Digital Street

Digital Transformation of Street Vendors, Regional Consultation, Jaipur
Aug 5-7, 2022

PARTICIPATING ORGANIZATIONS

- Friedrich Ebert Stiftung (FES), K-70B, Hauz Khas Enclave, New Delhi, Delhi 110016
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Contents

Summary Report on the Digital Street Project – Regional Consultation at IBS, Jaipur

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Background

Digital Street aims to develop a framework for facilitating digital transformation of street vendors. The Centre of Excellence for Digital Transformation (CEDT) at IFHE, Hyderabad is working on a project titled “Digital Street” in collaboration with Friedrich Ebert Stiftung (FES). The project aims at studying digital transformation of micro-level businesses in the informal sector, travel technologies, tourism, street vendor issues, SDGs OR related domains in government, academics, consulting, corporate, policy making, start ups, payment tech, logistics tech, supply chain actors like B2B market places, non-profit and advocacy groups.

Introduction

India is witnessing an interesting phenomenon- growing informalisation of work and simultaneous increase in digitisation of informal work. Rise of gig economy has led to millions of informal workers having their work determined by an algorithm and advent of cheap internet enabled smartphones has pulled many of the younger informal worker into an increasingly digital world.

Digital Technologies

The advent of Information Communication Technologies (ICT) has impacted the world around us in a big way. As a result, digital transformation is an integral part of the discourse around transforming the lives of masses. Digital Transformation “encompasses the profound changes taking place in society and industries through the use of digital. These changes are especially needed across sectors that serve/employ the marginalised. Retail is such a key sector that can be benefited by digital transformation to uplift the underserved and lead to a country’s overall growth. This is particularly relevant in the context of a developing country like India. Around 42.6 % of the total people employed were in agriculture.

Informal/ Unorganised Retail Sector

This sector is one of the largest employers in India. The retail sector contributes 10% to the Indian GDP and generates 8% of employment. Globally, the retail sector is dominated by informal/ unorganized businesses. In India, around 90% of all retail businesses belong to the informal category. In the financial year 2020, the retail and allied sector has been found to be the second highest employment generator after agriculture in India. Informal retail can be further divided into two categories: those who operate from fixed shops (e.g. kirana shops) and the others who don’t (e.g. hawkers). Generally, it is the latter category of street vendors/sellers that is closer to the bottom of the pyramid for want of resources. This study on digital transformation focuses on such underserved contributors to the Indian economy who can

benefit from this effort. According to the National Association of Street Vendors of India (NASVI) “A street vendor is broadly defined as a person who offers goods for sale to the public at large without having a permanent built up structure from which to sell. Street vendors may be stationary in the sense that they occupy space on the pavements or other public/private spaces or, they may be mobile in the sense that they move from place to place by carrying their wares on push carts or in baskets on their heads.”

Digital Technologies and Street Vendors

Emergence of digital technologies has created new business models and innovations that can be used by both informal and formal sector enterprises. Almost all digital innovations are sector agnostic. They can have more inclusive impacts thus benefiting people who may have been excluded from the formal sector in unprecedented way. We anticipate that the convergence of emerging/existing digital technologies and informal sector solutions can create effective hybrid innovations thus enabling informal entrepreneurs including street vendors to optimise their business practices.

Digital Street Project

In this context, we aim to develop a framework for facilitating digital transformation of street vendors which is based on social dimensions of development and modernisation. We are also aware that there are myriad issues that compound the problem at hand. Therefore, we want to progress systematically step-by step. In absence of any published review in Indian context, our understanding of these issues largely remains intuitive, anecdotal and presumptuous based on our informal interactions with the people in the sector and our insights emanating from our study of extant literature published in the West.

