

Potential and Challenges of SSE Initiative for Informal Street Trade

Case Study of Two Indian Cities

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Informal Street Trade

Long perceived as survivalist, yet

- not trivial – [scale of the sector]
- not temporary – [(informally) integral to urban local economy]
- not stagnant - [dynamic and growing]
- not constricted – [catering to diverse consumer demands]

And still yet,

- bypassed by formal policy framework
- excluded from institutional support
- despised by local administration

Central Questions

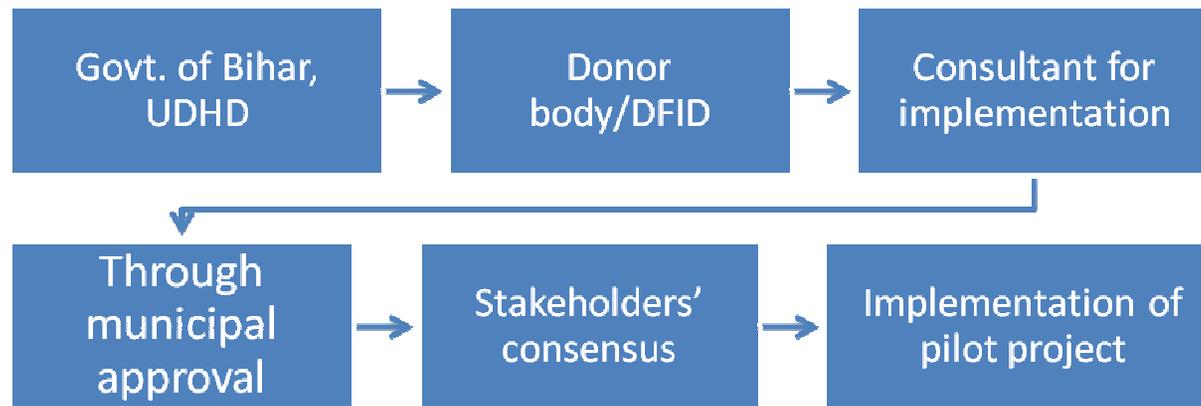
- Is informal street trade only a victim of political apathy, lack of administrative will and unperceptive urban planning?
- Or, there is more to it – as an issue larger than poverty and livelihood?
- Else, why projects and interventions – wherever, initiated to organize street trade have failed to bring desired results?
- Is Social and Solidarity Economy an option?
- If so, what are the associated challenges and policy imperatives?

Social and Solidarity Economy and Its Theoretical Appeals

- SSE, as a form of production and exchange, offers a framework to accommodate democratic participation, agency, resilience and capability expansion.
- As such, it is theoretically appealing for urban informal sector, particularly the street vending sector, amidst volatility, physical violence and insecurity.
- However the experience on a cooperative approach (ILO's SYNDICOOP programme in South Africa) to manage street trade has not been encouraging
- What difference a SSE approach is going to make then?

About this Research

- Associated with Support Programme for Urban Reform in Bihar



Implementation Framework of Pilot Project on Street Trade under SPUR

- Study area; two towns in Bihar-- Patna and Begusarai
- An experiential account of over two years
- Repeated individual and group interviews; direct observation
- Institutional analysis – formal and informal
- Review of government documents, guidelines, notifications

