



The Regularization of Street Vending in Bhubaneswar, India: A Policy Model

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Before 2007, street vending in Bhubaneswar, the capital city of Odisha (a state in India), exemplified an over-regulated informal economy. Police and municipal inspectors would persistently harass the vendors by threatening them and confiscating their merchandise. The authorities treated street vendors as illegal entities, encroachers on public space, and a source of unsightly nuisance. This negative approach towards the vendors generated a classic “Conflict Model” case, characterized by distrust and an ongoing tug-of-war between the town authorities and the street vendors. On one side, the town authorities would resort to anti-encroachment drives attempting to contain or eliminate the street vendors. On the other side, the vendors, struggling to safeguard their livelihood, would demonstrate their anger and resentment through massive protests. At times these protests would temporarily allow vendors to continue with their business; however, these strategies were more like fire-fighting or stop-gap arrangements that did not offer a permanent solution (Bhowmik 2001).

In Bhubaneswar, the basic issue of devising a policy framework for regularizing street vending remained unaddressed for a long time. However, the need for an amicable policy was felt by both the town authorities and vendors alike. Both the parties realized that their tug of war benefited no one, and coming up with an enduring solution would require peaceful negotiations through social dialogue. After multiple rounds of brainstorming between the vendors’ organization and town authorities, a conceptual model involving dedicated vending zones was collectively agreed to in December 2006. Under this model, legally sanctioned, aesthetically pleasing fixed kiosks were to be constructed in the vending zones and handed over to the vendors working in the area. Between 2007 and 2009, 52 vending zones were created; as of December 2011, there were 54 vending zones with approximately 2,600 kiosks (Mohapatra 2011). The key ideas behind designing the policy framework were to bring all the relevant stakeholders together for joint planning and then to implement it through partnership among them.



Bhubaneswar is among the first cities in India to acknowledge street vendors as an integral part of the city by establishing aesthetically pleasing fixed kiosks in legally sanctioned vending zones.

Bhubaneswar thus became among the first cities in India to acknowledge street vendors as an integral part of the city and to regularize them through a complex-public, private and community partnership model.

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The Conceptual Design: A Public-Private-Community Partnership Model

The process of conceptualizing and designing the vending zone model was initiated through the partnership between town authorities (public) and street vendors (community). While prime actors in the public domain were the Bhubaneswar Municipal Corporation and General Administration (GA Department, Government of Odisha), the street vendors' community was represented by a body of eight elected members from the National Association of Street Vendors of India (NASVI) and its associates, AORVA and NKUBM. The eight elected members came from the Market Committee, a body composed of general secretaries of various vendor markets in Bhubaneswar. Other stakeholders

invited to take part in planning were representatives from Bhubaneswar Development Authority, Public Works Department, National Highway Authority of India, Orissa Industrial Infrastructure Development Corporation, Forest Department, local Police and the Regional Transport Office.

Representatives from all the stakeholders together constituted a body called the City Management Group (CMG). Several rounds of meetings were organized in which the models proposed were debated and improved upon. During the meetings, the stakeholders also came up with a mutually agreed-upon action plan detailing how to proceed with the creation and dedication of vending zones. The members of CMG who missed the scheduled meetings were later apprised about the proceedings and the consensus built during the discussions. This was of particular significance as it avoided last minute objections, which could potentially have cropped up during implementation.



Temporary bamboo structures established over the probation period.

The action plan devised was to be implemented in roughly three phases. The first phase required town authorities and vendors' associations to map the vendors' spatial distribution throughout the city and propose the potential sites for creating the vending zones. It also involved a photo survey of the beneficiaries who would occupy the kiosks in the zones. Once this exercise of identification of land plots and vendors was complete, the second phase involved putting the site in consideration under a probation period of six months. During this probation period, only temporary bamboo structures were allowed to be erected. These were observed for six months. Once the probation period was over, and both the authorities and vendors' organizations were convinced of its smooth functioning, the third and final phase required issuing vending licences. The construction of iron structures having an aesthetic appearance was permitted. In this third phase, private partners were brought in primarily to finance the construction of the vending zones.

The partnership model during different phases of implementation can be summarized as in Figure 1.

