

Fight for Sustainability: An Analytical Study on Problems Faced By Street Entrepreneurs in Tourism Destinations

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ABSTRACT

Poverty and unemployment are the greatest challenges faced by countries across the globe. Even though the government initiates several policies and programmes, the starvation and struggles among millions of people are continuing. As India is the second most populated country in the world, the job requirements of people are also too high. But the organised segment of our economy is not competent enough to ensure sufficient employment for this rapidly growing job demand. In this challenging situation, the widely flourished tourism destinations in India open up a massive business platform by creating employment opportunities for the informal sector. Within the informal sector, the street vending business is found to be the most popular form of micro-level entrepreneurship. Even though street vendors require huge attention and revival strategies, many of the vendors are still struggling to carry out their business. But very few studies have been found in the entrepreneurship literature which handles the problems of these micro-level start-ups in a tourism destination set up. This research gap is the principal motive behind this present empirical research study where we comprehensively identify and analyse the problems of vendors from social, political, financial, legal, and business dimensions. The primary data has been collected from 68 street vendors who are doing business in Munnar tourism destination in Kerala by applying judgmental sampling method. By using a specially designed interview schedule, in-depth personal interviews were conducted. Descriptive and inferential statistical techniques were used to analyse the data. The study evidence that financial problems and legal issues are dominating among street entrepreneurs, which require immediate revival strategies and attention from authorities.

Keywords: Street entrepreneurs, Street vending business, Tourism, Problems of street vendors, Informal sector employment

1. INTRODUCTION

The Sustainable Development Goal of a country remains unreal until equality and decent working conditions are ensured in its labour market. When addressing and examining labour market dynamics, there is a need to concentrate on topics of justice, sustainability, and inclusiveness. The 'World Employment and Social Outlook: Trends, 2019' published by International Labour Organisation (ILO) clearly evidence that "around 3.3 billion employed people across the globe in 2018 faced insufficient economic security, poor material well-being, and unequal opportunity at the workplace" (ILO, 2019). This poor quality of employment has led people to confront declined per capita income, decreasing purchasing power, and eventually undergo social unrest. The ILO statistics show that around 700 million people are encountering

moderate or extreme poverty globally, even though they have some jobs. It indicates the incapability of our several job segments to ensure economic security for the workers. The critical evaluation of the formal section of the economy reveals that the organised sector alone cannot generate sufficient employment to meet the job requirements of the entire population. In majority cases, people with some level of educational qualification and skills are entering the formal segment and the rest of the population struggles. In this scenario, “the role of the informal sector is very much significant since it could employ more than 60 percent of the world’s population” (ILO, 2018). It is not an easy task to rapidly formalise these workers and ensure decent work for all. The revival measures must be initiated from the root level along with supporting policy measures of the government. Understanding the potential of different industries in the economy in terms of employment generation is crucial while discussing revival strategies for unemployment. In this context, the employment generation potential of the tourism industry is much proved across the globe.

Emerging and developing countries account for 93 percent of the world’s informal employment (ILO, 2018). Since India is the second-largest populated country in the world and an emerging economy, its labour market scenario always attracts global attention. It is not an easy game for India to maintain harmony in the labour market since rising job demand is to be timely addressed along with the population growth. India’s tourism industry is a leading player in reducing unemployment and poverty. The widely flourished tourism destinations in India open up a massive business platform by creating employment opportunities for the people in both formal sectors and as well as in the informal sectors. Within the informal sector, the street vending business is found to be the most popular form of micro-level entrepreneurship. It is the purest form of micro-level self-employment that can be started by the marginalised people without much effort. The street vending business is widely accepted among the rural and urban poor as a means of livelihood since the entry and exit are quite flexible. The limited capital requirement, less compulsion on education and training, and flexible hours of operation make it more attractive. It is the only job segment where equal opportunity is ensured irrespective of gender, age, physical abilities, and other socio- economic characteristics. Through promoting the street entrepreneurship among youngsters and by shaping their marketing skills, the unemployment rate can be reduced to a great extent.

