

# SWOT Analysis of Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014

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## Abstract

This research paper is an endeavor to attempt SWOT analysis of Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014 enacted by Government of India on the proposed Street Vendors Bill, 2013 in the background of National Street Vendors Policy 2009 by Ministry of Housing and Urban Poverty Alleviation. The paper also highlights the salient features of the act like third party street vendors survey, Town Vending Committee (TVC), Grievance Redressal Mechanism (GRM), classification of street vendors, street vending zones, monthly fee, eviction, relocation, ID cards and licenses etc. The present paper analyses Strength, Weakness, Opportunities and Threats (SWOT) in context of the last five year's implementation of various provisions of the Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014 in various states and Union Territories.

**Keywords:** Street Vendors, Informal Sector, Informal Economy, Street Vendor Survey.

## Introduction

### SWOT Analysis

The framework of SWOT analysis is exercised to appraise and estimate the stature of an organization. The tool is also deployed to evolve strategies for futuristic planning in an establishment. The term SWOT is an abbreviation and is put up for strengths, weaknesses, opportunities and threats. All the internal as well as external characteristics are evaluated through SWOT analysis that can impact present and future potential of any firm.

It is noteworthy to discuss regarding the numerous advantages of SWOT analysis ranging from evaluating the performance, to estimating the market competition, and from potential risk to available business prospects. The analysis is a guiding technique which utilizes internal and external data to comprehend ongoing trends in the business. It also opens the Pandora box of operational strategies and manoeuvre which are used to guide the business analysts, market investors or strong competitors.

### Elements of a SWOT Analysis

The objective of SWOT analysis is to expedite the process by providing a pragmatic statement rather than theoretical considerations. For instance, factual information devised out of the available statistics on the robust organizational arrangement and gloomy functioning will delineate the future initiative of an industry. However, it would be grounded on the accuracy of analytical framework as well as the system lacunas in more aligned context. To make it more comprehensive during the application, SWOT analysis should be appropriately used avoiding all kinds of complexities so that the objectives of a firm are met generously. Besides, it would reduce the subjective interpretation for ensuring the accuracy in the results. However, the given analytical framework remains a matter of choice for the companies and establishments.

1. Strength of an organization can be defined as effectiveness of a firm. It also implies that the company should have more stability in terms of planning, executing, generating and retaining for better results. For instance, branding, strong base of customers, impressive balance sheet, imbibing technological advancements, etc. within the

2. Organization are few paradigms that can be used to attract new investors in the market.
3. Weakness depicts hindrances that paralyses the performance of any industry at its optimum level. In order to sustain market competition, improvement is a prerequisite and a key to success or else it will forbid the overall growth. For instance, market debts, shortage in supply chain management, lack of investors, etc.
4. Opportunities provide favourable internal as well as external factors that are advantageous in augmentation of an organization. For instance, support of State Government in providing subsidy of various expenditures can increase the profit margin of any firm.
5. Threats refer to serious and immediate risks that can potentially harm any organization. For instance, increase in the cost of raw materials, increased market competition; shortage of labour supply, etc. can be few threats to a company.

#### **Background of the Street Vendors Act, 2014**

The bill marks a culmination of the efforts to legitimize the livelihood rights of street vendors, in a way acknowledging their importance in the urban economy. In order provide a legitimate livelihood rights, the bill has introduced range of advantages to the vending community by the way of acknowledging their endeavours to contribute in building asustainable urban economy.

1. In 1980s, the process was initiated by a government department to which the Hon'ble supreme court ruled on the constitutional validity on the rights of street vendors for taking up business by the way of selling the goods and services on streets.
2. The process was followed in adoption of National Policy on Urban Street Vendors in year 2004. However, due to lack of any legal binding of this policy, majority of the civic bodies could not introduce it.
3. Thereafter, the policy was put to revision by the government in year 2009 with an aim to yield out a National Policy on Urban Street Vendors. It, however, brought a Model Street Vendors (Protection of Livelihood and Regulation of Street Vending) Bill, 2009 and was given out to all the States for legislation but could not make it to implementation by the States.
4. Tremendous pressure was created by groups of activists on the Central Government for its application. For instance, NASVI (National Association of Street Vendors in India) was one among them who emphasised on introducing it uniformly in all the States for recognition and encouraging the economic activities of street vending. It gave a pathway for drafting of current bill on Street Vendors by Ministry of Housing and Urban Poverty Alleviation under entries 20 (economic and social planning), 23 (social security and social insurance; employment and unemployment), and 24 (welfare of labour including conditions of work, provident funds, employers liability, workmen's compensation,

invalidity and old age pensions, and maternity benefits) in list III of the Constitution.

