Chapter 4
Income and Employment

4.1. Introduction

Bescond et al. (2003) put forth six principal dimensions for the first pillar of decent work, namely, “income and employment”. These dimensions are opportunities of work, freedom of choice of employment, productive work, equity in work and income generation, security of employment and income, and dignity of work. The first two dimensions, “opportunities of work” and “freedom of choice of employment” imply that the work should be available in the first case, ‘acceptable’ and have the potential to generate adequate income. The other four dimensions—“productive work, equity in work and income distribution, security of employment and income and dignity of work” are concerned with the extent to which the work is considered ‘decent’. Therefore, it can be said that ‘work’ must firstly be available and acceptable before rights at work can be promoted. Employment promotion is the central objective of the ILO. It seeks to “create an enabling environment for enterprise development” (ILO 1999). In the previous two chapters, the theoretical background of the study and the methodology have been discussed. In the present chapter, the first pillar of the decent work has been examined. This chapter has been divided into five broad sections— socio-demographic characteristics of the respondents, household information, work related characteristics of the vendors, factors impacting their daily income, access to finance in order to address issues pertaining to employment and income, and understanding the vending activity as a whole.

4.2. Socio-demographic characteristics

Let us begin the discussion with the street vendors’ socio-demographic characteristics—gender, caste, religion, marital status, linguistic features, age distribution and migration in order to understand and examine the impact on their employment and income.

4.2.1. Gender Composition

Street vending in Mumbai is a profession for men, women and even children. Like in other places across the World, they conduct vending activities on pavements, street corners, spaces lining the railway stations, bus stops, hospitals, schools or colleges.
In the present study, 59 per cent of the total 400 street vendors are males whereas 41 per cent of the total vendors are females (A Appendix, Table- A-1). A study conducted by Bhowmik (2001) shows that vending activity in most major cities in India, except Imphal is male dominated. The study also corroborates that vending occupation is largely a male dominated occupation, but the proportion of the female vendors has increased significantly over the years. This phenomenon holds good for most developing countries in the World. It has been confirmed by various trade union office bearers and even street vendors. The study conducted in Africa by Adiko and Anoh (2003) illustrated that women often dominate street trade in several African cities. Interestingly the study conducted by Agadjanian (2001) shows that in a place like Maputu, street trade is considered an occupation solely for women although the number of male vendors is greater there.

4.2.2. Religion

In the study, vendors were found to belong to three religious groups (Hindu, Islam and Christian). Most of the vendors (75 per cent) were Hindus. Within the Hindu vendors, the percentage of Hindu females is greater than those of the males. The percentage of Muslim male vendors is higher than Muslim females. Few Christian vendors were found as compared to those belonging to other religions (A Appendix, Table A-1).

4.2.3. Caste Composition

In the present study, vendors in the general category were found to be greater than those of the SC, ST and OBCs. Among the reserved categories, the percentage of SCs (30 per cent) was greater than the STs and OBCs (see A Appendix, Table A-1).

4.2.4. Marital Status

Most of the respondents (77per cent) were found to be married. Around 31 per cent of the female vendors were widows and the percentage was greater in comparison to males (2 per cent). Street vending was found to be the only occupation for most of these widows (A Appendix, Table A-1).

4.2.5. Age Distribution

Age was an important component of the demographic profile. It was seen to be dispersed in the range of 15-80 years. The average age of the vendors was 47 years.
Around 62 per cent of the total vendors belong to the age group of 15-59 years. Evidently, most of the street vendors are in their productive age. The senior age profile of 70-80 years consists of 2 per cent of the total vendors. The trend is similar for the male and the female vendors (A Appendix, Table A-1).

4.2.6. Migration

Migration results in a large influx of population and most of these people find employment as street vendors mainly because of the low cost of set up and no barriers to entry into this occupation. Lindell (2004) pointed out that most vendors in Africa are cross border migrants. In Asia, the occurrences of natural disasters have driven many people out of their homes and they have migrated to cities in search of jobs and have opted for vending as profession (Bhowmik 2006, Kusakabe 2006 and Nirathron 2006). In Bangkok, one of the most important factors responsible for growth in numbers of street vendors is rural-urban migration in search better opportunities (Koseyayothin, 1983; Sirisamphand and Szanton 1986, Nirathron, 2006). In this study too, a considerable number street vendors were found to be migrants.

The trend of data shows that the years of migration and year of business are closely associated. Vendors who had migrated long ago have been able to develop social networks which have helped them get credit and other facilities. Among the 400 respondents, 65.50 per cent of the vendors had migrated from different places all over the country. The rest 34.50 per cent are native to their respective places of residences and work. Migrated male vendors (72.46 per cent) are higher than female vendors (57 per cent) (A Appendix, Table A-1).

Vendors were found to have migrated from all parts of the country. In the eastern and north-eastern region, they had from the states of West Bengal, Bihar, Orissa and Assam, in the northern region they had migrated from the states of Uttar Pradesh, Punjab, and Rajasthan. Some have also migrated from Gujarat and various villages from Maharashtra in the western region and from Karnataka, Kerala and Tamil Nadu in the southern region. One female respondent in Dadar was found to have migrated from Goa. The trend of migration highlights the fact that 45 per cent of the vendors have migrated from Uttar Pradesh. This is related to the trend that majority of vendors can speak in Hindi, a north-Indian language. Around 32 per cent female and 53 per cent male vendors in the north Mumbai suburb of Kandivali are dominated by vendors that have migrated
from UP. It is seen that around 50 per cent male and female vendors had migrated about 1-30 years ago (see A Appendix, Table A-1). So, it can be said that the vendors are not new to their locations.

4.2.7. Language

Studies in South Africa reveal that good communication skills help to make better business. This holds true for in Mumbai too. In this study, a large number of vendors has migrated from various places in India. It is found that all vendors are able to speak Hindi and Marathi in addition to their mother tongues. Some vendors, especially in Dadar, can also communicate in English which enable them to deal with the customers and hence do better in business.

4.2.8. Education

The low educational attainment often is the reason for entry to this profession. Study conducted in African countries like Ghana, Uganda and Kenya revealed that street vendors generally have very low educational qualifications. Most of the vendors had obtained only formal primary education (Adiko and Anoh, 2003). The present study too finds that most vendors have low levels of education (A Appendix, Table A-2). Interestingly 80 per cent of the vendors have had formal education. The prevalence of illiteracy among females (28 per cent) is double than that of males (14 per cent). The percentage of females educated upto the primary level is greater than males while the percentage of males educated upto the upper primary level is greater than those of females. Around six per cent of the females have secondary level of education while around 12 per cent of the males have attained this level. Around one per cent of the total females and three per cent of the male vendors have higher secondary levels of education. Data shows that female vendors are either illiterate or less educated than their male counterparts. Though the percentage of illiteracy was found to be higher among females than males, the percentage of females was found to be more or less equal to those of males in the functionally literate group and its subsequent group. The discrepancy was noticed in the secondary, higher secondary, graduate and post graduate levels of education in which male vendors were found to be more educated as compared to females.
One male vendor in Kandivali is a graduate and another vendor in Chembur is a post graduate. Both of them had come from the rural areas of Uttar Pradesh in search of better-paid jobs in the formal sector in Mumbai. Since street vending is one of the easiest means of survival and requires only a small financial investment, these graduates have chosen this activity. It may be highlighted that scarcity of employment opportunities in the formal sector are driving many educated individuals towards this occupation which is one of the easiest means of survival in the present situation. It is observed that young male vendors join this occupation initially either for their pocket-income or to help their fathers or elder brothers. But gradually they are forced to take it up as their sole source of livelihood when they realise income earning purpose once they realised that there is no other viable option as this trade requires low capital investment and low skill.

