

A Study on Problems Faced by the Street Vendors in Tiruchirappalli City

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Abstract

Street vendors are often those who are unable to get regular jobs in the remunerative formal sector on account of their low level of education and skills. They try to solve their livelihoods problems through their own meagre financial resource. They are the main distribution channel for a large variety of products of daily consumption like fruits, vegetables, readymade garments, shoes, household gadgets, toys, stationery, newspapers, and magazines and so on. If they were to be eliminated from the urban markets, it would lead to a severe crisis for fruit and vegetable farmers, as well as small scale industries which cannot afford to retail their products through expensive distribution networks in the formal sector.

The present study is descriptive by nature. The universe of the study covers whole Tiruchiappallicity as its population. The sampling is selected by using convenient sampling and the sample size is confined as 90. The present study is selected in street vendors who are selling vegetables and home appliances through vehicles. Other category will eliminate due to time and cost constraints.

KeyWords: Access in capital, Marketing Competition, Hawkers, Price fluctuations

I. INTRODUCTION

Street vending is a global phenomenon and the most visible aspect of the informal sector. Like other informal sector, street vending is characterized by low level of income, easy of entry, self-employed and it involves large number of people. In cities and towns thought the world millions of people, earn their living by selling wide range of goods and service on the street. Despite a general belief that street vending will recede as economies develop and income rise, it is actually on increase in many places.

Street vendors are very important part of the informal sector in the country. It is estimated that around 80 percent of the population are engaged in street vending profession. Women form a large segment of street vending in almost every city. Street vending is not only a source of self-employment to the poor in cities and towns but also a means to provide “affordable” as well as “convenient” services to a majority of the urban population.

Street vendors are often those who are unable to get regular jobs in the remunerative formal sector on account of their low level of education and skills. They try to solve their livelihoods problems through their own meagre financial resource. They are the main distribution channel for a large variety of products of daily consumption like fruits, vegetables, readymade garments, shoes, household gadgets, toys, stationery, newspapers and magazines and so on. If they were to be eliminated from the urban markets, it would lead to a severe crisis for fruit and vegetable farmers, as well as small scale industries which cannot afford to retail their products through expensive distribution networks in the formal sector. The importance of this sector cannot be undermined, especially considering that the government does not have the capacity to provide jobs to the millions of unemployed and underemployed people in India. Even the corporate sector is able to absorb only a tiny proportion of our expanding work force. Overall employment in the formal sector is actually declining. This means most people in India have to fend for themselves. People in the informal sector ought to be encouraged to grow and prosper if the governments want to reduce unemployment and poverty in our country. They contribute significant role in local economic growth and development of the urban economies. Public authorities considered street vendors as a nuisance and as encroachers of sidewalks and pavements and do not appreciate the valuable services that street vendors provide to the general population of the world. Street vendors provide valuable services to the urban masses while making out a living through their own enterprise, limited resources and labour. Street vendors have been demanding protection from civic agencies and the state government so they can earn their livelihood without fear.

II. CHALLENGES FACED BY STREET VENDORS

1. Street Vendors faces many problems as they are vulnerable population, who are neither protected by government, NGOs, labour union nor by any labour law. They are deprived by laws made by government in respect of labour union.
2. The street vendors always suffer competition with other street vendors because of fluctuation in market prices, insecure and irregular employment. Their incomes are often minimal and their sales fluctuate.

Another reason for decrease in income of street vendors is that they are forced to pay 15 to 20 percent of their daily income as bribes to local police.

3. Street vendors are usually associated with encroachment of public spaces, causes traffic congestion, inadequate hygiene, and poor waste disposal. Safety of food has been increasingly become a concern in regard to street vendors. No Government agency is authorized to verify the content of food as they are not regulated by any government agency.

4. The government does not recognize the contribution of street hawkers towards economic and social well-being of urban population. They survive without government support. But lately, government has passed "Street Vendors Bill 2013", which protects the rights of street vendors.

5. Negative impact of online shopping on retailers and street vendors- Online shopping is a form of electronic commerce whereby consumers directly buy goods or services from a seller over the internet without an intermediary service. Online shopping has become the trend and the new mode of purchasing. There are around 1000s of online marketing enterprises selling cosmetics, clothes, shoes, accessories, vitamin supplements, etc. literally the entire range of consumer items. The trend is very clear, retail shop demand will fall and even shrunk. Online shopping is indeed having an adverse impact on the retail sector.

