

# The voice of street sellers in Telangana State: A socio-economic perspective in Hyderabad

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## ABSTRACT

The study aims to understand the socio-economic perspective of street vendors. Even though they contribute significantly to the economy and create employment opportunity by selling goods and services at the reasonable prices, yet they issues remain unheard by the policy makers and government many a times. The study used both primary and secondary data sources, employing a mixed-methods approach that included a quantitative questionnaire and a qualitative semi-structured interview to investigate the actual situation. The objective of the study was to focus on the relationship between investment plan, vending difficulties and their effects on vendors socio-economic status as well as end customer satisfaction through sellers' services.

*Keywords: Socio-economic, investment plan, sellers' difficulties, customer satisfaction*

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## INTRODUCTION

Street vending is a widespread occurrence that is the most obvious manifestation of informal division in all industries in our nation. Street selling is therefore characterized by low-income levels, ease of entry, unskilled knowledge, and self-employment, which accounts for its high population in developing nations like India. The Greater Municipal Corporation, Hyderabad has identified more than 1.56 lakh street sellers inside its boundaries and has given roughly 1.44 lakh of them identity cards. Although the municipal corporation has designated certain zones for selling, the majority of vendors still operate there and in other public areas.

As per 2014, Street Vendors Act, in India there are around 2.5 percent population in cities as street vendors. It is estimated that urban population is around 377 million with the expected 10 million street vendors at grassroots level. According to NSSO, data about 2 lakhs women and 21500 children are engaged in street vending occupations and majority of them are primary source of income accordingly, street vendors act was been formulated in order to protect the vendors and provide a platform to facilitate job opportunities when compared to informal sector.

### Historical Reflection

The roots of street vendors have been observed since ancient civilization, the merchant travelers use door to door sales and runs thought out the town and they also trade in nearby state and countries. These wandering traders from ancient times were tolerated and they flourished in eventually. In the modern era, street vendors are rarely treated with the same dignity and tolerance. They are targeted by municipalities and police in urban areas as illegal traders, and the urban middle class constantly complains about how these vendors make urban life a living hell by blocking sidewalks, causing traffic problems, and engaging in anti-social behavior (though more often than not, the same representatives of middle class prefer to buy from street vendors as the goods they sell are cheaper though the quality is as good as those in the overpriced departmental stores and shopping malls). For most street vendors, trading on the sidewalks is fraught with danger. The authorities constantly harass them. Local governments organize eviction drives to clear the pavements of these encroachers and, in most cases, confiscate their belongings. A municipal raid is similar to a cat-and-mouse game, with municipal workers chasing street vendors away while these vendors try to flee and hide from the marauders. The recovery of their goods is accompanied by heavy fines.

*Table:1 Review of Literature*

Author(s)	Key Findings
Prasad, Begari, (2018)	The research looks into the problems and difficulties that street vendors face to carry out their business and lack adequate infrastructure facilities The government is on board to encourage their activity while remaining social government security programmes do not reach them properly, which they were unaware of these programmes The vending activity is not permitted. They have been recognised or recorded by any law, and they have identity

	cards for vending licences have not yet been issued under the 2014 Street Vendor Act ,it is in its early stages in Hyderabad's.
Sharit K. Bhowmik and DebdulSaha (2012)	While discussing about the working and living conditions of street vendors in ten Indian cities. the state of workplace cultures among Mumbai's street vendors, emphasising the importance of member-based organisations or unions
Anjaria (2006)	This contestation over public space is often described as taking place between three main parties: vendors, municipal authorities, and what is referred to as "elite NGO's." The main issue that sellers face in Delhi is one of regulation and lack of organizational structure and official representation for informal merchants' residents' associations representing the interests of wealthier people in an area.
Daniels (2004)	States "waged labour within a system of laws and regulations, usually established and enforced by the state, on working hours, minimum wages, employer health and safety, and employees' social obligations." As a result, the informal sector exists in addition to or instead of this framework.
Drummond, Lisa B.W.(2000)	The appropriation of public space for commercial activity is visible in cities, and the sidewalks are lined with tiny businesses such as cooked food stalls, mobile vendors, vegetable sellers, tea stands, and so on.

**Objectives**

1. To study the socio-economic status of street vendors.
2. To know the plan of investment of street vendor.
3. To understand the problems faced by vendors.
4. To know customers perspectives on street vendors.