Scope of the project

1. Understanding the Informal sector: What is “informal”?
2. Could digital technologies work differently for informal sector?
3. How are street vendors different from other informal businesses?
4. Who are the key stakeholders (individuals/institutions) in this sector apart from the central actor (the street vendor)?

e.g., the government/regulator, the law-enforcement (which, depending on the context shares a love-hate relationship), the supply chain actors like the supplier and the customer(s), the informal infrastructure actors like the local business/non-business associations who have real/notional power (on multiple issues like real estate occupancy, quality etc.), the real/notional competition both in the informal sector (e.g., fixed shops) and the formal sector (e.g., supermarkets), the technology providers (both state and non-state), technologies like that of financial transaction, identity, location, communication etc.

Challenges:

1. What are the key challenges for the central actor, the street vendor?

2. What are the key challenges (with regards to the issues related to the central actor, the street vendor) for each of above identified stakeholders?
3. Would digital technologies bring location independent enterprises or intermediaries thus reducing opportunities for local street vendors?
4. Would there be differential access and thus benefits of digital technologies within the street vendors thus exacerbating existing inequities?
1. Opportunities:
5. Given the understanding of the context and the ecosystem, what are the key opportunities for the central actor, the street vendor?
6. Given the understanding of the context and the ecosystem, what are the key opportunities (with regards to the issues related to the central actor, the street vendor) for each of above identified stakeholders?
7. Is it possible that digital technology adoption improves productivity and the working conditions of the street vendors thus impacting overall quality of life?
8. Would adoption of digital technologies accelerate street vendors' transition to digital economy?

Methodology

The project uses a blend of exploratory and investigative techniques to map the key concerns and status of adoption of digital tools amongst the street vendors. In order to diversify the responses across geographies and socio-economic contexts, the project has identified four locations spread in diverse regions of India to collect and analyze similarities and differences in these varied circumstances. These are Bengaluru, Jaipur, Kolkata and Dehradun. Bengaluru represents the cosmopolitan socio-economic ecosystem, Jaipur represents the tourism focused environment as part of the golden quadrilateral, Kolkata has been chosen to represent the blend of traditional and modern, while Dehradun stands at the cross-roads of the religious circuit.

Regional consultation at Jaipur

Stage 1 Preliminary data collection

Based on the experience of the project's earlier consultation at Bengaluru and Jaipur, detailed operating processes, tools and program were developed and revised. After an orientation of the students and faculty by the project team on the objectives and methodologies being used in the project, ten teams of three students each were formed. Each team had

a. A Photographer
b. An interviewer
c. A data analyst

The student teams worked under the supervision of faculty coaches.
Jaipur city was divided into four zones to have a fair representation of the diverse character of the city.
Zone 1 – the walled 'Pink' city to represent traditional business areas and the tourist hotspots

Zone2 – the new residential areas of Vaishali Nagar and Vidyadhar Nagar, to cover the new market spaces and the behaviors of the citizens of Jaipur
Zone 3 – The modern commercial district of Raja Park and surrounding areas, to represent the modern commercial hub of Jaipur
Zone 4 – Jamdoli, Agra Road, to represent the suburban/'rurban' ecosystem of the city

Spread across twenty-five days, the student-faculty teams interacted with street vendors, customers, vendor association representatives, authorities and the larger community with an open ended questionnaire. The interactions were video recorded after seeking prior approval of the respondents. The teams also attempted to capture the overall environment of operation of the street vendor in terms of location, use of energy, cleanliness and hygiene, weather impacts, regulatory impacts and competitor businesses. A total of 76 street vendors encompassing diverse business areas like food, clothing, foot wear, repair, handicraft, tourism oriented souvenirs etc. were contacted. Based on the responses, a fair idea of demographic profile of the street vendors, in terms of their volume of business, familiarity with smart phones and related tools, usage of digital payment methods and challenges faced was prepared. The demographic profile of the respondents is presented as Annexure B.

Stage 2 Regional consultation

A regional consultation was conducted on Aug 5, 2022, bringing together the project team from CEDT, various IBS campuses and FES India. Important stakeholder representatives were invited from various walks of life to deliberate on the opportunities and challenges facing digital empowerment of street vendors. These included vendor association leaders and members, food delivery association, women vendors, academicians and researchers and internet based app and web developers.
After the inaugural event, where various views on the subject were shared by the participants, detailed deliberations were conducted in two rounds.

