

## **A Street Livelihood Report**

**Based on the Findings of Street Vendors' Survey in Karachi Company, G-9  
Markaz, Islamabad**

### **A Roadmap for Streamlining Street Livelihood in Islamabad**



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***December 2020***

*\*A Street Vendor in Karachi Company Area, Islamabad*



## Contents

<b>INTRODUCTION .....</b>	<b>4</b>
<b>PART – I: FINDINGS OF THE STREET VENDORS’ SURVEY.....</b>	<b>11</b>
<b>Survey Rationale .....</b>	<b>11</b>
<b>Survey Design &amp; Conduct .....</b>	<b>12</b>
<b>Key Findings of the Survey .....</b>	<b>13</b>
<b>Post-Survey Vending Comprehension .....</b>	<b>20</b>
<b>PART – II: ROAD MAP – STREAMLINING STREET LIVELIHOOD IN ISLAMABAD .....</b>	<b>22</b>
<b>Work Areas – Vending Zones &amp; Licensing Regime .....</b>	<b>22</b>
<b>Action Plan – Multi-stakeholders’ Engagement.....</b>	<b>26</b>
<b>CONCLUSION.....</b>	<b>28</b>
<b>References.....</b>	<b>28</b>



## Figures

Figure – 1: Area of Origin, Street Vendors

Figure – 2: Age Demographics, Street Vendors

Figure – 3: Educational Attainment, Street Vendors

Figure – 4: Commuting Distance to Workplace, Street Vendors

Figure – 5: Vending Period at Current Location, Street Vendors

Figure – 6: Mode of Vending, Street Vendors

Figure – 7: Categories of Vending, Street Vendors

Figure – 8: Vending Hours, Street Vendors

Figure – 9: Per Day Net Earnings, Street Vendors

Figure – 10: Per Capita Investment, Street Vendors



## Abbreviations

ADB	Asian Development Bank
AJK	Azad Jammu & Kashmir
BISP	Benazir Income Support Programme
CDA	Capital Development Authority
DFID	Department for International Development
GIZ	Gesellschaft für Internationale Zusammenarbeit
GB	Gilgit Baltistan
GDP	Gross Domestic Product
KPK	Khyber Pakhtunkhwa
MSME	Medium Small Micro Enterprises
MCI	Metropolitan Corporation Islamabad
OPHI	Oxford Poverty & Human Development Initiative
PIDE	Pakistan Institute of Development Economics
PKR	Pakistan Rupee
UNDP	United Nations Development Programme



## INTRODUCTION

This Street Livability Report is the outcome of the collaboration between Ehsaas Program, the premier poverty alleviation initiative in Pakistan and Pakistan Institute of Development Economics (PIDE), the major public sector think tank. Indeed, credit for this work on a neglected segment of Urban Poor goes to the insights and leadership of Dr. Sania Nishtar, Special Assistant to Prime Minister on Poverty Alleviation. She was presented with the draft legislative bill on the livelihood protection and regulation of street vendors in Islamabad, which was well-received by her. This draft legislative bill became the basis of further collaboration between Ehsaas and PIDE for the work on street livelihood.

For streamlining the work on the underlying issue, Dr. Nishtar provided the requisite support and guidance for the multi-varied engagement to explore an optimal path for creating an effective governance regime of street vending. Under her directives, PIDE did initiate the preliminary consultations with Capital Development Authority (CDA) and Metropolitan Corporation Islamabad (MCI) on the local vending governance and related challenges. It has also brought in Islamabad Chamber of Commerce & Industry (ICCI), the main representative body of business community in Islamabad, for consultation on local street economy. It was highlighted during these consultations that there was no data available on the exact number and socioeconomic profile of street vendors in Islamabad. For structuring an evidence-based response, it was decided that a street vendors' survey will be conducted in a main Islamabad market with high presence of vendors. The survey was conducted in Karachi Company area, a major commercial hub located in Sector G-9 Markaz of Islamabad. It provided the PIDE team with a trove of information on the underlying dynamics of street economy in Islamabad. In line with Dr. Nishtar's guidance, PIDE will be treating the survey's findings as the critical input for devising the roadmap for streamlining street livelihood in Islamabad. Other input for the purpose will include preliminary stakeholders' consultations and secondary research on global trends in street economy and its corresponding governance.

This introductory section of the report will also include a take on the PIDE comprehension of the vitality of street vending in modern economy, inability of city authorities to come in terms with this resilient economic segment and agility of urban poor in circumventing any efforts for clearing the streets of vendors. It creates the basis of PIDE efforts for its ensuing engagement in creating a broader coalition of government agencies and civil society for resolving this intractable issue through evidence-backed support and action-oriented advocacy. Later in the introductory section, the structure of this street livelihood will be elaborated with its contours and parameters.

### ***Street Vending as PIDE sees it...***

History of street vending dates back to ancient civilizations. Old travel accounts of historical trading towns and cities depicts a vibrant market place full of street vendors selling all kinds of wares and services. This vending tradition has carried over the centuries till we entered the modern era of glossy living, where space for chaotic vending is increasingly banished. Industrial revolution over the head of colonialism resulted in the emergence of an increasingly prosperous middle class in western societies, whose desire for emulating elite taste started effecting urban design of old cities. Unruly sight of street vending was against the grain of modern sleek makeup of high-end urban living. Street vendors are marked as an archaic remnant of less prosperous and forgettable period. With all the elitist thinking, city authorities in



developed countries did recognize their limitations in eradication of street vending in the midst of aesthetically designed modern urban centers.

Diversity of multiclass living in modern cities keeps the demand of the street vending alive. It serves well the desire for cheap food and other accessories of a substantial low and even middle income groups in these cities. Space in modern city centers is valuable, short in supply and increasingly contested domain, where a nexus of developers and city authorities collude to decrease the space of the poor for gentrification. Poor is pushed on the peripheries of cities to fend itself in the slums, while providing essential services for the upper and middle classes through long commutes. Under civic pressure or demand necessity, City authorities did grudgingly allow some urban poor to reclaim livelihood through street vending in city centers and natural markets with stringent compliance requirements. New York, a city of 8.3 million inhabitants, has capped the issuance of street vending license to 4,893 for decades. It has created a robust black market. Against an official fee of \$200, a vending permit in New York can illicitly fetch as high a premium of \$22,000. And this licensing regime didn't eradicate unauthorized vending in the city, which is three times of the capped limit.

Unfortunately, urban planners never took a cue from the underbelly of street economy in developed countries. In their grandiose plan of emulating modern garden cities, they forgot to take into account teeming million from lower class, who are struggling to meet their ends. These poor are paying substantial amount to human smugglers to get into developed countries, by whatever means available to earn a livelihood. Undocumented migrants make up significant number of street vendors in major western cities. Now, if these illegal migrants are filling the public squares with unlicensed vending carts, while keeping an eye on police to make a run, then how can their stayed brethren in homeland be stopped from encroaching the public space for vending.

This disconnect in urban planning of modern cities in developing countries is well-reflected in the urban design of Brasilia in Brazil, Islamabad in Pakistan and Abuja in Nigeria. Designed by leading architects and planners of their times, who were more inspired to build islands of urban excellence, but remain oblivious of the prying eyes of urban poor. And these urban poor have seeped in through all possible avenues to make their livelihood, while diluting the elegance of these garden cities. Till date, governing authorities, in these cities, have failed to eradicate the 'menace' of street vending. And the fact of the matter is that predominant population of poor resides in global south, which is witnessing heightened urbanization due to transformation in economic demographics. Streets remain a potent livelihood option for the uncouth and unskilled poor migrant with little employment prospects in urban centers.