**Hypotheses**

- H1: The socio-economic status of the street vendors has direct association with the plan of investment.  
H2: There exists a relationship between difficulty in vending activities and socio-economic status  
H3: There exists a significant relationship between street vendors and customer satisfaction.

**RESEARCH METHODOLOGY**

The study was conducted on street vendors of Hyderabad, Telangana State. The study used both primary and secondary source for data collection through a mixed method of questionnaire and interview. The questionnaire was standardized according to the previous research. The questionnaire had five sections and a total of 35 questions, with the goal of collecting the responses from street vendors on socio-economic factors which includes education, monthly income, composition of commodities, investment and benefit, mode of operation, wiliness to move and vending challenges. A semi-structured interview was been initiated to understand the ground reality and to know the demands of the street vendors from government. For closed ended- questions, a 5-point Likert rating scale was been administered.

**Sample and data collection**

The study uses quantitative approach, while the target population are the street vendors in Hyderabad, according to the survey report 49.48 lakh street vendors were identified in India as on November 2022, while Telangana have 5.02 lakh street vendors, randomly about one lakh sixty-two thousand street vendors exists under GHMC limits. In this context of observation,the questionnaire and semi-structured interviews has been used through a convenience sampling technique. A total of 323 responses were obtained, 300 responses were accepted with a confidence level of 95% and a margin of error of 5%; 23 responses were not considered because the street vendors' responses were incomplete.SPSS was used for the analysis, and techniques such as mean, standard deviation, Pearson correlation and ANOVA tests were used. The area included Kukatpally, Abids, Koti, L B Nagar, A.S Rao Nagar, Uppal, Chairman, Ghatkesar, Mehdiptnam, Secunderabad, Old Bowenpally, were chosen at random for our research.

**Limitations of the Study**

Some respondents expressed concern that their information would be used to target them. Their concerns were allayed when it was explained that no personal data, such as a name or phone number, is collected that could be used to link an interviewee to a specific person. It was possible that respondents would try to give non-controversial responses in the presence of fellow street vendors out of fear of internal politics in street vending associations or other groups they may be a part of. To get as many genuine responses as possible from the respondents, the questionnaire was distributed while keeping a safe distance from his fellow street vendors.

### RESULTS ANALYSIS

The nature of street vending varies according to the good that is sold by them. The study identifies the gender composition of street vendors in Hyderabad. Majority of

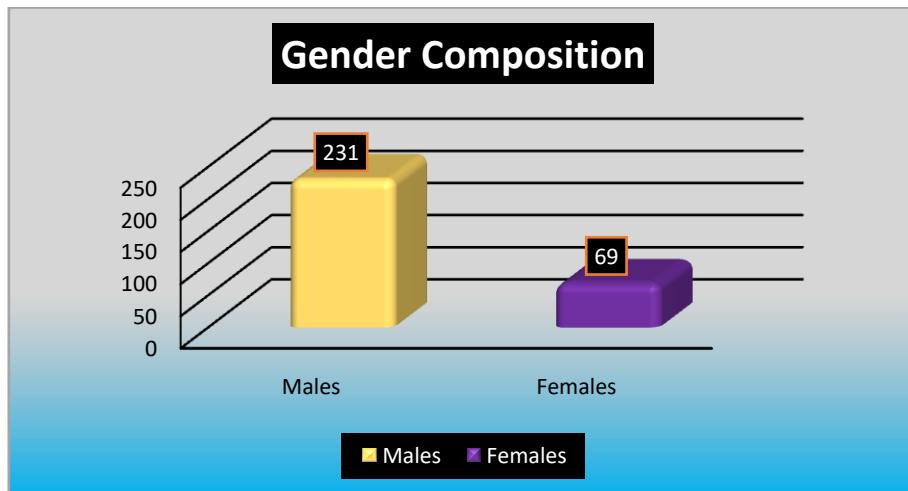


Fig 1.a

Source: ‘The Author’

The respondents i.e about 231(77 percent) of the them are males and 69(23 percent) of the respondents are females. Mostly the goods like flowers, vegetables, fruits are sold by women’s while males deal with durable goods like bedsheets, clothes, footwear, decorative items, street food, watches wallets and others. As a result, there is a gender divide among street vendors. While analysing the literacy levels among the street vendors it was

