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# PERCEPTION OF STREET VENDORS AND MANAGEMENT BY KATHMANDU METROPOLITAN CITY

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#### **Abstract**

This paper delves into the recent eviction of street vendors by the Kathmandu Metropolitan City (KMC) aimed at ensuring pedestrian mobility rights. The eviction has raised concerns about the livelihoods of street vendors, prompting an exploration of various stakeholder viewpoints. Drawing on Key Informant Interviews and interviews, this research sheds light on the complex interplay of perspectives. Street vendors express satisfaction with the KMC's effort to clear the roads, yet show apprehension about their compromised livelihoods due to a lack of alternatives. Pedestrians support KMC's endeavor, acknowledging an enhanced right to unobstructed movement, while expressing empathy for the vendors' economic struggles. The Nepal Street Vendor Trade Union (NEST) criticizes KMC's approach and advocates for alternatives that safeguards the vendor's right to livelihood. KMC justifies its eviction measures as essential for pedestrians' right to mobility through efficient road management. The study underscores the need for collaborative and communicative efforts among stakeholders to effectively manage the street vendors.

Keywords: Street Vendors, Pedestrians, KMC, NEST, Perception, Management

# 1.1 Introduction

The informal economy, as defined by the International Labor Organization (ILO), encompasses economic activities performed by workers and economic units not adequately covered by formal arrangements. These activities operate outside the legal framework, remaining unregulated by the law (Charmes, 2019). Since its inception around the 1970s, the informal economy has persisted and become a pervasive economic feature in most developing countries (ILO, 2004). Among the various components of the informal economy, street vending remains a critical part, being a visible manifestation of informal economic activities (Rechhi, 2021). Informal sector encompasses largely unrecognized, unrecorded and unregulated smallscale activities including small enterprises, household enterprises, self-employed sectors such as vendors, cleaners, shoe-shiners, hawkers etc. With a lack of government regulation or lack of institutions that provide job security and benefits, this sector comprises the largest part of the economies of developing countries (Suharto, 2003). While the exact number of street vendors worldwide is unknown, available labor force statistics indicate that street vendors make up a substantial portion of urban employment (Roever & Skinner, 2016).

Street vending involves the production and sale of legal goods and services in urban public spaces without official regulation, using non-permanent structures (Cross, 2000). The term street vendors is used interchangeably with 'street traders', 'hawkers' and peddler. India's National Policy for Urban Street Vendors of 2009 frames the idea of street vending as a mobile, space-bound, predominantly urban practice. A person who puts up goods for sale without having a permanent built up structure but with a temporary static structure or mobile stall (or headload) is considered to be a street vendor (Bhowmik,2005).

In Nepal, the Economic Census of 2018 reported a presence of 3.7 percent of established street businesses within the informal sector. Kathmandu Metropolitan City (KMC) within Bagmati province serves as a major hub for street vending. It is the capital city of Nepal, covering an area of 49.45 square kilometers and divided into 32 wards. The 12th National Census indicates a total population of 845,767 residing within the metropolis (CBS, 2022). Most street vendors in Kathmandu are low-skilled workers who have migrated from rural areas in search of employment, including those affected by conflict as well as educated individuals. Limited alternative means of livelihood force them to engage in street vending, where the income is

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low, but the investment and special skills or training requirements are also minimal.

However, despite its importance for livelihoods and urban life, street vending in Kathmandu faces challenges from the metropolitan authorities. With Mr Balendra Shah as the mayor of Kathmandu, the crackdown on street vendors has increased, leading to confrontations between the vendors and the metropolitan police (My Republica, 2022). The metropolis aims to ensure free mobility for pedestrians, but in doing so, it restricts street vendors from exercising their right to earn a living, as ensured by the country's legal system. This situation has prompted street vendors to organize mass protests against the removal of street vendors without providing alternative arrangements for their livelihoods. This highlights a lack of policies addressing their issues and widening the divide between the metropolis and the street vendors.