Figure 1: The Public, Private and Community Partnership Model for the Creation of Vending Zones



Strategies for Implementation

Throughout the implementation, vendors' organizations were active partners. In the first phase, a joint survey was conducted in which a comprehensive list of proposed sites for vending zones, along with the beneficiary vendors, was prepared. The objective was to create vending zones at the place where the vendors were already conducting their business; however, there were cases where it was not feasible due to congestion or other practical reasons. For instance, only the public land under the purview of GA department was to be considered for vending zones, but at times a given plot of land used by vendors actually belonged to some private entity. In such cases, BMC and NASVI proposed an alternative place for rehabilitating the vendors and due care was taken to ensure the new place was not too far from the previous one. To identify the vendors who would occupy a zone, the photo survey of the vendors operating in the area was also conducted in collaboration with the vendors' organizations. All these activities required a high degree of coordination and support, and without the mutual assistance and flexibility of both town authorities and vendors, the desired output might not have been achieved.

In the second phase, the list of proposed vending zone sites was sent to the GA department for approval. However, gaining approval was a daunting task and once again vendors had to struggle. The usual process was to send a letter to GA authorities who, after a long period, would send back a regret letter arbitrarily stating the non-availability of the proposed piece of land. In some cases when the land was allotted, the possession was not formally given. The situation was further aggravated due to opposition from some of the municipal councilors and almost all the proposed pieces of land met with some objections or roadblocks. It was only after persistent communication and continuous pressure applied by



Certain companies agreed to finance trader infrastructure in exchange for advertising rights.

the vendor's federation that the ultimate breakthrough in getting the land sanctioned was achieved.²

With the green signal of GA and BMC officials, each respective vending zone erected temporary bamboo structures for the probation period. BMC did not issue

² Personal Communication with Mr. Arbind Singh (National Coordinator of NASVI) on February 9, 2012.

individual trade licences to the vendors identified during the survey. Rather, the task of final distribution of kiosks was under the direction of the vendors' union NASVI, which in turn thoroughly checked the background of individual beneficiaries to ensure that no proxy vendor received space in the vending zone.

The third phase involved converting the temporary bamboo structures into aesthetic looking fixed kiosks. After successful completion of this trial, permission to construct non-concrete iron structures was granted. The guidelines specified iron structures must have dimensions of either 6x6 sq. feet or 8x6 sq. feet. Once a particular vending zone was approved for the iron structure, there was a need to come up with a strategy for building them that was efficient in terms of time, cost and procedure. Contractors approved by BMC came up with designs and building materials that were cost-effective and durable.

Financing the construction required pooling resources to benefit all the participants. One innovative strategy was to draw in advertising companies, who agreed to finance the cost of some vending zones in exchange for the advertising rights atop the shops. This was a substantial help, however it was not extensive enough to cover all the vending zones. The vendors were ready to contribute, but many did not have the resources. Furthermore, they were constrained due to lack of available credit. Here, an NGO, called Bhagidari intervened and helped needy vendors in securing loans from the State Bank of India. On behalf of vendors, the NGO acted as guarantor of the loans and trade licences issued by BMC to the vending zones were kept as security. Several other local philanthropic bodies like Rotary Club, Lions Club and Marwari Yuva Manch contributed in kind by providing for sweeper's uniforms and dustbins in the vending zones. Concurrently, BMC instructed the relevant departments to provide vending zones with electricity and water.

Critical Success Factors for the Model

One might argue that due to the planned nature of Bhubaneswar,³ there was available scope for establishing dedicated vending zones, but that it might not be feasible to replicate this in space-constrained cities of India. However, there were several factors beyond the narrow consideration of urban space behind the successful creation of vending zones. From the policy design through the policy implementation, the four key factors contributing to the success are depicted in Figure 2.

Political Will:

The acknowledgement of vending as a legitimate profession and the political will among authorities to genuinely address the concerns of vendors played a critical role in the successful design and implementation of the model. The innovative stance adopted by the town authorities was a willingness to partner with vendor organizations to understand their reality and specific needs. The town authorities displayed an open attitude and readiness to listen to the representatives of the street vendors, who were equally allowed to put forth their suggestions and recommendations during the discussions. The authorities were also prepared for several rounds of negotiation and debates over the proposed plans and best course of action.

The impetus for creating vending zones was further enhanced by the positive image they created for BMC in the media and on other political fronts soon after the first few vending zones were established. As a part of NASVI's strategy, whenever a vending zone was fully operationalized, NASVI undertook publicity efforts about the benefits and positive impact in their campaign mag-

³ Bhubaneswar city was planned by Otto Königsberger in 1946. It's one of the few well-planned capital cities in India.