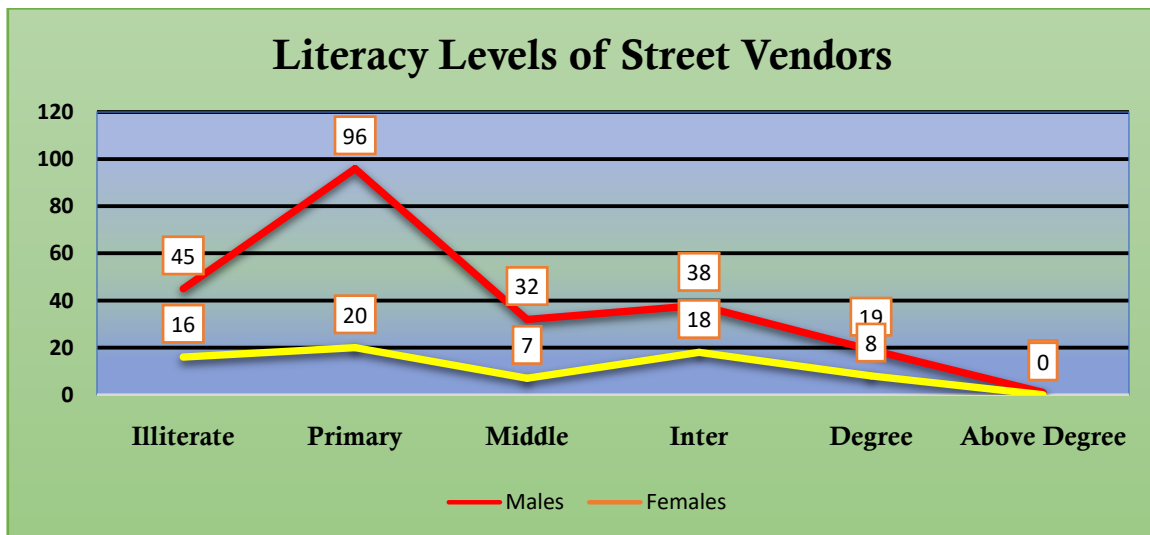


Fig 1.b

Source: ‘The Author’

#### Observed that about

- 45 (15.2 %) male respondents and 16 (5.3 %) of femalerespondents are illiterates,
- 96 (32.1 %) the male respondents and 20(6.6 %) of the female respondents completed their primary education.
- 32 (10.6 %) male respondents and (2.3 %) female respondents are completed middle schooling.
- 38(12.6%) male respondents and 18 (6.1 %) female respondents have intermediate certificate
- 19(6.3 %) male respondents and 8 (2.6 %) female respondents are graduates.
- 1(0.3 %) male respondent has a post graduate degree while none of the female respondents do.

According to the graph, the majority of male street vendors are more educated than female respondents. When analysing the monthly income of the street vendors, earnings are determined by the products they sell, and they vary according to trade, location, volume of trade, and terms of trade.

