



A Study on Socio-Economic Dimensions of Street Vendors in Urban Madurai, Tamil Nadu

Dr.R.Albert Christopher Dhas

Associate Professor in Economics, The American College, Madurai, India.

Corresponding author email: acdhas@gmail.com

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Street Vending is one of the fundamental constituents and also a distinctive part of a large informal sector of urban economies. Street vendors contribute to the economy in many ways (creates employment, produces and distributes goods/services at affordable prices). However, they did not get the required attention of the planners, policymakers, and the public. Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014 is the milestone effort initiated by the Government of India to regulate street vendors in public areas and protect their rights, and to integrate them in the growth process of the economy.

Though street vending was a common business activity even before independence, it was treated almost illegal in urban India for almost six decades until the passage of the Street Vendors Act in 2014. There are several studies conducted in several parts of India even before the Act was enacted. Shah J Parth and Naveen Mandava (2005) did an extensive analysis of the various types of living on streets in various parts of Indian states and argued for suitable laws, liberties and livelihood mechanisms. Nidan (2010) conducted a study on Street Vendors at Patna (Bihar). Saha, Debdulal (2011) portrayed the 'working life' of street vendors in Mumbai. Sharit K. Bhowmik and Debdulal Saha (2012) conducted a study on "Street Vending in Ten Cities in India", based on the survey conducted in Patiala district of Punjab. Jha, Ramnath (2018) did a study on "Strengthening Urban India's Informal Economy: The Case of Street Vending". From the review of the above studies, it was clear that street

vendors comprised one of the most marginalised sections of the urban poor. The employment in street vending activities has over the years diversified and changed quite a lot. The problems and issues concerned about street vending vary across countries significantly. With this backdrop understanding of the issues of street vending and street vendors, the present study was carried out.

The objective of this chapter was to examine the socio-economic conditions street vendors of urban Madurai, based on the primary survey conducted among 200 respondents during the year 2019. The socio-economic condition of street vendors was understood by examining the characteristics such as religion, caste, community, nature, size of family, education, marital status, migration, employment, housing condition, income, expenditure and savings, indebtedness, etc. The major findings of the study were presented.

Demographic Profile

Street vending activities are different. Certain activities like the sale of flowers, fruits, and vegetables are undertaken mainly by females and there are many other activities done by both the gender. The gender-wise involvement in street vending business was observed based on primary information. It was observed that male vendors accounted for 69 percent of the business and the rest 31 percent was accounted for by females. It indicated that male dominate in street vending business compared to that of the female (Table 1).

The distribution of respondents by age categories was analysed as a part of the socio-economic analysis. The analysis revealed that about 44 percent of the respondents were at the age group of 31-44, 37 percent belonging the 45-60 age group, 12 percent at 61 and above and the remaining 7 percent were below the age 30. It could be inferred that most of the street vendors (81 percent) are in their productive age group of 31-60 and this business has engaged 12 percent of aged persons above 60 years old. As street vending is a self-employment activity it provides job opportunities for longer years. The observation of only 6 percent of vendors at the age group 15-30 indicated that there was low participation of youth members in street vending businesses and younger generations were not found attracted in street vending.

Table 1 Socio-Demographic Profile of the Street Vendors

Indicators	Categories	Percentage Share
Gender	Male	69
	Female	31
Age Distribution (in Years)	Below 14	1
	15- 30	6
	31-44	44
	45-60	37
	61 and above	12
Educational Qualification	Illiterate	38
	Primary and Elementary School	36
	Secondary / High school	21
	Collegiate	4
	Technical / Vocational	1
Marital Status	Single	7
	Married	82
	Widowed	2
	Separated	9
Nature of Family	Joint	29
	Nuclear	71
Family Size	< 3	24
	3-5	59
	5-10	14
	Above 10	3
Caste Status	General (F C)	21
	BC	50
	MBC	6
	SC & ST	23
Religion	Hindu	83
	Christian	7
	Muslim	10
Native Place	Local	69
	Nearby Madurai	25
	Other districts	5
	Other States	1

Source: Primary Data

Education Profile

Education is an important socio-economic indicator reflecting the knowledge and behaviour of any person. The respondents are classified into four groups based on their educational levels. The analysis revealed that major share of the respondents (38 percent) were illiterates, 36 percent were educated up to primary and elementary school, followed by secondary (21 percent). Respondents who studied at college level were observed to be very low (4 percent) only. This revealed that education is not a factor very relevant for getting

involved in street vending business though highly educated people were also involved in this business to a smaller extent.