The conflict poses a complex challenge that demands an in-depth exploration to inform effective policies and decisions regarding street vending in the city. Amidst such situation, the study particularly attempts to answer the following research questions:

- 1. What is the perception of street vendors on the metropolis' action?
- 2. What is the perception of pedestrians on the metropolis' action?
- 3. What is the perception of the street vendors' trade union on the metropolis' action?
- 4. What are the efforts made by the metropolis in managing street vendors?

# 1.2 Methodology

The area comes under KMC Ward number 22, 23 and 24 and is considered core of the city by KMC (See Fig 1). The study area covers the New Road area, mainly from New Road, Pipalbot to Kasthamandap, Basantapur (See Fig 2). The study is a survey based research based on field study where data collection tools such as Interview Schedule and Key Informant Interview (KII) have been used. Two different sets of Interview Schedules were prepared each for the street vendors and the pedestrians. Likewise, two different sets of KIIs were prepared each for the Nepal Street Vendor Trade Union (NEST) i.e. KII 1 and Kathmandu Metropolitan City (KMC) i.e. KII 2. The research is a qualitative one thus makes use of qualitative data for analysis. The sample size of the study is 10 respondents each, for both street vendors and pedestrians respectively. Judgment sampling method was used for street vendors and Convenience sampling method was used for pedestrians.

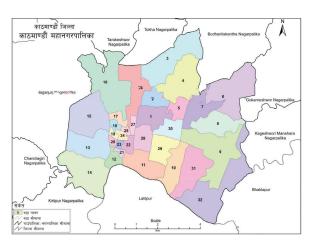


Figure 1: KMC Map with wards

Source: https://www.nepalarchives.com/map-of-kathmandu-metropolitan-city-kathmandu-nepal

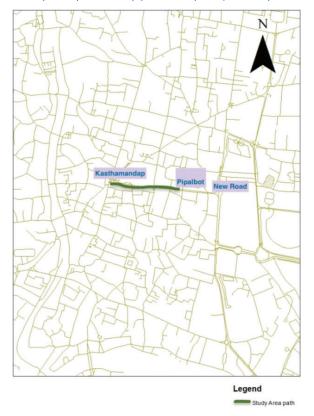


Figure 2: Zoomed-in Study Area with road.

The study has been divided into four dimensions, which are based on the research objectives of the study. Themes have been developed for each dimension of enquiry in order to achieve the research objectives. The themes have been developed on the basis of the thematic analysis framework provided by Clarke and Braun (2006). The framework focusses on six phases namely: becoming familiar with the data, generating initial codes, searching for themes, reviewing the themes, defining them and

finally presenting the write up in the form of report or dissertation.

Under the first dimension of enquiry, the study focuses on the perception of street vendors on KMC's action. Four themes have been developed for the same and interview is the technique of data collection here. Likewise, under the second dimension of enquiry, the study focuses on the perception of pedestrians on KMC's action. Four themes have been developed and the interview is used for data collection. In the case of the third dimension of enquiry, the study highlights the perception of NEST on KMC's action. Three themes have been developed here. KII is the technique of data collection in this. Finally, the fourth dimension of enquiry focuses on the management efforts of the KMC. Under this dimension, four themes have been developed and KII is used as the technique of data collection.

#### 1.3 Results and Discussion

This section explains the overall research finding in line with the research questions. The study examines the purpose by conducting KII with the KMC officials and the NEST representative. Likewise, it also examines the purpose by conducting interviews with ten street vendors and ten pedestrians from the study area. These responses are the basis of the result section of this study. The responses have been arranged into themes based on the research objectives.

# 1.3.1 Street Vendor Concentration and Number

The KMC identifies concentrated group of street vendors primarily in areas such as Ratnapark, Sundhara, New Baneshwor, Old Baneshwor, Balaju, Koteshwor, Jamal, Indrachowk, New Road, Chabahil, Gaushala and Kalanki. These vending activities are particularly dense in squares (locally called chowk). While the precise number of street vendors under the KMC's jurisdiction is not accurately known, a random data collection carried out at Khulla Manch five years ago identified around 30,000 street vendors at that time. These vendors engage in selling a diverse range of goods including fruits, vegetables, construction materials, clothes, and utensils. In contrast to data from five years ago, the Nepal Street Vendor Trade Union (NEST) reports an estimated 50,000 current street vendors operating within KMC. Approximately 18,000 of these vendors are affiliated with NEST, a trade union associated with the Communist Party of Nepal (United-Marxist-Leninist) (CPN-UML). Additionally, there is another trade union aligned with the Communist Party of Nepal (Maoist Centre) that represents a portion of the vendors. A subset of street vendors remains unaffiliated with any trade union.

