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## A Study on Problems of the Street Vendors in Lalbandi Municipality

Birendra Chaudhary  
birendrachaudhary2@gmail.com

### Abstract

*Due to their lack of education and skills, street vendors are among the most vulnerable and impoverished groups in the urban informal labor market and business sector. They are also unable to obtain permanent positions in the lucrative formal sector. They constantly attempt to use their limited financial means to address the issues affecting their way of life. They serve as the primary distribution routes for a wide range of goods used on a daily basis, including fruits, vegetables, shoes, ready-made clothes, toys, household appliances, stationery, newspapers, and periodicals. A serious dilemma would arise for small-scale businesses that cannot afford to retail their products through pricey formal sector distribution networks, as well as fruit and vegetable growers, if they were to be removed from urban markets. So is found in the case of street vendors of Lalbandi Municipality. Thus, main purpose of conducting this study is to find out the problems faced by street vendors in Lalbandi Municipality. For this, descriptive research design is adopted to explore street vendors' problems. Out of two hundred seventy-three street vendors of Lalbandi Municipality, thirty street vendors are chosen randomly. The street vendors who sell fruits, vegeta-*

*bles, prepared foods, and household appliances via local vehicles and permanent shelter are the subjects of the current study. The study showed that there is a noteworthy correlation between the issues encountered by the street vendors. The respondents' general opinion of street sellers and the issues they encountered do not significantly correlate. In nutshell, the street vendors of Lalbandi Municipality have been facing various sorts of problems such as lack of security, price fluctuation, lack of sufficient amount, bribes to the authorities etc. and for that a comprehensive strategy that includes social protection measures, infrastructure and service investments, policy reforms, and initiatives to organize and empower street vendors is needed. Furthermore, the present study is useful to the stakeholders, policy makers and to those who have just started up their small-scale businesses.*

**Keywords:** Access in capital, competition, informal sector, price fluctuations, street vendor

## **Introduction**

Street vending, in the contemporary world, is one the, small-scaled, informal but a prominent business. It, like other informal industries, is characterized by low pay levels, ease of entry, self-employment, and a large number of participants without a formalized framework. Millions of individuals make their living by selling a variety of items and services on the streets of cities and towns all over the world. Street vending is found to be a stepping stone in urban economy development by offering good services and affordable goods to the public (Bhowmik 2005). The words of Roever, emphasizing particularly to the women indicate that street vending has been the main source of income generation especially for women (Roever 2014). In many regions, street vending is actually growing, contrary to the popular idea that it will decline as economies grow and income levels rise. A significant portion of the nation's unorganized economy is made up of street vendors. Next, street vending helps to develop good rapport between customers and sellers contributing to the vibrancy of urban life (Cross and Morales 2007). A large portion of the

urban population can obtain “affordable” and “convenient” services through street vending, which also gives the impoverished in cities and towns a way to work for themselves. In the scenario of Nepal too street vending profession is a means of survival as well as the reflection of resilience of informal workers in urban areas of Nepal (Shrestha 2018). Thus, street vending, in the entire universe at present has the means of maintaining hands and mouths for the low-income population.

It is noticed several times that people who work as street sellers are those who lack the necessary education and abilities to obtain regular employment in the lucrative formal sector. Using their limited financial resources, they attempt to address the issues affecting their way of life. Fruits, vegetables, ready-made clothes, shoes, household appliances, toys, stationery, newspapers, periodicals, and a host of other items are distributed mostly through them.

Fruit and vegetable farmers and small businesses that cannot afford to retail their goods through pricey formal sector distribution networks would face dire consequences if they were to be removed from urban markets. The importance of the street vending industry cannot be emphasized, especially considering that the government of Nepal seems unable to hire the millions of people who are unemployed or underemployed. Only a portion of our expanding labour force can be taken on by the corporate sector. As a matter of fact, overall employment in the formal sector is declining. This suggests that most working-class individuals and small-business owners in Nepal are independent. In order to reduce unemployment and poverty rates in our country, the government should foster the development and well-being of people employed in the unorganized sector. They make a substantial contribution to the expansion of the metropolitan economies and local economic prosperity. Public authorities do not recognize the important services that street vendors offer to the world’s population as a whole; instead, they view them as a nuisance and as invading pavements. While earning a living from their own initiative, meager resources, and effort, street sellers offer priceless services to the urban populace. In order to earn a living without fear, street sellers have been requesting protection from local governments and the state government.

