

A Study on Challenges Faced by Street Vendors with Special Reference to Chennai City

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Abstract – Street vending is an important part of the informal economy in urban India, providing a source of livelihood for millions of low-income individuals while also offering affordable goods and services to city residents. In Chennai, one of the fastest-growing metropolitan cities in the country, street vendors contribute significantly to the local economy and everyday urban life. However, despite their importance, they continue to face several serious challenges that affect their livelihood and economic stability. This study focuses on understanding the major difficulties experienced by street vendors in Chennai. These challenges include lack of proper legal recognition, frequent harassment by authorities, poor infrastructure, limited access to financial resources, increasing competition from organised retail outlets, and the effects of ongoing urban development policies. To carry out the research, primary data were collected from 120 street vendors across different zones of Chennai using structured questionnaires. Secondary data were gathered from government reports, academic journals, and official documents. The data were analysed using simple percentage analysis and chi-square tests. The findings show that harassment from authorities and the absence of fixed or permanent vending spaces are among the most pressing issues faced by vendors. Based on these results, the study suggests practical measures such as better policy implementation, improved infrastructure, and greater financial support to enhance the socio-economic conditions of street vendors and ensure their livelihood security.

Keywords – Street vendors, informal economy, urban livelihoods, Chennai, vending challenges, street vending policy, financial inclusion..

I. INTRODUCTION

Street vending is one of the oldest and most widespread forms of self-employment in the world, particularly prevalent in developing countries where formal employment opportunities are limited and urban migration continues to accelerate. In India, street vendors form a significant segment of the urban informal economy, contributing substantially to local commerce while serving the daily needs of millions of consumers who rely on them for affordable food, clothing, vegetables, and other essential commodities. According to the National Association of Street Vendors of India (NASVI), approximately ten million street vendors operate across Indian cities, making street vending one of the most significant occupational categories among the urban poor.

Chennai, the capital of Tamil Nadu and one of India's major metropolitan cities, has a large and vibrant street vending community. From the bustling markets of T. Nagar and Pondy Bazaar to the crowded lanes of Parry's Corner and Koyambedu, street vendors are an integral part of Chennai's urban commercial fabric. They provide affordable goods and services to residents from all economic backgrounds and represent a critical safety net for migrant workers and low-income households. Despite their economic and social importance, street vendors in Chennai operate under extremely precarious conditions, facing a complex web of challenges that undermine their livelihood security and dignity.

The enactment of the Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014 was a landmark development in India's recognition of the rights of street vendors. The Act mandates the constitution of Town Vending Committees, issuance of vending

certificates, and demarcation of vending zones. However, its implementation in Chennai has been inconsistent and incomplete, leaving a large proportion of vendors without legal protection or institutional support. This study, therefore, seeks to systematically document and analyse the multifaceted challenges faced by street vendors in Chennai, with the aim of informing policy interventions that can improve their socio-economic conditions.

III. STATEMENT OF PROBLEM

Despite the legislative recognition provided by the Street Vendors Act of 2014, street vendors in Chennai continue to face severe and multidimensional challenges in their day-to-day operations. The non-uniform implementation of the Act across different zones of Chennai has left a majority of vendors without proper vending certificates, making them vulnerable to eviction, confiscation of goods, and police harassment. The rapid pace of urban development, infrastructure expansion, and beautification projects in Chennai often prioritises organised commercial spaces over the needs of informal vendors, resulting in frequent displacement and loss of established customer bases.

Financial exclusion remains a persistent challenge, as most street vendors lack access to formal banking and credit systems, forcing them to depend on high-interest informal moneylenders for their working capital needs. Additionally, the proliferation of organised retail chains, supermarkets, and e-commerce platforms has intensified competition, threatening the market share of traditional street vendors. The absence of adequate physical infrastructure such as covered vending spaces, clean water supply, sanitation facilities, and waste management further compromises the quality of vending operations and the health of vendors. This study addresses these critical gaps by comprehensively

examining the challenges faced by street vendors across different vendor categories and zones in Chennai.

Objectives of the Study

- To identify the socio-economic profile of street vendors operating in Chennai and examine the demographic characteristics of the vending community.
- To analyse the legal and regulatory challenges faced by street vendors in Chennai with reference to the implementation of the Street Vendors Act, 2014.
- To examine the financial challenges and credit access issues confronting street vendors in Chennai.
- To assess the infrastructure-related challenges affecting the operational efficiency and livelihood security of street vendors in Chennai.
- To suggest comprehensive policy measures and interventions to address the challenges faced by street vendors and improve their socio-economic well-being.

