



## A Study of Street Vending Across the Globe

Dr. Dendukuri Indira

Professor, MBA Department,  
Gokaraju Rangaraju Institute of Engineering & Technology,  
Hyderabad, India

---

**Abstract:** *Informal workforce can be divided into two categories namely agricultural employment and non-agricultural employment. Further the activities in the informal sector can be categorized into self-employed and casual labour. A major section of the self-employed work as Street vendors. The Government of India has used the term urban vendor as inclusive of both traders and service providers, stationary as well as mobile. There are very few studies of street vendors as it is a part of the informal sector where official data is not available. This particular study focuses on the various sections of the informal sector, evolution of street vendors and the overview of the status of street vendors across the world. This study has adopted exploratory and descriptive design, data was collected from secondary sources which composed of research articles published in journals and research reports published by various institutions. The findings have observed that the non agricultural employment share of the informal workforce is 78 percent in Africa, 57 percent in Latin America and 45-85 percent in Asia. It has been found that self-employment comprises a greater share of informal employment than wage employment. It has been identified that there has been a mushroom growth in the number of street vendors in the major Asian cities especially after the financial crisis of 1998. The study further envisaged that although street vendors are prevalent in all countries and contributing significantly to the respective economies governments have not framed formal law towards making the sector hassle free.*

**Keywords:** *Informal Workforce, Non-Agricultural Employment, Urban vendor, Self-Employment, Street hawkers*

---

### I. INTRODUCTION

Informal work is a universal phenomenon. It has been on rise since 1970. The factors contributing for such expansion are low investment, high profit, no procedural steps either to start or exit, cross-border and rural urban migration, unemployment and poverty in rural areas resulted in the migration of people to cities in search of a better existence. These migrants do not possess proper education and skills to find secure employment in the formal sector. Some of them are workers who were earlier employed in the formal sector, after losing their jobs due to closures, downsizing or mergers in the companies they were working, had to seek low paid work in the informal sector in order to survive.

### II. REVIEW OF LITERATURE

Northslna Hassan (2003)-\_Accommodating the Street Hawkers into Modern Urban Management in Kuala Lumpur. This paper traces the changing characteristics of the street hawker in Kaula Lumpur since the 1970's. It evaluates the current strategies of managing the street hawkers in Kaula Lumpur. It is identified that The majority of the residents ( 75% ) wanted the hawkers to be relocated into a proper hawker centre, close to their place of residents. The majority of the hawkers were against( 70% ) the proposal of relocation due to the difficulty in finding a relatively large piece of land at strategic locations. Some hawkers would prefer to operate illegally and pay their fines periodically than move to legalized locations where they feel they cannot attract customers.

Anoop Singh (2009)-\_Informal markets for electricity: economics of lighting for hawkers in India. The purpose of this paper is to investigate the economics of supplying energy needs for illumination requirements by hawkers using alternative sources. It is found that the technology choice by hawkers is influenced by lack of initial capital and inconvenience associated with cheaper than overall economics of the alternative option is found.

Fiona Pang (2008)-\_Hawker food Industry: food safety/public health strategies in Malaysia-The purpose of this paper is to explore the socio-demographic factors affecting food safety strategies of hawkers in an urban and less urban setting of Malaysia. It is found that of all hawker types hawkers with higher educational levels and hawkers in an urban setting scored the highest on food safety knowledge. This study found inadequate guidelines for hawkers, ambiguities with licensing procedures, weaknesses in training programmes and significant complaints of designated sites by hawkers.

A.H.Subratty P.Beeharry, M.Chan Sun(2004)- A survey of hygiene practices among food vendors in rural areas in Mauritius. It was found that generally food vendors were quite aware of hygienic conditions. But majority of them were not implementing their knowledge into practice. They perceived that their products were of low risk to customers. It highlights the need for further health education of food vendors

Olufunmilayo I Fawole, Ademola J Ajuwon, Kayode, Olufemi C Faweya(2002)-\_Prevalence and nature of violence among young female hawkers in motor parks in South-western Nigeria. It concludes that violence is a major problem affecting YFH and recommends education programmes for men on both physical and sexual violence. Young female hawkers need to be empowered educationally and economically to enable them to resist violence.

