



## Street Vending: An Introduction and Overview

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### 1. INTRODUCTION/ABSTRACT

The widespread phenomenon of street vending, particularly in the developing world, is a fascinating one. With gradual industrialisation, countries in the Global South have experienced significant levels of urban migration—people moving out of their rural settings in the search for better economic opportunities in closer proximity to commercial hubs (Recchi, 2020). Lacking formal education, these working-class individuals gravitate towards the informal economy, characterised by spontaneity, low (and in some cases non-existent) levels of regulation, long work hours, and perpetual improvisation. Defined as “the production and selling of goods and services in urban public spaces, which is not officially regulated by the law and is carried out in non-permanent built structures,” street vending has risen to prominence in both positive and negative ways—on the one hand, functioning to fill important gaps in the market at affordable rates, and on the other contributing to congestion, pollution, and general ‘disorderliness’ (Recchi, 2020, p. 4).

The objective of this brief is to outline and explore the street vending trade in terms of its occupants, governance structures, operational dynamics, and determinants of success—proposing policy recommendations and prospects of the informal sector.

### 2. TYPOLOGIES, DEMOGRAPHICS, AND PREVALENCE

The majority of street vendors come from poor or lower-middle-class backgrounds, adopting the trade as either a means of survival or to complement their earnings from another, more central occupation. However, a substantial amount of internal inequality may be observed within street vendors—with some earning a considerable amount via petty capitalism and collaboration with established businesses as distributors and marketers (Bromley, 2000).

Despite the commonalities in backgrounds, this group is far from a homogenous one—and can be divided into four different categories. First, the ‘sideline’ class: these are traders focusing their activities around select events and occasions such as independence days and food festivals. They are characterised by their casual, stop-and-start approach to street vending as a way to earn some extra money. Second is the ‘nomadic’ class: similar to the sideline class, except that they see street selling as their primary source of income and follow temporary markets all around the year. The third is the ‘opportunistic’ class: responders to momentary spikes in demand for specific goods or services, such as particular fruits during harvest season or facemasks outside a mall during a pandemic. Finally, there is the ‘traditional’ class: relatively stationary enterprises that focus on a select few items that they specialise in and can be relied upon to deliver on an ongoing basis (Wongtada, 2014).

A further distinction may be drawn between small-scale, on-the-go vendors and relatively larger-scale, fixed-in-place ones: indeed, there is a hierarchical dynamic between these two groups, with the former occasionally transitioning into the latter with the accumulation of success and expansion—indicating graduation into a group that has more social capital. In India, for instance, it was discovered that over 250 street vendors were millionaires—having saved, reinvested, and expanded over the years and became formidable players in big supply chains of the country through the formal economy (Joshi, 2021).

Gender dynamics within street vending varies quite a bit, with some countries—such as China, Thailand, and Ghana—experiencing a concentration of women as the enterprise owners, whereas in the Islamic world—it is predominantly men that are involved due to religio-cultural factors that render it taboo for women to operate in a public capacity. Lastly, street vending is a lot more likely to be dominated by relatively older individuals than young ones, who are generally more educated and thus tend to opt for the formal sector. According to Wongtada (2014) the context of the Global North, race, and ethnicity also come into play—with the majority of street vendors being immigrants operating within the trade as they work to build their networks and establish themselves in the formal sector.

Fig. 1. Global Differences in Street Vending

| Differences   | Global South   | Global North  |
|---|--|---|
| The informal street vending size                    | Many street vendors work informally  | A small segment of street vendors works informally  |
| Street vendors' profile                             | Internal rural migrants and poor/less educated people  | Immigrants  |
| Role of street vending sector                       | Stable and culturally rooted working activity  | Temporary occupation or the first immigrants working activity   |
| Formal economy and informal street vending relation | (1) The system of licenses<br>(2) The link between informal workers and the global value chains system                             | Conflict between regular and informal street vendors  |
| The different aspects dealt with by the literature  | (1) Urban policies and the street vendors' strategies of resistance<br>(2) Both individual and collective strategies of resistance | (1) Migrants street vendors' activities and the exclusion mechanisms they experience<br>(2) Individual strategies of resistance |

Source: Recchi, 2020, p. 16.

