



Role of street vendors in the economic development of cities: A study in the context of Varanasi District

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Abstract

Street vendors play a very important role in the economic development of cities. Urban development is continuously occurring in India, and the growing population is driving demand for goods. The urban population is growing day by day, creating new employment opportunities. Street vendors constitute a significant part of the urban informal sector. They provide opportunities for self-employment. Local businesses play a crucial role in providing employment to the poor and less educated. Street vendors provide affordable goods to the public. Street vendors have played a crucial role in strengthening the local supply chain and enabling the operation of local businesses. Street vendors are entrepreneurs who operate on a paid basis. This contributes to stability in the urban economy. Inclusive development brings the poor and marginalized into the mainstream. The implementation of the Street Vendors Act 2014 has provided some legal support to this segment. There are 40,707 street vendors registered with the Varanasi Municipal Corporation, contributing significantly to the economic development of Varanasi. The government should make important policies for them and bring them into the mainstream.

Keywords: Street vendors, economic development, urban development, urban employment, social inclusive

Introduction

Street vendors constitute a significant segment of the urban population. They provide affordable and convenient services to the urban population and contribute significantly to the economic development of cities. In India, approximately 68 lakh (Ministry of Housing and Urban Affairs report) street vendors operate temporary shops in cities, both small and large. The four metropolitan cities of India, Delhi, Mumbai, Kolkata, and Madras, have a large population of street vendors operating daily. Migration has been a major issue in India. Large numbers of people migrate from villages to cities and metropolises to earn their livelihoods. India ranks second in the world in terms of population size, after China. According to the 2011 census, India's population was 121.08 crore, of which the rural population comprised 68.02 percent and the urban population 31.08 percent. Currently, the population exceeds 137.5 crore (2022). Meeting the demand and supply of this growing population is a major challenge. As India's population continues to grow, so too is the population pressure in major cities such as Delhi, Mumbai, Hyderabad, Bangalore, Noida, Lucknow, Varanasi, Ghaziabad, Kolkata, Chandigarh, and Gurugram. Street vendors provide the daily necessities for the urban population of these cities. In India, the responsibility of fulfilling the demand of increasing population and urbanization is fulfilled by the street vendor business by supplying goods at cheap rates. According to government data, street vendors are engaged in professional non-agricultural works. They can be seen trading agricultural and non-agricultural goods. Around 14.1 percent of the total urban population (Urban Development Ministry Report) gets employment from street vendor business. Street vendor business has an important contribution in the economic development and employment of cities. According to provisional data of 2011 census, Varanasi Urban Agglomeration had a population of 1435113, of which 761060 were males and 674053 were females. The

combined population of Varanasi Municipal Corporation was 1212610, of which 642882 were males and 569728 were females. Varanasi is also known as a religious city. Being a sacred site for Hindus, Muslims, Buddhists, Jains, and Christians, people from India and abroad visit Varanasi for pilgrimage purposes. Meeting the needs of both pilgrims and the local population is done by street vendors. The Varanasi Municipal Corporation has 40,707 registered street vendors (Varanasi Municipal Report 2022). Their monitoring and management is carried out daily within the Varanasi Municipal Corporation area. Most street vendors in Varanasi have come through migration. People from surrounding districts and states, such as Ghazipur, Azamgarh, Mau, Jaunpur, Chandauli, Ballia, Mirzapur, Deoria, Bhadohi, Allahabad, Basti, Gonda, and other states, including Bihar, Jharkhand, Uttarakhand, the Northeast, and abroad, Nepal, come to Varanasi to earn their livelihoods. Street vendors in Varanasi can be found operating on roadsides, streets, neighborhoods, and vacant lands. Street vendors do not have permanent shops; they operate temporary shops. Each street vendor operates for approximately 10 to 12 hours. They run temporary shops or mobile shops and sell their goods daily in every corner of the city and on the roadsides of streets and localities and earn money.

Street vendors constitute a significant segment of the urban informal economy in India. They provide affordable goods and services to the urban population and contribute meaningfully to employment generation and economic development. According to the Ministry of Housing and Urban Affairs, approximately 68 lakh street vendors operate in Indian cities. Migration from rural to urban areas has intensified due to employment opportunities. As per Census 2011 [20], India's population was 121.08 crore, with 31.08% residing in urban areas. With rising urbanization, cities such as Delhi, Mumbai, Hyderabad, Bangalore, Lucknow, and Varanasi are experiencing increasing population pressure.

