Chapter 7

Collective Bargaining: Towards Promotion of Social Dialogue

7.1. Introduction

The right to collective bargaining is central to the ILO’s concept of decent work and is an indispensable part of democratic procedures (ILO, 2007). Realising the impact of freedom of association and the right to collective bargaining upon improving the plight of both the formal and informal workers, the ILO has made the right to freedom of association, an important part of its decent work agenda. The Declaration concerning the aims and principles of the ILO, called the “Declaration of Philadelphia”, which has been appended to the Constitution of ILO, reaffirms that freedom of association is essential for sustained progress (Gopalakrishnan, 2003). The fundamental right to livelihood is actually promoted by this right. It promotes the right to work with the right to bargain against exploitation. The Preamble to the Constitution of the ILO states that recognising freedom of association among workers would not only lead to their overall welfare but would also promote lasting peace among nations all over the world.

ILO clearly stresses on its objective to achieve an environment in which adequate opportunities of income and employment are secured and social protection for workers is achieved. The concept has become even more important in the present world of globalisation and in order to achieve welfare maximisation for all, every member should have the right to participate in the decision making process so that it is made legitimate and sustainable. Interestingly the right to form associations and organise a joint struggle is so important that it is covered both under their rights at work and also an indispensable component of their social dialogue. Several ILO Conventions such as the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98) are essential components of social dialogue process (Anker et. al, 2003). It means it is their right to form associations to realise other decent working standards and it also a very important component of the decent work paradigm by itself.

This study makes every attempt to explore the role of associations, trade unions and other membership based organisations in improving the working conditions of
vendors in Mumbai. Their mode of functioning and their success should be studied in a broader sense and thus needs additional research; as Bhowmik (2007: 98) stated that ‘...more research is required regarding the issues related to unionisation of street vendors’.

7.2. Benefits of Organising

Dasgupta (2002) argues that globalisation will intensify the vulnerability of informal workers in the coming years. Unionisation is perhaps the most effective way to guard against this increased vulnerability. There are various other benefits of organising informal workers. It enables people to raise their voices against what is wrong, assembles both financial and emotional resources and empowers workers politically and economically. Kusakabe’s study (2006) of street vendor associations in Asian countries shows that membership in organisations boosts self-confidence among the vendors and gives them the sense of being recognised by the society. In all, it gives them representation security so that they are free to express their views about their work and working conditions and enables them to bargain over their rights at work (ibid). Standing (2002) mentions that representation security is another form of work-related security that deal specifically with “protection of labour voice in the market place through independent trade unions or employers’ association and other bodies able to represent the interests of workers and working communities”. Representation security is a basic security to those who fall between the cracks of adequate social protection coverage given by state governed regulations relating to rights and benefits at work. Unions or other membership based organisations have a positive impact on vendors’ income and working conditions by empowering them through strong social dialogue.

7.3. Problems involved in Collective Bargaining for Informal Sector Workers

In India, it is harder to organise informal workers under one banner than it is to organise the formal sector workers. Traditional unions in India have not been able to address the needs of the informal workers. This is because their primary focus has been on the employer-employee relationship encountered mostly in the areas of wages and salaries. But informal work has the following peculiar characteristics that make unionisation even more difficult in reality. First, there is no employer-employee relationship here giving rise to confusion regarding identification of the parties involved in the bargaining
process. Second, the self-employed section is extremely heterogeneous in character. Vendors fall into many categories, whereas the degree of associability is higher among homogeneous group of workers. Third, self-employed workers are scattered and dispersed, which makes organising difficult. Moreover, we find vendors from varied ethnic backgrounds, which retards group cohesion in some ways. Moreover, Carr et al. (1996) observes that organisations that provide a common platform for men and women have not been very successful. This is because the issues of women are very different from those of men. In a conservative society like India, women’s participation in work outside the home is not given due recognition. A common platform would thus debar women from active participation and make them passive listeners, and thus their empowerment would not be achieved.