Fish-Bowl Discussion

All participants were divided into three groups and subsequently, fish-bowl method was used to identify basic variables and problems being faced by the vendor community and also unearth possible solutions based on experience sharing by the participants.

Focus Group Discussion

The filtered outcomes of the fish-bowl discussion were taken up in a smaller focus group discussion involving the participants to further drill down into the details of concerns and problems raised by the previous rounds. The focus group discussion aimed to suggest solutions to problems identified in consultation.

Field visit

A field visit of the project team along with student teams of stage 1 were organized on Aug 6, where the problems and suggestions of the previous day were discussed on the basis of applicability on ground, in the actual working environment of the participating street vendors.

A total of 82 street vendors were visited by the field teams and detailed written and video records of the interactions were taken.

Important findings

The following note-worthy findings emerged out of the Jaipur round of consultations.

1. There is a close relationship between adoption and acceptability of digital tools and techniques and the size of business of the street vendors. More established vendors with higher customer traffic tended to be more comfortable with technology.
2. Smart phone ownership by the vendors was recorded to be high at 75% of the vendors surveyed.
3. Predominantly digital-technology usage was confined to various payment apps for facilitation of customer payments.
4. In some cases, while the vendor reported lack of awareness on smartphone usage, they accepted that digital payments were processed through help of other members of the vendor's family who were more comfortable with smart phone usage.
5. No street vendor, barring one food vendor, used social media, web and allied tools like posts, pictures or videos relating to their businesses to promote their presence or their wares on the virtual space, while familiarity with such tools was acknowledged and also reported to being used extensively on a private basis.
6. Fear of online fraud, phishing and prior experience of cheating and loss along with general distrust of digital payment mechanisms were sited as major causes for lack of adoption and usage.
7. While reasonably high awareness of various government schemes to promote, relocate and sustain micro-businesses was discovered, most of the respondents reported not being benefitted by any of such schemes.
8. Most street vendors surveyed reported harassment by regulators like the municipal officers, police and other government functionaries. Surprisingly, some also reported trouble from local 'goonda' elements who ask for protection money.
9. Space for setting up the vending stalls was found to be generally of public land, where footfalls tended to be higher. In some cases, rentals were reported to be paid to property owners adjoining the location like shops, houses and others.
10. Most street vendors agreed to the suggestion that Certificate of Vending (COV) may be an important registration and license for legitimizing the business.
11. Access to credit was found to be limited to that allowed by suppliers. This supplier credit line was reported to be a few days at the maximum.
12. While most vendors reported to have personal savings accounts and Adhaar Cards, these were reported to be very infrequently used for business purposes
13. None of the street vendors surveyed used any alternative form of energy to power their vending locations like solar cells etc.
14. Both awareness and participation in any significant union or association related activities was found lacking.
15. While the responding street vendors responded favorably to the research and were enthusiastic towards suggestions on digital literacy as a benefit, they were reluctant to

take time off from their business to participate in formal trainings and skill development.

Conclusions and suggestions

From the findings of the Jaipur consultation, the following conclusions and suggestions can be inferred.

