

NATIONAL POLICY
ON
URBAN STREET VENDORS

**Department of Urban Employment & Poverty Alleviation Ministry of Urban
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NATIONAL POLICY FOR URBAN STREET VENDORS

1 Introduction

Street vending as a profession has been in existence in our country since time immemorial. However their numbers have increased manifold in the recent years. According to one study Mumbai has the largest number of street vendors numbering around 250,000, while Delhi has around 200,000. Calcutta has more than 150,000 street vendors and Ahmedabad has around 100,000. **Women constitute a large number of street vendors in almost every city.** Some studies estimate that street vendors constitute approximately 2% of the population of a metropolis. The total number of street vendors in the country is estimated at around 1 crore. Urban vending is not only a source of employment but provide 'affordable' services to the majority of urban population. The role played by the hawkers in the economy as also in the society needs to be given due credit but they are considered as unlawful entities and are subjected to continuous harassment by civic authorities. This is reported to be continuing even after the ruling of the Supreme Court that "if properly regulated according to the exigency of the circumstances, the small traders on the side walks can considerably add to the comfort and convenience of the general public, by making available ordinary articles of everyday use for a comparatively lesser price. An ordinary person, not very affluent, while hurrying towards his home after a day's work can pick up these articles without going out of his way to find a regular market. The right to carry on trade or business mentioned in Article 19 (1) g of the Constitution, on street pavements, if properly regulated cannot be denied on the ground that the streets are meant exclusively for passing or re-passing and no other use."

Further **Articles 39 (a) and (b)** of the Constitution clearly mention that the State shall in particular direct its policy so that-

- a) *the citizen, men and women equally, have the right to an adequate means of livelihood.*
- b) *the ownership and control of the material resources of the community are so distributed as best to sub serve the common good.*

Street Vendors provide valuable service to the urban population while trying to earn a livelihood and it is the duty of the State to protect the right of this segment of population to earn their livelihood. This policy tries to ensure that this important section of the urban population finds recognition for its contribution to society, and is **conceived of as a major initiative for urban poverty alleviation.**

2 . Definition

A street vendor is broadly defined as a person who offers goods for sale to the public without having a permanent built up structure but with a temporary static structure or mobile stall (or headload). Street vendors may be stationary by occupying space on the pavements or other public/private areas, or may be mobile in the sense that they move from place to place carrying their wares on push carts or in cycles or baskets on their heads, or may sell their wares in moving trains, bus etc. In this policy document, the

term urban vendor is inclusive of both traders and service providers, stationary as well as mobile vendors and incorporates all other local/region specific terms used to describe them, such as, hawker, pheriwalla, rehri-patri walla, footpath dukandars, sidewalk traders etc.

3. Overarching Objective

The overarching objective to be achieved through this policy is to:

Provide and promote supportive environment for earning livelihoods to the Street vendors, as well as ensure absence of congestion and maintenance of hygiene in public spaces and streets.

3.1 Specific Objective

The basic objectives of the policy are:

- **Legal:** To give vendors legal status by amending, enacting, repealing and implementing appropriate laws and providing legitimate hawking zones in urban development/zoning plans.
- **Facilities:** To provide facilities for appropriate use of identified space including the creation of hawking zones in the urban development/zoning plans.
- **Regulation:** To eschew imposing numerical limits on access to public spaces by discretionary licences and instead moving to nominal fee-based regulation of access, where market forces like price, quality and demand will determine the number of vendors that can be sustained. Such a demand cannot be unlimited.
- **Role in distribution:** To make Street vendors a special component of the urban development/zoning plans by treating them as an integral and legitimate part of the urban distribution system.
- **Self Compliance:** To promote self-compliance amongst Street vendors.
- **Organization:** To promote organizations of Street vendors e.g. Unions/Co-operatives/Association and other forms of organization to facilitate their empowerment.
- **Participation :** To set up participatory mechanisms with representation by urban vendors' organizations, (Unions/Co-operatives/Associations), Voluntary organizations, local authorities, the police, Residents Welfare Association (RWAs) and others for orderly conduct of urban vending activities.
- **Rehabilitation of Child Vendors:** To take measures for promoting a better future for child vendors by making appropriate interventions for their rehabilitation and schooling.
- **Social Security & Financial Services:** To facilitate/promote social security (pension, insurance, etc.,) and access to credit for Street vendors through promotion of SHGs/co-operatives/Federations/ MFIs etc.

