

Street Vending as an Alternative to Self-employment and a Way to Income Generation in Bangladesh

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Abstract

This study aimed at visualizing the role of the street vendors as a way to self-employment and income generation in Bangladesh. It was based on the survey of 152 street vendors in different areas of Dhaka. It administered a well structured questionnaire to collect the primary information and to picture the overall street vending scenario in order to show the contribution of the street vendors in self-employment and income generation of Bangladesh. The findings of the study showed that the street vendors are playing a significant role in the economic development of the country through creating the self-employment opportunities, income generation and saving a specific portion from among their income. Since for this street vending, both the vendors and the local community faced several problems the paper finally suggested that, a well management and formalization system of street vending can enrich the overall street vending scenario of the city and can bring a good prospect for the economy.

Keywords: Street vendors, street vending, street vending scenario, social status.

1. Introduction

Street vending covers an important share of urban informal employment. The street vendors play a significant role in the fields of the economic development through protecting resources (vended products) from such a position where they are treated as sometimes wastes or sometimes very much less valued products (Hasan & Alam, 2015). The term “street vending” is typically used as synonymous with “street trading,” “hawking,” and “peddling.” etc. persons are concerned with the street vending are called street vendors (Hasan & Alam, 2015).

Bhowmik, (2003) described the street vendors as those people who squat in public places such as pavements, parks, or other such places, and those that are mobile as they move from place to place in search of customers...conducting temporary business. Sally, (2008) defined the term ‘street vendor’ as vendors with fixed stalls, such as kiosks; vendors who operate from semi-fixed stalls, like folding tables, crates, collapsible stands, or wheeled pushcarts that are removed from the streets and stored overnight; vendors who sell from fixed locations without a stall structure, displaying merchandise on cloth or plastic sheets; or mobile vendors who walk or bicycle through the streets as they sell.

There are about 90,000 street vendors in the Dhaka, city of Bangladesh (Hasan & Alam, 2015). Most of them live in the different dwell place of the Dhaka city. One of the Dhaka City Corporation (DCC) report shows that more than 60% of urban dwellers depend on the street vending (Hasan & Alam, 2015). NPUSV, (2006) described street vendors as the self-employed workers in the informal sector who offer their labor to sell goods and services on the street without having any permanent built-up structure. In some cities, street traders account for as much as 20% of total employment (Sally 2008; Hasan & Alam, 2015).

2. Literature Review

Very few studies are carried on in Dhaka city on the street vendors among them: Faruque and Haque (2010) in their study on the street entrepreneurs in Dhaka city found that, there is no policy that can facilitate access to street entrepreneurship but as an alternative source for neighborhood-specific goods or an economic entry that does not require extensive capital, urban street selling can also foster social mobility and local economies.

Suraiya and Noor (2012) showed the businesses of street vendors as well as their impacts on society and constituted three central messages like: street vendors occupy a large part of informal sector in Dhaka city, a large number of people are generating income through street vending, and street vendors offer intense services for the city dwellers within reasonable cost range.

Muzaffar and Huq, (2009) conducted a study on the street food vendors in Dhaka city, the capital of Bangladesh. In the study they identified some key factors that could positively affect the vendors’ sales revenue. And found that the two key factors: experience of the vendors and initial capital positively affect their sales revenue and, however, the formal education does not have any significant impact on business performance (Muzaffar and Huq, 2009). The paper also showed that the lack of security and problems in the supply of raw materials are two major problems as perceived by the vendors (Muzaffar and Huq, 2009).

Sayma, (2012) conducted a study on street garment vendors in Dhaka city. The aim of the paper was to gain insight into the businesses of street vendors as well as their impacts on the society. The findings suggested that, a large number of people are generating income through street vending as a part of employment in the informal sector in Dhaka city. And the street vendors offer different products for the city dwellers within tolerable price limits.

Akharuzzaman and Deguchi, (2010) conducted a study among the street vendors in Dhaka. The aim to the study was to clarify the real urban street environmental situation in Dhaka City reflected by street vendors. The study suggested that, due to the lack of formalization and weak management system, it creates problems in urban areas by producing street garbage and gathering crowd on the footpath. The street vendors do business in the footpath, they don't even take the responsibility to maintain cleanliness of their surrounding environment (Akharuzzaman and Deguchi, 2010). This finding of the study is also supported by the study of Sayma, (2012).

Another specific study was found on the street food vendors carried on by Faruque et al, (2012). The study presented street food vending as an important way of providing a wide variety of foods that is relatively cheap and easily accessible and as a means of generating employment to a significant group in the informal sector (Faruque et al, 2012).

