

National Policy on Urban Street Vendors 2004 – An overview highlighting its implementation in Cochin City

P. C. Santhosh Babu¹ & Dr. S. Rajithakumar²

Street vendors are part of any vast urban city and depend on this uncertain form of entrepreneurship – street vending business; they struggle to earn a living. This important section of the urban population finds recognition for its contribution to society. They generate their own employment. If their employment is destroyed, it will only increase the ranks of unemployed, create pressure on the economy; darken the future prospects of their children. But we perceive them as marginal. Their economic contribution is not realized. In fact, due to the large number of vendors, their trade constitutes a substantial part of the city's economy. Unfortunately, they are perceived as a nuisance or obstruction rather than as entrepreneurs. Hence in order to resolve the problems of street vendors, a policy was implemented in 2004 by government of India. This paper is an attempt to have an overview of the National Policy on urban street vendors 2004 and examine how far it is implemented in the urban city, Cochin.

Key words: Street Vendors, Town Vending Committee (TVC)

Introduction

In the urban context, most of the urban poor survive by working in the informal sector. Poverty and lack of gainful employment in the rural areas and in the smaller towns drive large number of people to the cities for work and livelihood. These people generally possess low skill and lack of required education for better paid jobs in the formal sector. Permanent secured jobs in the formal sector are shrinking; therefore even those having the requisite skills are unable to find proper employment. For these people, works in the informal sector are the only means for their survival. This has led to a rapid growth of the informal sector in most of the larger cities. The informal sector includes small enterprise operators, selling goods and foods or offering services, there by involving cash economy and market transactions. This so called urban informal sector (UIS) is more diverse than the rural one and includes a vast and heterogeneous variety of economic activities through which most urban families earn their livelihoods. The activities of the UIS in the public arena of cities are

¹ Assistant Professor and Head of the Department at MES College Nedumkandam

² Associate Professor at School of Management Studies, Cochin University of Science and Technology

particularly apparent in case of street based trading, which is widely known as street vending business.

Definition

According to the researchers “street vendor is a downtrodden person who uses public space without having a permanent building up structure so as to enrich the art of selling goods and services”.

In order to resolve the problems that are faced by street vendors, a National Taskforce on Street Vendors was formed in August 2001. Besides the Minister of State the members comprised senior officials of the ministry, mayors, municipal commissioners, senior police officials and representatives of trade unions. After a couple of meetings, held in Delhi and Ahmedabad, the Secretary of the Ministry proposed that a Drafting Committee should be formed that would prepare the draft policy document. This seven member committee was formed in April 2002 and was headed by Chairperson and Managing Director of Housing and Urban Development Corporation (HUDCO). The Drafting Committee submitted the draft policy which was placed before the final meeting of the taskforce on 30th September 2002. After deliberations, the taskforce passed the draft policy with minor changes. Then in 2004, the National Policy on Urban Street vendors was passed by India’s Government.

Objectives of the Study

The main objective of this paper was;

1. To have an overview of the National policy on urban street vendors 2004 and
2. To study how far it is implemented in the urban city, Cochin.

Methodology

Sample Design

In order to examine the effect of implementation of national policy for street vendors in Cochin city, it was decided that to obtain the data by using an interview schedule. For the purpose judgment sampling method has been adopted and the sampling size is limited to 200 since there are nearly 1000 vendors in Cochin City.

Data collection

The research reported in this paper collected and used both secondary and primary data. A structured interview schedule, were used to examine the effects of national policy for urban street vendors of Cochin city and interviewed officials of Cochin Corporation directly. Secondary data were obtained from the published reports of central government, news papers and related websites.

Data analysis

For analyzing the data mathematical and statistical tools such as percentage, weighted average mean and chi-square test were used.

Overarching objective of the National Policy

The overarching objective of this policy is to ‘provide and promote a supportive environment for earning livelihoods to the vast mass of urban Street Vendors while ensuring that such activity does not lead to overcrowding and unsanitary conditions in public spaces and streets’.

