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Potential and Challenges of SSE Initiative for Informal Street Trade

Case Study of Two Indian Cities

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Abstract

The main intent of this paper is to illustrate the relevance and challenges of SSE approach for managing the informal street trade. This paper argues that SSE with its expanded notion of economy can be instrumental to mainstreaming informal street trade, as an alternate economic form. Informal street trade being an issue of political economy, social development and economic purposes, needs SSE approach as it does not reduce the economy to market alone. Also, SSE focuses on community and civil society as economic partners and therefore, offers appropriate framework for street trade, which began to organize through civil society movements. However, it also contends that the transition to SSE would require stakeholders from different spheres to converge together in strategic alignment. Based on two case studies, it is found that in the absence of a regulatory system, various stakeholders in street trade sector have worked out informal mechanisms to serve mutual interests. Inherent interests are likely to resist a transition towards SSE. Street trade also suffers due to indeterminate policy environment. The transition of informal street trade into SSE would entail structural changes in the way political economy, market forces, bureaucratic structure and urban planning process approach the sector.

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Introduction

‘The persistence and growth of the informal economy, especially in the developing countries, has defied its initial conception as a “survivalist” and temporary phenomenon that would eventually disappear after its absorption into the modern formal economy’ (ILO 2011). The enduring reality of informal sector reflects the urgent need for an alternate beyond the formal – informal dichotomy. Social and solidarity economy (SSE) model has much potential in this regard (see ILO 2011). The main intent of this paper is to illustrate the relevance and challenges of SSE approach, particularly for managing the informal street trade. The central argument of this paper is that SSE with its expanded notion of economy can be instrumental to integrating informal street trade, into overall economic system. However, it also contends that the transition to SSE would require stakeholders from different spheres to converge together in strategic alignment. Specifically, the paper pursues two parallel objectives.

- i. To illustrate why and how the SSE approach could be a potentially viable and sustainable response to the contemporary challenge of managing and systemizing the evitable and unbridled expansion of urban street trade in countries like India.
- ii. Consequentially, to examine the challenges and systemic constraints before the operationalization of SSE approach to street trade sector. As a corollary, the paper also gives way to certain implications for public policy.

Street vending in general is a well researched urban issue today (Bhowmik 2005; Anjaria 2006; Skinner, 2008; Donovan 2008; Morales and Kettles 2009; Joseph 2011; Chai and Qin 2011; Watson 2011). However, interfaces, hegemony and subvert forms of everyday resistance continue to be relatively less explored aspect of it (Turner and Schoenberger 2012). Bromley (2000) underscored the need for a proximate understanding of ‘street level bureaucratic’ process for management of street vending. This was re-emphasized by Hart (2005) as follows; ‘we need to know how formal bureaucracy works in practice and, even more important, what social forms have emerged to organize the informal economy...We must examine the institutional particulars sustaining the practices that now exist outside of the law’ (Hart 2005: 15). This relatively less examined aspect of street trade is explored in this paper through a methodical analysis of informal and informal institutions with respect to street trade. Based on field research in two towns of India, this paper argues for a comprehensive Social and Solidarity Economy framework to address the challenges associated with informal street trade.

Social and Solidarity Economy (SSE), as a form of production and exchange, offers a strategic and inclusive contours to engage with notions of democratic decision making, justice, resilience, capability expansion and cohesion (UNRISD 2012). As such the approach has much appeal for the urban informal sector, particularly the street vending sector dwelling constantly on volatile premises of physical violence, uncertainty, insecurity despite its visible and evitable presence in urban local economy. In the past, a cooperative approach to improve the livelihoods of informal worker including street vendors has been attempted (e.g. ILO’s SYNDICOOP programme in South Africa) but have failed to show desired results. What difference a SSE approach is going to make then? This is a key question this research seeks

to explore and answer at length. SSE is neither a representative of state sponsored welfarism, nor is indicative of a mere cooperative of small, informal workers or micro entrepreneurs (UNRISD 2012). As will be seen subsequently, it has strategic importance for mainstreaming urban street trade, but entails structural changes in the environment to realize its potential.

