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**Perspective Paper**

**Empowerment of Street Vendors: An Untapped Resource in the  
Informal Economy**

**A. C. Karunaratna<sup>a</sup> ✉, Nathalia C. Tjandra<sup>b</sup>**

*<sup>a</sup>Faculty of Management and Finance, University of Ruhuna, Sri Lanka*

*<sup>b</sup>The Business School, Edinburgh Napier University, UK*

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**Abstract**

Street vending has persisted for centuries and pervasive across the globe since it plays a remarkable role in fulfilling customer needs in the context of the informal economy. In the contemporary business context, authorities have not paid sufficient attention towards street vendors. The paper addresses the specific features of street vending in the context of Sri Lanka, various challenges faced by street vendors and possible courses of action for the empowerment of street vendors. Accordingly, location issue with lack of infrastructure, less support from the government, insecurity and unstable conditions, slow growth, lack of financing opportunities and less support from banks were identified as major challenges faced by street vendors in Sri Lanka. Proper location and infrastructure development, assurance of security including a specific insurance scheme and financial assistance are proposed to empower street vendors to enhance their performance.

**Keywords:** Street Vending Challenges, Empowering Street Vendors, Informal Economy

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✉ [acruhuna@gmail.com](mailto:acruhuna@gmail.com)  <https://orcid.org/0000-0002-4644-4649>

## **Introduction**

Unemployment, which increases with the higher population especially in the developing countries in Asia, has driven many people to seek alternative means of earning. In this context, the role of street vendors as a major part of the informal economy is well-recognized (Chauke et al., 2015). The activities in the informal sector can be categorised into two sections, such as the self-employed and casual labour, in which street vendors are considered as a major part of the self-employed category (Bhowmik, 2005).

Street vending is an income-generating activity where individuals sell their wares along streets and sidewalks to passing pedestrians and motorists (Onyango et al., 2012). Street vendors are a common sight that facilitates customers to purchase most of the goods to fulfil their day-to-day needs (Bhowmik, 2005; Rasanga & Edirisinghe, 2014; Rathnayake, 2017). Street vendors provide inexpensive goods at convenient locations for customers (Wongtada, 2014) and street vending has become a popular business category which tend to attract more customers due to lower prices of their items compared to the other formal retail businesses (Onyango et al., 2012). They may be stationary in the sense that they occupy space on the pavements or other public or private spaces, or they may be mobile in the sense that they move from place to place by carrying their items for sale (Bhowmik & Saha, 2012; Brown et al., 2010). Accordingly, street vendors play an imperative role in the informal economy (Asiedu & Agyei-Mensah, 2008; Bhowmik, 2005; Carrieri & Murta, 2011; Crossa, 2014; Onyango et al., 2012; Recio & Gomez, 2013). Despite making a significant contribution to the economy, street vendors are barely appreciated or supported by authorities in many countries. As a result, the street vendors function amidst a lot of challenges and hardships (Recio & Gomez, 2013).

Due to the substantial impact of street vending activities on the economy, some scholars in the Asian context such as India (Anjaria, 2006; Bhowmik & Saha, 2012; Bhuyan et al., 2020), Philippines (Recio & Gomez, 2013), Indonesia (Timothy & Wall, 1997), and in the African context such as South Africa (von Holy & Makhoane, 2006), Ghana (Asiedu & Agyei-Mensah, 2008), Malawi (Kayuni & Tambulasi, 2009), Kenya (Onyango et al., 2012) and Tanzania (Mramba et al., 2015) have drawn their attention on the various issues of street vendors and street vending business activities. However, studies on street vendors have often overlooked the challenges faced by street vendors. Instead, scholars have addressed various issues including the use of public space for street vending activities (Anjaria, 2006), the activities of street vendors (Asiedu & Agyei-Mensah, 2008; Devlin, 2011; Roever & Skinner, 2016),

removal of street vendors from urban cities (Carrieri & Murta, 2011), relocation of street vendors (Weng & Kim, 2016), regulations and legal aspect of street vending (Austin, 1994; Bhowmik, 2010) and, contribution of adolescent street vendors (Estrada, 2012). Moreover, scant attention has drawn to street vendors in the Sri Lankan context, while a handful of studies on street vendors are available (e.g., Herath, 2015; Rasanga & Edirisinghe, 2014; Rathnayake, 2017). Therefore, this perspective paper focuses on evaluating the specific features of street vending in the context of Sri Lanka, identifying the main challenges faced by street vendors and ascertaining how to empower them, thereby improving the living standard with the assurance of the safety of their livelihood.