### 3. ARGUMENTS FOR AND AGAINST STREET VENDING

Outlined below are the salient benefits and drawbacks of street vending, and more generally, informal trade practices that have been proposed in the literature.

Table 1

#### *Pros and Cons of Street Vending*

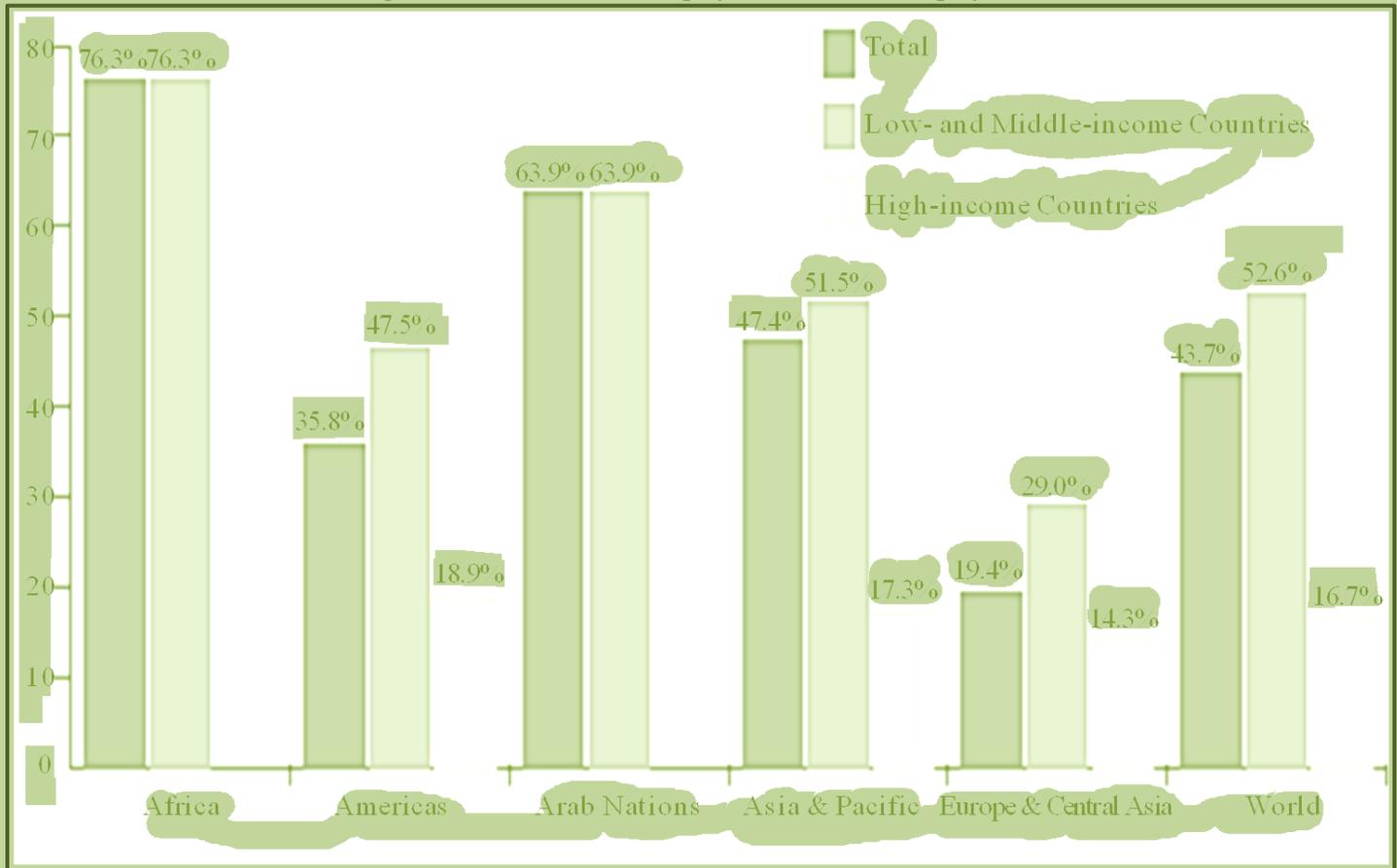
| Favour   | Against   |
|--|---|
| Serves a crucial role in catering to demand for specific commodities at inexpensive rates, thus contributing to economic activity—and that too in flexible ways which are able to rapidly adapt to shifting market conditions. | Contributes to pollution, congestion, disorderliness, and a poor aesthetic—rendering tourist spots less appealing to visitors and leading to traffic accidents and blockages of important junctions and congregation points.                              |
| Offer crucial opportunities to struggling working class communities, usually migrants from rural settings that cannot afford setting up formal businesses, allowing them a means to provide for their families.                | Transactions are generally not recorded in any official capacity, due to the absence of receipts and documentation—leading to trouble gaining refunds or exchanges if/when unsatisfactory quality is discovered.  |
| Their generally mobile nature allows for goods and services to be purchased at more locations and times, thus expanding consumer choice.   | Addition of middlemen into marketing and supply chains that can be seen as promoting unnecessary consumption and/or being exploited by suppliers.   |
| They contribute to the formation of a lively, vibrant atmosphere in urban settings through their commercial activities—serving as occasional guides, entertainers, crimes witnesses, etc.                                      | Frequent public health issues, especially with food items that have been exposed to various contaminants in the atmosphere during the course of the day—a problem that is made worse by the lack of access to basic facilities like water and sanitation. |
| Street vending is a trade just like any other, and anyone wishing to get involved should be able to as a general principle and fundamental right (to commerce).  | Involvement in activities that are technically illegal and would not be allowed if formal regulations were in place—such as the sale of banned items and involvement of child labour.   |
| Means of tax revenues for the government: either through explicit means (e.g. licensing) or implicit ones (when serving as distributors for formal businesses, expanding their revenues).                                      | Virtually impossible to tax certain aspects of this trade, including income tax and sales tax—a general problem with the informal sector.   |
| A significant facilitator of the development of participatory democracy and class consciousness, when vendors unite under unions/associations to represent their interests and fight for their rights.                         | Due to the tendency for agglomeration, street vendor 'markets' tend to generate significant amounts of trash that no one in particular takes responsibility for.  |