Varanasi Urban Agglomeration recorded a population of 14,35,113 (Census 2011) ^[20]. The Varanasi Municipal Corporation governs 100 wards across 82 sq. km. As per the Varanasi Municipal Report (2022), 40,707 street vendors are officially registered in the city. Being a religious and cultural city attracting more than one lakh visitors daily, Varanasi depends significantly on street vendors for the supply of daily essentials, food items, religious materials, clothing, and other necessities.

Who is a Street Vendor?

A street vendor is broadly defined as a person who offers goods for sale to the public at large without a permanent built structure from which to sell them. Street vendors may be stationary in the sense that they occupy space on sidewalks or other public or private places, or they may be mobile in the sense that they move from place to place carrying their goods on carts or in baskets on their heads. They earn their living by selling goods and supplying the needs of the city's people at affordable rates. The role of street vendors in the economic development of cities is commendable.

Role of Street Vendors in Urban Economy

According to one estimate, 68 lakh street vendors directly work daily in cities. 150 million people in urban and rural areas across the country are directly or indirectly involved in street vending. Despite this, street vendors and hawkers have always been marginalized in society. These small shopkeepers and hawkers, who earn their livelihood and create employment for others, are deprived of many government welfare benefits such as government loans, security insurance schemes, etc. Furthermore, the government and administration also view them as contributing to urban problems and a threat to law and order. In the name of maintaining law and order, the administration often, acts like destroying the businesses of street vendors, confiscating goods and misbehaving with the vendors are carried out.

Street vendors in Varanasi deal in the following items.

1. Business of flowers, garlands, incense sticks, puja materials
2. Fruit and vegetable business
3. Fast Food Corner Business
4. Meat, beef, fish business
5. Clothing Business
6. Shoe-sandal business
7. Business of all the things needed by man etc.

The main occupation of 40707 registered street vendors in Varanasi Municipal Corporation is their business, who are increasing their own and the country's economy by fulfilling the needs of the cities with goods at low and cheap prices. Street vendors of Varanasi are making their important contribution in the economic development of cities. Varanasi being a religious and cultural city, more than 1 lakh people visit Varanasi daily. Due to the dense population and availability of markets, employment can be seen available for the residents of the nearby districts.

The Varanasi Municipal Corporation has a total of 100 wards, covering an area of 82 km². The Varanasi Municipal Corporation is responsible for the administration and operation of this large city.

Review of Literature

Several scholars have examined street vending in India and globally:

1. Dolf J.H te. Lintelo (2015) in his book, Street Vendors in the Global Urban Economy, explains that public policy regarding street vending in urban India often consists of local authorities' licensing systems. As a rule, anyone wishing to sell goods or services on publicly owned land requires a license, but since these are generally issued infrequently, the vast majority of street vendors remain illegal.
2. Sharat Bhowmik (2005) in his book Street Vendors in the Global Urban Economy states that for the urban poor, especially the working poor, street vendors are a boon for their survival.
3. Sanjay Kumar, Sharit Bhowmik (2012) ^[14] in his book Street Vendors in Delhi, states that the urban areas of Delhi, including Delhi and New Delhi, house the overwhelming majority of the state's population. Delhi has a large population of street vendors who earn their living daily.
4. Janathan Shabiro Anjaria(2012) in his book The Politics of illegality: Mumbai hawkers, Public Space and the Everyday Life of the Low, points out that in recent years scholars have identified how disempowered yet numerically large populations such as street vendors, slum dwellers and squatters have reconfigured the political landscape of cities in the global South.
5. Shreya Dalwad (2012) ^[6] in her book Integrating Street Vendors in City Planning: The case of Vandodara, states that street vendors in India serve as an efficient distribution network for daily necessities. The fact that they represent a substantial population in Indian cities indicates that there is a demand for these street vendors. Despite this, today hawkers are considered illegal. A ray of hope is the fact that acceptance of street vendors is increasing with talk about their rights and protections around the world.
6. Narumol Nirathron(2012) in his book Street Food Vending in Bangkok, explains that street food vending is a type of self-employment activity that typically uses a small space, such as a sidewalk or alley, as a trading area. This study examines several aspects of street food vending activities in Bangkok, particularly their important role in poverty alleviation and entrepreneurial development.
7. Coroline Skinner(2005) in her book Street Trading Trends in Africa: A Critical Review, points out that despite advances in modern retailing, millions of people across Africa still make their living partly or wholly by selling goods on the streets. African cities are characterized by a vibrant array of merchants selling everything from fruits and vegetables to clothing, traditional medicines, and even furniture.
8. Maria Fernanda Garcia Rincons(2014) In her book Governance of Street Trade in Caracas examines legal issues related to the governance of street vending in Venezuela's vibrant capital. It examines the laws, ordinances, and general regulations in Caracas. This includes an analysis of the practices that regulate street vending activities, as well as an examination of the conflict between the constitutional right of non-dependent workers to work and local regulations that limit street trading.