Figure 2: The Critical Success Factors Behind Policy Framing and Implementation

Political Will	Leadership
Willingness to accommodate vendors	Organizing the movements
Acknowledgement of the legality of operations	Capacity to negotiate and voice concerns
Social Dialogue	Partnership
Healthy debates	Joint survey for identifying space and beneficiaries
Consensus building	Financing the construction

azines and awareness drives. These reports boosted the feel-good factor for municipal authorities, who saw their truthful and sincere efforts were well admired and acknowledged.

Leadership:

The second and perhaps most critical element for the success of model was the able leadership from the vendors' side. Before the intervention of NASVI, the vendors' association in Bhubaneswar had several fragmented street-wise associations. These small associations seldom acted in unity and were concerned only about welfare of their own stretch. This was like several loose strands acting in dissonance and it required collective mobilization and awareness development on the part of NASVI to mould them into a synchronized social group whose concerns were difficult to bypass by the authorities. All the fragmented unions were motivated to join the federation; then the Market Committee was built, as previously mentioned, in which the General Secretaries of all the associations came together for planning and strategy building. Campaign magazines "*Footpath ki awaz*" (Voice of the pavement) and "*Peta Garjan*" (The roar of stomach) were widely circulated for consciousness development and mobilization of the vendors for collective actions. Furthermore, massive protests in

which the city vendors participated created a pressure and need for the authorities to come to the negotiation table. At present, almost all vending zones have one respective union with a General Secretary affiliated with NKUBM and AORVA, the local affiliate of NASVI.

Leading effectively was a daunting task, as NASVI's leadership faced both external and internal confrontations. The major external challenge was put forth by municipal councillors and local Members of the Legislative Assembly who opposed the creation of vending zones. This opposition was primarily due to their non-involvement in the struggle process, and the realization that the initiative had little to offer them in terms of recognition or tangible political mileage. However, once NASVI secured the go-ahead consent from the authorities, the next challenge put forth by the councillors was a demand to illicitly allot a few kiosks to non-vendors.

Likewise, a serious internal confrontation occurred when some of the vendors also tried to secure additional kiosks for their non-eligible kith and kin. To be sure no non-vendor was allotted a kiosk, NASVI announced its non-tolerance policy towards fraudulent measures and adopted a democratic and transparent decision-making process for allotment. Decisions pertaining to alloca-

tion were made during the public meetings, where each potential beneficiary was identified and verified through collective consensus.

A second internal challenge was to keep all the vendors working in a unified fashion. Some were extremely anxious to get the kiosk as early as possible and settle down without much thought for their counterparts. The federation discouraged such individualistic and self-centred behaviour and called for having patience and working in unison for the collective good.⁴

Social Dialogue:

Another important element of the success of the Bhubaneswar model was the participative nature of consensus building and allowing multiple voices in debates. As mentioned earlier, the inherent principle of discussion and joint decision making was to negotiate change through minimum friction. This was achieved through social dialogue among the stakeholders. During the city management group meetings, the officials (e.g. municipal, traffic and police) and vendors would voice their concerns and then each concern would be individually discussed in a way that allowed some positive concrete consensus to be reached. It was an uphill task that required valuable inputs from all the relevant stakeholders and consensus reached through mutual discussions and negotiations among the town authorities and the vendors.

Partnership:

Regulating and supporting interactions between numerous local officials and literally thousands of vendors is a process with enormous potential for misunderstandings, avoidance and deception (Bromley 2000). This potential hindrance was substantially overcome through partnering with the vendors' organization. This not only helped

⁴ Personal Communication with Mr. Arbind Singh (National Coordinator of NASVI) on February 9, 2012.



All kiosks have strong sheet-iron roofs and, in most cases, iron shutters, which can be securely locked during non-operating hours.



BMC gain wholehearted support from city vendors, but also minimized the chances of potential deceit in terms of kiosk allocation. Furthermore, the partnership model overcame the "mutual sense of distrust" between authorities and vendors as envisaged in the previously employed "conflict model." The involvement of private partners was also crucial in the final implementation of the vending zones as it partly solved the problem of financing the construction.

The Direct and Induced Benefits (and Costs) for Each Partner

DeSoto (2000) argues that if the informally-held assets of vendors are given some sort of limited formalization, then this will facilitate further development of entrepreneurship and profitability. This reasoning is in concert with the observations made after the establishment of vending zones in Bhubaneswar. Earlier, the vendors were prevented from peacefully running their businesses due to hassles such as eviction and bribe-seeking by corrupt officials. This hampered the profitability and entrepreneurial spirit among the vendors. Once the cycle of raids and illegal bribe-seeking was ended by giving a legal status to the vending zones, the vendors were able to focus on their business development.

