

## Ahmedabad's Street Vendors: Realities & Recommendations

Street vendors make important contributions to local and national economies. The Informal Economy Monitoring Study (IEMS) examined the realities of informal workers – home-based workers, street vendors and waste pickers – across 10 cities in Africa, Asia and Latin America.

In Ahmedabad, India, 152 food and non-food street vendors were surveyed; 75 also took part in focus group discussions.<sup>1</sup> They shared how driving forces affect their livelihoods, and what economic and social contributions they make. **Policy Recommendations** were developed (see the back page).

### Characteristics & Driving Forces

**For street vendors' households, informal work provides the means to survive.**

- Only 13% had a household member with formal employment.
- Almost all depend on other working members of the household to help support the family.
- Fewer than 20% said their household received income such as pensions, remittances or government grants. Fewer than 3% had received an education scholarship for children.

**Street vending provides one of the few livelihood opportunities for these women.**

- Over 97% of vendors in the study belong to Scheduled Castes, which have traditionally engaged in this work for generations.
- Others became vendors after losing jobs due to the closure of textile mills.

*My father-in-law used to work in the mills and my mother-in-law was a vegetable vendor. After the closure of mills, we thought vending is our own business and we can survive on that.*

- Over 72% of survey respondents have been vending for 20 years or longer.
- Education levels are very low: 60% have no formal education, only 12% completed primary school, and none completed secondary school.
- Many vendors said the flexibility the work allows is particularly important for women with domestic responsibilities.



Photo: Courtesy SEMA

### Linkages & Contributions

**Street vendors provide affordable goods and fresh produce in convenient locations.**

*Our existence in a city adds to vibrancy; without us everything would be barren and non-lively.*

**Informal vendors' enterprises are linked to formal economic enterprises.**

- 83% of vendors acquire the goods they sell from formal enterprises.
- While most customers are individuals, a small percentage of vendors sell to both formal and informal businesses.

**Street vendors help create livelihoods for others.**

- Through their transport needs, vendors create employment for head loaders, porters, and auto rickshaw drivers.
- The vendors said formal shopkeepers, middlemen and customers all benefit from street trade activities.
- Vendors provide business to farmers and wholesalers from whom they purchase goods, and to tea sellers in the market from whom they buy tea each day.

**Food vendors contribute revenue to the city through the tax paid at wholesale markets.**

- 23 food vendors paid a monthly average of 5,734 rupees in mandi tax each.

<sup>1</sup> See Note on Sampling & Methodology, page 2, and About IEMS and the research partners, box on page 3.

**Along with their economic contributions, Ahmedabad's street vendors make social contributions.**

*We have formed a committee in order to prevent filth in the market. The market committee organizes meetings to discuss various issues and has appointed a person to clean the market.*

## **Macroeconomic & Value Chain Forces**

**Vendors struggle for survival – and their returns are diminishing.**

- Inflation was the most cited wider economic issue. Over 80% said the goods they buy to sell have become more expensive; higher transportation costs have added to the burden.

*Now I have to pay 180 rupees for an auto rickshaw whereas earlier it was only 60 rupees.*

- More than half said sales had declined from the previous year; almost as many said there were fewer customers.
- More than three quarters noted an increase in vendors selling the same goods/services. This has led to heightened conflicts over vending space.
- 74% had raised their selling prices over the past year– but most said higher prices drive away customers.
- 57% cited competition from large retailers or supermarkets, which have started selling fruit and vegetables at low prices.

**Responses to economic hardship can create additional hardship.**

- 72% of vendors responded to lower revenue by borrowing from moneylenders, creating a cycle of taking and repaying loans.
- Two thirds of the vendors said they had cut down on personal expenses.
- More than one in four had to lengthen their workday.

## **Government Policies & Practices**

Government policies and practices, especially at the local level, were mainly viewed as negative, though some vendors cited efforts to allocate space for vending and provide licenses as helpful.

**The most frequently cited issue was the lack of allotted vending space.**

*We have to shift our handcarts because of limited space. Police evict us. Some vendors do business as mobile vendors because there is no space in the market.*

**Harassment, bribes and eviction by police and municipal officials places a great burden on street vendors.**

- Vendors said they are subjected to constant harassment from police and municipal authorities due to a lack of identity as workers and the lack of an appropriate regulatory environment.