Rina Agarwall (2009)-\_An economic sociology of informal work :the case of India. It provides an internationally comparative measure of India’s informal workforce. It illustrates informal workers social conditions relative to those of formal workers. It highlights the expansion of the informal workforce since liberalization. It exposes political action strategies Indian Informal workers are launching against the state.

Walter E Little(2002)-\_Selling strategies and social relations among mobile Maya handicrafts. It is found that mobile retailers that sell handicrafts to tourists are commonly found throughout the world. Aside from the chance to make a significant amount of money, the social networks and social relations practiced by female ambulantes can have a positive effect on their lives.

Dabir-Alai(2004),\_A study on “Street trading in urban areas” , Delhi, India. It was found that bullying is the most vulnerable element of vendors. Most of the street vendors use self financing for their business.

**Objectives:**

- 1) To study the sections of informal sector
- 2) To understand the evolution of street vending business
- 3) To assess the status of Street Vendors across the world

**Data and Interpretation:**

Informal sector is divided into two categories based on their previous work history, the first category namely low skilled rural migrants exist in Asia and are more prevalent in the poorer countries such as India, Bangladesh, Nepal, Cambodia and Vietnam. These countries do not have a strong industrial base. The second category namely workers who were earlier in the formal sector, exists in countries such as Philippines, South Korea, Thailand, Malaysia, Indonesia and India. The reason is large scale unemployment in these countries due to closure of several industries .

**Share of Non-Agricultural Employment in Informal Workforce**

Informal workforce can be subdivided into agricultural employment and non agricultural employment. The data pertaining to the share of non-agricultural employment and agricultural employment in informal workforce is presented in Table 1.1

Table 1.1 Share of Non-Agricultural Employment in Informal Workforce

Region	Agricultural employment	Non-Agricultural employment
Africa	22%	78%
Latin America	43%	57%
Asia	55-15%	45-85%

Source: Kristina flodman becker, Fact finding study, Sida, March 2004 , [info@sida.se](mailto:info@sida.se)

It is evident from the table 1.1 that the non agricultural employment share of the informal workforce is 78 percent in Africa, 57 percent in Latin America and 45-85 percent in Asia.

**Share of Self-Employment in Informal Workforce**

The activities in the informal sector can be categorized into two sections, the self-employed and casual (non-permanent) labour /salaried. The data related to the Share of self-employment in informal workforce is presented in table 1.2

Table 1.2 Share of Self-Employment in Informal Workforce

Region	Self-employment	Salaried
Sub Saharan Africa	70%	30%
North Africa	62%	38%
Latin America	60%	40%

Asia	59%	41%
------	-----	-----

Source: Kristina flodman becker, Fact finding study, Sida, March 2004 , [info@sida.se](mailto:info@sida.se),

The data shows that in all developing countries, self-employment comprises a greater share of informal employment than wage employment. Table 1.2 reveals that specifically self-employment represents 70 percent of informal employment in Sub Saharan Africa, 62 percent in North Africa, 60 percent in Latin America and 59 percent in Asia. Therefore appropriate policy framework and strategies aimed at the informal economy must be developed for job creation and economic growth.

### **Growth of the Informal Sector and Street Vending**

It has been observed that even manufacturing units in the informal sector have grown faster than the units in the formal sector. In India, according to the governments pre-budget economic survey for 2004-05, the total workforce in the formal sector is around 27 million while the small scale industries providing employment to 28 million workers. The survey notes that employment in this sector grew from 24 million in 2000-01 to 28 million in 2004-05 whereas employment in the formal sector is stagnated at 27 million since 1991. Around half of those employed in the formal sector are in the white-collar jobs, hence workers in the small sector out numbered blue collar workers in the formal sector. The activities in the informal sector are classified into two sections i.e. i) self-employed and ii) casual (non-permanent) labour /salaried.