4.3. Household Information

Household information is important because household income and expenditure together determines the per capita income and standard of living. It contains the size of the household in terms of the number of dependents, the house rent and deposits for the rented house and the total household expenditures.

4.3.1. Size of Household

The number of dependents on vendors indicates the importance of the issues of livelihood in terms of per capita income. The percentage of female vendors having 1-5 dependents is more than that of males. Conversely, the percentage of male vendors having 6-10 dependents is much greater than that of the females. Interestingly five per cent vendors have to look after as many as 11-18 members in their families. As mentioned earlier, female vendors work to support their husbands or to pay for their children’s education to sustain in an expensive city like Mumbai and hence they join this occupation to supplement their family income (see A Appendix, Table A-4).

4.3.2. House Rent and Amount of Deposits for the Rented House

One of the major parts of the vendors’ expenditure is the house rent. The rent is paid out of the income which imposes an additional burden for most of the vendors. The number of self-owned houses is 287 and those of rented is 113. The payment of rent differs from case to case. Here, the term ‘self-owned’ implies that the vendors that have been living in a slum or a colony for a very long time (40-50 years or more). Vendors
have been allotted and are using the residential premise provided to them at the BMC rehabilitation sites. They pay up to Rs 500 per month (around 24 per cent) towards maintenance costs. However, a majority of vendors (around 68 per cent) that pay up to Rs 2000 per month also live in BMC concrete houses on rent. Apart from these two sites, vendors (about 7 per cent) also live in residential colonies next to slum areas. They pay a monthly rental of Rs 2000 to Rs 4000. In case of the former, Rs 2000 is the amount paid by one person, and the residence is usually shared by more than four persons.

Some vendors are seen to borrow money for the purpose of the deposit. They often have to give a large amount to the house-owner before they could seek accommodation in the rented houses. A brief estimation has been made of the amount of deposit the vendors normally give (see A Appendix, Table A-3). The maximum amount of deposit for the rented house is in the range of Rs 10000 and Rs 20000. Of the vendors who live in rented houses, some (only one per cent of the total) prefer to deposit a large amount to stay in better homes with all the amenities outside the slum area and they stay near their business location.

4.3.3. Household Monthly Income

The average monthly household income is approximately an amount of Rs. 11909.67. Of the 400 respondents, around 42 per cent of the vendors earn in the range of Rs 5000 and Rs 10000 per month. The second highest percentage (33 per cent) earns an income ranging between Rs 10000 and Rs 15000 per month. The proportion in the next higher income (around 17 per cent) ranges of Rs 15000-25000 per month. However, only two per cent of the vendors’ household income exceeds Rs 25000 (see A Appendix, Table A-3).

Of the 164 female vendors, around 40 per cent of female vendors were found to be in the income group of Rs 5000-10000. About 35 per cent were in the range of Rs 10000 and Rs 15000 per month, 17 per cent earned in the highest income range of Rs 15000-25000 per month. However two individuals were found to have an income ranging from Rs 25000 to Rs 35000. Interestingly, the highest income group of Rs 35000-50000 did not have any females. Around 43 per cent of the males were found to belong to the income range of Rs 5000-10000 per month. Thirty two per cent males earned an income in the range of Rs 10000-15000 per month, around 16 per cent earned Rs 15000-25000 and only two per cent had an income above Rs 25000 (see A Appendix, Table A-1).
4.3.4. Household Monthly Expenditures

The monthly expenditure pattern of the households along with their male-female share explores their standard of living. The expenditures include house rent, bribe payment, payment of interest (on principal amount), children’s education and medical expenses (for the family members including vendors themselves). Trend of data shows that, the high expenditures leaves little amount for saving and investment purposes. Hence vendors are constantly in need of funds for investing in their business. This gap is being filled mainly through borrowing at high rates of interests. The average household expenditure is Rs 10068.28 which includes costs of maintaining a number of dependent family members. It is seen (see A Appendix, Table A-3) that the highest concentration of vendors, 56 per cent, have expenditures in the range of Rs 5000-10000. The next highest percentage (32 per cent) spends almost Rs 10000-20000 per month. Around two per cent of the households have monthly expenditures ranging between Rs 20000 and Rs 46000 per month.

A gender dispersal of expenditure pattern shows some interesting phenomena. Out of 164 female respondents, about 57 per cent spend around Rs 5000-10000 per month, around 32 per cent spend around Rs 10000 and Rs 20000 per month and only one per cent spend around Rs 20000 and Rs 46000. Out of the total 236 males, 55 per cent spend an amount of Rs 5000 to Rs 10000 per month, about 31 per cent of the vendors spend around Rs 10000-20000 and about two per cent about Rs 20000-46000 per month. The household expenditure of the vendors’ is in range of Rs 5000-10000. The expenditure in the case of female vendors starts from Rs 3000 and goes up to a maximum amount of Rs 46000 (A Appendix, Table A-3).

4.4. Work related characteristics

Work related characteristics—previous occupation, the range of products sold, the source of products, investments and sales, age of business, the distance of workplace from home and the hours of work have been analysed in order to examine what kind of work is available and to what extent the work is acceptable for them.

4.4.1. Previous Occupation

In the present study, of the total 400 vendors, around 44 per cent were unemployed before taking up vending. Twenty one per cent were agricultural wage
workers. Interestingly, 12.75 per cent of the total vendors were engaged in the vending activity as wage workers before becoming owners while 5.75 per cent were wage workers in some formal retail outlets who entered this profession and became self-employed. Around 5.50 per cent were domestic workers before taking up street vending. Eleven per cent of the total vendors were students, who entered this profession due to lack of formal sector job opportunities. Interestingly, data reveals that four male vendors (three in Dadar and one vendor in Vile Parle) had joined street vending after closing down the factory. Comparing the status of male-female vendors, with regard to their previous occupation, number of female vendors was employed as wage workers (in other vending stalls and as domestic workers) earlier higher as compared to male vendors (see A Appendix, Table A-4).

Trend of data highlights a clear transformation from wage employment to the self-employment (own account) status (see A Appendix, Table A-4). In addition, there is also a tendency towards urban self-employment from rural agricultural wage work (20.75 per cent of the total vendors came directly from the agricultural wage work). According to the vendors, working as self-employed in the own account business is far better than as wage workers. The most important reason is that the farmer gives greater autonomy. As wage workers, they are treated with disdain and are underpaid. Although they work hard, their income doesn’t rise and they face constant threats of job-losses. The transition from rural to urban self-employment also implies that the possibility of higher incomes and better lifestyles draw a large number of rural folks to this occupation. The only problem they referred in taking up ‘self-employment as street vending’ is the ‘constant threat of eviction apart from extensive rent seeking behaviours by police and civic authorities’.

4.4.2. Types of Products Sold by Vendors

Street vendors are found to sell diverse items. However this study considers vendors selling seven principal categories of items namely, cooked food, vegetables, fruits, garments, electronic items, household utilities and leather items. Of these, vegetable and flower vendors are found to be the largest share in the sample. This is followed by vendors selling household utensils, cooked food and fruits.

As mentioned earlier, street vending is the primary occupation for most male vendors whereas it is the secondary occupation for most female vendors. Male vendors are found to be engaged in selling all kinds of items, and majority are involved in selling
products such as garments, household utensils, electronics and leather items. Interestingly, women are found not to be engaged in selling electronic items or leather goods. This is because the selling of these products requires substantial investment which is a risk-taking venture only availed by men. Women are more comfortable with those items which require small but day-to-day investment such as vegetable, cooked food and fruits. Street vendors in Kenya are found to be selling electronics and other expensive items which often attracted attention (Mitullah 1991).

