Street Vending: A Review of Socio-Economic Challenges and Livelihood Insecurity

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Abstract

Street vending is an ancient and most popular form of informal self-employment whose key beneficiaries are economically disadvantaged individuals. In India, the rapid urbanization process has contributed to the rise of street vending due to rural-urban migration, unemployment, and difficulties in searching for a job in the formal sector. Although street vendors play an essential role in urban economies, they have been facing various issues that threaten their livelihoods. Previous work on the matter mainly refers to aspects such as livelihood security, economic vulnerability, legal rights, urban governance, financial inclusion, occupational safety, and implementation of the Street Vendors Act of 2014. However, limited research has been conducted on the mental health issues of street vendors in developing countries like India. Research has also neglected the psychological processes as well as the experiences unique to a certain gender and the differences in regions since a majority of the evidence comes from urban areas. The limited existence of empirical studies that are theory-driven, sensitive to gender, and specific to region emphasizes the necessity of thorough investigations on the factors determining street vendors' mental well-being. Filling these gaps will contribute to the body of literature on occupational health and provide evidence needed for the formulation of policies and interventions directed at street vendors in India.

Key words: Street vendors, informal work, social support, mental well-being

Introduction

Street vending is regarded as one of the oldest techniques of self-employment in the informal urban economy. This activity plays a significant part in supplying people in cities with all kinds of affordable products and services, creating employments for millions of people in difficult financial situations. Different types of items, such as fresh fruit and vegetables, ready to eat food, clothes, household goods, flowers, books, etc. are sold by street vendors and can be sold either using a stationary place, shops, or carts. As street vendors can be easily reached by everyone and sell their products at low prices, they have an influence on urban market functioning (Bhowmik, 2005; Bhowmik, 2006). There is a law named the Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014, which defines a street vendor as a person who sells food and goods in streets, pavements, parks, and other public places from a moving place, a position, or a temporary street. The law defines several types of vendors like hawkers, peddlers, and mobile vendors, therefore giving a legal framework for regulation of street vending. Street vending has grown quickly

in India due to urbanization, population growth, rural-to-urban migration, changes in the job market, and the difficulty of absorbing workers in the formal sector of the economy (Cross, 2000; Chen, 2001). Street vending is an excellent opportunity for those without education, skills, or resources because of its low requirements for startup capital and formal qualifications. It is therefore a popular means of subsistence for migrants, women, youth, and other individuals who have difficulties entering the labor market (Hart, 1973; Bhowmik, 2005). Vendors constitute a big share of the informal workforce in India, with estimates indicating that there are about 10 million street vendors in the country, although the figure is approximate due to differences between sources and cities. Vendors provide the economy with many benefits as they create employments, form local supply chains, and provide affordable goods and services for low- and middle-income individuals. Besides, street vendors implement the idea of greater accessibility by distributing products that are needed.

Street vendors in India are important economically, yet they still belong to one of the most vulnerable groups in the labour force due to a number of problems that characterize their work. Issues like lack of income stability, lack of accessible and affordable credit, and lack of access to social safety net programs and health services make street vendors' work riskier than in the case of many other employment sectors. Since the vendors work mainly in the informal economy, they are usually denied formal recognition of their existence, which leaves them wide open to any kind of changes in economy and regulations (Chen et al., 2016). Understanding the need for the protection of street vendors and the economic contribution they make, the Government of India adopted the National Policy on Urban Street Vendors in 2004, revised it in 2009, and then introduced the Street Vendor (Protection of Livelihood and Regulation of Street Vending) Act in 2014, which is designed to protect street vendors' right to earn their living, issuing certificates of vending, designating vending zones and to make sure that it does not interfere with urban planning in India.

Review of Literature

Street vending acts as a major source of employment for marginalized sections like migrants, women, youth, unskilled and lower-educated individuals all around the world. Despite having put substantial contributions to urban economies through food distribution, employment generation, and local market support, street vendors operate under insecure and challenging work environment. Most of the time, the economic contributions of street vendors go unnoticed due to the general perception of street vending as an informal/illegal activity (Roever & Skinner, 2016). Street vending is a common phenomenon in many urban centres in the Global South. The more widely of informal economies, street vending delivers immense employment opportunities for millions of poor workers and access to affordable goods and services for urban populations. The importance of street vending lies especially in developing countries with rapid urbanization process, high unemployment, and migration of workforce/people, which contributes to the growth of informal self-employment (Bromley, 2000; Wongtada, 2014).