a. Since smart phone ownership and familiarity with using various apps and tools was found to be significantly high among the respondents, there is a high probability of success of smart phone based digital tools which may enable street vendors to effectively reach out to wider markets, engage with financial institutions, government, regulators and various suppliers. This process is likely to bring in efficiencies as has been the experience in the more organized sector.
b. Limited education or lack of exposure to digital tools may not be an hinderance as there is significant evidence to show comfort with personal use of smart phone apps like social media and phone banking.
c. Distrust of digital payment systems and other operational problems encountered by the vendors may be considerably reduced with simple training and provisions for more robust customer care support by the gateway companies and payment service providers.
d. Tremendous potential exists to link and onboard street vendors on various government programs for financial inclusion, skill upgradation, licensing, cleanliness and health initiatives to enable this vital urban employment sector to make its presence felt.
e. There is an urgent and immediate need to re-orient the dormant town vending committees and a fair and transparent system of online issuance of certificates of vending. This will not only bring recognition but also increase participation of these micro-entrepreneurs in various development programs. Through COVs other goals like standardization and conformance to appropriate benchmarks like those released by FSSAI and other bodies will become easier. Exposure to malpractices and harassment by various actors can also reduce significantly.
f. From the customer's perspective too, significant benefits can accrue as better information discovery and consumption would promote fair trade practices through adequate mechanisms for customer ratings and reviews enabled through digital tools as is evidenced from efficiencies in similar interventions in the more formal sector.
g. For skill development and trainings, educational institutions may be roped in to conduct periodic workshops on site where a small group of street vendors may be given hands on training on the effective use of various digital tools

Way forward

This project represents an initial investigation into empowering street vendors through digital technologies. The study is largely exploratory which is trying to uncover and identify various variables and dimensions to the issue. While the study is throwing up very interesting insights in terms of usage patterns, problems and issues reported, innovations and highlighting the huge

opportunities in this space, it will require substantive validation through more empirical data to establish causal relationships amongst the various factors and variables exposed by this study. After Jaipur, two more regional consultations are envisaged in the project at Kolkata and later at Dehradun, thereafter the project will conclude at the national consultation at Hyderabad in November, 2022. Experiences gained at each of the four regional consultations shall be aggregated to glean common threads which will form part of the policy document to highlight insights from the project to aid government policy, strategy formulation by various technology and financial service providers and set the agenda for interventions in the field by NGOs, research institutions and industry bodies.

Annexure A

About FES India

The Friedrich-Ebert-Stiftung (FES) is a non-profit German foundation committed to the values of social democracy and social justice. Widely acknowledged by the German and Indian governments for being an important actor in the promotion of dialogue (people-to-people contacts), FES established its India country office in 1983 in New Delhi.

About Future of Work

India is in the midst of a transformation. Spurred on by the economic liberalisation in the 1990s, the country has gradually moved ahead on a path of industrial and technological modernisation and a further integration into the global markets. Presently, the core question is: how can India's economic development be charted in a way that it becomes a socially-balanced, sustainable and resilient economy. Digitalisation assumes particular importance in this regard, especially in overcoming economic, ecological and social conflicts. The FES aims to engage diverse stakeholders in developing transformative concepts on the future of work, by identifying elements for socially and ecologically sustainable, gender-equitable value chain and consequently formulating policy recommendations on inclusive digital transformation.

About IFHE

The ICFAI Foundation for Higher Education is a deemed-to-be-University established under section 3 of UGC Act, 1956. IFHE's comprehensive student-centric learning approach provides relevant knowledge, imparts practical skills and inculcates a positive attitude among the students.

Today, IFHE is one of the largest multidisciplinary universities in the country. The Faculty of Management, Faculty of Science and Technology and Faculty of Law are the three main building blocks of the university. The University is a member of the Association of Indian Universities (AIU) and Association of Commonwealth Universities (ACU).

About Centre of Excellence for Digital Transformation (CeDT)

The Centre of Excellence for Digital Transformation (CeDT) at the IFHE has been established with an agenda of leveraging the information and communication technologies for the benefit of the underserved. We, at CeDT, believe that constructive interactions between actors in an ecosystem shapes various aspects of business and social practices and technology. Thus, continuous engagement with key human and non-human stakeholders across industry, academia and society to advance our agenda, is the guiding principle of the centre.

The activities through which we plan to engage with key stakeholders include research, consultancy, training/teaching and outreach. The tools that we plan to use for the aforementioned activities include experiments (both field and laboratory), surveys, digital gap analysis, content creation and curriculum design.

