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## SOCIAL INCLUSION IN DEVELOPMENT: THE ROLE OF SMALL VENDORS CHAIWALAS (TEA VENDORS), VADA PAV VENDORS, AND OTHER INFORMAL SECTOR WORKERS, INCLUDING THOSE SELLING GOODS IN TRAINS IN SHAPING POLICY

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### Abstract

Social inclusion in development entails recognizing and empowering marginalized groups to participate equitably in economic and social progress. In India, the informal sector—comprising chaiwalas (tea vendors), vada pav vendors, train hawkers, and other small-scale workers—plays a critical role in urban and rural economies. These micro-entrepreneurs provide affordable goods and services, create employment, and contribute significantly to the informal economy. However, they often operate in precarious conditions, facing challenges such as lack of legal recognition, limited access to credit, and vulnerability to policy changes. This paper explores the role of these informal workers in shaping inclusive development policies. It examines their economic contributions, the social networks they foster, and their role in ensuring food and service accessibility to underserved populations. The study also highlights the need for policies that support their growth and integration into formal economic frameworks without undermining their autonomy. By engaging these stakeholders in policy discussions, governments can create strategies that enhance their livelihoods while promoting broader economic resilience and inclusivity. Ultimately, empowering informal workers fosters social equity, strengthens local economies, and contributes to achieving sustainable development goals. This abstract underscores the importance of acknowledging informal sector workers as vital contributors to inclusive development narratives.

**Keywords:** Informal Vendors, Policy Making, Social Inclusion.

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### Introduction:

Small vendors like chaiwalas, vada pav vendors, and informal workers play a crucial role in local economies, particularly in urban areas. They provide affordable goods and services, stimulate local markets, create jobs, and contribute to livelihood generation. Their businesses support the formal economy through supply chains and taxes, and some transition to the formal sector over time. These vendors also contribute to urban infrastructure development, promote inclusive growth, and reduce inequality by offering opportunities to marginalized groups. Despite their significance, they often remain overlooked in policy, underscoring the need for inclusive policies that recognize and support their contributions to sustainable development.

### Challenges Faced by Small Vendors:

1. Informal vendors, such as chaiwalas and vada pav vendors, typically operate without licenses or official registration. As a result, they often remain invisible in policymaking

2. Informal sector workers are typically in precarious situations with unstable incomes, limited access to credit, and little job security.
3. Informal vendors, particularly those in visible locations like train stations or street corners, are sometimes stigmatized as part of a "lower" economic class or "unorganized" sector.
4. Many small vendors face challenges with regulatory authorities who enforce rules such as licensing, zoning, and health standards.
5. Many informal sector workers, including chaiwalas and vada pav vendors, may not have access to formal education or skill development opportunities.
6. Small vendors often lack access to formal financial services, including credit, savings accounts, or insurance, due to their informal status.
7. Informal vendors, especially those working in trains or busy streets, face significant health and safety risks, from unsanitary conditions to exposure to hazardous environments.
8. Informal vendors often operate in spaces not designated for commercial use, such as railway stations, street corners, and sidewalks.
9. Informal sector work is often gendered, with women facing greater barriers to entering the workforce and being more vulnerable to exploitation and harassment.
10. Small vendors and informal sector workers often lack strong collective bargaining power or union representation, making it harder for them to advocate for their rights.

### **Objectives:**

1. To analyze the contributions of chaiwalas, vada pav vendors, and other informal sector workers in shaping local economies and societal inclusion.
2. To identify the socio-economic, legal, and cultural challenges faced by small vendors in achieving social inclusion and economic stability.
3. To investigate how existing policies influence the livelihoods of informal workers and their integration into urban development frameworks.
4. To develop recommendations for fostering greater social inclusion and policy participation for informal sector workers.

### **Research Methodology:**

This study uses a descriptive and analytical research design to examine informal vendors' role in social inclusion. It analyses government reports, academic papers, NGO publications, and case studies. Thematic and comparative analysis will explore economic contributions, barriers, and policy gaps, focusing on chaiwalas, vada pav vendors, and train sellers.

### **Review of Literature:**

1. A significant body of literature has emphasized the pivotal role of the informal economy in both developing and developed countries. According to **Chen (2012)**, the informal economy comprises diverse, non-registered businesses and workers, ranging from street vendors to small-scale service providers. It plays a critical role in providing livelihoods for marginalized groups, especially in urban areas where formal employment opportunities are limited. Similarly, **Basu (2003)** presents a conceptual framework for understanding the informal sector, arguing that informal workers often operate in parallel with formal markets but face challenges such as lack of legal protection, lower incomes, and limited access to resources.
2. Small vendors, including street vendors like chaiwalas and vada pav vendors, are recognized as key contributors to local economies. **Rogerson (2001)** highlights the economic value of small

enterprises in urban areas, where they foster local commerce, create employment, and stimulate consumer demand. These vendors not only generate income for themselves but also contribute to the broader economy by circulating money within their communities. **Sanyal (2007)** further argues that micro-enterprises, such as small vendors, play an essential role in urban development by serving as hubs for trade, culture, and social interaction. In his study, Sanyal underscores the importance of integrating these informal vendors into broader development strategies to enhance economic inclusivity.