4. ELEMENTS OF THE POLICY

4.1 Planning Norms

Following the Supreme Court orders, some cities drafted guidelines for regulating urban vending activities. However, the provisions made so far do not generally recognize the fact that demand for their wares/services is highly specific and variable as to location and time, manifesting as a **natural propensity of Street vendors to locate in various places at particular times**. On the contrary, they also do not have implementation systems in place. Planning norms should be supportive of such natural markets.

4.1.1 Spatial Planning norms - demarcation of hawking zones

The demarcation of zones should be city/town specific. To make the plans conducive and adequate for the hawkers of the respective city/town, the following should be adhered to:

- It should take into account the natural propensity of the Street vendors to locate in certain places at certain times in response to patterns of demand for their goods/services.
- City authorities should provide sufficient spaces, designated as 'vendors markets' in layout plans at locations of such natural markets, for the number of vendors (static and mobile) which can cater to demand for their wares/services. If aspirants to such location exceed the number of spaces available, excess may be regulated by fees or lottery and no discretionary licenses. In any case market forces relating to price, quality and demand will automatically curtail the number of vendors to sustainable levels.
- Mobile urban vending should be permitted in all areas even outside the designated vendors' markets, unless designated as 'no-vending zones' through a participative process (see below). The 'no-vending zones' may be notified both in terms of location and time.¹ Locations should not be designated as 'no-vending' zones for frivolous reasons; the public benefits of declaration of a no-vending zone should clearly outweigh the potential loss of livelihood and non-availability of goods and services that it would involve.
- With the growth of city/town every new area should have adequate provisions for Street vendors.
- Designation of vendors markets/no-vending zones should not be left to the sole discretion of any civic or police authority but must be accomplished by a participatory process by a **Town Vending Committee** (which for large towns/cities may be constituted on the basis of wards) whose membership may be as follows:
 - Municipal Authority
 - Traffic and Local Police
 - Public Land Owning Authority
 - Association (Market, Traders, Resident Welfare, slum & chawl etc.)

- Representative from association of Street Vendors (static & mobile).

The hawker's representatives should constitute atleast 25% to 40 of the total number of members of the Committee. Atleast 1/3rd of the representatives of street vendors should be women. Process for selection of street vendors' representatives should be based on the following criteria:

- Membership based organizations
- Financial Accountability

The Committee should ensure that provisions for space for vendors' markets are pragmatic, consistent with formation of natural markets, sufficient for existing demand for vendor's goods and services, as well as likely increase in line with anticipated populated growth. Provisions of space may include temporary designation as vendors' markets (e.g. as weekly markets) whose use at other times may be different (e.g. public park, parking lot). Timing restriction on urban vending should correspond to the needs of ensuring non-congestion of public spaces/public hygiene.

The Committee should ensure continuation and up-gradation of weekly markets.

Other functions of the committee are described below:

4.1.2 Quantitative Norms refer to the norms on amount of space to be provided for vendors' markets. At the town /city level enough space should be designated for vendors' markets atleast to the extent of 2% to 2.5% of the total city population. Each town/city may evolve its own quantitative norms, but after proper surveys (See **Annexure-I** for indicative norms provided in Delhi Master Plan)

4.1.3. Qualitative guidelines refer to facilities to be provide at vendors' markets by the civic authorities. They would invariably include:

- Provide provision of solid waste disposal
- Public toilets to maintain cleanliness.
- Aesthetic design of mobile stalls/ push carts
- Provision for electricity
- Provision for drinking water
- Provision for protective covers to protect their wares as well as themselves from heat, rain and dust etc.
- Storage facilities including cold storage