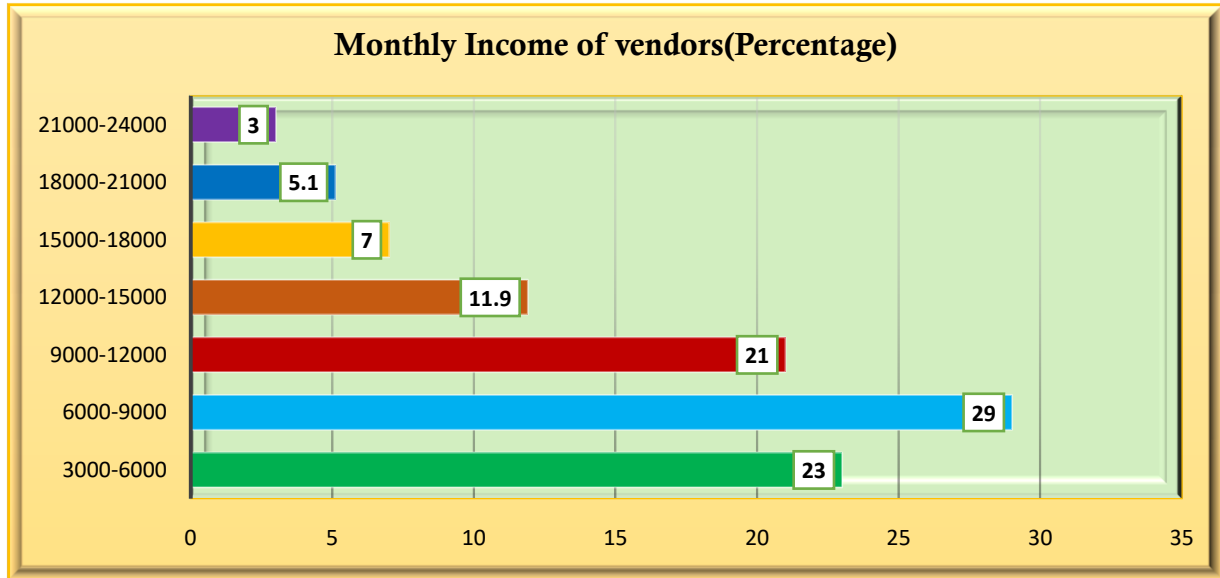


Fig 1.c

Source: ‘The Source’

According to their business types, business ages, locations, and products they sold, it can be seen that a small number of vendors have quite high incomes. It is interesting to note from the data that the income of small businesses and vegetable vendors differs from vendors of clothing, fruits, and electronics. However, compared to other categories of vendors, the profit margin of those who sold raw materials, specifically, vegetable, fruit, and food vendors, is quite impressive. From their daily sales, these vendors profit between 50 and 60 percent and when asked about the type of furniture used for sale of good the data has been obtained from the respondents

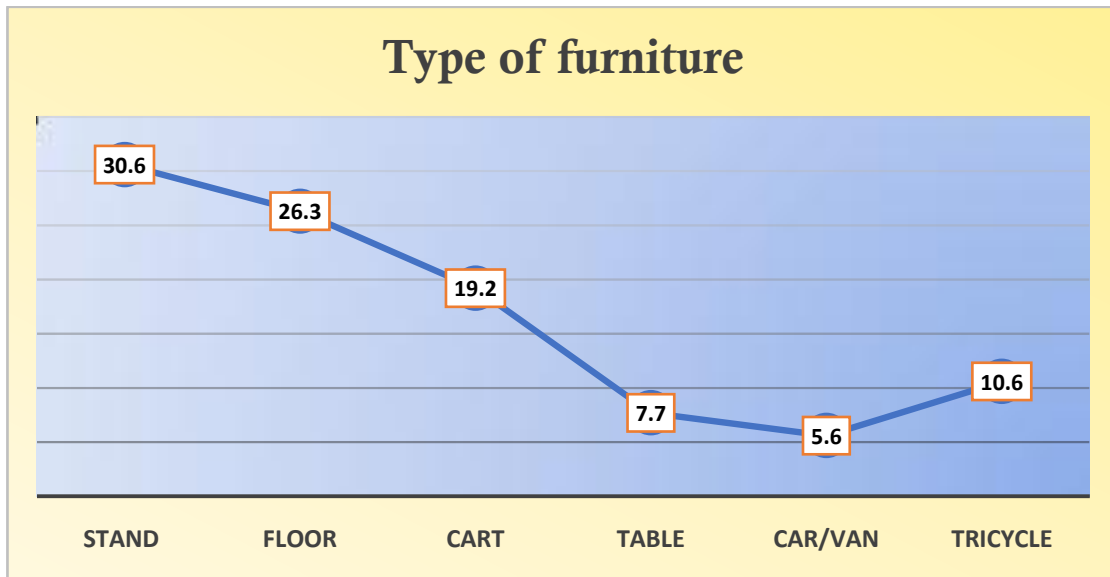


Fig 1.d

Source: ‘The Author’

According to the aforementioned graph, about 30.6 percent of respondents use stands, 26.3 percent use floors, 19.2 percent use carts, 7.7 percent use tables, and 5.6 percent and 10.6 percent of respondents, respectively, use cars/vans and tricycles for the sale of goods on the street. When analysing the economic status, the following table reflects the respondent’s opinions

Table:2 Economic Status of street vendors

Variables	Respondents	Percentage
<b>Economic status of the family</b>		
Rich	3	1.0
Middle class	45	15.0
Low middle class	109	36.3
Poor	87	29.1
Very poor	56	18.6
<b>Earning member of family</b>		
one	91	30.3
two	104	34.6
three	84	28.1
more than three	21	7.0
<b>Place of residency</b>		
Owned	43	14.3
Rented	231	77.1
Pacca houses	26	8.6