No urban agglomeration in today's world is devoid of street vendors. Challenges of governing street vending is much different between developed and developing countries. With their much higher purchasing power, developed economies have worked out a better façade of integrating the street economy in the urban design of their cities. Besides been more prosperous, these cities of global north have much less population pressure than cities in global south. With unrestricted internal migration, authorities in developing cities have to think beyond administrative actions of declaring vending illegal and frequent eviction campaigns. Despite on the receiving end, urban poor has out-manuevered the machinations of city authorities through their sheer scale by quick replacement of foot soldiers and encroaching new urban frontiers. Corrupt political economy remains their savior in this strive, whereby



they are managing their living in urban slums and livelihood by encroaching the public space of commercial vitality.

Question remains about right to the city. Urban poor have little resources to become meaningful stakeholders in the land sprawl of the cities. They live in cramped conditions in the ever expanding slums or low lying residential areas with insufficient municipal services. Street economy serves as the livelihood conduit for many of the slum residents. In absence of property titles, urban poor lives in perpetual uncertainty of eviction from both his living and livelihood spots. However, slums have bit better longevity than street livelihood, as they are invisible to the city elites, till some developer creates a scheme for gentrification or government decides for a grand infrastructure project by uprooting them. However, despite lack of proper land titles, slums such as favelas in Brazil or gecekondu in Turkey or katchi abadi in Pakistan, have created their uneasy acceptance among local elites owing to their political or economic significance. Understandably, street vendors are more susceptible for quick and frequent administrative action owing to their high visibility on public spaces.

Urban land plans favored moneyed class, with little space considered for accommodating urban poor, but literally no room for street livelihood in most of these plans. Right to city for the urban poor becomes meaningless in absence of his livelihood arrangement. With enhanced automation, economic demographics are changing rapidly. Growth rate of industrial jobs is on the decline even negative at locations. Services sector, the main driver of job growth in modern capitalist economy, is facing the dilemma of oversupply of labor. Underemployment is becoming the norm in this environment. Governments, especially in developing countries, are struggling to facilitate more job creation for a rapidly growing and urbanized population. For managing the growing economic inequality across the world, efforts are made to promote entrepreneurship at small and even micro levels. Various research studies have established the credentials of MSME segment as a potent conduit for creating faster and more jobs than large enterprises in an economy.

Fortunately, over the years, more realistic view is emerging among developing countries in managing street vendors. A participatory approach is increasingly adopted, where broader coordination is initiated between government authorities, street vendors' associations and civil society to work out the usage rights and design of public spaces for vending. Municipalities in South Africa have created dedicated informal trade department for facilitating street vendors. After years of banishing street vendors from urban centers, Chinese government is now encouraging street-stall economy to cater for livelihood issues affected by COVID-19 pandemic. India has promulgated street vending law for providing street vendors a voice in their governance and recognizing their contribution to the economy. Indonesia is incurring public money on building infrastructure for facilitating street vendors. Peru has made it legally difficult to evict street vendors. Kenyan government is providing food safety training to street vendors before issuance of license. However, overall operating environment remains hostile to street vendors in most of the countries. Local authorities are concerned over the congestion and unhygienic conditions caused by the vendors. Contestation remains high on limiting street vending to dedicated purpose built markets or allowing them to operate in natural markets along with formal shopkeepers or permitting them in squares, parks, transport nodes and other public spaces. There is no one fit for all strategy, as its resolution is linked with the political economy peculiarities of a jurisdiction. However, participatory coordination usually dilutes intra-stakeholders' resistance and creates space for a mutually acceptable and implementable action plan.



### ***Face-off with Street Vending in Pakistan...***

With around 220 million inhabitants, Pakistan is the fifth most populous country in the world. Its urban population is estimated at over 81-million in 2020. As per 2017 census, the country has 97-cities having a population of 100,000 and above. Its per capita annual GDP hovers around \$1500, which makes it a low-income country. As per the OPHI-UNDP's multidimensional poverty index, 38.8% of the country's population are accounted as poor. Geographical dispersion of the poverty is stark, which creates a pull for migration from poorer regions to major cities for livelihood, hence creating more pressure on the urban resources in the country. During the last decade, Pakistan underperformed economically in regional comparison, while simultaneously registering higher population growth rate. It simply retards the poverty alleviation process. Economy is low on competitiveness; hence it is not producing substantial range of products or services that may fetch premium pricing or demand in international markets. Official urban unemployment rate is 7.2%, but substantial underemployment exists. COVID-19 has further exacerbated the employment environment.

This brief socioeconomic interlude is meant to define the fertile grounds for street vending in urban Pakistan. There is no country-wide data available on the population of street vendors and their vocations. Karachi-based Urban Resource Center has conducted number of studies on street hawkers in Saddar area of Karachi, which also presents an approximation of street vendors in the city. It provides a conservative estimate of 150,000 street vendors in Karachi, with an annual earning of PKR 45 billion. As per international trend, population of street vendors in developing countries hovers in the range of 1.5% to 2.5% of the urban population. In the case of Pakistan, its street vendor population will be between 1.2 to 2.0 million, which makes up 5.3%-8.9% of the urban labor force. Now, this makes a significant part of the informal economy, which employs 72% of the labor force outside agriculture. If street economy can be organized and regulated properly, it has the capacity of incubating businesses from street to formal shops on regular basis. It remains an economical base for fostering microenterprises in a low-income country like Pakistan, subject to its official treatment as the legitimate part of the local economy.

However, on de jure basis, environment is hostile to street vending in Pakistan. Street vendors have little to no legal protection available, with courts regularly passing judgements in favor of evictions. Car constituency is regularly pushing for the removal of street vendors for making space of car parking in commercial areas. Street livelihood is not part of urban planning in Pakistani cities. Licensing regime is much arbitrary with little leeway available to street vendors in the decision making process.

The de facto scene of street vending is bit different. Every urban center is crowded with street vendors. Generally, public has favorable view of street vendors, as reflected in a Gallup Pakistan Survey, where 69% of the respondents opposed removal of street vendors. Lower echelons of city authorities and formal shopkeepers also facilitates placement of street vendors, while extracting a cost through underhand payments. Impact of any eviction campaign is normally short-lived. Few elite markets in major cities are clear of street vendors, otherwise they are present in every major commercial center of urban Pakistan.

Question arises about this divergence between the de jure and de facto scenarios. Reply is simple, market is trumping the law. There exist a large disconnect between the elite take on street vending and prevalent ground reality in the country. Market dynamics makes the legal and illegal debate irrelevant in the case of street vending. The street economy is quite agile; it exists in commercially viable venues. Any





intervention that reduces footfall in the vending area beyond a scale, will result in relocation or termination of businesses by street vendors. It does happen during broadening of roads or urban infrastructure projects constraining access of pedestrians to vending areas. Street vendors have greater tilt towards stay in natural markets, such as Tariq Road in Karachi, Anarkali in Lahore, Hussain Aghai in Multan, Saddar in Rawalpindi and so on. Rationale behind this inclination is regular and heavy footfall in these markets and it is in line with international trends. Retention of street vendors in dedicated vending area, such as Bachat Bazaars or Stall Markets, also depends upon the accessibility of these locations for customers.

However, till this economic angle is not incorporated in the vending governance, Pakistani cities will suffer from haphazard placement of vendors, overcrowding and unhygienic public spaces. No amount of judicial orders and aggressive eviction campaigns are going to resolve the issue on permanent basis. Urban poor will game the system, as the population scale and market demand is on their side. Any administrative intervention devoid of comprehension of street livelihood will have limited impact. A recent major anti encroachment operation in Empress Market, Karachi, resulted in the removal of around 10,000 street vendors from the area. It makes 6% of the total city population of street vendors, but it was unable to deter street vending in other areas of the city. Indeed, it resulted in the increase of bribe rates by the administration from other street vendors. Livelihood remains the cruel factor behind the staying power of street vendors in otherwise hostile environment.