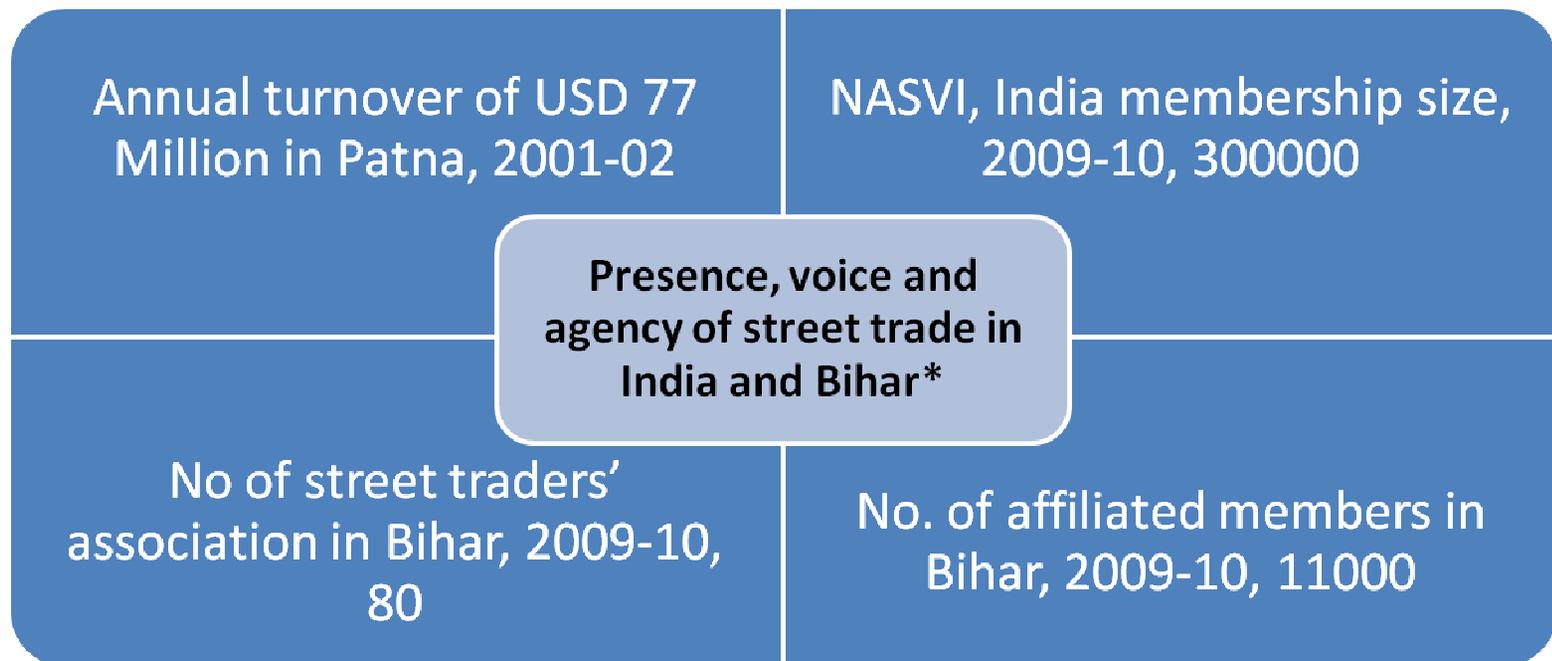
Why street trade calls for economics of solidarity?

A. THE POLITICAL MACRO ECONOMY OF STREET TRADE

The political macro economy of street trade

1. Voice and agency of street trades

- Solidarity is the foundation
- Increasingly organized to sustain and expand



*Source: NASVI, New Delhi and Nidan, Patna

The political macro economy of street trade

1. Voice and agency of street trades (Contd.)



Growing political clout and policy recognition of street trade in India and Bihar, over last decade

- Can't be reduced to market or society alone
- Can't accommodate its political character by a cooperative and welfarist approach
- Neither the state can afford to bypass the sector now
- SSE - an expanded concept of the economy and of the political sphere (Laville, Levesque and Mendell 2009)
- SEE intrinsically aligns with the agency, the sector has begun to exercise and still needs to do, to ward off external attempts to marginalize it.

The political macro economy of street trade

2. Urban crisis- demands for innovative land policy

- Competing usage, extreme pressure, filth, degradation; Urgent need to counter the space crisis
- No state policy or strategy to reconcile; potential for solidarity
- Land as public good, suffers from the 'tragedy of commons'
- Limited rights to land and accommodating the informal sector contributes to sustainable urban development (Perera 1994).
- SSE framework has the scope to
 - engage with traders' right to public space,
 - promote sense of ownership and self allegiance to norms
 - improved urban space management.
- Traders with solidarity can bargain better against attempts of trivialization and /or marginalization during any land negotiations

Why street trade calls for economics of solidarity?

B. GRASS - ROOT CIRCUMSTANCES: STAKEHOLDERS' DYNAMICS

Stakeholders' dynamics at the Grass root

1. Grass root bureaucracy

- Constant interface with local administration and police
- Informal and tacit negotiation between local body and street traders instead of systematic regulation
- Rational behaviour on part of the institutionally weak local administration – balance between sporadic regulation and arbitrary trade activities
- Handicaps also an excuse for inertia to act- constant barrier to project initiatives
- Rent seeking to local police and other staffs for daily sustenance, thus rendering forceful evictions and efforts to regulate, futile

Stakeholders' dynamics at the Grass root

2. Local elected representatives

- Constant interference with project process to personalize the gains
- Particularism and manipulation to secure gains for loyalties
- Constant disruption in beneficiary listing under the project in Patna, to accommodate people from their kinship networks.
- Even threats to thwart municipal approval on the project unless some of the traders from the target groups are replaced by loyalties
- Such tendencies consistently retarded the reform process at all levels.