### **Street Vending and Street Vendors**

The informal business sector plays a significant role in shaping the urban economy in developing countries, and street vending is a big element in this informal sector (Asiedu & Agyei-Mensah, 2008; Bhowmik, 2005; Carrieri & Murta, 2011; Crossa, 2014; Onyango et al., 2012; Recio & Gomez, 2013; Timothy & Wall, 1997). The informal economy refers to the paid production and sale of goods and services which are unregistered or hidden from the state for tax and/or benefit purposes but which are legal in all other respects (Williams & Round, 2009; Williams et al., 2009; Adom & Williams, 2012). Due to inadequate employment opportunities, especially in developing countries, the informal sector of an economy absorbs most of the excess labour, mostly young and unskilled (Rasanga & Edirisinghe, 2014). Meanwhile, Onyango et al. (2012) states that street vending is a type of informal business which provides jobs to a large urban population who cannot get formal employment.

Street vending has persisted for centuries and recognized as an ancient and important occupation in the informal economy (Bromley, 2000) which is prevalent in almost all countries and major cities around the world despite the developed or developing (Bhowmik, 2010). Onyango et al. (2012, p. 108) identify street vendors as “informal traders who sell goods or services outside of any enclosed premises or covered workplaces”. Meanwhile, Wongtada (2014, p. 55) defines street vendors as “those entities selling goods and services in the street without having a permanent built-up structure”. They can be virtually found in major cities, especially in developing economies and are an integral part of the urban economies. There is a substantial increase in the number of street vendors around the world, and this trend is prominent in developing countries, especially in Asia, Africa and Latin America. For instance, von Holy and Makhoane (2006) state that street food vending is treated as the single largest employer in the informal sector and possibly one of the biggest

contributors to the South African economy. Since the prices of the items sold by street vendors are lower than supermarkets and other formal retail businesses, they have attracted a large number of customers (Onyango et al., 2012).

### **Street Vending as an Occupation**

Kayuni and Tambulasi (2009) identify the peculiar features of street vending and consider street vending as a lifestyle over commercial activity. Cross (2000) also confirms the choice of street vending as a lifestyle due to the capacity to enjoy freedom and flexibility. Compared to other scholars who merely studied the behaviour of street vendors, Williams and Gurtoo (2012) identify street vending as an important profession and evaluate it as street entrepreneurship rather than street vending. The contribution made by street vendors to the economies is beyond their self-employment since they generate demand for services by other informal sectors and formal public and private sectors (Roever & Skinner, 2016). The concentration of street vending activities continuously rises in parks, streets and bus terminals (Onyango et al., 2012).

Street vending has become very important for earning a livelihood for the urban poor as it requires little financial input and a low volume of skills, and a large section of street vendors in urban areas are those with low skills and who have migrated to the large cities from rural areas in search of employment (Onyango et al., 2012). Although a significant number of people earn their living by engaging in street vending, it has become difficult to estimate the exact number of individuals employed due to the high mobility of street vendors and the nature of the operations. Timothy and Wall (1997) provide facts from Indonesia and state that it is difficult to estimate the number of sellers as the number is relatively high. Further, some of them serve as part-time sellers, some members conduct the business as a family-run business and family members join from time to time during the day with one in the morning and another member in the evening. Moreover, it is difficult to have a precise estimate of the income of street vendors since their income may vary widely depending on the items sold, the number of hours operated, the location of the business conducted and business savvy (Devlin, 2011).

Bhowmik and Saha (2012) identify lack of gainful employment as one of the major reasons for the growth of street vending across many countries, coupled with poverty in rural areas which has pushed persons with a lack of skills and education from their villages to the urban areas and main cities. Accordingly, street vendors are generally treated as those who are unsuccessful or unable to get regular jobs. Within

self-employment, street vending is one of the most visible occupations. Yet, few cities successfully balance the need to support livelihoods and the need to manage public space. This has caused street vendors in many cities to operate in uncertain work environments (Roever & Skinner, 2016).