*They just come to my stall and take whatever they want, without paying.*

- Over 46% of participants said police harassment increased over the past year.
- Paying bribes to avoid fines, eviction or arrest was identified as the most common way to resolve issues with municipal authorities and police.

*During the eviction drives by the municipal corporation, they damage our goods and the capital we invested in purchasing goods gets wasted.*

- Sixteen food and non-food vendors had paid, on average, monthly bribes of 574 rupees to secure vending space – with non-food vendors paying more than twice as much as food vendors.
- Among focus group participants who paid bribes, three out of four took loans from moneylenders to do so.

*Our goods are worth 5,000-6,000 rupees and if they confiscate [them] we have to bear the loss; and by the time we get them back they are totally damaged.*

## **Note on Sampling & Methodology:**

The IEMS used qualitative and quantitative methods. The qualitative component captured perceptions of informal workers in their own words through 15 focus groups. The quantitative component consisted of a survey administered to focus group participants plus another 75 workers for a total of about 150 in each city/sector. The sampling approach was designed to maintain comparability across cities/sectors while allowing flexibility to meet local circumstances. Where the MBO maintains a registry of members, a stratified random sample that was statistically

representative of the MBO population was developed. In cities with no accurate registry, the city team used a quota sampling approach. Local researchers worked with the MBO to identify the best possible sample, based on circumstances. In Ahmedabad, 152 women street vendors participated. The variables used were: 1) category of product – whether the vendor sold food or non-food items; and 2) location – whether the vendor worked in the city's centre or on the periphery.

**Many street vendors in Ahmedabad are being displaced by urban infrastructure and development projects.**

- Natural markets, where vendors and their customers have long congregated, have been destroyed or dispersed by evictions carried out by the Ahmedabad Municipal Corporation.
- Neither natural markets nor vendors are considered in planning projects such as the Bus Rapid Transit System (BRTS), model roads, Bhadra Fort beautification, riverfront development, and road widening.
- Vendors voiced great uncertainty about their future.

*If there is no dedicated space where would I go to vend? I have to roam around and the people do not let us enter in housing societies.*

**New taxes levied in Gujarat reduce the vendors' incomes.**

- The Agricultural Produce Market Committee charges a 10-12 % mandi tax on produce. This has driven up prices of goods for vegetable vendors, resulting in lower sales and lower profits.

*Big purchasers are not much affected by the tax but small ones like us cannot bear this cost.*



Photo: J. Luckham

### **Positive Intermediary Institutions**

- The support of SEWA emerged as an important positive factor, especially SEWA's help with evictions, harassment and legal problems.
- The Gujarat Unorganized Labour Welfare Board was felt to have a positive impact for providing identity cards, tools required for their trade, education scholarships for children, and skill upgrading training.

### **About IEMS and the Ahmedabad Research Partner**

These findings are based on research conducted in 2012 as part of the Informal Economy Monitoring Study (IEMS), a project under Inclusive Cities. Conducted in 10 cities in Africa, Asia and Latin America, the study examines how informal livelihoods are changing, how informal workers respond to these changes, and what institutions help or hinder their lives. Informal workers and their membership-based organizations (MBOs) are at the centre of the analysis. The project is led by Women in Informal Employment: Globalizing and Organizing (WIEGO). In Ahmedabad, WIEGO partnered with the Self-Employed Women's Association (SEWA). See Note on page 2 for information on the sample and methodology.

### **About the Self-Employed Women's Association (SEWA)**

The Self-Employed Women's Association (SEWA), formed in 1972, is a world-renowned trade union of women informal workers. Its almost 2 million members are drawn from many occupations. SEWA has been instrumental in organizing women street vendors in the city, and has over 75,000 among its Ahmedabad membership, about two thirds of whom sell in the central city.

### **About WIEGO**

WIEGO is a global network focused on securing livelihoods for the working poor, especially women, in the informal economy. WIEGO creates change by building capacity among informal worker organizations, expanding the knowledge base, and influencing local, national and international policies.