A major section of the self-employed work as street vendors. The Government of India has used the term urban vendor as inclusive of both traders and service providers, stationary as well as mobile and incorporates all other local/region specific terms used to describe them, viz. hawker, pheriwala, rehri-patriwala, footpath dukandars, sidewalk traders etc. There has been mushroom growth in the number of street vendors in the major Asian cities. The reports from the Asian countries show that there was a jump in the number of street vendors after the financial crisis of 1998. This crisis had affected the Asian countries which triggered a sharp rise in street vendors in Thailand, Singapore and Phillipines. This is the reason that many of the workers lost their jobs in the formal sector and opted for street vending to make a living. For the urban poor, street vendors provide goods including food, at low prices. Hence we find that one section of the urban poor namely street vendors subsidizes the existence of other sections of the urban poor by providing them cheap goods, including food. Middle income groups also benefit from street vending because of the affordable prices offered.

### **Overview of Street Vendors in the World**

The status of street vendors in various countries has been presented as below.

#### **Bangladesh**

The number of street vendors in Bangladesh is large. According to the Dhaka City Corporation there are around 90,000 street vendors in the city. Street vending is considered as an illegal trade and the street vendors face constant harassment from the authorities. The vendors have to pay a sizeable part of their income as bribes in order to practice their trade.

According to the Bangladeshi delegates who had attended the Asian regional workshop on street vendors held in February, 2002 in Bodh Gaya, India, the street vendors of Bangladesh were more vulnerable than those in the neighbouring countries due to poverty, lack of space for vending and lack of awareness about their rights.

There are several unions working to safeguard the interest of street vendors. The most important is the Bangladesh Hawkers Federation, it is linked to the trade union federation of the ruling Bangladesh National Party. In most countries where the number of street vendors is large, the ruling and opposition parties mobilize the street vendors for their political purposes. Due to their insecurity, street vendors tend to flock to these parties for protection. These parties use street vendors for their political gains, and in return provide them some security for their trade

#### **Sri Lanka**

Street vendors in Sri Lanka appear to be in a slightly better position than their counterparts in Bangladesh and India. Street vending in most urban areas is not totally illegal and vendors can practice their trade on the pavements by paying a daily tax to the municipal council. Despite gaining some legal recognition, vendors are evicted if the municipal council feels that they cause problems to the general public, not only do the street vendors face evictions but also the municipal authorities burn their stalls during these drives.

Though street vendors have some recognition by the municipality as they pay taxes, this does not necessarily provide them the security to carry out their trades. In most cases, provision of alternative space depends largely on how strongly their union can press for this demand.

The main problem confronted by street vendors is in-security in their livelihood and lack of access to credit. According to the report of the department of census and statistics ,Srilanka,2002, "the average daily income of a street food vendor is around Sri Lankan (SL) Rs 1,250 while the average daily profit generated...is approximately SL Rs 575. They are able to generate a monthly average income of SL Rs 31,250 and an average profit of SL Rs 14,375.

This indicates that the contribution of street food vendors to the country's economy is significant though they face similar problems as other street vendors, namely, lack of security and lack of institutional facilities.

### **Bangkok (Thailand)**

Street vending is an important source of income for the urban poor. The number of street vendors in the city increased rapidly after the monetary crisis of 1998 that affected the group of countries known as the Asian tigers. Many workers who lost their jobs took to street vending as a source of livelihood. The food vendors of Bangkok are known for their cheap but nutritious food. For the local population, the food stalls are an integral part of life in Bangkok. Hundreds of people rely on them for a good meal at low costs. The municipal authorities in Bangkok have demarcated sites where street vendors can operate. The sites officially allotted for street vending are not sufficient for accommodating all street vendors. This has led to street vendors operating in unauthorized areas. The majority of street vendors in the city operate in sites that are unauthorized.

A study conducted by FAO on street food vendors in south-east Asia states that in 2001 the number of street vendors in the city were over 1,00,000. The "low-income families purchase their food (including fish) on a daily basis, since they don't have enough money to purchase large amounts of food." These people buy fish by the small dish in street markets. Sale of fish by the small dish is a traditional service offered only by street food hawkers and the poor benefit from this. The unique feature of street vendors in Bangkok is that there are no unions. It is observed that large number of street vendors are facing problems from the authorities. Perhaps unionization could have given them protection to carry out their activities, recognition and government support.