Research context and field areas

This research has been conducted in context of ongoing urban reform initiative, called the Support Programme for Urban Reform (henceforth, referred as SPUR) in the state of Bihar in eastern India. Aided by the Department for International Development (DFID), United Kingdom, a key component of the programme, is to restructure and organize the informal street trade in the state. This paper evolved out of the author's direct association with the piloting of reform initiative in street trade sector. The field inquiry spanned over two years, alongside the implementation of pilot project in two towns/cities, Patna – the state capital and Begusarai, the neighbouring industrial town.

Field areas – the two towns for the pilot initiative

According to the first ever estimates done under SPUR (2010), the number of street vendors in the two cities - Patna and Begusarai is approximately 30,000 and 5000 respectively. An estimated 1.5 -2.00 per cent of population in Patna and Begusarai is engaged in this sector for its livelihood. These street vendors work in highly diverse consumption and service groups and act as crucial link in informal sector production and marketing chain. The estimates revealed that majority (around 47%) of street vendors in Patna is engaged in fruits and vegetable trade while a majority (around 39%) of street vendors in Begusarai is engaged in selling of cooked food and ready to eat items. This is followed by trade in items of daily requirements particularly garments and accessories.

For piloting purpose, the project sought to re-organize a group of sixty two street vendors in Patna and a group of four sixty one street vendors in Begusarai. The process of reform encompassed community mobilization as well as structured physical rehabilitation. The identification of these groups and sites for rehabilitation was influenced primarily by strategic factors such as land feasibility, availability of land and stakeholders' consent among others. These street vendors have been operating from encroached public land owned by different public departments. In Patna and Begusarai, the piloting sites belonged to the Road Construction Department (RCD) of Government of Bihar and the National Highway Authority of India (NHAI) respectively. Community mobilization was a continuous process to engage various stakeholders at all levels.

Methodological note

Looking at institutional context is important since it is the relevance of a particular context that distinct Solidarity Economy from other socially oriented economic forms (Laville et al. 2008). Methodologically, this paper can be seen as an institutional analysis of findings from an experiential study involving direct observation and empirical understanding as the salient modes of data collection. Data sources included in depth and constant interaction and

interviews with all stakeholders, for two and half years. In addition, various policy documents, internal guidelines and legal notifications of State Government were important information sources. Repeated focus group discussions were held with the stakeholders together and in distinct groups. Direct observations on field acted as critical source of data, particularly with respect to informal practices.

This research addresses two inter-related issues regarding informal street trade and SSE approach. The findings are structured accordingly with the next section looking at the relevance of SSE approach for managing street trade sector. Subsequent section discusses the challenges associated with operationalizing the SSE approach, followed by some concluding reflections.

Why street trade calls for economics of solidarity?

A major contribution of the solidarity economy approach stems from its socio-political dimension (see Laville et al. 2008). Social economy has generally been identified with its 'social dimension' of economic activities. It is however the notion of solidarity that gives it a more definite and assertive character, as a form of economy, amidst the predominance of 'either market or state' approach. It also gives this alternate economic form, a political dimension, which is not equally sought in all sectors and activities, but is of central importance in the case of informal street trade.

Political macro-economy of street trade in Bihar

VOICE AND AGENCY OF STREET TRADERS;