### **The Challenging Life of Street Vendors**

Due to the nature of the type of occupation, street vendors face many challenges and barriers. The evidence provides that the life of street vendors is challenging due to various reasons not only in developing countries but in developed countries as well. For example, according to Devlin (2011), the laws governing street vending in New York City are also confusing and convoluted and at times contradictory and difficult to enforce with any sort of consistency. Devlin (2011) further states that the uncertainty and illegibility are managed in decentralized, privatized and informal ways in the case of street vending in New York, particularly in central areas of Manhattan.

The lack of security in their livelihood and the lack of access to credit are the main problems faced by street vendors (Bhowmik, 2005). For instance, a substantive income from street vending is spent on greasing the palms of unscrupulous authorities or to pay for private money lenders (Bhowmik & Saha, 2012). In most cases, street vendors have to take loans from private sources at exorbitant interests to maintain their business activities. The microfinance schemes and companies set up to assist small scale entrepreneurs are a good solution for the financial issues of street vendors (Khandker, 2005; Pitt et al., 2006). However, unethical behaviour of microfinance and credit companies has been severely questioned during the last few years and many such cases concerning the exploitation of customers and unethical behaviour of microcredit companies were recently reported in Sri Lanka as well (Anjala, 2018; Moses, 2018).

Bhowmik and Saha (2012) declare that the life of a street vendor is not comfortable since trading in pavements is full of uncertainties and street vendors are constantly harassed by the authorities. The local authorities have negative attitudes toward street vendors (Bhowmik, 2005; Onyango et al., 2012). According to Anjaria (2006), some authorities are not cooperative and consider street vending as a menace or an eyesore in situations where vendors inappropriately use streets and footpaths and block traffic. Bhowmik and Saha (2012) declare that individuals constantly complain against street vendors as they block pavements, create traffic problems and engage in anti-social activities.

## **Street Vending in Sri Lanka**

Compared to other countries in the region, the status of the street vendors in Sri Lanka is in a better position (Bhowmik, 2005; Rathnayake, 2017). Accordingly, street vending is not treated as illegal in the context of Sri Lanka, and street vendors engage in trading activities on places like pavements of major roads, sides of streets and some assigned places, sometimes even paying a tax for the municipal council. However, they are illegal if they are unlicensed and can be charged with a fine. Nevertheless, many street vendors operate their trade without having permission and license from the relevant local authorities (Bhowmik, 2005; Rathnayake, 2017).

However, street vending is not an easy type of business because they operate under a lot of constraints and barriers, and the activities of street vendors are mostly criticized because of their nature of operations, for instance, the use of urban public spaces for street vending activities (Herath, 2015). The operations of street vendors are unsupervised and unregulated, which have created some problems, especially making it inconvenient for pedestrians. National newspapers and media often report incidents about street vendors and the removal of street vendors from their locations since most of the street vendors operate in busy streets and are considered a nuisance as they obstruct the traffic and pedestrians (Guganeshan, 2019; J. Gunasekara, 2015; S.V.D.K. Gunasekara 2021).

It is noteworthy to declare the service rendered by street vendors as street entrepreneurs, not only for customers but also for the economy. More importantly, most of the street vendors provide the main source of income for their households. Accordingly, the role of street vendors cannot be undervalued in the contemporary business context, where they can be treated as a valuable resource in a country in terms of their economic contribution. Therefore, this paper addresses the challenges faced by street vendors and ascertains how to empower them for better performance. Mainly, the economic empowerment of street vendors leads to the better performance of street vendors in terms of achieving the growth of the business, improving the living standard of their families and enhancing the contribution to economic growth. The next section explains the materials and methods of data collection from street vendors, which are then used as evidence to the pertaining issues addressed in the paper.