STREET ENTREPRENEURSHIP AT TOURISM DESTINATIONS: AN OVERVIEW

The tourism industry is highly labour intensive and a driving force in job creation. Recently, India is guaranteed to be one of the rapidly growing destinations for tourism and travel. India could attain a perfect place in the world tourism map with its traveler-friendly outlook. As the tourism industry develops, it opens up a comprehensive employment platform for several allied segments like transportation, hotels and restaurants, boarding and lodging, and retail trade, etc. India is a country that is employing around 10 million street vendors, where the majority among them are concentrated in urban and rural tourism destinations. It is because of the broad trade avenue opened before them through the shopping behaviour of tourists. Street vendors usually belong to the informal segment of our economy who are doing business in public streets and pavement in a temporary built-up structure or by carrying the goods as hawkers and peddlers. Their scale of operation is micro or small, which are usually managed by one person or two persons. Street vendors are not merely sellers. Moreover, they are born entrepreneurs with exponential selling potential and skills. For the majority of the vendors, the income from the

street vending business is their primary source of livelihood, and therefore, they continuously make use of each market demand around them for income generation. The street entrepreneurship is entirely different from the corporate form of entrepreneurship in terms of the scale of operation and management. Many of the vendors are showing entrepreneurial expertise without any formal business education. They are learning the basics of business and selling skills from their observation and experience. The basic principles of entrepreneurship are quite visible among the street vendors. Vendors usually clear their stock frequently. Their ability to negotiate is highly appreciable since they make immediate price adjustments after securing their profit margin. At the corporate level, for choosing the location of the business, separate research and development wing is formed, and they conduct a formal market study for several months to select the appropriate place. But in the case of street vendors, the same thing is done by them within a short period by merely looking at market demand and other favourable conditions. Also, they feel flexibility and freedom in decision making related to business operations and relocation of the business to exploit the other available opportunities. Vendors seem innovative in their actions, product compilation, visual merchandising, and activities while dealing with tourists. Different vendors are adopting various methods to catch the attention of the tourists. Risk-taking is an essential feature of entrepreneurs that is visible among vendors. The highest risk afforded by street entrepreneurs is the eviction and confiscation of their goods by the police and authorities for illegally occupying public streets. By taking such a huge risk, the vendors are still struggling to earn their livelihood.

2. REVIEW OF LITERATURE

Street vendors are those individuals selling goods on side-walks without a permanent structure. Local street vendors face a common set of issues ranging from serious property rights to civil harassment (Wongtada, 2014). Economic activities that take place outside formal systemic boundaries is known as the informal sector. The informal sector contributes more than two-thirds of the GDP of India, and micro-entrepreneurs are abundantly found in the informal economy (Abdallah & Eijdenberg, 2019). Informal sector activities consist of self-employed and casual labour. The street vending, a popular form of informal job, provides jobs for low-educated women and migrants (Bhowmik, 2005). Street vending business can be popularised among the youngsters as an entry-level occupation for solving unemployment problems in backward countries (Lyons, Brown, & Msoka, 2014). Efficient market operation requires consistent policies and procedures and fewer obstacles that prevent people from pursuing business opportunities, making the situation more supportive of starting new businesses (Muhammed, Waite, & Wyre, 2019). The government action towards the informal sector is typically not positive but is strongly oppressive and preventing (Illy, 1986). The growth potential of the micro-enterprises is well explained by entrepreneurial orientation. The success and growth of the business are purely influenced by the skills and personality of the owner. Many youngsters prefer to work in the informal to escape from the rigorous legislations and entry-exit restrictions prevailing in the formal sector (Garba, Kabir, & Mahmoud, 2019).

The review of existing literature in the street entrepreneurship evidence that people are moving into street vending business due to necessity-based and opportunistic motives. But after entering into such business, they need to confront challenges from several dimensions continuously. In a tourism destination set-up, the chance for improving the business conditions of vendors is very high. But due to unscientific planning, the vendors are still struggling. The studies exclusively

cater to this issue is found rare, and this research gap is the leading intent behind the present research work.

3. STATEMENT OF THE PROBLEM

Street vendors are an indispensable part of the tourism industry. By introducing several local indigenous products and consumables, they ensure a comfortable shopping experience for the tourists. The hardships faced by millions of street vendors must bring to an end to ensure the quality of employment in the informal sector. Even though the street vendors possess enough entrepreneurial skills, their identity is not getting required acceptance in the formalisation process. In the background of such business, vendors are undertaking huge risks and encounter several uncertainties. Such problems can be viewed from economic, social, political, legal, natural, and marketing dimensions. But very few studies are found in the entrepreneurship literature, which extensively analyses the problems of street entrepreneurs who are doing business in tourism destinations. In this backdrop, an attempt is made here to analyse the problems of street entrepreneurs, which arose due to unscientific planning.