Even though it emanated out of survival needs of the unemployed lot, street vending is no longer limited to the lower social groups (Kayuni and Tambulasi 2009). Even though street trade sector, being institutionally excluded, remains a social concern and critical issue for workers, it has also wielded much significance as a perennial economic force built upon the market needs of both the consumers and the suppliers. According to the figures of the National Alliance of Street Vendors in India (NASVI), street trade sector in Patna alone had an annual turnover of USD 77 Million more than a decade ago. Administrative forces have not only failed consistently to check the visibility of street trade, the sector in fact has gradually acquired voice and agency through large scale associational activities. More than 300000 street vendors across India are affiliated to NASVI¹. In the state of Bihar, there are 80 street traders' association with a membership of approximately 11000 street vendors through organized efforts of civil society². The legislation of the National Policy on Urban Street Vendors 2009, Government of India and the recent legislative approval of Bihar State Street vendors (Protection of Livelihood and Regulation of Trade) Bill, 2012 is a corollary of an organized action on the part of street traders and civil society. Consequently, informal street trade while continues to shelter the economically poor and the socially insecure in India including Bihar, it has grown adequately influential, on one hand, to not allow the policy

¹ Source: Annual Report 2009-10, National Alliance of Street Vendors in India, <http://nasvinet.org>

² Source: Organizational Profile, Nidan, www.nidan.in

process bypass it and on the other to use informal agency to sustain its day-to-day business. Evidently, informal street trade with increasing voice in the political macro- economy cannot be reduced to an issue of market or society alone. Precisely due to this, a welfarist or even cooperative approach may not suffice to respond to the challenges of this sector.

Irrespective of any acknowledgement as such, informal street trade sector depicts an economy of solidarity, persisting and expanding through its agency and voice. Meanwhile, gradual policy recognition has not been unable to bring tangible benefits and the realization of political economic rights of street traders remains an unfinished agenda. This realization still puts significant demand on agency of street traders. Since ‘...Solidarity economy is based on an expanded concept of the economy and of the political sphere’ (Laville, Levesque and Mendell 2009: 155-187), it offers appropriate framework to accommodate the much needed voice and political clout of street trade sector.

URBAN SPACE CRISIS AND POTENTIAL OF SSE;

Growing pressure on urban infrastructure and competing land usages has made street traders easy victims of any decongestion moves. ‘The tension between the use of public space.....as a catalyst for private investment or as a stage for “informal survivalism” ...has created situations in which many of the latent conflicts between various social and political groups are played out and given form in the built environment’ (Donovan 2008: 30). However, it is noted that right to use the land may solve some of the conflicts that arise at public places being ‘public goods’ (Paron 2002). It is argued that the poor condition of public spaces is just a case of ‘tragedy of commons’ (De Sotro 1989; Peron 2002). With even a limited right to use the land, street traders would be liberated from fear of evictions and the consequent sense of ownership would encourage better space and environment management by them. In fact, it has been shown how accommodating the informal sector both in physical and economic terms contributes to sustainable urban development (Perera 1994). Given the urban planning fiasco in Bihar, the SSE framework offers ample scope to accommodate street traders’ right to public space which can solve part of the crisis of urban space management as well. Street trade as solidarity economy in turn, would be better able to ward off any attempt to its trivialization and marginalization during land negotiations..

Stakeholders’ dynamics in street trade sector: the micro view

Informal street trade has a direct and constant interface with largest number of stakeholders in urban local environment. The interaction of street traders is particularly direct and reciprocal with local bureaucracy, local police, local political representatives, vendors’ associations and consumers. Less direct but frequent interface occurs between the street traders on one side and the other informal users of public spaces such as private vehicles and transport utility owners. The research observed that in the absence of a regulatory framework, all these actors have worked out informal mechanisms to sustain mutual interest. An understanding on the stakeholders’ dynamics reveals why a SSE approach could be befitting for the street trade sector.

GRASS ROOT BUREAUCRACY;

Within the informal sector, street vending has the unique feature of constant and large interface with local administration and police (see Motala, 2002). Proximate observations on field reveal that the local bureaucracy finds it gainful to engage in informal and often tacit negotiations with the street traders instead of attempting a systematic regulation. Both in Patna and Begusarai, the municipal bodies are not institutionally equipped to meet their formal obligations towards optimal urban governance especially to street trade. Therefore, it is rational on their part to rely on informal mechanisms to strike congruence by allowing room for arbitrariness as well as occasional regulations. Municipal indifference towards their day-to-day business is acceptable by the street traders for whom interference comes only in forms of evictions. They bribe both the municipal staffs and local police to retain their businesses at encroached sites. At the same time, it was observed during field work that institutional constraint though is a key administrative handicap, is also being used by it (especially local police) to mask own indifference and malpractices. Rent seeking is particularly conspicuous among local police across the streets. Despite massive chaos, this status quo sustains and lacks any incentive to change. Forced evictions by district administration are futile because local bureaucracy indulges in rent seeking and lax monitoring. The street traders within 3-4 days of eviction come back to their places of trade.