#### 1.3.2 Street Vendor's view on KMC's decision

When asked how the street vendors felt about the KMC's

decision to remove the street vendors, majority of them mentioned that KMC has done a good deed by making the roads clear but when it came to their livelihood, they were not happy with the decision. One street vendor mentions, "It is a really good initiative from the side of the KMC for the pedestrians. But we are suffering." However, one of the street vendors, who now run his business in a shop, fully supports the decision. He mentions, "KMC has done a good deed. No one is allowed to encroach the street and disturb the public." Amongst the street vendors, one of them who had just begun street vending two months ago mentioned that she was unaware as to why the municipal police were removing the street vendors.

# 1.3.3 Confiscation and Act of Mistreatment

When asked if their goods have ever been confiscated by the municipal police, everyone responded that it has happened so many times that they have lost count. One street vendor mentions, "They have taken my goods many times. Sometimes worth Rs.20,000 ....sometimes worth Rs.10,000..Look at these.. (Shows a basket full of seasonal fruit) these alone are worth Rs. 5000". The street vendors mention that the goods once confiscated are not returned and blame the municipal police for taking it away, even before reaching the authorities. One street vendor mentions, "My 42 boxes of packed cigarettes were confiscated. One day, I waited for the municipal van to reach the office until 7pm. And the driver only had 4 packs of opened cigarette boxes. Where are my other 32 packs? They distribute it among themselves even before reaching the authorities." The street vendors mention that they had to altercate with the municipal police and have V even been hurt in the process.

# 1.3.4 Pedestrians' view on KMC's decision

All of the pedestrians who took part in the study were found to be aware of the decision and everyone supported the metropolitan city's move. The pedestrians state that the metropolitan's effort has made the road more manageable and pedestrian-friendly. One pedestrian shares his experience, "I would always be concerned about getting hit by some vehicles as the pavement was too congested by the street vendors." Another pedestrian share 'It was really difficult to walk. I remember getting scolded by one of the street vendors for touching her goods by mistake. Also, the streets would be so crowded that I would fear of pickpockets." When asked whether the metropolitan city had overlooked any negative consequence of its decision, all the pedestrians hinted towards the affected livelihood of the street vendors. A pedestrian mentions, "The poor street vendors have been heavily affected by the metropolis' decision. Their livelihood is affected." Another pedestrian highlighted how the removal of the street vendors has affected the urban poor. She explains, "Street vending was helpful for the urban poor to purchase their daily necessities at a cheaper price. But now it's difficult."

#### 1.3.5 Pedestrians as Consumers

Of the ten pedestrians who were interviewed for the study, most of them did make purchases from the street vendors. The goods purchased were mainly perishable goods such as fruits, vegetables etc and other items such as clothes and household items. One of the pedestrians explains, "Thanks to the street vending practices, I was able to buy vegetables, fruits and clothes, as per my purchasing ability." The pedestrians mainly purchased goods from the street vendors because they were cheap and easy to bargain for. A pedestrian state, "I purchased from them because I could easily bargain and access the goods at a cheaper price." However, one of the pedestrians rarely made any purchase and cited the goods sold were of low quality. Most of the pedestrians did not feel the removal of the street vendors had affected them. Few stated that the removal had affected them a little. A pedestrian mention "Obviously, I cannot purchase certain items, but on the positive side, the road is clear. So, as a consumer, I am not that affected." When asked whether they wished any specific type of street vendors be allowed on the street, all the pedestrians said none.

