



# A Study on Socio-Economic condition of street vendors and their contribution to the Economy of Patna

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**Abstract :** Due to the increasing rate of unemployment in the organized sector of Patna, a large chunk of unemployed population is moving towards the unorganized sector to earn their livelihood. Around 8.3% of the working hands, are unemployed in Bihar which is 2.5 times more than the national average of unemployment. So, they prefer getting self-employed by doing street vending. Also, they prefer doing street vending because of the following reasons. (i) Lack of education (ii) Lack of money (iii) Lack of opportunities and (iv) Family Business, but their contribution to state economy is sizeable.

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Street vendors are among the most deprived sections of self-employed workers in Patna. This paper tries to portray the socio-economic condition of street vendors. The socio-economic condition of street vendors is explained in terms of their financial condition and the extent of debt, the amount of bribe they have to pay in order to sustain themselves in the market, their working hours, the issues of public space utilization and the legal aspect of their activity and their living conditions. This paper also analyses the contribution of street vendors to the economy of Patna and the satisfaction level of consumers buying street goods.

The study shows that the street vendors borrow from moneylenders, not merely for their economic activity, but also for social security, at an exorbitant rate of interest, which, in turn, leads them to fall into a debt-trap. It has been further found that they have extremely long working hours, which have been continuously increasing over the years. Further, they enjoy neither safety nor security at the workplace as they face constant harassment from the local authorities. Hence, the current working hours of the vendors together with the safety and security conditions in their workplace, contribute to a deteriorating working environment as well as economic deprivation for street vendors.

**Key words:** Street vendors, socio-economic condition, self-employment, contribution to the economy.

## Introduction :

Street vendors are the most neglected sector of the informal economy of India. In cities of Bihar, a large number of urban poor survive by working in this informal sector. Poverty and lack of gainful employment in the rural areas of Bihar, and even in smaller towns, drive large numbers of people to the capital city for work and livelihood. These people generally possess low skills and lack the level of education required for the better-paid jobs in the organized sector. Also, permanent jobs in the organized sector are very low in Bihar; hence, even those having the requisite skills are unable to find proper employment. For these people, hawking/street vending is one of the means of earning a livelihood, as it requires meagre financial input and skills and no entry-level barrier (www.nidan.in).

**A street vendor is broadly defined as a person who offers goods or/and services for sale to the public without having a permanent structure, but with a temporary static structure or mobile stall (or head load).** Street vendors may be stationary by occupying space on the pavements or other public/private areas, or may be mobile in the sense that they move from place to place carrying their wares on push carts or in cycles or baskets on their heads (www.nasvinet.org). This study revolves around three types of street vendors, namely, food vendors (selling chinese food, bhelpuri, fruits, etc.), artisan and craft vendors (selling items like soft toys, artificial flowers, pottery goods etc.) and specialty vendors (selling items like plastic goods, steel goods etc.). It was found in the study that food vendors were more in number as compared to the other two and also that street vending is male-dominated.

As far as the socio-economic condition of street vendors is concerned, first we should know what socio-economic status means. **Socioeconomic Status (SES)** is the total

measure of an individual's economic and social position which depends on a combination of variables, including occupation, education, income, wealth, and place of residence (www.wikipedia.org). All these factors are directly proportional to SES.

Street vendors also contribute to the economy of Patna in many ways. They help many small scale industries to flourish by marketing the products that they manufacture. By engaging themselves in street vending, they are making productive use of their time, thus, discouraging the growth of anti-social activities. Street vending is a source of livelihood for street vendors. People irrespective of their age and income group are enjoying street shopping because the goods are available at a low cost and are also easily accessible.

## Objectives of the Research :

In our research project we have focused the study mainly on the socio-economic condition of street vendors and their contribution to the economy of Patna.

Following are the objectives:

- To study the capital invested and income earned by street vendors on monthly basis.
- To know the working conditions of street vendors.
- To understand the living conditions of street vendors.
- To ascertain the level of satisfaction of consumers.
- To ascertain the contribution of street vendors to the economy of Patna.

## Hypotheses of the Research :

The hypotheses of our study are :

- There are fluctuations in the income of street vendors.