4. OBJECTIVES

The present research work aims to analyse the problems of street entrepreneurs at tourism destinations and also to suggest appropriate measures for ensuring ease of doing their business.

5. HYPOTHESES

The below-stated hypotheses are formulated based on the objectives of the study.

- H1- There exists a significant difference between gender and problems of street vendors.
- H2- There exists a significant difference between the forms of business and the problems of street vendors.
- H3- There exists a significant difference between the experience and the problems of street vendors.

6. METHODOLOGY

The present empirical research work on problems of street entrepreneurs has been studied by collecting primary data. The population of the study consist of street vendors who are doing business at tourism destinations. Since the street vendors are part of the informal sector employment, no specific sampling frame is available, and also the size of the population is vast. Therefore, to fulfill the objectives of the study, purposive sampling technique was adopted to select the sample respondents. The sample respondents were selected from Munnar, a renowned hill tourism destination in South India located in the Western Ghats mountain region. The data has been collected from 68 street vendors who have at least one year of experience in the business. An interview schedule explicitly designed was used for collecting data from the respondents. The data has been analysed using descriptive and inferential statistics.

SOCIO-ECONOMIC AND BUSINESS PROFILE OF THE STREET ENTREPRENEURS

The gender-wise classification of sample respondents shows that out of 68 respondents, there are 37 males (54 percent) and 31 females (46 percent). The majority of the vendors belong to 'above 60' age group (36.8 percent). The lowest number of respondents was in 'below 20' age group, which is found to be 10.3 percent. There was 23.5 percent of respondents belong to the '20-40' age group, and the remaining 29.4 percent were in the '40-60' age group. The descriptive statistics regarding the educational qualification of vendors state that the majority of the vendors (42.6 percent) qualified 'up to primary level' only. Around 27.9 percent of vendors have 'high school' education, and only 8.8 percent have reached 'higher secondary & above'. There were 20.6 percent of vendors who have 'no formal education'. The monthly income-wise distribution of vendors states that around 50 percent of them earn between 'Rs. 5,000 to Rs. 10,000' in a month. About 12 percent of vendors earn 'Rs. 10,000 & above,' and the remaining 38 percent earns 'less than Rs. 5,000' in a month.

Primary data is collected about the business form, the experience of vendors, the regularity of business, and their awareness on the Street Vendors Act 2014 to get an overview of the business profile of the vendors. Street vendors are doing their business in different modes. Unlike typical retailers, every street business does not require a permanent shelter and place. Sellers can move from place to place, depending upon the convenience and market demand. Also, the level of product stock to be kept is comparatively low. In tourism destinations, the vendors do business in different forms, such as unsheltered, temporary sheltered, hawker, peddler, etc. Among the sample respondents, about 53 percent are doing business in 'temporary built-up structure', and 30 percent are in 'unsheltered form'. The remaining 17 percent of vendors are hawkers. Based on the descriptive statistics, it is found that the majority of the vendors (68 percent) have more than six years of experience. Around 19 percent of vendors have '3-6 years' experience. The remaining 13 percent of vendors have experienced between '1-3 years'.

It is to be highlighted here that most tourist destinations have their peak season. It may depend upon the climate, festivals, or similar circumstances prevailing at the destinations. Therefore, the tourist arrivals will be influenced by these seasonal factors, and it ultimately affects the business too. So, it is necessary to understand whether the street vendors set up their business only during seasons or throughout the year. The primary data about the regularity of business states that the majority of the vendors (78 percent) are doing business throughout the year, and the remaining 22 percent are doing business only during seasons. The awareness of the vendors regarding the Street Vendors Act, 2014, was analysed, and the result shows that there is 'nobody' who is fully aware of various provisions in the Act. Around 53 percent of vendors are 'partially aware', and all the remaining vendors (47 percent) are 'not aware' about the Act.

