

URBAN INFORMAL SECTOR AND STREET VENDORS



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Foreword

The importance of street hawkers in urban life and significant contribution made by them to the urban economy has been considerably undermined by the government and the local administration. Keeping in view the limited capacity of government and the corporate sector to provide jobs to millions of unemployed and underemployed people in India, it becomes imperative to encourage the ever – expanding work force of street vendors in the informal sector to grow and prosper so as to enable them to pursue their modest livelihoods in a dignified way and without extortions.

The committed and effective implementation of National Policy on Urban Street Vendors and Model Street Vendors (Protection of Livelihood & Regulation of Street Vending) Bill, 2009, that has been conceived of as a major initiative for urban poverty alleviation can prove to be a mile – stone in this direction.

Regional Centre, Lucknow in its capacity as one of the Nodal Resource Centers of the Ministry of Housing and Urban Poverty Alleviation, Government of India, has been entrusted with a shelf of activities including organization of national / regional/ state level consultations/ seminars / workshops / trainings, action research, preparation of training modules etc. under its comprehensive Capacity Building Action Plan for orienting and sensitizing the various stakeholders associated with the implementation of UPA programmes. It is in this context that a *Training Module on Urban*

Informal Sector and Street Vendors has been prepared by Dr. Urmila Bagga, Jt. Director in the Regional Centre.

We place on record our sincere gratitude to the Ministry of Housing and Urban Poverty Alleviation, Government of India, especially to Smt. Kiran Dhingra, Secretary and Dr. P.K. Mohanty, Joint Secretary and Mission Director, (JNNURM) for entrusting us with this responsibility and for their persistent guidance and support for accomplishing our endeavors.

We hope the training module would be great help to all concerned stakeholders.

NISHITH RAI
Director, RCUES,
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Preface

Street vendors and hawkers constitute the most visible and active parts of the large informal sector. Street vending absorbs millions of people who come to cities as economic refugees from villages and smaller urban areas due to poverty and lack of gainful employment in the rural areas and in the smaller towns. Street hawkers play a vital role in the distribution of items of daily consumption at relatively low prices to all classes of consumers especially the marginalized sections of society, at convenient locations. Although hawkers are viewed as a problem for urban governance, they are in fact the solution to some of the problems of the urban poor.

Hawkers become the main victims of the police and municipal laws because they are viewed as the main obstructers and encroachers on the public space, pavements and streets. Our urban development plans do not allocate space for street vending. The implementation of National Policy on Urban Street Vendors and its Model Bill has become imperative for alleviating the unemployment and urban poverty.

The training module on Urban Informal Sector and Street vendors discusses at length various aspects of street vending including the rapid growth of informal sector, development plans, status of street vendors in some of the south – east Asian countries including India, provisions in police and various municipal acts, constitutional provisions, legal interventions and the salient provisions

of National Policy on Urban Street Vendors and the Model Bill for protecting the livelihood and regulating the street vending. State governments and urban local bodies are required to take necessary steps regarding restructuring of master / development plans and demarcation of different vending zones as envisaged under the policy to accord a new deal to the urban street vendors as a group who need space and facilities for their legitimate activities.

The initiative taken by Municipal Corporation of Bhubaneswar for rehabilitating the urban street vendors demonstrates a good example of organizing vendors in vending zones through consultations and partnership among various stakeholders has also been explained. The concept can be replicated in other cities also.

I express my gratitude to Prof. Nishith Rai, Director, RCUES, Lucknow for assigning me with this task and also for his consistent support and guidance to me.

It is hoped that the Module would be able to provide an insight into the various issues concerning the urban street vendors to all concerned stakeholders associated with the livelihoods and dignity of street vendors .

Urmila Bagga
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Urban Informal Sector And Street Vendors

**** Dr. Urmila Bagga***

Urbanisation and Employment for Urban Poor

India has been experiencing rapid urbanisation over the past two decades with 285.35 million (27.8 %) of its population in urban areas according to the last census. Presently the overall level of urbanisation is estimated at 29.3% and the corresponding absolute number of urban population is a massive 332 million which is expected to continue to increase at an average growth rate of 2.46% per annum for the next 25 years (United Nations- 2005). Increased urbanisation has also resulted in concomitant increase in urban poverty. The poverty estimates worked out since 1973 - 74 indicate that although the percentage of urban poor to total poor has been declining but the number of urban poor in absolute terms has increased over the period. The number of urban poor in the country stands at 81 million during 2004-05.

The pace and magnitude of urbanisation in the country as witnessed during the past decades has constantly poured millions of people to the cities especially in the large metropolises and mega cities in search of better employment opportunities and facilities. Migrants

**** Jt. Director, Regional Centre for Urban & Environmental Studies, Lucknow***

to urban areas, particularly in large cities, account for more than half of the urban population growth, resulting in a growth rate of 4 – 5 % per year in many cities. The huge influx of people comprising largely of poor and low skilled people has posed two serious challenges before the planners, city administrators and managers.

- Job crisis leading to multiplication of poverty and consequent growth of informal economy in the cities and
- An urban infrastructure and service crisis as observed by way of large scale slum /squatter settlements, infrastructural deficiencies and severe pressure on basic services.

The history of urbanisation has provided enough evidence on the ever – expanding informal sector in the large metropolises and the mega cities and on the urban poor who depend for their livelihood and shelter on the informal sector. Pointing towards the various factors that have colluded down to keep down the growth of urban employment, the National Commission on Urbanisation, GOI (1988) observed that the informal sector has been growing interstitial spaces of economic activities which are either ignored or exploited by the formal sector. The Commission also observed that while population growth in urban areas through natural increase and migration from rural areas and small towns continues unabated at the rate of approximately 4 % annually, the capacity of urban areas to create jobs in the formal sector has been dwindling.

Employment opportunities for the urban poor have not kept pace with the impressive growth rates the country has seen in the last five years. According to the national survey on employment and unemployment carried out in 1999-2000 carried out by NSSO, out of a total workforce of 397 million, only 28 million workers (7%) were employed in the organised sector where as the majority were engaged in the unorganised (informal sector). The survey also revealed that employment in the organised sector had been almost stagnant or slightly declined during the period of 1994-95 to 1999-2000. Survey estimates indicate that 79.71 million workers were employed in 44.35 million enterprises in the non-agricultural informal sector of the economy. Out of these, almost 50 % were employed in unorganised enterprises in urban areas. Out of the total workers engaged in the informal sector, 70.2 million were full time workers and 9.5 million were part timers. Female workers constituted about 20 % of the total workers.

Informal Sector

The informal sector as defined by **International Labour Organisation (ILO)** consists of small scale, self-employed activities (with or without hired workers), typically are low level of organisation and technology with the primary objective of generating employment and incomes. The activities are usually conducted without proper recognition from the authorities, and escape the attention of the administrative machinery responsible for enforcing law and regulations.

UN 1993 System of National Accounts refers to the informal sector as the productive institutional units characterized by

- A low level of organisation
- Little or no division between labour and capital and
- Labour relations based on casual employment and / or social relationships as opposed to formal contracts

These units belong to the household sector and cannot be associated with other units. In such units, the owner is totally responsible for all financial and non-financial obligations undertaken for the productive activity in question.

In India, the term informal sector has neither been used in the official statistics nor in the **Indian National Accounts Statistics (INAS)**. Although our NAS uses two terms - organised and unorganized, however, the two terms - informal and unorganised have been used interchangeably by the researchers. According to the INAS, unorganised sector of the economy refers to the all operating units whose activities are not regulated under any statutory act or legal provision and / or those which do not maintain any regular accounts. Non –availability of regular accounts has been the main criteria for classifying these units as unorganised units. The total economy is covered as the sum total of organised and unorganised segments of each of the industries (economic activities).

Economic Census of the Central Statistical Organisation, Ministry of Statistics and Programme Implementation, GOI has classified the enterprises in the country under four heads.

- Own Account Enterprises (OAE)
- Non – Directory Establishments (NDEs)
- Directory Establishments and
- Factories

First two categories are defined by EC 98 as follows.

➤ **Own Account Enterprises (OAE) :**

These are the enterprises that employ owner – worker or his / her family workers. They are commonly known as the micro enterprises. These are by default run by poor families. Hence are commonly known as the urban non – agricultural OAEs as the Urban Informal Sector Micro enterprises (UIMs).

➤ **Non – Directory Establishments (NDEs):**

These are the enterprises where there are 1 - 5 workers of whom at least one is a hired worker.