4.2 Regulatory Process

Traditionally issuing licenses to vendors was seen as an instrument to give some of them 'legal' status, **in an environment where urban vending is ipso facto illegal**, which would in turn remove the very basis of their harassment, extortion and eviction by the concerned authorities. However,

numerical limits to such licenses, which are sought to be justified on the argument that congestion in public places would thus be avoided, has given rise to an elaborate regime of rent seeking. In the first instance, rents are derived from the issue of licenses, since the demand exceeds the (often arbitrary) numerical limits of such licenses. Second, given the demand for services of Street vendors exceeds the supply from licensed vendors, a number of unlicensed vendors seek to operate, and rents are extracted during enforcement by allowing them to operate without licenses. Given these inadequacies of the licensing system and the associated rent seeking, doing away with the licensing system is the appropriate course. However, the alternative should not only prevent rent seeking but also enable the livelihood-congestion trade-off to be resolved. The demand for vending in a particular area can be matched with the supply without over-congestion if zoning plans provide adequate vending spaces both with respect to location and time. **A system of registration of hawkers and non-discretionary regulation of access to public spaces in accordance with the planning standards and nature of trade/service should be adopted. This is described in greater detail below.**

4.2.1 Registration System

- The power to register would be vested with the **Town vending committee/ Ward vending Committee**
- All vendors in each city should be registered at a nominal fee to be decided by the ULBs based on any reliable means of identification. There should preferably be no numerical restriction or quotas, or prior residential status requirements of any kind.
- Registration should be renewed after every three years
- The registration process must be simple.
- The vendors will be issued **Identity Cards** which would contain:
 - Photographs of the husband and wife
 - Name of any one nominee from the family
 - Names of other members in the family (may be used for health or other social security programme)
 - Nature of business
 - Children below 14 years would not be allowed in the card for conduct of business.

4.2.2 The Town vending Committee/ Ward vending Committee would be composed of representatives of hawkers, planners, police, local councillor, resident welfare association, traders associations and municipal functionaries and would be empowered to:

- Set the terms and conditions (planning) for hawking
- Take corrective action against defiant hawkers.

4.2.3. Collection of Revenue- the vendors would be charged a monthly fee for access to various services. There should be direct linkage between the urban local bodies (ULBs) and hawkers for collection of:

- Registration fee
 - Monthly maintenance charges-differentiated according to location/type of business
 - Fines, if any, etc
- The Town Vending Committee/ Ward Vending Committee should be made available a proportion of revenue generated from registration fees and monthly fees from their ward to run their operations subject to a minimum grant from the local authority.

4.3 Monitoring Mechanism

The Town Vending Committee/ Ward Vending Committee should be entrusted with adequate power and resources to :

- Monitor the hawking activity of a particular ward and the quality of the services provided
 - Take corrective action, in required
 - Report to City level Committee, if required
 - Recommend revaluation/changes in specified norms for hawking
- State level nodal officer to monitor and report to the Central Ministry on the functioning of the Street vendors of the State.

4. Relocation and Rehabilitation

Street vendors are most vulnerable to forced eviction and denial of basic right to livelihood. It causes severe long-term hardship, impoverishment and other damage including loss of dignity. Therefore, no street vendor should be forcefully evicted. They would be relocated with adequate rehabilitation only where the land is needed for a public purpose of urgent need. Therefore

- a) Eviction should be avoided wherever feasible unless there is clear and urgent public need in the land in question.
- b) Where relocation is absolutely necessary, notice of minimum 30 days should be served to the concerned vendors.
- c) Affected vendors/ representative's involvement in planning and implementation of the rehabilitation project.
- d) Affected vendors should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms to pre-evicted levels.
- e) Loss of assets should also be necessarily compensated.
- f) State machinery must take comprehensive measures to check and control the practice of forced evictions.

No hawker/street vendor should be arbitrarily evicted in the name of 'beautification' of the cityspace. The beautification and clean up programmes undertaken by the states or towns should actively involve street vendors in a positive way as a part of the beautification programme.

