

Entrepreneurial Ecosystem and Tourism Promotion of the Destination:
The case of Fortkochi Street Vendors

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Abstract

The Entrepreneurial Ecosystem is a widely discussed area in the modern research scenario but not much attention is given to the entrepreneurial ecosystem of marginal sections of the society who take the role of street vendors or informal entrepreneurs. The National Association of Street Vendors of India (NASVI) is established to bring various street vendor organisations together to protect the livelihood rights of millions of street vendors in India. A national level institution was formed because of the socio-economic impact of street vending and considering the importance of informal entrepreneurship for those who find difficulty to enter into the formal sector. Moreover, Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014 was established to provide further protection to their rights. Informal Entrepreneurs are particularly important in promoting tourism industry as they sell indigenous goods in a way that attract tourists. The goods are also available at an affordable cost. However, the authorities find these vendors as a threat to the tourism environment of a destination. Ultimately the creation of an entrepreneurial ecosystem for the informal entrepreneurs is of paramount importance for balancing the needs of both the vendors and authorities. Being a Biennale City, heritage destination and tourist prone area with large number of street vendors, Fortkochi is selected as the study area. The major focus of the study is to understand the current entrepreneurial ecosystem of street vendors at Fortkochi, their role as entrepreneurs in tourism promotion of the destination and to suggest ideas for the creation of a better entrepreneurial ecosystem considering the predicaments of street vendors.

Keywords: Entrepreneurial Ecosystem, Informal Entrepreneurs, Street Vendors, Predicaments, Tourism Promotion.

I. INTRODUCTION

Entrepreneurial Ecosystem is an important concept as far as the growth of the entrepreneurs is concerned in the modern dynamic society. It refers to all the factors in a region that either enables or hinders the entrepreneurial development. The term ecosystem in entrepreneurship refers that the firm in an environment depends on the unique social, cultural and even institutional parameters pertaining to that environment and if the ecosystem is strong in a

positive manner it can contribute to the growth and success of the entrepreneurs (Jha, 2018). The term ecosystem was first introduced in entrepreneurship by Bahrami & Evans (1995) in the context of Silicon Valley, California entrepreneurship community based on the notion that entrepreneurship depends on the environment it operates. Later on effort was made by the researchers to understand the components constituting Entrepreneurial Ecosystem. The Entrepreneurial Ecosystem mainly consists of six domains such as supporting policies, availability of finance, availability of human capital, cultural elements, institutional and infrastructural support and congenial market (Isenberg, 2011). The needs of the entrepreneurs, their access to resources and even the support structure is different in different regions or ecosystems (Margaret Cowell, Sarah Lyon-Hill, 2017). "Over the past two and a half decades scholars have focused their attention on large established ecosystems, primarily in developed markets, and used the study of these ecosystems to identify key components of entrepreneurial ecosystems" (Roundy, 2016).

In short the research in Entrepreneurial Ecosystem revolves around the formal economy of entrepreneurship. The informal entrepreneurs like street vendors are often regarded in negative terms as insignificant people in the entrepreneurial economy. Significant or not the creation of a positive ecosystem is also crucial for informal entrepreneurs especially street vendors to enable them a congenial environment for survival and growth. Street Vendors are also entrepreneurs who provide goods and services in the street without having a permanently built structure. The disadvantage of not having a permanently built structure often makes them most vulnerable section of entrepreneurship economy.

Government of India defines street vendors as "A street vendor is broadly defined as a person who offers goods for sale to the public without having a permanent built up structure but with a temporary static structure or mobile stall (or headload)" (*National Policy On Urban Street Vendors*, 2004). The street vendors also play an important role in the socio-economic structure of the society. Apparently considering the importance of street vendors the National Association of Street Vendors of India (NASVI) was formed in 1998. "The main objective behind establishing NASVI was to bring together the street vendor organizations in India so as to collectively struggle for macro-level changes which had become imminent to support the livelihood of around 10 million vendors which stand severely threatened due to out-dated laws and changing policies, practices and attitudes of the powers that be" (National Association of Street Vendors of India- NASVI). Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014 further stated the importance of protecting the rights of street vendors. Even then the street vendors are still considered to be vulnerable sections and as threat by the authority. Moreover, the case of street vendors as entrepreneurs is often disregarded in research. Ultimately this study tries to establish that concept of entrepreneurial ecosystem is also important as far as informal entrepreneurs like street vendors are also concerned specifically the vendors located at tourism destination who plays an important role in tourism promotion of the destination.