Marital Status and Family System

The classification of the respondents by marital status pattern revealed that 82 percent of the respondents were married and 7 percent of them were unmarried ones. It is a significant factor observed that 11 percent of vendors were found to be widowed and separated. The concept of the Joint and nuclear family system is an important factor that reflects the social character of a society. It was observed that the joint family system was very much under practice among the street vendors. The survey revealed that in the study area, 29 percent of the respondents were practicing the Joint family system and 71 percent of the respondents were in the nuclear family.

Caste and Religion

It was observed that 50 percent of the respondents belonged to the BC category, 23 percent of the respondents were under SC & ST category, 21 percent from FC and 6 percent of the respondents were from the MBC category. The caste analysis indicates that street vending is not confined to socially weaker community and it has in fact, given employment opportunities for socially upper communities like FC and BC to a greater level. Street vendors belong to the three major religious categories such as Hindus, Muslims, and Christians. The survey revealed that the majority say, 83 percent of the respondents belong to the Hindu religion, 10 percent of the respondents are Muslims and the remaining 7 percent of the respondents belong to Christianity. This observation broadly reflects the overall pattern of the religious composition of the population in the Madurai district.

Migration

There is a general understanding that migrants get into street vending. Against this understanding, the survey results revealed that 69 percent of the vendors were natives of Madurai and another 25 percent of the vendors were from nearby Madurai. Altogether, 94 percent of the vendors were from Madurai district. Only 5 percent of the vendors migrated from neighboring districts and one percent from other states. Thus, it could be observed that the results disproved the argument that migrants were pushed into street vending. It could be also argued that the lack of employment opportunities in the organized sector had pushed the local people to take up street vending as their major occupation for survival purposes.

Identity Particulars

Identity in any form is very important for a businessman. It is all the more important for a street vendor in an urban area. Hence, it was attempted to understand whether vendors have any type of legal or other related identity cards such as Ration Card, Adhar Card, Voter Identity Card, Pan Card, Passport, Bank Account, ATM card, and Credit Card. Distribution of respondents by the possession of various identity items are given in table 2.

Table 2 Distribution of Respondents by their Identity Possession

S.No	Identity Possessed	Percent		
		Yes	No	Total
1	Ration Card	98	2	100
2	Adhar Card	97	3	100
3	Voter Identity	95	5	100
4	Passport	3	97	100
5	PAN Card	3	97	100
6	Bank Account	74	26	100
7	ATM Card	55	45	100
8	Credit Card	2	98	100

Source: Primary Data

It was observed that ration card, adhar card and voter identity card were commonly available with the majority of street vendors. Above 95 percent of the vendors reported that they possessed these identity cards. In contrast, passport and PAN card identities were possessed by only 3 percent of the street vendors. 74 percent of the respondents only had bank accounts and only 55 percent of the respondents had ATM Card. Only 2 percent reported having credit cards. This indicated that almost one-fourth of the respondents were yet to be under organized banking sector and digital banking had to penetrate among almost 50 percent of the street vendors.

Economic Status

The economic status of the street vendors is understood by classifying the respondents into four categories such as very poor, poor, medium and rich. The survey revealed that 52 percent of the street vendors identified themselves as they were poor, 36 percent as medium and 12 percent as very poor. None of the sample vendors indicated that they were of the rich category. On the whole, the majority of the street vendors (64 percent) were considered as economically poor and very poor categories.

