

HAWKER ECONOMY

## Small Business, Big Role-II

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Slums tend to form the epicenter or the principal source of informal labour and most of the employment is not formal wage labour but takes place in small and informal enterprises as within slums, most of the economic activities are informal by nature. Owing to lack of suitable workshops and commercial space, most informal sector activities in slums take place in streets and homes. There are many slums around the world that are equivalent to cities in size. Dharavi in Mumbai (India), Ashaiman in Tema (Ghana), Kibera in Nairobi (Kenya), Orangi in Karachi (Pakistan) house hundreds of thousands of households. With large numbers of slum dwellers, even though they are poor, there are substantial economies of scale and viable internal markets. Research study suggests that it is possible for as many as 40 percent of the slum population to find employment services, serving the needs of their own neighbours.

Like most of the developing countries of Latin America and Africa, in India also slums are the backbone of the informal economy. In Dharavi (Mumbai), one of the largest slums in Asia, there exists between 1200 and 1500 small enterprises which annually churn around \$500 million worth of goods. Food and leather processing, plastic and tin can recycling, tailoring and embroidery work, pottery making are some of the varied activities undertaken by thousands of informal labourers in the small work sheds at the Dharavi slum.

As per the 2001 Census report, of the total population (4.5 million) of Kolkata, one of the largest and densely populated cities of the world, 33% people (1.5 million) lived in slums. There were around 5611 slums within the jurisdiction of Kolkata Municipal Corporation (KMC) of which 2011 were registered and rest 3500 were unregistered.

Kolkata slums are bearing the legacy of the British colonial era. Some of the slums are as old as over 150 years. It has been found that more than 41% of households had been living in Kolkata's slums for two generations or more. 24% originated from adjoining states, 14% of the slum households have come from different other states. And 17% migrated from Bangladesh (East Pakistan). According to the 2001 Census report 53% of the slum population spoke Bengali, 27% spoke Urdu and Hindi was spoken by 19% of the total slum dwellers. With an average family size of 5-6, more than 70-80% of the slum families lived below the poverty line. In 2001, it was found that 67% of the slum population was literate against 82% literacy rate of the whole Kolkata population.

A survey on livelihood in Kolkata slums revealed that the slum people were engaged in a wide range of occupation : working in small enterprises, rendering services to urban middle and upper classes; self employed in own production units in the slum, working in nearby factories, manual labourers (skilled and unskilled), casual labourers, hawkers, vendors, et al. It has also been revealed that a fair number of slum dwellers were engaged in cottage and small scale industries like tailoring, carpentry, blacksmithing, manufacturing shoe and sports goods, handicrafts, engineering goods and various petty trades.

### JNNURM

Jawaharlal Nehru National Urban Renewal Mission (JNNURM): This massive city modernization scheme has been launched by Government of India from December, 2005 for an initial period of seven years with a central outlay of Rupees 50,000 crores. 63 cities, having million plus population, are designated to be eligible for investment under this Mission.

The rationale for the mission is based on the expectation that overall reforms would lead to high economic growth and to a higher rate of urbanization. The identified cities would act as 'growth engines' for the entire economy and urban areas would contribute 65 percent of the total gross domestic product (GDP).

JNNURM is expected to convert select cities into 'world class ones' and a large amount of fund are being committed here. The most contentious part of the mission is the conditions /prerequisites attached for accessing central funds. There are various mandatory and optional reforms for the Urban Local Bodies (ULBs) and for the state governments. One of the mandatory reforms at the state level is repeal of 'Urban Land Ceiling and Regulation Act' (ULCRA). And one of the important optional reforms to be undertaken is 'simplification of legal and procedural frameworks for conversion of land from agricultural to non-agricultural purposes.' The repeal of ULCRA will bring an end to a legal instrument through which affordable land could be made available to the urban poor.

During last two decades, Indian mega and large cities have witnessed forced eviction of slums; hawker removal; displacement of poor through infrastructure projects, speculative property markets and environmental hazards. For example between November 2004 and January 2005, nearly 94,000 slum units were demolished in Mumbai. In Delhi, in a span of eight years (1998-2005) over 100,000 families were evicted from slums. On November 1, 2006, Maharashtra became the first state of India to have declared a draft housing policy which among others aimed 'to pursue target of cities without slums', 'to deregulate housing sector and encourage public-private partnerships in financing, construction and maintenance of houses', 'to facilitate the redevelopment and renewal of inner city areas' and so on. Elaborate plans have been made, in the name of 'urban renewal' to remove the slum dwellers from the central location of the cities and rehabilitate them on the periphery.

While perpetuation of slums under the present condition is not recommended, it needs to be remembered that rehabilitation to a remote place delinks the poor slum dwellers from their work place and many of the manufacturing units, located inside the slums, when shifted to a newly designated cluster, do not survive. In the name of urban renewal, JNNURM in effect would demolish the slums and push the poor residents and small entrepreneurs out of the 'world class cities'.