#### **Need for a Central Act**

India is home to around 10 million street vendors, according to the national statistics. Ranging from food to clothes, newspapers to magazine and from different goods to service, the entire list of activities would be covered under the umbrella of street vending. Primarily, these are the migrants from rural areas who have turned to cities in order to ensure their daily bread and to make some financial in order to support their families back home. Most of them are unskilled or semi-skilled and cannot be hired for any formal or professional job. Despite from being poor and marginalised, they tend to provide affordable and convenient services to the urbanites.

Living at the edge of poverty and lack of awareness, the chances of inappropriateness in terms of providing licence to the street vendors often results in illegal vending of goods. Moreover, it also forge ahead with issues like bribery and culture of extortion by local police authorities, civil bodies including harassment, heavy penalties and evictions. Street Vending, for instance, was taken as a non-bailable offence lead to several predicaments for the vending community. Therefore, it becomes vital to gain support of the Government to ensure adequate safeguards for them and to take street vending as contribution to the nations economy.

#### **Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014**

The Parliament of India finally decided to regulate street vendors in public domain and to protect their legal and constitutional rights. On 6<sup>th</sup> September 2012, the then Union Minister of Housing and Urban Poverty Alleviation, SmtKumariSeljainroduced it in the LokSabha (Lower House of the Parliament of India) Later on 6<sup>th</sup> September 2013, the Bill was passed in the LokSabha and finally by the RajyaSabha (upper house) on 19th February 2014. Finally, the bill received an expression of approval by the Hon'ble President of India on 4th March 2014 and came to force from 1st May 2014 onwards.

#### **Salient features of the Act**

The Street Vendors Act 2014 aims In order to protect the livelihood of street vendors, the Street Vendors Act 2014 aimedat providing a conducive and fearlesswork environment to fulfil their desires of carry forward their business without harassment, eviction or extortion Similarly, it also regulated the activities of street vending by the way of managing public spaces and traffic. Following are the specific provisions given under this Act:

#### **Town Vending Committee**

Under the ambit of this Act, the local authorities are provided with a provisions of creating a Town Vending Committee (TVC).It has been envisaged by the central authority to implement the provisions under the chairpersonship of the Municipal Commissioner or the Chief Executive Officer along with other members as decided by the State Government.A minimum of 40 percent of street vendor's representation has to be ensured through

election, of which one-third shall be women. The act also makes it mandatory to have representations from SCs, STs, Minorities, OBCs and Persons with Disabilities in TVC.

#### **Street Vendors Survey**

Town Vending Committee will conduct a survey of all existing street vendors, within the area under its jurisdiction in at least five years subsequently.

#### **Certificate of Vending/License/ID cards**

The local authority through TVC shall issue Certificate of Vending and ID cards to identified and registered street vendors.

#### **Monthly Street Vending Fee**

The local authority through TVC shall decide monthly street vending fee to be incurred from registered street vendors.

#### **Vending Zones**

A maximum of 2.5% of the total population of a ward or town or city will be given licenses for street vending. All street vending activities will be carried out in vending zones. The vending zones will be decided by the TVC in consultation with Department of Urban Planning. Vending sites in vending zone will be allotted through a draw of lots mechanism by the TVC. In case, sites are less than the number of vendors in that area will be relocated to adjoining vending zone.

#### **No Eviction**

No street vendor will be evicted before the survey is completed and vending licenses are issued.

#### **Transfer of Certificate of Vending/License and Nomination**

In case of death of a vendor, his/her family member will be allowed to continue the vending activity until the validity of certificate of vending/license.

#### **Relocation, Eviction and Confiscation of Goods**

The Act have provision for the procedure of relocation, eviction and confiscation of goods. The provision regarding relocation have been outlined clearly as follows:-

1. Relocation should be avoided as far as possible, unless there is an urgent and clear need for the land in question
2. Participatory decision making by involving street vendors in rehabilitation
3. Living standards and livelihood levels of the street vendors should be improved or at least remain the same as pre-evicted levels after their relocation.
4. Street Vendors shall not be relocated from natural markets where they have been carried on their business for at least 50 years.