- Street Vendors have long working hours.
- Maximum street vendors do not have their own house.
- Large numbers of consumers are satisfied with street products.
- Street Vending is an avenue to self-employment.

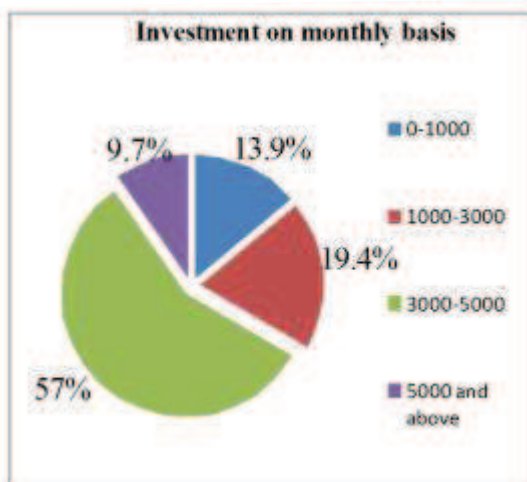
**Methodology :**

Two types of methodologies were followed for the purpose of data collection, which are :

1. **Primary Sources :** In this survey, the primary instruments used for data collection were-
  - (a) Interview of street vendors through well designed questionnaires specially for those located in Boring Road, Gandhi Maidan and Patna Junction areas.
  - (b) Interview of people buying street products through questionnaire specially designed for them.
2. **Secondary Sources :** The main source for collection of secondary data was relative website which were found useful for our study.

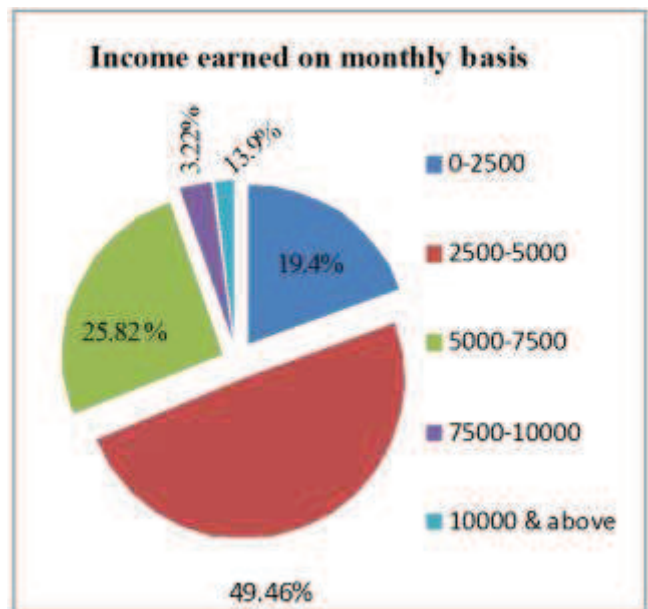
**Major findings of the Study :**

**Figure 1. Capital invested by Street Vendors on Monthly Basis**



From the above data, we concluded that out of the 93 street vendors surveyed, a majority of 53 street vendors invest Rs.3000-Rs.5000 to carry on their day-to-day business which comes to 57%, 13 street vendors invest upto Rs.1000 which comes to 13.9% and 18 street vendors invest Rs.1000-Rs.3000 which comes to 19.4%. A very low percent of street vendors are able to invest above Rs.5000 which is 9.7% (9 street vendors).

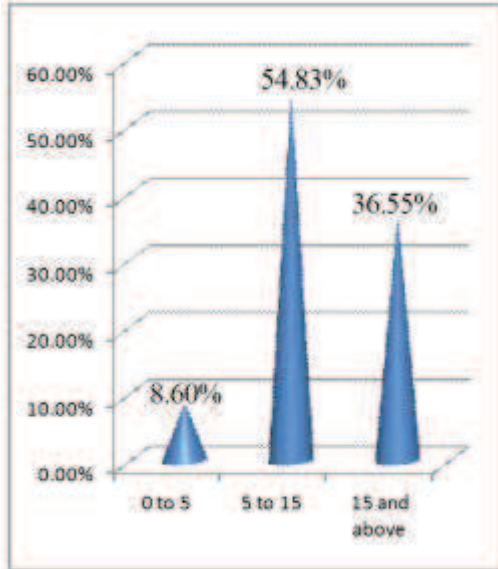
**Figure 2. Income Earned by Street Vendors on Monthly Basis**