Emergent street economy is driven by economic rationale of market demand at one end and sustained by the rentier component on the other end. State institutions may make all the noises on the illegality of street vending in the cities, but they get little share in terms of any tax revenues from street vendors. Substantial rents are generated from the street economy, which are informally paid to various stakeholders to keep the buzz on the street. This rentier component may be elaborated in terms of likely beneficiaries in different segments of street economy:

- Natural Markets – Old established formal markets with heavy footfall
  - Inspectors from Municipality
  - Enforcement Department of Development Authority
  - Area Police
  - Shopkeepers (who placed street vendors in front of their shops)
  - Market Committee
- Other Public Spaces – Roads, Squares, Parks, Hospitals, Entertainment & Office Areas
  - Inspectors from Municipality
  - Enforcement Department of Development Authority
  - Area Police

It is an entrenched system that has been practiced for decades, which is not easy to dislodge. Now, the issue is not banishing the whole rentier edifice with a stroke of a pen, indeed it is not a possibility in current scenario, but to create a space for structured street livelihood in current paradigm. It may only be done, when city authorities recognize street vendors as a legitimate part of local economy. Thereafter, they can take measures of designing and setting-up vending zones in both natural markets and other public spaces, where placement criteria for the street vendors will be worked out through stakeholders'



consultations. Without this engagement, any sustainable solution for this intractable issue may not be possible.

PIDE is taking a holistic view of the street economy from the perspective of optimizing usage of underutilized public spaces and inducing market-based poverty alleviation solutions. As a country, it remains of a firm view that Pakistan cannot afford to spare any avenue for generating economic activities, especially that impacts the livelihood of poor at the cost of satisfying first world sensibilities of its particular elite class. Street-vending induced congestion and unhygienic conditions do happen, as we refuse to own them and integrate them in the local economy. Leaving street vendors on their own devices, while expecting that lower rentier system will somehow take care of the issue itself, is neither going to take us long on the path nor going to make our cities more livable.

PIDE is well-cognizant of the fact that prevalent status quo, in local street economy, has outlived various regimes in the country. It is expected to do same with any effort for the transformation. PIDE expects it to be a gradual process, with the starting point of initiating consultations for sensitizing stakeholders on the status of street livelihood as the genuine and integrated component of local economy. It opens the path for identifying the challenges and quantum of the street economy. It is expected to be a participatory approach with a coalition building for the design and later implementation of agreeable intervention in the street economy. Objective remains inclusion of poor in the street livelihood within established spatial constraints of the public spaces. In this manner, an inclusive right to the city is created.

PIDE foresee another challenge from the empathetic but elitist understanding of resolving vending issues in the country. There are significant number of representatives and officials in the governing elite, who genuinely want to help the poor vendors, but with the solutions imported from developed countries. There is nothing wrong in attracting investment in the large food trucks, which in any case will be beyond the financial reach of 99% of current lot of street vendors. However, any policy change needs to take into account the socioeconomic makeup of domestic street vendor community for creating an internal buy-in and effective implementation. Efforts should be made to avoid generating perverse incentives, which may exclude poor from participating in the street economy.

PIDE remains of the opinion that the street economy has significant potential to contribute to the government objective of job generation. Any economy is a complex organism, where multiple economic niches are working out for a sustainable existence and stable growth. These economic niches include large corporates, SMEs and microenterprises. Monetary contribution of microenterprises may be minuscule as compared to its large counterparts, but its economic impact in terms of outreach and social mobility is much larger. If support for street economy is integrated with the government goal of creating 10 million jobs, then it will not only emerge as the economic pivot for the purpose, but will also generate substantial political capital for the sitting government.

### ***Structure of the Report...***

Beyond the introductory section, the report is segregated in two broad parts. First part will cover the findings of the street vendors' survey. It will provide detailed analysis of the trends discovered during the survey. Graphic presentations of survey result will provide easy comprehension tools. It will also include informal input generated during survey discussions. Second part will elaborate on the roadmap for streamlining street livelihood in Islamabad. Based upon the survey findings, stakeholders' consultations



and secondary research, PIDE will be putting up an evidence-backed case for supporting street livelihood. It will be aligning the proposed action plan with the objectives of the Livelihood Pillar of Ehsaas program. It is meant to structure a coalition engagement for the participatory design and effective implementation of the intervention for enhancing street livelihood in Islamabad. It will define the actions and measures for a methodical approach in meeting the target objectives, as envisaged by Ehsaas.

## PART – I: FINDINGS OF THE STREET VENDORS’ SURVEY

### Survey Rationale

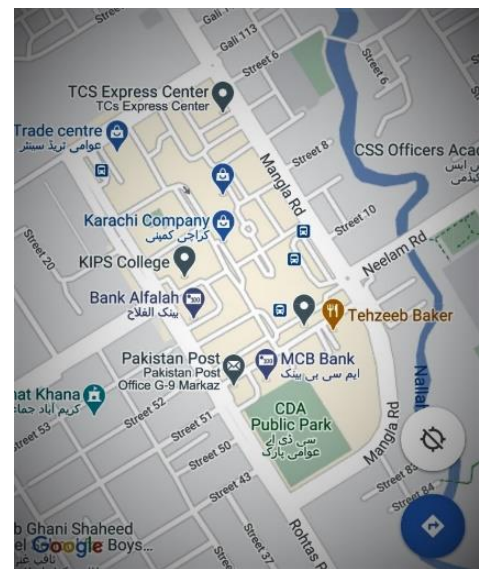
A common thread that was highlighted, during various consultations on street vending in Islamabad, was the paucity of data on street vendors. Policy makers, regulators and research organizations are unaware on the exact quantum and profile of street vendors operating in various markets of the city. CDA and MCI are maintaining data of few hundred licensed street vendors, however it didn’t include the vendor profile. It becomes imperative that any serious progress on the policy change may not be possible without having some basic socioeconomic data on street vendors.

Now the question arises on the extent of data collection of street vendors. Islamabad is a large city with over 2 million inhabitants spread over an expanse of 906 square kilometers. It has 19 main markets in the sector area, then numerous large markets in zone 4 and 5 along with busy vending areas in various public spaces. City-level census will be much expensive and time consuming. The matter was reviewed in the meeting chaired by Dr. Sania Nishtar, SAPM. Under her directive, a decision was reached that a pilot street vendor survey will be conducted in one of the main sector markets in Islamabad. It was based on the premise that data from such a market will be more or less the representative proxy for street vendors, operating in other parts of the city.

For the survey, the market of Karachi Company located in Sector G-9 Markaz, was selected. Reasons, behind this selection, include:

- It is accounted among the largest main markets in the city;
- Its market association of shop keepers and offices has over 1200 members;
- Has a fame of cheap shopping and large range of products;
- Easy accessible and near to the city center;
- It serves as a node for inter-city and intra-city transportation;
- Surrounding government flats for lower staff contains a population of around 35,000; and
- Market has a heavy footfall.

These factors make Karachi Company an attractive abode for street vendors in Islamabad. It is located in G-9 Markaz, a commercial area spread over 0.15 square kilometer and include several office buildings and shopping centers. Its connectivity is served by two main roads namely Rohtas Road, which makes its western boundary and Mangla Road that covers its eastern flank. It also serves as a major wholesale hub in Islamabad. Its fame for economical shopping center attracts customers from far flung areas of the city.



*\*Map of Karachi Company, Islamabad*



## Survey Design & Conduct

Main objective of the survey was to create a socioeconomic profile of the street vendors in the area. It was meant to comprehend the motivation, constraints and viability for staying in the vending vocation. A survey form of 54-questions was prepared, which covered the areas of personal, business, vending, financial and other related information. The survey questionnaire was vetted by Dr. Nasir Iqbal of PIDE, who has the previous experience of serving as Director in Benazir Income Support Programme (BISP) and extensive research exposure in poverty alleviation area.