Annexure B

Demographic descriptors of respondents

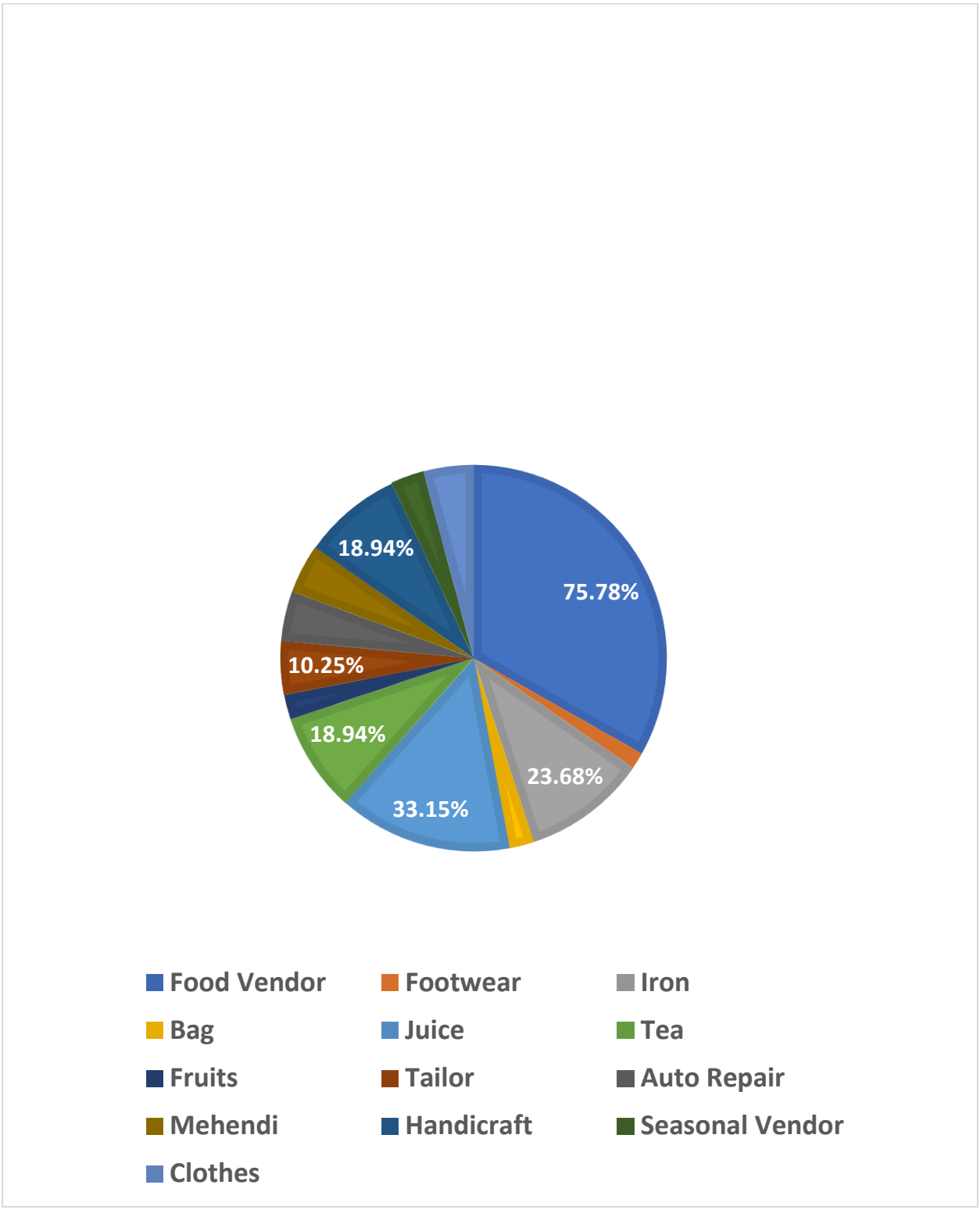


Figure 1 Occupational