Some Major Characteristics of Urban Informal Sector Micro enterprises (UIMs)

- Approximate number of total enterprises in India - 3.03 crore
- Enterprises situated in urban areas - 1.26 crore (41.7 %)

- Total no. of informal sector micro enterprises - 1 . 83 crore
- No. of informal sector micro enterprises situated in urban areas - 75 . 58 lakh (41.4%)
- Urban Informal Sector Micro enterprises (UIMs) provide employment to about 1.11 crore population
- These UIMs generate employment in various sectors for e.g. manufacturing, construction, wholesale trade, mining and quarrying, restaurants and hotels, transport, communications, storage and warehousing, retail trading etc.
- The available data relating to employment in the various sectors as pointed above indicates that most of the UIMs are in the retail trading.
- 19.9 % (15.04 lakhs) of total UIMs are run without premises.
- 83 . 9% (63 . 39 lakhs) of total UIMs are run without power or fuel.
- The ownership of UIMs is as follows.
 - SC Households - 5.58 lakhs
 - ST Households - 2.07 lakhs
 - OBC Households - 25.06 lakhs

Informal Sector and Street Vending

It is an established fact that most of the urban poor workers are engaged in the informal sector as casual workers in unskilled or semi - skilled occupations. Often their jobs are seasonal, temporary and non-unionised. A large number of poor women workers

in urban areas work either as domestic workers, street vendors or in – home based activities.

The activities in the informal sector can be categorized into two sections - the self employed and casual (non- permanent) labor. A substantial section of the self – employed people work as street vendors. The rise in the number of street vendors is largely not only due to the lack of employment in other sectors but it is also directly linked to the expansion of informal sector especially in the developing countries.

Street hawking is a world wide phenomenon. Street vendors and hawkers through out the world constitute the most visible and active parts of the informal sector. The status of street vendors as obtained in some of the South – East Asian countries including India is presented in the following pages.

Street Vending in South-East Asian Countries / Cities : An Overview

Kuala Lumpur

It is one of the few countries in Asia that has given some form of recognition to street vendors. The National Policy on Hawkers formulated by the government of Malaysia in 1990 presents a comprehensive plan to tackle the socio- economic problems associated with street vending. The regulation and control of street vendors is under the Department of Hawkers and Petty Traders established in 1986. The objectives of the department include the relocation,

development, modernization and management of the street vendors in line with the objective of making Kuala Lumpur a clean, healthy and beautiful city for the local people and tourists. According to the department, the number of licensed street vendors increased by 30 % between 1990 and 2000 and their number stood at 35,000 during 2000. In addition, it was estimated there were more than 12000 unlicensed street vendors. Food vendors constitute around 35% of the total number of street hawkers.

The number of unlicensed street vendors is steadily increasing because the department has stopped issuing licenses after 1996.

Licensed street hawkers have access to institutional credit as the government has provided funds for this. Training programmes in health and hygiene, business skills and accounts etc. are organized by the department in collaboration with the NGOs regularly for these vendors. The unlicensed street vendors do not get any of these benefits.

Singapore

According to the Department of Hawkers in Singapore, all the hawkers in the country are licensed. It is the duty of the department to check that there are no unlicensed hawkers and issue license to those wanting to hawk goods on the pavements. As in most South-East Asian countries, food hawkers predominate in Singapore too.

The Hawkers Department plays an active role in ensuring that the hawkers keep their environment clean and do not place constraints

on the pedestrians. Its officials inspect all stalls and see that they abide by the Environmental Public Health Act of 1968. It also organizes regular training courses on food and personal hygiene and nutrition.

Composition of city's street vending is changing since past many years. Younger and better educated persons have taken to street vending especially in food hawking during past years due to rising unemployment. These young vendors are willing to experiment with new international dishes and this has increased their popularity.

The street vendors in Singapore, as in other countries also, have helped in keeping the cost of living down since a large number of students, workers and the poorer sections depend upon them for their daily necessities including their meals.

Bangkok (Thailand)

Street vendors selling a wide variety and range of items on almost every street constitute a very prominent feature of Bangkok. In fact, the food vendors of Bangkok are known for their cheap but nutritious food. Food stalls particularly the makeshift restaurants are an integral part of the life of local population. Although the municipal authorities have demarcated 287 sites in the city for operation of street vendors but these are insufficient for accommodating all street vendors. A large number of street vendors thus operate from the unauthorized sites who are subjected to frequent raids and eviction. The famous traffic snarls of Bangkok are attributed to the street vendors. At one time, the government was thinking of passing a law for banning the

street vendors in Bangkok as they caused clogging of pavements and roads. In fact, the available road space was insufficient to accommodate the growing number of private vehicles that in turn was causing traffic problems. After the sky rail was commissioned, the traffic problems have reduced at least in those areas where it is operating.

An odd feature about street vendors in Bangkok is that they are not unionized considering their large number and the problems they have to face at the hands of authorities.

Sri Lanka

Street vending in most urban areas of Sri Lanka is not totally illegal and vendors can ply their trade on the pavements by paying a daily tax to the municipal council. According to Sevantha, an NGO working for the empowerment of street vendors in Colombo, there are 8000 to 10, 000 street vendors (excluding the food vendors) in Colombo and most of them are located in formal city centers. They are from urban poor settlements and street vending is the only source of employment for these families. Women and children play an active role in their profession. Their main problem is lack of security in their livelihood and lack of access to credit.

The average daily income of food vendors is higher than the other street vendors. The Colombo Municipality has tried to set up a model for food vendors. According to the reported information, the municipality has organized a group of 35 food vendors called as Galle

Face Green Food Vendors who have been provided with carts by the municipality and they are required to maintain a high standard of hygiene.

Street Vending in India

Street vendors and hawkers constitute the most visible and active parts of the large informal sector in the country. It has been an important source of self-employment for the poor in India and as a profession has been in existence since times immemorial. It has always been a persistent feature of Indian trade and commerce. In most Indian cities, the urban poor survive by working in the informal sector. Over 90 per cent of country's work force earns its livelihood in the informal sector which accounts for 63 per cent of the country's GDP.

The number of street vendors has increased manifold in the past decades. According to one study, Mumbai has the largest number of street vendors numbering around 250,000 while Delhi has around 200,000. Calcutta has more than 150,000 street vendors and Ahmedabad has around 100,000. Women constitute a large number of street vendors in almost every city. Some studies estimate that street vendors constitute approximately 2% of the population of a metropolis. The total number of street vendors in the country is estimated at around 1 crore.

Poverty and lack of gainful employment in the rural areas and in the smaller towns drive large numbers of people to the cities for

work and livelihood. These people generally possess low skills and lack the level of education required for the better paid jobs in the organized sector. Besides, permanent protected jobs in the organized sector are also shrinking. Hence even those having the requisite skills are unable to find proper employment. For these people, work in the informal sector is the only means for their survival. This has led to a rapid growth of the informal sector in most of the larger cities. Street vending, thus, absorbs millions of those who come to cities as economic refugees from villages and smaller urban areas.

According to the studies carried out on street vending in the metropolises of Mumbai, Ahmedabad and Calcutta and other large cities, there is also another section of the urban population that has taken to street vending. These studies show that around 30% of the street vendors in Ahmedabad and Mumbai and 50% in Kolkata were once engaged in the formal sector. Most of them were employed in the textile mills in Mumbai and Ahmedabad and engineering firms in Calcutta. Formal sector workers in these three metropolises have had to face large-scale unemployment due to the closure of these industries. Many of them, or their wives, have become street vendors in order to eke out a living.. Thus for the urban poor, hawking is one of the means of earning a livelihood, as it requires minor financial input and the skills involved are low.

Both men and women vendors are found all over the country. The number of women vendors tends to decrease in the North, as well as in large size cities, whereas it is higher in the South and North East. In Meghalaya, for example, women constitute about 70% of vendors,

whereas in Kanpur, they are about 20%. In Mumbai about 17% vendors are female whereas in Patna 21% and Bangalore 44%. Street vendors are drawn from all castes and communities although a majority tends to belong to backward castes or the Muslim community. In some cities even members of upper-castes, especially Banias, take to street trading.

Their literacy level is usually low since they start going out on the streets at a young age. The variation in levels is, however, a reflection of the region they come from. The proportion of illiterate street vendors in Varanasi for example is 52%, whereas in Mangalore it is only 25%.

Vendor earnings vary greatly, depending on their location, the city and the product. Generally, mobile vendors earn less than stationary ones, those selling perishable goods like vegetables or fish earn less than those dealing in industrial goods like garments and electronics and vendors in small towns and those selling in residential areas earn less than those in large cities selling in commercial centers. Women, who tend to be mobile and sell mainly perishables, on average earn less than men. In Lucknow, for example, the median earning was found to be about Rs. 50 per day whereas in Mumbai it was close to Rs 100. These vendors work under extremely harsh circumstances, braving the hot sun in summer, icy winds in winter and watery deluge in the monsoon every day of their lives. These people work for over 16-17 hours a day under grueling conditions on the streets and are under constant threat of eviction.