A 6-member survey team was selected from a group of volunteers, who were 2<sup>nd</sup> year students of economics in PIDE. It included four male students and two female students. Pre-survey meetings were held to brief the team on the survey background and objectives. They were especially directed to follow all the safety SOPs pertaining to COVID-19 and handed over masks and sanitizers before the survey. For smoothing out the access to street vendors, meetings were also held with the office holders of Khokha Association Islamabad and Market Association of Karachi Company. Important information on the market structure and underlying vending dynamics was obtained from these meetings. These office holders also facilitated the initial contact of the survey team with street vendors in the area.

Survey team was divided in three groups of two members each. Field survey commenced in the morning of 3<sup>rd</sup> December 2020 and continued for three days till the evening of 5<sup>th</sup> December 2020. Every morning, survey team gathered in a local restaurant at 1030 hours for the debrief before starting the survey. Statistics for the 3-day field survey are given below:

- Total Street Vendors Approached: 302
- Total Street Vendors Responded: 198
- Total Street Vendors Declined: 104
- Response Ratio: 65.6%

These two set of responses, pertaining to affirmation and rejection, have their own range of motivations and emotions. However, the common ground between the two camps remains that it is a first time, someone is approaching them for surveying their issues. On the affirmative side, different set of intents are listed below:

- Desperation with the hope of obtaining some legal status for the vending
- Curiosity on being approached first time for a vending-specific survey
- Peer follow-up as someone in the vicinity or acquaintance has responded to the survey

Reject camp has its own set of reasoning, as mentioned below:

- Angry that government is not going to do anything, hence they are not going to participate in any survey
- Fearful that survey team is the tout of CDA or other agencies, whose aim is to uproot them
- Collective decline from groups of stalls that are working in cohort with shopkeepers & do not want any outsider to know about internal machinations

## Key Findings of the Survey

### Personal information...

Majority of the surveyed street vendors were either rural migrants or urban migrants from small cities. KPK remains the major origin of street vendors, with most vendors coming from agency areas or Manshera region of Hazara. Punjab has a more mixed regional representation among street vendors, but more migrants from its backward districts are working as vendors in the area. Interestingly, 12 vendors belong to Afghanistan, which makes up 6% of the total vendors surveyed.

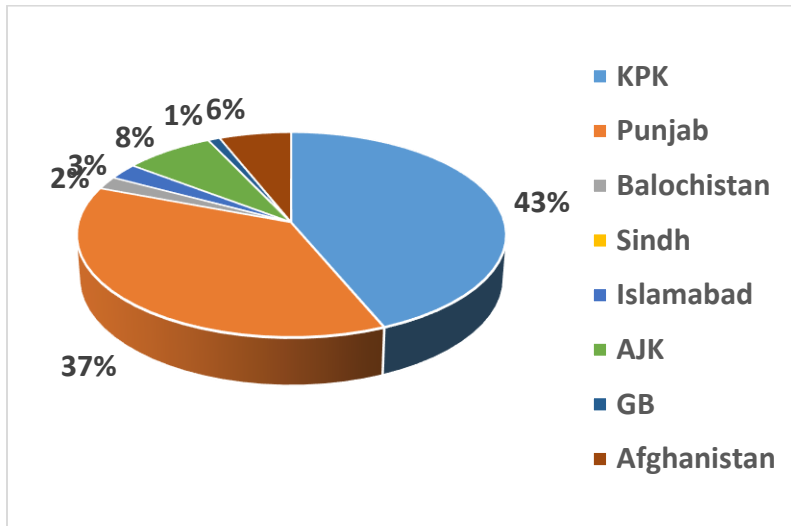


Fig-1: Area of Origin, Street Vendors

Age demographics shows a tilt towards age brackets of 18-25 years and 26-35 years. 63% of the street vendors fell in these two age brackets. However, on either side of binomial distribution, age ranges become acute with as young as 15-years lad is engaged in vending and a 69-years old street vendor was also interviewed. Market is working much neutral in accommodating wide range of ages in the vending segment. Majority of the underage and young street vendors have their origin in KPK and Afghanistan, whereas aged street vendors have evenly regional representation.

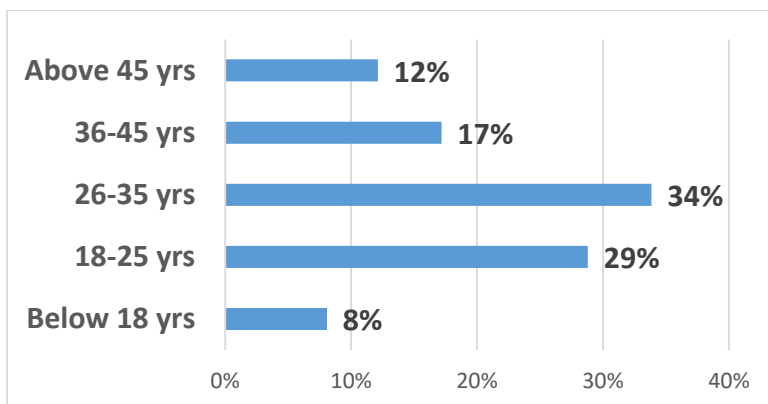


Fig-2: Age Demographics, Street Vendors

Literacy data shows that lack of education has contributed more towards adoption of street vending as a vocation. It reduces probability of obtaining gainful employment. 64% of the vendors are under matric, where around 1/3 are total illiterate. Majority of the illiterate belongs to agency areas in KPK, a historically backward region. 7 of the street vendors are graduates, whereas one holds a master degree.

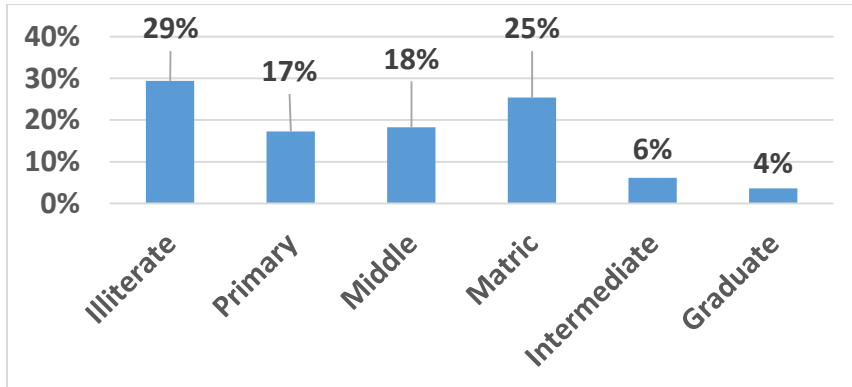


Fig-3: Educational Attainment, Street Vendors

Commuting distance for work is an important indicator, which reflects rootedness of the vendors with the area. As elaborated before that overwhelmed majority of the vendors are economic migrants, hence they are living without families in Islamabad and Rawalpindi areas. Usual living trend is to share rooms with 4-5 individuals from the home town. Over 50% of the vendors are living within walking distance from the vending area. However, a substantial number of vendors commute from long distance to reach Karachi Company. Long distance travel involves usage of local transport.

