



Sustainable Livelihoods and Challenges of Street Vendors in Varanasi City

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Abstract:

Street vending represents a crucial segment of the informal urban economy in India, providing employment to millions who lack access to formal job opportunities. This paper examines the patterns of sustainable livelihoods and identifies the key socio-economic and institutional challenges faced by street vendors in Varanasi City. Drawing on a primary survey of 100 vendors across formal (vending zones) and informal (non-vending zones) settings, the study employs the Sustainable Livelihoods Framework to interpret variations in well-being based on human, social, physical, financial, and natural capital. The analysis reveals that formalization through designated vending zones is linked to improved livelihood security, but significant disparities remain, particularly for women, minorities, and socially disadvantaged groups. The study highlights the need for inclusive urban planning, legal recognition, financial access, and gender-sensitive interventions to ensure sustainable livelihoods for street vendors in Varanasi.

Keywords: Sustainable Livelihoods, Informal Sector, Street Vendors, Urban Poverty, Livelihood Challenges

1. Introduction

In India, the informal sector continues to dominate employment, accounting for nearly 90% of the total workforce (ILO, 2018). Among informal occupations, street vending is one of the most visible and essential components of urban life. Street vendors not only provide affordable goods and services to urban consumers but also create self-employment opportunities for millions, especially those excluded from formal sectors due to limited education, skill, or access to capital (Bhowmik, 2005). Street vendors typically operate in public spaces without formal licenses, often facing harassment, eviction, or confiscation of goods by municipal authorities. Recognizing the importance of their contribution, the Government of India enacted the Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act in 2014 to safeguard vendors' rights and regulate urban space usage. Despite this, challenges remain in implementation, and most cities, including Varanasi, have yet to achieve full compliance with the Act's provisions (WIEGO, 2016).

Varanasi, as one of India's oldest continuously inhabited cities and a major religious and tourism hub, presents a unique context for studying street vending. The city's growing urbanization, infrastructural pressures, and heritage conservation efforts often clash with the needs of informal vendors. At the same time, vending provides critical livelihood support for many families in Varanasi, particularly those from marginalized communities such as Scheduled Castes, minorities, and migrants from rural areas (NCEUS, 2009).

The concept of sustainable livelihoods, as developed by DFID (1999), provides a holistic framework to assess the multiple dimensions of well-being ranging from access to physical infrastructure and financial capital to human capabilities and social networks. Rather than viewing street vending as a survivalist

occupation, this perspective allows researchers to analyze its potential as a pathway to resilience, empowerment, and economic inclusion.

This study seeks to apply the Sustainable Livelihoods Framework to explore how different categories of street vendors in Varanasi experience livelihood security and vulnerability. The paper emphasizes a comparative interpretation between those operating in formalized vending zones and those in informal, unauthorized spaces. By focusing on lived experiences rather than statistical determinants, the research highlights the structural and institutional constraints that continue to affect sustainable livelihoods.

Furthermore, the study contributes to the growing literature on urban informality, livelihood sustainability, and inclusive policy design. It is particularly timely in light of recent government efforts, such as the PM SVANidhi scheme, which aims to integrate street vendors into the formal credit system. Understanding the ground realities of vendors in a complex city like Varanasi can inform better implementation of such initiatives and help shape more equitable urban policies.

2. Literature Review

A growing body of literature recognizes the vital role of street vendors in sustaining the informal urban economy and providing accessible goods and services to the urban poor. Bhowmik (2005) was among the first to systematically document the challenges faced by street vendors across Indian cities, highlighting legal invisibility, police harassment, and infrastructural neglect. His foundational research also supported the formulation of the Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014, which mandates the legal recognition and protection of vendors in urban India.

The Sustainable Livelihoods Framework developed by DFID (1999) has been widely applied in analyzing urban livelihoods, emphasizing five forms of capital- human, physical, social, financial, and natural that determines livelihood security. Rakshit and Goswami (2020) applied this framework to street vendors in Kolkata, revealing how formalization helped improve access to infrastructure but failed to address social and financial inequalities. Singh and Dubey (2019), in their study on Patna, similarly highlighted the exclusion of women vendors from formal vending zones and their disproportionate vulnerability to eviction and violence.