4.4.3. Sources of the Product

Charmes (2000), in his study on Africa, argues that vendors depend widely on suppliers for the products they sell. In the present study, suppliers are found to be important players in the market because they not only supply the product but also help vendors in times of need. In this study, the main suppliers are indentified as the wholesalers, local vendors, retailers and shopkeepers (see A Appendix, Table A-4). Majority of the vendors, 84 per cent, procure their products from wholesalers. Street vendors get the products from a number of sources. These include local big entrepreneurs (about 14 per cent), retailers (two per cent) and shopkeepers (one per cent). Street vendors have a smaller investment and buy products from the vendors in the same location as their areas. In this way, street vendors that can afford only a small investment save on their transport costs. In particular, a similar trend is visible among the male and female vendors. It is important to mention here that some female vendors buy from the local market so as to avoid transportation cost, as they have low capital to invest in their business.

4.4.4. Age of Business

The number of years in business has an impact on their business activities as it helps them to build social contacts at the market. Data reveals (see A Appendix, Table A-4) that almost 47 per cent vendors have been in the business since 10-25 years. Another 27 per cent of the vendors have been in the activity for 25-35 years. Nearly 22 per cent of the vendors are found to be comparatively new in the market place as their years of business range in 1-10 years while about 4 per cent of the vendors said that they have been in the trade for 35 years of their life.
4.4.5. Investment

The pattern and amount of investment in street vending shows the volume of business and their entrepreneurship (see A Appendix, Table A-4). The investment pattern shows that females generally make lower investment than males. The reason may be that since most of the female vendors take to this occupation mainly to support their family. On the other hand, street vending is the primary occupation for the male vendors. Female vendors clarified that it is not that they do not want to invest more in their business. If both husband and wife are involved in the same vending activity, but have two different stalls, it is likely that more investment will be made in the husband’s business; resources being limited. However, the amount of work is the same even if the business or investment is small. Priority is often given to the husband’s investment and business expansion conditions. However, this is true not only of street vendors in Mumbai but also vendors in other Asian nations. Murray in his study (1992) pointed out that female vendors in Asia save and hand over their savings to their husbands or use it for spending on a pilgrimage.

Vendors are found to make an investment in range of Rs 200-150000. Most vendors (nearly 51 per cent) are found to make an investment in the range of Rs 2500-15000, 39 per cent invest Rs 200-2500 and around 6 per cent vendors invest in the range of Rs 15000-150000. However, the trend differs in case of males and females. Nearly 57 per cent females invest in the range Rs 200-2500 while 26 per cent males invest in this range. About 36 per cent females invest in the next higher range of Rs 2500-15000 whereas 49 per cent males are in the same group. Around 5 per cent of females make investments of Rs15000-150000 as compared to 27 per cent males in this range.

4.4.6. Daily Sale

The daily sale pattern shows that an overwhelming majority of vendors (68 per cent) manage to make in the range of Rs 500-1000. Twenty per cent of the vendors make in the range of Rs 1000-3000 and less than one per cent of the vendors make in the range of Rs 3000-5000 (A Appendix, Table A-4).

4.4.7. Profit

Profits of the vendors depend on the product sold by them. There is a high profit margin on perishable items such as vegetables, fruits and cooked food as compared to other products. The profit margin of the fruit and vegetable sellers is about 30-40 per
cent. The profit margin is highest for vendors selling cooked food at 40-60 per cent. Profit from other products, namely, garments, electronics, household utensils and leather made goods, is up to 20 per cent. Vendors pointed out that profit on perishable like vegetables and fruits, depends on its freshness since consumers always prefer buying fresh vegetables and fruits. They have also said that their profit in the monsoon season is generally low as compared to rest of the year. This is because there is a high possibility of smashing and destruction of vegetable and fruits, coupled with the fact that there are not adequate storage facilities at the workplace. Therefore, they make less investment in this season. They recover their losses during the festive seasons such as Ganesh festival and Diwali.

4.4.8. Hours of Work

One of the important factors to consider for understanding the working conditions is the hour of work in a day. On an average, vendors’ work hours range from eight to twelve hours per day. About 54 per cent of the vendors in which 58 per cent of the females and 51 per cent of the males work for such prolonged durations. Around 23 per cent of the total vendors, including 18 per cent of the female and 25 per cent of the male vendors, are found to be working in 12-15 hours per day. Fourteen per cent of the total vendors spend 5-8 hours selling their products. It is seen that vendors mostly work for more than 8-12 hours per day but compared to that, their daily average income level is as low as Rs 250-500 (see A Appendix, Table A-4).

4.4.9. Distance of the Workplace from House

The distance between the vendors’ workplace and their homes affects their income earning opportunities. Street vendors in African cities try to live within walking distances from the workplaces in order to avoid transportation costs (Brown 2006 and Pratt 2006). Shorter distance between the two saves time. Longer distance results in loss of time and also involves higher cost of transportation. Around 7 per cent of the total vendors live within a distance of 5 km and they generally walk to their workplace. Another 18 per cent vendors live at a distance of 5-10 km from workplace and take either a bicycle or some other private vehicles to work. In this study, a large number of vendors, 44 per cent, were found to be living from their places of work which means they take either buses or trains to work. Around 30 per cent of the vendors live at a distance of over 15 km from workplace and they have to travel a long distance everyday to reach their workplace (see A Appendix, Table A-4).
4.4.10. Factors Responsible for Entry into the Activity

Street vending has drawn in large number of people across the world. In Latin America slow economic growth and the lack of formal sector opportunities is an important factor (Roever 2006). In Africa, patterns of urbanisation, migration and economic development promoted the growth of street vendors (Skinner and Dobson 2007). Brown (2006) and Pratt (2006) have observed that access to several forms of assets including financial, physical assets have affected the growth of vending. The Asian economic crisis had led to many job losses and these people were later found to take up street vending (Nirathron 2006). Increase in participation of women vendors in street vending has to be conferred within the dominant system of gender roles. Street vending attracts the disadvantaged segments of society who have limited skills and capital; particularly women; because they have low education and skill.

From the trend of the data, it is evident that the main factors that influence their (women vendors) participation are poverty especially to support their family, widowhood, low level of education, and childcare especially for their children’s education. Often widowed women, 30 per cent in the present sample, take up this occupation due to poverty. The numbers of widowed females are higher than that of widowed males. The number of aged vendors in the profession is seen, and despite their old age they are found to work hard for long hours to eke out a living.

No other jobs are characterised by such ease of entry and exit as that of street vending, and on top of it, this profession requires low education and skill, and also a small amount of investment. Additionally the income generated is also substantial one. These factors taken together along with the absence of adequate job options in the formal sector attract many young individuals towards this profession. The high proportion of migrants among the vendors including a large number of years of migration has important implications. The general reason of migration among vendors is the absence of rural non-farm employment options and prospect of finding better paying job opportunities in bigger towns and cities. The presence of relatives in the cities or towns facilitates their entry to this occupation. It is an aspiration of a better life and the dream of finding their children better opportunities that attracts them to cities. However, the specific reason for males is primarily related to work and income opportunities whereas for females, it is marriage. In brief, irrespective of the country of operation, the reasons
leading to growth in the numbers of vendors are common across all nations. The reasons can be lack of sufficient educational opportunities, skill, or formal sector job options, possibilities of easy entry and exit in the trade, widowhood, tax evasion, support from a family member and so forth.

4.4.11. Wage Workers in Street Vending

Many people are found to have worked as wage workers under other vendors while many others are found to be employing wage workers. Nirathon (2006) gave an example of Chinese immigrants who had started with wage work in which they earned money to sustain their families in their respective villages. Then they accumulated sufficient capital and started street food vending and expanded into large scale businesses (ibid). The presence of wage workers is not an uncommon feature in the vending profession in Mumbai too.