### **Singapore**

Based on the reports of the hawkers department of the government of Singapore (2003), this must be the only country in the world where all street vendors are licensed. It is the duty of the Hawkers' Department to check that there are no unlicensed hawkers and issue licenses to those wanting to hawk goods on the pavements. The hawkers' department plays an active role in ensuring that the hawkers keep their environment clean and do not place constraints on pedestrians. Its officials inspect all stalls and see that they abide by the Environmental Public Health Act of 1968. It also organizes regular training courses on food and personal hygiene, and nutrition. Between 1990 and 1996 the department had trained more than 10,000 hawkers. One significant fact about street vendors in Singapore is that over the past 30 years they have helped keep the cost of living down since workers, students and the poorer sections depend on them for their daily necessities, including their meals.

### **Kuala Lumpur**

Malaysia is one of the few countries in Asia that has given some form of recognition to street vendors. In 1990, Malaysia formulated the National Policy on Hawkers. This is a comprehensive plan to tackle the social and economic problems associated with street vending. Its implementation includes the provision of funds to support credit schemes and training programs for street vendors to improve their facilities. The regulation and control of street vendors is under the department of hawkers and petty traders (DHPT) established in 1986. The objectives of the department include the development, modernization and management of the street vendors in line with the objective of making Kuala Lumpur a clean, healthy and beautiful city for the local people and tourists. According to DHPT the number of licensed street vendors rose by 30 per cent between 1990 and 2000. The total number of licensed street vendors in 2000 was nearly 35,000 in addition it is believed that there were more than 12,000 unlicensed street vendors operating. The increase of street vendors during this period is the financial crisis due to which lot of people who lost their jobs took to street vending.

### **Manila**

Manila has devised some plans for street vendors. In 2001 the Philippines government took a decision to legalize street vending. The government decided to issue them identity cards and allow them to carry their trade in certain areas. Despite all promises, the actual fate of street vendors in the Philippines, is no better than in most of the other countries mentioned earlier.

The main problems faced by the street vendors are that there are no demarcated areas for them to operate. They are also blamed for the filth on the pavements and for causing traffic problems.

### **Hanoi**

Street vendors provide a variety of low priced goods and generate employment for a large number of people, especially women. In the case of food vendors around 30 per cent are women. In 1989 the Vietnamese government adopted a law on protection of people's health. A survey on food samples in Hanoi showed that 47 per cent were microbiologically unsafe. Within a few years the situation changed and 23.4 per cent of the food vendors had changed their unhygienic practices. This was done by regular surveillance of food vendors and by training them in hygienic practices. The government has adopted two practices for ensuring safer street food, namely, monitoring street food vendors through a licensing system and educating and training them on hygiene.

According to a study conducted by Urban Sector Group (USG) the main problem faced by street vendors in Vietnam is the non-recognition of the existence of the informal sector. The street vendors do not have any permanent places to sell their goods. They cannot retain regular customers. They are frequently harassed by the police and the market security officials. The USG study notes that rent-seeking is high and the only way the vendors can stay on the streets is by paying bribes to these officials. If they don't pay, their goods are confiscated or even destroyed.

## **Seoul**

The government of South Korea, like most other governments in Asia, is insensitive to the problems of the urban poor. Street vendors and slum dwellers are under constant attack by the government. After the Asian financial crisis the number of street vendors is further increased and at present Seoul has around 8,00,000 street vendors. Faced by constant harassment, the street vendors of Korea have formed a national alliance known as National Federation of Korean Street Vendors. This federation estimates that the total number of street vendors in Korea are about a million. Street vendors form an important component of Korea's work force and their problems should not be ignored by the government.

## **India**

The number of street vendors in Indian cities has increased sharply during the past few years, especially after 1991 when the policies relating to structural adjustment and liberalization were introduced. According to the study conducted by Sharit K Bhowmik (2000) Mumbai has the largest number of street vendors viz. about 2,50,000. Kolkata has more than 1,50,000 street vendors. Ahmadabad and Patna have around 80,000 each and Indore, Bangalore and Bhubaneswar have around 30,000 street vendors. It is now estimated that around 2.5 per cent of the urban population is engaged in this occupation. Studies on street vendors/hawkers are few and are focused mainly on some cities.

