

An Analysis of Urban Informal Economy in Mysore City: A Comparative study of Street Vendors and Food Processing Workers.

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Abstract: The present study deals with the assessment of role of urban informal economy in Mysore city considering street vendors and food processing workers. A total of 302 respondents were selected through stratified random sampling of which were 159 were street vendors and 143 were food processing workers. The data were collected through a semi structured questionnaire consisting information regarding investment, expenditure, profit etc. The data were analyzed through both descriptive and inferential statistics. Results revealed that on the whole, majority of the sample selected had buying price of less than Rs.50 and very few of them had buying price more than Rs.100, food processors indicated lesser buying price compared to street vendors. In the case of selling price also, majority of the total sample selected had selling price less than Rs.50, and food processors sold their products for lesser amount than street vendors. Most of the sample selected on the whole had their expenditure below Rs.15, 000, further; the expenditure was less for street vendors compared to food processing workers. Majority of the sample selected had their net income below Rs. 15,000, and street vendors had lesser net income compared to food processing workers.

Key words: Urban Informal Economy, Street vendors, Food processing workers

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I. Introduction:

Any country's overall development depends on its own formal and informal economy, because these economies are the back bone of the National Income output, Employment and the Status of the Country. These economies play a significant role in the economic development of all the countries.

The Economic activities conducted in unorganized sector in the national economy constitute informal economy. It is a system of trade or economic exchange used outside state controlled or money based transactions practiced by the most of the population. It includes barter of goods and services, mutual self-help, odd jobs, street trading and other such direct sale activities.

The concept of informal economy was introduced by Keith Hart in 1973. He described a part of the urban labor force which works outside the formal labor market as Informal Economy (Hart, 1973), since the concept came to light when Sindzingre argued that scholars have subjected the concept to lightly heterogeneous phenomena, measurement methods and different definitional terminologies (Sindzingre,2004), so the informal economy is also called irregular economy, underground economy, invisible economy, hidden economy, non-official economy, imperfectly recorded in the official national accounting system. These different terminologies show that no single definition of informal economy could serve different fields. The Major attraction of the Informal Economy is financial. It allows employers, paid employees and self-employed to increase their take home earning or reduce their costs by evading taxation and social contributions.

The labor force working in informal sector may be called as informal workers. The informal economy plays an important role. It provides jobs and reduces unemployment and under employment but in many cases the jobs are low paid, the job security is poor and there is a lack of social security measures. It bolsters entrepreneurial activity, but at the deterrent of state regulations compliance, particularly regarding tax and labor regulations. It helps alleviate poverty.

Street vendors are the persons who offer goods and services for sell to the public at large without having a permanent space to build up structure from which to sell. They are not only sold their products (goods) in footpaths but also moving door to door in every street of the urban cities.

Street vendors are an integral part of urban economy around the world. They are known from ancient times. They sold goods and services in the streets of a town and villages. In Vijayanagar Empire street vendors

sold gold and gems on the streets. Urban vending is not only a source of employment but also provides 'Affordable' services to the majority of urban population. Around 10 million of vendors in India are surviving their livelihood from this profession. As per national policy for urban street vendors it is estimated approximately about 2 percent of the populations of a metropolis are street vendors (Bhowmik, 2005). There is fast growing evidence suggested that the capacity of creating employment in formal economy in India has declined. On the other hand, the informal economy is multiplied and today it comprises between 50 to 80 percent of newly created jobs (Himanshu, 2017). It should be noted that the service rendered by street vendors not only serve for employment services but also helps the urban population who get benefited by receiving goods at low prices. It is sad that this group of vendors got no legal status hence they are the one who get constantly harassed by authorities.

The food processing workers usually work on a fast moving production line, which has food passing along conveyor belts and through different stages, such as mixing, cooking and packing. They work with frozen, canned, baked, dried, or pasteurized products. They also follow producers and work quickly in order to cater to the needs of the customers. The food processing workers obtain formal and informal training in food manufacturing sector. They are responsible for the health and safety of those who consume the foods they prepare. In the present investigation, the status, problems and prospects of street and food processing workers in Mysore city were examined by the researcher.

The informal workers operate their business outside regulation of the government and often employing family workers. The wages in the sector are very low. These workers must compete with the formal sector like shops, malls, stores, sale markets, super markets, mini markets, transportation etc. They provide strong backward linkage to the formal sector buying their manufacturing and raw materials.

They do not require a lot of capital investment into their business. They likewise get a harder time to get credit or loan from various sources. These people get their loan from small time collectors, some co-operative communities, money lenders, private brokers and entire merchant with high rate of interest per month for their day to day turn of the business. They do not know about the advantages accessible from the government. They also get their daily loan from account in the first part of the day and reimburse the loan at night with the high rate of interest.

The informal sector comprises of production/ manufacturing or various business units that employ fewer than 10 people. It involves agricultural activities, for example, planting and reaping of yields and exercises united to agribusiness, for example, forestry, animal husbandry and different exercises that utilize family labor. Non- farm (Non-agricultural) exercises, for example, rural crafting, village industries, small business units in rural and urban regions that utilize fewer than 10 people form a part of the informal sector.