In short, collective bargaining is substantially reduced by a growing informal economy characterised by a decent work deficit (ILO 2007). However, the informal economy presents both a barrier and an opportunity to the promotion of the collective bargaining process. It is a barrier because the stakeholders involve different parties and there is no employer-employee relationship as in formal sectors. Collective bargaining is easy in the formal sector where there is a defined employee-employer relationship. But the characteristics of the informal sector, especially the self-employed involve multiple stakeholders. Collective bargaining therefore involves the government on one hand and the self-employed workers on the other. ILO further stipulates that it is the duty of the government to promote collective bargaining process because it will lead to greater organisation among workers and increases competitiveness. Collective bargaining process is thus even more vital in the informal economy where the government itself is a party to the process. It works towards regularising the workers.

Interestingly in Latin America, studies show that the rate of unionisation among street vendors is greater than other informal workers (Donovan 2002 and Roever 2006). It has already been pointed out that in some Latin American cities, street vendors enjoy rights of public space utilisation and have valid trade licenses.
7.4. Membership Based Organisations (MBOs)

Collective bargaining is promoted by membership based organisations (MBOs). MBOs can be defined as “those in which the members elect their leaders and which operate on democratic principles that hold the elected officers accountable to the general membership” (Chen et al. 2007: 4). Trade unions, cooperatives, workers committees, savings and credit groups such as self help groups (SHGs), producer groups and so on are categorised as MBOs (Chen et al. 2007). The democratic governance structures of MBOs are intended to provide both internal accountability (since leaders are elected through democratic process and are accountable) and external legitimacy (ibid).

The NPUSV in 2006 has also stressed upon the role of such organisations. National Alliance for Street Vendors of India (NASVI), Self Employed Women’s Association (SEWA) and Manushi are successful membership-based organisations and they have been working effectively for initiating policy dialogues at local, regional, state and national levels. The main role of these organisations is to negotiate with local authorities such as the municipal corporation’s officials and the police when the vendors are threatened by them. For instance, SEWA is actively involved in organising vendors not only in India but also in several cities of South Africa.

MBOs also have a definite role to play with regard to social security, access to finance, and other issues by organising collective action for improving the decency of work. Collective action facilitates decent work indicators of social dialogue.

7.5. Organising to Fight against Exploitation

The most common form of harassment is the demand for bribes. Vendors’ rights at work are violated when they are able to ply their trade only by paying bribes to municipal authorities and police and local leaders in some places because they are dubbed ‘illegal’. Bribes eat away 5–10 per cent of their daily incomes, as the total daily amount varies from Rs 20 to Rs 50. They are forced to pay bribes to three different groups of people which include the police, the officials of the BMC, and local leaders. Sometimes, (as observed in Dadar area), there are some agents of these authorities that facilitate the rent-seeking process. They work as intermediaries between the vendors and authorities. They
constitute another source of harassment. These agents keep aside a certain portion of the rent as their commission. Although the exact percentage of the amount they keep is not known, it is estimated that they keep around 5 per cent of the money collected before giving the rest to the local police and BMC.

MBOs have a big role to play in organising the vendors against bribe payment. Unions play a role in securing the trade of the vendors by securing their right to public space utilisation. Once formal recognition of trade is done, and they have definite trade licenses, they will be able to access low cost formal credit as well. Some unions are also organising SHGs to provide low cost credit to vendors. However, very few vendors are aware of the benefits of borrowing from these SHGs. The unions also help in organising social security for the vendors which include even the micro insurance services provided to them. Therefore it can be seen that that these membership-based organisations provide that participatory mechanism through which vendors try to find solutions to their problems by themselves. Unions organise them as one powerful force so that they may participate in decision making and formulate policies that affect their interests (Bhowmik 2005).

As far as street vendors’ associations in Africa are concerned, they perform all the traditional functions associated with the membership based organisations. However the associations are not well-organised and suffer from instability. Although South African countries have a long history of effective trade union organisations, the organisations of informal workers are not only weak but also do not draw any support from the formal sector organisations. Apart from lack of strength, vendor associations are not able to play any significant role in policy advocacy and formulation (Skinner 1999 and Lund 1998).

