

A Study on Challenges Faced by Street Vendors in Chennai

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Abstract. Street vending is an important source of livelihood for economically weaker people in Chennai and contributes significantly to the city's informal economy. Street vendors provide affordable goods and services but face challenges such as eviction, harassment, poor infrastructure, lack of legal recognition, financial problems, and competition from organized retail. The study analyzes the socio-economic conditions and problems faced by street vendors in Chennai using both quantitative and qualitative research methods. Data were collected from 100 vendors through surveys and interviews. The study also examines government support measures like the PM SVANidhi Scheme. The findings reveal that vendors continue to face insecurity due to weak policy implementation, limited access to licenses, and lack of social security. Women and migrant vendors experience additional difficulties. The study concludes that effective government support, better infrastructure, financial assistance, and proper vending zones are essential

Keywords: Economic Sustainability, Small-Scale Entrepreneurship, Urban Livelihood, Informal Economy, Self-Employment, Street Vending

I INTRODUCTION

Street vending is a major part of India's informal economy, providing livelihoods to millions of urban poor who rely on self-employment. Vendors sell a wide range of goods and services, contributing significantly to urban economies by offering affordable products and supporting local supply chains. In Chennai, street vendors form a vital part of the city's commercial life, especially in busy areas like T. Nagar, Pondy Bazaar, Marina Beach, and Koyambedu Market. Despite their economic importance, vendors face multiple challenges such as harassment, lack of legal recognition, limited access to finance, poor infrastructure, and competition from organized retail. The Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014 was introduced to safeguard their rights through measures like vending certificates and designated zones. However, its implementation remains inconsistent, leaving many vendors unprotected. Overall, the study focuses on understanding the challenges faced by street vendors in Chennai and aims to provide insights for better policies to support inclusive urban development.

Objectives of the study

- To identify the major constraints faced by vendors while operating their business.
- To analyze the socio-economic and environmental impact of street vending.

- To suggest policy interventions that help mitigate the challenges of street vending.

II. STATEMENT OF THE PROBLEM

Street vending in Chennai, while economically vital, remains a deeply contested and precarious occupation. Despite the existence of legal frameworks such as the Street Vendors Act, 2014, street vendors in Chennai continue to face high levels of vulnerability due to a gap between policy intentions and actual implementation. A large number of vendors lack formal recognition, leaving them exposed to eviction, harassment, and exploitation.

The key challenges include unclear and inconsistent regulations, with many vendors unable to obtain licenses due to complex procedures and limited designated vending zones. Financial difficulties are also significant, as vendors depend on informal credit sources with high interest rates, limiting business growth and resilience.

Significance of the Study

This study is important across academic, policy, and social dimensions. It contributes to academic literature by providing a comprehensive analysis of street vending in Chennai, an area with limited focused research. From a policy perspective, it offers practical insights to improve the implementation of the Street Vendors Act, 2014, and urban planning strategies. The study highlights the role of street vending in ensuring livelihood security and reducing urban poverty, while also addressing gender-specific challenges faced by women vendors. It emphasizes the need for inclusive urban planning that recognizes vendors as contributors to the economy rather than obstacles. Additionally, the study empowers vendors by bringing attention to their experiences, supports post-pandemic recovery efforts, and helps bridge the gap between formal and informal sectors, promoting inclusive urban economic development.

Limitation of the Study

This study provides valuable insights into the challenges faced by street vendors in Chennai, but it has certain limitations. It is limited to specific areas within the city, so the findings may not apply to other regions. The sample may not fully represent all types of vendors, and reliance on self-reported data can lead to inaccuracies. Since the study is cross-sectional, it does not capture changes over time or establish cause-and-effect relationships. Language differences and communication issues may affect responses, while some vendors' reluctance to participate can introduce bias. Additionally, the rapidly changing urban environment and limitations in secondary data may affect the accuracy and relevance of the findings.

III. RESEARCH METHODOLOGY

Research Design – The study uses a descriptive and analytical research design with a mixed-methods approach. It combines quantitative surveys and qualitative methods (interviews and FGDs) to understand both measurable challenges and personal experiences of street vendors. The study describes vendor profiles and challenges while also analyzing factors affecting their vulnerability and resilience.

Study Area – The research is conducted in Chennai, a major metropolitan city in Tamil Nadu. The city is divided into three zones:

- Core commercial zone

- Transitional residential-commercial zone
- Peripheral industrial-residential zone

Sample Size

A sample size of 100 respondents is considered:

- Suitable for academic research and survey-based studies. Adequate to understand major challenges and patterns among vendors. Consistent with previous studies conducted in Chennai

Sampling Technique

- **Convenience Sampling** is used to select respondents based on accessibility and willingness. This method is widely used in Chennai-based vendor studies, including research conducted with **100 respondents using structured questionnaires**

Data Collection-

Primary Data Methods

- Structured Questionnaire: Collects data on socio-economic profile, income, challenges, and coping strategies.
- In-Depth Interviews: Captures personal experiences and detailed narratives.
- Focus Group Discussions (FGDs): Explores group-specific issues (women, migrants, experienced, and new vendors).
- Key Informant Interviews (KIIs): Gathers expert and policy-level insights.