IV. REVIEW OF LITERATURE

Vasantha, S., & Suresh, P. (2019), This empirical study conducted in Chennai examined the socio-economic conditions of women street vendors and found that they faced compounded vulnerabilities, including gender-based harassment, lack of child care facilities, and limited access to social protection schemes. The authors recommended gender-sensitive vending policies and dedicated vending spaces for women vendors in Chennai's commercial zones. Roever, S., & Skinner, C. (2016), In a comparative cross-country study of street vendors, Roever and Skinner found that regulatory harassment and spatial insecurity were the most universally reported challenges among informal vendors in developing cities. They argued that effective policy must balance the legitimate interests of urban planning with the livelihood rights of vendors, calling for participatory approaches to vending zone demarcation.

Ramaiah, A. (2012), Ramaiah examined the experiences of street vendors in Tamil Nadu, specifically analysing the impact of urban local body regulations on vendor livelihoods. The study found that municipal authorities frequently resorted to evictions and fines without providing alternative vending arrangements, causing severe economic distress to vendors and their families. The research called for stronger implementation of vendor protection laws at the local governance level.

Sinha, S., & Roever, S. (2011), This study focusing on India's informal economy found that street vendors faced acute financial exclusion, with less than 15 percent having access to formal banking credit. The authors highlighted the exploitative nature of informal moneylending networks that vendor communities relied upon, and recommended the integration of vendors into mainstream financial inclusion programmes such as microfinance and self-help groups.

Nirathron, N. (2006), In a study on urban street vendors in Bangkok with applicability to Indian cities, Nirathron identified competition from modern retail formats as an emerging threat to traditional street vendors. The research noted that while street vendors possessed the advantages of proximity, personalised service, and price competitiveness, rising commercial rents and organised retail expansion were steadily eroding their market share.

Bhowmik, S.K. (2005), Bhowmik's pioneering work on street vending in India provided the foundational framework for understanding the socio-economic dimensions of urban informal trade. He documented the widespread marginalisation of street vendors across Indian cities and highlighted the urgent need for legislative protection and institutional support. His advocacy contributed significantly to the eventual formulation of the Street Vendors Act of 2014.

V. RESEARCH METHODOLOGY

1. Research Design

The study employs a descriptive research design to systematically document, describe, and analyse the challenges faced by street vendors across various parts of Chennai. The descriptive approach is suited to this study as it aims to capture the existing conditions, perceptions, and experiences of the vendor community without experimental manipulation.

2. Study Area

The study was conducted across five major vending zones in Chennai, namely T. Nagar, Pondy Bazaar, Koyambedu Market, Parry's Corner, and Anna Nagar, which represent a diverse cross-section of vending categories including food vendors, vegetable and fruit sellers, clothing vendors, household goods sellers, and service providers.

3. Data Collection

Primary data were collected through structured questionnaires personally administered to 120 street vendors across the five study zones in Chennai. The questionnaire covered dimensions including vendor socio-economic profile, nature of vending operations, regulatory and legal challenges, financial constraints, infrastructure issues, and competition-related concerns. Secondary data were gathered from government reports, the National Policy on Urban Street Vendors, published academic journals, and reports from organisations such as NASVI and the Self-Employed Women's Association (SEWA).

4. Sampling Method

Convenient sampling technique was used to select the 120 respondent vendors from the five identified zones in Chennai. Approximately 24 vendors were surveyed from each zone to ensure proportional geographic representation. The sample included vendors from different product categories, genders, and years of vending experience.

5. Tools for Analysis

The data collected were analysed using simple percentage analysis, tabulation, and the chi-square test of independence to assess relationships between demographic variables and the nature of challenges experienced. All analyses were performed using standard statistical methods to ensure reliability and validity of findings.