Due to their vulnerability and lack of protection from the government, non-governmental organizations, labor unions, or labor laws, street vendors confront numerous difficulties. Government-made laws regarding labor unions deplete them. Due to unstable and sporadic employment and price fluctuations in the market, street vendors are constantly in rivalry with one another. They frequently make very little money, and their sales are erratic. The presence of street vendors is typically linked to the invasion of public areas, increased traffic, poor sanitation, and improper disposal of waste. Concerns over street sellers' food safety have grown over time. Since food is not governed by any government agency, no government agency is permitted to verify its contents. The government does not acknowledge the economic and social benefits that street vendors provide to the urban populace. They are self-sufficient and do not require government assistance. Since street vendors are not allowed to work, their main issues are uncertainty and insecurity.

Most of the expanding urban unemployed labor population in developing nations like Nepal is employed in the informal sector, which includes street hawking. It generates many job opportunities and provides a way of earning cash for marginalized groups and the urban poor, particularly those who move there from rural areas. However, policies, regulations, services, infrastructure facilities, and institutional support programs are not available for street vending, and the environment in which vendors operate their businesses is not conducive to their health and wellbeing, despite its growing importance in the economy as a whole (particularly for the urban poor in the city). Furthermore, policymakers, decision-makers, and planners do not give street vending the due consideration. At the moment, the official business owners as well as the local government have strong hostile policies and opinions against street vending. Furthermore, street vendors encounter numerous challenges in operating their businesses. Therefore, this study's main goal is to evaluate the opportunities and problems associated with street vending in Lalbandi Municipality.

Furthermore, the current study aims to explore the difficulties and prospects associated with street vendors. The study's finding will provide policymakers greater insight and knowledge, enabling them to create a practical and successful plan for

enhancing street vendors' standard of living and fostering the growth of the industry. In addition, the study will provide a small starting point and benefit to anyone who wish to investigate street selling through research. Furthermore, by highlighting the study's findings, responsible entities and decision-makers will be better able to address or lessen the difficulties associated with street vending in the city. As a source of information, it will also benefit government agencies and planners.

### **Objectives of the Study**

The objectives of the study are as follows:

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

### **Literature Review**

Typically, “street vendor” refers to “street trader,” “hawker,” or “peddler.” Additionally, a variety of regional variations and local words are employed (Hasan & Alam 2015). Purchases from the wholesale market are often made in accordance with needs and available capital. They travel in predetermined regions to impact sales, loading them into baskets or placing them on pushcarts, wheelbarrows, or tricycles. To draw clients, they frequently make loud announcements about the products or items they are selling as well as their prices. To increase sales, some of them might also put merchandise or other items on display on the pavement. A few people buy products in bulk, at auction, or from other auctions in order to make more money and may operate a mode of transportation and prepare and market their own goods. The vendor may operate on a commission, pay, or both bases.

So far as the conduction of researches in the context of Nepal is concerned, many researchers have carried out their research works on street vendors or associated with street vending.

Adhikari (2017) uses education, investment, number of jobs, average working hour per day, sex, and age as explanatory factors to explain the earnings of street food vendors. His study's principal finding was income generating. It was found that workforce availability significantly affects how much respondents make. Money and labor supply are positively correlated. Increased investment translates into higher income for the vendors, as seen by the substantial and positive coefficient of investment. The degree of education is also a major factor in how much income the street vending business makes. Based on their educational attainment, this variable was divided into three categories: illiterate, under School Leaving Certificate (SLC), and SLC or above. As the reference category in this case, the third level was chosen. Although the factors showed negative indications, they were judged to be significant. It was discovered that respondents who were illiterate and had less than SLC earned less than those who had SLC or more. This demonstrates that educated people do better in business than those who are not as educated.