6. Municipal and Police Laws-Required Interventions

6.1. There are certain sections of the Police Act and Indian Penal Code, which are the main deterrents to the profession of vending. They are as follows:

- **Section 283 of the IPC** (Danger or obstruction in public way or the line of navigation) Whoever, by doing any act or by omitting to take order with any property in his possession or under his charge, causes danger, obstruction or injury to any person in any public way or public line of navigation, shall be punished with fine which may extend to two hundred rupees. **The offence punishable under this section is the nuisance of causing obstruction.**
- **Section 34 of the Police Act** No person shall cause obstruction in any street or public place by –
 - Allowing animals or vehicle
 - Leaving any vehicle standing or fastening any cattle in the street or in the public place
 - Using any part of a street or public place as a halting place for vehicles or cattle
 - Leaving any box, bale package or other things whatsoever or upon a street for an unreasonable length of time or contrary to any regulation
 - By exposing anything for sale or setting out anything for sale in or upon any stall, booth, and board cask basket or in any other way whatsoever.

These two provisions create the contradiction between a legal 'licensed' vendor and 'illegal' obstruction or causing nuisance resulting in physical eviction of even licensed vendors.

6.2 The policy recommends that all States should amend the Police Act Rules/Regulations thereunder and add a rider as follows:

"Except in case of street vendors / hawkers and service providers with certain reasonable regulations "

6.3 The Central Government should also amend the **Section 283 and Section 431** of IPC **and include the rider as mentioned above.**

6.4 The state government should also remove the restrictive provisions in the Municipal Acts to make street vendors inclusive in the city plan/ cityscape.

7. Self Regulation

Besides, monitoring by external authorities, it is extremely important for the street vendors to practice Self-Regulation especially with respect to the following :

7.1 Hygiene and quality control: It is most important with respect to food vending especially in sensitive areas like near schools, parks etc where there is considerable exposure to children. Though quality control is essential, the practice of 'health inspector' may not necessarily be suitable or productive.

7.2 Cleanliness: The street vendors should assume responsibility to keep the environs clean – by disposing the waste etc.

7.3 Scale of operation (Number of vendors to operate in specified area). Every land use has a ceiling and its is true for hawking also. Overuse can cause complications drawing stringent actions, which can be avoided if the specifications are adhered to. Therefore, the quantitative norms should be respected by hawkers as measure of self-regulation in terms of number of a typical trade to be allowed in place. Registration system in participation with hawkers union / association may be used to regulate the scale of operation so that the ceiling limit is not crossed.

8. OTHERS

8.1 Access to Credit

Street Vendors being a part of the unorganized sector have little or no access to credit from the formal sector financial institutions particularly for their economic activities without which they will have to depend on private moneylenders borrowing at higher interest rates. NABARD has already started refinancing banks in rural areas for on-lending to Self-Help Groups (SHGs) for income generation activities. Likewise, banks should be encouraged and directed to extend credit to SHGs of vendors.

The Vendors' Association should be assisted by NGO and under SJSRY Scheme for organizing SHGs, networking and federating the SHGs to create a financial interface between the vendors and formal sector financial institutions to gain access to larger credit not only for income generation but also for housing whenever the need arises.

8.2 Insurance / Social Security

While the Insurance Sector has opened up in a big way, according to IRDA, only 12% of the insurable population in India is covered by insurance, which means an average Indian is abysmally underinsured. Insurance is not just a privilege but also a social responsibility. The Street Vendors being a part of the unorganized sector, the vulnerability is very high. Hence, they should be brought under insurance cover through the federation.

Various products that are offered by the Insurance Companies include death, illness, disability, group insurance, pension fund etc.

In our country, though the need for social security is very high, provision of extending social security to the unorganized sector through governmental sources with meager sources would be a difficult proposition. So far, Government efforts have been restricted to Old Age Pension. Hence, it is imperative that the unorganized sector should evolve a mechanism to **mobilize** funds to invest in extending social security to the clients in the unorgansied sector.