Family Education

Though a major share of street vendors was low in their education and poor in

economic status, they were educating their children in a better way. This phenomenon was understood by analysing the highest level of education attained by the children of the street vendors. It was observed that 63 percent of the children have gone up to secondary/high school and college level. Improving the educational status of children could be supported by the earning of the vendors. It was observed that 64 percent of the vendor families reported with more than one earning member in their home. As more than one member is involved in productive employment and earns for their family, the total family income would be high and increasing.

Housing

It was observed that 56 percent of the street vendors live in rented houses and only 39 percent of them live in owned houses. Only 5 percent of the vendors live in leased houses. No sample respondents reported that they live on the streets.

Table 3 Socio-Economic Conditions of the Street Vendors

Indicators	Categories	Percent
Economic Status of the Family	Very Poor	12
	Poor	52
	Medium	36
	Rich	0
Highest Educational Qualification of Children	Not Relevant	7
	Primary & Elementary School	22
	Secondary / High school	45
	University	18
	Technical / Vocational	8
Number of Earning Members	1	31
	2	50
	3	14
	4 and above	5
Place of Residence	Owned	39
	Rented	56
	Leased	5
Type of House	Thatched	25
	Tiled	40
	Terraced	35
Languages Known to Speak	1	81
	2	16
	3	3
Habits	Smoking	25
	Drinking	18
	Gambling	1

Source: Primary Data

This indicated that the street vendors are very conscious about their safety and security and live in houses. This argument is further supported by the type of houses on which they live. It was observed that 40 percent of them were staying in tiled houses and 35 percent on terraced houses. The least number of vendors (25 percent) live in thatched houses. As far as speaking language is concerned, the majority of the vendors (81 percent) speak only one language and the rest 19 percent speak more than one language. As many of the vendor responders were from local areas and from in and around Madurai, they could manage their business with a single language.

Habits

The prevalence of certain personal habits such as smoking, drinking, and gambling would affect the economic conditions of street vendor families. It was observed that 25 percent of the street vendors were involved in smoking, 18 percent in drinking and 1 percent in gambling. A few vendors reported that they are involved in both smoking and drinking. Smoking and Drinking habits would have negative effects on the health and economic conditions of the street vendors.

Table 4 Business Profile of the Street Vendors

Indicators	Categories	Percent
Previous Occupation	Unemployed	37
	Agricultural Work	18
	Domestic Work	10
	Wage Work	31
	Driving	4
Main Item Sold	Vegetable and Fruits	32
	Cooked Foods	22
	Flowers	14
	Milk and Milk Products	12
	Household Products	7
	Cosmetic and Fancy Items	5
	Tea and Coffee	5
	Cool Drinks	2
	Readymade Garments	1
Category of Sales	Single Point Sales	67
	Mobile Sales	19
	Multi-Point Sales	14
Working hours per day	Less than 4 hrs	6
	4 - 6 hrs	26
	6 - 8 hrs	27
	8 - 10 hrs	27
	More than 10 hrs	14

Vendors with Outstanding Loans	12
Vendors Needed Additional Loan	23
Vendors with Bad Experience with Money Lenders	32
Vendors with Experience of Business Related Corruption	18
Vendors with Seasonal Imbalance Experience	66

Source: Primary Data

Business Profile

An analysis of the previous occupation of the vendors revealed that 37 percent of the respondents were unemployed earlier, 31 percent were wage workers and the rest were in activities like agricultural work, domestic work, and driving. A large share of street vendors has taken up this business as they were unemployed earlier and therefore it could be argued that unemployment is the dominant push factor for street vending business.

The street vendors undertake the sale of different items and the main items include Vegetable and Fruits, Cooked Foods, Flowers, Milk and Milk Products, Household Products, Cosmetic and Fancy Items, Tea and Coffee, Cool Drinks and Readymade Garments. It was observed that 80 percent of the vendors were dealing the items such as Vegetable and Fruits (32 percent), Cooked Foods (22 percent), Flowers (14 percent), Milk and Milk Products (12 percent).