Source: Bromley, 2000, pp. 5-11.

#### 4. POLICY, LAW, AND GOVERNANCE

Considering the fact that street vendors occupy such a large segment of the informal market, it is curious that little to no comprehensive initiatives have been taken to streamline their operations and establish formal pathways for their integration into society. Indeed, this is particularly true for developing nations: “in sub-Saharan Africa, street vendors account from 12 to 14 percent of the total urban informal employment, in India 14 percent and in Lima and Peru, street vendors represent 9 percent of the total informal urban workers” (Recchi, 2020). In Karachi, Pakistan, the informal economy employs a whopping 72 percent of the total labor force (Hasan, 2021). There are several reasons for the lack of foresight, including but not limited to a lack of data gathering mechanisms, deeply entrenched colonial-era approaches to city management, the generally fluid nature of the trade, and bureaucratic complexities within lower tiers of government.

Fig. 2. Share of Informal Employment in Urban Employment



Source: Qtd. in WIEGO, 2018.

Police officers that occupy the street-level positions, for instance, face a dilemma: they execute ambiguous policies from above with regards to street vendors or turn a blind eye to and establish covert agreements with the tradesmen in exchange for bribes that they can use to supplement their meager incomes. A considerable number of these officials do opt for the latter in these instances due to the sheer number of interactions that are necessary—at the street level—to effectively ensure compliance. In Karachi’s Saddar market, for instance, it was documented that a total of Rs. 10.5 million was paid in ‘bhatta’ (protection money) in 1995-96 to individuals who claimed to have the backing of local authorities, particularly the police. It was a sum of money collected from street vendors to allow them to operate (Hasan, 2021). These factors render trade regulation hard to monitor, leaving ample opportunity for street vendors to create wiggle room in collaboration with officials, political figures, and even street thugs for protection and oversight. On the other hand, this is largely an unreliable strategy for the street vendors, who cannot count on any of these groups to remain loyal due to the plethora of external factors involved. For instance, officials are constantly under pressure from stakeholders such as residents and realtors of gated communities and, more generally, elite members of society that perceive street vendors as contributing to congestion, pollution, nuisances, and an ‘unaesthetic’ environment.