One of the most significant issues common to street vendors around the world is their lack of legal recognition and access to public space. In many countries, vendors work with no licenses or legal protection, which poses a threat of forced removals from the streets, destruction of goods, fines, and abuse from local authorities and police (Bromley, 2000; Roever & Skinner, 2016). Most importantly, the low level of legislative regulations leaves vendors unsure about their rights and sources of income. Another significant issue is their economic instability. Most street vendors do not earn enough because of the seasonality of demand, the weather, competition, and changes in consumer behaviour. In addition, there is no access to financial services, which means that street vendors can count only on informal moneylenders with very high interest rates when they need to borrow (Wongtada, 2014). As a result, they hardly ever manage to escape the world of poverty and financial instability. Finally, they work under very dangerous conditions, which make their situation even worse. Vendors deal with excessive heat and rain, air pollution, heavy traffic, improper sanitation, and lack of drinking water and toilets. Women street vendors frequently encounter several challenges in their lives, such as juggling their productive and reproductive obligations, confronting workplace violence, and suffering from gender discrimination (Dimitrov, 2024; Roever & Skinner, 2016). Studies reveal social and political exclusion of street vendors. Many city administrations focus their efforts on making the cities visually attractive and modern, at the expense of the situation of the informal workers. Because of this, street vendors are often

left out of the processes of urban development, even though they significantly contribute to the city economy. Tensions between municipal authorities, formal businesses, and street vendors keep shaping the discussions regarding the use of urban public spaces (Bromley, 2000; Donovan, 2008). Gender is another important aspect in the area of street vending. Women make up a significant proportion of street vendors, especially in Africa, Asia, and Latin America. Women are usually unproductive than men street vendors as their businesses are smaller and they earn less money, have limited access to credit and productive tools, and are at a high risk to suffer from violence. Moreover, family obligations limit their chances to run a successful business that would bring substantial income for them (Brown, Lyons, & Dankoco, 2010; Roever & Skinner, 2016).

The National Policy on Urban Street Vendors was introduced in 2004, amended in 2009, and subsequently ordained the Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014. It is defined as a person who rests on footpaths, sidewalks, and opens public places selling goods, commodities, food and service to the public. The Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014 has achieved the status of revolutionary legislation, as it has recognized street vending as a legitimate source of earning and strives to protect street vendors from unreasonable evictions. However, the enforcement of the Act has not been uniform across different states and municipalities and has resulted in several legal, administrative, and institutional issues affecting street vendors' livelihoods (Bhowmik, 2014; Bedi & Narang, 2020; Yadav et al., 2025). Another pressing concern is the slow processing of vendor surveys and issues of Certificates of Vending. Some municipalities tend to delay conducting these surveys or fail to conduct them altogether failing to recognize many street vendors lawfully (NASVI, 2023). Another huge hurdle is ineffective operation of Town Vending Committees (TVCs).

Some urban local bodies have delayed in the demarcation of adequate vending areas and have set aside vending zones with either poorly accessible customers or insufficient infrastructure (Donovan, 2008; Bedi & Narang, 2020). Financial exclusion also limits the effectiveness of the law. Although the PM SVANidhi Scheme has made it easier to get working capital loans, vendors do not have the necessary documents and registration to know about government schemes (Nair, 2025). So, vendors have to depend on informal moneylenders that offer loans at very high-interest rates (Ministry of Housing and Urban Affairs, 2020). Women street vendors have additional implementation problems as well. Even though the Act mandates participation of women in Town Vending Committees, women vendors still face some challenges in terms of accessibility to vending spaces, finding credit, obtaining sanitation facilities, taking care of children, and staying safe from harassment (Saxena, 2024). The existing implementation mechanisms are not able to tackle these gender-specific problems adequately. The rise of street vending in India can be associated with poverty, unemployment, migration, urbanization, social exclusion, and ability of the formal economy to provide decent job opportunities.

Street vending has gained significance as a key issue of study due to its role in urban employment creation, poverty alleviation and informal economy. Bhowmik (2001) investigated street vending in seven cities in India, revealing that the sector is one of the largest generators of self-employment opportunities in urban areas for those economically disadvantaged who are excluded from the formal job market. The paper pointed out that street vendors are exposed to insecure livelihoods, absence of legal recognition, abuse by authorities, insufficient infrastructure and limited access to institutional credit (Lyngwa & Sahoo, 2025). According to Bhowmik (2001), street vending must be acknowledged as a legitimate economic effort instead of a nuisance for the city. Bhowmik (2005) reviewed the phenomenon of street vending in Asia and indicated the important contribution of vending to food distribution and work creation in urban areas, yet noted the vulnerabilities of street vendors due to their informal nature of employment. The review indicated low income, job insecurity, police abuse, forceful eviction and lack of social protection benefits as systemic issues affecting the street vending industry. Bhowmik and Saha (2013) point out that most of the street vendors rely on informal sources of loans as they do not have access to the formal banking system. The act of borrowing at high interest rates takes away the profits from the business and makes the vendors economically vulnerable. The authors recommend an increase in the reach of financial inclusion through credit, savings, and insurance mechanisms made available to the informal workers. The literature on street vendors reveals a series of clashes between street vendors and urban local bodies. Roy (2014) examined the legal regime of street vending practice and stated that the Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014 is a significant change in the policy,