Specific objectives of the National Policy

The specific objectives of the policy are as following:

- a. **Legal:** To give Street Vendors legal status by formulating appropriate laws.
- b. **Facilities:** To provide facilities for appropriate use of identified space.
- c. **Regulation:** To eschew imposing numerical limits on access to public spaces, the Municipal Authorities should regulate allocation of space based on previous occupancy. If demand for space is in excess of supply, a transparent system of selection such as lottery should be followed.
- d. **Role in distribution:** 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.
- e. **Self Regulation:** To promote self regulation in matters relating to hygiene, including disposal of waste amongst Street Vendors both in the individually allotted areas as well as in areas occupied by the street vendors as a whole.

- f. **Organization:** To promote, if necessary, organizations of Street Vendors e.g. Unions/Co-operatives/Associations and other forms of organization to facilitate their empowerment.
- g. **Participation:** To set up participatory mechanisms with representation by urban Vendor's organizations, (Unions/Co-operatives/Associations), Voluntary organizations, Municipal Authorities, the police, Residents Welfare Association (RWAs) and others for orderly conduct of urban vending activities.
- h. **Rehabilitation of child vendors:** To prevent vending by children and seek their rehabilitation where ever such practice exists, in conformity with the Child Labour (Prohibition & Regulation) Act, 1986.
- i. **Social security:** To provide protective Social Security to take care of contingencies such as sickness, maternity and old age.
- j. **Promotional measures:** To promote access to such services as credit, housing and upgradation of skills. For such promotion, the service of Self Help Groups (SHGs)/co-operatives Federations/ Micro Finance Institutions (MFIs) etc. should be encouraged.

Elements of the Policy

Planning norms

One of the main elements of the policy is planning norms for regulating urban vending activities.

Spatial planning norms – Demarcation of vending zones

The demarcation of hawking zones should be city/town specific. To make the plans conducive and adequate for the Street Vendors of the respective city/town, the following should be adhered to:

- a. City Authorities should provide sufficient spaces, designated as 'Vendors markets' in layout plans at locations of such natural markets, for the number of Street Vendors (static and mobile) which can cater to the demand for their wares/ services. The Municipal Authorities should regulate allocation of space based on previous occupancy. If the number of applicants exceeds the number of spaces available, a transparent system of selection such as lottery should be followed. All

allotments should be base on payment of a prescribed fee fixed by the Municipal Authorities based on the recommendation of the TVCs.

- b. Mobile urban vending should be permitted in all areas even outside the designated Vendor's markets, unless designated as 'no-vending zone' through a participatory process. The 'no-vending zones' may be notified both in terms of location and time.
- c. With the growth of city/town every new area should have adequate provisions for Street Vendors.
- d. Designation of Vendors markets / no – vending zones should not be left to the sole discretion of any civic or police authority, but, must be accomplished by a participatory process by TCVs, to be constituted by the Municipal Authorities. It will consist of designated official of Municipal Authorities, traffic and Local Police, Public Land Owning Authority, Representative from associations of Street Vendors and, Representative from a bank in the local area.

The Street Vendor's representatives should preferably constitute at least 25 percent to 40 percent of the total number of members of the TVCs. At least 1/33 of the representatives of Street Vendors should be women. Process for selection of Street Vendor's representatives should be based on the Membership and Financial Accountability.

Regulatory process

Traditionally issuing licenses to vendors was seen as an instrument to give some of them 'legal' status, in an environment where urban vending is *ipso facto* illegal, which would in turn remove the very basis of their harassment, extortion and eviction by the concerned authorities. The demand for vending in a particular area can be matched with the supply without over-congestion if zoning plans provide adequate vending spaces both with respect to location and time.

Registration

A system of registration of hawkers and non – discretionary regulation of access to public spaces in accordance with the planning standards and nature of trade/service should be adopted. This is described in greater detail below:

- a. The power to register would be vested with the TVCs.

- b. All Vendors in each city should be registered at a nominal fee to be decided by the Municipal Authorities based on a reliable means of identification. Registration should be renewed after every three years.
- c. The registration process must be simple.
- d. The Vendors will be issued Identity Cards.
- e. The registered Street vendor shall have preference of allotments whenever licenses are issued by the Municipal Authorities for setting up new shops, depending on the length of registration. This will encourage the Street Vendors to obtain registration as envisaged in this policy.