Street vendors undertake their business by selling at a single place or location or move from one point to another point or by continuously moving on the streets. It was observed that 67 percent of the street vendors were involved in single point sales, 19 percent in mobile (moving) sales and the rest 14 percent by multi-point sales.

Working Hours

The average number of working hours per day for the vendors varies from two to twelve hours. 41 percent of the vendors work for prolonged durations above 8 hours. A significantly smaller percentage of vendors (6 percent) spent less than 4 hours in the vending business. The vendors do not count the hours they spent on purchasing and assembling the products as they are treated as preparatory works. Most of the vendors spent more hours and that too during odd timings like late evening and early morning. If these hours were counted, the real-time of working would be doubled. However, as per the respondent's perception and calculation, 54 percent of the vendors spent 6-8 hours of work per day on vending.

Investment and Indebtedness

Street vendors are often falling into a debt trap due to the high level of their indebtedness. They need credit for their economic and non-economic activities. To meet their credit requirements, they borrow money from various other sources as their access to bank credit is low. The present study revealed that 12 percent of the vendors have outstanding loans and 23 percent of the vendors expressed the need for additional loans for business purposes like an expansion of business and formalising the business activities, and non-economic purposes like construction of a house, medical and educational purposes. Almost one-third of the vendors expressed that they had a bad experience with informal money lenders. It was observed that 18 percent of the total respondents were forced to involve in corruption and 82 percent claim that they do not pay any bribes. The seasonal imbalance was observed as a major experience of 66 percent of the street vending vendors.

It was observed from the analysis that the majority of the vendors (35 percent) invested less than Rs.5000, followed by 28 percent invested Rs.5001-10000 and 14 percent invested Rs.10001-15000. This indicated that the initial capital invested in street vending businesses was very low. This could be a significant factor for attracting many into the street vending business.

Access to capital is an economic linkage that connects street vending to the economy and it influences the economic aspects of the business such as, investment, productivity performance, profit, and business growth. Since street vending is considered an illegal profession they are not legally entertained by public authorities and financial institutions. Hence, it is not easy for the vendors to mobilise funding from banks and the street vendors do not have access to institutional credit. This fact is very much supported by the results of the survey. It was observed that only 13 percent of the vendors obtained loans from banks and all others relied on other sources for their initial investment. 35 percent of the vendors reported that they started their business with their savings. 33 percent of the vendors mobilised finance from parents, friends, and relatives. 17 percent relied on money lenders. Only 2 percent received from microfinance groups. It can be argued that the banking sector has extended very limited support for the start of business.

Table 5 Functional Performance of Street Vending Business

Indicators	Categories	Percent
Investment per Business	less than Rs.5000	35
	Rs. 5001 - 10000	28
	Rs. 10001 - 15000	14
	Rs. 15001 - 20000	8
	above Rs. 20000	15
Sources of Investment	Money Lenders	17
	Banks	13
	Friends and Relatives	20
	Own Savings	35
	Parents	13
	Micro Finance Groups	2
Working Capital Requirement	Less than Rs.500	28
	Rs. 501 - 1000	32
	Rs. 1001 - 1500	12
	Rs. 1501 - 2000	21
	above Rs. 2000	7
Net Profit Earned	Less than Rs. 200	9
	Rs. 201- 300	23
	Rs. 301 - 400	15
	Rs. 401 - 500	31
	Rs. above 500	22

Source: Primary Data

The majority of the street vendors complete their business by the end of the day, they manage their business with less stock and with less working capital. However, the per day working capital requirement of the business is determined by many factors. The sample vendors were grouped based on their working capital requirement (per day). It was observed that the majority of the vendors (60 percent) needed less than Rs.1000 as their working capital, followed by 33 percent invested Rs.1001-2000 and 7 percent invested above Rs.2000. This indicated that the working capital requirement for street vending businesses was very low.