7.6. Current Scenario and the Extent of Unionisation among Vendors

The role played by collective bargaining and its channels have been illustrated through case studies. This study is based on in-depth interviews with 10 individuals who are actively involved in MBOs and in a position to make decisions for the vendors. They are vendors themselves and presently working toward mobilising the street vendors. The key respondents, who were working as small vendors initially, have become owners of small enterprise over a period of time and have employed a number of wage workers to carry out the administrative work and other responsibilities in their respective businesses. Thus
they have acquired social empowerment in the process of mobilising other vendors in an organised struggle for the common cause. According to them, it is very easy to work for the vendors as insiders. As they say, being insiders achieves many objectives. Only insiders can understand the problems associated with being vendors and work toward their eradication. On the other hand, vendors can directly associate themselves with the insiders who work with them. As one of the key respondents stated, ‘our friends [the vendors] rely on us and trust us because they think that we can understand the situation and represent their voice properly’.

The key respondents were reluctant to disclose their names and information about their organisations, their identities have not been disclosed in the study. Neither their names nor their physical descriptions are revealed anywhere in the study. Nevertheless, their positions in their organisations and other important aspects from an organisational perspective have been mentioned. This would help us in understanding the work they do to promote collective bargaining.

7.6.1. Coverage

A previous study (Bhowmik 2001) on street vendors in Ahmedabad, Bangalore, Delhi, Imphal, Kolkata, Mumbai and Patna showed that less than 20 per cent of the street vendors are unionised in major cities, but, interestingly, it is noted that in Ahmedabad 40 per cent of street vendors are unionised under SEWA. Let us see the extent of unionisation among the vendors in the study.

Table 7.1 shows the extent of unionisation in Mumbai. Out of those sampled, 204 street vendors are registered with different trade unions. The table shows that more than 50 per cent are members of different trade unions. In particular, 53 per cent of male and about 48 per cent of female street vendors are members of different trade unions, which looks impressive. However, in-depth discussions with the street vendors, revealed that only 47 street vendors out of 400 are actively involved with union, that is, around 0.12 per cent of the total sample population. These 47 vendors (among 400 street vendors) are actually regular in attending meetings and organising themselves, and they are even trying to mobilise other street vendors. Some street vendors reported that membership of trade unions makes them feel “empowered.” However; some of them also expressed the opinion that it is a waste of time to attend regular weekly and monthly meetings. The
union members’ activities often interfere with their work, and many think that if this time were devoted to vending activities, at least it would provide them with some more income. This attitude of street vendors is also evident from studies across South Africa where organising street vendors is difficult because they cannot take time off of work to attend union meetings (Skinner 1999). Even in Asian countries, several studies show that street vendors are loosely organised as has been found in several studies (Nirathron 2006 and Kusabake 2006).

**Table 7.1**

<table>
<thead>
<tr>
<th>Union Participation</th>
<th>Gender</th>
<th>Total (Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Female (Percentage)</td>
<td>Male (Percentage)</td>
</tr>
<tr>
<td>Not a Union member</td>
<td>85 (51.8)</td>
<td>111 (47.0)</td>
</tr>
<tr>
<td>Union member</td>
<td>79 (48.2)</td>
<td>125 (53.0)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>164 (100.0)</td>
<td>236 (100.0)</td>
</tr>
</tbody>
</table>

N= 400
*Source: Based on Primary Survey*

Hence we can say that union participation is mostly ‘a pen and paper’ affair. The rate of active participation is much lower. Here, less than one per cent of the total vendors are active union members. The low level of unionisation is responsible for widespread harassment in the form of ‘rent seeking’ or bribe collection (Bhowmik 2007a). In the study it was found that the vendors pay 5–10 per cent of their daily income in bribes. There is a feeling widely prevalent among vendors that it is better to pay bribes than to join a union to fight against the people who force them to pay the bribes (Bhowmik 2007a). The reason may be that vendors consider themselves incapable of fighting against the authorities who demand the bribes.