This will also provide them opportunities for upward occupational mobility.

Functions of the TVCs

The TVCs shall perform the following functions:

- a. Registration of the Street Vendors and ensuring issue of the identity card to the Street vendor after its preparation by the Municipal Authority;
- b. Monitor the facilities to be provided to the Street Vendors by the Municipal Authorities;
- c. Identify areas for hawking with no restrictions, areas with restriction with regard to the dates, days and time, and, areas which would be marked as no – vending zones;
- d. Set the terms and conditions for hawking;
- e. Take corrective action against defaulters; and,
- f. Collect fees or other charges as authorized by the competent authority.
- g. 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.

Collection of revenue

The Street Vendors would be charged a monthly fee for access to various services. There should be direct linkage between the Municipal Authorities and Street Vendors for Collection of:

- a. Registration fee;
- b. Monthly maintenance charges; and,

- c. Fines and other charges, if any.

The TVCs should be made available a proportion of revenue generated from registration fee and monthly fees from their Ward to run their operations subject to a minimum grant from the Municipal Authorities.

The collection of revenue by Municipal Authorities through TVCs should ensure that it is based on a predetermined rate of fee and should not give scope for any kind of extortion. If complaints on this account are registered with the TVCs, adequate measures should be taken to redress the same.

Eviction, relocation and confiscation

One of the major problems faced by the Street Vendors is frequent eviction resorted to by the Municipal Authorities on the ground that they cause danger, obstruction or injury to any person in any public way or public line of navigation under section 283 of the IPC (danger or obstruction in public way or the line of navigation). They also face eviction under section 34 of the Police Act. To redress the situation experienced by the Street Vendors from their purview with reasonable restrictions. Such reasonable restrictions shall specify the nature of obstruction that might be caused to the general public.

Corresponding enactments, if necessary, should be carried out by the State Governments and Municipal Authorities within a reasonable period of time, not exceeding one year from the date of announcement of this Policy.

In regard to the confiscated goods, the Street Vendors shall be entitled to get their goods back within a reasonable time on payment of prescribed fee, determined by the TVCs.

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.

Others

Social security

Street Vendors as a group belong to the unorganised sector of the economy. As such, they don't have government-assisted social security. However, in some states, social security schemes such as Old Age Pension and other benefits are being provided through the Welfare Boards and similar bodies. But, their number is very small. There are few Non Government Organisations (NGOs), who organize social security schemes for the Street Vendors. It is the Policy of the Government of India, to extend social security cover in the unorganised sector as a whole, for which the Government is considering legislation as promised in the National Common Minimum Programme. 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/ organisations of/for Street Vendors.

Promotional measures

Access to credit and insurance

Credit is an important requirement in street vending, both to sustain existing activity and to upscale it. Since vendors work on a turnover basis, they often resort to high interest loans from non-institutional sources. Although they usually demonstrate high repayment capacity, absence of collateral and firm domiciliary status usually debars them from obtaining institutional credit.

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 shall disseminate information pertaining to availability of credit, specially micro credit and shall link street vendors with the credit giving institutions. Street vendors should also be assisted in obtaining insurance through Micro-insurance and other agencies.

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 alternatives.

Other promotional measures

The Government of India is considering legislation as promised in the National Common Minimum Programme for promotion of livelihood of the workers in the unorganized sector. Once this is in place, it shall equally apply to the Street Vendors.

Organizing the street vendors

To get the benefits of the social security schemes and other promotional measures in an effective manner, it is essential that the Street Vendors form organizations. Trade Unions and other voluntary organizations should take active role and help the Street Vendors to form their organizations by providing counselling and guidance wherever required.

Resolution dispute

The TVCs shall be responsible for redressal of grievances and resolution of any dispute arising amongst the Street Vendors or between the Street Vendors and third parties including municipal officials and policemen in the implementation of this Policy.