Profit Performance

The performance of the business should get reflected in the net income or profit earned on the close of the business every day. The vendor respondents were grouped based on their net income groups. Only 9 percent of the respondents had a daily income of less than

200. The daily income of a considerable portion of the sample respondents (23 percent) was found to be Rs. 201-300. 22 percent of the respondents had an income ranging above Rs. 500 indicating that a few vendors earn quite a high income, reflecting the type of business, the age of the business, the location, and the products they sell.

Summary and Conclusion

The present study was an attempt to understand the socio-economic conditions of street vendors at a micro level to evolve suitable strategies to protect street vendors and improve their livelihood. It was primarily based on field data obtained by a primary survey conducted among two hundred street vendors in urban Madurai, Tamil Nadu. The major findings of the study were summarized below:

- Male dominate in street vending business compared to that of the female. Most of the street vendors were in their productive age group of 31-60 and there was low participation of youth members in street vending businesses, indicating that younger generations were not found attractive in street vending. Education was not a factor very relevant for getting involved in street vending business though highly educated people were also involved in this business to a smaller extent. Though a major share of vendors was married, it was a significant factor observed that 11 percent of vendors were found to be widowed and separated. Street vending is not confined to socially weaker community and it has in fact, given employment opportunities for socially upper communities like FC and BC to a greater level.
- As the majority of the vendors were from Madurai district and only one percent from other states, the results disproved the argument that migrants were pushed into street vending. Ration card, adhar card, and voter identity card are commonly available with the majority (95 percent) of street vendors. One-fourth of the respondents were yet to be brought under the organized banking sector and digital banking has to penetrate among almost 50 percent of the street vendors.
- 52 percent of the street vendors identified themselves as they were poor. A major share of street vendors was low in their education and poor in economic status, but they were educating their children in a better way. No vendors reported that they live on the streets. Street vendors were involved in smoking and drinking habits. A major share (79 percent) of vendors were with more than 5 years of experience, indicating

that street vending provided long term employment to people who undertook this business as their occupation and many continue in this activity for several years.

- A large share of street vendors has taken up this business as they were unemployed earlier and therefore, unemployment is the dominant push factor for street vending business. It was observed that the peer group (friends and relatives) influence was the dominant factor for introducing new persons into the street vending business. 80 percent of the vendors were dealing the items such as Vegetable and Fruits (32 percent), Cooked Foods (22 percent), Flowers (14 percent), Milk and Milk Products (12 percent). 67 percent of the street vendors were involved in single point sales, 19 percent in mobile (moving) sales and the rest 14 percent by multi-point sales. 41 percent of the vendors work for prolonged durations above 8 hours. 54 percent of the vendors spent 6-8 hours of work per day on vending.
- Only 12 percent of the vendors had outstanding loans and 23 percent of the vendors expressed the need for additional loans for business purposes like the expansion of business and formalising the business activities, and non-economic purposes like construction of house, medical and educational purposes. One-third of the vendors expressed that they had a bad experience with informal money lenders. 18 percent of the total respondents were forced to involve in corruption and 82 percent claim that they do not pay any bribes. The seasonal imbalance was observed as a major experience of 66 percent of the street vending vendors.
- The initial capital invested in street vending businesses was very low. This could be a significant factor for attracting many into the street vending business. The banking sector had extended very limited support for the start of business. The working capital requirement for street vending businesses was very low. The majority of the vendors (60 percent) needed less than Rs.1000 as their working capital. The daily income of a considerable portion of the sample respondents (23 percent) was found to be Rs. 201-300. 22 percent of the respondents had an income ranging above Rs. 500 indicating that a few vendors earn quite a high income,

In sum, the study concluded that the socio-economic conditions of the street vendors are still poor and there are several areas on which there is scope for intervention and improvement. The development in the socio-economic conditions can be achieved with the

support of street vendors, family members, local organisations and NGOs and Government. This calls for a coordinated effort from all individuals and institutions.

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