3. Street vendors, as an integral part of the informal economy, have been extensively studied for their role in shaping urban environments. **Bhowmik (2005)** offers an in-depth examination of street vending in India, identifying the significant contributions these vendors make to urban food systems, social cohesion, and the local economy. The paper highlights the symbiotic relationship between street vendors and urban development, noting that vendors often operate in public spaces that are central to the daily lives of urban residents. Furthermore, **Yildirim (2016)** explores how small businesses, including street vendors, support urban development by fostering local markets and improving urban infrastructure. Yildirim's study points out that vendors' resilience and ability to adapt to urban dynamics make them essential stakeholders in city planning and development.

### **Scope and Significance:**

This study explores the role of small vendors, like chaiwalas and vada pav sellers, in social inclusion, economic development, and policy influence. It highlights their contributions to local economies, job creation, and poverty reduction, while addressing challenges they face. The research advocates for inclusive policies supporting informal sector workers.

### **Limitation of the Study:**

The study's limitations include focusing on specific informal vendors, potentially overlooking other informal sector groups. It may not address regional policy variations or explore the intersectionality of gender and social class in informal work. Additionally, the absence of empirical data could limit the study's generalizability to broader contexts.

### **Case Study 1: Train Vendors in India**

Train vendors in India play a crucial role in the informal economy, providing affordable goods and fostering social interaction among passengers. They contribute significantly to local economies by distributing regional products and offering essential services to travelers. However, challenges such as lack of legal recognition, poor infrastructure, hygiene concerns, and supply chain issues persist. Integrating vendors into formal systems through legal protections, training, and improved facilities can enhance their livelihoods and passenger experiences.

### **Case study 2: Vada Pav Vendor in Mumbai**

Vada pav vendors in Mumbai are key contributors to the city's street food culture and informal economy. They offer affordable, locally loved snacks to a diverse range of commuters and passersby, contributing to daily sustenance for many. However, these vendors face challenges including lack of legal recognition, poor infrastructure, and health regulation issues. Formalizing their operations through legal recognition, better working conditions, and access to financial support can improve their livelihoods and contribute to sustainable growth.

### **Findings:**

1. Street vendors face legal, financial, and urban planning challenges that hinder their economic growth, including exclusion from legal recognition, access to credit, and secure locations.

2. Mumbai's street vendors struggle with high-interest informal credit, lack of social security, and poor working conditions, contributing to a "decent work deficit."
3. The Social Solidarity Economy (SSE) offers a cooperative model to improve credit access and social protection for informal workers.
4. Inclusive urban planning, legal recognition, and financial inclusion can address vendors' challenges, promote economic stability, and reduce conflicts with authorities.
5. The Street Vendors Act (2014) aims to protect vendors' rights and include them in decision-making through Town Vending Committees.

### **Suggestions and Recommendation:**

1. Strengthen and enforce policies like the Street Vendors Act, 2014, ensuring legal recognition and designated vending zones in urban areas for secure spaces.
2. Facilitate access to formal credit, microfinance, and training programs on financial literacy, hygiene, and business management for vendors.
3. Involve vendor associations in policy formulation, urban planning, and promote digital payment systems to help vendors adapt to changing markets.
4. Extend affordable health insurance, pension schemes, and welfare benefits to informal workers while educating them on their rights and available reforms.
5. Collaborate with NGOs, private companies, and local governments to support the informal workforce and track policy impacts through periodic surveys.

### **Conclusion:**

In conclusion, small vendors such as chaiwalas, vada pav vendors, and other informal sector workers, including those selling goods in trains, play an indispensable role in fostering social inclusion and shaping development policies. These vendors are not only critical to the local economy but also serve as vital social connectors, providing affordable goods and services to diverse populations, especially in underserved areas. By offering opportunities for income and employment, they contribute significantly to poverty reduction and social mobility. However, the lack of formal recognition and protection in policy frameworks limits their potential. Policymakers must acknowledge their contributions and create inclusive, supportive environments that enhance their capacity to thrive. By integrating informal sector workers into the policy discourse, development strategies can become more comprehensive, equitable, and reflective of the diverse realities of all workers, leading to a more inclusive and sustainable economic growth.

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