# 1.3.6 NEST's view on KMC's decision

The trade union highlights that KMC has always been of the view that street vendors should be removed from the street. According to the representative, the metropolitan city is not serious to provide street vendors with an alternative. She mentions, "The street vendors too do not want to stay on the street. They know streets are for the pedestrians. But they are forced do so to make a livelihood. But KMC has brought such policy that provides no alternative to the approximate 50,000 street vendors under its jurisdiction. Let's say if a street vendor's family has four members in average, the KMC is affecting more or less 200,000 families with its policy. And this is a very critical situation." (KII 1) The trade union blames the authority for breaching the Constitution. The representative states," The Constitution of Nepal ensures the fundamental right to earn a living which is being breached by the KMC. The metropolitan considers the street vendors to be migrants, but as Nepali citizens, they have the right to make a living in any part of the country."

# 1.3.7 Problems faced by Street Vendors

When asked about the problems faced by street vendors, the representative to the NEST highlights several of them. She speaks of the lack of policy for the street vendors from the side of the government and the local level's focus on their displacement and removal. The displacement and removal of street vendors have posed a problem to the livelihood of the people and opting for shutter business is not easy. The trade union representative says, "The

street vendors cannot afford to run their business in the shutter. It's too expensive....one has to pay Rs. 50 lakh alone for the shutter and an extra amount of monthly rent." While displacing and removing the street vendors, the metropolitan city through its municipal police have confiscated goods belonging to the street vendors and they are not returned. The representative says, "The goods belonging to the street vendors once confiscated are not returned." The trade union mentions that the metropolitan city does not recognize the street vendors, not even verbally and that no identity cards have been provided to them.

# 1.3.8 KMC's view on street vendors

The Kathmandu Metropolitan City is fully of the view that street vendors should not be organised in public spaces. Therefore, it justifies the removal of street vendors to be a legal move. It states that the authority is focused on ensuring obstruction-free movement for the pedestrians. The metropolitan city states that the 'local citizens' are its' priority and that the street vendors are in the metropolis through migration and don't have their homes here. The metropolis highlights certain issues concerning street vendors. Firstly, the pedestrians had been complaining about the harassment they had to face for stepping on the goods belonging to the street vendors while walking. The crowding caused by street vendors had also led to an increased number of instances of pick pocketing. When stated that street vendors provide cheaper goods to the population, the official at the metropolitan city states 'At times we have even found products costing Rs. 100 getting sold at Rs.500' (KII 2).

# 1.3.9 KMC's management aspect

The KMC functions according to the Local Government Operation Act of 2074. Clause 11 of the Act highlights the rights and duties of Rural Municipality and Municipality. Municipal police also fall under this. Among the various rights of the municipal police, they have been given the responsibility to prevent and control the encroachment of public spaces. Making use of this act, the municipal police officials are mobilized to ensure street vending practices are not taking place on the street. The metropolitan city states it functions in a legal manner. As per the representative the authority firstly released a notice on January 10, 2023 stating that street vendors should not run their business on the streets and that it is illegal. The notice provided the street vendors with 35 days to remove their vending practices. After that, miking was done for seven days. Only then was municipal police mobilized to manage the street vendors on the street.

# 1.3.10 KMC's current management efforts and the response

A total of 300 municipal police work under the Metropolitan city. These police look at the management

of street vendors and other issues as well. With regards to street vending practices, they mainly confiscate goods from the street vendors and ensure that street vendors are not running businesses on the streets. Until 2018, only the goods belonging to street vendors were confiscated. However, in 2018, a new by-law was introduced which provided the authority to the metropolis to confiscate carts, cycles etc of the street vendors. The metropolis states that the perishable goods belonging to the street vendors are returned after they pay a certain nominal fine, if they come and ask for it. The fine amount is fixed based on the volume of goods that the street vendors own. In the case of non-perishable goods (such as construction materials, utensils, clothes etc), they are auctioned off. As per the metropolitan city, between Jestha 2079 and Asar, 2080, the authority arrested a total 1020 street vendors of which 723 were punished. The authority was able to collect a total of Rs.542,100 fine during this period. Likewise, during the same period, a total of 678 carts and 681 cycles were confiscated and proposed for auctioning. The metropolitan official mentions that the efforts of the authority have reduced the number of street vendors significantly. The official states that the municipal police perform their duty until 6 pm and that even after this time, street vendors are mostly absent on the street. Overall, the metropolitan city stresses that they have received good responses from the pedestrians for their efforts to remove street vendors.