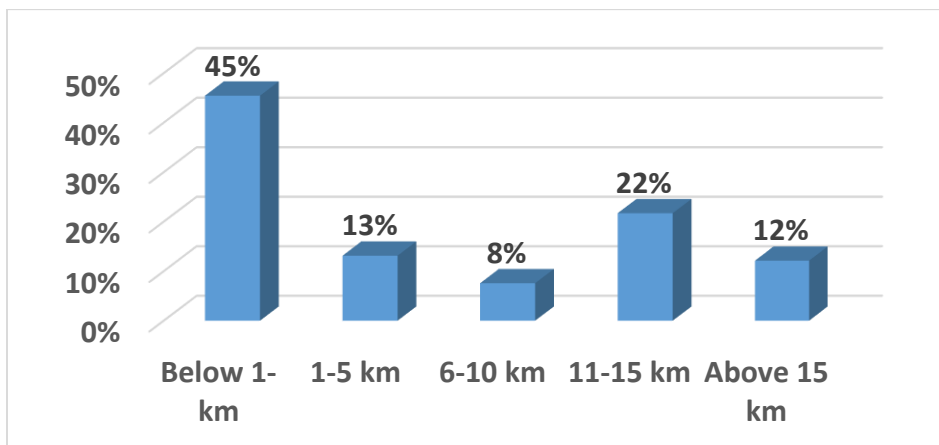


Fig-4: Commuting Distance to Workplace, Street Vendors

### Vending Information...

Vending tenure remains an important data point, as it reflects the tenacity of street vendors to stay in a vocation with officially illegal status. There are two data points collected on the vending tenure, first pertains to vending tenure in the current location and second relates with the total vending period. In Karachi Company, 35% of the street vendors are doing vending for over 10-years, with number of vendors have been operating for over 20-years in the area. Interestingly, most of these long-tenure vendors are living within walking distance of Karachi Company. It denotes the tenacity of the street vendors that they will keep on coming back for vending against all threats of off and on eviction. Data also indicates that two-third street vendors have been operating in the Karachi Company area for at least 4-years and above. It appears that these resilient street entrepreneurs are not going to give up their ground easily.

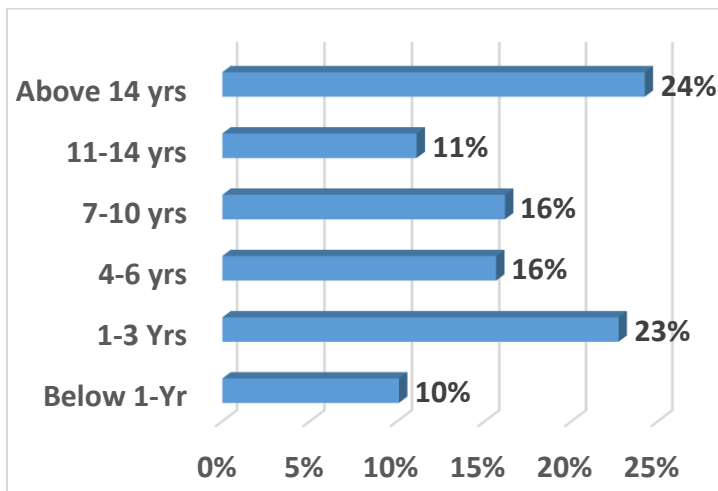


Fig-5: Vending Period at Current Location, Street Vendors

Street vendors are broadly segregated among stationary and mobile categories. Whereas, in each category, they are using different vehicles and structures for vending their wares. Stationary vendors predominate vending with 78% share in total number of vendors against 22% share of the mobile vendors. Stationary vendors will be further sub-divided in carts, tables, sheets and others categories. Here the table category holds 50% share, which reflects a bit of permanence as most of the tables are placed in front of shops. On the mobile side, cart is the preferred vending vehicle with 79% vendors using it.

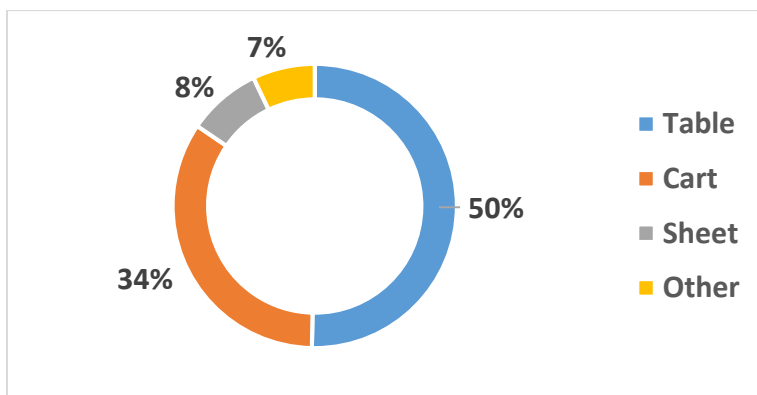


Fig-6: Mode of Vending, Street Vendors



Vending categories can be broadly divided among food vending and general vending. Food vending can be further classified into 'Prepared & Cooked' and 'Raw & Fresh'. For the survey purpose, sub-categories of Food with Fire and Food without Fire are used under the classification of 'Prepared & Cooked', whereas Fresh Fruits & Vegetables and Dry Fruit are used under 'Raw & Fresh' classification. 51% vendors are engaged in food vending. In general vending, garments remain the top segment in terms of vendors and sales. There are number of other sub-categories in general vending such as leather items and jewelry that are popular among street vendors. Usually most of these general vendors are located in front of shops, with their ware displayed on tables.

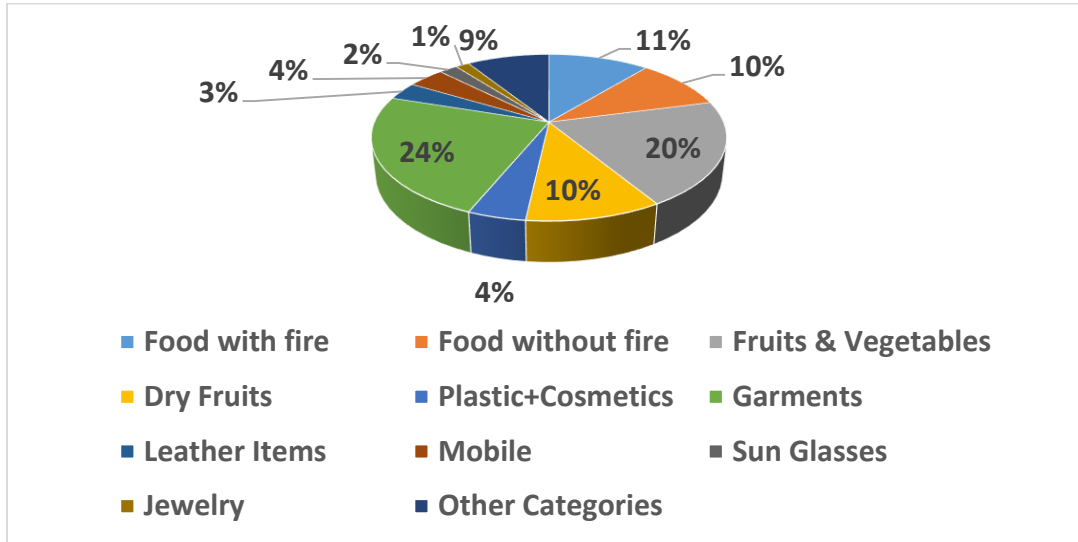


Fig-7: Categories of Vending, Street Vendors

Vending hours remain grueling for the majority. Overwhelming number of street vendors works seven days a week and on average have a working day of 12-hours and above. They are street vendors who are working 16 hours and more on daily basis. Most of the vendors reach the work place early in the morning for setting of their wares or cooking arrangements. Food vendors usually employ additional hand for servicing and other preparation.