Street vendors conduct their business amidst insecurity. Whenever eviction drives are conducted their wares are confiscated or even destroyed. Even where street vending is permitted by the municipality, the police has the authority to remove them. Section 34 of the Police Act empowers the police to remove any obstructions on the streets. The section reads: ‘No person shall cause obstruction in any street or public place by... exposing anything for sale in or upon any stall, booth, cask, and basket or in any other way whatsoever.

In order to overcome these restrictions, street vendors organize themselves into unions or local associations who negotiate with the local authorities (the officers in the municipal wards and police stations) for occupying public space. This invariably means offering rents (bribes) to the authorities for warding off eviction drives or forewarning them of impending drives. There are other forms of extracting rents. In some cases local musclemen, more often than not with the backing of local political leaders, collect protection fees through threats. The above mentioned Act is a classic example of how a well meaning Act for peaceful civic life has become a source of rent-seeking through extraction of bribes.

Like other entrepreneurs or businesspersons, street vendors too need capital. Unfortunately, since they are perceived as a ‘nuisance’ or ‘obstruction’ rather than as entrepreneurs, the banks tend to disregard their need for capital. The result is that they are forced to borrow from private moneylenders or wholesalers, paying on an average 100% to 125% interest on their loans. Often, the rate may be even higher at 10%

per day, i.e., over 300% ! This exorbitantly high rate tends to be a major drain on their income.

In addition to high interest charges, they also have to pay ‘costs’ for being ‘allowed’ to sell. Some of these costs are ‘legal’ – daily payments or *tehbazari* charged by municipalities, fines for traffic violations or payments to municipality for release of confiscated goods. Their non-official /illegal status has also given rise to an alarming rate of rent seeking that takes the form of bribes to the police, municipal officials or to local strongmen. A study for the city of Ahmedabad indicates that while the legal fees paid to the city by street traders in 1998 was Rs 5.6 crore, illegal fees paid was Rs 5.5 crore. Another study on street vendors found that they pay between 10 to 20% of their earnings as rent. In Delhi, Manushi, an NGO, conducted a public hearing in 2001 on problems of street vendors and cycle rickshaw pullers in the city. It was found that Rs 50 crore is collected monthly as rent from these people and the total rents collected amounted to around Rs 500 crore annually. These findings were later also endorsed by the Central Vigilance Commission.

Street vendors play a vital part in the urban economy by efficiently distributing many items of daily necessity, such as fruits, vegetables, low-priced clothes, footwear, stationery and all kinds of household goods at the doorstep of consumers. They not only generate employment for themselves through their own entrepreneurial skills but they also help generate employment in the farm sector and support many small scale industries by acting as the most efficient, low cost distribution and retail channel of their goods in every nook and corner

of the country. As per conservative estimates, the total all India turnover of business by street vendors is at least Rs. 86,000 crores. In Delhi alone, their turnover is over Rs. 3000 crore.

The poor make almost all their purchases from street vendors. These people are able to procure their basic necessities mainly through hawkers, as the goods sold are cheap and thus affordable. **Had there been no hawkers in the cities the plight of the urban poor would have been worse than what it is at present. This would have in turn led to greater social problems and unrest among the poor. In this way one section of the urban poor, namely, hawkers, helps another section to survive. Hence, though hawkers are viewed as a problem for urban governance, they are in fact the solution to some of the problems of the urban poor. By providing cheaper commodities, hawkers are in effect providing subsidy to the urban poor, something which the government should have done.**

Street hawkers, thus, play a vital role in the distribution of items of daily consumption at relatively low prices to all classes of consumers at convenient locations, thus saving urban citizens a great deal of time, energy and money for procuring their daily requirements. **They also save valuable time and money for urban consumers and reduce vehicular pollution in cities.**

In addition to above, street vendors also play an important role in making our cities safe. As pointed out by Road Safety expert Dinesh Mohan, street vendors by their very presence bring safety and security to the neighborhoods. Deserted streets and neighborhoods facilitate the job

of criminals. But wherever there are clusters of open shops on pavements, the crime rate is also low. This fact has also been publicly admitted by Sri K.P.S. Gill, the super cop who is credited with having effectively combated terrorism in Punjab that the street vendors and rickshaw pullers of Punjab gave vital support to the police and intelligence agencies in identifying suspicious elements and activities.

Despite the fact that hawkers perform an important role in urban life, their importance is considerably undermined by the government and the local administration. The main problem lies in the fact that most state legislatures have made this an illegal profession and hence hawkers are under constant threats of eviction and victimization. At the same time we can see that hawkers cannot be removed not merely because a large number of people are dependent on street vending for their livelihood, but also because the common urban dweller benefits from their services. **Hawkers exist only because the consumers want them to exist.**

Status of Basic Services Available to the Street Vendors : An Example of Pune City

Recently, the Urban Poverty Alleviation and Livelihood Cell (UPALC) of Pune Municipal Corporation (JNNURM City) has undertaken the pilot mapping of the activities of the street vendors and services available to them on the crowded roads of the city using GIS technique. This pilot study of street vendors in Pune city was restricted to the two mostly densely populated streets known as Laxmi Road and Paud Road. These two roads were chosen as hundreds of

vendors working in varying activities earn their livelihood on these roads. The study covered 15 meters adjoining area along both the roads covering 6.9 km. and 4.7 km. length respectively. A total of 436 street vendors were surveyed under the study.

An analysis of the spatial data including road features, adjoining building and lane structure, traffic signals, bus stops, basic services in the selected area and the quantitative data encompassing age, sex, education, residence, registration status, type of activity, timing and duration, daily income, with gender approach to all indicates that the status of public services that can be used by street vendors is very dismal on the Laxmi road. There were just two public toilets and three solid waste bins on the 6.9 km. road. There was no facility available for drinking water on the entire segment mapped under the project. The situation with regard to Paud road was slightly better but totally insufficient. There were just two toilets on the 4.7 km. of mapped road. The use of these two toilets was also questionable as there are issues of maintenance, water supply for the toilets and use by the women. The water facility was available at one point on the road and that too in the summers only. The level and adequacy of basic services is, thus, much lower than the requirements of street vendors.

It can be safely assumed that more or less similar situation prevails in other cities also.

The above mentioned pilot study came out with the following suggestions.

- The vendors need to be registered to establish their identity.
- In order to satisfy the basic needs of this population, particularly the vendors who require it the most, it is necessary to upscale these services.
- Needs of the female vendors should be given due consideration while planning for basic services.
- It is necessary that the no. of children getting involved in street vending should not rise.
- At present there is no organized body of the vendors in Pune like that of rag pickers or other informal sector activities like driving rickshaws. Having an organized body is critical for their development in various ways like having a formal identity, fending for rights, micro-credit activities etc.
- For the vendors who are slum residents, attempts can be made to extend benefits of UPA and livelihood schemes and even provide more sustainable livelihoods.
- A third of vendors consist of more productive population which could be otherwise honed as human resource for more futuristic income generation activities. Feasibilities of the same may be explored further.

Urban Plans and Street Hawking

All urban plans allot space for public use. These include space for parks and gardens, markets, educational institutions, hospitals etc. Each city has its development plan which may or may not be implemented. A study on street vendors carried out by NASVI some

years back made an assessment of the plans of the urban development authorities of the seven cities including Ahmedabad, Calcutta, Mumbai, Bangalore, Bhubaneshwar, Patna and Imphal indicated that the term public space has a very restrictive meaning. Hawkers or markets that can take care of hawking are not considered in the discussions on public space in these plans.

As per report of the above mentioned study, only two of the cities, namely, Imphal and Bhubaneshwar had some provisions for including street vendors in their plans. Imphal is the only city which has clearly stated rules for street vending. The Manipur Town Planning and Country Planning Act, 1975 provides that in residential areas (which include private as well as government housing) there should be provisions for 4 to 6 shops and 10 hawkers per 1,000 people.

The Bhubaneshwar Development Authority has reserved 3% of the public space as commercial zone. Shops are allotted space in this area through draws of lots. Space is also reserved on the pavements for street vendors which are a positive aspect of the authority's plan. However the space is not sufficient for the hawkers to ply their trades. In case hawkers operate outside the space allotted the municipal authority can forcibly evict them and their goods can be confiscated.

The study pointed out that when urban plans allot space for hospitals, parks, markets, bus and rail terminuses etc. they could also take into account that these places usually develop as natural

markets for hawkers. For example - flower and fruit sellers gather around temples as the devotees find it convenient to buy these offerings while going for worship. Similarly, it is natural to find food vendors, sellers of green coconuts and fruits outside public / private hospitals. The patients inside these government, municipality or privately run hospitals and the visitors who come there need these services. We can find hawkers outside the railway stations for the suburban trains (in the case of Mumbai and Calcutta) and major bus stands in the cities, selling a wide array of goods and eatables. People embarking from these trains or busses, on their way home, find it convenient to purchase their requirements from these hawkers. Unfortunately, the street vendors operating from these places become victims of the most brutal attacks by the municipal or railway authorities. One forgets that hawkers selling their wares at the areas that become natural markets are in fact providing essential services to the people at low costs. Their removal will not only deprive them of their sources of livelihood but will also inconvenience the public at large as they will have to spend more and travel longer distances to get the same services.