while the implementation of the law is, however, uneven across different states. The article stressed that effective functionalization needs transparent Town Vending Committees, scientifically devised vending zones, and immunity from arbitrary evictions. Similar messages were echoed in the subsequent studies which claimed that the implementation of the 2014 Act has been inconsistent owing to the administrative hurdles, the lack of institutional capacities, and the conflicts of interest between which hamper urban development efforts and the rights of the vendors to make a living (Gogoi, 2025). Gender has started gaining prominence in the field of street vending studies. The authors of the article (Sarkar & Srivastava, 2009) stated that the female vendors have to face numerous problems like getting lower revenue, being less mobile, taking care of their families, and experiencing discrimination due to their sex. Moreover, the women traders indicated that they experience many problems with acquiring credit, vending sites, and institutional support when compared to male competitors. Saxena (2024) pointed out that female vendors undergo intersectional disadvantages due to gender, class, and ethnicity. The article pointed out that existing studies have generally overlooked women's experiences, informal power relations, and everyday negotiations in public space, calling for greater attention to feminist and intersectional perspectives.

Research Problem

Despite the recognition of street vending as a legal form of livelihood in the form of the Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014, the livelihood insecurity, financial exclusion, lack of infrastructure, social exclusion and vulnerability to eviction and harassment continue to persist among Indian street vendors. As a result, despite the existence of progressive legislation, street vendors continue to be insecure and disadvantaged due to issues such as delay in survey of vendors and issue of Certificates of Vending, malfunctioning of Town Vending Committees, inadequate vending space availability, lack of access to institutional credit and government schemes, and poor implementation mechanisms. Moreover, the implementation of the Street Vendors Act also differs across the states and urban local bodies, which makes it difficult to predict the extent to which street vendors at the grassroot levels actually benefit from the legal provisions mentioned in the act. While the previous researchers have looked into the legal and institutional constraints of the Street Vendors Act, there is not enough literature which addresses how the issues of awareness of legal rights, accessing government schemes, institutional support, and implementation of the Act actually impact the livelihood security and socioeconomic well-being of the street vendors. This problem is even more pronounced in case of women street vendors who face a range of disadvantages and vulnerabilities due to the factors related to their gender, familial obligations, reduced mobility, lack of access to credit and vending spaces, lack of sanitation and childcare facilities, and vulnerability to harassment and violence. While the Act guarantees the participation of women in the Town Vending Committees, the actual benefits of their participation remain unexplored.

Research Gap

Even though there is a vast amount of information on street vendors, most studies have been concerned with livelihood security, economic vulnerability, urban governance, financial inclusion, legal rights, occupational safety and health, and the application of the Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014. The mental health of street vendors has received little attention in studies, especially in developing countries like India. Most studies have focused on financial insecurity, evictions, safety and health issues at work. Studies are generally descriptive or policy-related and do not deal with mental health of the street vendors, focusing more on questions of financial insecurity or evictions and matters concerning public space or social justice. There is a lack of focus on the geographical aspect of the studies among street vendors. Most of the research has been done in urban environments, while less attention has been paid to street vendors who live in rural areas, suburbs, or in developing nations. Previous research only demonstrates simple relationships without studying psychological mechanisms behind them. All existing studies mostly describe street vendors with little theoretical contributions. Most researchers do not distinguish women and men among the vendors or do not adequately address psychological aspects related to gender. Closing this gap will lead to an improved literature on occupational health and better policies for economic safety and mental well-being of street vendors in India.

Conclusion

Street vending represents one of the most crucial means of subsistence in the urban informal economy of India, providing employment to millions of people suffering from economic marginalization and, at the same time, supplying affordable products and services to the urban population. Street vending, thus, demonstrates an important source of livelihood to marginalized sections, and at the same time, it illustrates the weaknesses of labour market and social safety net systems. Studies seem to suggest that street vendors play a vital role in work creation, poverty alleviation, food security in cities, and local economic development. Urbanization processes, migration from rural to urban areas, high rates of unemployment, changing consumption trends and limited absorption capacity of the formal sector have contributed to the increased reliance on street vending as a source of self-employment. In spite of the economic contributions street vendors make economic impact ascribed to them, street vendors are still vulnerable to various hardships of life. Street vending supplies crucial income and livelihood to a large number of people; however, the informal character of this occupation means that street vendors are vulnerable to constant sources of psychological stress, including uncertainty about income, long hours of work, lack of social support, danger of injuries at work, fear of being removed from their workplaces, as well as pressure from the state. In addition to all the difficulties faced by street vendors in general, women working in this profession have their mental health issues stemming from both their occupation and their domestic responsibilities. Much research on street vending has been done with the consideration of socio-economic and political aspects, whereas the need for investigating the psychological side of street vending has been poorly addressed. Hence, it is necessary for future studies to go beyond the analysis of street vending as a source of income and focus on psychological aspects of this work.

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