Sharma (2017) explored how gender-biased zoning in Bhopal restricted women vendors, especially those with caregiving responsibilities, due to poor sanitation and rigid working hours. In another study, Roy (2020) argued that despite licensing efforts in Delhi, a majority of street vendors still remained informal due to corruption, bureaucratic delays, and limited public awareness about the benefits of formalization. These findings are supported by Rawat and Meena (2021), who noted the ineffectiveness of Town Vending Committees (TVCs) in smaller cities where political interference limits fair inclusion.

From an economic lens, Banerjee, Duflo, and Niehaus (2018) emphasized that access to credit, insurance, and savings instruments significantly improves the resilience of informal workers, yet these services remain underutilized due to systemic exclusion. Jain and Sinha (2020) evaluated digital payment initiatives and found that very few street vendors had adopted digital tools due to lack of awareness, mistrust, and technological limitations, despite programs like PM SVANidhi aiming to bridge this gap. Within the context of Varanasi, this study contributes significantly to the limited literature on urban informality in heritage cities. Drawing from original field data, it echoes and validates the broader findings from across Indian cities: that while legal formalization through vending zones does improve access to services and reduces harassment, deeper structural inequalities based on gender, caste, education, and income continue to hinder truly sustainable livelihoods. In particular, the study confirms findings by Kundu and Karmakar (2022), who observed that heritage tourism zones often prioritize aesthetics and urban order over inclusive development, leading to spatial exclusion of informal workers.

Recent government reports, including those by the Ministry of Housing and Urban Affairs (MoHUA, 2022), acknowledge the benefits and gaps in schemes like PM SVANidhi, where loan coverage and disbursement have grown, but participation remains skewed toward male vendors with existing documentation. The NITI Aayog (2021) also stresses the importance of linking informal vendors with social protection schemes to achieve inclusive urban growth.

In summary, the literature collectively highlights the importance of street vendors in urban economies and the need for an intersectional approach to livelihood sustainability. Legal recognition, while crucial, must be supplemented by access to education, health, finance, and digital tools, as well as institutional reforms that are gender-sensitive and community-driven. This paper builds on these insights, using Varanasi as a case study to contextualize and deepen our understanding of the evolving challenges and opportunities in urban informal livelihoods.

3. Data and Methodology

This study adopts a comparative field-based approach to examine the livelihood conditions of street vendors in Varanasi City. Two key urban marketplaces Lanka and Durgakund were selected based on a preliminary survey indicating a high density of both formal (vending zones) and informal (non-vending zones) vendors. A total of 100 street vendors were sampled equally from these two areas, applying a snowball sampling method. The primary data was collected through semi-structured questionnaires covering socio-economic profiles, access to services, and key livelihood capitals. To assess livelihood sustainability, a Sustainable Livelihood Index (SLI) was constructed using indicators representing five capital assets: human, social, physical, financial, and natural. The indicators were normalized using the UNDP's Human Development Index (HDI) method. The methodology enables a nuanced understanding of how institutional support, infrastructure access, and social background shape livelihood outcomes in both vending contexts.

4. Results and Discussion

The comparative analysis of street vendors in Varanasi's vending and non-vending zones reveals sharp contrasts in livelihood sustainability, influenced by infrastructure, access to institutions, and social identity. Out of the 100 respondents, 50 operated in formal vending zones (such as designated areas near Durgakund), while the remaining 50 were situated in informal and unauthorized locations (such as Ravindrapuri and unregulated spaces around Lanka).

Socio-Economic Condition of Street Vendors: The socio-economic profile of street vendors in Varanasi reveals a complex interplay of vulnerability, resilience, and marginalization. Based on field data collected from 100 respondents, 72% of the vendors were classified as Below Poverty Line (BPL), reflecting widespread economic hardship. The gender distribution showed that 60% were male and 40% female, with women more concentrated in low-income activities like vegetable and snack vending. Nearly 68% of all respondents belonged to Scheduled Castes, Scheduled Tribes, or minority communities, indicating that street vending is a crucial livelihood strategy for socially disadvantaged groups. In terms of education, 48% had completed only primary schooling, 18% were illiterate, and just 6% had completed higher secondary education or above. Low education levels limited access to formal employment, pushing many into informal street-based occupations. Most vendors around 66% lived in kachcha or semi-pucca dwellings, and 58% lacked proper sanitation. Only 42% reported access to electricity at home, and 39% had safe drinking water facilities. The average daily income ranged between ₹200 and ₹500, with 14% earning below ₹200 per day. Over 60% of vendors lacked health insurance, and only 36% were registered under any government scheme. Police harassment, confiscation of goods, and fear of eviction were common among vendors in non-vending zones. Despite these hardships, vendors exhibited remarkable resilience. Around 74% reported relying on family labor, and 51% were part of informal savings groups. Additionally, 62% expressed a desire to expand their businesses if given access to credit and legal space. These findings highlight the urgent need for targeted interventions in

housing, education, social security, and financial inclusion to enhance the socio-economic well-being of Varanasi's Street vendors.