Social security generally covered medical care, sickness, maternity benefits, employment injury, inability and survivors' benefits, old age pension etc. Social security laws in our country are broadly divided into two categories viz. contributory and non-contributory. The contributory laws are those which provide for financing the social security programmes by contribution paid by workers and employers and in some cases supplemented by contributions/grants from the government. Important contributory schemes include ESI, Provident Fund, Pension and Deposit Linked Insurance schemes etc. Non-contributory laws are workmen's Compensation Act, Maternity Benefit Act and Payment of Gratuity Act. Most of these acts are applicable to organized sector labour.

The Street Vendors are not only a part of the unorganized sector but also are self-employed and the contribution has to come only from the Street Vendors themselves. The Government can provide a matching contribution. Though insurance schemes are available to the unorganised sector of which Street Vendors are a part, as the workers are disbursed, it is difficult for the promoters of these schemes to create/gain access for their products.

Basically, two options are available for enlisting Street Vendors for the social monthly basis.

A. Collection of the contribution of Street Vendors by the registration office on monthly basis.

- Creation of Welfare Board for Street Vendors. Either bank should be instructed to collect the money from vendors, or the vendors can deposit their contribution in banks on monthly basis. At the end of the month, the banks will transfer the money to the Welfare Boards. Ministry of Labour should take initiative for creating Welfare Boards on the lines of Welfare Board for Construction Workers/Beedi Workers.
- A fixed amount will be deposited for a variety of social security benefits including health, medicare, family pension. This kind of arrangement would require enactment of an Act.

B. Other option is that the Street Vendors' unions should be assisted by NGOs or other agencies to promote Self-Help Groups and networking and federating them to emerge as a financial institution, which will look into extending credit and also delivering other products such as insurance, old age pension etc.

The products under social security programme could interalia also cover the following.

- insurance for health facilities:
- maternity benefits
- old age pension
- child care facilities

Street vendors are vulnerable to loss of goods due to natural as well as manmade disturbances that adversely hampers their economic situation. There should be special insurance schemes to cover their products.

8.3 Training and skill Upgradation

Street vendors being micro enterprises should be provided with training to upgrade their technical and business skills so as to increase their income as well as to look for alternatives.

9. Organizing the Street Vendors

9.1 The Street Vendors are part of the unorganized sector. The main objective to get the street vendors to get organised is for providing the following services:

- Access to group insurance for a variety of insurance products
- Access to financial services
- Development of small & medium enterprise
- Housing
- Vocational Training and Capacity Building for awareness as well as skill upgradation.

9.2 In addition, it is also important to organize them for creation of a united front for negotiation / protection of their rights. In this regard, it is required to promote organizations of street vendors e.g. SHGs, Co-operatives and other forms to facilitate their empowerment. The organisation should build adequate systems for managing finances/investments and to be handled by professionals.

10. Role of State Governments

- All State governments should ensure that institutional arrangements, legislative frameworks and other necessary actions achieve conformity with the National Policy for Street Vendors.

11. Action Plan

- A comprehensive survey of street vendors to build an adequate database on street vendors particularly on large and medium cities to be undertaken by the State Governments.

The Delhi Master Plan proposes to incorporate the informal sector in trade in the planned development of various zones. The norms are given below:

Retail Trade	Norms
Central Business District	3-4 units per 10 formal shops
Sub-CBD, District Centre, Community Centre, Convenience Shopping Centre	As specified in the norms separately
Govt. & Commercial Offices	5-6 units per 1000 employees
Wholesale Trade & Freight complexes	3-4 units per 10 formal shops
Hospital	3-4 units per 100 beds
Bus Terminal	1 unit per 2 bus-bays
Schools	
Primary	3-4 units
Secondary/ Senior/ integrated	5-6 units
Parks	
Regional/ District parks	8-10 units at each major entry
Neighborhood parks	2-3 units
Residential	1 unit/1000 population
Industrial	5-6 units per 1000 employees
Railway Terminus	To be based on surveys at the time preparation of the project