## **Data Collection**

Data were collected from mid-May 2019 to mid-August 2019. In the first phase, a survey was conducted and data were collected from 300 street vendors in

administering a structured questionnaire where 07 questionnaires were removed since the respondents had provided incomplete and inadequate information. Accordingly, the sample consisted of 128 female vendors and 165 male vendors. In the second phase, in-depth interviews were held with 33 street vendors, 15 female and 18 male, in order to gain a thorough understanding of the main challenges confronted by them and the type of assistance and cooperation required to empower them. Moreover, observation as a data collection method was also used to detect the behaviour of street vendors and evaluate how the daily activities are performed by them. Also, a few authorities in local government were interviewed to understand their perceptions towards street vendors and services rendered by the local authorities to facilitate street vendors. Accordingly, both qualitative and quantitative data collection methods were used to study the phenomenon.

### **Key Features of Street Vending in the Context of Sri Lanka**

Based on the facts and figures gathered through different data collection tools, the following key features can be outlined as important attributes in relation to street vending in the context of Sri Lanka.

#### ***Female Engagement in Street Vending***

It was stated by many female street vendors that female engagement in street vending has increased during the last few years. Most of female street vendors in the sample have also started street vending during last the few years. They further stated that there is a high tendency among females to select street vending as an occupation due to high living costs, economic hardships and the lack of employment opportunities.

#### ***Contribution of Elderly Citizens in Street Vending***

The selection of street vending by senior citizens provides evidence of the lack of a strong welfare system to look after elderly citizens in the country. In most of the developed countries, the individuals in this age category may enjoy leisure and freedom with good care by the government or voluntary service organizations (Dahl, 2018; Pfau-Effinger, 2012). Unfortunately, the welfare systems in most of the Asian countries, including Sri Lanka, are not in good condition; thus, elderly citizens in those countries face many hardships when they are in the late stage in their lives (Suresh, 2002; Usha & Lalitha, 2016; Xiang et al., 2020). As a result, some senior citizens in their sixties and the seventies have also selected street vending to earn their living in Sri Lanka.

### ***Children's Involvement in Street Vending Activities***

Children have become active contributors to their families involved in street vending, especially by preparing food, assisting their parents with cash transactions and promoting their food to customers (Estrada, 2012; Saxe, 1988; Ugochukwu et al., 2012). However, it is quite low in the context of Sri Lanka. Many vendors mentioned that they do not encourage their children to involve in street vending activities since they do not intend their children to select street vending as their career.

### ***Relatively High Level of the Educational Background of Street Vendors***

According to the Constitution of Sri Lanka, free education is a fundamental right. Accordingly, many street vendors have a fairly good educational background. The majority of street vendors in the sample have gained secondary education. Meanwhile, 20 per cent of street vendors in the sample have passed the General Certificate of Education (Ordinary Level) examination. Moreover, two street vendors have passed the General Certificate of Education (Advanced Level) examination but have been unable to find a suitable employment opportunity due to lack of opportunities.

### ***Unorganized Nature of Operations***

Most of the street vendors are not well-organized at the individual level or as a group. Players in many industries have formulated some form of a membership-based organisation such as a trade union, a club or a society in order to increase their strength and bargaining power. However, such an organized structure has not been formulated by street vendors due to the nature of the informality of the activities. Moreover, they are not registered in any government or non-government databases.

### ***Application of Marketing and Accounting Practices***

Neither marketing nor accounting practices are followed by street vendors. The majority of them do not possess the basic knowledge in marketing, and the worth of customer value has not been understood. Rather, the intention of street vendors is to sell the maximum number of items and earn a higher income. Many of them are not aware of accounting and budgeting procedures, at least at the basic level.

### ***Dependence on Informal Loans as the Source of Financing***

The practice of informal loans taken from money lenders is used as the main source of financing by street vendors where these loans are taken either on a daily basis or a weekly basis. Moreover, the interest rate of this informal loan is very high,



and it is also calculated either on a daily or a weekly basis. As a result, the profit margin of street vendors is low as the higher percentage of the income of street vendors goes to these informal money lenders.