Objectives of the Study

1. Street Vendors Act 2014^[13] Status Study.
2. Study of the economic condition of street vendors.
3. To study the role of street vendors in the economic development of cities.

Hypotheses

H0: Role of street vendors in the economic development of cities: In the context of Varanasi district, the outlook towards street vendors is positive.

H1: Role of street vendors in the economic development of cities: In the context of Varanasi district, the outlook towards street vendors is negative.

H0: Impact of Street Vendors Act 2014^[13] positive on street vendors.

H1: Impact of Street Vendors Act 2014^[13] negative on street vendors.

H1: Impact of the role of street vendors in the economic development of cities is positive.

H0: Impact of the role of street vendors in the economic development of cities is negative

Limitation of the study

The study is based only on secondary data. The study focuses only on Varanasi U.P. The secondary in is to examine the contribution of state vendors in Varanasi to the economic development of cities.

Research Methodology

The study adopts a descriptive and analytical research design based entirely on secondary data.

Sources of Data: Data are ready available and published collection from Journal, books, Magazines, government data, ministry of housing and urban Affairs, Varanasi municipal Corporation, NSSO, RBI, union budget of India etc

Ministry of Housing and Urban Affairs reports

Study Area: Varanasi Nagar Nigam area.

Data Analysis

Government scheme pm swanidhi yojana, ministry of housing and urban affairs government report, Uttar Pradesh government has distributed more than 11.37 lakh loan to street vendors. In which varanasi district is the beneficiary district

Descriptive Statistics: Descriptive statistics is used to summarize the secondary data related to street vendors in Varanasi U.P, Government reports show that more than 11.37 lakh loans have been provided to street vendors under the PM SVANidhi scheme. This indicates that street vendors play an important role in employment generation and local economic activities in the state.

Trend Analysis: Trend analysis is used to examine the growth of financial support to street vendors over time. Since the launch of the PM SVANidhi scheme in 2020, the number of beneficiaries and loan disbursements in Varanasi U.P has steadily increased, showing a positive trend in government support for the informal sector.

Percentage Analysis: Percentage analysis can be used to show the proportion of street vendors benefiting from

government schemes. A large share of registered vendors in cities like Varanasi have received loans under PM Swanidhi, indicating increasing financial inclusion among street vendors. Suggestions: 1. Full and strict implementation of street vendors act 2014^[13] should be ensured. 2. Municipal corporations in cities like Varanasi suit create significantly planned wedding zone. 3. Social protection enhances economic resilience and reduces vulnerability. 4. Credit support improves income stability and business explanation.

Suggestions

- Strict implementation of the Street Vendors Act, 2014^[13].
- Proper zoning and planned vending spaces in cities.
- Enhanced social protection measures.
- Improved access to institutional credit.
- Integration of vendors into formal urban planning frameworks.

Conclusion

May 1, 2014, marks a decade since the Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act came into force. It was hailed as a visionary legislation aimed at uplifting street vendors by legalizing their vending rights. However, the law faces significant obstacles in its practical implementation. With their substantial presence in major cities, street vendors are a vital component of the urban economy, offering essential everyday goods. They serve as indispensable components of the urban economic ecosystem, providing residents with access to basic necessities. However, their participation has always been underestimated. With continued urban development, street vendors are contributing significantly to national and state GDP. By becoming a major market for self-sufficiency and self-employment, they are strengthening the country's economic position.

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