LOCAL ELECTED REPRESENTATIVES;

Elected representatives in municipal wards – smallest administrative unit in municipal areas, were also observed to manipulate the piloting process for personalized gains such as securing resources for their kith and kin. Such particularistic 'elect' loyalties result into nepotism and favouritism in the allocation of government services, and have also been noted elsewhere (see Rodman, 1968). Thus, during the project listing of beneficiaries in Patna, the ward councillor interfered with the process to accommodate, people from his kinship network, who are not parts of the pilot's target groups. The councillor even held that unless some of the traders from the target groups are replaced by his loyalties, municipal approval to the pilot scheme could suffer. This is customary in certain societies (like in present towns), for elected officials to make substantive contributions to the welfare of the people in constituencies that elect them (see Myint, 2000).

Now, the purpose of foregoing discussion on the dynamics of key stakeholders has been to reflect the grass root circumstances that build a case for SSE approach. While there is growing realization on the need to manage street trade sector, given field based dynamics, the bureaucracy is also clueless on how to go about it. Constant check on entrenched influences of feudal and informal practices on ground, is administratively limiting. Only voluntary appreciation of rules and standard guidelines by various stakeholders, particularly street traders can sustain reforms. This in turn is possible only if the intervention is led by the street traders based on their own conviction and perception of it as directly gainful for their business. This can also strengthen the sector to counter any non-democratic and informal interference in the process. In this regard, SSE has an explicit value alignment with reform prerequisites in street trade sector.

Forging street economy out of solidarity: the Challenges

Empirical observations from field reflect a significant potential of resistance – planned or systemic, to any interference into the existing balances in the street trade sector. Though there are examples of successful social economy initiatives such as the Grameen Bank micro credit programme of Bangladesh and Self Employed Women’s association in India, operationalizing SSE approach in informal street trade is challenging. Street trade has distinct position in urban economy due to simultaneous formal and informal and often conflicting, interfaces among all the stakeholders of urban civic life. This scenario is discussed in this research within the theoretical contours of institutions and stakeholders’ dynamics. This section looks at some of the institutional constrains, that may emerge as defying challenges to the social and solidarity economy approach to street trade in Bihar or in other similar context across the global south.

Will policy rhetoric suffice to mitigate institutional constraints?

BUREAUCRATIC FORMALISM;

Through the legislative approval of the bill on protection and regulation of street trade, the state government has expressed the priority it assigns to the sector. However, unless an enabling environment is created, restructuring street trade is likely to remain rhetorical. Existing administrative set up has consistently displayed its unwillingness to accommodate street trade as a vital and integral part of urban society. Thus, despite political leadership’s repeated proclamation on its commitment to street traders, attitudes of implementation wings remain otherwise. During two years of piloting and field research with various government structures, the bureaucratic functioning in the state is observed to be highly formalistic, wherein the underlying objective is to serve vested interests. Such formalism, as a systemic aspect of governance is particularly conspicuous in case of street trade being an issue of low administrative priority. The rhetoric – reality dichotomy is specifically reflected in procrastinations in administrative approvals required at each stage of project (see table below).