### Challenges Faced by Street Vendors

The main objective of this paper was identifying the challenges faced by street vendors in the context of Sri Lanka in order to propose possible courses of action to empower them. Accordingly, several challenges that are hindering the success of the street vendors were identified. Most of the street vendors have identified the location and lack of infrastructure as the main challenge followed by less support from the government and related institutions. Third, insecurity and unstable conditions (e.g., climate changes and demand fluctuations) pose significant challenges. The majority of street vendors engage in street vending just for survival and experience less growth of the business. Moreover, they experienced a lack of financing and less support from banks. Harassments was the least mentioned challenge by street vendors. It should be noted that although the challenges were arranged according to the order of importance as declared by street vendors, none of them can be considered as ‘unimportant’ since over half of the sample has identified them as main issues. Furthermore, the percentage differences between the number of vendors who identified the first four challenges is quite small. Table 1 presents the summary of the challenges according to the order of importance as encountered by street vendors, and the details relating to each of the challenges are discussed next.

**Table 1: Challenges Faced by Street Vendors**

Main Challenges	Number of Vendors	Percentage
Location issue with lack of infrastructure	275	94%
Less support from the government/institutions	260	89%
Insecurity and unstable conditions	248	85%
Slow growth of the business	244	83%
Lack of financing and less support from banks	218	74%
Harassment	184	63%

#### *Location Issue with Lack of Infrastructure*

In general, street vendors tend to sell the items either at a side of the streets or at bus stations from early morning to late evening while facing many hardships.

*We run the business without having even the basic facilities. (Male, 38 yrs.)*

Many of them do not have a proper location, and they select the location with a higher number of passers-by. While some of them remain in the same location, the others often change their location intending to target more customers. Moreover, street vendors suffer from a lack of basic sanitary services in many of those places. As stated by one female street vendor,

*We are very disappointed and become helpless since we don't have the basic sanitary facilities nearby. (Female, 40 yrs.)*

### ***Less Support from the Government and Institutions***

Most of the street vendors expressed that they have not received any support from the government, either current or previous governments. Meanwhile, some vendors are hesitant to obtain government support since they are not ready to be bound by strict rules and regulations imposed by the government. The following statements made by street vendors provide evidence for the lack of government support.

*Government has the huge responsibility to look after street vendors and help us grow our business since we contribute to the economy, but unfortunately, they have blind eyes. No government has paid attention to street vendors. (Male, 50 yrs.)*

*No government officer has come to us and listened to our grievances. We know there may be many government institutions responsible, but we don't know what they are doing. (Female, 40 yrs.)*

*Governments and politicians give assurance to look after us and promise to support us at the elections, but their statements become just words. After the election, especially once they acquire the power, they soon forget the promise. Actually, we do not have any faith in the government since they do nothing for us. We feel now they have completely abandoned us. (Female, 42 yrs.)*

As expressed by the majority of the street vendors, neither government institutions nor non-governmental institutions have come forward to address their issues. There are several institutions including National Enterprise Development Authority, Department of Samurdhi Development, Small Enterprises Development Division and Chambers of Commerce, as well as the projects such as 'Regaining Sri Lanka' and 'Gamperaliya' (very recently introduced initiatives to develop the country through uplifting the economy and making revolutionary changes at the village level) for the support of small and medium scale entrepreneurs and vendors in the country. However, street vendors are not aware of those organizations or initiatives. Meanwhile, it was reported that a few street vendors are supported by political candidates at a personal level but not at an official level.

### ***Insecurity and Unstable Conditions***

The life of street vendor is always associated with risks since they are always on the street. These risks became evident even during the data collection phase of this study which commenced two months after the Easter Sunday attacks in April 2019. During this period, there was less movement of people within the cities due to fear of further attacks. As a result, street vendors suffered for a few months because they did not have enough income due to lack of customers. Moreover, street vendors are always exposed to risks due to accidents, diseases, thefts, climate changes and demand fluctuation. Many of them mentioned that the rainy days are bad days for them as the rain and wind always destroy their temporary huts and stalls. External forces such as climate changes, especially floods and droughts, cause severe issues and badly affect their operations. Based on these circumstances, the demand for their items always fluctuates. Following is a quote from an interview of a street vendor.

*The climate heavily influences our activities and the rainy days are the terrible days which destroy our business. (Female, 52 yrs.)*

Besides, they are unable to predict the future and there is no guarantee about what will happen next. The following question was raised by a street vendor who is a father with three children. The following statement provides clear evidence of the risk and uncertainty of the lives of street vendors.