6. Uncertainty and insecurity: The basic problems of street vendors is insecurity and uncertainty as their profession is considered illegal, but according to government of India assessment done in 2004 shows around 2.5% of local poor urban population survive by working in this occupation. If government provide license to street vendors, they can be protected by harassment and eviction by local authorities and local police.

III. REVIEW OF LITERATURE

The National Classification of Occupation 1968 defines street vendors as hawker, peddler, street vendor, pheriwala sell articles of daily utility and general merchandise such as vegetables, sweets, cloth, utensils and toys, on footpaths or by going from door to door. Normally purchases goods from wholesale market according to his needs and capital (money) available. They load them in basket or on pushcart, wheel barrow or tricycle and moves in selected areas to effect sales. Many a times they announce loudly goods or articles on sale and their prices to attract customers. Some of them may also display goods or articles of sale on footpath and effect sales. For higher profit few purchase goods in lot, in auction or other sales. May prepare and sell his/her own products and may operate means of conveyance. Vendor may work on salary or commission basis or both.

A.H.SubrattyP.Beeharay, M.ChanSun (2004)A survey of hygiene practices among food vendors in rural areas in Mauritius. It was found that generally food vendors were quite aware of hygienic conditions. But majority of them were not implementing their knowledge into practice. They perceived that their products were of low risk to customers. It highlights the need for further health education of food vendors.

According to GeetamTiwari (2000) bicycles, pedestrians and bus traffic attract street vendors. Often the side roads and pedestrian paths are occupied by people selling food, drinks and other articles which are in demand by road users. Vendors often locate themselves at places which are natural markets for them. A careful analysis of the location of vendors, their numbers at each location and the type of services provided clearly shows that they are needed since they work under completely 'free market' principles. If their services were not required at those locations, they would have no incentive to be there. Road and city authorities, however, view their existence as illegal.

IV. STATEMENT OF THE PROBLEM

In developing countries like India, the informal sector including street vending absorbs the majority of the urban unemployed growing labour force. It creates a wide employment opportunity; it is a means for income generation for the marginalized groups, and the urban poor especially for those who migrate from the rural area (Darrare, 2007). However, despite its increasing importance in the total economy(especially for urban poor in the city), policies, regulations, services, infrastructure facilities and institutional support programme are not available for the street vending and the environment under which the vendor operate their business are not suitable for their health and wellbeing. In addition to this, there is no proper attention, which is given to street vending by policy makers, decision makers, and planners. Currently, there is even strong negative measures and view prevailing against street vending both by the local government and by the formal business operators. In addition, street vendors face many problems in the course of running their activities. It is therefore, the focus of this study is to assess the challenges and prospects of street vending in Tiruchirappallicity.

V. OBJECTIVES OF THE STUDY

The following specific objectives are identified in line with the general objective of the study.

1. To identify the major constraints that faces the vendors while operating their business.
2. To identify socio-economic and environmental impact of street vending.
3. To suggest policy intervention that helps to mitigate the challenges of street vending.

VI. SIGNIFICANCE OF THE STUDY

The study is attempted to address the challenges and opportunities of street vending in Tiruchirappallicity. The results of the study will provide a better understanding and awareness to policy makers, to design an effective and efficient strategy for the improvement of the livelihood of the street vendors and for the development of street vending. The study will also serve as a stepping-stone and make the modest contribution for those who are interested to conduct research on street vending. In addition, the finding of the study will provide information to make decision makers and responsible bodies aware of the challenges and prospects of street

vending in the city and alleviate or minimize the challenges. Moreover, it will help planners and government bodies as a source of information.

VII. METHODOLOGY

The present study is descriptive by nature. The universe of the study covers whole tiruchirappallicity as its population. The sampling is selected by using convenient sampling and the sample size is confined as 90. The present study is selected in street vendors who are selling vegetables and home appliances through vehicles. Other category will eliminate due to time and cost constraints.