Results and discussions

The sample consisted of 200 conveniently selected street vendors. Of the total respondents, 89.5% are male and rest 10.5% female. In terms of educational qualifications, 12.5% vendors are illiterate, 23% vendors had completed primary level education, 18.5% vendors/hawkers had completed upper primary education, and 41.5% vendors/hawkers had finished High school level education. But only 4.5% vendors/hawkers had +2 & above level education.

The analysis reveals that 91 vendors/hawkers (45.5%) are dealing with the perishable goods and 109 vendors/hawkers (54.5%) are dealing with non – perishable goods.

Reasons for shifting location of business

Cochin City is one of the main cities of street vendors in Kerala. But, the vendors in the city are hardly shifting their location of business due to various reasons. The table 1 depicts the same.

Table 1. Reasons for shifting location of business

Reasons for shifting	Mean	Rank
Lack of demand	3.548	5
Lack of customers	3.679	4
Transportation problems	3.771	3
Eviction	4.694	1
Lack of facilities(shelter, storage etc)	3.774	2

Source: Field Survey

In table 1, out of the vendors who were shifted their location of business, first rank comes for eviction, and the second reason is lack of facilities like shelter, storage etc. It is inferred from the table that due to the failure in following with the policy introduced by the government, majority of the street vendors in Cochin city are victims of eviction and are facing difficulties with regard to shelter, storage etc.

Licenseship of vendors

Table 2. Licenseship of vendors

License ship	Number	percent
Licensed vendors	14	7
Not licensed vendors	186	93
Total	200	100

Source: Field Survey

It is concluded from the table that majority ie, 93% of the street vendors are not having license and only 7% vendors are got license for doing their business in Cochin city.

Source of finance for borrowings

As said earlier, street vendors have different source of finance for borrowings. The table 3 depicts the source of borrowing money for their working capital. It is very evident that vendors are attracted by some private money lenders as source of finance due to conventional approach of the banks and financial institutions. Beside, since there is no such form of TVCs in Cochin city to disseminate information pertains to availability of credit, especially micro

credit and link street vendors with the credit giving institutions, street vendors find it very difficult to get adequate finance.

Table 3. Vendors source of finance for borrowings

Source of borrowings	Number	Percent
Local money lenders	73	36.5
Micro finance	4	2.0
Banks	-	-
Family members	5	2.5
Friends	19	9.5
More than one source	84	42.0
Not borrowed	15	7.5
Total	200	100

Source: Field Survey

Reasons for no licenseship

From the previous table, it is noted that 93 percent of the vendors/hawkers are not licensed. But there are many reasons for vendors/hawkers not being licensed. The table 4 given below shows the reasons for no licenseship.

Table 4. Reasons for no licenseship

Reason	Number	Percent
Legal illiteracy	36	19.4
Applied but not yet issued	36	19.4
Complex formalities	30	16.1
No compulsion from the authorities	84	45.1
Total	186	100

Source: Field Survey

It is inferred from the table 4 that even though it is mentioned in the policy about the registration/licence of street vendors, but in Cochin, no compulsion from corporation authorities to take licence. This apathy from the part of authorities and their red tapism are the main two hindrances in front of the street vendors to obtain licence. And it is also stated in the policy that the registration process should be simple but because of the complex formalities most of the vendors do not go for the licence for street vending business.

Payment of rent/tax

Usually Cochin Corporation authorizes some agents to collect Rent/taxes from the street vendors. Rent in the sense parking fee, ground rent etc. Table 5 explains the responses about the payment of rent/tax by vendors.

Table 5. Payment of rent/tax

Payment of rent/tax	Number	Percent
Rent/tax payer	73	36.5
Non Rent/tax payer	127	63.5
Total	200	100

Source: Field Survey

From the table 5 it is observed that majority of the vendors are not paying tax or rent to the corporation authorities. Hence it is concluded that the collection of revenue system is not properly working in the city of Cochin as mentioned in the national policy.

Eviction

The table 6 depicts whether vendors/hawkers in Cochin city facing eviction or not.