Recognition of hawking as a profession would also benefit the municipalities. They would be able to officially enforce levies on hawkers. **For example, in Imphal, which is perhaps the only place where hawkers are included in the urban plan, the municipality not only provides space for them but also charges a fee for garbage collection and sweeping, besides collecting license fees.** In most cities these fees could amount to several hundred crores of

rupees annually. This would provide additional revenue for cash strapped municipalities. For the hawkers recognition would mean that they have a right to their profession, which would in turn loosen the stranglehold of corrupt officials, policemen and gangsters over them. They would also be entitled to loans from public institutions thus reducing the hold of moneylenders over them.

The study strongly recommended that if urban development plans are to be effective and people oriented, they must make provisions for the growth of such natural markets. Keeping in view the importance of the 'natural markets' developed by street vendors, the city administration should also provide them water and sanitation facilities so that they can maintain cleanliness and hygiene in their markets.

Municipal, Police and Railway Laws and Street Hawking

Street vending is covered by a multitude of laws from municipal and traffic to criminal laws, from railway acts to laws covering parks and other public spaces. Almost all cities have police and municipal laws that help to protect public spaces and allow free flow of traffic on the roads.

Police Laws

There are certain sections of the Police Act and Indian Penal Code which are the main deterrents to the profession of vending. They are as follows:

Section 283 of the IPC---- (Danger or obstruction in public way or the line of navigation) Whosoever, by doing any act or by omitting to take order with any property in his possession or under his charge, causes danger, obstruction or injury to any person in any public way or public line of navigation, shall be punished with fine which may extend to two hundred rupees. The offence punishable under this section is the nuisance of causing obstruction.

Section 34 of the Police Act --- No person shall cause obstruction in any street or public place by –

- Allowing animals or vehicle
- Leaving any vehicle standing or fastening any cattle in the street or in the public place
- Using any part of a street or public place as a halting place for vehicles or cattle
- Leaving any box, bale package or other things
- By exposing anything for sale or setting out anything whatsoever or upon a street for an unreasonable length of time or contrary to any regulation

Municipal Laws

In most cities hawking is regarded as an illegal activity. In most cases these laws do not directly prohibit hawking as a profession, however, they impose restrictions on the use of urban space for street vending. Hawkers become the main victims of these laws because they are viewed as the main obstructers and encroachers on the public

space, pavements and streets. Provisions with regard to street vending / hawking in some of the municipal acts of the states/ cities are enumerated below.

U.P. Municipal Corporation Act, 1959

Section 295 (2) of the Act states

No person shall except with the written permission of Municipal Commissioner place or deposit upon any street or upon any open channel, drain or well in any street or in any public place any stall, chair, bench, box, ladder , bale or other thing whatever, so as to form any obstruction there to or encroachment thereon. Municipal Commissioner u/s 296 of the Act has been empowered to remove any thing erected, deposited or hawked or exposed for sale in contravention of Act.

Similar provisions also exist u/s 220 of the U.P. Municipalities Act, 1916 .

M.P. Municipal Corporation Act, 1956

Section 322 (b) of the Act deals with the prohibition of obstruction in streets. It states that no person shall except with the written permission of Municipal Commissioner granted in this behalf and in accordance with such conditions including the payment of rent or fee, as he may impose either generally or specially place or deposit upon any street or upon any open channel, drain or well in any street or in any public place any stall, chair,

bench, box, ladder , bale or other thing whatever, so as to form any obstruction there to or encroachment thereon.

Section 322 (c) states that whosoever contravenes any provisions of this section, shall be punished with imprisonment of up to six months or fine up to Rs. 5000/- or with both and with further fine which may extend to Rs.100/- every day on which such contravention continues after the date of first conviction for such offence. Municipal Commissioner has been empowered to remove any obstruction or encroachment after giving the notice.

Similar provisions exist u/s 223 of M.P. Municipalities Act, 1961.

Bihar Municipal Act, 2007

Section 246 of the Bihar Municipal Act, 2007 states that no person without obtaining written general or special permission of the Chief Municipal Officer, shall sell or expose for sale any animal or article in any municipal market within the municipal area. The person contravening the above provision can be summarily removed from the market by the police officer or any other officer or other employee of the municipality authorized by the Chief Municipal Officer in this behalf.

Section - 310 of the Act empowers the Municipality to remove anything encroached, erected, deposited or hawked on any public place or public street. A person is required to obtain a license from the Chief Municipal Officer u/s –44 for establishing or keeping

open a private market on payment of predetermined fees and in accordance with the specified terms and conditions. Further, u/s - 308, the Chief Municipal Officer in consultation with the SP of the District has been authorized to grant written permission for temporary erection of a booth, pandal, or any other structure on any public place on occasion of ceremonies and festivals for a specified time according to the predetermined fees and terms and conditions.

A highly arbitrary and authoritarian act can be found in the Bihar Police Act. Section 34 states that the police can punish any one causing obstruction, annoyance or inconvenience to the public. Two actions come under the purview of this section, namely, slaughtering of animals in public and exposing goods for sale. The section further notes that a person indulging in these activities can be arrested without a warrant and can be convicted or fined. It should be noted that Bihar is perhaps the only state in the country that gives the police the right to arrest street vendors. In all other states, municipal authorities are permitted to deal with street vendors, with the assistance of the police, if needed.

Calcutta

Hawking or street vending in Calcutta is controlled by the Municipal Commissioner under the provisions of the Calcutta Municipal Corporation Act of 1980. This act prevents any type of vending on the streets. It was under these provisions that on the night of November 16-17, 1996 that the infamous Operation Sunshine took place. More than a hundred thousand hawkers were forcibly evicted

from the streets that night and property worth several crores of rupees were destroyed or confiscated. This action was, by all accounts, the most brutal action taken against the urban poor in any city in the country.

Soon after the infamous Operation Sunshine, the state government passed an act which makes any form of encroachment on the pavements, especially street vending, a non-bail able offence and if convicted to carry a sentence of three months rigorous imprisonment and/or a fine of Rs 250.(Bill No. 33 of 1977- The Calcutta Municipal Corporation (Second Amendment) Bill, 1997). Calcutta is the only city in the country to ban street vending in 1997..

Bhubaneshwar

Street vending in Bhubaneshwar is regulated by the Orissa Municipality Act, 1950. **Section 295 (2)** of this act provides that a municipality has the right to provide places for use as public markets while levying certain fees as deemed necessary for a maximum period of 3 years and subject to certain prescribed conditions. It is imperative for a person to obtain the permission of the municipality for the sale or exposition of goods, failing which the Executive Officer (municipal commissioner) may expel him / her.

No person can open a new private market unless he / she obtains a license from the municipality to do so. The municipality also reserves the right to suspend or cancel a license if the prescribed conditions are not fulfilled. There are also rules regarding granting

and renewal of licenses. (Orissa Municipality (Amendment) Act 1968).

Mumbai

Section 313 of Mumbai Municipal Corporation (MMC) Act, states

“Except under and in conformity with the terms and provisions of a license granted by Commissioner in this behalf, no person shall hawk or expose for sale in any public place or in any public street, any article whatsoever, whether it be for human consumption or not. Except under and in accordance with the terms and provisions of a license granted by the Commissioner in this behalf “no person shall, for purpose of gain, use his skill in any handicraft or in rendering services to and for the convenience of the public in any public place or public street.”

Section 314 states

The Commissioner may without notice,

- (a) cause to be removed any wall, fence, rail, post, step, booth or other structure of fixture which shall be erected or set up in or upon any street or upon or over my open channel drain, well or tank contrary to the provisions.
- (b) any stall, chair, bench, box, ladder, bale, board or shelf or any other things whatever placed, deposited, projected, attached or

suspended in, upon from, or to any place in contravention of Section 313.

- (c) any article whatsoever hawked or exposed for sale in any public place or in any public street in contravention of the provisions of section 13(A) and any vehicle, package, box, board, shelf, or any other thing in or on which such article is placed or kept for the purpose of sale.

Section 399 states

Whoever contravenes, any provision of this act or rule, by-law, regulation, standing order, license, permission or notice issued there under or fails to comply with any requisition lawfully made under any such provision shall, if no penalty is provided in any other provision of this act for such contravention or failure, be punished, for each such offence, with fine which may extend to one hundred rupees and with further fine which may extend to twenty rupees for every day on which such contravention or failure continues after the first conviction.

Various sections for eg. 39 and 61 under Bombay District Police Act, 1890 and Section 33 , 67, 68, 69, 102, 117, 120 and 140 under Bombay Police Act, 1951 give an authority to the police force to control movement of hawkers.