Through street vending certain industries are sustained by providing markets for their products. A lot of goods sold by street vendors i.e. clothes and hosiery, leather and moulded plastic goods and household goods, are manufactured in small scale or home-based industries. These industries employ a large number of workers and they rely mainly on street vendors to market their products. In this way street vendors provide a valuable service by helping sustain employment in these industries. Street vendors are mainly those who were unsuccessful or unable to get regular jobs. This section of the urban poor use their meagre resources to earn their livelihood through street vending.

The poorer sections are able to procure their basic necessities through street vendors, as the goods are cheap. A study on street vendors in seven cities conducted by the National Alliance of Street Vendors of India (NASVI) showed that the lower income groups spend a higher proportion of their income in making purchases from street vendors mainly because their goods are affordable. Had there been no street vendors in the cities the plight of the urban poor would be worse. In this way one section of the urban poor, namely, street vendors, helps another section to survive. Hence though street vendors are viewed as a problem for urban governance, they are in fact the solution to some of the problems of the urban poor.

### **III. CONCLUSION**

Street vending is a part of the informal economy. It is a growing share of the informal workforce in developed and developing countries. Street vendors include all those selling goods or services in public spaces with a temporary built up structure. In developing countries millions of people depend on street vendors for their daily requirement as the goods are more economical than those available in the formal sector. It is difficult to estimate the exact number of people employed as street vendors, due to their high mobility and the marked seasonal variation in work. Recent study by the official labor force statistics states that there are about 10 million street vendors. The informal economy can no longer be considered as a temporary phenomenon. It is clear that the informal economy has a significant job and income generation potential. Therefore, in order to intervene in the best way to stimulate sustainable economic growth and job creation, the informal economy needs to be better understood both by governments and the other stakeholders.

### **REFERENCES**

- [1] 'Hawkers in the Urban Informal Sector: A Study of Street Vending in Seven Cities of India'. Conducted by Sharit K Bhowmik on behalf of National Alliance of Street Vendors of India. [www.nasvi.org](http://www.nasvi.org), [www.streetnet.org](http://www.streetnet.org)
- [2] National Alliance of Street Vendors of India and Streetnet. [www.nasvi.org.in](http://www.nasvi.org.in)
- [3] Kristina flodman becker, Fact finding study, sida, March 2004, info@sida.se, [www.sida.se](http://www.sida.se)
- [4] Charmes, Jacques (2000). "Informal Sector, Poverty and Gender: A Review of Empirical Evidence." ackground paper for the World Development Report 2001.
- [5] Street Vendors in Asia: A Review, Sharit Bhowmik, 2005
- [6] The Bangladesh Observer, Tuesday, September 9, 2003, Internet Edition, [www.bangladeshobserveronline.com](http://www.bangladeshobserveronline.com)
- [7] Report of the Asian Regional Workshop on Street Vendors (held in Bodh Gaya, India, February 10-12, 2002),
- [8] Summary Findings, Household Income and Expenditure Survey 2002, Department of Census and Statistics, Sri Lanka, October 2002. Quoted in ibid
- [9] Qazi Saif Uddin Ahmed, 'Role of Dhaka City Corporation in Urban Food Security'. Paper presented at The Regional Seminar on Feeding Asian Cities, November 27-30, 2000, Bangkok, Thailand.
- [10] Regional Seminar on Street Food Development, Bangkok, Thailand, September 29 – October 1, 1999, FAO Rome, 1999..
- [11] Based on a report in Star Malaysia, May 18, 2003. [www.singaporewindow.org/sw03/030518ss.htm](http://www.singaporewindow.org/sw03/030518ss.htm)
- [12] The data on this section is collected from Medina Pizali, op cit, Regional Seminar on Street Food

Development, op cit, and Norhaslina Hassan, 'Accommodating the Street Hawkers into Modern Urban Management in Kuala Lumpur' paper submitted to the 39th IsoCaRP Congress, 2003.

[13] <http://www.cityofmanila.com.ph/hawkers.htm>

[14] Sol Jose Vanzi , 'Metro Manila Street Vendors to be Legalised', Philippines Headline News Online, June 28, 2001. <http://www.seasite.niu.edu/vanzi>

[15] Darun Tantiwiramanond, 'Changing Gender Relations and Women in Micro Enterprises: The Street Vendors of Hanoi'.

[16] The section on Korea is based on the Streetnet International conference in Seoul March 2004.