The rate of unionisation among females is lower than among males. However, in some cities like Ahmedabad, female vendors have been more successfully unionised, mainly under SEWA. Trade unions or other membership-based organisations stage protests against civic authorities whenever the authorities do something that goes against the interests of the street vendors. They do not refrain from going to jail, and in any case, they obtain stay-orders from the court to temporarily stop such moves of the civic authorities. These activities work as stop-gap-arrangements (Bhowmik 2003).
In the present context, it is useful to see how union-membership and activities are related to socio-demographic and work-related factors. The associations of union membership with indicators such as types of products, religion, caste and education have been shown in the Table 7.2 separately for both the cases of males and females. Union membership in case of both males and females has an association with the types of product they sell. This may be the case because when the vendors belong to same businesses they understand each other’s problems in a much better way and work in unison towards fulfilling common demands. Union membership has also an association with the religion. However, the association has been seen for the case of males and there is no association with religion among females. Interestingly, union membership has no association with the caste in case of both the male and female vendors. It is interesting to note that education has an association with the union membership in case of female vendors but it is seen that there is no association in case of male vendors. Educated females are likely to participate in union activities as they are aware of the problems occurring from loose organisation and benefits of organising.

Table 7.2
Summary of Chi-Square ($\chi^2$) Analysis of Union Membership

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Union Membership (Yes/ No)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
</tr>
<tr>
<td></td>
<td>Chi-Square ($\chi^2$)</td>
</tr>
<tr>
<td>Products</td>
<td>20.916***</td>
</tr>
<tr>
<td>Religion</td>
<td>10.270***</td>
</tr>
<tr>
<td>Caste</td>
<td>1.761</td>
</tr>
<tr>
<td>Education</td>
<td>7.288</td>
</tr>
</tbody>
</table>

N= 400 and ***p< 0.0005
Source: Computed from Primary Survey

7.7. Role of Membership Based Organisations

7.7.1. Towards Credit Accessibility

Vendors in Mumbai are grossly exploited by moneylenders and wholesalers that charge exorbitant rates of interest on the money they lend (Saha, 2010). As a result they fall into multiple debt-traps (Ibid). In the sample, it was also found that an overwhelming majority of the vendors obtain credit from informal sources and pay out a large part of their incomes in interest payments. Interestingly, a fraction avails itself of formal credit organised by the trade unions through a registered cooperative credit society operating in the areas (especially in Kandivali and Vile Parle) and giving group loans at very low rates
of interest to members (vendors) who approach the society through the unions. Union membership in this case is vital, as it is the union that stands as a loan guarantor for the vendors.

In the present study, vendors are found to access credit from informal sources and are paying high rates of interest (amounting 5-10 per cent per month) on the borrowed sums. The average monthly interest greatly exceeds that of the monthly average amount borrowed. On an average, vendors are required to pay three times the principal as interest. This results in a perpetual debt trap situation.

As most vendors have limited knowledge of arithmetic, they are cheated by moneylenders and end up paying interest continuously. Many vendors depend on informal sources of credit, about 57 per cent of vendors upon moneylenders and 26 per cent upon wholesalers. Female vendors depend on moneylenders and wholesalers more than males do. About 64 per cent female vendors and 53 per cent of male vendors depend on moneylenders. However, women are much more prone to exploitation than men, and their vulnerability to threats of evictions is much greater than that of men. However, some unions are also organising SHGs to provide low cost credit to vendors. The lack of general awareness of the benefits of this and the aversion of some vendors to joining such organisations leads to further exploitation at the hands of moneylenders. Unions also help in organising social security for the vendors, including the provision of micro insurance services. Unions organise vendors as a powerful force so that they are able to participate in decision-making bodies and formulate policies that affect their interests (Bhowmik, 2005). The case of one union in Kandivali could be highlighted with regard to the provision of low cost credit to its members.