*Since there is no other option, I do this business. I know this is not as easy as shown. We have to work hard and face many difficulties to earn even a little income. We don't have a stable income too. On most of the days, my income is not enough for the daily consumption of my family. I cannot predict what will happen to my family if something happens to me while I am on the road. Who cares about our life? What guarantee will we have about tomorrow? (Male, 47 yrs.)*

### ***Slow Growth of the Business***

Many street vendors struggle in the present economic conditions; for instance, the income of the majority of street vendors is hardly sufficient for their consumption. Since a high percentage of the income goes into household consumption, there is little anticipation of business growth. The meagre monthly income earned by most of these vendors does not allow for savings or reinvestment for future growth. Accordingly, they merely run the business activities without having any plan of growth for their business. Although some street vendors have a positive mindset and plan to develop their businesses, they are not well off. More importantly, infrastructure development and government support are essential for the growth of any industry; the inadequate attention paid to street vending has made this business segment stagnant. Some street

vendors have been engaging in this type of business for over 20-25 years but cannot find a significant growth in the aspect of their business or personal life. One of the vendors made the following statement.

*This is my sixteenth year on the street. Over the past years to today, we have fulfilled food and other basic utility consumption only. All income goes to consumption. Nothing saved for tomorrow. (Male 50 yrs.)*

### ***Lack of Financing and Less Support from Banks***

One of the major challenges faced by street vendors is finding sources of financing. The lack of financing has become a severe issue to function in their operations smoothly. Many of them have working capital issues since a considerable percentage of income goes to household consumption. Therefore, many street vendors depend on informal loans and borrowings. While some vendors borrow money from family members and friends, many street vendors depend on informal personal loans taken from a third party. Usually, an informal personal loan is taken from a person and settled within the same day, for instance, in the late evening with a very high daily interest rate. This type of informal personal loan is termed as ‘daily payment system’ which is very popular among street vendors. Some of these informal loans are provided on weekly basis as well. The interest rate of this type of loan is very high compared to the loan of banks or any other financial institutions. Therefore, the net income of the street vendor at the end of the day is meagre since the high percentage of income goes to money lenders.

Many street vendors have built temporary shelters, huts and stalls. They seek support to purchase some essential materials and pieces of equipment to upgrade the service because they are stuck in the same position due to the lack of finance. Several of them have made efforts for bank loans, but their applications have been rejected. Banks have rejected many loan requests made by street vendors since they are unable to produce sureties or guarantee to pay back the loan due to unstable income. Accordingly, the image of the bank service is undesirable among street vendors and they question the role of the bank in uplifting the socio-economic standards of the general population. The following statements provide evidence regarding their experience with banks.

*According to our knowledge, banks are running on savings of millions of poor people. We receive a very low interest rate for our savings. But they do not provide us with a loan to develop our business. What's the responsibility of banks to serve the nation? Why don't they assist us to stand on our own feet? Is it not a major objective of banks to develop the businesses in the country? (Male, 44 yrs.)*

*Although I contacted several banks for a small loan to develop my business, I did not receive good feedback from any bank. (Male, 48 yrs.)*

*To provide a loan, banks impose a lot of conditions and ask guarantors. How can we find them? To develop this street vending business, banks must help us. (Female, 39 yrs.)*

*I wish the government would encourage banks to introduce a special loan for us. Otherwise, they will not support us. There are development banks to help and grow businesses, but their attention has not drawn towards us. (Female, 40 yrs.)*

### **Harassment**

There is strong evidence regarding the harassment of street vendors in other countries. For instance, Bhowmik and Saha (2012) state that street vendors are constantly harassed by the authorities and vendors have to regularly bribe the authorities to carry out their business activities on the streets. According to Anjaria (2006) and Onyango et al. (2012), the negative perception of local authorities towards street vendors has created this problem. However, the situation is somewhat different in Sri Lanka. Although a few such incidents of harassment were reported, this is not a serious problem in the context of street vending in Sri Lanka. Some street vendors complain that they are harassed by either the officers in the respective local government, Road Development Authority or Police by enforcing to remove the items and leave the places they are engaged in street vending. This happens as street vendors operate their activities by selecting places with high customer traffic but not having any approvals properly taken from the above authorities. Moreover, these vending activities at sides of the street, on pavements and other places create some hindrances and interruptions for pedestrians. In such cases, responsible government institutes, some business organizations and pedestrians complain to the authorities. Then, the authorities are required to take the necessary steps to minimize the effect. However, street vendors complain and criticize these actions as harassments.