In India, informal sector are the main means of business. Around 90% of nation's working populace is utilized in the unorganized sector. Inside the unorganized sector, agri business contributes the biggest portion of business. It represents almost 52% of absolute work in the nation. Exchange, transport, the travel industry, restaurants and so on, that are run on a small scale and likewise give employment in the unorganized sector. An ongoing report of the national commission for enterprises in the unorganized (NCEU) part by the government of India found that 86% of the total work in 2004-5 was the informal sector. The international labor organization (ILO) has said in its recent report that 81% population in India is in the informal sector. Among them 80.7% men and 81.6 females earn their livelihood through business in the informal sector (ILO, 2018).

Urban informal economy is very significant in economic sector in terms of National Income but it has low productivity and the problems are more in this sector. The available studies relating informal economy are in general, micro level studies are scanty. Few studies focused on the employment and income in the urban informal economy and socio-economic status of the urban informal workers. There are lack of studies to analysis informal workers, business activities, financial support, income and problems faced by street vendors and food processing workers in Mysore city. Hence this study has been taken to fulfill this gap. It also explore to analysis in term of level of income and expenditure, therefore the study becomes prime important as it attempts to explore how the financial support is being operated among informal workers so the study will definitely throw the light on this aspect of the urban informal workers in Mysore city. The present study is aimed to focus on these areas.

The current study is to understand the role of urban informal economy in Mysore city by comparing street vendors and food processing workers.

Sample:

The study sample consists total 302 individuals divided in two groups namely food processing workers (143) and street vendors (159) The food processing workers groups consist of individuals working in a food packing services like ready to eat (veg & Nonveg), Gobi Manchurian, Panipuri, VadaBajji and other dry snacks. The street vendors covered from vegetable, spinach, fruit, footwear, plastic vendor to steel and furniture vendors who sell their goods in the street.

Tools employed:

1. **Self-attested demographic questioners:**

The self-attested demography comprised of questions regarding the name, age, sex, domicile and place of study.

2. **Interview Questionnaire to understand contribution of vendors for informal economy growth :**

It consist of questions regarding the rent, rate of interest, buying price, selling price, loans acquired, profit made, and other sources of income.

Procedure:

The data collected by the researcher were tabulated and fed to the computer. Both descriptive and inferential statistics were applied for the data collected. Descriptive statistics included frequency and percentages, whereas contingency coefficient test was employed as inferential statistics.

Tables 1 and 2 present the results with necessary statistics for investment, marketing, expenditure and income and comparison between street vendors and food processing workers.

II. Results:

Table 1

Distribution of the selected sample of street vendors and Food processing workers by buying Price of goods with Selling Price and results of Cramer's V test

Amount in Rs		Buying Price of goods Rs			Selling Price of goods in Rs		
		Groups			Groups		
		SV	FPW	Total	SV	FPW	Total
0 – 50	F	94	115	209	78	97	175
	%	59.1	80.4	69.2	49.1	67.8	57.9
51-100	F	33	18	51	34	28	62
	%	20.8	12.6	16.9	21.4	19.6	20.5
101-150	F	11	3	14	19	7	26
	%	6.9	2.1	4.6	11.9	4.9	8.6
151-200	F	14	5	19	13	6	19
	%	8.8	3.5	6.3	8.2	4.2	6.3
200 and above	F	7	2	9	15	5	20
	%	4.4	1.4	3.0	9.4	3.5	6.6
Total	F	159	143	302	159	143	302
	%	100.0	100.0	100.0	100.0	100.0	100.0
Test Statistics		CV= .638; p=.001			CV= .223; p=.005		

In the case of buying price; the majority of the sample of 69.2% was buying their goods in the range of Rs.0-50. In which a majority of 80.4% were the food processing workers; followed by 16.9% have bought their goods in the range of Rs.51-100 in which the street vendors have a majority of 20.8%. Only 3.0% of the selected samples have bought goods at the range of above Rs.200. The Cramer's V showed a significant association between the groups and their Good's price (CV = .638; p=.001). From the table it is clear that food processors bought the items for lesser pricing compared to street vendors.

About 57.9% of the population has kept the selling price in the range of Rs.0-50 wherein, a majority food processing workers were in majority with 67.8%. Followed by 20.5% have kept in the range Rs.51-100 in which the street vendors have a majority of 21.4%. Only 6.3% of total sample had selling price exceeding Rs.151-200. The Cramer's V showed a significant association between the groups and the selling price of the given sample (CV = .223; p=.005). This indicates that selling price was lesser for Food processing workers compared to street vendors.

