowing	54 (18)

Source: Computed by author based on primary data where n = 300

X. INDEBTEDNESS OF STREET VENDORS

It is revealed from this present study that the purpose of borrowing is not only for their economic activities but they also borrow for their social security purposes. Thus, this section has pointed out that street vendors fall into debt trap due to high indebtedness. They have scarce resources, namely credit, for their trade and need to obtain credit since they have no access to credit from the formal financial institutions particularly for their economic activities. But this vending process works on a daily turnover basis and they are surviving successfully. They borrow money from different sources. Out of total sample (N=300), 268 vendors borrow money from different sources for different purposes namely, for their economic activity, housing, for their house rent and especially for the social security purposes. Around 28.36 percent of vendors (76 vendors out of 268 vendors) borrow money for their social protection purposes in terms of health care, medicine, maternity, accidents, child educations and so on where as 35.45 percent vendors borrow money for their economic activities. About 13.06 percent vendors borrow money for house rent as a deposit (Table 6).

Table 6: Purposes Served by Borrowing

Purposes Served by Borrowing	Total No. of Vendors (percentage)
Business	95 (35.45)
Housing	62 (23.13)
House Rent (Deposit)	35 (13.06)

Source: Computed by author based on primary data where n = 268

Around 18.91 percent and 12.84 percent of the vendors pay 2-times and 3- times of the amount of indebtedness respectively. Apart from loan for their economic activity, vendors borrow money from the wholesalers for their social security purposes also and they charge 2 to 4 percent rate of interest per month comparing less than other source of the borrowing. Thus, it can be said that these vendors (148 out of total 300) fall into debt trap due to not borrowing for their economic activity but also for their social security purposes while it is the duty of the state to protect them.

Table 7: Total Interest Paid as a Multiple of the Principle Amount

Multiple of the Principal Amount	Total No. of Vendors (percentage)
1 – Time	86 (58.11)
2 – Times	28 (18.9)
3 – Times	19 (12.84)
4 – Times	15 (10.14)

Source: Computed by author based on primary data where n = 148

XI. WORKING CONDITIONS OF STREET VENDORS

The majority of urban informal workers live in poor areas, lack of basic health and welfare services and social protection and work in an unhealthy and unsafe working environment. This group of workers also stay at slum area in Mumbai and they don't have adequate space for living. Vulnerability to diseases and poor health result from a combination of undesirable living and working conditions. Working condition in terms of working hour is very miserable. It is discussed in previous section that vendors those who sold raw material namely vegetable vendors, fruit vendors have good profit margin. But their working condition is miserable. They start their activity from 5 am in the morning to till around 12 o'clock at night and they work around 365 days in a year and most of the vegetable vendors are women.

Safety at Work Place:

Street Vendors are not trying only to earn a livelihood but also provide valuable services to the urban population. Thus, it is the duty of the State to protect the right of this segment of population to earn their livelihood since article 39 (a) of constitution stated that *'any citizens, men and women, have equal right to an adequate means of livelihood'*⁸. Thus, the 'decent work' is the fundamental rights of any workers or citizens. But ground reality is different. They are considered as unlawful and eye sore entities. As a consequence, they face constant harassment by local Police and Municipal Authorities at work place. However, they are forced to bear some additional burden of harassment and bribes and other various elements. It is calculated from this study that each street vendor pays 15 to 20 percent of their daily income as bribes to local police and BMC.

XII. CONCLUDING REMARKS

The coinage "street vendors" have become an indispensable organ of and synonymous to urban culture. Street vendors face some constraints such as lack of access to credit, adequate infrastructure, sufficient social security coverage and many other resources as other activities within the informal sector though they play very important actors in the urban informal economy by generating employment and supporting urban poor as well rich. The study reveals that the street vendors depend on the money lenders for credit accessibility as well as for social security purposes. Interestingly, the result shows that the street vendors are also forced to borrow at exorbitant rate of interest more so for the social security purposes that lead them to fall into a debt-trap situation, which is a matter of a deep concern. This study also reveals that around 100 percent vendors need social protection. All vendors are surviving either by their savings or by borrowing from other at high rate of interest. Thus, it can be said that social security is the basic needs. The study also reveals poor working condition in terms of excessive working hours in a day in addition to unhealthy and unsafe conditions at work place. However, National Policy (2004) has initiated and recommended many issues. But the problem is not with policy recognition because this policy already has highlighted the important problems and provided very specific recommendations. Thus, the problem is that after three years of policy notification, these recommendations remained on the paper and are not implemented so far. Thus, it can be concluded from the result that absence of better working condition due to lack of formal financial institution, social protection and occupational wellbeing in this group of workers in Kerala. This deficit can be reduced by providing social security, better occupational environments in terms of safety and healthy work place; work security; accessing formal credit institutions; and through strong social dialogue by unions or any other member based organisations.

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