Considering the importance of slums in mitigating social conflicts, by creating a 'sophisticated participatory practice' of survival and creativity, United Nations Human Settlements Programme, in their 2003 report on slums proposed that the inevitability of jobs occurring in slums should be acknowledged in service levels at the planning stage. 'Informal sector entrepreneurs and employees are such an important sector of the adult population that good governance is not served by ignoring them or worse, harassing them', the report commented. It seems urban planners involved in the JNNURM did not pay any heed to this valuable suggestion.

#### **URBAN STREET VENDORS**

The National Policy on Urban Street Vendors, 2009, approved by the government of India, has termed the street hawkers as 'micro-enterprises' and recognizes street vendors as an integral and legitimate part of the urban retail trade and distribution system. Accordingly, the starting point for this Policy is the recognition of the positive role of street vendors in providing essential commodities to people at affordable prices and at convenient places. As the street vendors assist the Government in combating unemployment and poverty, it is the duty of the State to protect the right of these micro-entrepreneurs to earn an honest living. This Policy recognizes that to be able to practice any profession or to carry on any occupation, trade or business is a fundamental right of every citizen of India.

Having said these, the policy recognizes the need for regulation of street vending by way of designated 'Restriction-free Vending', 'Restricted Vending' and 'No Vending' zones based on certain objective principles. Each street vendor will be registered under the aegis of a town vending committee and they will be provided with photo identity card with code number, location and vending category. However, each street vendor will be allowed to carry out his/her business at a designated place only for a period of twenty years. The spatial planning for earmarking vending zones will be done through photographic digitized survey of street vendors. According to the policy a comprehensive digitized photo census or GIS mapping of the existing stationary vendors will also be undertaking for granting the lease.

It has also suggested that Street vendors, being micro entrepreneurs, should be provided with vocational education and training and entrepreneurial development skills, to upgrade their technical and business potentials, so as to increase their income levels as well as to look for more remunerative alternatives.

Besides the recent recognition from the Government, the hawkers had received the support from the Supreme Court long ago in 1989. On a People's Interest Litigation (PIL) submission to the Supreme Court by Sodhan Sing, a New Delhi Street Vendor against the eviction by the New Delhi Municipal Corporation, the Court upheld the fundamental rights to carry on business or trade [Article 19(1g)]. The Court ruled that, if properly regulated according to the exigency of the circumstances, the small traders on the sidewalk could considerably add to the comfort and convenience of general public, by making available ordinary articles of everyday use for a comparatively lesser price.

Government of West Bengal on the other hand has not yet accepted hawking as an important economic sector in this state. The state Government and the Kolkata Municipal Corporation have taken several measures at different points of time to evict them from the site of their business.

Initially the Kolkata Municipal Corporation Act of 1980 prevented any type of vending on the street. In 1997 to make the law more stringent, West Bengal Government proposed an amendment to the Kolkata Municipal Corporation Act. The proposal was known as the Kolkata Municipal Corporation (Second Amendment) Bill 1997 that later on became an act. Section 371 of the Act was amended as this section contained regulations on street vending. The original section prevented the use of any pavement for hawking. This was amended as any basket, receptacle of goods on pavement, street, park or garden for display or sale. This section mentions that any hawkers violating this provision of the Act shall be punished. In the statement of objects and reasons, the Act states that in order to prevent encroachment in public places, it has been decided to declare any such encroachment by the street vendors, stallholder and other organization as cognizable and non-bailable offences. Moreover, the police with the use of section 34 of the Police Act harass and evict the hawkers from the sites of their business.

In 1996, the Kolkata Municipal Corporation (KMC) had conducted 'Operation Sunshine' to remove hawkers from Gariahat and Shyambazar area. Following the hawker removal drive, the KMC commissioner had issued a notification imposing certain restrictions on the movement of hawkers on 21 streets in the city. Later in a thought provoking article the Police Commissioner of Kolkata commented that 'Operation Sunshine' which made hundreds of hawkers out of business, was conducted without making any alternative arrangement for them, though Kolkata police and other stakeholders had prepared an elaborate plan in advance to allow hawking without creating impediment to public convenience.

### HAWKER ECONOMY TO 'INDIGO ECONOMY'

The hawker economy is at a cross roads now. Traditional supplies from the independent small enterprises are getting dried up. Instead those enterprises are increasingly being linked to the supply chains of TNCs. In agriculture also major changes in the farming techniques with far reaching consequences are being introduced. Contract farming and introduction of biotechnology/GM seeds are two such examples of transnational ascendancy in Indian agriculture. These developments, the outcome of a unique strategy the Northern countries have been following for the last few decades to make their economies 'green', are widening the domestic dualism in the production and consumption of goods and food items in India.