Street vendors, in general, often face employment risks due to climatic conditions. However, the establishment of vending zones led to an improvement in working conditions and reduced losses related to rains and storms. By design, all the kiosks in vending zones have a strong iron-sheet roof and, in most cases, iron shutters too, which can be locked safely during non-operating hours. These structural arrangements provide safe storage and eliminate the stress and costs involved in transporting the goods daily to the vending place. Some vendor markets were known for keeping specialized products, and while charting out the plan for creating vending zones, due care was taken to maintain the previous rapport. Hence, some vending zones that exclusively offer meat, fruit, flower or footwear were created.

For BMC, the vending zones proved to be a new source of income in the form of an annual fee of Rs. 500⁵/per kiosk. Furthermore, the collection of the annual fee has

⁵ US \$9.27 at a conversion rate of 0.0185331 USD on May 14, 2012.



been delegated to NASVI, which collects it from the vendors and deposits it with the BMC, thus saving municipal authorities the effort. The water and electricity cost is not covered under this licence fee; instead, a bill is generated for each vending zone and payment collected through the vendors' federation. The private partners who financed the construction, meanwhile, are now enjoying the visibility of the advertising atop the vending zones.

Patrons who buy the services and goods from the vendors of vending zones have benefited, too. Earlier, there was always an element of fear that a vendor would disappear after duping the customers. The permanence of structures now provides a sense of reliability. For the vendors too, although the basic nature of trade is the same, a sense of pride is reflected in their attitude as now they consider themselves shopkeepers and not merely roadside vendors.

The vending zones present an organized look within the city which has earned various awards and recognition

Ample safe storage eliminates problems around having to transport goods daily to the vending place. This and the permanence of the structure allow the vendor to operate more as a shopkeeper rather than a roadside vendor.

for the BMC. For instance, BMC won an Indian Association of Tour Operators award for its city beautification drive on 9 August 2008. Another initiative taken by BMC for promoting the environmentally-friendly measures was to issue a mandate for all the vendors to use CFL bulbs⁶ in the vending zones, thus saving the electricity and reducing their carbon footprint.

The task of improving the lives of vendors did not end with the successful creation of dedicated vending zones. Now

⁶ Local Government Road Map, Energy efficient lighting in vending zones, Accessed on Dec. 11, 2011 at http://www.iclei.org/fileadmin/template/project_templates/climate-roadmap/files/Local_Action/Local_stories/Local_stories_Bhubaneswar_14_Nov_09.pdf.

Bhubaneswar is trying to achieve new landmarks in the sustainability and welfare of the vendors. No separate provisions existed in the vending zone policy to incorporate a social security element. In order to overcome this shortcoming, NGOs like *Nidan* and *Bhagidari* have started to promote a contributory micro-pension scheme among the vendors.

Following the success of the Bhubaneswar model, NASVI has started campaigns in other cities of India demanding regularization of vendors.

Sustainability, Challenges and Possibilities for Replication

The innovative vending zone model provides vendors with an opportunity for a sustainable source of livelihood. When BMC Deputy Secretary and Licensing Officer Mr. Ashok Kumar Mohanty⁷ was queried about the long term sustainability of the vending zones, he assured of its future, saying

"...Unless there is an extreme necessity of the vending zone land, we do not disturb them and even if the vending zone land is taken we make sure that the vendors are rehabilitated in a proper way in new place not very far from the previous one."

In recent events, some of the vending zones have been demolished to widen the roads and unclog traffic congestion; however this occurred only after provision of an alternative place to rehabilitate the affected vendors, and once again the vendors were cooperating partners in carrying out the whole process (The Telegraph 2010).

⁷ Personal Interview with Mr. Ashok Mohanty at Bhubaneswar on 18 November 2009.