Source: 'The Author'

- When analysing the economic status of the street vendors, it can be stated that about 18.6 percent of the respondents have very poor economic status, while 29.1 percent of the respondents are poor, 36.3 percent of the respondents are fall under low middle class and 15.0 percent of them are middle class and only 1 percent of the respondents claimed to be wealthy. The respondent's personal habit like smoking, liquor consumption and mismanagement of finance also impacted their economic status.
- The number of earning members in the family also affects the financial situation of the family, approximately 30.3 percent of respondents say they are the only earners in the household, 34.6 percent say there are two earners in the family, 28.1 percent say there are three earners in the family, and 7 percent say the entire family is involved in the workforce.
- Based on the economic status, when asked about the type of residency their own it can be concluded that about 14.3 percent of the street vendors are the owners of their houses while 77.1 percent of the respondents live in rented house and 8.6 percent of the respondents live in pacca houses. Thus, it can be concluded that the economic status of the street vendors is ranging from low middle class to middle class. When focused on the number of hours spent by the street vendors in a day to earn their livelihood, the below fig gives glimpse of the current status.

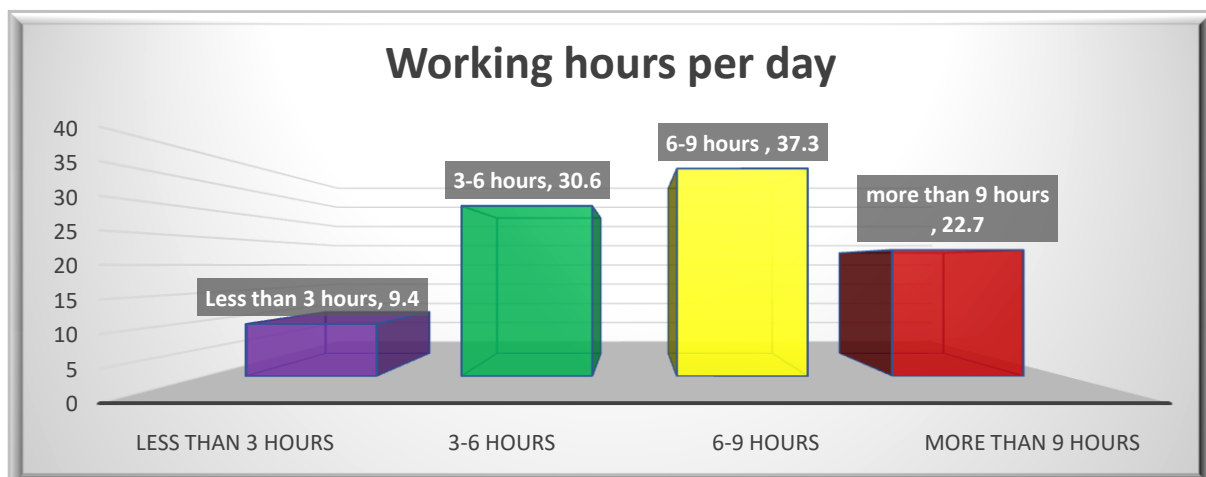


Fig 1. e

Table: 'The Source'

According to the above fig 1.e, it can be stated that majority (37.3 percent) of the respondents spend about 6 to 9 hours a day selling their good to earn their livelihood, while 30.6 percent of the respondents spend 3 to 6 hours, 22.7 percent of the respondents spend more than 9 hours a day and 9.4 percent of the respondents spend less than 3 hours as they mostly sell perishable goods like leafy vegetable and flowers. It can be assumed that majority of street vendors experience hard time in selling their good. It was also observed that the street vendors prefer to sell their

good at a particular location. While trying to understanding the investment source, it was observed that majority of respondents (28.9 percent) prefer to take loans for investment money lenders, 28.1 percent of the respondents prefer banks, 20.3 percent of the respondents prefer micro-finance