A cooperative credit society has been registered under the state government to provide loans such as personal loans, educational loans, and loans for economic activity, and the cooperative receives the money for these from the state government. The cooperative gives loans to membership-based organisations. A cooperative cannot provide a direct loan to an individual vendor. This is primarily because the vendors cannot provide any collateral for the loan amount. Hence, membership-based organisations act as intermediaries between street vendors and the cooperative. Vendors must be members of an organisation to obtain benefits from the cooperative. According
to the rules and norms, a vendor can acquire a maximum of Rs 30000 as a loan from the cooperative. Each vendor in the organisation gives money to the organisation according to the vendor’s volume of trade (at a minimum of Rs 10 per day) and the organisation thus accumulates money that is used as ‘working capital’. The vendor can then take a loan from the accumulated funds at a nominal rate of interest. One success story of the organisation in Kandivali has been illustrated here.

**Box 7.1**

**Towards Credit Accessibility: Role of Trade Union**

Sukhbir, a 42 year old vendor in Kandivali, had taken a loan to buy a cart for vending. Previously he used to work for another vendor as a wage-worker. Finding no other sources of finance he approached the society through the union. In his own words: “I used to work as a wage worker and my employer used to torture me day in and day out. Finally I decided to become a street food vendor and wished to buy a cart for this reason. I had approached several organisations for lending me the money to buy a cart for myself. I soon got in touch with the union (name withheld on request) and they said they would help me to get the loan through them. I readily became their member and got the loan of Rs.10000. Their working capital requirement is not a huge amount. Rather, it is far less than the benefits that I have accrued from it. The interest rate is also low. The membership norms are very suitable for people like me who do not have any other collateral to offer. I get a lot of mental support from the union members. Being a part of the trade, they understand our problems much to our relief. I feel more vendors like me should join if they want formal low cost loans”.

According to the five key respondents from the selected two membership-based organisations, this type of cooperative is very successful in giving low cost credit to the vendors, and the repayment rate is also high. But despite the work done by the cooperative, the take-up rate is small. This is due to the low rate of active unionisation. According to one of the active union members, around 2500 vendors are involved in such cooperative and social security schemes in Mumbai, while Mumbai has 250000 street vendors according to the records of most of the unions. Failure to register themselves with the unions debars vendors from obtaining the benefits of formal credit availability. The key respondents reported that the vendors decline to adhere to the rules and norms of their organisations. They do not even want to pay the nominal membership fee. Thus they are unable to reap the benefits. One of the key respondents stated that “most of the vendors try to avoid all the rules and norms and hence they prefer private moneylenders at a high rate of interest.”
7.7.2. Organising Social Security

The need for social security cannot be ignored. In the study, it was found that vendors need credit for various purposes, among which social security requirements are one of the most important. It was also found that unions provide social security to their vendors through the Janashree Bima Yojana (JBY) under the group insurance scheme of the Life Insurance Corporation of India (LICI). The scheme includes insurance coverage for health issues, house and property, accidental and natural death, and permanent and partial disability. It is a group insurance scheme, which needs a minimum of 25 members. Members pay an annual premium. The annual premium for an individual vendor is Rs 169, which is very affordable, even for the poorest. Under this scheme, each vendor could receive Rs 15000 to 75000 in the case of an accident, and the vendor’s family would receive Rs 75000 after his/her death. Further, this scheme also covers scholarships for the education of the vendor’s children. A maximum of two children of the vendor could benefit, and each child could receive Rs 1200 per year as a scholarship. One organisation has even helped to arrange money for a vendor’s son to pursue higher studies. The following case illustrates how one vendor in Vile Parle, has benefited from the micro insurance service of the JBY.