When the street vendors were asked about their monthly income, it was found that a majority of 46 street vendors earn Rs.2500-Rs.5000 which comes to 49.46%, 18 street vendors earn upto Rs.2500 which comes to 19.35% and 24 street vendors earn Rs.5000-Rs.7500 which comes to 25.82%. A very low percent of street vendors earn Rs.7500-Rs.10000 which comes to 3.22%(3 street vendors) and only 2 street vendors earn more than Rs.10000 which comes to 2.15%.

**Hence, our first hypothesis stands proved.**

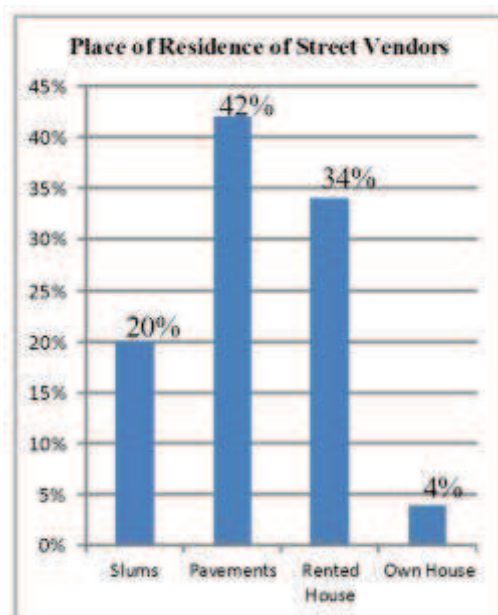
**Figure 3. Working Hours**



When the street vendors were asked about the hours they spend at their work, it was found that a maximum of 51 street vendors work 5-15 hours a day to earn their meagre income which comes to 54.83%, 34 street vendors work more than 15 hours which comes to 36.55% and a minimum of 8 street vendors work upto 5 hours a day which comes to 8.60%.

**Hence, our second hypothesis stands proved.**

**Figure 4. Place of Residence of Street Vendors**

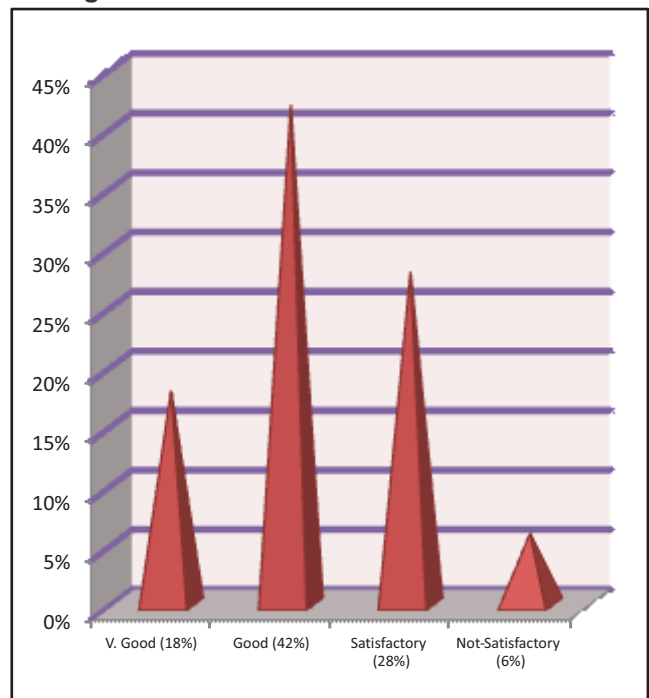


This graph shows the place of residence of street vendors. Out of the 93 street vendors surveyed, 19 of them lived in slums which comes to 20%, 39 street vendors lived on pavements which comes to 42%, 31 of them lived in a rented house which comes to 34% while only 4 street vendors have their own house which comes to 4%.