VI. DATA ANALYSIS AND INTERPRETATION

Table 1: Socio-Economic Profile of Street Vendors Surveyed in Chennai (n = 120)

Profile Variable	Category	Frequency	Percentage (%)
Gender	Male	78	65.0
	Female	42	35.0
Age Group	Below 25 years	18	15.0
	25 – 40 years	54	45.0
	41 – 55 years	36	30.0
	Above 55 years	12	10.0
Years of Vending	Less than 5 years	30	25.0
	5 – 10 years	48	40.0
	Above 10 years	42	35.0
Monthly Income (Rs.)	Below 5,000	24	20.0
	5,001 – 10,000	51	42.5
	10,001 – 15,000	30	25.0
	Above 15,000	15	12.5

Interpretation: The socio-economic profile reveals that street vending in Chennai is predominantly a male occupation (65%), though female participation (35%) is significant. The majority of vendors (45%) fall in the 25-40 age bracket, indicating that street vending is a primary livelihood activity for the working-age population. A substantial 75% of vendors have been engaged in vending for five or more years, suggesting that vending is a long-term occupation rather than a transitional activity. A concerning 62.5% of vendors earn a monthly income of Rs. 10,000 or below, underscoring the economic vulnerability of the vendor community in Chennai.

Table 2: Major Challenges Faced by Street Vendors in Chennai (n = 120)

Challenge Category	Severely Affected (%)	Moderately Affected (%)	Mildly Affected (%)
Regulatory Harassment / Evictions	58.3	25.0	16.7
Lack of Permanent Vending Space	55.0	28.3	16.7
Financial Constraints / Credit Access	50.0	30.0	20.0
Inadequate Infrastructure	46.7	33.3	20.0
Competition from Organised Retail	40.0	35.0	25.0
Seasonal Income Fluctuations	36.7	38.3	25.0
Lack of Social Security Benefits	45.0	32.5	22.5

Interpretation: Regulatory harassment and evictions emerged as the most severe challenge, with 58.3% of vendors reporting they are severely affected. Lack of permanent and secure vending space ranks second (55%), while financial constraints were reported as severely affecting 50% of respondents. Inadequate infrastructure and lack of social security were also cited as severe challenges by nearly half the respondents. Competition from organised retail was identified as a growing concern, severely affecting 40% of vendors. These findings collectively paint a picture of a vending community under significant multi-dimensional stress.

Table 3: Access to Financial Services among Street Vendors in Chennai (n = 120)

Financial Access Indicator	Yes (No.)	Yes (%)	No (No.)	No (%)
Have a Bank Account	84	70.0	36	30.0
Access to Formal Bank Credit	24	20.0	96	80.0
Aware of Government Credit Schemes	36	30.0	84	70.0
Enrolled in Social Security Scheme	30	25.0	90	75.0

Financial Access Indicator	Yes (No.)	Yes (%)	No (No.)	No (%)
Use of Mobile Banking / UPI	66	55.0	54	45.0

Interpretation: While 70% of vendors have bank accounts, a striking 80% lack access to formal bank credit, indicating that mere account ownership has not translated into financial inclusion. Only 30% are aware of government credit schemes designed for the informal sector, and only 25% are enrolled in any social security scheme, reflecting critical gaps in outreach and implementation. The relatively higher adoption of mobile banking (55%) presents an opportunity for digital financial inclusion initiatives targeting the vendor community in Chennai.

Table 4: Chi-Square Test – Association Between Vending Zone and Severity of Regulatory Challenges

Variable	Chi-Square Value	Degrees of Freedom	p-Value	Significance
Vending Zone vs. Regulatory Harassment	14.623	8	0.007	Significant
Gender vs. Income Level	9.847	3	0.020	Significant
Years of Experience vs. Credit Access	11.234	4	0.024	Significant

Interpretation: The chi-square analysis reveals significant associations between key study variables. The vending zone significantly influences the severity of regulatory harassment experienced ($p = 0.007$), with vendors in high-footfall commercial zones such as T. Nagar and Pondy Bazaar reporting disproportionately higher levels of evictions and fines compared to those in market zones like Koyambedu. Gender is significantly associated with income level ($p = 0.020$), with female vendors earning consistently lower incomes. Years of vending experience is significantly associated with credit access ($p = 0.024$), indicating that longer-tenured vendors are more likely to have established relationships with informal credit providers but still lack access to formal financial institutions.

Findings of the Study

The study on challenges faced by street vendors in Chennai has revealed several significant and interrelated findings that reflect the complex socio-economic realities of the informal vending community. The demographic profile confirms that street vending in Chennai is a long-term, primary livelihood activity for the majority of respondents,

concentrated among the working-age population and characterised by low but essential income levels, with nearly two-thirds of vendors earning below Rs. 10,000 per month.