#### **Grievance Redressal Mechanism/appellate authority**

The Act has provisioned Grievance Redressal Mechanism and an appellate authority to deal with day to day grievances of street vendors regarding vending affairs.

#### **Rights and Obligations/Duties of Street Vendors**

The Act also describes the rights, obligations, duties and responsibilities of street

vendors; which are comprehensively given in the Scheme and Bye-laws.

#### **Cancellation of Certificate of Vending/License**

Town Vending Committee can cancel or suspend license if any vendor give misrepresentations, do fraud.

#### **Penalty provisions**

The Act also makes provision for penalties for violations conducted by street vendors, which will be decided by TVC and may be given in bye-laws.

#### **Promotion of Social Security measures**

The appropriate government in consultation with TVC, local authority, planning authority, unions and civil society undertake promotional measures for credit availability, insurances, skill training etc.

#### **Capacity Building Programme and Research**

The appropriate government in consultation with TVC can undergo capacity building programme for street vendors, stakeholders and conduct action researches.

#### **Provision of Scheme and Bye-laws**

The appropriate government in consultation with TVC may notify the Scheme and Bye-laws for the effective regulation of street vending affairs.

#### **SWOT Analysis of Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014**

The success of Street Vendors Act, 2014 depends on the wider acceptability of the Act by the States in its degree of implementation in letter and spirits. A SWOT analysis of the Act gives insights on the implementations of the various provisions of the Act, especially in maximizing its coverage for bringing informal sector into formal sector based on its strengths and opportunities.

#### **Strength**

The Act has following strength which is changing the future of ever depressed urban informal economy:-

1. Identification of street vendors through third party comprehensive GIS/ MIS and Biometric survey.
2. Provision of Town Vending Committee (TVC) with maximum 5 years term as a supreme authority to govern the street vending affairs under the chairpersonship of Municipal Commissioner.
3. Provision of 40% representation to street vendors community and 10% to RWAs and NGOs in the TVC.
4. Empowerment of TVC by inclusion of authorities representing Traffic Police, Police, Health and Urban Planning departments.
5. Protection of Livelihood of street vendors by recognizing as street entrepreneur and bringing in the formal economy through street vendors license.
6. Regulation of Street Vending in the urban sector by of planning street vending zone, marking No Vending Zone, notifying Street Vendors Bye-laws, formulating Street Vendor's Charter etc.
7. Revenue to the civic administration for planning and development of street vendors and extending basic amenities.

8. Dignity of labour by way of licensing and ID cards to give them a respectable and dignified Identity as in other profession.
9. Classification of street vendors into stationary, mobile and others category.
10. Provision of Grievance Redressal Mechanism and Appellate Authority to address the issues and grievances of street vendors in an independent manner.
11. Convergence of enforcement agencies, vendors' cell and food and safety department and bringing E governance into the new system.

**Weakness**

There is no doubt in mentioning that there are missing links in the act which has given States; an interpretation in extreme favour and against on their suitability. Of course, there are weaknesses in the act, which are as under:-

1. Definition of street vendors is not clearly defined in terms of economic criteria, background.
2. No clarity on identifying street vendors during survey, like any cut-off date of past street vending practices in terms of vending period.
3. Lacking expertise and coordination between enforcement agencies, blame game on enforcement and custodianship of the Act.
4. Lacking transparent mechanism on confiscating goods and challan with the previous and existing system after the enactment of the Act.
5. The survey attracts new vendors to be on the street with a hope for some packages and privileges from government in the urban poverty and EWS quota like any shop.
6. No mechanism to check duplication of street vendors surveyed in the neighbouring cities in absence of centralized server like UIDAI server on sharing basis.
7. Lacking capacity of TVC members representing street vendors due to their illiteracy and low educational background.
8. Representatives of Street Vendors in TVC meetings cannot effectively share, discuss and keep their firm opinion on any subject matter related to street vending.
9. Lacking convergence between line departments, parasatal agencies and stakeholders on street vending, all these are working in isolation.
10. The authorities other than municipalities do not show concern towards the effective implementation of the Act.
11. The political voice and will is not unanimous on street vending affairs and is divided in groups of unions, associations under the political affiliation.
12. Dominance of urban planning department on planning of vending zones in consonance with the spirit of the Act. Municipalities are struggling hard with the urban planning department in convincing to understand the human potential and need of bringing unorganized sector into formal economy gradually.