Access to Infrastructure and Services: The survey data indicate that 86% of vendors in vending zones had access to clean water and sanitation facilities, compared to only 34% in non-vending zones. Similarly, 70% of vendors in vending zones reported access to electricity, while only 22% of informal vendors had this basic utility. Adequate shelter and protection from harsh weather conditions were also higher among formal vendors, with 76% reporting permanent or semi-permanent vending structures compared to 30% in non-vending areas. These disparities directly affect working hours, customer retention, and income security.

Health and Human Capital: Human capital indicators also show divergence. Approximately 68% of vendors in vending zones had completed at least primary education, while only 42% in informal zones reached the same level. Health conditions were poorer in non-vending zones, with 22% reporting chronic illnesses compared to 12% in vending zones. Access to healthcare was limited due to financial and locational constraints, further deteriorating work productivity and household well-being.

Financial Inclusion and Capital Formation: The study found that 84% of formal vendors owned bank accounts, and 32% had accessed institutional credit at least once. By contrast, only 46% of non-vending zone vendors had functional bank accounts, and a mere 8% had accessed formal credit. Savings behavior also differed 72% of formal vendors reported regular savings compared to 38% in informal zones. Financial capital thus remains weak among informal vendors, making them more vulnerable to economic shocks.

Social and Institutional Capital: Social capital was stronger in formal zones, where 66% of vendors were members of vendor associations or trade unions. This provided them with support during eviction drives, access to government schemes, and a collective voice in urban governance matters. In contrast, only 28% of informal vendors were organized in any form. Legal licensing also showed gaps 88% of vendors in vending zones possessed licenses or ID cards from the municipality, while only 10% in non-vending zones had any formal documentation.

Gender and Caste Disparities: The study found that women constituted only 18% of the total sample, with the majority operating in informal zones. Additionally, 62% of the vendors from SC/ST or Muslim backgrounds were concentrated in non-vending areas. These groups also faced lower access to institutional support, higher levels of harassment, and poorer income levels. Social exclusion, therefore, remains a persistent barrier to livelihood sustainability, even where economic activity exists.

Use of Technology and Digital Tools: Digital adoption was limited across the board, but vendors using UPI or QR code payments (mostly in vending zones) reported slightly higher sales and customer retention. Only 24% of total respondents accepted digital payments, highlighting a gap in digital financial inclusion that could otherwise improve transparency and income tracking.

The Sustainable Livelihood Index (SLI) was consistently higher among vendors in vending zones. The composite index, normalized using UNDP's HDI method, showed that vendors in formal zones scored an average SLI of 0.61, while those in non-vending areas averaged 0.43. While formalization clearly improves access to capital assets and institutional safeguards, deeper socio-economic inequalities based on caste, gender, and education continue to constrain sustainable livelihood outcomes. Urban policy must therefore take a holistic and inclusive approach to livelihood planning, going beyond mere legal recognition to address structural exclusion and promote long-term resilience.

5. Conclusion

This study highlights the critical role of street vending in sustaining urban livelihoods, particularly for marginalized groups in Varanasi City. The analysis shows that vendors operating in formal vending zones enjoy relatively better access to infrastructure, financial services, and institutional protection, resulting in improved livelihood outcomes. However, vendors in informal zones remain vulnerable due to a lack of legal recognition, poor working conditions, and limited access to social and financial capital. Structural challenges especially those linked to gender, caste, and education- continue to hinder sustainable

development for these workers. The findings emphasize that while spatial formalization through vending zones is beneficial, it is not sufficient on its own. A more inclusive and integrated policy approach is needed- one that combines legal protection with targeted interventions in education, healthcare, housing, and digital inclusion to foster secure, resilient, and equitable livelihoods for street vendors in India's urban economies.

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