Box 7.2

Organising Social Security

Raju used to work as a garment vendor. One day, while at work he met with a road accident due to which he had to undergo an operation. The costs involved were around Rs 30000 excluding the cost of medicines and other associated costs. Raju says, it would have been extremely difficult to manage, if he was not insured with the group insurance scheme of JBY. He got the money without much trouble. The operation was successful and he was soon able to get back to work. He feels the union has done a commendable job by organising vendors like him, to avail the facilities of the JBY. The annual premium amount is very little. He also feels that more vendors should use the facilities because the vendors do not have anybody else to turn to if they find themselves in some unforeseen circumstances.

But some vendors have also complained about the compulsory premium, the sum of Rs 169 yearly. They say this imposes a burden on them. It is not a money back policy, and they argue that ‘the money is lost if we do not fall sick’.
### 7.7.3. Collective Bargaining and Public Space Utilisation

Street vendors in Mumbai are continuously harassed by local police and the Bombay Municipal Corporation (BMC), since street vending is considered an illegal activity. Unions act as intermediaries between individual street traders and the local authorities, negotiating with authorities such as municipal corporations and local police forces for the right to occupy public space so that the vendors can carry on their trade.

Struggles and collisions between civic authorities and union leaders erupt frequently. A common story in Mumbai is that at the slightest pretext, local police catch vendors and throw them into jail for occupying public space. One incident was encountered during the field visit to Kandivali. An eviction drive was taking place in mid-September 2008 in this area. The eviction was being carried out because the vendors were occupying private land that had been taken over by a well-known building company in order to build a new market complex, not because vendors were occupying public pavements. A clash between the union members and the local police in Kandivali broke out at around 11 am. Finally, police arrested around 30 street vendors from that particular area, including both males and females. The union leader (from one of the active vendors’ unions) started negotiating with the local police officer at the police station. The charge was occupying a public place. The police argued that the vendors should, without saying a word, vacate the area because it simply did not belong to them. The police officer was finally ready to release each vendor, on payment of Rs 1250 for each vendor. A receipt was given for the amount that was paid. Out of the 30 street vendors, around 20 could pay Rs 1250. The other 10 street vendors could not pay; the money for their release (Rs 12500) was finally paid by the union leader from the union funds. The leader mentioned that such incidences take place almost every month.

A section of the urban upper middle class maintains a negative stance towards vendors and their trade. The social status of this strong lobby, forces the civic authorities to evict vendors from public places because the vendors’ trade cause irritation in the form of traffic congestion and ‘visual pollution’. One of the more militant non-governmental organisations (NGOs), a citizens’ associations in Mumbai, representing the upper middle class and the rich, influence public policies in their own favour and prevent the legalisation of vending and vendors’ utilisation of public space (Bhowmik 2007a). The formation of vendors’ unions is especially vital in these cases, when their trade is
despised by the very people who often benefit out of buying their low cost products. The unions organise the vendors to protest against evacuations in the name of modernisation.

Several trade unions, like the one described above, are involved in pitched battles with the police and the BMC officials whenever they try to evict the vendors. A key respondent, aged 44 years, an individual from Kandivali who represents a member of membership-based organisation, argues that there is a pressing need for the street vendors to unite and fight for their common demands. According to this respondent, if the government cannot provide sufficient job opportunities in the formal sector, it should at least provide for some genuine needs like the provision of spaces in which vendors can carry out their business activities. As this respondent notes, the local authorities are continuously harassing vendors and they become victims of notorious activities. It is exceedingly difficult for these already impoverished persons to continue with their business activities under such hostile circumstances, and the government urgently needs to look into the matter. This respondent’s organisation in Kandivali is willing to go to any length to achieve the goals of the vendors. ‘We are struggling for the rights for them [the vendors] and for their space on the road. We protest [against the authorities’] continuous harassment. Many times, we went [to] jail with the vendors to protest’.