Problems faced by the street vendors

| Problems | High level | Medium level | Low level | Total |
|-----------------------|------------|--------------|------------|-----------|
| To access of capital | 12 (13.3%) | 34(37.8%) | 44 (48.9%) | 90 (100%) |
| Social security | 26 (28.9%) | 30 (33.3%) | 34 (37.8%) | 90 (100%) |
| Marketing competition | 24 (26.7%) | 31(34.4%) | 35 (38.9%) | 90 (100%) |
| Local rowdies | 33 (36.7%) | 48 (53.3%) | 9 (10%) | 90 (100%) |
| Bribes of authorities | 15 (16.7%) | 45 (50%) | 30 (33.3%) | 90 (100%) |
| Price fluctuations | 21 (23.3%) | 32 (35.5%) | 37 (41.1%) | 90 (100%) |

The above table shows that 48.9% of the respondents are facing the problem of access of capital in low level. 37.8% of the respondents are facing the problem of social security in low level. 38.9% of the respondents are facing the problem of marketing competition in low level. 53.3% of the

respondents are facing the problem of local rowdies in medium level. 50% of the respondents are facing the problem of bribes of authorities in medium level. 41.1% of the respondents are facing the problem of price fluctuations in low level.

Karl Pearson co-efficient of Correlation test

| Sl. No | Problem faced by street vendors | R value | Statistical inference |
|--------|---|---------|-----------------------------------|
| 1 | To access of capital | 0.757 | $0.023 < 0.05$ Significant |
| 2 | Social security | 0.844 | $0.044 < 0.05$ Significant |
| 3 | Marketing competition | 0.574 | $0.231 > 0.05$ Not Significant |
| 4 | Local rowdies | 0.493 | $0.768 > 0.05$ Not Significant |
| 5 | Bribes of authorities | 0.279 | $0.435 > 0.05$ Not Significant |
| 6 | Price fluctuations | 0.395 | $0.435 > 0.05$ Not Significant |
| | Overall perception about the street vendors | 2.765 | $0.145 > 0.05$ Not significant |

A. Research Hypothesis

There is a significant relationship between the problems faced by the respondents and their Overall perception about the street vendors

B. Null Hypothesis

There is no significant relationship between the problems faced by the respondents and their Overall perception about the street vendors

C. Statistical test

Karl Pearson coefficient correlation test was used to prove the above hypothesis.

D. Findings

The above table shows that there is a significant relationship between the problems faced by the respondents and their Overall perception about the street vendors. Hence, the calculated value is greater than the table value. So the research hypothesis is rejected and the null hypothesis is accepted.

E. Suggestions

Commercial banks have been empirically proven to be unable to support the informal sector resulting in micro-financing. Grameen Bank is a Nobel Peace Prize-winning microfinance organization and community development bank founded in Bangladesh by Professor Muhammad Yunus. It makes small loans (known as microcredit or “grameen credit”) to the impoverished without requiring collateral. Micro-credit loans are based on the concept that the poor have skills that are under-utilized and with incentive, they can earn more money.

Management plays an important role in success of any activity. There should be proper management in street vending also. There are good examples of street vending management in several cities in Indonesia. In these cities, the street vendors provided standardized carts. The size of their lots was also standardized. These create uniformity and order. The carts were then wheeled in and out at certain time. Roads were closed and reopened at certain times. During off operating period carts were neatly stored somewhere unobtrusive, thus the cities stay clean and the roads uncongested. Proper management working environment provide income, health and safety benefits to street vendors.

Provide safety at work place: Street vendors are not trying only to earn a livelihood but also provide valuable service to urban population. Thus, it is the duty of the state government to protect the right of these segments of population to earn their livelihood since article 39(a) of constitution stated that “any citizen, men and women, have equal right to an adequate means of livelihood”.

VIII. CONCLUSION

Street vendors form a very important segment of informal sector. Street vendors offer goods and services for sale without having a permanent built up structure to satisfy the demands of urban poor's and urban youth. They ensure the distribution of benefits in favour of the disadvantaged group. The objective of this paper is to identify the causes behind street vending, challenges faced by street vendors, highlight the importance of street vendors, what measures are taken by the Government to prevent the harassment of street vendors by police and other authorities, improvement in the working conditions, social protection and life skill development to improve the level of profitability.

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