PROBLEMS FACED BY STREET ENTREPRENEURS

Street vendors are the underprivileged section of the informal labour force who are facing job insecurity and risks daily. To promote street entrepreneurship among youngsters and to curtail unemployment, the uncertainties involved in this job segment must be uprooted. The problems of street vendors can be analysed from different dimensions like economic, social, political, legal, natural, and marketing. All such problems are more or less the same for every vendor who is doing business in tourism destinations. Based on the literature and discussion with street vendors, some critical problems are identified, and vendors were asked to show their responses

on a five-point scale anchored from 'Not at all difficult' (1) to 'Very Difficult' (5). Based on the responses collected, the weighted mean is calculated, and the ranks were assigned accordingly. Difficulties concerning product procurement, transportation, storage, bargaining, seasonal imbalance, language problem, promotion strategies, competition, financial issues, and legal issues are considered for the study. The result of the analysis is presented in Table 1 below:

PROBLEMS FACED BY STREET VENDORS

PROBLEMS	MEAN	SD	RANK
Financial Problems	4.79	0.612	1
Legal issues	4.51	0.954	2
Seasonal imbalance	4.49	0.743	3
Price reduction due to the bargaining	4.34	0.217	4
Competition	4.13	0.257	5
Language problem	3.84	0.277	6
Sales promotion strategies	3.35	0.453	7
Storage	3.28	0.464	8
Transportation	2.38	0.435	9
Product Procurement	2.32	0.460	10

(Source: Result of analysis of primary data)

TABLE NO 1

The above analysis clearly states that financial problems are dominating among street vendors since it is ranked first. The legal problems are ranked second, followed by seasonal imbalance. The problem of bargaining, competition from co-vendors, language problems, and sales promotion techniques have an average ranking. The storage of products, transportation, and product procurement is not a critical issue for street vendors in tourism destinations since they are ranked last.

TESTING OF HYPOTHESES**GENDER AND PROBLEMS**

An 'Independent sample t-test' is carried out to analyse whether the problems significantly varies across male and female vendors, and the result is shown in table 2 below:

RESULTS OF INDEPENDENT SAMPLES T-TEST ON PROBLEMS OF VENDORS: GENDER WISE ANALYSIS

		LEVENE'S TEST FOR EQUALITY OF VARIANC ES FSIG.		T-TEST FOR EQUALITY OF MEANS						
				T	DF	SIG. (2- TAILED)	MEAN DIFFERENCE	STD. ERROR DIFFERENCE	95% CONFIDENCE INTERVAL OF THE DIFFERENCE	
									LOWER	UPPER
Problems	Equal variances assumed	2.9	.042	-.622	66	.036	-.09085	.14599	-.38233	.20064
	Equal variances not assumed			-.635	66	.028	-.09085	.14304	-.37646	.19477

Source: Result of analysis of primary data

TABLE NO 2

Results of the analysis shows that, Problems: $t(66) = -.635, p = .028$

Since $p < 0.05$, the value for this variable read from the second row. This establishes that problems significantly vary across male and female vendors, and hence, the first hypothesis of the study (H1), 'there exists a significant difference between gender and problems of street vendors' is accepted.

FORMS OF BUSINESS AND PROBLEMS

To check whether there is any significant difference in problems faced by street vendors who are doing business in different forms such as unsheltered, temporary sheltered, and hawker, a One-Way ANOVA is carried out, and the results are shown in Table 3 below.

VARIATION IN PROBLEMS FACED BY STREET VENDORS BASED ON THE FORMS OF BUSINESS: RESULTS OF ANOVA

		SUM OF SQUARES	DF	MEAN SQUARE	F	SIG.
Problems	Between Groups	2.251	2	1.125	3.384	.040
	Within Groups	21.617	65	.333		
	Total	23.868	67			

Source: Result of analysis of primary data

TABLE NO 3

From the above results of ANOVA, calculated at 5% significance level, it is inferred that there is a significant difference in problems faced by street vendors who are doing business in different forms since $p < 0.05$. Therefore, the second hypothesis of the study (H2), 'there exists a significant difference between the forms of business and the problems of street vendors' is accepted.

EXPERIENCE AND PROBLEMS

In order to identify whether there is any significant difference in problems faced by street vendors who have different years of experience, a One-Way ANOVA is carried out, and the results are shown in Table 4 below.

