

Book Review

**Debdulal Saha (2016) *Informal Markets, Livelihood and Politics: Street Vendors in Urban India*. London: Routledge.
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Reviewed by: Edward Webster, University of the Witwatersrand, South Africa

In development discourse, it was assumed in the 1950s and 1960s that, following modernisation theory, the “dual economies” of developing societies would be transformed into dynamic industrial economies that would absorb the rapid flow of people to the cities. This did not happen. Instead the urban populations of the developing world grew dramatically, surviving on small-scale informal economic activities rather than on formal employment. It was the article by Keith Hart (1973) and the International Labour Organisation (ILO, 1972) mission to Kenya which established the importance of a dichotomy between formality and informality. These two studies marked the rise of the concept of the “informal sector” to describe the unregulated and invisible activities used by the urban poor of the Third World to support themselves. The urban poor were not unemployed, these studies argued; they were working, although often for low and irregular returns. The implication of these research findings, policy advisers suggested, was that unemployment statistics gave a misleading impression of the level of inequality, and that the informal sector was potentially a major contributor to the national economy (Agarwala, 2009).

Over the next three decades an outpouring of research, debate and policy focus followed. Theoretically, perhaps the longest-standing discussion in the literature on informality considers whether informal work is dualist (a holdover of archaic forms of work organisation originating outside the modern economy), legalist (entrepreneurship seeking alternative channels due to overly restrictive regulations), or survivalist (the last resort of those with no viable economic alternative).

The important point to emerge from these debates is that the informal economy is here to stay, and is expanding with modern, industrial growth. It is a major provider of employment, goods and services for lower-income groups. It contributes a significant share of the Gross Domestic Product (GDP). It is linked to the formal economy – it produces for, trades with, distributes for and provides services to the formal economy (Chen, 2005: 12).

These features of the informal economy were brought home to me dramatically in 2009 when Debdulal Saha, the author of *Informal Markets, Livelihood and Politics: Street Vendors in Urban India* and a PhD student at the time, took me to visit one of the marketplaces in Mumbai that was occupied by street traders. One of the traders casually remarked that she was the third generation of her family to trade at the very spot where we were standing. Indeed, she had her whole family with her, including her children. For this street trader, this precarious piece of the pavement was an extension of her home.

Informal Markets, Livelihood and Politics is the culmination of a decade of meticulous research across the cities of India. It is arguably the most comprehensive study on street vending ever

undertaken. Through large-scale surveys and in-depth interviews with key respondents, Saha records the working and living conditions of street vendors in India. Street vendors, he argues, are a global phenomenon, a process of what he calls “globalisation from below”. Clearly, growing numbers of working people are finding a precarious livelihood on the streets of cities such as Delhi, Durban, São Paulo, Manila and Accra.

There are an estimated ten million street vendors in India. The occupation is largely male-dominated, with the bulk in the age cohort of 25 to 46 years of age. Many have had informal jobs but have been retrenched. A bare majority, 52 per cent, said they prefer self-employment because it gives them greater autonomy, as they can adjust their working time to suit themselves (p. 65). Street vendors, Saha argues, provide an alternative “natural market” in the urban economy. But there are constant threats and insecurities. For example, 73.25 per cent said they have to pay bribes to survive (p. 101). While street vending gives the poor a livelihood, street vendors often have to hide their occupational identity as there is a stigma attached to this kind of work.

At the centre of this precarious livelihood is the struggle around public space. The city council uses the precarious existence of street vendors to extract rent: 70 per cent said they suffer from threats of eviction, and spend from 5–20 per cent of their income on bribes. Street vending continues, Saha argues, because it gives the local authorities “supernormal profits”, either through the rent extracted or the bribes to officials and police (p. 131).

At the centre of Saha’s argument about street vending is the denial of dignity that this type of work involves (p. 199). Street vendors have to work long hours – usually eight to ten hours a day on the street – but they also have to visit wholesale markets in the very early morning to get their goods. With growing retrenchments, the number of street traders is increasing and competition among vendors is steadily rising. For street traders, this means longer hours and less income. Many turn to money lenders and soon find themselves in a debt trap, paying exorbitant interest rates every month.