**Opportunities**

The Street Vendors Act, 2014 itself promotes protection of street vendors and regulation of street vending; which has given powers to the local

government to regulate the menace caused by unorganized street vending. Following are the opportunities concealed in the act:-

1. Addition of a novel revenue system in the municipal fiscal strengthening as the resources were eaten up by the informal sector too without paying any taxes previously like use of municipal land, public water and other amenities including toilets, waste collection and processing etc.
2. Regulation of unorganized street vending in the city in orderly manner to give a beautiful picture.
3. Linkages with Food Safety and Standards Authority of India(FSSAI) under the Food Safety and Standards Act, 2006 taken care by Food Safety department on developing a mechanism to get street food vendors licensed towards making city with hygienic and healthy street food.
4. Promotion of Street Food like in any other country, which will give dignity and branding to poor operating street food.
5. Inclusion of marginalized, weaker sections including women, illiterate, old aged, persons with disabilities for their livelihood and social development in City Development Plan.
6. Extending social security schemes to street vendors e.g. PMJJY, PMJDY, PM SYM
7. Making street vendors bankable for entrepreneurship development and skilled human resource in the urban economy.
8. Carriers of micro-entrepreneurship and ambassadors in giving employment to those who were left out in development process due to various reasons education, draught, disasters etc.
9. Financial Inclusion of Urban Street Vendors
10. Curbing piracy and duplicity in products, which is random in any city and causing corresponding losses to government.
11. Mainstreaming of family members of most neglected un earthed and grey economy by bringing in front.

**Threats**

In addition to Strength, Weakness and Opportunities, there is threats too with respect to Street Vendors Act, 2014. It has been observed that following threats have possibly slow down the degree of implementation of the provisions of the Act in certain parts of the country:-

1. Existing unions and associations are misleading street vendors towards paying fee for street vending registration; as prior to the enactment of the ACT, such associations were in loop with enforcement agencies towards shielding and patronizing vending in illegal manner leading to exploitation and discrimination.
2. Conflict on supremacy of Town Vending Committee (TVC) among elected body i.e. General House led by Mayor/Chairperson.
3. In absence of any cut-off date on identification of old street vendors, several new vendors have come on the street to vend, which is not a good sign towards increasing pressure on any city.
4. Civic administration is quite apprehensive about registering out side street vendors, which is

against their rights and against constitutional provisions towards right to livelihood and occupation in any part of India.

5. No clarity on the role of urban planning department, resulting into shifting onus to only municipalities for the menace caused by the street vending.
6. The overriding nature of the Act on state and municipal laws lead to centre-state and state and local government friction state laws and bye-laws.
7. Attitude of officials, market associations, resident welfare associations and other stakeholders towards this Act.
8. Rigidity in the structure of town planning and Master Plan.
9. Imbalance and uncertain approach of political bodies towards street vending affairs.
10. Apathetic environment and coercive nature of enforcement is pushing back street vendors to leave their vending places leading to quarrels, street violence and bloodshed.
11. Shedding responsibility to local government/municipalities for failure and non-accomplishment under the Act.

#### **Conclusion**

Despite challenges, criticism and limited support from stakeholders, the Act has gained momentum in maximums States in the country with the aggressive efforts of State government and local government in this regard. The local actors should not only see the strength and opportunities but to analyse the weakness and threats too. The implementation approach must be in a way to convert weaknesses and threats into opportunities and strength by way of participatory planning, negotiations, advocacy, ethical lobbying and shared decision-making.

The day is not very far, when our country will give a model and best practices in the urban informal

economy sector for mainstreaming, economic empowerment, building capacity by way of training, and financial inclusion of urban street vendors, which will further give corresponding boost to national GDP, Human Development and Happiness Index, economic growth by ensuring per capita rise in income, accessibility of basic amenities, ensuring social security and safety net.

The Act will give an opportunity to most depressed and oppressed informal sector to move ahead with mainstreaming offered under schemes and change the progression of their pressed fate and destiny.

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