Timalsina (2012) carried out research on street vendors' livelihoods in Kathmandu Metropolitan City's urban areas for her research project, contextualizing their livelihood. It was found that communities in various contexts have varying access to assets for their livelihoods, and that the availability of access to assets influences the state of livelihoods. While urban communities have greater access to financial and human capital resources but less access to social capital, people in rural Nepal largely rely on their natural and social capital assets to support their livelihoods. In addition, the study examined the political climate that now exists in Nepal and made the case that people travel to metropolitan regions not only in search of a better quality of life but also in search of safety and security, even if they are thought to be weaker there.

Though there are many insights in the studies of Timalsina (2012) and Adhikari (2017) about the various problems faced by street vendors in Nepal, the studies gaps remain in some problems such as price fluctuation, social security, coping with competition, bribes to the authorities and so on. Thus, the present study provides additional information regarding the problems faced by street vendors especially in Lalbandi Municipality.

## **Methods**

This study employs a descriptive research design to systematically explore the problems faced by street vendors in Lalbandi Municipality. The study area encompasses the entire municipality, targeting a population of two hundred seventy-three street vendors and random sample of thirty street vendors was selected, ensuring each vendor had an equal chance of being included. The sample includes vendors using vehicles and fixed shelters to sell products, meals, and household items, though some categories were excluded due to the aforementioned limitations.

Data collection involved direct surveys and interviews with the selected vendors, gathering information on their socio-economic backgrounds, business operations, and challenges faced. Statistical analysis was conducted using Karl Pearson’s coefficient of correlation to assess the relationships between various quantitative variables, and percentages to describe the distribution and proportions of categorical variables. These methods provide a comprehensive understanding of the street vending landscape in Lalbandi Municipality, identifying key factors influencing vendors’ livelihoods.

Table 1: *Problems faced by the street vendors*

Problems	High level	Medium level	Low level	Total
To access of capital	4 (13.3%)	11 (36.67%)	15 (50%)	30 (100%)
Social security	9 (30.00%)	10 (33.33%)	11 (36.67%)	30 (100%)
Competition	8 (26.7%)	10 (33.33%)	12 (40.00%)	30 (100%)
Local rowdies	11 (36.67%)	16 (53.33%)	3 (10%)	30 (100%)
Bribes of authorities	5 (16.7%)	15 (50%)	10 (33.3%)	30 (100%)
Price fluctuations	7 (23.33%)	11 (36.67%)	12 (40.00%)	30 (100%)

The aforementioned table indicates that 50.00% of the participants are encountering difficulties with low-level financial access. Low-level social security issues affect 36.67% of the respondents. Low-level marketing rivalry is a problem that 40.00% of the respondents are dealing with. Local rowdies are a medium-level

problem for 53.3% of the respondents. Fifty percent of the participants are dealing with the issue of medium-level official bribery. The issue of low-level pricing variations affects 40.00% of the respondents.

Table 1: *Karl Pearson co-efficient of Correlation test*

S. No	Problem of street vendors	R value	Statistical inference
1	To access of capital	0.76	$0.023 < 0.05$ Significant
2	Social security	0.84	$0.044 < 0.05$ Significant
3	Marketing competition	0.57	$0.231 > 0.05$ Not Significant
4	Local rowdies	0.49	$0.768 > 0.05$ Not Significant
5	Bribes of authorities	0.28	$0.435 > 0.05$ Not Significant
6	Price fluctuations	0.39	$0.435 > 0.05$ Not Significant
Overall perception about the street vendors		2.77	$0.145 > 0.05$ Not significant

## Findings and Analysis

To support the aforementioned data, the Karl Pearson coefficient correlation test was employed. The data indicates a noteworthy correlation between the issues encountered by the participants and their general opinion of street vendors. The respondents' general opinion of street vendors and the issues they encountered do not significantly correlate. Besides the above-mentioned finding, it is also found that street vendors of Lalbandi Municipality have several obstacles that make it difficult for them to run their businesses efficiently and sustainably, despite the fact that they support local economies and livelihoods. The unclear legal status of street vending is one of the main concerns. Many vendors, here in Lalbandi Municipality are doing their business without official licenses or permissions, which exposes them to ongoing harassment from law authorities and raises the possibility of fines or merchandise seizure. In addition to causing worry for merchants, this legal ambiguity has been keeping their livelihoods trapped in a state of fragility and instability.