A major victory for the vendors was the passage of the Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act of 2014, which was designed to regulate street trading through the issuing of licences. It is easier now to get loans from the banks. But legislation has not removed bribery, which continues by restricting entry through the awarding of licences. Neither has designating certain areas for trading worked, as these places are not the “natural markets” where customers congregate. Furthermore, new fast food retailers are now using vendors to market their products.

A central issue raised in the book is whether it is possible to unionise street traders. Saha identifies a range of obstacles to unionisation: the heterogeneous nature of the different types of street trading (nine in all); the dangers that honest union leaders face, including assassination; the fact that some unions are only interested in extracting money from members; and, more fundamentally, the fact that street trading does not involve a classic employer–employee relationship.

The discussion on unionisation raises a fundamental question: are street traders workers or are they potential entrepreneurs? On the one hand, Saha is sceptical of Hernando De Soto’s (2000: 7) libertarian thesis that the informal economy (including street traders) comprises potential entrepreneurs that could with legal title become the key to the development of a popular capitalism in the developing world. On the other hand, Saha remains ambiguous as to the street traders’ class position; sometimes he sees them as workers and at other times as micro entrepreneurs.

James Heinz (2006) has provided a useful way of overcoming the ambiguity over what differentiates a worker from a self-employed entrepreneur. He suggests that the common denominator between the two is whether individuals earn income by selling their labour in some kind of a market

– either directly on a wage-labour market, or indirectly through some form of product market. The dividing line between “worker” and “entrepreneur” may not be clear-cut, he concludes, but individuals who derive the vast majority of their income from their labour and are dependent on others for the realisation of these earnings can be considered workers.

It is clear from the findings in this book that street vendors “derive the vast majority of their income from their labour” and, in terms of Heinz’s definition, can be defined as workers. Importantly, the book defines trade unions in broad terms as membership-based organisations (MBOs) which includes cooperatives, worker committees, and savings and credit groups such as self-help groups (SHGs) (p. 159). Most of the self-employed surveyed are amenable to, and would welcome, efforts to reduce barriers to registration and related transaction costs, and to increase benefits from regulations. As Sharit Bhowmik, Debdulal Saha’s mentor, makes clear in his preface to the book.:

Some researchers may believe that street vendors function best when they operate outside the law. Our research shows just the opposite. Street vendors in India are keen to legalize their activities as they pay a very high price both in terms of monetary losses and health (p. xv).

If street traders are to win the right to a decent livelihood, they are going to have to find ways of developing their collective power. The Self-Employed Women’s Association (SEWA) has successfully organised street traders through a combination of trade union power and cooperatives (Webster, 2011). Rina Agarwala (2013), in her study of informal work in India, challenges the conventional view that informalisation is the “final nail in the labour movement’s coffin”. Informal workers, she demonstrates, are creating new institutions and forging a new social contract between the state and labour. She shows that informal worker movements are most successful when operating within electoral contexts where political parties must compete for mass votes from the poor. Agarwala calls this “competitive populism”. These informal worker organisations are not attached to a particular political party, nor do they espouse a specific political or economic ideology. In this way, they have successfully organised informal workers.

In a context where traditional labour movements are in decline, new labour initiatives are growing in many parts of the world. These new initiatives, new organisational forms and sources of power are emerging at the periphery of traditional labour. There is, writes Jennifer Chun,

a growing interest in a new political subject of labour ... women, immigrants, people of colour, low-paid service workers, precarious workers ... groups that have been historically excluded from the moral and material boundaries of union membership.... Rather than traditional scholarship on industrial relations, new labour scholars are exploring transformations occurring at the periphery of mainstream labour movements (Chun, 2012: 40).

Informal Markets, Livelihood and Politics: Street Vendors in Urban India is an important contribution to the growing field of global labour studies. It is the most comprehensive study we have of street vending. In its combination of rigorous scholarship and commitment to policies that give an institutional voice to these new “political subjects of labour”, Debdulal Saha has provided us with a template for future studies of street vending across the globe.

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BIOGRAPHICAL NOTE

EDWARD WEBSTER is a professor emeritus in the Society, Work and Development Institute (SWOP) at the University of Witwatersrand where he leads the Decent Work and Development Initiative. [Email: Edward.Webster@wits.ac.za]