Licenceship of respondents and Eviction

License ship	Facing eviction				Total	
	Yes		No			
Licensed vendors	8	(57.1)	6	(42.9)	14	(100)
Not licensed vendors	111	(59.7)	75	(40.3)	186	(100)
Total	119	(59.5)	81	(40.5)	200	(100)

Source: Field Survey

Figures in brackets denote percentage to total

Result of Chi-square

	Calculated value	Degree of freedom	Level of significance	Table value	Inference
Chi-square	0.035	1	.05	3.841	Not significant

In the above table the result of chi-square test at 5 percent level shows that there is no significant difference between the vendor's licenseship and eviction. That is, even licensed vendors face eviction. Moreover, they are not getting their goods back within a reasonable time on payment of prescribed.

Harassment

Since street vendors practically spend their entire life in public spaces dealing with all types of people, they tend to become brash and hardened. However, one of the major problems they face is the harassment from police and municipal authorities. As they are the weaker section, they are mostly affected with this kind of harassment. The harassment is accompanied by uncertainty and fear, when they run at the appearance of the municipal or police vans. It is inferred from the survey that 128 vendors i.e, 64% are facing harassment and only 72 vendors, 36% are free from harassment.

Membership in unions/associations

Street vendors in Cochin City organise themselves into unions that enable them to continue their activities. These organisations are mainly localised bodies representing street vendors in specific areas of the city. In fact in all the larger cities trade unions representing different political hues try to mobilise street vendors. Some of these trade unions are independent organisations but most of them are affiliates of the larger trade union federations. Since street vending is not officially permitted the main role of these organisations is to negotiate with the officers in the Corporations and police stations for occupying public space. In short, out of the total vendors surveyed only 46% are having membership in various unions or associations. The table 7 given below shows the classifications of membership.

Table 7. Classification of respondent's member ship in various unions/ associations

Unions/associations	Number	Percent
NASVI/SEWA	-	-
Kerala Vyapara Vyavasaya Ekopana Samithi	5	2.5
Trade Unions	91	45.5
Not members	104	52
Total	200	100

Source: Field Survey

From the table 7, it is seen that among the 200 vendors/hawkers, 96 vendors are the members of different unions and the balance 104 are not. Among the 96 vendors, majority (91) of the vendors have union membership in TUCI-ML, CITU, INTUC and STU. They are

issued an identity card stating the name, address and nature of work of the vendors. Only 5 out of 96 have union membership in Kerala Vyapara Vyavasaya Ekopana Samithi and none come under the NASVI/SEWA, the associations of street vendors at national level. From the field survey it is noted that TUCI-ML is the strongest union in Cochin City, that is, on the basis of number of membership. And most of the unions are issuing the identity card as the name “Cherukida Vanibha Sangadana”, “Thattukada and Pettikkada Association” etc. It is found that majority of the vendors do not have membership in any union and they are unaware about the street vendors associations at national level.

Conclusion

Street vending provides an essential service to the urban population which has had a historical presence in Cochin. It is a route that poor people take to move out of poverty. Street vendors create their own employment. Their trade constitutes a substantial part of the city’s economy. Moreover, they are a part of our culture and tradition. But even it had taken a number of decades for the government to frame a policy for the sake of street vendors. In nutshell that, the study states that until recently no such policy as alluded to the National Policy for Street Vendors 2004 were implemented in Cochin city even on an experimental basis. Hence, it is the responsibility of the concerned authorities to initiate necessary steps to implement the policy at least in the metropolitan cities of Kerala.

Reference

1. India.gov.in
2. Urbanindia.nic.in
3. Streetnet.org
4. The Hindu, Kochi, January 1, 2009
5. Economic and Political Weekly, May 27,2006
6. Economic and Political Weekly, May – June 2005
7. Report on National Policy on Urban Street Vendors, 2004
8. A Report of National workshop on legal status of street vendors in India Prasant Ghulati(1998)
9. Sharit K. Bhowmik (2005), “Street Vendors in Asia: A Review”, Economical and Political Weekly, May 28-ssJune 4, pp.2256-2264.