Table: Procrastinations at each stage of pilot initiative to restructure street trade in study areas

	Date of first stakeholders’ consultation	Date of municipal approval on pilot sites	Date request sent to RCD/NHAI for No objection	Date, first Response received from RCD / NHAI	Date of submission of Beneficiary list and site design	Date of municipal approval on list and design
Patna	September 8, 2009,	7 January 2011	8 March 2011	2 September 2011	3 September 2011	Awaited
Begusarai	June 2, 2010	19 January 2011	7 July 2010	No response	4 August 2011	27 September 2011 but No follow up on land, project Scarped

Source: Records, Patna Municipal Corporation and Begusarai Municipal Corporation

Such tendencies have been noted in other context by Bromley; (2000:17); ‘The key point is that there is a wide gulf between the broad aims and directives of senior administrators and politicians, and the ways policies can actually be worked out on the street’.

INADEQUATE DIFFERENTIATION AND MAL-INTEGRATION;

The formalism in functioning is reinforced by an ambiguity in horizontal and vertical differentiation of duties and responsibilities within the state’s bureaucratic structure. This ambiguity though is apparent at every stage of project, becomes self evident during the group discussion with municipal administrators³. None of the participants was sure on line distribution of 50% of listed municipal issues. For remaining 50% of the issues listed, there were contradictory responses. Such lack of clarity in respective work domains causes unjustifiable delays in task either because no one is sure of what is to be done or because one has secure opportunity to shirk off her responsibilities.

The consequence of ambiguous role differentiation is aggravated by nearly equal measure of mal-integration and disconnect among bureaucratic sub structures and levels. Empirical findings reflect that even though the pilot initiative is based on consistent consultation and stakeholders’ consensus, some of them act independently, often contradicting the project purpose. Striking examples of such isolated moves are arbitrary evictions of street traders – the target groups under pilot initiative both in Patna and Begusarai by the district administration and local police⁴. While the project team on behalf of the urban development department of Government of Bihar carried out stakeholders’ mobilization, the other bureaucratic wing kept contradicting the initiative. The only corollary of such disconnected moves has been loss of community trust on the pilot project and on government’s intent. Ironically, these moves are never questioned by the project implementing department or urban local body, precisely because this defies the common bureaucratic principle of non-interference and protection of mutual interest. The consequent irregularities are conditioned by a lack of public pressure towards programme objectives, weakness of social power to influence bureaucratic performance as well as the degree of permissiveness for arbitrary administration (Bhattacharya 1996).

AUTHORITY-CLIENT COLLUSION; NEW INITIATIVES, NEWER ROUTES OF CORRUPTION

One of the research findings while exploring the potential of SSE approach to street trade is on the creation of newer channels of corruption by an initiative when incepted amidst weak governance structure and technically constrained bureaucracy. Given the current state of affair in Bihar administration, departments involved with pilot project are completely dependent upon private consultants for project execution. They are also devoid of any mechanism to track or monitor the project progress. Consequently, the consultants have ample room to manipulate on targets, fund utilization and outputs. All that the public officials

³ SPUR Training/ Workshop conducted by the author for mid level administrators from same department of different towns in the state including Patna and Begusarai, conducted by the A. N. Sinha Institute of Social Studies, Patna, India, 17 April 2012

⁴ During May 2011, December 2011 in Patna and November 2011 in Begusarai, among other occasions

do to stress upon their authority is groundless fault finding, which further hinders the project progress. Such assertions by the officials are appeased by the consultants strategically through clandestine rent seeking activities. The bureaucracy intrinsically indifferent to project performance makes personal gains from the collusion whereas the consultants gain both personally and professionally. Such practices have been referred by Myint (2000) in context of fund inflows, as just another route to corruption.

A parallel interface goes on, occasionally between the donor agency (DFID) and the government on one hand and regularly between the donor agency and the implementing agency on the other. The latter is a routine process where crucial challenges and deadlocks go usually unattended while the donor is preoccupied with target indicators. The donor also undertakes periodic field reviews, but being pre-planned the real state of affair is covered up by the consultants. As is noted (ODI 2007), despite its awareness of the operational contexts, the interventions funded by donor bodies are not always flexible enough to respond to emerging challenges or opportunities, partly due to donors' own political and institutional incentives or their own political frameworks.