7.7.4. Managing Competition

Finally, unions help to reduce cut-throat competition among street vendors; which appeared in India due to the inadequate number of unions/associations for street vendors and the inactivity of unions and associations (Bhowmik 2006). Trade unions help to regulate the number of vendors by restricting their entry to the profession. This is done in a constructive way, however. The union in Kandivali presents an example in this regard. The union, through its credit and social security programs, encourages the children of the member-vendors to study and find formal sector jobs or secure positions in licensed trades so that they do not have to depend on street vending. In this way, they encourage upward mobility and also restrict the number of vendors. Interestingly, all key respondents noted that limiting the number of street vendors would also solve many problems. It would be easier for the government to issue licenses if there are fewer vendors and they are regularised. The relationship among vendors too could be regulated. One of the key respondents in Dadar reported that the rise in the occurrence of internal troubles among vendors due to ever-increasing competition and the limited public space
in which they operate. The relationship of competition must be replaced with one of cooperation, in which vendors join hands with each other to fight for their common demands. If this is done, the authorities will have to listen to them. Unions could do this by bringing the vendors under one banner and organising them for the common cause.

Along with this, there is also the need to encourage self-regulation and self-compliance among vendors. They must realise that it is their duty to keep the city clean and also to see that the products they sell are in no way harmful or toxic and conform to minimum standards of hygiene. The role of unions becomes important here, to make the vendors realise this and to organise their activities accordingly. As Bhowmik (2005) stated, their duties and responsibilities must precede their demands for rights. The unions can make vendors aware of their duties in respect of cleanliness, hygiene, and the safety of their products, and help them to set in place among themselves some common rules of conduct.

**7.8. Role of Social Network in Collective Bargaining**

Social networks play a decisive role in the formation and working of trade unions. People of the same ethnic or religious communities normally have a closer degree of associability and affinity with their counterparts in rural or semi-urban areas. Whenever a new vendor enters the market, h/she is always pulled toward the group composed of those belonging to his/her own place. In addition, whenever people of the same cultural background join hands to make common demands, the collective bargaining process becomes stronger. Social networks both encourage and impede the collective bargaining process. They encourage the process when members are drawn toward their friends and partners from their own ethnic and rural backgrounds and the association becomes stronger. They impede the process when the vendors are composed of people of heterogeneous ethnic backgrounds and languages (among other things) and this becomes a barrier to group cohesion and unity. It is not easy to overcome these differences to fight for a common cause. However, this problem arises mainly when a major part of the vendor population has migrated comparatively recently. In the sample, the average length of time since migration is around 26 years. This problem does not hold much relevance. Moreover, the average time span of being in business is 22 years, which means that
vendors have had the time to form strong bonds of friendship and trust with each other, and they work together in times of crisis. This promotes unification among vendors.

7.9. Organising Vendors

Efforts at organising the vendors are clearly outlined in the national policy on vendors (NCEUS 2006 and MoHUPA 2009). The policy suggests that town vending committees (TVCs) should be made responsible for the allocation of space to street vendors. The functions of the TVCs recommended by the national policy are as follows: registering the street vendors and issuing an identity card to each vendor after it has been prepared by the municipal authority; monitoring the facilities to be provided to the street vendors by the municipal authority; identifying vending as well as non-vending areas; setting the rules and regulations for carrying on the vending activity; taking corrective action against erring vendors; and collecting revenue. The fees should be nominal or at least affordable for all street vendors. The committees may decide the amount the street vendors will be charged, taking local conditions into consideration. Considering the functions of the TVCs recommended by the national policy, it could be said that TVCs would be a good solution to organising the vendors at the local level.

Street vendors prefer to pay fees legally to the government instead of paying bribes to the local police and the municipal corporation. One of the vendors stated that “we would like to pay the amount as taxes instead of bribes for our . . . space. We would even love to pay double the amount that we are paying now.” A trade union activist (name withheld) made an important point. He said that the bribes that most vendors pay are completely unaccounted-for money. The BMC and the police who collect this money do not turn it over to the government. Rather it goes in the pockets of the officials involved. According to Bhowmik (2010), a sum of nearly Rs 40 million per year is collected from vendors jointly by the police and the BMC. Legalising the vendors would mean the loss of this sum to the corrupt officials. But bribes can be avoided, and both parties involved, that is, the government and the vendors, can benefit. If the government issues business licenses to the vendors and legalises their trade, they will be ready to pay some amount directly to the government in tax, instead of paying bribes. The government will be able to increase its revenue, and the street vendors will also benefit from the legalisation, which will solve many of their problems including the access to formal credit. Street vendors prefer the security that comes with legalisation and are even willing
to pay taxes or registration fees (as *pavti*) to benefit from legality. Street vendors are found to suffer more from their illegal status than benefit from it (evading taxes and the like). In the absence of social security and formal credit arrangements they face competitive disadvantage and have to take care of themselves and their business on their own.