In a nutshell, this paper is an effort towards understanding the current entrepreneurial ecosystem of street vendors and to make suggestion towards the same in order to facilitate tourism promotion of the destination. The context for this study is Fortkochi, famous heritage destination of India which is also occupied with large number of street vendors. The study mainly focuses on:

- To understand the current entrepreneurial ecosystem of street vendors and their role in tourism promotion at Fortkochi.

- To suggest ideas to create a better entrepreneurial ecosystem for street vendors at Fortkochi considering their predicaments.

II. METHODOLOGY

The study used existing literature to get an idea on entrepreneurial ecosystem concept and life of street vendors in general. It also follows a qualitative approach with a semi-structured interview of 17 representatives of street vendors at Fortkochi to get an idea on their entrepreneurial environment and predicaments. The interview followed a narrative approach where representatives of vendors were asked about the entrepreneur life as street vendors at Fortkochi and narrated their experiences. This was followed by a non-participant observation to get further insight on their role as entrepreneurs in tourism promotion of the destination. The sampling method is purposive sampling where representatives who were willing to provide information in general were purposefully included in the study as sample. The data is evaluated to draw meaningful and practical suggestions balancing the needs of both street vendors and the authorities.

III. DISCUSSION – THE CASE OF FORTKOCHI STREET VENDORS

Entrepreneurial Ecosystem and Predicaments

Fortkochi is a famous heritage city in Kerala which got wider attention with famous contemporary art exhibition of South Asia which is termed as Kochi Muziris Biennale(The New Indian Express, 2016). The Kochi city is also occupied with a lot of street vendors(T.C Sreemol, 2017) and being a tourist destination, Fortkochi is also an attractive spot for street sellers. The street vendors at Fortkochi are doing business area wise at Jhankar Jetty, Corporation Zonal Office, Vasco da Gama Square, St Francis Church and the police station with temporary set ups. The vendors at Fortkochi can be categorised as food items vendors and non-food items vendors. Some areas are occupied by non-food items vendors alone dealing mainly in handcrafted items. Those vendors are working in a harmonious manner helping each other in their sale.

The vendors interviewed had same opinions to share regarding their entrepreneurial life in general and predicaments. The question of why street vending business was answered without any hesitation as they had no other option for their livelihood. In the opinion of a juice vendor:

“We couldn’t find any other job due to lack of proper education. We had to do something for livelihood. No money for a better business set up. So we ended up in street selling”

The major source of capital for street vending is borrowed money. The majority borrowed from money lenders and had to bear with the disadvantage of huge interest payment. The formal sector of money lending is not easier for people like them to meet their timely needs. A vendor dealing in clothes and jute bags said:

“We all started our business with borrowed capital. Some had small savings but major part is borrowed capital and that too from money lenders with huge interest. Formal sector is not easy for us. We have urgent needs, we are still in debt and the funny part is we still borrow money to meet our interim needs. That’s our life”

Most of the vendors at Fortkochi have been in street business at the place for more than 10 years. Regarding the question of growth expectations of their business they don't expect much rather than getting a stable environment with a permanent vending zone. They have been doing business in the same area for years but still not allotted a permanent spot legally. The vendors started applying for a vending zone years back i.e. once they had a better rooting and they submit application almost every year. But still not much is happening in this regard. As part of the implementation of Street Vendors (Protection of livelihood and Regulation of Street Vending) Act, 2004, the Cochin Corporation conducted a city wise survey in 2017 and ID cards were allotted to street vendors at Fortkochi. As part of the same, the demand for a permanent zone was also tried to be addressed by allotting the space for a food court in the Dutch Cemetery area, but the zone is not good for business according to vendors. This is the case of registered vendors. They got vending zone but most of them relocated from the allotted place due to lack of business.

The benefit from the street vending was another area of concern. The vendors in general were happy with the sale they get from Fortkochi. However the sourcing of goods is on a credit basis and sometimes the sale may not be sufficient and even end up in loss. Apparently they get money to run their daily errands alone. The vendors are not having any savings out of street selling. Moreover the instable atmosphere with yearly eviction process makes them more debt prone and it is the major issue they expect to be solved to get a better contribution out of their venture.