Beyond policy espousal, street trade to evolve into social and solidarity economy would require flexible and conducive administrative environment. These reflections on stakeholders' behaviour depict institutional challenges that the SSE initiative in street trade sector may encounter. At present, the bureaucratic orientation in the state and even in India is not favourable for an innovative solution.

Who will spare land for street traders?

Informal street trade has been subject to incessant criticism for growing urban chaos, filth and congestion across urban areas (Bhowmik 2005; Anjaria 2006; Kayuni and Tambulasi 2009). State institutions in Bihar share similar opinion. Apparently, the multiplying vehicular traffic in urban areas is a bigger threat to sustainability of urban environment than street trade; yet the neo-liberal imagination of modern cities, has overplayed the menace of street vending (Kusakabe 2006; Uddin 2009; Joseph 2011; Mathar 2012). Neo-elitism glimpses also when it comes to organizing spatial territory of marketplace and the interests of street vendors are compromised before the corporatist agenda that has captured the state (see White 2010; Turner and Schoenberger 2012).

Given that for urban poor, especially street traders, access to public places is key physical asset in livelihood strategies, (Skinner 2008; Musyoka et al 2010), the vision of informal street trade as solidarity economy, requires the state to revisit its land policy and city planning. However, urban planning itself in Bihar is in shambles with the state capital not having a master plan till date. Competing for land has been major issue of conflict between street traders and real estate builders at many places in world (COPAC⁵ 2009). A prerequisite of SSE for street trade is pro-poor and innovative urban spatial planning, which would involve confronting vested interests and therefore, considerable political will. At administrative level, getting into a credible and sustained process to deal with land or space

⁵ Cooperative and Policy Alternative Centre, Johhanesberg

requirements is critical for SSE approach to street trade. Since municipal administration in the two towns does not have adequate land, the pilot initiative has suffered due to its inability to establish coordination with the departments that have usable vacant land. Ostensibly, it is important to evolve an integrative mechanism to establish inter-department coordination for use of public space. This is challenging given the mal-integration and disconnect among various departments.

Challenges of engaging street traders

Engaging street traders productively is critical to bring street trade sector within the umbrella of social and solidarity economy. The SYNDICOOP programme launched in South Africa could not meet stated goals because it failed to engage with street traders (COPAC 2009).

Irrespective of their increased participation in associational activities, awareness on legislative provisions and basic rights has been found to be low among the street traders in the two towns. Creating awareness on tenets of SSE and the demands it puts on all stakeholders including the traders themselves is likely to be challenging given the resource poor institutional structure in Bihar. Where resource is not a problem it is still not easy to bridge the bureaucracy-citizens/street traders' gap required to enhance community outreach. Further, solidarity economy is more than cooperatives and conceptualizing street trade sector into SSE form, needs us to understand it more strategically as a source of transformation (Wainwright 2009). This may well require the traders to look beyond short term gains and immediate livelihood issues, which is difficult to ensure. In fact, it has been learnt from similar initiative in Pretoria that it is not possible to involve workers in activities unless they are directly related to their work and income generation (COPAC 2009). Also, SSE as an innovative approach would keep traders themselves in centrality and puts greater onus on the traders to act as agents of change and abide by rules and regulations. It is challenging to orient the traders to assume such role on sustainable basis especially when the relationship between local governments and street traders has been conflictual and where the former is not obliged to negotiate with the latter in good spirit. Solidarity economy as a form of economy is dependent upon mobilization of the people. Therefore, the state would have to fall back on civil society to mobilize and orient the street traders.

Turning antagonists into allies: challenges of engaging the civil society

In past one decade, informal street trade sector has increasingly moved under civil society network in India including in Bihar. While this has given informal street trade a platform to negotiate with the state, the civil society is often seen as antagonistic element by the state. At the same time, operationalization of the SSE approach entails a partnership between the state and the civil society. Given the technical demanding nature of such an innovative issue, engaging civil society is both a necessity and a forward looking approach on the part of the government. A strategic engagement of civil society with the state can be helpful in exploring ways to community outreach as well as to ensure adherence to rules and regulations. However, the field research observed the state and civil society relationship in Bihar as of absolute mistrust, wherein the bureaucracy perceives the latter as nuisance. Time and again,

civil society despite its community outreach and involvement in pilot initiative was bypassed by administrative moves.