The major focus of this perspective paper is on identifying the challenges faced by street vendors of Sri Lanka and ascertaining how to empower them. Accordingly, the next section presents a discussion on empowering street vendors to overcome the challenges which were discussed earlier.

### **The Way Forward: Empowerment of Street Vendors**

The empowerment of street vendors is in need to enhance their performance in terms of the growth of the business and improvement of living standard. Accordingly,

the following courses of action are proposed to be implemented by relevant authorities and institutions.

### ***Proper Location and Infrastructure Development***

Developing infrastructure has become a challenge for the authorities since street vendors are scattered. Accordingly, allocating proper location is one of the crucial factors for the success of the street vending business. Mramba et al. (2015) also identify the location as a major problem among street vendors in Tanzania. The view of most street vendors is that the best support the government can give them is providing proper locations to conduct their business, with adequate facilities and infrastructure. This further facilitates enjoying the benefit of having a stable customer base. Based on the requests and requisites, each local government may provide a few opportunities to engage in street vending at selected places in the city to operate under some guidelines. However, a few street vendors have the opportunity to enjoy this benefit due to limited space and location within each municipality. Having a proper location makes it comfortable not only for street vendors but also for customers and pedestrians. Accordingly, the need of allocating proper location with the adequate infrastructure to operate under a set of guidelines is stressed (Devlin, 2011; Mramba et al., 2015). Timothy and Wall (1997) report that the local government in Indonesia has also supported street vendors by providing license to run their trade operations in assigned places. The harassments made by authorities have mostly happened due to the selection of unsuitable locations for street vending and creating hindrances and interruptions for pedestrians by blocking pavements and public places. Therefore, assigning proper location for street vendors may at least partially address the harassment issue as well.

### ***Assurance of Security***

The life of street vendors is not comfortable and it is full of uncertainties (Bhowmik & Saha, 2012; Mramba et al., 2015). Roever and Skinner (2016) also state that street vendors in many cities operate in uncertain work environments. Bhowmik (2005) identifies the lack of security as the main problem faced by street vendors. Mramba et al. (2015) emphasize the necessity of activities, skills and strategies related to risk identification and risk alleviation since street vendors always deal with various kinds of uncertainties. The security not only for street vendors but also for pedestrians needs to be assured since the individuals on the street are always in danger due to accidents and activities of robbers, burglars and terrorists etc. Street vendors have a reasonable fear concerning what will happen to their family members if some misfortune befall them while being on the road. Therefore, a proper mechanism to

identify the uncertainties and various types of risks and implementation of strategies to mitigate the effect of them would be imperative in assuring the security of the lives of street vendors. The majority of street vendors do not have a regular income. The income is always varied due to demand fluctuation and other external factors as discussed earlier. Due to the lack of a welfare system for senior citizens, individuals who are over 70 years of age also engage in street vending. The insurance companies in the country may utilize this as a marketing opportunity and customize their insurance products to introduce a tailor-made insurance scheme designed for street vendors with the patronage of the government.

### ***Financial Assistance***

By financial assistance, it does not mean any aid or grant to be provided as a donation. Street vendors prefer a bank loan under a concessionary interest rate provided by either public or private bank. The less growth of street vending as a type of business is a severe issue faced by street vendors. Moreover, it has negatively affected the third parties that provide supplies and services for street vendors. Also, steady growth in street vending will positively impact the economy of the country. Accordingly, financial assistance can have a significant effect on the growth of street vending and enhancement of the scope of services rendered by street vendors. Bhowmik (2005) also declares the lack of access to credit as the main problem faced by street vendors in many countries. Moreover, the profit margin of a street vendor is very low since the high percentage of income goes to money lenders. This happens because the working capital needs are fulfilled on informal personal loans by the majority of street vendors. Although many micro-credit and leasing companies operate to facilitate micro and small-scale entrepreneurs, they usually charge very high interest rates and service charges. Moreover, they have imposed very strict rules and regulations that are harmful to the beneficiaries. Therefore, introducing a separate financial scheme under concessionary interest rate and minimum sureties is a severe need for the growth of street vending.