Section 39 under Bombay District Police Act, 1890 states

1. In any town or other place in which he thinks fit, the magistrate of the district may from time to time and subject

to such orders as may have been made by a municipal or other authority empowered in that respect, make rules or orders.

2. Prohibiting the hanging of objects from any cord or pole across a street or part thereof, or the making of a projection or structure so as to obstruct traffic or the free access of light and air.
3. Regulating the movement of persons, animals, and vehicles at such times and such places at which in the opinion of the Magistrate, special regulations may be necessary for the public safety and convenience.

Section 33 under Bombay Police Act, 1951 -

Power to make rules for regulation of traffic and for preservation of order in public place, etc.

- (a) (The Commissioner and the District Magistrate) (the Commissioner with respect to any of the matters specified in this sub-section), [the District Magistrate with respect to any of the said matters and the Superintendent of Police with respect to the matters falling under the clauses aforementioned read with clause (y) of this sub section] in areas under their respective charges or any part thereof, may make, alter or rescind rules or orders not inconsistent with this Act for
- (b) Regulating traffic of all kinds in streets and public places, and the use of streets and public places by persons riding, driving, cycling, walking or reading or accompanying cattle so as to prevent danger, obstruction or inconvenience to the public,

- (c) Regulating the condition under which vehicles may remain standing in streets and public places, and the use of streets as halting places for vehicles or cattle.

Imphal

An interesting feature of the hawkers in Imphal is that an overwhelming majority of them are women. There are male hawkers too but these are from outside the state (Bihar, Assam and West Bengal). The women street vendors are all Manipuri. The Khwairamband Bazar, situated in the city centre is exclusively run by women. The main market sells a variety of goods such as fish, vegetables, garments, bread and confectionery, plastic goods, books, newspapers and magazines, fruits, rice, seeds etc. The municipality charges fees from the vendors for disposal of garbage. This is known as **obstruction fees**. All licensed vendors in Khwairamband Bazar pay Rs. 7 a month as obstruction fees. In other markets the fee is Rs. 5 per month. Another significant fact is that the municipality recognizes the non-licensed hawkers too. These women have to pay higher obstruction fees, Rs. 31 per month.

Andhra Pradesh Municipalities Act, 1965

The Municipal Commissioner u/s Section 289 of the Andhra Pradesh Municipalities Act, 1965 with the sanction of council is authorized to prohibit by public notice or license or regulate sale or exposure for sale of any animal or articles in public streets on payment of fixed fees for license that will not exceed one year at a time and specified terms and conditions.

Section 281 of the act considers it illegal for any person to sell or expose for sale any animal or article in any unlicensed private market. Section- 189 prohibits against any kind of obstruction in or over the street. The Municipal Commissioner u/s 192 (b) may remove or alter whatsoever, hawked or exposed for sale in a public place or in any public street in contravention of the provisions of the Act, together with any vehicle, package, box or any other thing in or on which such article is placed.

It is thus, observed that different laws relating to street vending exist. As already mentioned, with the exception of Calcutta, all the above municipalities have provisions for providing licenses for hawking. Calcutta not only considers street vending an illegal activity but its laws provide very stringent punishment for hawkers. Hawking is a cognizable and non-bail able offence.

It is also observed that most laws deny a person the right to sell in a public space unless the authority in charge of that space gives him or her permission to vend. In other words, the public authority has discretion to allow or disallow vending. The Supreme Court, on the other hand, has ruled that street vending is a fundamental right and decreed that it is the duty of the authorities to provide means for the hawkers to sell.

Further, it has also been reported that the municipal authorities, in cities which have provisions for issuing licenses to street vendors, are most reluctant to issue them. **They grant permission only to a small percentage of actual street vendors, leaving the vast**

majority as illegal. The prevailing situation has led to trapping more than one crore vendors of India in a web of illegality, thus making vendors and street hawkers easy targets of extortion rackets. Unfortunately, since most street vendors are ‘illegal’ they are subjected to the worst abuse by police, municipal authorities and anti – social elements. To defend themselves they seek protection of politicians and criminals and pay bribes.

For ex. - though there are provisions in the law for granting licenses, most street vendors in Bangalore are denied this. Most of the female hawkers in the city (who form the poorer section of the street vendors) are subjected to all forms of harassment by the police and the municipal authorities because they do not possess licenses. In Ahmedabad too, most vendors, especially the women, do not possess licenses. Similar situations exist in almost all the cities.

In addition to refusal by public authorities for street vending, the provisions in the acts are such that it makes it almost impossible for most vendors to avail of licenses. For example, the forms to be filled up for getting a license are so elaborate that it would be difficult for an illiterate or semi-literate vendor to apply for a license. In Mumbai, where there are around 2,50,000 hawkers, the municipal corporation as per reported information has granted only 14,000 licenses. Moreover, the municipal corporation has stopped granting new licenses for the past two decades, hence most of these license holders do not ply the trade at the present as they are too old or they have died. The census undertaken by TISS-YUVA on hawkers in

Mumbai few years back found that only 5,653 hawkers, out of a total of 102,401 hawkers covered, had licenses.

The Indian Railways Act

There are certain sections in the Indian Railways Act that control hawking on the property of railways and in the carriages. These are mentioned below.

According to Section 120 (a), if a person canvasses for any custom or hawk or exposes for sale any article whatsoever in any railway carriage or upon any part of a railway except under and in accordance with the terms and conditions of a license granted by the railway administration in this behalf, he shall be punishable with a fine which may extend to two hundred and fifty rupees.

Provided that in the absence of special and adequate reasons to the contrary to be mentioned in the judgment of court, such fine shall not be less than fifty rupees.

(1) If any person convicted of an offence under sub-section (1) commits a like offence afterwards he shall be punishable with imprisonment for a term which may extend to 6 months, or fine which may extend to two hundred and fifty rupees or with both.

(2) Any such person as referred in sub section (1) or sub section 1(A) may be removed from the carriage or part of the railway

administration in this behalf or by any other person whom such railway servant may call to his aid.

Section 122 states

- (1) If a person unlawfully enters upon a railway, he shall be punished with imprisonment for a term which may extend to 1 month or with fine which may extend to fifty rupees or with both.
- (2) If a person so entering refuses to leave the railway on being requested to do by any railway servant, or any other person on behalf of the railway administration, he shall be punished with imprisonment for a term which may extend to 3 months or with fine which may extend to one hundred and fifty rupees or both and may be removed from the railway by such servant or other person.

It can be, thus, stated that it is not that there are more vendors than are needed in the city, but that the municipal agencies have for decades stopped giving licenses to them. The refusal of municipal authorities to provide adequate, legitimate space for hawker markets is one of the major causes of chaos and squalor in our cities.

What the municipal authorities and the police overlook are that there are many other forms of encroachment also, besides hawkers. The rapid increase of vehicles on the roads creates problems not only of traffic congestion but also of parking space. In order to prevent illegal parking, municipalities create parking lots in public spaces.

Several shops encroach on the pavements by illegally extending their construction and it is not uncommon to find residents in buildings cordoning off public space in order to create their private gardens. Such encroachments are often tolerated and in most cases regularized by the municipal authorities. Municipalities rarely pull down illegal extension by the shops. They issue them notices and at times fine them. Yet the flak for creating congestion on the roads is borne by the hawkers.

There cannot be any dispute that hawkers do create problems for pedestrians and commuters. A ban on hawking will only aggravate the problems of the urban poor. It will not only deprive a section of the urban population from gainful employment but will also increase the cost of living for the poor. These will in turn lead to increase in crime and public safety will be affected.

The solution to the problem lies not in banning or curbing hawking but in regulating this profession. This can only be done when the municipal authorities stop treating hawkers as anti-social elements. **Hawking can be regulated only if it is legalized.** Regulation would imply many things. For ex.

- The municipalities will increase their revenues through the fees collected from the hawkers.
- Street vendors can be made to maintain the cleanliness of the areas they operate in.
- Hawkers will not be forced to bribe the police or the municipal authorities in order to ply their trade.

- The hawkers will not be compelled to take protection from local anti-social elements-goons and mafia-for carrying out their activities. This will in fact decrease the hold of such elements on the street vendors.

It is worthwhile to mention here that a group in IIT Delhi has studied the space requirements for Delhi's vendors and found that all the existing vendors can be accommodated in the available space provided the city authorities are willing to plan space allocation in an efficient and rational manner.

Right to Livelihood and Duty of State under Constitution

Right to Trade

Article 19 (1) (g) of our Constitution gives the Indian citizen a fundamental right to practice any profession, or to carry on any occupation, trade or business.

Equality before Law

Article 14 of the Constitution states that the state shall not deny to any person equality before the law or equal protection of the laws within the territory of India.

Social Justice

The preamble of the Indian Constitution states that India is a sovereign, socialist, secular democratic republic and shall secure to its

citizens justice, social, economic and political and equality of status and of opportunity.