Stakeholders' dynamics at the Grass root

Grass root circumstances of SSE

SSE approach to street trade appears feasible given grass root circumstances;

- Need for constant check on entrenched feudal and informal practices on ground, which is administratively limiting.
- Indispensability of voluntary appreciation of norms to sustain reforms.
- Voluntarism in turn is possible only if the reform is community led based on built in conviction and confidence
- Consequent cohesion can counter any non-democratic and informal interference in the process.
- SSE has an explicit value alignment with reform prerequisites in street trade sector

Challenges of Operationalizing the SSE framework

A. SYSTEMIC CONSTRAINTS

Systemic constraints

1. Bureaucratic formalism and inadequate functional differentiation

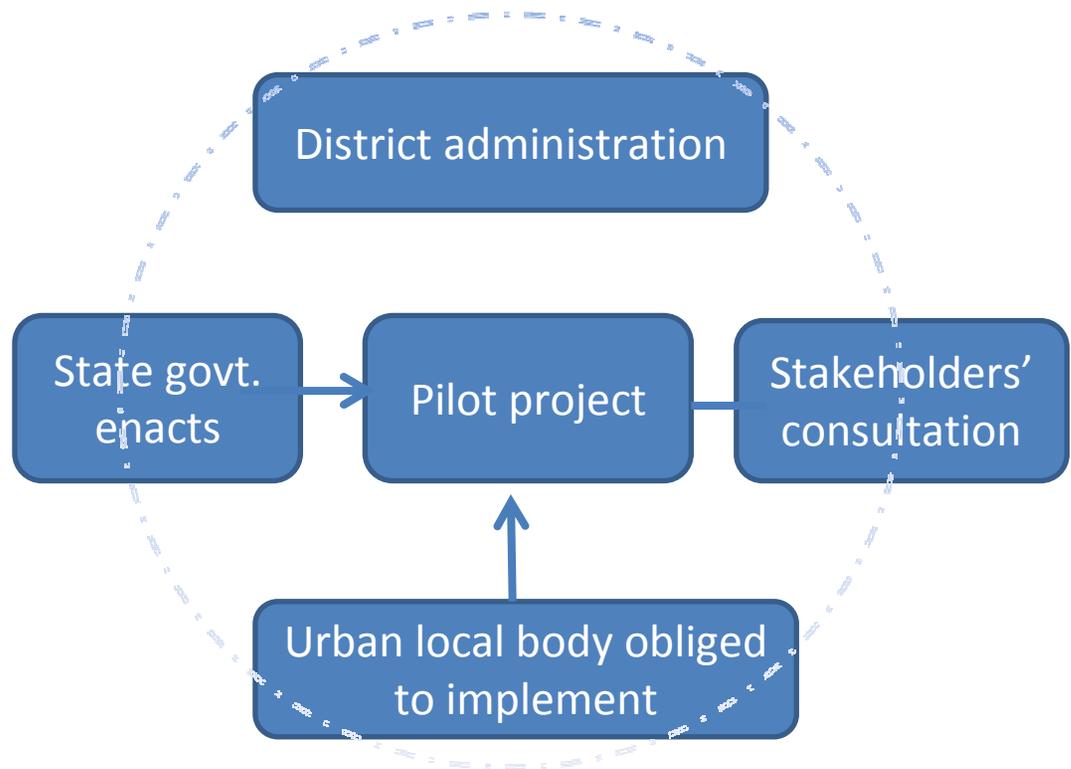
- Political claims, legislative approval but operational focus on protection solely of self interest
- Bureaucratic aversion to accommodate rights of street traders
- Ambiguous horizontal and vertical differentiation of functions
- Municipal staffs in the two towns on average, are unaware on line distribution of 50% of municipal issues
- Contradictory understanding on remaining 50% of issues
- Favourable condition for moral hazard – files and letters, remain pending between desks and departments

Systemic constraints

2. Malintegration and Disconnect

- Arbitrary evictions by district administration thrice during May-December 2011, at pilot project site; while beneficiary mobilization continued alongside
- Purpose of mobilization defeated
- Loss of community trust on project and govt. intent