These powerful interests will often create pressure on government to initiate anti-encroachment drives, which involve cracking down on street vendors, confiscating their equipment/property, and even harassing and abusing them as a means of clearing the space they occupy. It serves the interests of a class that wishes to privatise the public realm by creating private beaches, commercial arcades, and territories behind a paywall. The same happened in Empress Market, Karachi, during the anti-encroachment drives of 2018—with the government claiming that the cleared land would be used for luxurious restaurants and high-end museums and art galleries—thus capitulating to the demands of propertied classes and gentrifying the Saddar area (Hasan, 2021). The emergence and expansion of Defense Housing Authority and Bahria Housing Society etc., was also a paradigm shift across Pakistan’s major cities, beginning in the 1980s and slowly but surely segregating urban spaces on the basis of class (Haque, 2020). What’s more is that these propertied interests, especially when it comes to formal enterprises that vendors are operating in the vicinity of, will frequently take the law into their own hands—leveraging its ambiguous nature to fabricate laws and gaslight the traders into thinking they are committing a crime even when they are not.

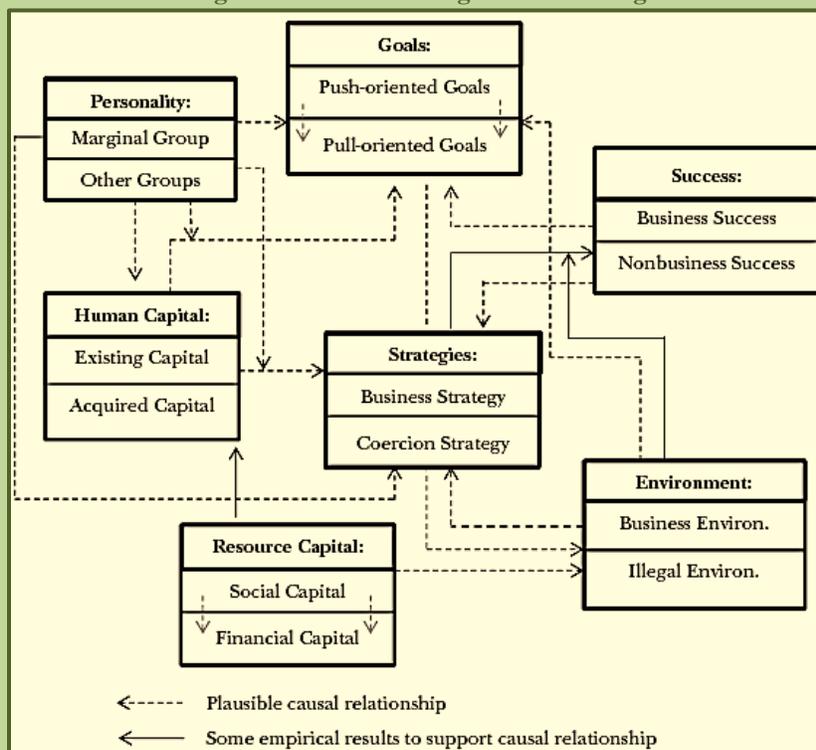
The strategy generally tends to work, too, since most vendors are migrants from rural areas without formal education, unaware of their rights and so end up capitulating to the intimidation tactics. In this way, it may be observed “how decentralised, privatised and informalised vending management leads to a variegated landscape of street vending... that correlates more to the power, resources and influence of... private property interests than to formal laws” (Devlin, 2011, p. 60). Even where it is virtually impossible to exclude street vendors, such as tourism spots, elite interests apply pressure on authorities to impose certain conditions, including requirements to dress a certain way, sell certain commodities, and/or customise stalls in a specific theme—thus increasing costs of operation and distorting the market (Bromley, 2000). One of the most glaring examples of this in Pakistan was in October 2018, when the government ordered a ban on all kinds of street activity that was disrupting traffic and pedestrian movement—leading to the “demolition of 3,495 shops and the removal of approximately 9,000 hawkers, including 82 women hawkers, from Empress Market” (Hasan, 2021).