Directive Principles

Article 38(1) directs the state to promote the welfare of the people by securing a social order in which justice – social, economic and political, shall inform all institutions of national life. The state is also directed by **Article 38(2)** to ‘minimize the inequalities in income status, facilities and opportunities.’

Articles 39 (a) and (b) of the Constitution also clearly mention that the State shall in particular direct its policy so that

- ❖ **citizens, men and women equally, have the right to an adequate means of livelihood.**
- ❖ **ownership and control of the material resources of the community are so distributed as best to sub serve the common good.**

Street Hawking and Legal Interventions

Hawkers and vendors of various cities have fought long drawn battles, both in the streets as well as through the courts to assert their right to a dignified livelihood. **The Hon’ble Supreme Court in its landmark judgment in 1989 in Sodhan Singh versus NDMC case made it clear that “Street trading is an age old vocation adopted by human beings to earn a living...[and] comes within the protection guaranteed under the Article 19(1)(g) of the**

Indian Constitution which guarantees the right to earn a living as a fundamental right.----- If properly regulated according to the exigency of the circumstances, the small traders on the side walks can considerably add to the comfort and convenience of the general public, by making available ordinary articles of everyday use for a comparatively lesser price. An ordinary person, not very affluent, while hurrying towards his home after a day's work can pick up these articles without going out of his way to find a regular market. The right to carry on trade or business mentioned in Article 19(1)g of the Constitution, on street pavements, if properly regulated cannot be denied on the ground that the streets are meant exclusively for passing or re-passing and no other use.”

The above extract from the Supreme Court judgment is significant because it emphasizes several important aspect of street vending and use of public space. **The judgment notes**

- **The positive role of street vendors in providing essential commodities to common people at affordable prices and at convenient places.**
- **Moreover, the judgment notes that street vending, if regulated, cannot be denied merely on the ground that pavements are meant exclusively for pedestrians.**
- **The most important aspect is that street vendors are exercising their constitutional right to carry out trade or business hence it should be regulated properly and not abolished.**

National Policy on Urban Street Vendors, 2004

Thus considering the significant contribution made by the street vendors to the urban society as a whole and more specifically to the marginalised and disadvantaged sections of society while earning their own livelihood and also under the Constitutional obligation for protecting the right of this segment of population to earn their livelihood, the Ministry of Housing and Urban Poverty Alleviation, Government of India enunciated the National Policy on Urban Street Vendors, 2004 in order to provide integrated space to this important segment of urban informal sector so that they can earn their livelihood in a legal and dignified manner without facing harassment from urban administrators, extra – constitutional elements and the enforcement agencies.

However, keeping in view the lukewarm response of the majority of states during the past years, the Central Government has revised the policy and presently, National Policy on Urban Street Vendors, 2009 is in place. The policy is also conceived of as a major initiative for urban poverty alleviation. The Ministry of Housing and Urban Poverty Alleviation, Government of India has also brought a Model Street Vendors (Protection of Livelihood & Regulation of Street Vending) Bill, 2009 to further the process of urban reforms. The bill aims to give street vendors legal status by formulating laws and providing legitimate hawking zones in urban development or zoning plans and ensuring their implementation. This bill is based on

the recommendations of the National Commission on Enterprises for Unorganized Sector (NCEUS) which was asked to improve upon the previous national policy formulated in 2004. The Commission made some minor but significant changes on important aspects of the mechanism of implementation of the policy after interaction and consultations with the stakeholders and NGOs etc. involved in the welfare of hawkers.

National Policy on Urban Street Vendors, 2009 and Street Vendors (Protection of Livelihood & Regulation of Street Vending) Bill, 2009 : Salient Features

Overarching Objectives

The overarching objective of this policy is to provide and promote a supportive environment for earning livelihoods to the Street vendors, as well as ensure absence of congestion and maintenance of hygiene in public spaces and streets.

The specific objectives of the Policy are:

- To give vendors legal status by amending, enacting, repealing and implementing appropriate laws and providing legitimate hawking zones in urban development/ zoning plans.
- To provide facilities for appropriate use of identified space including the creation of hawking zones in the urban development/ zoning plans

- **To eschew imposing numerical limits on access to public spaces by discretionary licenses and instead moving to nominal fee-based regulation of access. Where previous occupancy of space by the street vendors determines the allocation of space or creating new informal sector markets where space access is on a temporary turn by turn basis. All allotment of space, whether permanent or temporary should be based on payment of predetermined fee fixed by the local authority in consultation with the Town Vending Committee.**
- **To make Street vendors a special component of the urban development/zoning plans by treating them as an integral and legitimate part of the urban distribution system.**
- **To promote self-compliance amongst Street vendors**
- **To promote organizations of Street vendors e.g. Unions / Co-operatives/ Associations and other forms of organization to facilitate their empowerment.**
- **To set up participatory mechanisms with representation by urban vendors' organizations, (Unions / Co-operatives/ Associations), Voluntary organizations, local authorities, the police, Residents Welfare Association (RWA) and others for orderly conduct of urban vending activities.**
- **To take measures for promoting a better future for child vendors by making appropriate interventions for their rehabilitation and schooling.**
- **To facilitate/ promote social security (pension, insurance etc) and access to credit for Street vendors through**

promotion of SHGs/ co-operatives/Federations/ Micro-Finance Institutions (MFIs) etc.

Definition

A street vendor is broadly defined as a person engaged in vending of articles, goods, wares, food items or merchandise of everyday use or offering services to the general public in a street, lane, side walk, footpath, pavement, public park or any other public place or private area without having a permanent built up structure.

The term urban vendor is thus, inclusive of both traders and service providers, stationary as well as mobile vendors and incorporates all other local / region specific terms used to describe them, such as, hawker, peddler, squatter, pheriwalla, rehri-patri walla, footpath dukandars, sidewalk traders, etc.

The land, premises trains owned by Indian Railways, its subsidiaries including public sector undertakings, corporations or other undertakings where Indian Railways hold share, are exempted from the ambit of this policy.

Key Elements of Policy

Spatial Planning Norms

The policy strongly emphasises that spatial planning norms should take fully into consideration the natural markets that develop at particular places at particular times due to the specific demands of the wares / services provided by the street vendors. Considering the

street vending as an important urban activity, the master/ zonal / local/ layout development plans should be inclusive and should allocate space for street vendors in accordance with their present population, their projected growth based on the past five year trends and the average no. of customers visiting the informal markets in the vending zones.

Quantitative Space Norms

These refer to the norms relating to the amount of space to be provided in plans for vendors' markets and to vendors in designated vendor's market. **The revised policy indicates some departures from the 2004 policy. The revised policy does not limit the percentage of vendors in the city or town where as the earlier policy had mentioned that that at the town/ city level, enough space should be designated for vendor's market at least to the extent of 2% to 2.5 % of the total city population. This restriction has now been removed in the revised policy.**

The revised policy emphasizes that space norms should be fixed at both levels --- city/ zonal development plans and local/ layout plan. Each city / town should evolve its own quantitative norms after conducting proper surveys and assessing the actual needs with the help of professional institutes / agencies.

Demarcation of Vending Zones

- Concerned state departments/ urban development authorities/ local authorities should carry on photographic digitized survey of street vendors and their location with assistance from competent professional institutes/ agencies
- TVC should ensure that the provision of space for vendor's market are pragmatic, consistent with formation of natural markets, sufficient for existing demand for the goods and services as well as likely increase in future.
- Cities / towns should demarcate Restriction Free Vending Zones, Restricted Vending Zones and No Vending Zones (NVZ) depending upon their local conditions based on certain objective principles.
- Restricted Vending Zones and No Vending Zones should be determined in a participatory manner.
- Restricted Vending Zones in terms of both location and time.
- Besides giving full justification for No Vending Zone ,a particular location to be notified as No Vending Zone should be so notified with reference to particular times of the day or the days of the week.
- Public benefits of declaring any particular spot / location as NVZ should clearly outweigh the potential loss of livelihoods and non-availability of affordable and convenient access of the general public to street vendors.
- Municipal authorities should frame necessary rules for regulating the entry of street vendors on time sharing basis in designated

vending zones keeping in view three broad categories of street vendors

- (a) Registered vendors with license for a specified site/ stall
 - (b) Registered vendor in a zone on time sharing basis
 - (c) Registered mobile vendors visiting different zones
- Mobile vending should be permitted in all areas even outside the vendor markets except in case of no- vending zones designated as such in the zonal / local area or lay out plans under master/ development plans of each city/ town
 - Municipal authorities should allocate sufficient space for temporary vendor markets eg. Weekly haats, night bazaars, rehri markets, festival bazaars, food streets/ street food marts etc. whose use at other times may be different for eg. public parks, exhibition grounds etc.
 - Statutory plans of every new area in the city / town to make adequate provision for vending / hawking zones and vendor markets.