Secondary Data Sources:

- Government reports and statistics
- Academic research and journals
- Publications from organizations like NASVI, ILO, and UN-Habitat
- News media archives

Introduction to Street Vending

Street vending is one of the oldest and most common forms of informal business activity in urban areas. Street vendors are individuals who sell goods or services in public places such as roadsides, pavements, markets, bus stands, railway stations, and commercial areas. They offer a wide range of products including vegetables, fruits, food items, garments, household products, flowers, and daily-use commodities at affordable prices.

- Street vending plays a significant role in the urban economy by generating self-employment opportunities for people with low educational qualifications and limited financial resources. It provides livelihood support for economically weaker sections and contributes to local economic development. In metropolitan cities like Chennai, street vendors are an essential part of daily life because they provide convenient and low-cost goods to consumers.
- Although street vending contributes positively to employment generation and urban trade, vendors often operate in unstable and unregulated conditions. They face several social, economic, and legal challenges that affect their business activities and living standards.

Challenges Faced by Street Vendors

- Street vendors face numerous challenges in carrying out their day-to-day business activities. Some of the major problems are discussed below:

- **Lack of Legal Recognition**
- Many vendors do not possess proper licenses or official permission to conduct business in public places. This leads to insecurity and fear of eviction.

Eviction and Harassment

- Street vendors are often removed from vending locations by municipal authorities due to traffic congestion, urban beautification projects, or public complaints. Some vendors also face harassment and penalties.

Financial Difficulties

- Most vendors depend on personal savings or informal borrowing sources because they lack access to bank loans and formal financial support. High-interest loans increase their financial burden.

Poor Infrastructure Facilities

- Street vendors generally work without adequate facilities such as drinking water, sanitation, storage space, electricity, or shelter from rain and sunlight.

Competition from Organized Retail

- The growth of supermarkets, shopping malls, and online shopping platforms creates intense competition for street vendors, affecting their sales and income.

Health and Safety Issues

- Continuous exposure to pollution, extreme weather conditions, and unhygienic surroundings negatively affects the physical health of vendors.

Income Instability

- Street vendors experience fluctuations in daily earnings due to seasonal demand, economic conditions, and unexpected disturbances such as heavy rains or public restrictions.

Government Policies and Support

The Government of India has introduced various measures to protect the rights and livelihood of street vendors. One of the major legal frameworks is the **Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014**.

Objectives of the Act

- To protect street vendors from unfair eviction
- To regulate street vending activities
- To provide legal recognition and vending certificates
- To create designated vending zones

Key Government Support Measures

1. Identification and Registration

Local authorities conduct surveys and issue identity cards and vending certificates to eligible vendors.

2. Vending Zones

Special vending areas are created to reduce traffic congestion and ensure smooth business operations.

3. Financial Assistance

Some government schemes provide microcredit facilities and financial support for small traders and street vendors.

4. Social Welfare Measures

Vendors may receive benefits related to health insurance, pension schemes, and welfare programs.

5. PM SVANidhi Scheme

The Pradhan Mantri Street Vendor's Atma Nirbhar Nidhi (PM SVA Nidhi) scheme provides collateral-free loans to street vendors to support their businesses and encourage financial inclusion.

Impact on Livelihood and Society

Street vending has both economic and social importance in urban society.

Economic Impact

- Provides self-employment opportunities
- Supports low-income families
- Contributes to the informal economy
- Supplies affordable products to the public

Social Impact

- Helps rural migrants survive in cities
- Encourages small-scale entrepreneurship
- Supports women vendors and family businesses
- Creates accessible services in crowded urban areas

Negative Impacts of Challenges

The difficulties faced by vendors often lead to:

- Poverty and financial insecurity
- Poor living conditions
- Lack of social protection
- Health problems and stress
- Reduced business sustainability

The study highlights that improving the working conditions of street vendors through supportive government policies, infrastructure development, and financial assistance can significantly enhance their livelihood and contribution to society.

IV. CONCLUSION

The study highlights that street vendors in Chennai play an important role in the urban informal economy by providing employment opportunities and affordable goods and services to the public. Despite their contribution, they face several challenges such as lack of permanent vending spaces, harassment, financial difficulties,

poor sanitation, unstable income, and absence of social security benefits. The study also finds that government welfare measures and policies are not effectively implemented due to lack of awareness, licensing delays, and inadequate infrastructure. It concludes that proper government support, designated vending zones, financial assistance, skill development programmes, and social security schemes are essential to improve the livelihood and working conditions of street vendors and promote sustainable urban development.

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