**Table: 3 Source of Investment and profit**

Variables	Respondents	Percentage
<b>Source of investment</b>		
Own saving	14	4.6
Money lenders	87	28.9
Friends and Relatives	54	18.1
Micro-Finance Groups	61	20.3
Banks	84	28.1
<b>Business Investment (monthly)</b>		
less than 3000	106	35.3
3000-6000	84	28
6000-9000	53	17.6
9000-12000	33	11
12000 and above	24	8.1
<b>Net Profit</b>		
less than 500	98	32.6
500- 1000	91	30.3
1000-1500	53	17.6
1500-2000	34	11.4
above 2000	24	8.1

Source: ' The Author'

Groups, 18.1 percent respondents state there borrow from friends and relatives and 4.6 percent of the respondents invest from their own saving. From the table-3, it can be concluded that money lenders are the major source of investment for the street vendors to invest in their business and they also states about the issues related to burdening interest rate and their incapability to pay the principal amount. When analysing the business investment capacity of the street vendors it was observed that 35.3 percent of the respondents invest less that 3000rs a month, about 28 percent respondent's effort to invest 3000-6000rs, 17.6 percent of the respondents invest 6000-9000rs ,while 11 percent of the respondents invest 9000-12000rs, 8.1 percent of the respondent's effort to invest 12000 and above. Hence, the study states majority of the street vendor effort to invest only not more than 3000rs a month. When asked about the net profit out of their investment, about 32 percent of the respondents states that they get less than 500 profit, 30.3 percent of respondents gets around 500-1000rs as their profit, 17.6 percent of the respondents earn 1000-1500rs profit, 11.4 percent of the respondents earns 1500-2000rs and 8.1 percent of the respondents agree to earn a profit above 2000rs. Hence, it can be concluded that majority of street vendors get a minimum profit of 500rs out of their investment.

**Testing of hypotheses**

**H1:** The socio-economic status of the street vendors has direct association with the plan of investment.

<b>Correlations</b>			
		Socio-Economic Status	Investment Plan
Socio-Economic Status	Pearson Correlation	1	.911**
	Sig. (2-tailed)		.000
	N	300	300
Investment Plan	Pearson Correlation	.911**	1
	Sig. (2-tailed)	.000	
	N	300	300

\*\* . Correlation is significant at the 0.01 level (2-tailed)

The p-Value is < .00001

Pearson correlation calculated value: .911

The result is significant at p < .01.

From the above table, the Pearson correlation coefficient calculated values .911 states there exists a direct association between socio-economic status of the street vendors with the plan of investment. As many street vendors agree that their economic status is the deciding factor of investment plan. Hence, we accepted the stated hypotheses.

**H2:** There exists a relationship between vending difficulty and socio-economic status of the street vendors.

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Market Closures	Between Groups	168.503	2	84.252	1238.419	.000
	Within Groups	20.205	297	.068		
	Total	188.709	299			
Eviction	Between Groups	486.743	2	243.371	465.919	.000
	Within Groups	155.137	297	.522		
	Total	641.880	299			
Harassment	Between Groups	38.633	2	19.316	1015.926	.000
	Within Groups	5.647	297	.019		
	Total	44.280	299			
Loans	Between Groups	174.607	2	87.304	1075.321	.000
	Within Groups	24.113	297	.081		
	Total	198.720	299			
Theft	Between Groups	196.186	2	98.093	1250.685	.000
	Within Groups	23.294	297	.078		
	Total	219.480	299			
Discrimination	Between Groups	240.628	2	120.314	532.921	.000
	Within Groups	67.052	297	.226		
	Total	307.680	299			

Source: 'The Author'

According to above table the study infers that there exists a significant relationship between vending difficulty and socio-economic status of the street vendors, The Anova test states result for market closures ( $f=1238.419, p < .01$ ), eviction ( $f=465.919, p < .01$ ), Harassment ( $f=1015.926, p < .01$ ), Loans ( $f=1075.321, p < .01$ ), Theft ( $f=1250.685, p < .01$ ) Discrimination ( $f=532.921, p < .01$ ) are significant. Hence the study states street vendors socio-economic status depends on vending difficulty at market.

**H3:** There exists a significant relationship between street vendors and customer satisfaction.

Correlations			
		Street Vendors	Customer Satisfaction
Street Vendors	Pearson Correlation	1	.954**
	Sig. (2-tailed)		.000
	N	300	300
Customer Satisfaction	Pearson Correlation	.954**	1
	Sig. (2-tailed)	.000	
	N	300	300
**. Correlation is significant at the 0.01 level (2-tailed).			