Mutual disconnect and malintegration among administrative wings



Systemic constraints

3. Collusion and newer routes to corruption

Interface between bureaucracy and consultant:

- Caused by weak governance structure and technically handicapped bureaucracy
- Department bereft of project management and monitoring capabilities
- Officials dependent on consultant; scope of manipulations
- Exercise of bureaucratic authority only through groundless stalling of approvals
- Countered by consultant through appeasement and rent seeking
- Approvals granted irrespective of actual project performance
- Indifferent bureaucracy colludes with consultant for serving personal interests
- The consultants gain both personally and professionally

Systemic constraints

4. Passiveness of donor agency

Interface between the donor and the state govt. and consultant;

- Occasional interaction between the donor and the state government, no regular review of critical issues
- Routine interaction between the donor and the consultant for review of progress
- Donor preoccupied with targets and indicators
- Field visits, pre-organized and polished
- Ground scenario remains veiled
- No proactiveness on part of donor to examine utilization of its funds
- Neither rigorous assessment of impact on local community

Systemic constraints

The collapse of reforms

- No accountability, delays, no follow up, stand offs, deadlocks
- Dying down enthusiasm and generation of apathy among beneficiaries; Difficult to invoke cooperation, voluntarism and confidence

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Patna

- Stakeholders' consultation , September 2009
- Municipal approval, January 2011
- No objection request to land owning department, March 2011
- Completion of community mobilization, September 2011
- Current status, not received, no follow up

Begusarai

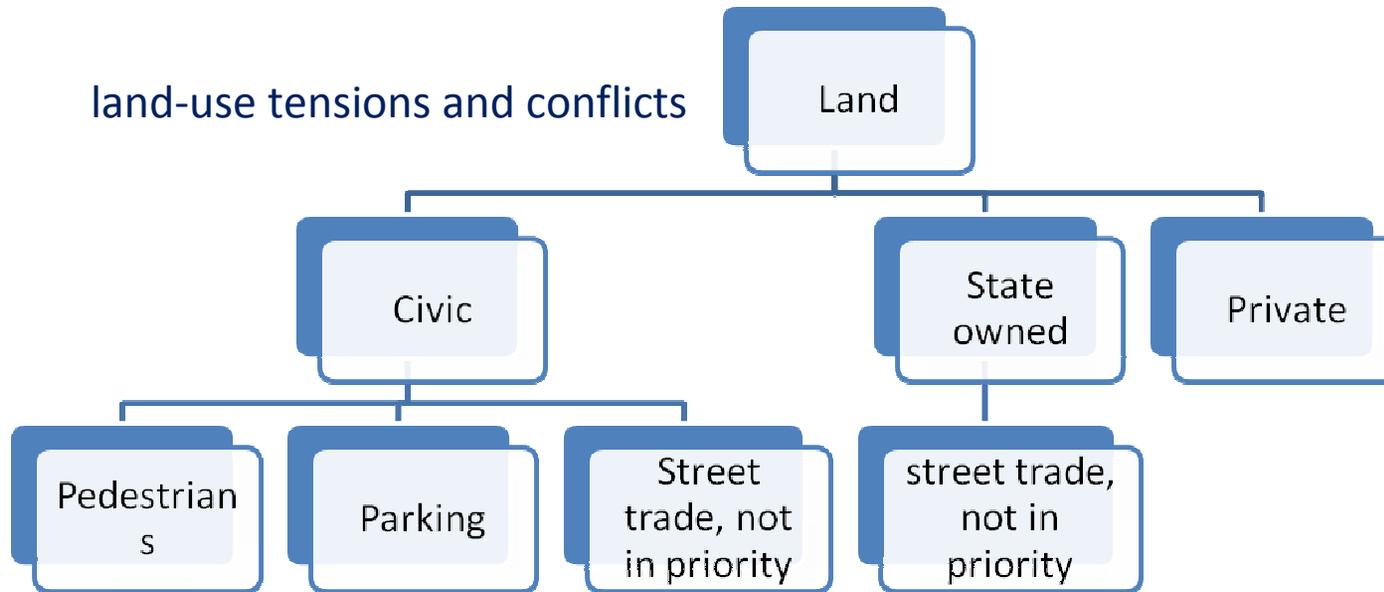
- Stakeholders' consultation , June 2010
- Municipal approval, January 2011
- No objection request to land owning department, July 2010
- Completion of community mobilization , August 2011
- Current status, no follow up, project scraped

Challenges of Operationalizing the SSE framework

B. ISSUES OF LAND AND PARTNERSHIPS

Issues of land and partnerships

1. Who will spare land for street traders?



- Street trade - easy victim of any actual or rhetorical effort to counter urban space crisis, there is no strong lobby
- Competing for land is a major issue of conflict between street traders and real estate builders (COPAC 2009);
- SSE would require considerable political will for confronting vested interests; is the state prepared?

