

Opportunities for Poor





Face-Off with Street Vending in Pakistan

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With around 220 million inhabitants, Pakistan is the fifth most populous country in the world. Its urban population is estimated at over 81-million in 2020. As per 2017 census, the country has 97-cities having a population of 100,000 and above. Its per capita annual GDP hovers around \$1500, which makes it a low-income country. As per the OPHI-UNDP's multidimensional poverty index, 38.8% of the country's population are accounted as poor. Geographical dispersion of the poverty is stark, which creates a pull for migration from poorer regions to major cities for livelihood, hence creating more pressure on the urban resources in the country. During the last decade, Pakistan underperformed economically in regional comparison, while simultaneously registering higher population growth rate. It simply retards the poverty alleviation process. Economy is low on competitiveness; hence it is not producing substantial range of products or services that may fetch premium pricing or demand in international markets. Official urban unemployment rate is 7.2%, but substantial underemployment exists. COVID-19 has further exacerbated the employment environment.

This brief socioeconomic interlude is meant to define the fertile grounds for street vending in urban Pakistan. There is no country-wide data available on the population of street vendors and their vocations. Karachi-based Urban Resource Center has conducted number of studies on street hawkers in Saddar area of Karachi, which also presents an approximation of street vendors in the city. It provides a conservative estimate of 150,000 street vendors in Karachi, with an annual earning of PKR 45 billion. As per international trend, population of street vendors in developing countries hovers in the range of 1.5% to 2.5% of the urban population. In the case of Pakistan, its street vendor population will be between 1.2 to 2.0 million, which makes up 5.3%-8.9% of the urban labor force. Now, this makes a significant part of the informal economy, which employs 72% of the labor force outside agriculture. If street economy can be organized and regulated properly, it has the capacity of incubating businesses from street to formal shops on regular

basis. It remains an economical base for fostering microenterprises in a low-income country like Pakistan, subject to its official treatment as the legitimate part of the local economy.

However, on de jure basis, environment is hostile to street vending in Pakistan. Street vendors have little to no legal protection available, with courts regularly passing judgments in favor of evictions. Car constituency is regularly pushing for the removal of street vendors for making space of car parking in commercial areas. Street livelihood is not part of urban planning in Pakistani cities. Licensing regime is much arbitrary with little leeway available to street vendors in the decision making process.

The de facto scene of street vending is bit different. Every urban center is crowded with street vendors. Generally, public has favorable view of street vendors, as reflected in a Gallup Pakistan Survey, where 69% of the respondents opposed removal of street vendors. Lower echelons of city authorities and formal shopkeepers also facilitates placement of street vendors, while extracting a cost through underhand payments. Impact of any eviction campaign is normally short-lived. Few elite markets in major cities are clear of street vendors, otherwise they are present in every major commercial center of urban Pakistan.

Question arises about this divergence between the de jure and de facto scenarios. Reply is simple, market is trumping the law. There exist a large disconnect between the elite take on street vending and prevalent ground reality in the country. Market dynamics makes the legal and illegal debate irrelevant in the case of street vending. The street economy is quite agile; it exists in commercially viable venues. Any intervention that reduces footfall in the vending area beyond a scale, will result in relocation or termination of businesses by street vendors. It does happen during broadening of roads or urban infrastructure projects constraining access of pedestrians to vending areas. Street vendors have greater tilt towards stay in natural markets, such as Tariq Road in Karachi, Anarkali in Lahore, Hussain Aghai in Multan, Saddar in Rawalpindi and so on. Rationale behind this inclination is regular and heavy footfall in these markets and it is in line with international trends. Retention of street vendors in dedicated vending area, such as Bachat Bazaars or Stall Markets, also depends upon the accessibility of these locations for customers.

However, till this economic angle is not incorporated in the vending governance, Pakistani cities will suffer from haphazard placement of vendors, overcrowding and unhygienic public spaces. No amount of judicial orders and aggressive eviction campaigns are going to resolve the issue on permanent basis. Urban poor will game the system, as the population scale and market demand is on their side. Any administrative intervention devoid of comprehension of street livelihood will have limited impact. A recent major anti encroachment operation in Empress Market, Karachi, resulted in the removal of around 10,000 street vendors from the area. It makes 6% of the total city population of street vendors, but it was unable to deter street vending in other areas of the city. Indeed, it resulted in the increase of bribe rates by the administration from other street vendors. Livelihood remains the cruel factor behind the staying power of street vendors in otherwise hostile environment.

Emergent street economy is driven by economic rationale of market demand at one end and sustained by the reenter component on the other end. State institutions may make all the noises on the illegality of street vending in the cities, but they get little share in terms of any tax revenues from street vendors. Substantial rents are generated from the street economy, which are informally paid to various stakeholders to keep the buzz on the street. This other component may be elaborated in terms of likely beneficiaries in different segments of street economy:

01 **Natural Markets** – *Old established formal markets with heavy footfall*

- Inspectors from Municipality
- Enforcement Department of Development Authority
- Area Police
- Shopkeepers (who placed street vendors in front of their shops)
- Market Committee

02 Other Public Spaces – Roads, Squares, Parks, Hospitals, Entertainment & Office Areas

- Inspectors from Municipality
- Enforcement Department of Development Authority
- Area Police

It is an entrenched system that has been practiced for decades, which is not easy to dislodge. Now, the issue is not banishing the whole renter edifice with a stroke of a pen, indeed it is not a possibility in current scenario, but to create a space for structured street livelihood in current paradigm. It may only be done, when city authorities recognize street vendors as a legitimate part of local economy. Thereafter, they can take measures of designing and setting-up vending zones in both natural markets and other public spaces, where placement criteria for the street vendors will be worked out through stakeholders' consultations. Without this engagement, any sustainable solution for this intractable issue may not be possible.



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Our government does immense propaganda to say we are a corrupt nation. They call Pakistani citizens all kinds of names giving out fake information such as 300 billion pakistani citizen bank accounts overseas. Question today: are we more corrupt than most nations?



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