In this study, nearly 12 per cent of the vendors had worked as wage workers under other vendors and most of them are women and children. However vendors employ wage workers only when they accumulate sufficient amounts of capital for expanding their business and in a position to afford wage workers. The presence of wage workers under the vendors was noticed in all of the study areas. However, we have presented two cases (see Box 4.1 and Box 4.2) of Chembur because a large number of women and children are engaged as wage workers in this area. Box 4.2 illustrates the situation and conditions of the women wage workers in the vending activity.

**Box 4.1**

Children and Women as Wage Workers

The case of a vegetable vendor operating under the Chembur Flyover has been highlighted here. He has appointed eight people, five children and three women, which are the highest number of wage workers appointed in the activity in the area. Women and girls have been appointed for cleaning the vegetables. Boys help the vendor in weighing the vegetables. When the women and children were approached during field survey in order to understand the situation and the relation between employer and employees, they refused to disclose their ages at the first instance. Their employers also shied away from giving any details about them. However, a close discussion (on conditions of strict anonymity) with the vendor revealed that these children usually came from very poor backgrounds. Their parents had sent them for work. So the employers gave them work. The remuneration for the children was Rs 40 (for 5 hours) per day and Rs 50 for the women.
**Box 4.2**

**Working as Wage Worker to Support the Family**

Sudha, a vegetable vendor, in Chembur (East) earns Rs 3000 which is very low because she has four dependents in the family. Hence, she works as a wage worker in the morning with the vendor from about 8 am till about 12 noon and earns an amount of Rs 50 for 5 hours as a wage worker. Thereafter, she starts her own business from 5 pm in the evening and continues through the night.

### 4.4.12. Upward Mobility in the Occupation

Upward mobility within vending activity is seen due to investment and savings. Most vendors are found to save at least some portion of the income. Nirathron (2006: 13-14) observed that in Thai society, many of the Chinese migrants who had been street food vendors are now able to move up to higher income levels and business options. So street food vending offers sufficient upward mobility in trade. As mentioned earlier, the study shows that the profit percentage is highest for the perishable products. This pattern of upward mobility is present in our study too.

The vending profession starts with those items which require low capital investment, namely vegetables, fruits, cooked food products. Thereafter vendors start selling garments business that requires middle level of investment. Finally vendors, after achieving a certain level of income, resort to electronic goods and leather goods that require substantial investments. There were several vendors in the study who sold vegetables and cooked food earlier and then they started to sell electronic and leather goods. Therefore upward mobility has been noticed in the study to a certain extent. But this mobility is restricted to the vending and it does not spill over to other traders.

### 4.5. Daily level of Income

The data on daily income status of the respondents reveals detailed information regarding their standard of living and the amount and daily expenditures that they can afford. Table 4.1 shows that there is a significant mean difference across gender. The mean income of males is higher than that of female vendors. However, the standard deviation of daily income for female vendors is lower than that of males. Diversion in income among male vendors is higher than female vendors.
Income distribution across gender is shown in Table 4.2. Only 37 individuals (around 9.25 per cent of the respondents) were found to have a meagre income ranging from Rs 60 to Rs 125 daily. The daily income of a considerable portion of the sample respondents (43.50 per cent) was found to be in range of Rs 125-250. The total proportion of respondents in the next income trajectory of Rs 250-500 is 37 per cent. Only nine per cent of the respondents had income ranging between Rs 500 and Rs 1000. Only two per cent of the respondents had the highest daily income viz. Rs 1000-1600. Comparing the male-female share of the income status, it was seen that out of a total of 164 females, 30 (18 per cent) fell under the income range of Rs 60-125. Similarly it can be seen that the number of females in the aforementioned income categories of Rs 125-250, Rs 250-500, Rs 500-1000 stood at 79 (48 per cent), 46 (28 per cent), and 9 (5 per cent) respectively. It is evident seen that the income range of a majority of female vendors is Rs 125 and Rs 250, followed by those earning in the range of Rs 250-500 range. There were however, no female respondents in the highest income group (Rs 1000-1600).

Looking at the share of the male respondents, it can be seen that out of 236 males, only 3 per cent fell in the lowest income group Rs 60-125. Around 40 per cent had an income ranging from Rs 125 to Rs 250. The income of the highest number of males (44 per cent) was in the range of Rs 250 and Rs 500. Eleven per cent of the respondents fell in the income category of Rs 500-1000. Only 2 per cent had an income of Rs 1000-1600 (see Table 4.2). A comparison of the male-female share of incomes reveals that a smaller percentage of male vendors belong to the lowest income category when compared to that of female vendors. Also a higher number of males have an income of Rs 250-500, an indication that male vendors have a slight advantage with regard to income status (see Table 4.2).

### Table 4.1
Descriptive Statistics and Summary of t-test

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<th>Gender</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error</th>
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<td>243.69</td>
<td>145.699</td>
<td>11.377</td>
<td>5.569***</td>
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<td>Total</td>
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<td>199.523</td>
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N= 400; *** p < 0.0005

Source: Based on Primary Survey
Table 4.2
Daily Income and Gender-wise Cross Tabulation

<table>
<thead>
<tr>
<th>Indicators (in Rs)</th>
<th>Female (percentage)</th>
<th>Male (percentage)</th>
<th>Total (percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>60-125</td>
<td>30 (18.29)</td>
<td>7 (2.97)</td>
<td>37 (9.25)</td>
</tr>
<tr>
<td>125-250</td>
<td>79 (48.17)</td>
<td>95 (40.25)</td>
<td>174 (43.50)</td>
</tr>
<tr>
<td>250-500</td>
<td>46 (28.05)</td>
<td>105 (44.49)</td>
<td>151 (37.75)</td>
</tr>
<tr>
<td>500-1000</td>
<td>9 (5.49)</td>
<td>27 (11.44)</td>
<td>36 (9.0)</td>
</tr>
<tr>
<td>1000-1600</td>
<td>0 (0)</td>
<td>2 (0.85)</td>
<td>2 (0.5)</td>
</tr>
<tr>
<td>Total</td>
<td>164 (41.00)</td>
<td>236 (59.00)</td>
<td>400 (100)</td>
</tr>
</tbody>
</table>

N= 400
Source: Based on Primary Survey

4.5.1. Daily Income in Relation to Caste and Religion and Gender Distinctions

The trend of data reveals that there is no significant association between daily income deviation and caste composition across gender (A Appendix, Table A-5). This also shows that there is no significant association of level of daily income with respect to religion (see A Appendix, Table A-6). Many studies (Das 2001, Anand 2001 and Mitra 2002) have shown that most of the informal sector workers belong to socially deprived classes. However, in the present study it is seen that persons belonging to castes that fall in the ‘general’ category dominate the occupation of street vending but their level of income is not significantly high. The problem of low income exists not along the caste and religion distinctions but with the gender distinctions (females irrespective of whether they belong to upper or lower castes earn low daily incomes).

4.5.2. Type of Products, Daily Income and Gender-wise Analysis

The deviation of the daily income is not significant among females and males individually but it is significant with the respect of types of product and gender as a whole (A Appendix, Table A-7). The trend shows among all type of vendors, the maximum vendors’ income lies between Rs 125 and Rs 250, except fruits vendors, whose income level is higher. Among male vendors, the trend is the same except for those selling fruits, household utensils and leather goods. For these products, the income level is higher as compared to other products.