The above graph clearly shows that only 4 street vendors have their own house.

**Hence, our third hypothesis stands proved.**

**Figure 5. Level of Consumer's Satisfaction**

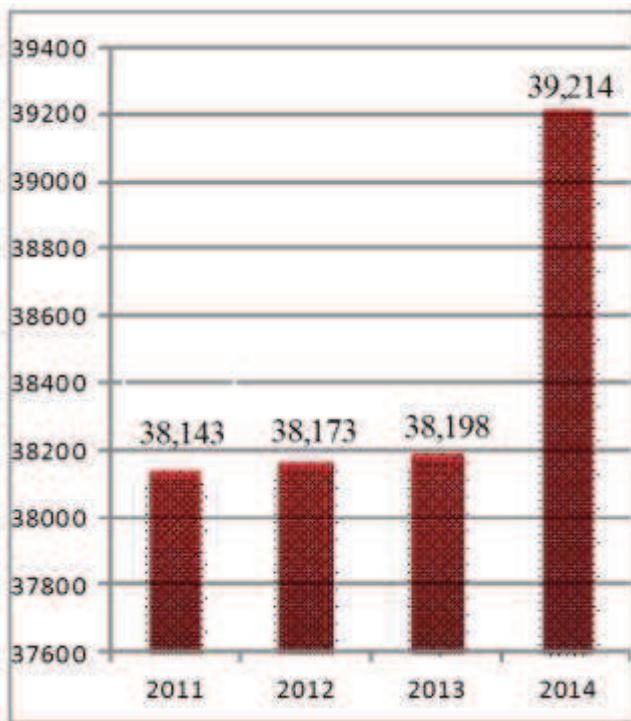


This graph shows the satisfaction level of people buying street products. Out of the 50 end users surveyed, 9 people rated very good which comes to 18%, 24 people rated good which comes to 42%, 14 people were satisfied with the goods and services provided which comes to 28%, while 3 of them said that they were not satisfied with the goods and services provided which comes to 6%.

**Hence, our fourth hypothesis stands proved.**



**Figure 6. Annual Growth of Street Vendors**



In Patna, there were 38,143 street vendors in 2011, in 2012 there were 38,173 street vendors, in 2013 the number of street vendors was 38,198 and in 2014 (upto sept) there were 39,214 street vendors ([www.nasvinet.org](http://www.nasvinet.org)).

It is very clear that the number of street vendors is increasing every year, which means an increase in the number of self-employed people in the economy.

**Hence, our fifth hypothesis stands proved.**

From the study, it was also found that 33% of the street vendors reside in Patna while the rest come from the outskirts of the city or from neighboring districts. The literacy rate of street vendors shows that 56.98% are illiterate, 27.95% have acquired primary level of education and 12.92% have acquired secondary level of

education while only 2.15% are graduates. Street Vendors contribute with annual turnover of Rs.421cr. in Patna which is a sizeable contribution when compared with investment ([www.patnanagarnigam.org](http://www.patnanagarnigam.org) and [www.nasvinet.org](http://www.nasvinet.org)).

#### **Conclusions :**

- Street vendors are basically a low earning group.
- Street vendors work in a versatile situation, face continuous harassment from civic authorities and goons.
- They do not have access to formal finance.
- Street vendors face constraints mainly because of ineffective implementation of policies and lack of infrastructures.
- Most of the street vendors do not have a license.
- They do not get the benefits of BPL and are not aware of the government's laws and schemes.
- They constitute a large component of the unorganized sector of the society.

#### **Suggestions :**

1. Street vendors should get easy credit accessibility.
2. Street vendors should be impressed upon getting a license and their licensing policies should be made easy.
3. Street vendors should be organized into vending unions.

4. Government Law should be enforced effectively so that every vendor gets benefit. <http://nidan.in/nidanwp/Documents/Study%20on%20Street%20Vendors%20at%20Patna.pdf> (20-9-2014)
5. A platform should be provided to promote street goods. <http://nasvinet.org/newsite/uploads/Final%20Urban%20Bihar%20Vendor%20Sector%20Assessment%20Report.pdf>(23-9-2014)

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