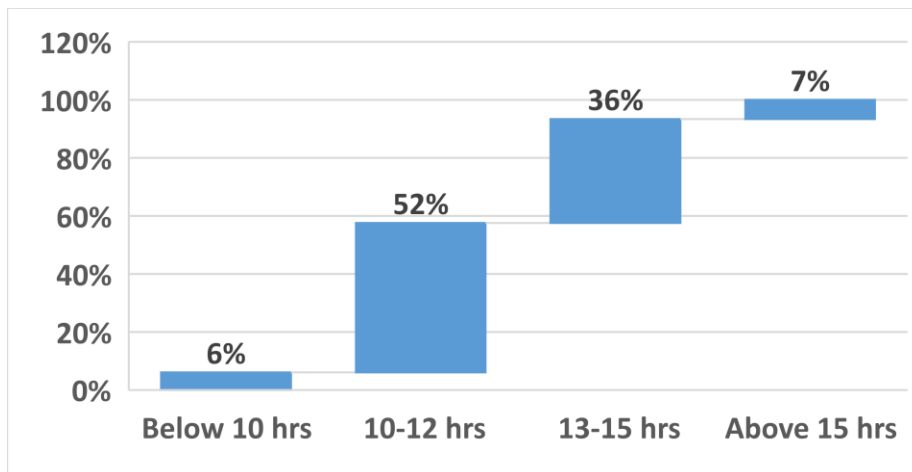


Fig-8: Vending Hours, Street Vendors

### Financial Information...

Street vending could be interpreted as entrepreneurship on the streets. It works out with little capital to invest and immediate cash flows in earning. It is usually anticipated that street vendors are hard pressed on profitability and will barely be meeting their ends. This assumption is corroborated to a large extent with the data available in the survey. 54% of the vendors are on average earning PKR 583 (\$ 3.64) per day per capita, it is well-above the poverty line of \$1.90. However, if one caters for the dependents, then this level of earnings will take many of these vendors below poverty line. On the other end, there are number of vendors, who are making daily income in the range of PKR 5000 (\$31.25) and above. And these high income vendors make up 14% of the surveyed vendors, with broad dispersion among vending categories. It does reflect a space for social mobility in the vending vocation, which requires further research.

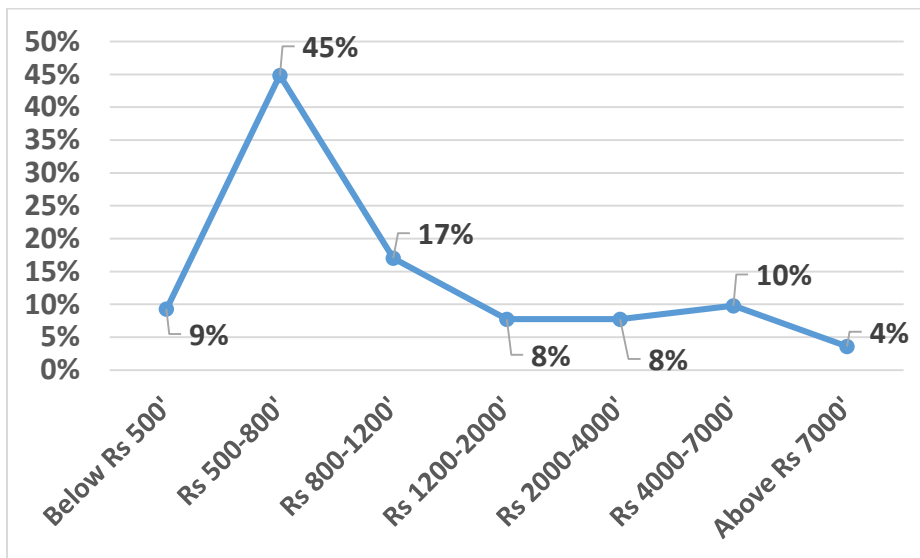


Fig-9: Per Day Net Earnings, Street Vendors

In line with average daily earning, investment requirement of majority street vendors also resides in the lower range of PKR 50,000 and below. This requirement is based more on the working capital needs, where supplier credit comes handy for meeting the cash demand of the street vendors. Many of the street vendors works on daily or weekly settlement of partial credit with their suppliers. It is also depicted in low number of bank accounts, maintained by the vendors, with only 12.5% of them having the bank account. However, 39% of the vendors are utilizing mobile wallets, such as Easy Paisa, Jazz Cash and others, for remitting money to suppliers or homes. High income vendors are utilizing both own money and supplier credit for meeting their running finance requirement. Indeed, street vendors have developed an intricate financing mechanism for the fulfillment of their business cash requirements.

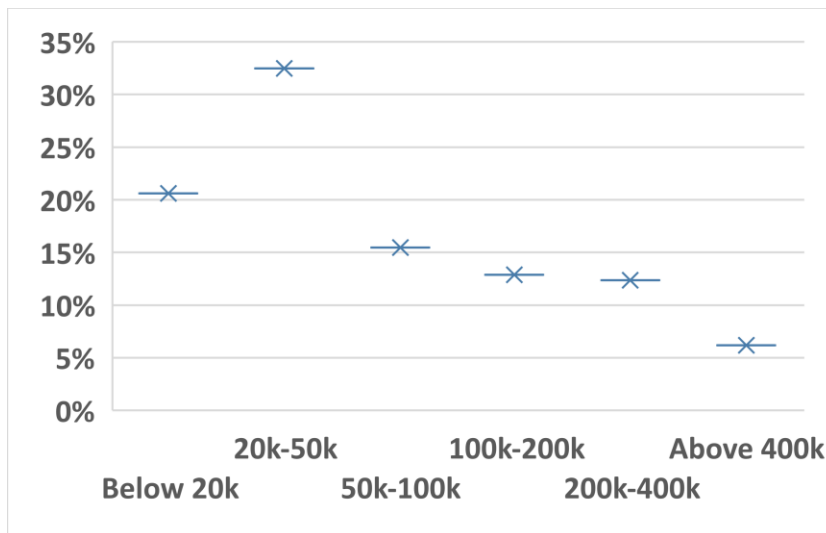


Fig-10: Per Capita Average Investment, Street Vendors

### **Attitude towards Vending & Other Issues...**

There are fewer street vendors, who mentioned own will as the cause for adopting vending vocation. Majority pointed out that either they didn't get the job or lost their job. And not surprisingly, many that opted for own will as the reason for joining, also indicated that they consider vending as a way of making more money than a job. Attitude of job seekers also changes as they settle down in their new vocation. Many of them did show a desire to graduate from street vending to a more formal business than pursuing a job. It is also a matter of fact that number of vendors want to leave the street world for a stable and regular job, only if it pays better.

	<b>Reason for Joining</b>	<b>Response</b>		<b>Will Leave Vending</b>	<b>Response</b>
1	No Job / Lost Job	64%	1	Job Offered	33%
2	Own Will	29%	2	New Business	52%
3	Other Reason	07%	3	Not Leave	15%



None of the street vendors possess vending license or other authorization from MCI or CDA. Majority of the vendors have faced frequent evictions and confiscation of carts and materials by CDA. Vendors are not provided receipt of the confiscated material by the enforcement department. Material loss of vendors under confiscation ranges from 50% to 100%. It usually takes at least three weeks to retrieve confiscated materials from CDA, after paying of fine and submitting an undertaking that the individual will not vend again. Street vendors placed at shop fronts are paying monthly rent to the shopkeepers ranging PKR 8000 to PKR 40,000. Vendors have to make their own arrangements for the water and majority are utilizing mosque facilities for toilets. Upon closure of business times, most vendors secure their materials on the spot, while few are also utilizing warehouses in the market for storage purpose. Among 198-street vendors, only 24 vendors have availed any benefit from the Ehsaas program.



## Post-Survey Vending Comprehension

The Street Vendors' Survey provided more realistic grounding in comprehending underlying issues of street vending in Islamabad. Data analysis has established certain facts, which needs to be taken into account for devising any solution for the street livelihood. Key dynamics impacting street livelihood in Karachi Company or similar areas are elaborated below:

### ➤ **Privileged vs Unprivileged Vendors**

Market players have favorites for vending facilitation against a price. Privileged street vendors are those working at shop fronts. Shopkeepers are charging them monthly rents against the use of public space at shop front, which at times include electricity and storage charges. These street vendors are also informed in advance of any anti encroachment campaign to secure their ware early. It did happen in 2018, when CDA even evicted all the shop front street vendors. It drastically reduced the sales in the market. After much lobbying with the authorities by the market association, those street vendors were brought back in the market. Unprivileged street vendors are working in unclaimed public space in the open. They are hit the hardest in any eviction and garner no support from shopkeepers or market unions.