4.5.3. Proportion of Daily Incomes paid as Bribes

The business activities of the vendors are characterised by extensive bribe-payments alternatively called ‘rent-seeking’. Vendors are found to pay a certain portion of their incomes as bribe. Bribes are paid mainly to two separate groups— the police and
the Bombay Municipal Corporation (BMC). Around 34 per cent of the total vendors do not pay bribes. They either run away when they see these civic authorities or they do not pay intentionally. The latter include senior citizen vendors who do not pay bribes. It is found that about 39 per cent vendors pay 5-10 per cent of their daily incomes as daily bribes. Around 21 per cent of the total vendors pay 10-25 per cent of incomes as bribes while 39 per cent of the vendors pay 5-10 per cent of their income on bribes in which around 35 per cent are females and around 42 per cent are males. Three street vendors are found to pay bribes above 25 per cent of their daily income (A Appendix, Table A-8).

4.6. Factors and its impact on the Daily Income

Three main factors that impact on the daily incomes of the street vendors have been identified here and the extent of their impact has been explained with the help of the log linear multiple regression model.

Model 4.1: Log Linear Multiple Regression Model

The log linear multiple regression model of the daily level of income has been fitted and regressed on the three variables—daily sale, daily bribe and daily working hours.

The model is presented below:

The dependent variable is the *daily level of income* of the vendors and the log value of the income has been considered. The log value of the predictor variables—daily sale, daily bribe payments to the civic authorities and daily working hours have been considered. *Daily sale* has been selected as one of the predictor variables because street vending is based on daily transactions. *Bribes* signify a peculiar characteristic of the business activity of these vendors. The procedure of bribe collection and the associated harassment are both the cause and an effect of the informal status of vendors’ business activities. The previous study done by TISS-YUVA in 1998 revealed that the amount of bribe collection in Mumbai is substantially large. The present study points to the fact that each vendor pays a significant portion of his/her income as bribes daily. The study would also eventually confirm that bribe payment is an important way to sustain in the marketplace. Hence, *daily bribe payment* to the civic authorities has been selected as predictor variable in the present model in order to find out whether and how bribes affect the incomes of the vendors. From descriptive statistics, it is seen that daily working hours
of the vendors are long. Since this activity is self-employed and own account, working hours might have an impact on their daily income. However, despite the long working hours, vendors’ incomes are not sufficiently high. Hence *daily working* hours has been selected as an independent variable in the model.

The correlation between the predictor variables is very weak. Hence we have selected these variables for the model. We have considered log-value of the dependent variables as well as independent variables to form log linear regression equation.

**Model Description**

Dependent Variable: \( \ln(\text{Daily Income} = \text{DINCOME}) \)

Predictor variables: (Constant), \( \ln(\text{Daily Sale} = \text{DSALE}) \), \( \ln(\text{Daily Bribes} = \text{DBRIBES}) \), \( \ln(\text{Daily Working Hour} = \text{DWH}) \)

The natural logarithm linear equation is given below:

\[
\ln(\text{DINCOME}) = \alpha + \beta_1 \ln(\text{DSALE}) + \beta_2 \ln(\text{DBRIBES}) + \beta_3 \ln(\text{DWH})
\]

------(1)

Ordinal Least Square (OLS)\(^{12}\) on the equation (1) has been made and the result is given below. Using the enter method, a significant model emerged \( (F (3, 289) = 101.601, p < 0.0005) \).

Table 4.3

<table>
<thead>
<tr>
<th>Unstandardised Coefficients</th>
<th>Standardised Coefficients</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>(Constant)</td>
<td>-0.780</td>
<td>0.407</td>
</tr>
<tr>
<td>( \ln(\text{DSALE}) )</td>
<td>0.868</td>
<td>0.058</td>
</tr>
<tr>
<td>( \ln(\text{DBRIBES}) )</td>
<td>0.209</td>
<td>0.042</td>
</tr>
<tr>
<td>( \ln(\text{DWH}) )</td>
<td>-0.083</td>
<td>0.077</td>
</tr>
</tbody>
</table>

N= 400

***\( p < 0.0005 \) and **\( p < 0.005 \)

R-Square= 0.513, Adjusted R square = 0.508.

*Source: Based on Primary Survey*

\(^{12}\)The t and Sig (p) values give a rough indication of the impact of each predictor variable – a big absolute t value and small p value suggests that a predictor variable is having a large impact on the criterion variable. The tolerance values are a measure of the correlation between the predictor variables and can vary between 0 and 1. The closer to zero the tolerance value is for a variable, the stronger the relationship between this and the other predictor variables. VIF is an alternative measure of Co-linearity (in fact it is the reciprocal of tolerance) in which a large value indicates a strong relationship between predictor variables.
\[
\ln(D\text{INCOME}) = -0.780 + 0.868 \ln(D\text{SALE}) + 0.209 \ln(D\text{BRIEBS}) - 0.083 \ln(D\text{WH})
\] ------ (2)

From the model and equation (2), it is noticed that daily sale and daily bribe payment are both significant at 1 per cent level of significance and both the variables are positively related with the level of daily income. As daily sale increases so does the level of daily income. The elasticity of the daily income with respect to daily sale is + 0.868 (which is strongly correlated). It further describes that level of daily income increases as daily bribe payment increases and the elasticity of the daily income with respect to daily bribe payment is + 0.209 (Table 4.3.). From the in-depth analysis of the qualitative data, this statement may be analysed. Vendors stated that if they paid higher bribes, there would be less harassment and intervention from the local police and BMC. This however, does not mean however, that bribe payment would completely reduce the harassment and confiscation of goods; it would just reduce the degree to which harassment takes place.

Interestingly, daily working hours are shown to have an insignificant impact on the income levels. Despite working for 10 hours on an average, the daily level of income is low. As this activity is self-employed own account occupation, it was presumed that the long working hours would have an impact on their daily level of income. However, the results show a different picture. During the field survey, it was observed that the street vendors work productively for only 6-7 hours for their business. However, the working hours vary from place to place. In some places, they are found to work from 11 am to 1 pm and then again from 6 pm to 10 pm. In places like Kandivali, the vendors sell products only from 6 pm to 10 pm, since this is the time most consumers go to this market. Therefore, in all, the vendors actively work for 6-7 hours per day. It is also observed that they spend 3-4 hrs for preparing and cleaning the products. Some time is also used up for commuting from home to workplace as we have found that there are few vendors living at a distance of less than 5 km from the workplace. Moreover they have to sit for a long time to make enough sales. Hence, increase in working hours does not really result in higher incomes.

4.7. Access to credit

Access to credit is one of the prime factors in the activity of the self-employed workers. The availability of low cost easy credit of right amounts and at correct time intervals has the capacity to enhance their income-earning opportunities and employment status to a
good extent and can thus improve the decency of work. Access to credit is therefore said to be the “prime mover” of their business activity. In this study, it has been found that street vendors primarily depend on the informal agents for their credit supply and end up paying large amounts of interest. The quantitative aspects of how much, at what rates, the total amount of borrowing, total interests paid and the frequency of interest payments have been analysed. Additionally, the qualitative aspects such as loans taken from whom and for what purposes have also been explored.

4.7.1. Extent of Credit Access

Street vendors’ access to finance depends on the volume of trade and the types of products they sell. Street vending, as a profession, is heterogeneous in nature. All street vendors access capital since vending is based on daily turnover. Capital is needed for initiating the business and, later, for running and expanding the business. In the present study, out of the total sample (N=400), we see that 236 vendors (59 per cent of the total vendors) borrow money from different sources for different purposes. These purposes include economic activity, house building, house rent and social security. Out of 164 females, 38 per cent avail of credit facility while 45 per cent do not. The opposite trend is observed among the male vendors. Out of 236 male, 61 per cent avail of credit facilities while 54 per cent do not (Table 4.4).