**VARIATION IN PROBLEMS FACED BY STREET VENDORS BASED ON
EXPERIENCE: RESULTS OF ANOVA**

		SUM OF SQUARES	DF	MEAN SQUARE	F	SIG.
Problems	Between Groups	4.614	3	1.538	5.113	.003
	Within Groups	19.253	64	.301		
	Total	23.868	67			

Source: Result of analysis of primary data

TABLE NO 4

From the above results of ANOVA, calculated at 5% significance level, it is found that there is a significant difference in problems faced by street vendors who have different years of experience since $p < 0.05$. Therefore, the third hypothesis of the study (H3) 'there exists a significant difference between the experience and the problems of street vendors' is accepted.

7. FINDINGS AND DISCUSSIONS

The participation of women in street vending business is found to be abundant in tourism destinations as the entry-exit restrictions are minimal. Women can easily manage such business along with their household works and can take care of their children as the business timings can be altered according to their convenience. Since the government is promoting women-led start-ups, this business opportunity can be effectively utilised for their upliftment. This job ensures livelihood options for every age group since it is seen children to elders on the same platform. A significant shortcoming noticed among the vendors is the lack of educational qualification. Many

of the children are supposed to join in the vending business along with their parents as a hereditary job without preferring formal schooling. The background reason behind this is the lack of sufficient schools in remote hill destinations and the poor income background of the parents. Children are required to travel long kilometers to reach the school. Therefore, by considering this travel inconvenience and cost of travel, many of them are dropping the school education and willing to engage in low paid jobs. This trend is continuing for several years, and ultimately, the hill population remains underdeveloped.

The business environment is a mixture of specific opportunities and threats. Like all other businesses, street vendors are also encountering several internal as well as external problems and

risks daily. The analysis evidence that financial problems are the highest difficulty faced by street vendors. The availability of credit, unaffordable interest charges, low profitability, increased cost of living, price reduction due to bargaining, compelled collections are the main reasons for financial issues. That is, all other difficulties ultimately end in financial distress. The legal issues are ranked second. It includes proceedings from local authorities, police

intervention, eviction and confiscation of goods. These are significant concerns not only in tourism destinations but also in every street vending location. The dispute arises because the vendors occupy the public streets and footpaths. Even though this matter is subject to several disputes, an amicable solution is not found out in majority cases.

Seasonal imbalance affects business in tourism destinations. It is because the majority of tourists are visiting locations only during peak seasons. So vendors can expect huge sales during this seasonal timing only. During off-seasons, the earning is meager, and vendors are supposed to depend upon other jobs for maintaining their livelihood. The next issue is bargaining by tourists.

It is a common part of the street vending business. Tourists usually bargain for street vended products. Many at times, the sellers give the product on discount, which affects their profit. So, many sellers initially say an increased rate by forecasting the chance for bargaining. Storage is not a big issue for many of the sellers because they do not keep much stock. This helps to ensure

damage-free products. The personal interview with vendors evidence that transportation is not a big issue for the majority of them. It is because the suppliers directly distribute the required products in the place of business in pre-scheduled dates every week. Therefore, transportation and product procurement are not severe problems.

8. CONCLUSION

The problems faced by street vendors are widely discussed issues in the informal sector. The drastically increasing unemployment issue can be resolved to a great extent by solving problems of street-entrepreneurs who are doing business in the tourism industry. The problems and concerns of vendors are to be immediately addressed, along with tourism planning initiatives. Through implementing schemes for providing credit facilities at affordable interest charges and

with minimum formalities is a practical solution for solving financial distress. This can be done by making tie-ups with banks and other authorised financial institutions. Special vending zones and business places are to be allocated in tourism destinations for street vendors for reducing conflicts regarding illegal public space utilisation and eviction. The police intervention and legal

proceedings must be initiated before ensuring alternate rehabilitation of vendors. Otherwise, the problem will continue endlessly. For improving the educational qualification of this rural population, schools and skill development centers are to be established at approachable distances

so that the younger generation will be enriched with professional understanding regarding business and basic literacy. It is also proposed that while making policy formulations in connection with tourism planning, the authorities must take into account the suggestions made here. The informality of the street vending business is to be tackled urgently to resolve the complexities of this sector and ensure easiness in doing business. If these problems can be solved, the street vending business will grow as an entrepreneurial occupation in the future and will secure the lives of millions of poor people in the country.

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