The climate change issue has divided the global economy into two broad categories-namely 'green' and 'indigo' economies. The developed economies of the North, which are increasingly using cleaner technology to minimize pollution and are relocating dirty industries to less developed countries, would become 'green' at the expense of the developing economies of the South, which would gradually turn 'indigo' by absorbing increasing amount of industrial pollutants (including nuclear radiation). According to Hindu mythology, to save mankind, lord Siva, the creator of the Universe, had absorbed all poison of the Earth at his neck and became 'Nilkantha' - 'indigo-necked'. Like lord Siva, the inhabitants of these developing economies would also turn 'indigo' by absorbing all poison of the Earth.

### INDIGO ECONOMY

The 'indigo economy' represents economic activities which primarily use dirty and polluting production process. This also represents an economic activity that is mostly meant for global markets and is detrimental, as was the case of indigo plantation of the 18th century, to the large section of the local population. A UN study indicated that the shares of gross domestic product (GDP) of the developed economies are likely to fall in next two decades and the share of GDP of the developing economies would rise.

In these emerging 'indigo economies', where substantial amount of investment is expected to flow in next few years, huge opportunities await small and medium enterprises (SMEs). A UNFCCC report (August 2007) has predicted a decline in the proportion of investment in primary sectors like agriculture, forestry, fishing and mining. Compared to these, significant increase in the proportion of investment has been projected for few specific sectors namely transportation, storage and communications, financial intermediation, real estate, renting and business activities.

During last two decades the export processing zones (EPZs) of the emerging economies of China and India have become the manufacturing hubs of many transnational corporations of the North. Imposition of various tariff and non-tariff barriers on 'carbon embedded goods' will induce radical changes in the manufacturing sector of these developing countries. As an immediate consequence, a dual production process will be in vogue. 'Green goods', meant for the developed markets of the North, would be produced using better and cleaner production techniques to make those items compatible with the new carbon standards set by developed countries. And 'indigo goods,' destined for the domestic and other markets of the developing South, would be manufactured using the old production process. With the introduction of GM seeds, this trend is getting extended to agricultural practices and food consumption as well.

As future growth is expected to be urban centric, fertile agricultural lands will be used for non agricultural activities. The rationale of JNNURM is a case in point. And to feed increasing numbers of urban and semi-urban working class population, large scale application of agricultural biotechnology has been planned to boost agricultural yields. This will bring in sweeping changes in the cultivation and food consumption pattern of India and other developing countries.

If GM seeds and other associated inputs actually increase the production of essential crops, these GM foods, discarded by the health and environment conscious consumers of many developed countries especially in Europe, will be sold at an affordable 'fair' price to the hungry billions. Total absence of any food safety regulation will make these unprivileged populations extremely vulnerable to various food related disorders. As this new agricultural technology is 'capable' of providing high yield even when applied in barren; arid and saline lands, fertile lands will be earmarked for the cultivation of local varieties, through contract farming, using traditional farming practices and rain water. Those 'organic' products will be exported and sold at a 'premium price' at the high end retail stores across the world. And GM products will be cultivated with arsenic contaminated underground water.

In the informal 'hawker economy', hawkers were the primary link between the small local entrepreneurs (including supplier of agricultural products) and the numerous urban poor and middle class consumers. But in the globalized 'indigo economy', the hawkers will be replaced by the global suppliers who would act as the main links between the consumers (both local and international) and local producers at EPZs. The epicenter of the economic activity will shift from hawkers to global suppliers. Huge surplus labour from agriculture (who become redundant with the introduction of new farming practice) and devastated hawker economy (say closed SMEs located in the slums; evicted hawkers) would either move to the EPZs or would turn to contractual suppliers to the global players who, in a monopsonistic situation, would earn super normal profits.

### **KOLKATA HAWKERS**

A survey on Kolkata street hawkers, spread over three different zones of KMC, was conducted, around 2004, by a group of social activists. Using a structured questionnaire, feedback on twenty one socio economic parameters were collected from a convenient sample of 2306 stationary hawkers. The survey did not cover thousands of mobile hawkers who are an integral part of this vast informal economy.

From the survey it could be inferred that hawking was (i) a fulltime bread earning profession undertaken by educated (70%) working persons aged between 18 and 60 years, (ii) an employment generating sustainable economic activity, managed predominantly by local people with little involvement of their family members, (iii) self-financing and self-sustaining economic activity. The study also reveals that though the direct link between the hawkers and the manufacturers had become weak, hawkers still relied on local supplies and served the needs of the poor and middle class buyers by selling those goods at a cheaper rate.

## CONCLUSION

'Operation Sunshine' (to evict hawkers), JNNURM (to demolish slums and make a few 'world class cities'), linking SHGs (small help groups) with micro-finance schemes and global supply chains of TNCs, introduction of contract farming and GM seeds in agriculture, allowing FDI in whole sale and retail trade, recognizing street vendors as micro entrepreneurs in the National Policy on Urban Street Vendors, 2009 are few restraining moves, deliberately made by the government, to destabilize the informal hawker economy of the poor and link it with the global supply chain of the TNCs. □□

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