### **About Inclusive Cities**

Launched in 2008, the Inclusive Cities project aims to strengthen membership-based organizations (MBOs) of the working poor in the areas of organizing, policy analysis and advocacy, in order to ensure that urban informal workers have the tools necessary to make themselves heard within urban planning processes. See [www.inclusivecities.org](http://www.inclusivecities.org).

**To read IEMS city, sector and global reports, visit [inclusivecities.org](http://inclusivecities.org) or [wiego.org](http://wiego.org).**

## Policy & Advocacy Recommendations

Involving street vendors and their associations, such as SEWA, in participatory planning processes and implementation of laws and regulations is crucial.

### Key Policy Messages

# 1: Recognize the right to vend as a fundamental right.

# 2: Protect natural markets, where vendors and their customers have long congregated: these are recognized under the national Street Vendor Law but many of these in Ahmedabad are threatened under the Ahmedabad Street Vendors' Scheme, 2010.

# 3: Provide spaces for vending that support the concept of natural markets using provisions in the planning legislation.

# 4: Stop unnecessary forced evictions in the interests of urban development and "beautification". If eviction is necessary, provide alternative space in a good location *before* the eviction takes place.

# 5: Stop harassment, merchandise confiscation and bribes by police and municipal officers.

# 6: Prevent construction of malls, supermarkets and large retail shops within close proximity to natural markets.

### Key Legislative Reforms

# 1: Implement the **National Law on Street Trade**, passed by Parliament in 2014, which upholds the right to vend and includes provisions for Town Vending Committees (TVCs) to demarcate vending zones and negotiate licenses/permits. This law must be implemented at local levels. Street vendors and their associations, in this case SEWA, should be involved in implementation.

# 2: Amend existing **national and state laws**, such as under the Indian Penal Code, the Motor Vehicle Act, and the Bombay Police Act, to ensure street vendors are not criminalized or harassed and their right to vend is protected.

# 3: Amend articles under existing **municipal acts** that criminalize street trade to ensure street vendors' right to vend/earn a livelihood is protected.

### Key Municipal/Urban Planning Reforms

# 1: Earmark 2% of public land, including in areas newly under the purview of the municipality, for natural markets or vendors operating outside markets (e.g. on streets or around housing societies, schools, or hospitals).

# 2: In plans for preserving and managing natural markets, replicate the Jamalpur Wholesale Market in Ahmedabad. Local street vendors should be involved in participatory planning processes. Designing streets to include vendors should become institutionalized in city planning processes.

# 3: Preserve long-standing natural markets – e.g. the Bhadra Fort natural market – near historic monuments alongside the monuments themselves.

# 4: Provide infrastructure – e.g. water supply, toilets, and waste management services – at natural markets by involving local waste collectors, street vendors, and municipal personnel in the design and management of these services.

# 5: Simplify registration and licensing procedures. Local authorities should issue more licenses to vendors, first to those who were surveyed and listed by Planning and Resources for Urban Development Affairs, which should be regularly updated.

# 6: Create special markets for women vendors.

# 7: Improve procedures for planning evictions (when absolutely necessary) so that the procedures are more precise and comprehensive, and include identification of alternative vending sites within close proximity of the original vending site.

# 8: Ensure the police prepare a statement (*panchanama*) when confiscating goods. Goods should be listed and the location and other details included. The *panchanama* should be verified by an eyewitness.

# 9: Allocate budgets for regulating and promoting the livelihoods of street vendors. Operating and licensing fees and taxes paid to wholesale markets should be earmarked for the preservation and management of natural markets. The funds reserved in the municipal budget for the urban poor, mandated under the Rajiv Awas Yojana programme, should be used for services in existing natural markets.

### Key Institutional Reforms

# 1: Constitute a Central Committee by the national government to oversee implementation of the National Law and Policy on urban street vending.

# 2: Establish separate Appellate Authorities headed by a judge at the national level to resolve issues relating to street trade.

# 3: At the city level, establish a single authority to oversee the prosecution of street vendors – whether by local police, traffic police, or the AMC – after giving sufficient notice.