Regarding the predicaments, the vendors only had to talk about eviction problems that are happening almost every year. A vendor who got evicted from one side of the road to the other in St.Francis Church area talked about his experience:

"The eviction happens almost every year. It's like a routine activity for the authority. Actually we were having shops at both sides of the road at this area. We ended up to one side of the road for the development of the parking space you could see right now. We are not against development. The only thing we need is a permanent location which is suitable for our business. We protest only for our survival. We hope authorities would understand the same"

The reason for the eviction by authorities is the thought that non-genuine street vendors hinder the growth of tourism at heritage destination like Fortkochi. But very often genuine vendors fall victim of the eviction process. The rehabilitation is also not done properly. Ultimately the lack of proper survey of genuine and non-genuine vendors is an issue of concern.

The eviction is considered to be a problem for instability in their business as well as personal life. The eviction along with lack of permanent vending zones makes them more vulnerable both financially and mentally. So they don't have much expectation with regard to their future. Regarding the future expectations, one vendor commented:

"We live amidst uncertainties hoping for an eviction procedure every year. The eviction is really unbearable for us. We will be out of our job for more than one month with no help from the Government to meet our needs. We fight with the help of the Association we have. After One to two months, everything will be back to normal. The only thing is we will be vulnerable both financially and mentally and we will have to set up our shops again with borrowed money. So eviction is the reason we don't have any money as savings. So we don't expect much for our future rather than hoping for a solution of our permanent zone issue"

One of the problems of street vendors in general is the additional cost in terms of rent, daily fees or even bribes and extortions of local policemen. However the vendors at Fortkochi are not experiencing any such problems. The local policemen are not creating any problems for them at all times other than at the time of eviction. The policemen confiscate the goods of the sellers to meet the higher orders and give the goods back when everything is back to a normal stage. Unfortunately the returned goods may not be in saleable form especially perishable goods. In short, other than the problem of confiscating goods at the time of eviction, the vendors don't face any fees or bribe issues from the local authorities.

The part time vendors who are not genuine street sellers are also a threat to the genuine ones. They have a regular job of other kind and would come at the place to do street selling. The vendors are not having any idea about the competition they have and when new encroachers come into the picture it create more problems to the genuine vendors as a whole. Furthermore it could also be observed that street lights are not working at some prominent areas of Fortkochi. The vendors use emergency lamps to do their business at night.

Role of Street Vendors in Tourism Promotion

It could be observed that the street vendors give life to the Fortkochi Street. The Tourists get attracted to the indigenous handicraft items and are happy to do shopping at Fortkochi due to its affordability. Street food could also be considered as a resource in tourism (Trafialek et al., 2017). The food items vendors at Fortkochi also play an important role due to unavailability of drinking water facility or a public tap. The tour guides bring tourists to the street vendors to have a shopping experience. The tourists very happily purchase items from the vendors. The Fortkochi without the street sellers could be unattractive as shopping is an important element of traveller's experience. In short to get the experience of street food and affordable shopping, we need street vendors. A food items vendor commented:

"We are actually helping authorities. The tourists need water and we provide them with the same. Moreover street food experience is a different one. We are actually needed. Don't you think?"

The Non-food vendors also bragged about their role in tourism promotion. One of the vendors said:

"How can Fortkochi be a tourist destination without a shopping experience? We vendors are the ones making the place more attractive to a complete tourism destination"