The former studies (though a few numbers of studies are carried out in this sector) had advocated a lot of benefits of street vending both the customers and consumers and vendors viewpoint, to provide cheap, convenient and easily accessible commodities to the consumers and to act as a way of livelihood for a large number of workers who would otherwise be unable to establish a business for want of capital (Faruque et al, 2012; Hasan & Alam, 2015). In contrast to these potential benefits, in Dhaka city street vendors are frequently faced with harassment and restrictions, there is no policy that can facilitate access to street entrepreneurship or even to facilitate the businesses of the vendors. Since these businesses don't require extensive capital or enormous infrastructure this sectors must be emphasized as it is the important means of urban informal employment and self dependent entity creation (Faruque et al, 2012; Hasan & Alam, 2015). Because of these potential much more studies are essential in this field to explore possibilities and potentialities and to understand the challenges the vendors face day by day for doing their businesses. Researches in this field will also help to build awareness among the concerned authorities to take proper steps for formalization and proper management systems. So this study is intended to show the scenario of street vending in special concentration to the street vendors.

The objective of this study is to show the role of the street vendors as a way to self-employment and income generation in the street vendors' viewpoint in Dhaka city, Bangladesh.

4. Methodology

4.1 Data collection and questionnaire

This study was descriptive in nature and was based on a field survey conducted in the different areas of the Dhaka city of Bangladesh. Questionnaire survey technique was used to conduct the survey. A well-structured questionnaire with both open and closed end questions was administered to the respondents to collect the data for this study.

4.2 Study area

The study used the cluster sampling technique wherein the Dhaka city was first divided into the following major areas: Uttara, Mohakhali, Mirpur, Mohammadpur, Dhanmondi, Azimpur, Farmgate, Gulistan, Kamlapur and Malibag. The study then randomly selected areas as well as randomly met the respondents (street vendors) to administer the questionnaires and collect data. Respondents of these areas were available in the bus station, railway station, parks, busy market places and other such public spaces.

4.3 Sample size and nature of the respondents

To meet the researches objectives 152 street vendors were randomly selected within the above stated study area.

After completing the questionnaire survey the respondents are found to cover the following business areas:

Table 1: Nature of the Respondents

Business areas	No. of the respondents
Garments	40
Food	17
Vegetables	23
Plastic and aluminum products	12
Shoe and sandal	23
Mobile accessories	15
Street stalls (tea, bread, juice, green coconut etc.)	22
Total	152

4.4 Analysis tools

Data was analyzed using SPSS version 16 applying different statistical tools.

5. Findings and Discussion

5.1 Age of the street vendors:

Following table (table 2) shows the percentages of the vendors in accordance with their age groups. It is found that, majority of the vendors engaged with vending are in the average age of 25-35 years (42%); almost one third (27.3%) of them are in the age of 15-25 years and only a few (4%) of them are in the age of 55-65 years old.

Table 2: Age of the Respondents

Age Groups	Percentage of the respondents
15-25	27.3
25-35	42.0
35-45	18.0
45-55	8.7
55-65	4.0
Total	100.0

5.2 Employment opportunities created through street vending:

According to the Dhaka City Corporation there are around 90,000 street vendors in this city (Ratna, 2012; New age Metro, 2003). It is reported unofficially by several hawker (vendors) association that around 2.5 lakh street vendors ply their business on the capital cities' public sidewalks in recent years which has increased from 90,000 in 2005 resulting an emergence of new avenue for urban poor to support themselves and their families (Husain, et al. 2015).

5.3 Monthly Income of the street vendors:

Following table (table 3) monthly income of the street vendors:

Table 3: Monthly Income of the street vendors (figures in the following table shows the percentage of the respondents under each criteria)

*Income tk.	Garments	Food	Vegetables	Shoe and sandal	Mobile accessories	Plastic and aluminum products	Street stalls
Below-5000	4	3	8	2	1	9	7
5000-10000	8	9	22	12	8	25	20
10000-15000	35	26	30	33	36	31	32
15000-20000	28	33	20	28	27	17	21
20000-25000	17	20	20	18	20	10	11
25000-30000	5	5	-	4	5	8	8
Above-30000	3	4	-	3	3	-	1
Total (%)	100	100	100	100	100	100	100
Average income Tk.							

*income are the gross figure after subtracting the all expenditures

The table (Table 3) shows that most of the respondents have the monthly income between tk. 10000 to 20000: garment vendors - 63%, food vendors - 59%, vegetables vendors - 50%, shoe and sandal vendors - 61%, mobile accessories vendors - 63%, plastic and aluminum products vendors - 48%, and the street stalls - 53%. Only 4% of the food vendors are found the average monthly income tk. more than tk. 30000.

5.4 Monthly Savings of the street vendors:

Following table (table 4) shows the percentages of the vendors in accordance with their monthly saving status:

Table 4: Monthly savings status of the street vendors (figures in the following table shows the percentage of the respondents under each criteria)

Savings tk.	Garments	Food	Vegetables	Shoe and sandal	Mobile accessories	Plastic and aluminum products	Street stalls
Below-500	4	3	22	12	1	9	7
500-1000	35	26	30	35	36	25	30
1000-1500	27	31	21	29	28	36	25
1500-2000	18	22	11	17	19	14	17
2000-2500	8	9	9	5	9	7	12
2500-3000	6	8	7	1	4	8	8
Above-3000	2	1	-	1	3	1	1
Total (%)	100	100	100	100	100	100	100
Average savings Tk.							