<table>
<thead>
<tr>
<th>Gender</th>
<th>Access to credit</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Female</td>
<td>74 (45.12)</td>
<td>90 (38.14)</td>
</tr>
<tr>
<td>Male</td>
<td>90 (54.88)</td>
<td>146 (61.86)</td>
</tr>
<tr>
<td>Total</td>
<td>164 (100)</td>
<td>236 (100)</td>
</tr>
</tbody>
</table>

Table 4.4
Access to Credit

N= 400
Source: Based on Primary Survey

4.7.2. Sources of Capital

Source of the capital play an important role with regard to the financial accessibility. It depends on the types of suppliers and the volumes of their trade. Access to capital is an economic linkage that ties street trade to the economy which affects the vendors’ economic activities, profits, and potential business growth. Capital is needed for initiating business and, later, for running and expanding it. Six types of capital sources have been identified for vendors, including: (i) relatives, (ii) friends, (iii) local vendors or traders, (iv) moneylenders, (v) wholesalers, and (vi) banks or co-operatives. The first two
sources are primarily used for getting a business started, while all the rest are used to keep it running or for expanding the business activity. Since street vending is considered as an illegal profession, street vendors do not have access to institutional credit. However, around 61 per cent of the vendors reported that they started their business using their personal savings and they had been saving in different banks such as Corporation Bank, IDBI, State Bank of India, Bank of Maharashtra, Punjab National Bank, Bank of Baroda, Union Bank of India, United Bank of India, and so on. Even though vendors are now included in the formal banking, in that, they are able to open savings accounts, they have problems in availing loans from banks where they have their accounts. Banks do not provide loans to workers such as street vendors for their business purposes, because of illegality of their occupation and non-permanence emerging out of this illegal status. Three vendors in the present study narrated their experiences in working around this impediment.

In Chembur and Dadar, these three vendors applied for home loans to the banks where they had their accounts. The banks granted them these loans in two installments. They used a major part of the first installment to create a foundation of the house. After verification by the banks, the second installment was released. The vendors invested this entire amount in their business, not in completing the remaining construction of their homes. They built a temporary hut-like structure until their business prospered from the investment made after receiving the second installment. When the gains made from this investment started to bear fruit, they put the profits in building a concrete structure for their houses. This is not to say that vendors have manipulated and used the loan amount for the purposes it did not intend to serve, but to impress the point that loans meant solely for business are extremely important for street vendors. In its absence, they have to sometimes resort to such solutions, if not for borrowing from informal sources at high rates of interest.

This study shows that vendors significantly depend on moneylenders and wholesalers compared to other sources of capital to run their daily business. Table 4 shows that about 57 per cent and 26 per cent vendors depend upon moneylenders and wholesalers respectively. In Table 4.5, we can see that over 90 per cent of women vendors depend on moneylenders and wholesalers, compared to less than 80 per cent in the case of men. Female vendors depend more than male vendors on moneylenders and
wholesalers. The greater dependence of female vendors on wholesalers and moneylenders can be attributed to the ‘push’ and ‘pull’ factors.

As we have mentioned earlier, women vendors are engaged in this occupation either to support their husbands and family or due to widowhood. It is seen that they have less capital to start as well as continue the operation of their businesses. Therefore, female vendors are pushed to borrow money from both of the above-mentioned sources. Not surprisingly, moneylenders and wholesalers prefer to lend to female vendors rather than their male counterparts. This is because the rate of recovery of the loan is higher in the case of female vendors than with male vendors. Data reveals that moneylenders provide loans to female vendors at low rates of interest for the first loan or the first instalment of the loan to attract them. Thereafter, moneylenders charge higher with each subsequent loan or instalment of the loan. In this way, female vendors fall into a ‘multi-debt-trap’.

### Table 4.5
Sources of Capital

<table>
<thead>
<tr>
<th>Sources of Capital</th>
<th>Gender</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td>Relatives</td>
<td>1 (1.11)</td>
<td>5 (3.42)</td>
</tr>
<tr>
<td>Friends</td>
<td>0 (0)</td>
<td>10 (6.85)</td>
</tr>
<tr>
<td>Local Vendors</td>
<td>0 (0)</td>
<td>1 (0.68)</td>
</tr>
<tr>
<td>Money Lender</td>
<td>58 (64.44)</td>
<td>77 (52.74)</td>
</tr>
<tr>
<td>Wholesalers</td>
<td>26 (28.89)</td>
<td>36 (24.66)</td>
</tr>
<tr>
<td>Co-operatives/Banks</td>
<td>5 (5.56)</td>
<td>17 (11.64)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>90 (100)</td>
<td>146 (100)</td>
</tr>
</tbody>
</table>

N=236
Source: Based on Primary Survey

4.7.3. Amount and Purposes of Borrowing

Street vendors are often seen to fall into a debt trap due to high levels of indebtedness. They need to obtain credit for their economic activities, but since they are part of the informal sector, they have no access to credit from formal financial institutions (Bhowmik 2001, 2007 and Jhabvala 2000). In order to survive, they borrow money from various other sources—housing, its deposit and for social security purposes. Around 54.24 per cent of the vendors (128 out of 236) borrow money for social protection purposes to meet the costs entailed for healthcare, medications, maternity expenses, accidents, children’s education, and so on, whereas about 34.32 per cent of them borrow money for their economic activities. About 11.44 per cent of the vendors borrow money to pay the deposit on house rent (see Table 5.6).
From Table 4.6, it can be observed that both the vendors (men and women) borrow small amounts for their economic activities and large amounts for social security purposes. For instance, around 22 per cent of the women vendors borrow between Rs 100,000 and Rs 5,00,000 for their social security purposes while only 7 per cent of the female vendors borrow the same amount for their economic activities. On the other hand, around 20 per cent of the male vendors borrow money for social security purposes and about 11 per cent of the male vendors borrow for the business activity. This explanation also shows that female borrow larger amounts for social security purposes than male vendors. Women mainly borrow money for their children’s education and healthcare for their husbands and children.

**Table 4.6**

<table>
<thead>
<tr>
<th>Gender</th>
<th>Amount of the borrowing (in Rs/1000)</th>
<th>Purposes of Borrowing</th>
<th>Total (Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Business (Percentage)</td>
<td>Housing and Deposit (Percentage)</td>
</tr>
<tr>
<td>Female</td>
<td>1-15 3 (37.5)</td>
<td>3 (37.5)</td>
<td>2 (16.0)</td>
</tr>
<tr>
<td></td>
<td>15-30 15 (41.38)</td>
<td>5 (17.24)</td>
<td>12 (41.38)</td>
</tr>
<tr>
<td></td>
<td>30-45 4 (23.53)</td>
<td>3 (17.65)</td>
<td>10 (58.82)</td>
</tr>
<tr>
<td></td>
<td>45-60 6 (42.86)</td>
<td>0 (0)</td>
<td>8 (57.14)</td>
</tr>
<tr>
<td></td>
<td>60-75 0 (0)</td>
<td>0 (0)</td>
<td>1 (100)</td>
</tr>
<tr>
<td></td>
<td>75-100 1 (12.5)</td>
<td>0 (0)</td>
<td>7 (87.5)</td>
</tr>
<tr>
<td></td>
<td>100-250 1 (14.29)</td>
<td>0 (0)</td>
<td>6 (85.71)</td>
</tr>
<tr>
<td></td>
<td>250-500 1 (16.67)</td>
<td>0 (0)</td>
<td>5 (83.33)</td>
</tr>
<tr>
<td></td>
<td>Total 28 (31.11)</td>
<td>11 (12.22)</td>
<td>51 (56.67)</td>
</tr>
<tr>
<td>Male</td>
<td>1-15 15 (42.86)</td>
<td>5 (14.29)</td>
<td>15 (42.86)</td>
</tr>
<tr>
<td></td>
<td>15-30 15 (41.38)</td>
<td>2 (6.90)</td>
<td>15 (51.72)</td>
</tr>
<tr>
<td></td>
<td>30-45 4 (23.53)</td>
<td>4 (23.53)</td>
<td>9 (52.94)</td>
</tr>
<tr>
<td></td>
<td>45-60 14 (51.86)</td>
<td>1 (3.70)</td>
<td>12 (44.44)</td>
</tr>
<tr>
<td></td>
<td>60-75 0 (0)</td>
<td>1 (25.0)</td>
<td>3 (75.0)</td>
</tr>
<tr>
<td></td>
<td>75-100 3 (27.27)</td>
<td>0 (0)</td>
<td>8 (72.73)</td>
</tr>
<tr>
<td></td>
<td>100-250 3 (27.27)</td>
<td>1 (9.09)</td>
<td>7 (63.63)</td>
</tr>
<tr>
<td></td>
<td>250-500 2 (16.67)</td>
<td>2 (16.67)</td>
<td>8 (66.66)</td>
</tr>
<tr>
<td></td>
<td>Total 53 (36.30)</td>
<td>16 (10.96)</td>
<td>77 (52.74)</td>
</tr>
</tbody>
</table>