Source: 'The Author'

The p-Value is  $< .00001$

Pearson correlation calculated value: .954

The result is significant at  $p < .01$ .

The Pearson correlation coefficient calculated table value is .954,  $p < .01$ , infer the existence of significant relation between street vendors and customer satisfaction. Hence the stated hypotheses is accepted, as the customers feel satisfied and prefer to purchasing the goods from a particular vendor which includes street food, vegetable, flowers and durable goods like sofa covers, plastic play items, decorative material and other items. When inquired about the they wants from the government, the street vendors shared their concerns, the fig 1.f gives a glimpse.

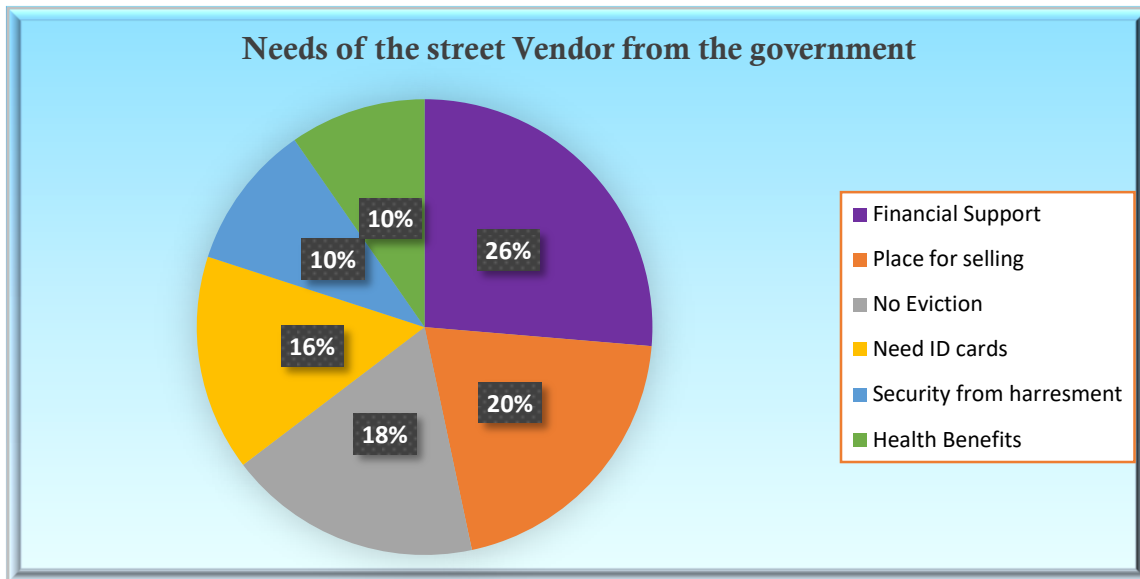


Fig: 1.f

Source: ‘ The Author’

The above graph gives a reflective result on the needs of the street vendors from the government. It can be observed that financial support is the major request put up by the street vendors, followed by secured place to sell their goods at regular bases with no eviction.

### DISCUSSION AND CONCLUSION

Given the fact that it is the most convenient form of trade for the majority of lower- and middle-class people, street vendors play a significant role in the informal economy. The socioeconomic standing of street vendors in Hyderabad city is the main topic of the study. According to observational findings, the majority of street vendors have completed their primary education. Their economic status also varies depending on the type of business they are engaged in and how much money they are making. For example, street vendors who sell durable goods typically make more money than those who sell perishable goods, so they are pressing the government to build a suitable storage facility. Depending on their business, street vendors make between 500 and 1000 rupees per day. As market closure, eviction, harassment at the market, financial instability, theft, and discrimination are the main factors directly affecting the economic status of the street vendors, the study shows a significant correlation between investment plan and socio-economic status of the street vendors. However, customers report being more satisfied with the goods they purchase from street vendors, and citizens say they would frequently prefer to go to a particular market. The government's support for digitizing transactions, the street vendors acknowledged with great gratitude for making their business more convenient for them as well as for their customers. The study concludes with a recommendation to increase the street vendors' sense of empowerment by giving them the necessities, such as ID cards, simple access to financial support, protection from harassment, and medical benefits. The study also recommends introducing an open learning system because many vendors exhibit a keen interest in learning about and receiving training in business improvement strategies, which they believe will help them improve with their socioeconomic status in the current environment.

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