Furthermore, the researcher discovered that the street vendors of Lalbandi have frequently been encountering some obstacles to obtain essential services



and infrastructure. Availability of clean water, inadequate sanitary facilities, and unstable electrical supplies were found to be typical problems that had been affecting vendors' well-being as well as the caliber of goods they sell. These shortcomings had hindered the street vending businesses' ability to expand while also endangering the health and safety of both customers and vendors. It was difficult for vendors to uphold hygienic standards and function in settings that encourage business expansion without adequate infrastructural assistance.

The difficulties street vendors, especially those from marginalized areas, experience was exacerbated by social exclusion. Their access to opportunities, resources, and support networks were impeded by discrimination on the basis of gender, ethnicity, or immigrant status. These institutionalized prejudices not only hinder vendors' capacity to grow their enterprises, but they also uphold larger social injustices. It takes coordinated efforts to promote inclusivity, diversity, and equitable opportunity for all vendors, regardless of their identity or history, in order to address these societal hurdles.

## **Implications**

The major implications of the present research work may be:

- **Policy Reformation about Street Vendors:** The findings of the present research paper can be used to emphasize the necessity for policy reform in order to remove legal uncertainties and regulatory impediments that impede the operations of street vendors.
- **Infrastructure Development for Street Vendors:** The present research can knock the door of the concerned authorities for making the availability of basic infrastructure facilities such as sanitation facility, electricity, and waste management services in areas where street vendors operate their business.
- **Capacity Building and Entrepreneurship Support:** The results of this research may point to the necessity of initiatives designed to strengthen street vendors'

competencies and entrepreneurial abilities. To assist vendors in growing their enterprises and increasing their income streams, this could involve offering training in marketing, financial literacy, business management, and product diversification.

- **Social Protection:** The adoption of social protection policies, such as access to healthcare, and insurance, to assist street vendors, might be recommended by this research finding.
- **Community Empowerment and Integration:** To combat prejudice and social exclusion against street vendors, community-based programs that support diversity, inclusivity, and equal opportunity are needed. In order to build environments that are conducive of street selling, it may be important for residents, local authorities, and sellers to communicate, understand one another, and work together. This may be highlighted by the present research implications.
- **Participatory Decision Making:** The significance of incorporating street vendors in decision-making processes that impact their lives and livelihoods can be highlighted by the implications drawn from research papers. To ensure that policies and initiatives are responsive to the needs and realities of street vendors, this could involve creating forums for discussion and interaction between vendors, legislators, and other stakeholders.

## **Conclusion**

The present research paper about street vendors' problems is concluded by highlighting the variety of difficulties they encounter. These could include problems with little legal protection and recognition, restricted access to healthcare and other necessities, and difficulties with unstable economic conditions. Further research may emphasize the significance of policy interventions meant to address these issues, like establishing legal frameworks for street vending, enhancing the facilities of unofficial markets, providing funding or educational opportunities to empower vendors, and

encouraging communication between vendors and local government agencies. All things considered, the conclusion usually highlights the necessity of comprehensive strategies that acknowledge the rights and contributions of street vendors while tackling the structural obstacles they encounter.

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## **About Author**

*Birendra Chaudhary* is an associate professor at Janajyoti Multiple Campus, Lalbandi, Sarlahi. With over two decades of experience, he teaches bachelor's and master's degree students. Bringing his expertise and enthusiasm to the classrooms, he specializes in finance, accountancy and other related subjects.