Undoubtedly, the vending zone model has benefitted a large number of vendors, but there remain many who were not able to secure space in vending zones and still have to vend from unauthorized regions. Although they don't face massive eviction drives, confiscation of goods or bribe seeking, they still deal with a certain degree of insecurity. There have been cases where some of the vendors outside of vending zones have been forcefully evicted and the action has been challenged by affected vendors in the High Court. The regularization of such vendors still poses a challenge to the town authorities and vendors' organizations. NASVI has proposed some sites for new vending zones; however the process of regularization is once again slow, with bureaucratic hurdles similar to previous ones. Some other issues which demand remedial action are related to the provision of toilets, electricity and water facilities in several of the vending zones.⁸

The successful regularization of the street vendors has caught the attention of several municipal authorities in many other Indian cities. They have sent their officials to observe and understand the Bhubaneswar model and try to ascertain the feasibility of replicating it in their cities. Taking cues from the success of BMC, the States of Andhra Pradesh, Bihar, Maharashtra (Mohapatra 2011) and West Bengal⁹ have been approaching BMC to learn from their knowledge and expertise in handling vendors within the city. The municipal corporations of Guwahati and Patna have already started to follow in the foot steps of BMC, initiating the early process of identification of vending zones through a partnership model (The Telegraph 2008). In the capital city Delhi, too, the ministry of Housing and Urban Poverty Alleviation urged the Delhi Municipal Commissioner to learn from

⁸ Personal Communication with Mr. Ranjeet (Programme Manager, NASVI, Bhubaneswar Region) on 2 March 2012.

⁹ Kolkatta Joint Municipal commissioner Mr. S. Islam wrote a letter to BMC Commissioner on 11 December 2008 seeking guidelines and assistance.

To read the full article go to: <http://www.deccanherald.com/content/231859/vending-turns-green-affair.html>

Vending turns a green and beautiful affair

S T Beuria, Mar 04, 2012

The idea, now a successful project, germinated following a tussle.

Many corporations are eager to adopt the model, which surprises many like Gourav Mohapatra, working in a finance company outside Odisha, during their visits to Bhubaneswar. The Bhubaneswar Municipal Corporation has created a separate “vending zone” --a cluster of shops in green colour on one side of a busy thoroughfare in the city.

The vending zones of Bhubaneswar have already gained a lot of popularity among town planners across the country so much so that representatives of urban local bodies of different states have been visiting the Odisha capital at regular intervals to take tips to introduce similar vending zones in their respective urban centres.

“Our vending zones are gaining popularity by the day,” said Pratap Kumar Sahu, the president of All Odisha Roadside Vendors’ Association. Sahu had played a key role when the vending zone system was introduced in Bhubaneswar in November, 2006.

According to Sahu, the idea of a vending zone was floated by his association after a tussle between the BMC and the street vendors over a demolition drive --a regular feature in urban centres across the country. “We floated the idea and the BMC authorities appreciated it. And the first vending zone in the city was born”, he maintained.

Bhubaneswar, which consists of 60 wards, is currently having 56 vending zones where 2,600 street vendors



Traders celebrate vendors' day in Bhubaneswar

have been rehabilitated. However, that is not enough as more than 22,000 vendors have to be accommodated. “We need as many as 180 vending zones to accommodate all the street vendors,” said Sahu.

If the members of the Street Vendors Association are to be believed, the vending zone system benefits all - the vendors, the municipal corporation as well as the common people in the city. Once a street vendor is rehabilitated in a vending zone, the biggest fear of his or her life --a demolition or eviction drive by municipal authorities - is gone. Street vendors lose thousands of rupees, all hard-earned, during these demolition or eviction drives. “The quality of life of the street vendors and their families automatically improves as they get an opportunity to do their business without any hassles and fear,” Sahu observed.



the Bhubaneswar model and work towards regularizing the street vendors in Delhi.¹⁰

However, the formulation of coherent informal sector policy needs to be context specific. It also must be predicated on an informed understanding of the economic contribution of the sector. Furthermore, it needs to be participatory and inclusive in nature, which requires involving the organizations representing the informal sector, authorities and other appropriate social actors who must work collaboratively towards negotiated solutions (Chen 2004). The vending zone model of Bhubaneswar is a good case that brings together all the above-mentioned characteristics.

Indian as well as other global cities can learn from the success of the Bhubaneswar model. To achieve a positive outcome equivalent to that in Bhubaneswar requires strong vendor leadership and a will among town authorities to address the issues pertaining to street vending. This can lead to interventions that have the potential to partly address urban poverty by creating a more conducive environment in which street vendors can trade.

¹⁰ On 12th January 2009, Dr. P.K. Mohanty, Joint secretary, Ministry of Housing and Urban Poverty Alleviation vide letter no. N-11027/49/2007/BSUP-JNNURM, asked Commissioner, Delhi Municipal Corporation, to study the vending zone of Bhubaneswar.

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