It is found that (table 4), majority of the vendors have monthly average savings between tk. 500 to 1500: garment vendors – 62%, food vendors – 57%, vegetables vendors – 51%, shoe and sandal vendors – 62%, mobile accessories vendors – 64%, plastic and aluminum products vendors – 51%, and the street stalls – 55%. Only 3% of the mobile accessories vendors are found the average monthly savings tk. more than tk. 3000.

5.5 Social Status, Acceptance and supports for business of the Respondents:

5.5.1 Social Status:

The following table (table 5) shows the social status of the street vendors regarding the fulfillment of some of their basic social needs and the fulfillments of some day to day necessities. Which includes whether the street vendors get pure drinking water, hygienic sanitation, supply of electricity and the proper treatment facilities, own & children education facilities and sufficient housing facilities. It is found that, a notable percentage of them (about 15 percent) don't get water (they don't have sufficient water supply facilities in their residents, so they collect it from the different leak point of WASA or sometimes from another's house everyday) and a significant percentage (8%) of them don't have hygienic sanitation. A certain portion (4%) of the respondents don't use electricity (they use cheap solar panels in order to reduce per month electric bill expense).

Table 5: Fulfillment of basic needs and daily necessities

Particulars	Percent	Particulars	Percent
Drinking water		Education status:	
Get pure drinking water	48.7	Own education	
Get water but not pure	36.7	No education	15.3
Don't get water	14.7	Primary education	47.3
Total	100.0	Secondary education	37.4
Sanitation		Total	100.0
Hygienic	55.3	Children education	
Moderate	36.7	no children	39.3
Not Hygienic	8.0	No education	12.0
Total	100.0	Primary education	26.0
Treatment		Secondary education	20.0
Have well treatment (can bear treatment cost)	50.0	Not applicable*	2.7
Don't have (cannot bear the cost)	50.0	Total	100.0
Total	100.0	Housing status	
Electricity use		Slum	11.3
Use	96.0	Mud**	.7
Don't use	4.0	Wood	3.3
Total	100.0	Tin	44.7
		Brick	40.0
		Total	100.0

*not applicable refers respondents are not married or the children are not in the age of school

**mud refers the house whose floor is made of mud

The housing status (table 5) of the street vendors' reveals that a notable portion of them (11.3%) live in the slums in different dwells of the Dhaka city. The majority of them live in the houses made of tin and bricks

(44.7% & 40% respectively). The education status of the vendors and that of their children shows that a significant amount of them are yet illiterate and so is 12 percent of their children. The main reason behind their children illiteracy, they reveal that they are unable to bear cost of education and some of them are found to induce their children to labor due to the insolvency of their family. The treatment status of the street vendors shows that half of them don't get proper treatment and other related facilities that means they cannot bear the high treatment cost.

5.5.2 Social acceptance:

The perceptions of the street vendors regarding their social acceptance for the statement, “**Doing this business I am well accepted in the society**” shows that, 16.7% of them strongly agreed, 40.7% agreed, 36% of them are found neutral (may be they are moderately accepted in the society for this business) and the rest of (6.6%) of the respondents are found disagreed about the statement. That means they get sufficient social status even doing this low prestigious business.

5.5.3 Support for their business:

Whether they get any support (financial) for their business, it is revealed that only 10 (6.7%) (Table 6) of them get financial support for their business such as loan or donation from different private and govt. organizations or from NGOs. And other huge portion of them 93.3% don't get any such types of financial supports.

Table 6: Support for business

Support for business	Percent
Get support	6.7
Don't get any	93.3
Total	100.0

6. Problems through vending

6.1 Problems faced by the respondents while doing business:

The problems faced by the street vendors are shown in the following table 3. It is noticed that a majority percent (54%) of them are suffered for problem of police donation (chanda). Another major problem is found that a certain portion of them (46%) have no fixed place for doing the business. Some of them told that police would suddenly attack and harass them and destroy their temporary structure if they denied the daily donation.

Table 3: Problems faced by the respondents by doing this business

Problems	Percentage*
No fixed place	46
Terrors	34
Police	54
Others	17
No problem	4

*Percentages will not add to 100 because many of the respondents face more than one problem (all are rounded figure)

6.2 Problems created in the local community for the vendors business:

Street vendors generally open stalls in the busy area of the city which produces excessive crowds and consequently long traffic.

Akharuzzaman and Deguchi, (2010) presented pictures of some busy areas before and after eviction of street vendors some of them are given below.



Figure 1: The crowds before and after eviction
 (Source: Akharuzzaman and Deguchi, 2010)

Unnecessary garbage and dusts are generated on the streets or street vending which create unhealthy and

unhygienic environment (Akharuzzaman and Deguchi, 2010).

7. Conclusion

The role of the street vendors is undeniable to the society. Nevertheless their low income, they contribute to the national investment through a certain portion of saving from their income. They help the economy by generating self-employment, income and thus savings. Another notable contribution of some of the vendors is that they add value, repair and make usable to the less valued; sometimes the rejected garment products. Since some minor problems are created by them such as street garbage or crowds those can be solved easily by proper management and through special concentration by the govt.

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