# 1.3.11 Possible Management Solution

Majority of the street vendors stress that the roads accommodate both poor and rich street vendors. They ask that the metropolitan city identify the poor street vendors and provide them with alternatives. One street vendor mentions, "KMC should look at the affected....the poor street vendors..Investigate and help them at least." The street vendors stress that the KMC should provide them with a certain space and a certain time. One street vendor mentions, "They could collect some charges from us (Rs.50-Rs.100) and give us a space where we can continue running our business." Another street vendor mentions, "Give us time of about 3-4 hours to sell our goods....they can punish us if we encroach the street totally....let us occupy a little space and make a living."To ensure both the right of the pedestrian to walk freely and the right of the street vendors to continue making a livelihood, the pedestrians talk about providing alternatives for the street vendors. A pedestrian states, "Street vendors should not be left as it is, but should be provided with some kind of alternative."

Majority of the pedestrians talk about relocating the street vendors to an alternate designated space where they can run their business. The pedestrians also highlighted that street vendors should be provided with a certain time to run their vending practices. Certain pedestrians talk about streets having both poor and rich street vendors. They stress that KMC should prioritize poorer street vendors and that the street vendors with a strong economic base should head towards retail business. NEST has been putting forward several demands in front of the metropolitan city. It has asked that as a form of long-term management, KMC collect data on the number of street vendors present and their location. It also asks for the proper formation of street vendor management policy. The representative says, "The data collection and the formation of street vendor management policy are a long-term solution and we know they cannot happen overnight. The trade union is ready to help in data collection if needed."

So, for the short-term management solution, the trade union demands that KMC provides the street vendors with time. The trade union representative states, "We have been requesting the metropolitan city provide us with some time-morning or evening, not during the peak hour and it could even be for two hours." As a form of potential management solution, the trade union suggests KMC could make use of the government lands and could collect some rent from the street vendors. The representative explains, "By managing space for the street vendors on the government lands and collecting rents from them, a win-win situation could be created. The KMC could earn income and ensure obstruction-free streets for the pedestrians and the street vendors could get recognition as well." In regards to the confiscated goods, the trade union demands the metropolitan city inform the street vendors about the situation of the goods, the kind of goods confiscated and who they belong to. It also wants the authority to return the goods with minimum payment from the side of the street vendors. The trade union wants a task force to be formed consisting of the trade union, metropolitan city and the traffic police. The representative states, "By forming a task force, we can discuss and work accordingly to find ways to manage and tackle the issue of street vendors."

#### 1.4 Conclusion

This study sought to examine the perception and management of street vendors by the Kathmandu Metropolitan City (KMC). The findings unveil a nuanced landscape of perspectives among different stakeholders. Street vendors acknowledge the KMC's initiative to enhance pedestrian accessibility, but emphasize the necessity of viable alternatives to sustain their livelihoods. Pedestrians express strong support for the removal of street vendors for improved walkability, yet underline the importance of offering viable options for displaced vendors. NEST's critique underscores the significance of collaborative approaches, advocating for well-considered strategies that address street vendor management concerns while ensuring that alternatives are in place. Meanwhile,

the metropolitan city's approach of deeming street vending illegal and enforcing legal measures reflects a commitment to streamlined pedestrian movement. In light of these findings, this study holds implications for urban planning and policymaking. The complexities unveiled in the interplay between street vendors, pedestrians, advocacy groups, and municipal authorities underscore the challenge of achieving harmonious urban coexistence. The insights from this study can guide urban planners and decision-makers in developing comprehensive and sustainable solutions that strike a balance between the rights and needs of both vendors and pedestrians. As cities continue to evolve, the lessons drawn from this research serve as a reminder that successful urban management involves considering a multiplicity of voices and interests. By fostering collaborative dialogue, we can foster urban spaces that not only prioritise accessibility and mobility for the pedestrians but also ensure the livelihood of the street vendors and uphold the economic vibrancy that they can contribute to our cities.

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