Provision of Civic Facilities

It refers to the facilities that are to be provided at vendors' markets by the civic authorities. They would include:

- Public toilets to maintain cleanliness
- Provisions for solid waste disposal
- Aesthetic design of mobile stalls/ pushcarts
- Provision for electricity

- Provision for drinking water
- Provision for protective covers to protect their wares as well as themselves from heat, rain, dust etc.
- Storage facilities including cold storage for specific goods like fish meet, poultry etc.
- Parking areas

Allocation of Space / Stationary stalls

The policy emphasizes that stationary vendors should be allocated space /stall either open or covered on license basis after photo census / survey for initial period of 10 years which may be extended to another 10 years.

After expiry of 20 years, the licensed vendor would be required to exit from the stationary stall so that the stall could be allocated to another person of weaker section of society. While allocating space for stall on lease basis for certain number of years, priority should be given to the physically challenged persons. Similarly reservation for SC/ST street vendors should be made in accordance with their proportion to the total population of city.

It will be the responsibility of TVC to ensure that licensees of the stationary stalls do not sell / let out their stalls.

Institutional System

Town Vending Committee (TVC)

It is the central pillar of the urban street vendor policy on which rests the implementation and monitoring of this policy in the city/town. Section - 4 of the Model Bill provides for the constitution of Town Vending Committee (TVC). It is a body that has to be constituted in each urban local authority by the appropriate govt. for protecting the livelihoods of street vendors while simultaneously imposing reasonable restrictions also if necessary, for the smooth flow of traffic and for addressing public health and hygiene concerns. If required, TVC may also constitute Ward Vending Committees in the cities/ towns.

Composition

- **Municipal Commissioner/ Chief Executive Officer---
Chairperson**
- **Members nominated by appropriate govt. consisting of representatives of local authority, planning authority, traffic police, local police, associations of hawkers / traders /markets/resident welfare associations, nationalised banks and other interests**
- **Minimum 40 % of the total no. of nominated members to represent the street vendors**
- **Women vendors to constitute one – third of the nominated street vendors**
- **Reasonable representation to physically challenged**

- **TVC may associate any person for his / her assistance / advice for carrying out the provisions of the act according to the prescribed rules**

Chairman and all the nominated members of TVC shall have voting rights whereas the person temporarily associated by TVC may take part in the discussions but will have no voting rights

Functions of TVC

Functions of TVC have been clearly specified under Section 9 of the Model Bill with reference to

- Undertaking periodic surveys,
- Registration and issuance of Identity Cards,
- Monitoring of vending activities,
- Assessing and determining maximum holding capacity of each vending zone.

In order to implement the decisions of TVCs, the concerned Municipal Authority shall appoint an official, who shall act as the Convener of the TVCs as well as be responsible for implementing its decisions.

Further, In order to ensure its operations, TVC would have access to a proportion of revenues generated from registration fees and monthly maintenance charges in addition to a minimum grant from municipal authority.

Registration System

The policy advocates for a system of registration of street vendors/ hawkers and non- discretionary regulation of their access to public spaces in accordance with the planning standards and the nature of trades / services.

Registration Procedure

1. The power to register would be vested with Town Vending Committee.
2. One person would receive registration document only for one vending spot and the person receiving the registration document would not be entitled for renting / leasing / selling out the same to the other person.
3. All vendors in each city should be registered at a nominal fee to be decided by the ULBs based on the photo census or any other reliable means of identification such as the biometric techniques.
4. The vendors upon registration will be issued Identity Card by the municipal authority containing the following information:
 - Vendor code No.
 - Name, address and photograph of the vendorNature of business
 - Category (stationary/ mobile), and
 - if stationary, the vending location
 - Children below 14 years would not be included in the identity card for conduct of business.
 - Name of any one nominee from the family/and/or a family helper

5. The policy requires the municipal authority in consultation with TVC to undertake comprehensive digitalized photo census/survey, GIS mapping of the existing stationary vendors before granting them lease for vending from specific places.
6. The registration process must be simple and expeditious.
7. There should preferably be no numerical restriction or quotas, or prior residential status requirements of any kind.
8. Registration should be renewed after every three years.
9. There may be on the spot temporary registration process on renewable basis so as to allow the street vendors to immediately start their earnings as the registration process and issue of ID card may take some time.

The registration process that has to be adopted has been mentioned u/s 11 of the Model Urban Street Vendor's Bill, 2009. It states

- ❖ Any person with 18 years of age and above desiring to be street vendor has to apply for registration to Street Vending Committee (SVC) in the prescribed manner along with the predetermined fee.
- ❖ TVC to examine the received applications and grant registration within the prescribed time according to specified terms and conditions/ rules
- ❖ If the applicant does not receive any information about rejection or deficiency in the application, the applicant would be deemed to have been registered.

- ❖ TVC would give an opportunity for rectifying the deficiencies in the application as well as of hearing before rejecting any application.
- ❖ Any person aggrieved by the decision of TVC may prefer an appeal to the local authority within the prescribed time and manner.
- ❖ Preference to the registered vendor may be given by the local authority while allocating stalls in the vending zone.
- ❖ A registered street vendor to whom a stall has been given in a vending zone, shall be granted a license and renewed by the municipal authority that shall be according to the specified terms and conditions.
- ❖ Besides registration fees, registered street vendors who are allotted space would also be required to pay prescribed monthly fees (determined by the municipal authority and TVC) towards the space as well as monthly maintenance charges- differentiated according to location and type of business.

Breach of Conditions and Penalty

If any registered / and/or licensed vendor or his agent / servant commit the breach of terms/ conditions / rules/regulations etc. or has misrepresented facts for procuring registration / license, the TVC besides imposing fine may cancel / suspend the registration / license for the specified period by giving an opportunity of hearing to the street vendor. If any street vendor indulges in street vending without registration or contravenes the

prescribed terms and conditions, a penalty of minimum Rs. 250 and maximum of Rs. 500 (as determined by TVC) may be imposed upon by the local authority.

Eviction, Relocation and Confiscation

Before starting clearing / relocation process, street vendors should be informed through a notice. If the space is not cleared within notified time, a fine should be imposed. If the space is still not cleared in spite of notice and fine imposition, then physical eviction may be resorted to. A notice of at least few hours should be given to a street vendor vending in No Vending Zone so as to enable him /her to clear the occupied space.

In case of relocation, compensation or reservation in allotment of new vending site should be provided to the registered vendors.

In case of confiscation of goods (that should be a last resort and not a routine affair), street vendors shall be entitled to get their goods back within a reasonable time on payment of prescribed fees.

Self - Regulation

This Policy advocates collective arrangements initiated by the Street Vendors to redress any harmful effects on the locality caused by the occupation of street vending. These could be waste

disposal, hygiene in the area of vending place of the Street vendor as well as in the location occupied for Street vending as a whole.

Promotional Measures for Empowerment and Capacity Building of Street Vendors

The policy advocates for the empowerment of the street vendors through the formation and promotion of their own organizations so as to enable them to access the benefits of social security schemes and other promotional measures in an effective manner. The TVC should take necessary steps in this connection. Trade Unions and other voluntary organizations should take active role and help the Street Vendors to form their organizations by providing counseling and guidance wherever required

Street Vendors don't have government-assisted social security. However some states through their Welfare Boards and similar bodies and NGOs are providing some social security through old age pension and other schemes. But, the number of beneficiaries is very small. The Government of India is considering legislation for extending social security cover to the unorganized sector as a whole. Once this is in place, it shall equally apply to the Street Vendors. The national efforts may be supplemented by the State Governments / Municipal Authorities / organizations of/for Street Vendors.

Credit and Insurance

As regards access to credit and insurance, the Policy recommends **that self-help groups (SHGs) and organizations of street vendors should be enabled by the Municipal authorities to the banks for access to credit.** The TVCs should be entrusted with the responsibility of disseminating information pertaining to availability of credit from various , especially those providing micro credit and should take measures to link the street vendors with the credit giving institutions. **Street vendors should also be assisted in obtaining insurance through Micro-insurance and other agencies.**

The Policy also recommends extension of financial arrangements under the Credit Guarantee Fund Scheme for small industries (CGTSI), designed by the Ministry of Small Scale Industries, Government of India and the Small Industries Development Bank of India (SIDBI) to the Street Vendors, This scheme aims with **a view to resolving the problem of collaterals, and to induce banks to gradually move away from a completely risk-averse stance towards Small Scale Industries.** **Training and Skill up-gradation**

Street Vendors being micro enterprises should be provided with training to upgrade their technical and business skills so as to increase their income as well as to look for other better alternatives.