N=236

*Source: Based on Primary Survey*

**4.7.4. Total interest paid**

Table 4.7 illustrates the total interest paid as a multiple of the principal amount of the borrowing and gender-wise cross tabulation. On the basis of Table 4.7, it can be said that around 81 per cent of the female vendors and about 68 per cent of male vendors have already paid interest for what they have borrowed. Table 6 shows that around 54 per cent of the vendors have already paid interest for the amount they have borrowed. Others have paid interest worth two, three, or more times of the amount they borrowed. In this
context, female vendors have paid more than male vendors in terms of interest on their total borrowing.

### Table 4.7
Amount of Interest Paid

<table>
<thead>
<tr>
<th>Multiple of the principal</th>
<th>Gender</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Female (Percentage)</td>
<td>Male (Percentage)</td>
<td>Total (Percentage)</td>
<td></td>
</tr>
<tr>
<td>No interest paid</td>
<td>17 (18.89)</td>
<td>47 (32.19)</td>
<td>64 (27.1)</td>
<td></td>
</tr>
<tr>
<td>1-time principal amount</td>
<td>48 (53.33)</td>
<td>79 (54.11)</td>
<td>127 (53.8)</td>
<td></td>
</tr>
<tr>
<td>2-times principal amount</td>
<td>16 (17.78)</td>
<td>14 (9.60)</td>
<td>30 (12.7)</td>
<td></td>
</tr>
<tr>
<td>3-times principal amount</td>
<td>4 (4.44)</td>
<td>2 (1.37)</td>
<td>6 (2.5)</td>
<td></td>
</tr>
<tr>
<td>4-times principal amount</td>
<td>1 (1.11)</td>
<td>1 (0.68)</td>
<td>2 (0.8)</td>
<td></td>
</tr>
<tr>
<td>5-times principal amount</td>
<td>4 (4.44)</td>
<td>3 (2.05)</td>
<td>5 (2.1)</td>
<td></td>
</tr>
<tr>
<td>6-times principal amount</td>
<td>1 (1.11)</td>
<td>1 (0.68)</td>
<td>2 (0.8)</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>90 (100)</td>
<td>146 (100)</td>
<td>236 (100)</td>
<td></td>
</tr>
</tbody>
</table>

N= 236

**Source:** Based on Primary Survey

### 4.7.5. Informal Credit and its Characteristics

Three cases have been highlighted to show the severity associated with indebtedness of the vendors owing to informal borrowings. The first case brings out a daily credit scheme and the exorbitant interest charged by the lenders. The second case brings out how generations become trapped in the chain of loans and its consequences. The third case brings out how ‘multiple loans’ result in debt traps.

Four types of informal loan schemes have been appeared in the study. These schemes are based on the daily repayment method and loans are provided for 33-days, 66-days, 100-days and 200-days by moneylenders. A particular case of the 33-day loan in the eastern suburb of Chembur caught attention. However, payment system is similar of all aforementioned daily loan schemes.

#### Box 4.3

**High Rate of Interest Paid by Women Vendors**

Laxmi is a 55-year-old illiterate woman selling vegetables in Chembur. She is Hindu belonging to the ‘general’ caste category. She is married and has eight dependents in her family. She had migrated from Chennai in Tamil Nadu with her parents almost 50 years ago and has been in this business for 45 years. Her daily earnings are around Rs 300. Her household income together with that of her husband is around Rs 12000 a month and her monthly household expenditure is Rs 11500.

Sometimes back, Laxmi wanted to borrow a sum of Rs 6000 for 33 days under the Rs 200 per day scheme. But, the amount she actually received around Rs 5500. Even though, she got Rs 500 less than what she had asked for, she had to pay Rs 6700 (33x200+100) to the moneylender. The moneylender extorted Rs 500 from her and forced her to pay Rs 1200 at an exorbitant interest rate of 22 per cent.
It is seen that when a loan is taken from a money lender at an exorbitant rate of interest, not only the individual but also his/her next generation gets trapped in the chain of debts. The following case brings out such a situation

**Box 4.4**

**Perpetual ‘Debt-Trap Situation’**

Kamalesh is a 24-year-old electronics vendor residing in Mahim. He runs his stall in Dadar and has been in this business for 10 years. Hindu by religion and belonging to the general category, he had just been able to complete his primary education when he was forced to join the business. Married with a family of six, this vendor originally hails from Uttar Pradesh and had migrated to Mumbai 15 years ago along with his family. His monthly income is about Rs 12000, while his expenditures total to Rs 9000 per month. His savings are paltry. He is a member of a union.

This young man’s father had taken up a loan from the money-lender at a high interest rate which he was unable to pay back during his lifetime. As a consequence, the son is now obligated to repay the loan along with the interest amount to the money-lender. Hence Kamlesh is financially overburdened, one with the repayment of the loan and the other with meeting his family’s consumption requirements. As he narrates “My father had taken money for this (vending) activity. After his death, I am still paying the rate of interest. I am in a debt-trap situation”.

**4.8. Social Network and Trust-Based Relation**

This section has been explained with the help of qualitative data. Informal relationships among the vendors are identified as the most basic component of this activity in Mumbai. In the analysis, trust among particular sub-groups, habitual exchanges of favours and mutual support among the vendors and friends have been discussed in detail. We can consider the concept of ‘structural economic sociology’ developed by Granovetter and Swebberg in 2001 in the present context. It based on the three basic common principles such as: economic action is a form of social action, economic action is socially embedded, and economic institutions are social constructions. Granovetter (1985) specified that economic sociology emphasises the search for approval, status, sociability and power, which cannot be separated from economic actions. Economic action is ‘embedded’ in ongoing networks of personal relationships rather than being carried out by atomized actors. He described that network is a set of contacts or social connections among individuals or groups, since individuals are never isolated from the society (Granovetter 1985). Moreover, Granovetter explained in ‘a social embeddedness
approach’ that economic transactions become embedded in social relations that affect the allocation and valuation of resources and financial markets differentially. Therefore, social embeddedness is defined as the degree to which commercial transactions take place through social relations and networks of relations that use exchange protocols associated with social, non-commercial attachments to manage business dealings (Granovetter 1985 and Uzzi 1997).