Some governance-related initiatives that have been taken to tackle the complexities associated with street vendors are as follows. The most straightforward of these is to get vendors to move elsewhere so that they are not occupying main streets. This has not had much success, however, as customers will generally be reluctant to go out of their ways to seek out goods and services from street vendors—thus leading to dwindling levels of demand and pressures on the latter to eventually return to their original positions. Another intervention has been in the realm of education and training, whereby programmes are set up with the intention of building awareness about health safety, entrepreneurial strategy, and access to credit facilities. However, these programmes are rarely sought out by street vendors, who do not trust government officials enough to believe they have their best interests at heart—leading to low attendance levels. Such schemes' failure has led analysts and policy officials to take a step back and rethink their strategies to focus more on general commercial activity within urban contexts (in which street vendors are a significant stakeholder) rather than exclusively focusing on the informal market (Bromley, 2000).

In Pakistan, a draft bill on the protection of street vendors titled the Street Vending Bill has been prepared by the Pakistan Institute of Development Economics, Centre of Street Economy, and the Social Protection and Poverty Alleviation Division. Although long overdue, this is a step in the right direction—and broadly covers the following facets:

- Discretionary powers of various authorities in relation to street vendors.
- Introduction of the concept of town vending committees, with 50 percent representation from vendors.
  - These committees will include trader associations, NGOs, community-based organisations, local government representatives, and vendor associations.
  - They are to conduct a comprehensive survey on the street vendor community and chart out a framework for identifying vending zones.
  - Awareness building of the rights of street vendors, along with assistance in case of any violations, is a core responsibility of committees.
- Designated areas for street vendors, authorised through vending certificates costing Rs. 500/month.
- Arbitrary intimidation and confiscation of equipment from vendors to be punished with a term of one month, along with a maximum penalty of Rs. 20,000.
- With the assistance of vending committees, local government authorities formulate a policy dedicated to microcredit facilities targeted at street vendors to facilitate their operations.

Fig. 3. Factors Affecting Street Vending



Source: Wongtada, 2014, p. 69.

## 5. DETERMINANTS OF SUCCESS AND RESISTANCE

Despite the various pressures on street vendors to exit their trade, they have demonstrated an incredible ability to adapt to the situations imposed on them. They have thus come up with flexible individual-level and collective-level strategies to work around the constraints, a laudable feat considering they are compelled to generate plans for the safeguarding of their enterprises while simultaneously ensuring that they are turning profits. Bribing, as already discussed, is one of these strategies. Some others include structuring work shifts around locations and timings that are relatively less monitored—and reducing the quantities of goods carried at any given time in order to minimise loss/damage in worst case scenarios. They may also temporarily move to different locations and form networks with other vendors to “support each other, for example by sending messages or adopting communication signals to prevent eviction from city authorities” (Recchi, 2020, p. 15). This sort of collaboration is common in Karachi, Pakistan—where vendors pool resources to purchase certain kinds of services—such as private security and sweepers—that benefit them all and streamline their operations (Hasan, 2021). These collectives may sometimes become formal associations that can engage in the political sphere to demonstrate and protest—raising their voices to demand the right to operate more freely. With agglomerations, these vendors can establish relationships with influential figures such as politicians and non-government organisations for support and legal backing (Recchi, 2020).

