

Micro entrepreneurs in street vending: Socio-Economic status and consumption pattern in globalization phase

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Abstract

Micro entrepreneurs engaged in self-employment in street vending play dual role in urban informal economy. On the one hand, they serve vital linkages between formal and informal matrixes, marketing various products of other low scale formal entrepreneurs and on the other hand, they provide various daily use articles either at door steps or nearby markets to larger upper and poor population. Post globalization period is witnessing various qualitative changes in economic and social aspects of society in India which have different pros and cons on living condition of these micro entrepreneurs operating in street trading. This paper lays focus on their socio-economic status in changed scenario and further tries to explore their consumption pattern.

Keywords: Micro entrepreneurs, Socio-Economic status, Informal Economy.

Introduction

Almost two decades have gone since adoption of economic liberalization of country in 1991 under aegis of process of globalization. The comprehensive economic reforms packages involving delicensing, opening door for portfolio and foreign direct investments in strategic sectors of economy and other public sector reformative measures have led contraction of size, space and composition structure of number of formal entities which had failed to survive in efficiency-driven competition, thereby resulting in accelerated pace of formalization and casualization of jobs. These in formalization of jobs are more visible as self-employment in urban informal sector.

Street vending is not any new urban vibrant economic activities which are commonly characterized by sale and purchase of various day to day use articles for larger chunk of urban population from upper to lower income brackets it existed since time immortal. Street vending has apparently been taking a sizeable portion of informal segment of economy with rapid burst of process of urbanization. The rural-urban and inter-city migratory flows of unemployed and underemployed people driven by either push or pull or both factors ended massively in street vending due to number of market and technical bottlenecks existing formal economy. According to (ILO, 2002b) informal sector workers as self-employment are characterized by differential size and accounts operating scale in world ranging from 59% in Asian countries, 62% in north American countries and 70% in African continent. There are divergent views prevalent on scale of entrepreneurship in informal sector. Some entrepreneurs are visible operating on full time or part time basis to earn their livelihood under bleak exposure of extreme weather and market risks, while others execute production and distributive operations off the regulation and legal record keeping. (Williams, 2009) [7] holds that majority of such

informal entrepreneurs are polarized poor population at leading business cities of world. From various empirical studies conducted to establish linkages between poverty, unemployment and under employment with growing street trading business, a strong positive correlation was observed between given variables. Since the incorporation of decent work life of informal sector workers in ILO charter, quality or work life, living condition of this urban poor congregations engaged in vending activities are being taken as research interest

Statement of problem

The socio-economic status of people is largely determined by various economic and social determinants. The level source, composition of earning, possession of material and other assets measureable in monetary terms and prominence in society are significant reflectors of quality of life. Street vendors are important segment of informal economy are facing various socio-economic changes taking place in economy which in turn have an influential outcomes on their living condition and pattern. Taking into consideration of subjective and objective consequences of different dimensional changes in economy, street vendors have been taken for study.

Objectives of study

1. To find out level of socio-economic status of street vendors with reference to globalization.
2. To empirically explore their consumption pattern.

Research Methodology

The purpose of this study was to empirically explore socio-economic status and consumption pattern of street vendors in Lucknow city. Information on socio-economic status and consumption pattern was collected using Dhanasekaran (2004)

method of living index and structured questionnaire designed to get relevant data. There were 100 street vendors chosen with help of stratified random sampling method then required information on selected samples was recorded purposively on sample respondents from market sites.

Result and discussion

Table 1

Classification of socio-economic status			
Poor	vulnerable	Above vulnerable	total
33 (33%)	44 (44%)	23 (23%)	100 (100)

Source: based on field survey, *parenthesis in bracket shows percentage

This study revealed that 33% street vendors engaged in different nature of business are poor, 44% come under vulnerable socio-economic condition while 23% are above vulnerability conditions this clearly shows a high concentration of street vendors around poor and vulnerable living conditions

Consumption pattern

$$Y = u + ax + by + e$$

Where Y= per capita consumption expenditure, u= constant, a& b= coefficients, e= error term

Table 2

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	144.178	16.140		8.933	.000
	house_inco	.023	.001	.894	19.739	.000
2	(Constant)	278.624	40.650		6.854	.000
	house_inco	.018	.002	.732	11.732	.000
	family_size	-29.726	8.331	-.223	-3.568	.001

a. Dependent Variable: per_expen,

Source: Based on author's calculation

This data revealed that per capita consumption expenditure of sample households contributed by 72.3% size of house hold income and 21.6% by family size respectively.

Suggestions

- Majority of vendors operating in street vending business were found to have low status of life which shows a divergent result of high growth rate of economy in recent years that seems to have concentrated wealth and income in hands of benefited sections of society. Concerted efforts are needed to support their earning to immunize them market generated risks and uncertainty.
- Their consumption basket mostly comprises of essential articles which are more subjected to inflationary pressures thereby causing adverse effect on their living status. State level quick policy response in terms of livelihood support would help them to get accessibility of other qualitative goods in consumption basket.

Conclusion

Street vendors are integral component of informal sector of India. They mostly come from poor section of society with objective of earning income and support to their family members. It is quite evident their effective role in providing various day to day use articles and serving as import marketing link with backward formal and other informal enterprises have not given due care in various policy makings. With advent of globalization various structural changes in economic and social dimensions of society have been taking place resulting market embedded fluctuations which have posed threat of competition and other business related problems to them. In study, majority of street vendors were observed to have poor and vulnerable living condition and their per capita consumption expenditure was also found to have low level due to low monthly earning and large size of family dependents. National vendors' policy has been rolled in various states but its slow implementation is required to be accelerated to improve their living and working conditions.

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