### ➤ **An Unauthorized but Robust Street Economy**

Street vendors are operating in the area for decades, despite of all the frequent raids, illegal status and lack of facilities. Encroachment is not limited to unlicensed street vendors; even formal shopkeepers have encroached much area in front of their shops. This hybrid presence of formal and informal structures has resulted in enhanced range of products and footfall in the area. Without its robust street economy, Karachi Company will lose its commercial luster and consequently footfall. Any uprooting of street vendors in Karachi Company will always be fleeting, they will always be back on the support of formal shopkeepers.

### ➤ **A Multi-Million Undercover Economy**

As per the disclosed figures by street vendors, annual net income 198-vendors is over PKR 122 million. Another PKR 100 million can be added in this figure, if earnings of other 104-unsurveyed vendors is also included. If this segment is organized and taxed, even at the local level only, it will generate sufficient funds for the maintenance and development of the market.

### ➤ **Total Absence of Female Street Vendors**

Women remain the main clientele in Karachi Company, with its array of shopping options for low to middle income households. However, there is not a single female street vendor in the whole Karachi Company area. In a regulatory environment, where street vendors for 20-years are unable to obtain vending license, it becomes highly unlikely that any woman will venture in such a risk prone vocation without legal protection.

### ➤ **An Unorganized Street Vendors' Community**

Despite the decades long history of street vendors in Karachi Company, there is no street vendors' association in the area. It constraint their ability to negotiate their demands and issues with the



authorities and market association. With little mobilization capacity, individual losses of street vendors are augmented during any eviction campaign. They are easily manipulated and exploited at different levels of interactions in the system.

➤ **Licensing – The Main Demand**

Major concern of the street vendors remains their legal status. In absence of vending license, they remain on the tenterhook all the time. They are ready to pay government charges and comply with the vending regulations, as decided by the government. With little bargaining power, even high earning vendors at shop fronts are exploited by shopkeepers with arbitrary increase in rents.

➤ **Street Economy inducing Resilient Entrepreneurship**

Larger number of street vendors desire to continue entrepreneurship in the future, whether in the shape of formal business or on the streets. They are showing ingenuity and creativity in serving different niches of the market without formal business or even other education. Learning on streets have proven itself to be an effective incubator for microenterprises.



## PART – II: ROAD MAP – STREAMLINING STREET LIVELIHOOD IN ISLAMABAD

### Work Areas – Vending Zones & Licensing Regime

Before the Street Vendors’ Survey, PIDE has been engaged in various consultations with different stakeholders on comprehending underlying issues of street vending in Islamabad. These key stakeholders include:

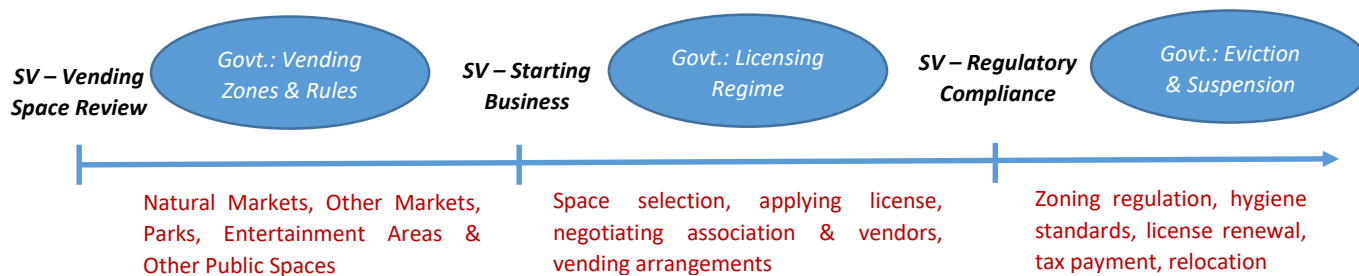
- Capital Development Authority
- Metropolitan Corporation Islamabad
- Islamabad Chamber of Commerce & Industry
- Khokha Association Islamabad
- G-9 Markaz Market Association
- Street Vendors in Karachi Company Area
- Ahmed Bashir & Umer Gilani – Lawyers engaged in Street Vendors’ issues

These consultations along with secondary research on prevalent global practices on vending governance enabled us to undertake a gap analysis in respect to Islamabad. A matrix elaborating the ensuing gap and its corresponding impact is tabulated below:

	<b>Gap</b>	<b>Description</b>	<b>Impact</b>
1	Unclear Licensing Regime for Vendors	LG Act 2015 authorizes MCI to issue vending licenses, it is following the criteria as mentioned in CDA municipal bye-laws of 1969; these regulations provides more discretion with less structured definitions	<i>It creates enormous pressure on the regulators from influential quarters to issue licenses to their favorites; it compromises holistic planning for vending and strengthens rentier component</i>
2	Lack of City Level Planning for Street Vending	CDA & MCI are more focused on enforcement side pertaining to street vendors, while ignoring its inclusion in city planning; it is resulting in big disconnect with much fewer licenses issued against a large visibility on the ground	<i>City is unable to regulate or control the flow of unauthorized street vendors, who are more agile than regulators; it has resulted in haphazard vending, congestion and unhygienic conditions</i>
3	Incapacity of City Authorities to Eradicate Street Vending	City authorities have limited resources to consistently monitor & eradicate street vending activities; they are relying more on administrative approach than a participatory orientation to tackle a multi-facet issue	<i>It has resulted in ineffective use of government resources on anti-encroachment efforts; a rentier component facilitates street vendors to sustain their footprint</i>

4	Little Comprehension of Street Vendors' contribution to local Economy	Most city stakeholders are not sensitized on the street vendors integration in local economy & its role in poverty alleviation; with low lobbying capacity, street venter is taken more as an menace than an economic asset, which may be regulated for better accommodation within spatial constraints	<i>Rentier component has better comprehension of the economic utility of street vendors than the city elite; economics is trumping the law, with a ground alliance simply gaming the system to extract their rents, government appears rudderless while striving a semblance of writ against a much robust street ecosystem</i>
5	Losing on Political Capital & Tax Resources	Politicians has limited focus on getting vending permits for individuals, not concentrating on cultivating the constituency of street vendors for political capital; city authorities are losing on tax revenues from a willing pool of multi-billion rupee street economy	<i>With low mobilization capacity, a population of 20,000 street vendors is constrained in its greater contribution to the city politics &amp; economy; prevalent elite indifference to collective welfare of street vendors have put both in lose-lose situation vis-à-vis rentier component</i>

Findings of the street vendors' survey have also corroborated these identified gaps. Taking into account the ground realities, it is imperative to thoughtfully chose those work areas, where delivery can also be managed. As we have mentioned in the introductory section, convergence between de jure and de facto scenario is a difficult task, which requires deft handling. For the purpose, let us draw down the activity chain of the street vendor vocation and related propensity of government intervention:



It is evident that at present, city authorities have greater focus on the eviction part of the compliance. Little efforts are witnessed on aligning existing licensing regime with the changing market realities. And with the incapacity of managing ever growing flow street vendors, they are also losing the power for ensuring compliance with the few licensed street vendors. In absence of any city plan for the number of vendors, which can be located in different public spaces, it is not possible to objectively establish the ceiling of street vendors to be allowed in the city.

For Ehsaas, it makes a clear cut case of work on street livelihood, whereby it will be engaged with city authorities in streamlining the vending governance for the urban poor. In this manner, it will create a ready constituency of Ehsaas-registered licensed street vendors working in declared vending zones. It can facilitate them and their households with other Ehsaas programs. And it may also showcase them as a





precedent of successful graduation of street livelihood to more formal livelihood. After much deliberations, core focus has to be shifted to main areas of work, which are Vending Zones and Licensing Regime. It is well-recognized that actual implementation on ground will have its own set of problems. However, a participatory approach with the intent of creating a consistent political capital and fiscal space is likely to induce a vocal constituency for overcoming implementation issues in gradual manner.