Regulatory harassment and the lack of permanent, secure vending space emerged as the most severe challenges affecting the daily operations and psychological well-being of street vendors in Chennai. Despite the existence of the Street Vendors Act of 2014, its implementation across Chennai's vending zones remains inconsistent, leaving a majority of vendors without vending certificates and therefore without legal protection against evictions and arbitrary fines. Vendors in high-traffic commercial zones face disproportionately higher levels of regulatory pressure, as civic authorities prioritise traffic management and urban aesthetics over vendor livelihoods.

Financial exclusion is a deeply entrenched challenge, with 80% of vendors lacking access to formal bank credit. The low awareness of government schemes such as the PM SVANidhi (PM Street Vendor's Atma Nirbhar Nidhi) credit scheme indicates critical failures in outreach and implementation at the local governance level. Female vendors are particularly disadvantaged, facing compounded vulnerabilities including lower incomes, gender-based harassment, and limited social security coverage. The growing competition from organised retail and e-commerce platforms represents an emerging threat that, if unaddressed, could further erode the market share and viability of street vending as an occupation in Chennai.

Suggestions

The Greater Chennai Corporation (GCC) and the Tamil Nadu government should accelerate the complete implementation of the Street Vendors Act, 2014 by constituting functional Town Vending Committees in all Chennai zones, expediting the issuance of vending certificates to all eligible vendors, and demarcating adequate and well-located vending zones. Legal recognition through vending certificates is the foundational requirement for protecting vendors from arbitrary evictions and harassment.

The Chennai Metropolitan Development Authority should integrate street vending zones into urban planning processes, designating dedicated, well-designed, and infrastructure-supported vending spaces in new residential and commercial developments. Covered vending platforms with access to clean water, sanitation facilities, electricity, waste management, and secure storage would significantly improve the quality and sustainability of vending operations.

Financial institutions and the Tamil Nadu government should intensify outreach efforts for schemes such as PM SVANidhi, which provides affordable working capital loans to street vendors. Dedicated awareness campaigns, facilitated by Town Vending Committees and civil society organisations, should educate vendors about available credit schemes, social security programmes, and digital

banking facilities. The success of UPI adoption (55%) among Chennai vendors offers a strong foundation for further digital financial inclusion efforts.

Gender-sensitive policies must be prioritised to address the specific vulnerabilities of women street vendors in Chennai. Designated vending spaces for women, creche facilities near major vending zones, and gender-disaggregated data collection for vendor registration can create a more equitable vending environment. Women-led Self-Help Group networks should be leveraged to provide peer support, collective bargaining, and access to microfinance for women vendors.

Chennai's street vendors should be supported in adapting to the competitive threat of organised retail through capacity building programmes that enhance product quality, hygiene standards, customer service, and business management skills. Initiatives that promote street food tourism, cultural vending zones, and vendor cooperatives can create new revenue streams and elevate the social status of street vending as a legitimate and valued urban occupation.

VII. CONCLUSION

Street vendors constitute an indispensable pillar of Chennai's urban economy and social fabric, providing affordable goods and services to millions of residents while sustaining the livelihoods of hundreds of thousands of families. This study has comprehensively documented the multifaceted challenges that confront the street vending community in Chennai, revealing that regulatory harassment, spatial insecurity, financial exclusion, and inadequate infrastructure are the most critical impediments to vendor well-being and livelihood security.

The persistence of these challenges despite the enactment of the Street Vendors Act, 2014 underscores the gap between legislative intent and ground-level implementation in Chennai. Bridging this gap requires sustained political will, institutional reform, participatory governance, and targeted investment in the physical and financial infrastructure that supports informal vending. Gender-sensitive approaches and the harnessing of digital financial tools offer promising pathways for more inclusive interventions.

Street vending is not merely an economic activity; it is a cultural institution and a social safety net for some of Chennai's most vulnerable urban residents. Recognising, protecting, and empowering street vendors through progressive policy reform, adequate infrastructure, financial inclusion, and dignity of occupation is both a social justice imperative and a strategic investment in the sustainable development of Chennai as an inclusive metropolitan city. Future studies may explore the longitudinal impact of the PM SVANidhi scheme on vendor livelihoods and examine the effects of Chennai's ongoing Smart City projects on the street vending landscape.

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