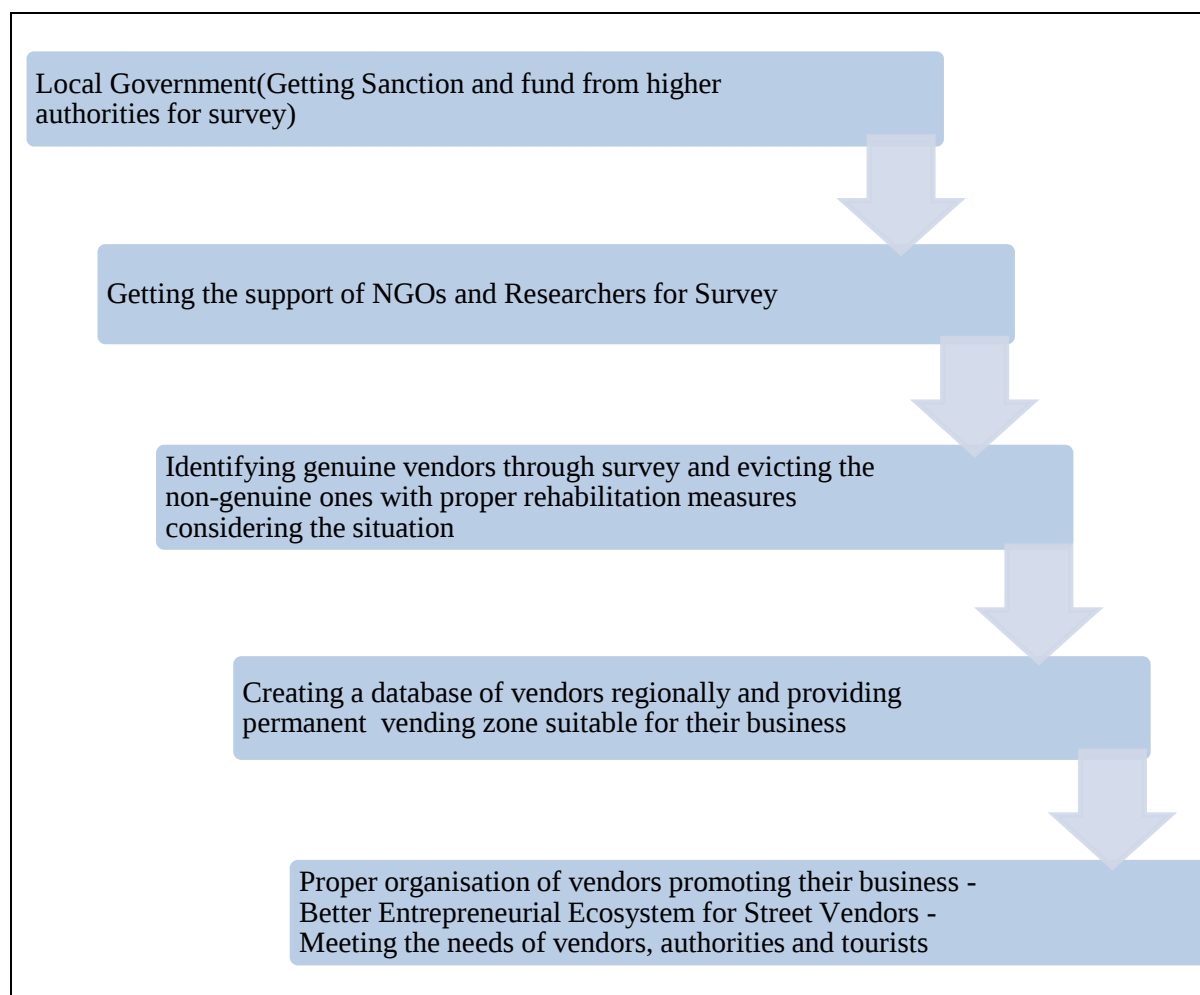
The participation of informal sector in tourism specifically street vendors can further improve the contribution of tourism in reducing poverty (Truong, 2018).

IV. CONCLUSION

It is observed that the street vendors play an important role in tourism promotion of the destination. However balancing the needs of the authorities and vendors is a difficult task. Authorities are concerned about vendors hindering the tourism growth of the destination whereas vendors are deprived of better entrepreneurial ecosystem. It is very difficult for the street vendors to cope up with the ever changing political environment(Shuru Zhong, 2017). The authorities should understand the fact that street selling is needed for tourism promotion and they should not evict vendors without in-depth survey of genuine and non-genuine vendors. The sellers especially tourism oriented sellers can be persuaded to attend

entrepreneurship promoting ventures only with an offer of permanent license, vending zone and even promise of harassment free environment but these efforts too are in vain as the vendors are doubtful towards those promises (Bromley, 2000).

So conducting an in-depth survey of genuine and non-genuine vendors is the need of the hour. Only then the genuine vendors could be provided with growth oriented entrepreneurial ecosystem. Organising the existing genuine vendors by providing them with a permanent vending zone can avoid new encroachers and can also create a better atmosphere promoting tourism. This is where the research plays an important role. The authorities could get the help of researchers and NGOs to get the survey done in a manner meeting the objective of identifying the genuine vendors to make sure they don't fall victim of eviction. Develop an entrepreneurial environment with permanent zones for the identified vendors. Finally the vendors get an ecosystem promoting their growth and this atmosphere can further lead to expansion of their business. The creation of an entrepreneurial ecosystem with a stable and problem-free environment further creates an opportunity for vendors to become successful entrepreneurs in future. This is explained through the following conceptual framework:



Conceptual Framework Created by the Researcher

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