4.8.1. Role of Social Network for a New Entrant

In the market of the street vendors, anyone can’t enter easily. S/he comes either with the help of the others or they are familiar with the place for long. In such case, they try to build rapport with the existing actors in the market and then try to invest and find the place for their own. New entrant in the market always prefers to choose the union where his/her introducer is affiliated.

4.8.2. Role of Social Network in Financial Accessibility

Social network plays a decisive role in credit accessibility. It is noticed that vendors can borrow easily from moneylenders, wholesalers, and local traders for their capital requirements, provided they belong to the same community and place of origin as the vendors. On the other hand, for those vendors who belong to ‘other’ communities and places of origin, it takes time to build ‘trust’ and ‘reputation’ to access capital. Once good ‘reputation’ and ‘trust’ have been built with the lenders, vendors even can borrow money from the wholesalers for other purposes as well, namely, social security.

4.8.3. Importance of Ethnicity and Localism among Street Vendors

Kinship, ethnicity, religion and localism have an impact on the daily lives of street vendors, at the marketplace and these are the identifiable characteristics around which street vendors mobilise their resources. In the present study, it is seen that ethnicity plays an important role in order to find employment in the market.

In Mumbai, localism is an even more important identity in the market than ethnicity. In the present study, local origin plays a decisive role in forming status groups. Local origin is with reference to provinces. People identify themselves with the province in which they were born. Sharing the same local origin and language with a person makes it a lot easier for one to receive hospitality or a warm welcome at the market and rest follows, which she or he might otherwise not be able to easily obtain.
4.8.4 Trust at the Workplace

Trust plays a key role too in the vendors’ day-to-day business. Exchange of favours is a widespread mechanism among the vendors which assists their day-to-day life and helps them to flourish despite intense competition and lack of general trust over money. This mutual trust rests on an expectation of trustworthy behaviour and of reciprocal favours. This study shows that trust also helps to get money from the informal sources as there is no liability of these vendors. Access to finance completely depends on the trust and relationship among borrowers and lenders. However women are found to be forming better informal relationships at the marketplace than men. For instance, it is observed that lenders trust women as they are found to be more reliable in terms of repayment of money on time. Women may be doing this even by going hungry for the day. Thus, it is understood that trust play a key role in the activity of the vendors. The case below highlights the importance of “trust” in the day to day lives of one of the vendors.

Box 4.5

Prevalence of Trust-based Relationship at the Workplace

Anil, 50, is a resident of Matunga and sells fruits in Dadar. He is Hindu and falls in the general category. He is from a village in Maharashtra and had migrated to Mumbai in search of better income opportunities around 30 years ago. He had started selling fruits at the age of 20 years and has been in this business ever since. His income level is Rs 7500 per month whereas his household expenditures level exceeds that of his income by Rs 1500 every month. This results in a huge discrepancy which is covered mainly through borrowing at high rates of interest or lending from friends at the marketplace.

While explaining the nature of loan borrowing-lending activities, Anil pointed out that personal bonding and mutual trust play a vivid role in determining loan transaction activities. Lenders are eager to lend money to people belonging to their own community and who speak the same language, otherwise it takes a lot of trouble to borrow money even when they are taking it at a high interest rate. Money is likewise transacted for both productive and unproductive purposes (those which are not related to generation of income directly or indirectly). As Anil pointed out, ‘trust plays a key role in our day-to-day business. It is not easy to make a good rapport with the money lenders. It takes time even when we borrow money at high rate of interest. Sometimes same language and same community promote the building up of good relationships with lenders. A highly informal relationship with the lenders makes the availability of loans much easier for purposes other than those which are directly or indirectly related to our business activities’.
Many of the market traders who are currently owners of stalls or employees and self-employed had entered the market with the help of their fellow locals. They also received help to search a house in the city. Localism gives people a sense of solidarity and security in the city. Cooperation and solidarity among vendors along the lines of local origins are obvious in the market as they do not have any other government assistance. It is also noticed that people from the same local origin, community, and religious group at the market go together to the wholesale market and procure their respective products. They also help each other to load and unload the products from the truck and tempo. Cooperation among market traders from the same locality even goes beyond their work environment. The significance of ethnicity and localism for market traders makes it easy for them to take action to monopolise resources in order to gain a competitive edge in the market. Hence it can be said that vendors are socially connected with each other in terms of financial accessibility. However, the business activity of street vendors is on a daily turnover basis and they build ‘trust’ and ‘good reputation’ with their sources of capital such as wholesalers, local traders, and retailers. It is perceived that factors such as number of years in business, language, and origin of the vendors play a key role in building the two dimensions of ‘trust’ and ‘reputation,’ even for those who are borrowing at a high rate of interest.

4.9. Conclusion

Kusakabe (2006) noted in his study on Asia that street vendors are the ‘poorest of the urban poor’. Despite various problems related to street vending, this occupation continues to remain one of the most important self-employment opportunities within the informal sector. The planning commission of India report on labour and employment (2002) outlines the fact that self-employment in urban areas will be increasing growth opportunities in almost all the developing economies. Studies conducted across Africa have pointed out that street trading is estimated to account for the largest share of the informal jobs after home-working in Africa (Skinner and Dobson 2007).

In the present study, vendors have indicated several reasons that have driven them into the streets such as lack of space in the markets, search for economic opportunities and income, strategic nature of street vending, family influence in the form of support from other members of the family who happen to be vendors themselves,
entrepreneurship, lack of financial resources to initiate larger business, tendency to evade taxes, widowhood, low level of education and poverty. Migrated individuals who are less educated and not skillful to find formal employment are even more attracted to vending profession. Henceforth it is seen that the reasons which affect the vendors’ entry to this trade are the same in all major cities across the world.

Income is impacted by daily sales, hours of work and bribe payment. However the income level of female vendors is generally low as compared to the males. Bribe payment is an important ‘alternative way to sustain’ and ‘perpetuates their informality’. Regular payment of bribes helps the vendors to avoid extreme harassment including evictions and confiscations and ultimately help them to increase incomes. However it is important to note here that vendors want to pay ‘taxes’ and get security of work rather than pay ‘bribes’ to ‘avoid eviction’.

According to GoI (2004) estimation, there are 10 million people who obtain their livelihood from this occupation in India, Mumbai having the largest number of street vendors (NCEUS 2006). Adding to the number of vendors, the dependents in the families of each vendors (an average of six as obtained in the study), we find that a large number of people are dependent on street vending for their daily bread in this city. Thus, it is vital to promote dignity of life and decency of work for this large section of the urban population.

Standing (2002) highlights aspects such as work-related security, job security and income security while addressing decent work agenda. Income and employment scenario as found in the study rarely promote these securities. Insecurity and harassment characterise street vending activity in Mumbai. They pay bribes to sustain at the market. Long working hours have no impact on their daily income. On the other hand, the household income and expenditures are such that they barely make manage both ends meet somehow. They depend on informal credit which is exploitative. Hence they live and work under insecurity. Their income and work can hardly be called ‘equitable and just’. There is variation in income not only in terms of gender where females earn less than males, but even among the male vendors. For instance, vendors of leather goods and electronic items earn greater incomes than those selling other products. In some cases, vendors were found to be wealthy enough to employ wage workers under them.
The concepts of ‘dignity of work’ and ‘decency of work’ are closely related. Dignity of work comes through protection and promotion of livelihood and will help the vendors to achieve decent working standards. In this case dignity can be assigned by legalising their trade and recognising them and their occupation as an integral part of urban culture. Being self-employed with low education and virtually no skills, credit plays an important role in their business. Once their trade is recognised, formal credit must also be available so that they can pursue their business with greater autonomy and dignity. Dignity therefore comes through the promotion of their overall ‘rights at work’ which will be discussed in greater detail in the next chapter.