Issues of land and partnerships

1. Who will spare land for street traders? (contd.)

- Rising vehicular traffic a bigger threat to urban sustainability (Joseph 2011, Mathar 2012). Why such antagonism to street trade only while public space is critical livelihood asset for urban poor and informal workers?
- Imagination of modern, beautified city, overplayed the role of street trade; Neo elitism dominates while organizing market territory; interests of traders compromised (Turner and Schoenberger 2012)
- Getting into a credible and sustained process to deal with land or space requirements is critical for SSE approach to street trade
- Given lack of municipal land, it is important to evolve an integrative mechanism to establish inter-department coordination for use of public space.
- Is the state prepared for innovative and pro poor land use approach?

Issues of land and partnerships

2.Challenges of engaging the street traders

- Majority of traders still remain out of organized network
- Despite increased voice and agency, ignorance on rights and legislations is widespread among traders
- Lessons from cooperative approach to manage street trade tell that engaging traders is critical for operationalizing SSE model
- How to bridge bureaucracy-citizens/street traders' gap to enhance community outreach
- How to turn around the conflictual relationship between local governments and street traders?
- How to orient the administrator to engage trader as partners of urban local economy and system?

Issues of land and partnerships

2.Challenges of engaging the street traders (contd.)

- Certain evidences reveal the difficult in involving traders in such work unless it is directly related to their work and income generation (COPAC 2009)
- SSE is more than about cooperation and need to be seen as source of transformation (Wainwright 2009).
- SSE gives centrality to traders and puts onus on them to act as agents of change and abide by rules and regulations.
- Street traders would need to look beyond short term gains and immediate livelihood issues, which is difficult
- How to orient the traders to assume such role on sustainable basis?

Issues of land and partnerships

3.Challenges of engaging the civil society

How to turn antagonists into allies?

- Civil society instrumental to enhanced voice and recognition of street traders
- In the process, it has earned the wrath of administration and is perceived as antagonistic element
- How to enable the state to partner with civil society, which is a necessity given the outreach demands of SSE?
- Civil society repeatedly bypassed by administration during pilot initiative
- Administrative officials perceive civil society members as nuisance creators

Issues of land and partnerships

3.Challenges of engaging the civil society (contd.)

Opportunism among local civil society members;

- Often trade leaders concentrate on lobbying, finances and advocacy, as faced by the project during piloting exercise

Instance (1.)

- Local trade leader using his hold to lobby against the project
 - out of insecurity to loose the influence and informal power, and
 - due to fear of loss of membership contributions from the traders
- Street traders, though supported the project, could not question the leader
- Their confidence in project was also fragile due to contradictory administrative moves
- Threatened traders individually, as well as project team
- Kept obstructing pilot project on false grounds

Issues of land and partnerships

3.Challenges of engaging the civil society (contd.)

Instance (2.)

- Another civil society leader cooperated with pilot project
- But in expectation of secured space and allocated resources for his loyalties
- Objective, to strengthen own position and hold among local traders
- Support offered in exchange of project commitment towards his demands
- Such favouritism derail democratic values, reestablishes feudal practices and is regressive for SSE approach
- How to address the ambitions and expectations of local leaders and civil society members?

Some threads to create pathways

- Failure of state and market to extend occupational inclusion to street trade reflects SSE's potential to transform it into 'alternate' economy
- 'Alternate' here, does not indicate 'adversary' of the two dominant entities. But indicates evened out bargaining relations through solidarity and agency
- State's role is intact since one of the prerequisite is radical restructuring to address systemic issues such as bureaucratic functioning
- Urban land reforms and inclusive land use planning
- Engaging stakeholders – partnering with civil society is the key
- Where applicable, the donor can inquire into the manner of use of the fund, even without undermining the sovereignty of the host nation (ODI 2007)

‘Implementing a rights-based agenda at the sub-national scale thus necessitates a radical critique of the instruments as well as values of the local state and will require a massive process of state rebuilding and institutional reform, without which everyday practices of urban management remain unchallenged and exclusionary’ (Parnell and Pieterse 2010) .

THANK YOU