Second challenge in this regards emerges out of, as Skinner (2008) points out, the fact that many traders (in the state) are still beyond organized network and where traders' organizations exist, they focus mostly on lobbying, finances and advocacy. Such lobbyist behaviour surfaced out in Begusarai, where the leader of 'Shramjeevi' an influential association of street traders in the town, constantly manipulated his influence on traders' community to lobby against pilot initiative on unfounded grounds. The traders who supported the pilot initiative, confessed that the leader's resistance reflected his fear of losing the enormous informal power as also the regular source of funds from voluntary contribution from affiliated street traders. The leader was found to threaten individual traders against any support to the pilot project. The street traders have inhibitions in confronting the leader, because over the years they could resist state run evictions only through his support. The inhibitions grew stronger by contradictory administrative moves during the pilot initiative discussed earlier. In an absence of perceived protection from administration, street traders continue to be subservient to the leader who in turn is determined to resist the reform initiative.

While the leader of Shramjeevi opted for confrontation to retain his control, another leader of street traders, 'Ramashish' has been cooperating with the project and in turn, is seeking favours in allocation of resources. He has made all efforts to secure space for his loyalties and strengthen his own position among the traders. Often his support comes in exchange of project commitment to his demands. The pilot project encountered obstructions from such manipulative stands at every small stage and so will an SSE initiative for street trade. Aligning the interests of such lobbyist and informal stronghold is clearly going to be insurmountable challenges for a SSE initiative. The administration at any level is not prepared to align or challenge vested interests.

Few pronouncements on creating pathways

Based on a field research conducted alongside the pilot project to restructure informal street trade in two towns of Bihar in India, the framework of social and solidarity economy appears to have direct relevance for the sector. Where the state has failed and where the market has been selective in extending occupational inclusion to street trade, a SSE approach has significant scope and potential to transform street trade into the alternate form of economy of its own. The research also introduces challenges that may obstruct a SSE approach to street trade. The innovative framework of SSE in general entails radical reforms in urban governance system. Operationalization of SSE approach is expectedly to lay considerable demands on policy environment, bureaucratic capacity building and urban spatial planning. The current state of affair in Bihar and most of the places in India, do not have the orientation and capacity to meet these demands. However, it needs to be underlined that part of the challenges discussed here does not pertain to SSE approach. Instead, they are systemic

weaknesses and institutional handicaps prevailing in the two towns, which are governance issues that must be addressed.

Further, in context of this research, there is a need to review donor's role towards just utilization of funds by host institutions. As a funding source, donor agencies like DFID, owe much responsibility to the community as far as the net impact of aid is concerned. There are examples of greater alertness among donors such as in Malawi, where a similar initiative to organize street traders, called '*Operation Dongosolo*' failed initially due to inadequate social mobilization and legal framework. The donor agency held the host government responsible and exerted enough pressure on it to act swiftly and repeat the exercise with holistic approach⁶. Moreover, without disturbing the host's national sovereignty, a donor body has the scope to inquire into the manner of use of the fund (ODI 2007).

Speaking specifically of informal street trade as SSE, a committed policy environment must bring up a flexible mechanism to deal with stakeholders' dynamics. Here, it is worthwhile to mention Parnell and Edgar's (2010) contention on the indispensability of a radical programme of sub-national state construction that includes pro-poor administrative systems design within the bureaucracy for realizing socio economic and individual rights of street traders. Critical public discussion, stakeholders' partnership and civil society's engagement need to be cultivated as standard practice in policy processes.

⁶ See Kayuni and Tambulasi's (2009) work on street vending in Malawi

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