Furthermore, it has been documented that the most successful of street vendors possess certain personality traits—such as “the need for achievement, risk taking, innovativeness, autonomy, locus of control, and self-efficacy” (Wongtada, 2014, p. 64). A fair number of them also rely on their social networks—including established friends and family members from the formal sector—for social leverage and even financial support. The latter is crucial, as banks and other formal means of attaining loans are invariably closed to most street vendors due to their lack of education (which prevents them from procuring formal documentation) and inability to offer collateral. Moreover, an ability to overcome adversity has also been consistently observed in the more successful street vendors—these have to do with long working hours, coercion from authority, risk of being mugged, health concerns relating to poor hygiene, competition from other vendors as well as formal businesses, and hostile/derogatory citizens. Therefore, a combination of factors needs to be taken into account by street vendors at any given point in time—constantly adjusting, maneuvering, and innovating as per the demands of the situation. A summary of these factors is illustrated in Figure 3.

## POLICY RECOMMENDATIONS

This paper has attempted to offer a broad overview of the street vending trade around the globe, particularly in the developing world—where it is only in recent years that governing authorities have begun to grant it appropriate attention from a policy point of

view. In order to take these nascent initiatives to a higher level, it is crucial to understand the fundamental building blocks of street vending, the informal sector, and urban management more generally. The following is a proposed set of recommendations that may serve as a launching pad for that purpose.

Any discussions about policy perspectives on street vending and urban informality are futile unless the *don'ts* aren't laid bare—these are initiatives and approaches that governments around the world seem to be pursuing but to no avail.

Firstly, anti-encroachment drives. These efforts to coerce vendors, through intimidation tactics, into clearing the streets have never been practical, and only prompt them to move temporarily—to return a day or two later. The reason for this is that a complex set of supply and demand factors are at play at any given time, with vendors serving as the go-to provider of essential commodities—particularly for working-class communities that rely on the budget options they offer. For instance, it has been documented that the vendors of Empress Market in Karachi are intimately tied to the import and distribution channels of several important commodities, including dried fruit, tea, clothing, and pet birds. Further, customers and other stakeholders that were interviewed on the matter claimed to have lost access to important sources of goods and services for their daily use (Hasan, 2021). Merely getting rid of vendors and confiscating their assets, without considering how the demand for their products is going to be met, invariably leads to frustration on the part of consumers and violence and harassment in public spaces. This disturbing sight only fosters a fearful environment in the city rather than resolving any problems.

Secondly, top-down approaches to ‘tackling’ street vending. The nature of the informal sector is such that there is a plethora of information, activity, incentives, and stakeholders involved in its ecosystem—which officials are generally unaware of. Arbitrarily deciding upon a ‘policy’, without involving the actual players in this complex trade will always be a recipe for disaster. For instance, the 2018 anti-encroachment drives at Empress Market, Karachi, triggered a wave of crises—with jobs lost, vendors unable to pay rents for their homes, becoming deeply indebted, falling into depression and misery, and having to resort to begging on the streets to survive. It is estimated that this one initiative alone led to the elimination of approximately Rs. 5.5 billion (Hasan, 2021). These kinds of rigid, illiberal, and one-dimensional approaches ought to be abandoned.

What, then, is to be done?

*Cultural Change:* All good policy begins with an acknowledgment of empirical reality, in all its complexity. Common perceptions of street vendors, particularly in the developing world, are negative in their nature—whereby traders are seen as dirty, lousy, rowdy, clumsy, suspicious, threatening, etc. This must end, and street vending should be seen for what it is: a crucial peg in the economic system of poor countries and a valuable service to countless people, as well as a driver of culture and tradition. Indeed, many areas in Karachi (and urban areas in Pakistan more generally) are known for the food, products, festivities, etc., that take place there—all of which are intimately connected to the contributions of the flourishing street vending trade (Hasan, 2021). Rather than focused around how to deal with the ‘nuisance’ of street vending, policy ought to be based on how to foster inclusive spaces that work for all urban stakeholders. On a broader level, urban planning must be rethought to disincentivise excessive car use, replacing it with walking/cycling friendly cities in which people travel via public transport services. This, along with rethinking social taboos such as women engaging in street vending is crucial—as it is a means for families to drastically increase their earnings in the developing world, as mothers begin to operate stalls from home alongside attending to their children.