### **Concluding Remarks**

Street vendors can be treated as a valuable resource in a country in terms of their contribution to the economy. Street vending provides an important source of earnings for the unemployed in urban areas (Onyango et al., 2012; Rasanga & Edirisinghe, 2014) while they provide many essential goods at cheaper prices in convenient locations for customers (Bhowmik, 2005; Wongtada, 2014). To some extent, street vendors being self-employed provide a solution for unemployment as well (Bhowmik, 2005; Chauke et al., 2015; Onyango et al., 2012). Therefore, the role of

street vendors cannot be undervalued in the contemporary business context. The street vendors' contribution in the Sri Lankan context is also notable (Rasanga & Edirisinghe, 2014; Rathnayake, 2017), in which the activities of street vendors have spread throughout the country. However, the valuable contribution of street vendors to the economy has not been realized by the authorities. Therefore, street vendors are still treated as an untapped resource since their contribution is not well-absorbed by the country.

This paper identified the specific features of street vending in the context of Sri Lanka. It was stated by the female participants interviewed that there is a gradual increase in the participation of females in street vending in the Sri Lankan informal economy within the last few years. Senior citizens are also engaging in street vending. Currently, child labour has become a severe issue globally (Dash et al., 2018), and one aspect of this is that, in many countries, children are pushed towards street vending due to their socio-economic conditions (Estrada, 2012; Saxe, 1988; Ugochukwu et al., 2012). However, the evidence gathered for this perspective paper revealed that children's involvement in street vending activities is very low in Sri Lanka compared to the high involvement in other countries which is a good indicator of the socio-economic development of the country. Many individuals have selected street vending due to lack of employment opportunities, but their educational background is higher compared to the street vendors in other Asian countries in the region. However, street vendors, as well as street vending activities, are not well-organized and the application of marketing and accounting practices are at a minimal level. The main source of financing was revealed as informal personal loans taken from money lenders.

The main contribution of this paper was identifying and providing new insights into the key challenges faced by street vendors in the context of Sri Lanka. The location issue with lack of infrastructure, less support from the government and other institutions, insecurity and unstable conditions (e.g., changing climate conditions and demand fluctuations), slow growth of the business and lack of financing and less support from banks were identified as the main challenges that have hindered the performance of street vendors. Some previous studies have addressed a single or a few issues faced by street vendors in respective countries (for example, Anjaria, 2006; Carrieri & Murta, 2011; Weng & Kim, 2016). Therefore, this paper provides valuable insight into the major challenges faced by street vendors, which may be applicable for street vendors in other countries as well.



Proper location and infrastructure development, assurance of security, financial assistance and an insurance scheme tailored to the needs of street vendors were identified as the main types of assistance that could help in empowering street vendors. The institutions such as the government, banks and insurance companies can effectively contribute to the process of empowerment of street vendors. Accordingly, banks can provide financial assistance while insurance companies may introduce a suitable insurance scheme for street vendors. The government has the highest responsibility for facilitating proper location, developing infrastructure and assuring security. The microcredit and microfinance concepts introduced by Muhammad Yunus to empower poor women in the villages made revolutionary changes in Bangladesh (Bayulgen, 2008; Khandker, 2005; Pitt et al., 2006; Sengupta & Aubuchon, 2008) and currently, those concepts are immensely practised around the world. Such an initiative can be implemented for street vendors to empower their performance making it another revolution since this phenomenon has not been well-addressed. More importantly, a collaborative approach by the relevant institutions in this regard may have a significant effect on the growth of street vending. The adoption of proper strategies to empower street vendors while minimizing issues and problems confronted by street vendors may help to improve the performance of street vendors. Accordingly, they can contribute further to economic growth while ensuring the economic and social well-being of their families.

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