7.10. Conclusion

The study has highlighted many aspects of the collective bargaining process. Collective bargaining is an end in itself and also a means to other ends. It plays a major role in uniting vendors to fight against exploitation and also to secure their rights. Its far-reaching impact on the lives of workers has compelled the ILO to adopt it as a fundamental right of workers all over the world. There are several active unions and associations in the field sites of this study who are doing the job of mobilising vendors and organising collective protests against the civic authorities. The vendors in Mumbai constitute one of the most vulnerable and miserable sections of the urban working poor. They earn their livelihood in hostile circumstances, and face daily impositions from all quarters: the civic authorities, the police, the citizens’ groups, the local leaders, and the moneylenders. It is only through the joining of hands that they can leverage themselves and realise their demands. The low rate of active union membership outlines the fact that awareness of their rights and responsibilities among vendors is generally lacking. Intermediaries take advantage of the lack of association among the vendors and exploit this to the maximum capacity.

It is important to highlight here that the NPUSV stresses the development of this unification process. It says that the formation of unions will lead to vendors’ social empowerment (NCEUS 2006 and MoHUPA 2009). A general lack of awareness is found among the vendors regarding their contributions to society and the overall nature of their activities. Almost 70 per cent of the vendors in the study said that they suffer from threats of evictions, and actual evictions have occurred up to three times per year. During police raids, vendors’ goods are confiscated and almost 70 per cent of vendors reported that they do not get back their goods, or if they get them back, they are damaged or destroyed. They regard these atrocities inflicted upon them as part of a general way of life with which their business activities have to coexist. Their lack of effective unionisation makes them even more vulnerable to exploitation, since it becomes easier for the authorities to
evict them if they are dispersed. A study carried out by Bhowmik (2005) stated that unionisation will provide them with a platform on which they can unite to express their demands and press for their rights.

Given the importance of street vendors in the urban informal sector, some nongovernmental organisations, cooperatives, and other groups are coming forward with initiatives for providing social security and other basic requirements to street vendors, but these initiatives are few and far between. In view of the present economic situation, especially given the financial crisis and the large number of formal-sector jobs that have been lost, the informal sector will expand further in the years to come. Since street vending is one of the easiest ways to enter the urban informal sector, the number of street vendors is very likely to increase drastically in the near future. One of the major findings of this study is that in places where trade unions are performing efficiently and effectively, street vendors are found to be in a somewhat better position. Thus, trade unions or other MBOs could be the best way to organise them. Vendors can achieve a reasonably decent working life or at least a better working environment with the help of trade unions.

Street vendors in Mumbai are one of the most deprived sections of the urban working poor and their deprivation results from their low bargaining power. The ILO has recognised the importance of collective bargaining and the promotion of social dialogue to realise common demands of workers, and so has included the collective bargaining process in its decent work agenda. Collective bargaining is an end in itself as well as the means for achieving other ends. It promotes the rights of workers to decent working conditions. This study reveals that the rate of unionisation among vendors in Mumbai is low. The heterogeneous nature of street vending activity further retards the unionisation process. Further, it was seen that several membership based organisations are working actively towards provision of social security of vendors in addition to provision of formal credit through a co-operative credit society. These organisations are also most active in securing the vendors rights to public space utilisation. Thus the organisations are promoting the social dialogue process by mobilising the vendors towards realising their rights at work.