Monitoring Mechanism

Monitoring will be carried on at the following levels

1. TVC shall be responsible for monitoring the implementation of Urban Street Vendor Policy at the city / town/ ward / locality levels.
2. Municipal Commissioner / CEO shall maintain a register containing ward – wise list of registered stationary / mobile street vendors and exhibit it on the municipality website.
3. The municipal authority would continuously monitor the functioning and activities of TVC and ward vending committees (wherever constituted) and would send an annual report to the State Nodal Officer and Secretary of the Concerned State Department indicating following information :
 - No. of vending zones / vendor markets earmarked / developed
 - No. of registered street vendors
 - Revenue collected
 - Expenditure incurred
 - Promotional and other measures undertaken
 - Complaints registered and redressed
4. The Secretary of the concerned deptt./ designated State Nodal Officer shall send an annual report to Ministry of Housing and Poverty Alleviation, Govt. of India containing details on street vendors in the state and their condition, no. of vending

zones earmarked / developed, no. of registered vendors, no. provided with vending spaces and details of TVC.

Dispute Resolution

The TVCs has been made responsible for redressal of grievances and resolution of disputes arising amongst the street vendors or between the street vendors and third parties in the implementation of this policy.

Required Interventions for Various Stakeholders

The Policy recommends a detailed action plan for various levels i.e. Government of India, State Governments and Municipal Authorities for proper and effective implementation of the policy.

⇒ The policy recommends that Central Government and all States should amend the IPC and /or Police Act so that the street vending activities carried out in accordance with the Street Vending Laws are not actionable under the IPC or Police Act.

⇒ All State Governments should ensure that institutional arrangements, legislative frameworks and other necessary arrangements achieve conformity with the National Policy for Urban Street Vendors.

⇒ Local Authority/ planning Authority/ Regional Planning Authority shall be responsible for providing reservation of

space for vending zones, vendor's market etc. in the master / development, zonal and local plans.

⇒ The municipal authority shall implement the legislative and other measures as suggested in the policy for provision of space and civic facilities in the vendor's market and assistance to TVC etc.

⇒ The appropriate govt. need to make suitable amendments to their existing laws/ rules with a view to removing the impediments in the implementation of policy and prevent the undue harassment of street vendors.

⇒ Each municipal authority shall constitute a Town Vending Committee within one year of the enforcement of the policy and TVC shall prepare an action plan for the implementation of the policy at the local level. State Governments / municipal authorities are required to undertake comprehensive survey of street vendors by taking support from professional institutes / organizations to build an adequate database and information system in cities / towns and update the at regular intervals.

⇒ States are also required to take measures for 'convergent delivery' of government programmes for street vendors. The schemes include Swarna Jayanti Shahari Rojgar Yojana, Jawaharlal Nehru National Urban Renewal Mission, Prime Minister's Employment Generation Programme, Skill

Development Initiative, Rashtriya Swasthya Bima Yojana and National Social Assistance Programme.

Rehabilitation of Urban Street Vendors : Few Examples Bhubaneshwar

The city of Bhubaneshwar has similar problems in context of street hawking as any other city. Realizing that every day eviction is hurting the growth of informal economy and will not solve the problems associated with street hawking, the civic body of Bhubaneshwar has initiated an innovative approach for improving the informal trade and better management of public streets and spaces. This initiative is based on the PPP model. The strategy adopted by Municipal Corporation of Bhubaneshwar is discussed below.

- Enumeration of vendors by civic body along with street vendor's association. Municipal Corporation also conducts independent survey for identification of genuine person.
- Municipal Corporation then identifies a place for relocation of vendors in consultation of CMG (city management group) that comprises of representatives from various service providers in the city including planning and police.
- Identified informal hawkers are then intimated by the corporation for moving into the new location. The existing place is cleaned from encroachments and wire fenced for plantation or parking etc.

- Vendors were allowed to construct temporary sheds with bamboo as designed by the Corporation.
- After successful completion of six months, vendors were allowed to convert their sheds from bamboo to iron shed.
- An advertising agency has been assigned the job of constructing the iron shed and has been given the right to use the defined space for commercial use. The agency shares some portion of revenue for constructing the sheds.
- All the identified vendors have been provided with the identity card signed by the chief executive of the Corporation.
- Vendors are required to register themselves with the corporation for procuring trade license.

Vending zones so designated by the civic body are required to adhere to the following terms and conditions imposed by the corporation.

- Vendors to collectively ensure the cleanliness of vending zone
- Dustbins have to be kept for collection of garbage
- Only CFL bulbs can be allowed for use in the vending zone
- No permanent structure other than the bamboo or iron sheet can be erected
- Vendors can claim for the ownership of land
- The size of the eligible structure would be 6'x 6' or 8'x 6'
- Bhubaneswar Municipal Corporation will collect the advertisement fees.

Gains from the Initiative

- ❖ Informal hawkers organized in vending zones
- ❖ Around thirty vending zones have come up with 2000 vendors from all over the city
- ❖ Major streets in city are almost encroachment free
- ❖ City gained land from encroachers by sharing different unused space equally
- ❖ Municipal corporation received Rs. 15.00 lakh revenue income by granting trade licenses and around 2.00 lakh from advertisements
- ❖ Thus revenue income of Corporation increased without making any investment
- ❖ Corporation had no financial burden as it mobilized funds for construction of vending structures from advertisements on PPP basis
- ❖ Win –win situation for vendors as they have gained identity and stability
- ❖ **Most important gain is that the Municipal Corporation has got rid off every day eviction drives.**

The above initiative demonstrates a good example of organizing vendors in vending zones through consultations and partnership among various stakeholders. The initiative has helped in reducing traffic congestion as well as carbon foot prints, improved parking space and has helped in ensuring equality in space management. The concept can be replicated in other cities also.

Sewa Nagar Experiment, Delhi

As far as implementation of the National Policy on Urban Street Vendors in Delhi is concerned, Manushi, an NGO with permission of MCD has been able to create a Model Market for street vendors at Sewa Nagar with the express sanction of the Supreme Court. The MCD had submitted a written undertaking in the Court that this model, if successful, would be adopted in the rest of the city. The new Sewa Nagar vendor market has shown that vendors can be accommodated in the city without causing chaos and obstruction. This experiment has resulted in significant and noticeable reduction of congestion, ensured far greater cleanliness, as well as brought an aesthetic touch to the entire area by providing suitable infrastructure such as proper pavements, cleaning arrangements, and open beautified public spaces. In fact, as per reported information, it has become a source of increased income for the MCD since vendors of the Model Market have been paying regular tehbazari of Rs.395 per month to the MCD through MANUSHI.

Sewa Model, Ahmedabad

SEWA Trust's model adopted in Ahmedabad presents a classic way of striking a balance between upkeep of urban infrastructure and interests of street vendors with the technical inputs from School of Architecture and Planning, Ahmedabad.

Madhya Pradesh

The govt. of Madhya Pradesh in compliance to the National Policy on Urban Street Vendors, 2004 formulated a scheme for the street vendors of the state. After carrying out survey, 94080 street vendors have been identified in 48 districts of the state. So far, identity cards have been issued to 83,312. In order to organize the street vendors, proposals for developing around 1000 hawkers zones / corners in various cities of the state have also been formulated. In fact, few hawkers' corner have already been developed in Bhopal city where street hawkers have been allocated space for carrying out their trade on the basis of predetermined fees.

In addition, M.P.govt. has also initiated another scheme called Mukhya Mantri Hath Thela and Cycle Rickshaw Chalak Welfare Scheme, 2009 for their welfare and rehabilitation. This scheme is applicable to all hath thela and rickshaw chalaks in the state. It is mandatory for them to get registered with the concerned local body in order to avail the benefits of the scheme. The urban local body will issue them an identity card for a period of three years on renewable basis. Besides other benefits, free insurance under Jan Shree Beema Scheme would be provided to the hath thela and rickshaw chalaks.

Recently, our Prime Minister Dr. Manmohan Singh urged the state governments to take personal interest to ensure that the new national policy on urban street vendors is vigorously and sincerely implemented by them. While referring to the Model Street Vendors (Protection of Livelihood and Regulation of Street Vending)

Bill, 2009, he emphatically mentioned that 'the revised policy underscores the need for a legislative framework to enable street vendors to pursue an honest living without harassment from any quarter. **He expressed his hope that the states will take necessary steps regarding restructuring of master / development plans and demarcation of different vending zones as envisaged under the policy to accord a new deal to the urban street vendors as a group who need space and facilities for their legitimate activities.**

Way Forward

The importance of this policy and its effective implementation 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 that most people in India have to fend for themselves. Let these people generate their own employment through their own enterprise, money and energy.

It is high time that the cities now take the cognizance of the significant and positive contribution made by the street vendors to the life of urban dwellers on one hand, and to the city, regional and national economy on the other. The effective implementation of policy would certainly provide a relief to huge number of urban poor in cities by enabling them to procure an integrated space in

the mainstream of city development. The positive steps and the attitudinal change in this direction would certainly act as one of the tools of urban poverty alleviation in true sense as has been envisaged in the national policy.

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