### ***Vending Zones...***

It may be reiterated here that vending works on economic logic. A street vendor will vend on space, where he finds sufficient footfall or traffic that converts in sale, justifying his presence in that spot. It is evident that besides commercial markets, there are number of public spaces in Islamabad, which can generate adequate vending business. However, CDA has been successful in keeping many such places clear of vendors. Unlike other major urban centers in Pakistan, Islamabad is not inundated with street vendors. Majority of the street vendors exists around main commercial centers of the city. And tenacity of vending activities in these commercial centers is robust, as evident in the survey findings, which highlighted the presence of vendors with over 20-years vending tenure despite frequent evictions.

It is proposed that a holistic view is to be taken of the local street economy of Islamabad. It has to be recognized that no administrative action will be able to eradicate street vending from the city. Instead of on and off run after street vendors, it is better to make street vendors a part of the solution rather than treating them as problem. City authorities have to develop a vending plan for the whole city, which may have following components:

- Determining Natural Markets, Other Markets & Other Public Spaces
- Defining standardized space for frontage zone, pedestrian zone & furniture zones in market areas
- Identifying the suitable vending spots in other public spaces, which offers sufficient footfall & public access
- Determining the measurements of vending spaces in market areas & other public spaces
- Creating spatial maps of vending zones in market areas & other public spaces
- Computing the permissible number of street vendors within vending zones
- Defining the mobile & stationary vending and their corresponding adjustment in vending zones
- Also identify space and plan for establishing dedicated street vendors' markets on Sunday Bazaar pattern

This vending plan could be made part of the upcoming Islamabad's Master Plan 2020-2040. It requires broader consultations with street vendors' association, business chamber, trade bodies and civil society. Objective is to gather broader support from a multi-stakeholder coalition to cater for the humane issue of the livelihood of street vendors. It will also address the issue of city aesthetics and outlook, while integrating street economy as a viable component of the city life.

### ***Licensing Regime...***

Vending licensing remains an intricate challenge for the city authorities in Islamabad. It has literally become irrelevant in terms of impact on the vending governance in the city. Local vending scene is overwhelmed by unauthorized street vendors, who are braving all administrative measures. Existing licensing regime lacks an objective link of determining number of vendors with the benchmarking of



spatial constraint in public spaces. It appears arbitrary and outdated, with little comprehension on the types of street vending and their specific requirements.

Vending plan will define the spatial limits of the new licensing regime. Key parameters of the proposed licensing regime are as under:

- Selection criteria will be based upon survey of street vendors, already operating in the new defined vending zone
- Street vendors operating within the boundaries of the vending zone will be issued vending licenses
- Street vendors outside the boundaries of the vending zone will be relocated to newly created vending space in the same zone or other zone
- Vending space in any newly established vending zone, which didn't have vendors previously, will be allotted through balloting
- Vending categories will be defined in high, medium & low categories in terms of amount of investments required in each category
- High vending include investment of PKR 1 Million & Above, such as food trucks
- Medium vending include investment between PKR 0.1 – 1 Million
- Low vending include investment below PKR 100k
- Maximum licenses to be issued under the low category
- Vending types in terms of food and general vending will be defined and treated separately
- Vending licensee will not be allowed to sublet the vending spot
- Vending fee should be reasonable in line with investment and earning ceiling in each category
- Market street vendors may be encouraged to form associations and make collective payments of government fee through them

Licensing regime remains a critical component in streamlining street livelihood in Islamabad. It will save street vendors from lot of agony and blackmailing. It will induce more investment flow and greater hygiene standards in the vending sector. It will support market-based poverty alleviation efforts in Islamabad. Greater transparency is not only going to consolidate political capital for the ruling regime, but will also enhance revenue flow in government treasury.



## Action Plan – Multi-stakeholders’ Engagement

In line with the guidance of Dr. Nishtar, it is well understood that the whole edifice of enhancing street livelihood in Islamabad requires extensive multi-stakeholders’ engagement. PIDE is already following the same path with consultative approach involving the whole range of stakeholders. It remains cognizant of the fact that gradual and consistent buildup will ease out the way towards its goal of establishing the efficacy of street economy as a potent conduit for effective poverty alleviation. For the purpose, PIDE is partnering with Ehsaas program, which has established its credentials as the premier pro-poor agency of Pakistan, in both international and domestic circles. And credit for this ascendancy goes to the dynamic leadership of Dr Sania Nishtar. Under her able guidance, she has enabled Ehsaas to fulfill the dream and mission of His Excellency, the Prime Minister Imran Khan, to maximize government outreach for serving the poor across the country. However, journey is still continuing and underlying tasks are arduous.

It is important that Ehsaas should establish its own objectives and goals, before embarking on its engagement with this street livelihood initiative. A matrix of Ehsaas objectives and goals for the purpose, are diagrammatically presented below:

	<b>Objectives</b>			<b>Goals</b>
1	To create a conducive regulatory environment for street livelihood		1	Design & implementation of an improved regulatory framework through participatory approach
2	To support the market-based poverty alleviation efforts		2	5 in number street vendors associations getting registered with ‘Ehsaas’ for participating in its programs
3	To enhance economic contribution of street vendors in local economy		3	20% yearly increase in tax collection from street vendors
4	To improve image of street entrepreneurship		4	10% annual rise in microcredit loans to street vendors
5	To establish successful street livelihood model for later replication		5	Islamabad Model getting traction in KPK & Punjab for consultations & engagement

For initiating the action on this Livelihood project, it is proposed that Ehsaas may formally engage PIDE as its ‘Technical Consultant’. Its scope of services, meant to cover activities pertaining to work areas of ‘Vending Zones’ and ‘Licensing Regime’, are listed below:

- Organize and conduct consultations with different stakeholders on different facets for improving street livelihood in Islamabad
- Provide evidence-based support to Ehsaas on its engagement for pursuing street vendors’ supportive initiatives
- Design and conduct street vendors survey in different areas of Islamabad and undertake further research on emerging issues
- Mobilize donor agencies for their support and engagement in the street livelihood initiative
- Create an economic case for any change in law, rules and regulations for the governance betterment of street livelihood in Islamabad



- Present the street livelihood case, on behalf of Ehsaas, to federal government, cabinet or other government agencies
- Create content on street vendors for different communication mediums, which include videos, podcasts, webinars and electronic, news and social media
- Organize and connect with street vendors' associations



## CONCLUSION

This report is concluded on the premise that we have to see at the numbers behind this unorganized and not so tidy street economy. It makes all the economic rationale for the government engagement in this street livelihood initiative. Street Vendors in one market of Karachi Company are generating livelihood for 400 plus persons, with an estimated annual net income of PKR 220 million. With a single administrative action, this whole economy and livelihood will vanish in thin air. It will be highly improbable that any government support will revive the economic fortunes of these uprooted vendors. Purpose is not to justify the congestion and other issues attributed to the vendors' presence, but to induce thinking on accommodating this street livelihood in a more humane manner.

Picture at the title page of the report is of a 20-year old Street Vendor from Bajour Agency, named Zakir Ullah. He has joined his elder brother, who has been doing vending in the Karachi Company area for the last 15-years. Brothers are supporting the living of 22-member family, back in Bajour. The young lad has a dream of getting some good decent job. Jury is still out on his fate that whether he will continue the vending vocation like his elder brother or move in some other direction. This street livelihood initiative may reduce some burden on the vending hands, so that they may pursue their desired dreams away from the streets. This report is a humble effort in that direction.



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