*Infrastructure:* One of the primary bottlenecks to street vending is a lack of infrastructure, fuelled by the tendency for non-inclusive public spaces—particularly for the poor. Vendors lack access to basic infrastructure, in the form of water, hygiene, and sanitation amenities. These lead to time wastage, rising operational costs, and health hazards—especially for those dealing in food items. City authorities ought to invest in high quality, well equipped public bathrooms for the vulnerable. Furthermore, the provision of trade infrastructure, in the form of carts, stalls, tables, shelter, paved surfaces, etc. ought to be made available for budding street vendors. A fee may be levied for purchasing/renting these, thus helping raise revenue for city authorities and streamlining the procurement process for vendors. This has historically even been pursued, albeit unsustainably, as policy in Pakistan—with the Ayub Khan government making available kiosks for vendors and small enterprises to rent out and mayors Naimatullah Khan and Mustafa Kamal demarcating zones for vending and facilitating traders by constructing cabins and shops for their convenience (Hasan, 2021). In more recent times, the Ehsaas Rehriiban initiative of the Pakistan Tehreek e Insaaf government has made inroads into street vending, offering traders carts and even enrolling them in training programmes to upskill them and facilitate the market through the fostering of an enabling environment. (PASS)

*Microfinance:* Another commonly experienced hurdle for street vendors is a lack of financial resources. Since most of these individuals lack formal education and come from poor backgrounds, they are unable to procure documentation and offer collateral for formal loans from banks. Therefore, they rely on their social networks to kick-start and preserve their enterprises, which is invariably limited in its scope. Government loan schemes that are tailored for street vendors, therefore, ought to be thought up and advanced—an initiative that may assist in documenting the informal market better by allowing for more rigorous data collection, thus adding an element of formality to it and designing context specific policy objectives.

Fig. 4. Dynamics of Representative Bodies



Source: Kumar, 2012.

*Committees and Associations:* There is a crucial need to approach policy in a collaborative way, involving vendors and their customers: as well as other stakeholders like formal businesses and civil society organisations—reason being that information is always diffuse, multifaceted, and incredibly complex. One way to deal with this is to establish intermediaries, in the form of town vending committees and street vendor associations, between the government and the traders in question. NGOs may step in at this juncture and take on the role of data collection and vendor mapping, identifying hotspots and forming network linkages between the various stakeholders. This approach has shown promise in places like India, where these collectives serve crucial functions such as representing the needs of their members and customers, negotiating terms of operation (establishing timings/locations for trade, adhering to cleanliness standards, etc.), developing networks and relationships with key stakeholders such as the police and local political figures, and fostering a disciplined, organised structure of management for their collectives which allow for a better ability to adapt to changing circumstances and reduce the likelihood of evictions and harassment. As mentioned earlier, Pakistan is also pursuing legal measures (through the Pakistan Street Vending Bill) to facilitate the creation and maintenance of these kinds of committees to educate vendors about their rights, protect them from harassment, and bring various stakeholders together in order to facilitate trade.

*Legal Protection:* There is a dire need to draw up broad sets of overarching rules and procedures for street vending, which can function in an official capacity to orient the informal market in a manner that is efficient, inclusive, and productive. This need not be in the form of a long laundry list of regulations that are hard to keep track of and can be leveraged by powerful interests to intimidate vendors, but rather a low-resolution set of guiding principles that seek to integrate and harmonise the informal economy with other urban activities (Ehrenfeucht, 2016). India's bill, entitled 'Street Vendors Act 2014' can serve as a general yardstick in this regard. The law makes provisions for town vending committees (outlining their roles/responsibilities and minimum presence per zone), allocates specific zones for street vending, procedures for attaining licenses/certificates along with conditions for their cancellation, penalties for failing to meet the bill's stipulations, and the establishment of a formal authority dedicated to dispute resolution. Although implementation of laws such as these is a challenge, it is important to establish standard operating procedures that are backed by law so that those involved in this trade can seek out this information and attain clarity on their rights. The proposed Pakistan Street Vending Bill mentioned earlier is a much needed start in that direction, but it is certainly true that much more attention needs to be paid in further charting out the complexities and nuances of the trade in a manner that is inclusive of all stakeholders and attempts to integrate rather than dictate from above.

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