Table 2

Distribution of the total sample by total expenditure with Net Income and results of Cramer's V test

Amount in Rs		Total expenditure (in Rs.)			Net Income (in Rs)		
		Groups			Groups		
		SV	FPW	Total	SV	FPW	Total
Up to 5000	F	38	15	53	42	8	50
	%	23.9	10.5	17.5	26.4	5.6	16.6
5001-10000	F	33	48	81	40	35	75
	%	20.8	33.6	26.8	25.2	24.5	24.8
10001-15000	F	21	20	41	34	45	79
	%	13.2	14.0	13.6	21.4	31.5	26.2
15001-20000	F	21	16	37	11	13	24
	%	13.2	11.2	12.3	6.9	9.1	7.9
20001-25000	F	17	20	37	9	14	23
	%	10.7	14.0	12.3	5.7	9.8	7.6

25001-30000	F	16	19	35	10	13	23
	%	10.1	13.3	11.6	6.3	9.1	7.6
> 30000	F	13	5	18	13	15	28
	%	8.2	3.5	6.0	8.2	10.5	9.3
Total	F	159	143	302	159	143	302
	%	100.0	100.0	100.0	100.0	100.0	100.0
Test Statistics		CV=.235; p=.010			CV=.293; p=.001		

From the above table it is clear that the total sample of 26.8% had a total expense between Rs. 5001-10000 and we find more of food processing workers in this range of expenditure, followed by 17.5% with an expense up to Rs.5000 while we find more of street vendors in this range of expenditure. Only 6.0% of the total sample claimed to have more than Rs. 30000 expenses. The Cramer's V showed a significant association between the groups and the total expense (CV =.235; p=.010).

Whereas in regard to the income aspect, about 26.2% of the total sample are earning about Rs. 10001-15000 Net Income, furthermore we find more of food processing workers acquiring net income in this range; followed by 24.8% of the sample earning between Rs.5001-1000 in a month of which more of street vendors acquire income in this range. Only about 9.3% earn more than Rs. 30000 a month. Further the Cramer's V showed a significant association between the overall sample and their net income (CV = .293; p= .001).

III. Discussion

Major findings

- On the whole, majority of the sample selected had buying price of less than Rs.50 and very few of them had buying price more than Rs.100, food processors indicated lesser buying price compared to street vendors
- In the case of selling price also, majority of the total sample selected had selling price less than Rs.50, and food processors sold their products for lesser amount than street vendors.
- Most of the sample selected on the whole had their expenditure below Rs.15, 000; further, the expenditure was less for street vendors compared to food processing workers.
- Majority of the sample selected had their net income below Rs.15,000; and street vendors had lesser net income compared to food processing workers.

Grace (1986) in his examination "Street Vendors of Ready to-Eat Food: As a Source of Income and Food for Low Income Groups", has mentioned that the day by day total compensation of the food vendors extended from a meager of 10 every day to as much as 500 every day. Food vendors were seen as a source of family meals to the person owning the business. Majority of the persons were married. They were pay workers and sometimes the only ones who provided food to the family. The distributing places were congested and pothered. The distributing activity was helped by their family or some friendly people. The sellers sold food each day of the week, placing in at least 12 hours of work for every day. The working capital was taken from the operator's personal funds.

Vashit (1990) in his article "Informal sector - A Tool for Poverty Eradication", states that the significance, definition and the issues of informal sector. In a developing nation like India, where the weight of population is in general on the expansion, the improvement of the informal sector can go far in business age and subsequent eradication of poverty. The author advances a couple of proposals for promoting this sector. The sector needs solid help from the government as far as product promotion program, entrepreneurial improvement, sponsorships and incentives.

Parthasarthy (1996) mentioned in his article "Unorganized Sector and Structural Adjustment" the issues of relative effectiveness of the formal and the informal sectors, the misuse of unorganized sector by the organized, and the huge hole between the profession and the performance in relation to public support to the informal sector. This investigation likewise centers on the unfavorable ramifications of basic modification for the informal sector and Street food vendors, the unprotected and neglected laborers who sit and toil on the platform or in a densely populated area to sell their food product.

Nidan (2002) in their article "National Alliance of Street Vendors", report that there is a steady fear of eviction, abuse by police authorities, civil specialists and extortionists in the face and the eyes of street vendors. Sellers were usually the same as in different roads. Amritsar, a blend of old and new architecture has numerous old back streets where it is incomprehensible for anybody to stand, yet sellers utilize that little space for their business. The strength of street vendors is close around 2000 and just 1500 are organized. They face harassment from police and Civil specialists. In Gurdaspur they are harassed by administration and further more by robbers. The national alliances of Street vendor's activists help these sellers and brief them on their targets and exercises. It is an association created to support them in times of difficulties.

IV. Conclusion:

Street Vendors and food processing workers are the integral part of human society. These people are to be looked after by the individuals, group and communities. Even though they have this type of occupation, their day to day life is not safe. Government should take active roles to implement the policies effectively which they have made Ashokkumar M J and Dr. V Shanmugam (2020). Hence, the government should look in to the problems of the street vendors and food processing workers in each and every corner of life. The Street Vendor Act 2014 aims to protect and promote a conducive environment for the street vendor's and food processing worker's activities and livelihood. And professional social workers should take it as their duty and obligation to work for the well being of the Street Vendors and food processing workers.

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