profile of respondents

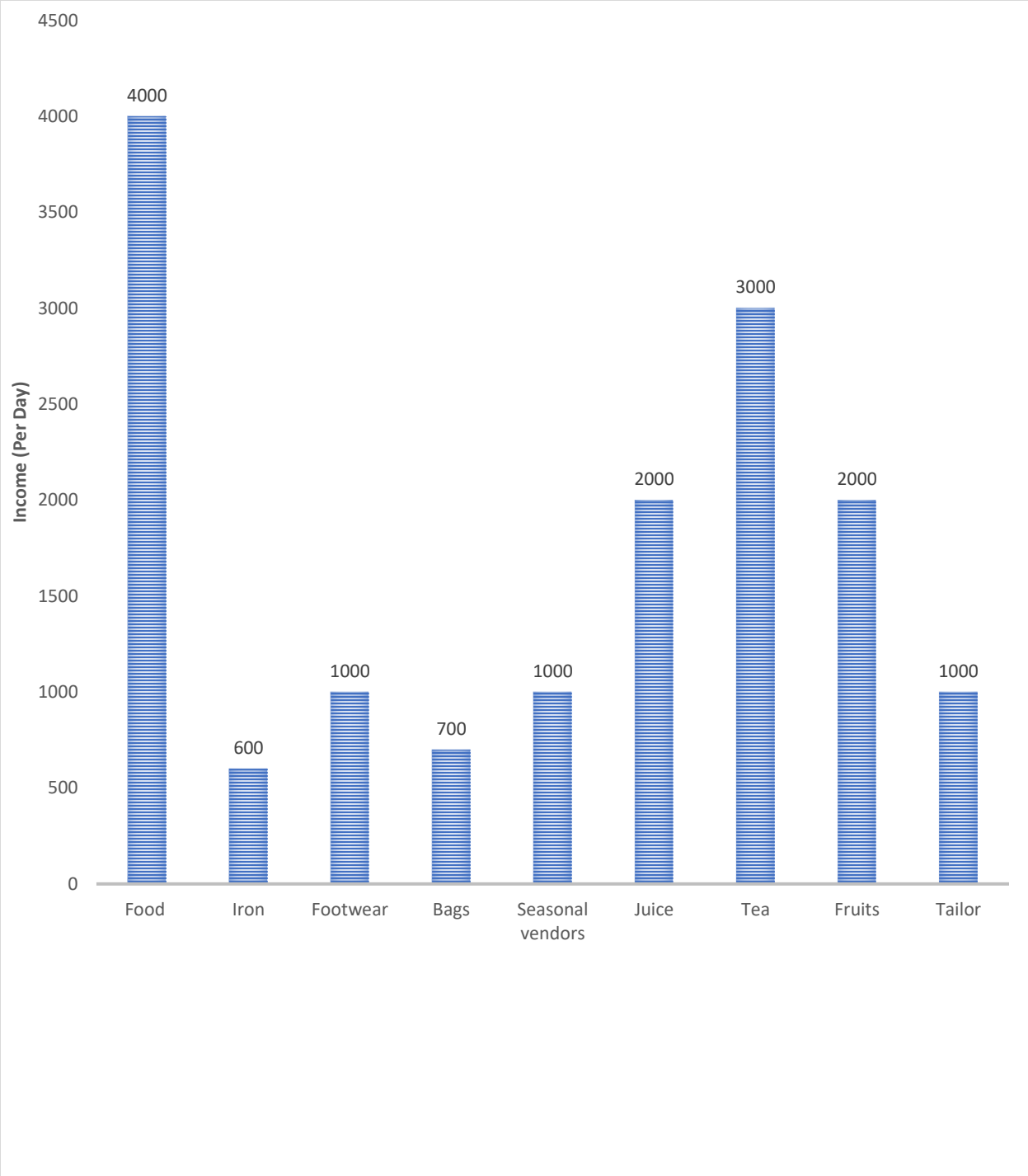


Figure 2 Income profile of respondents

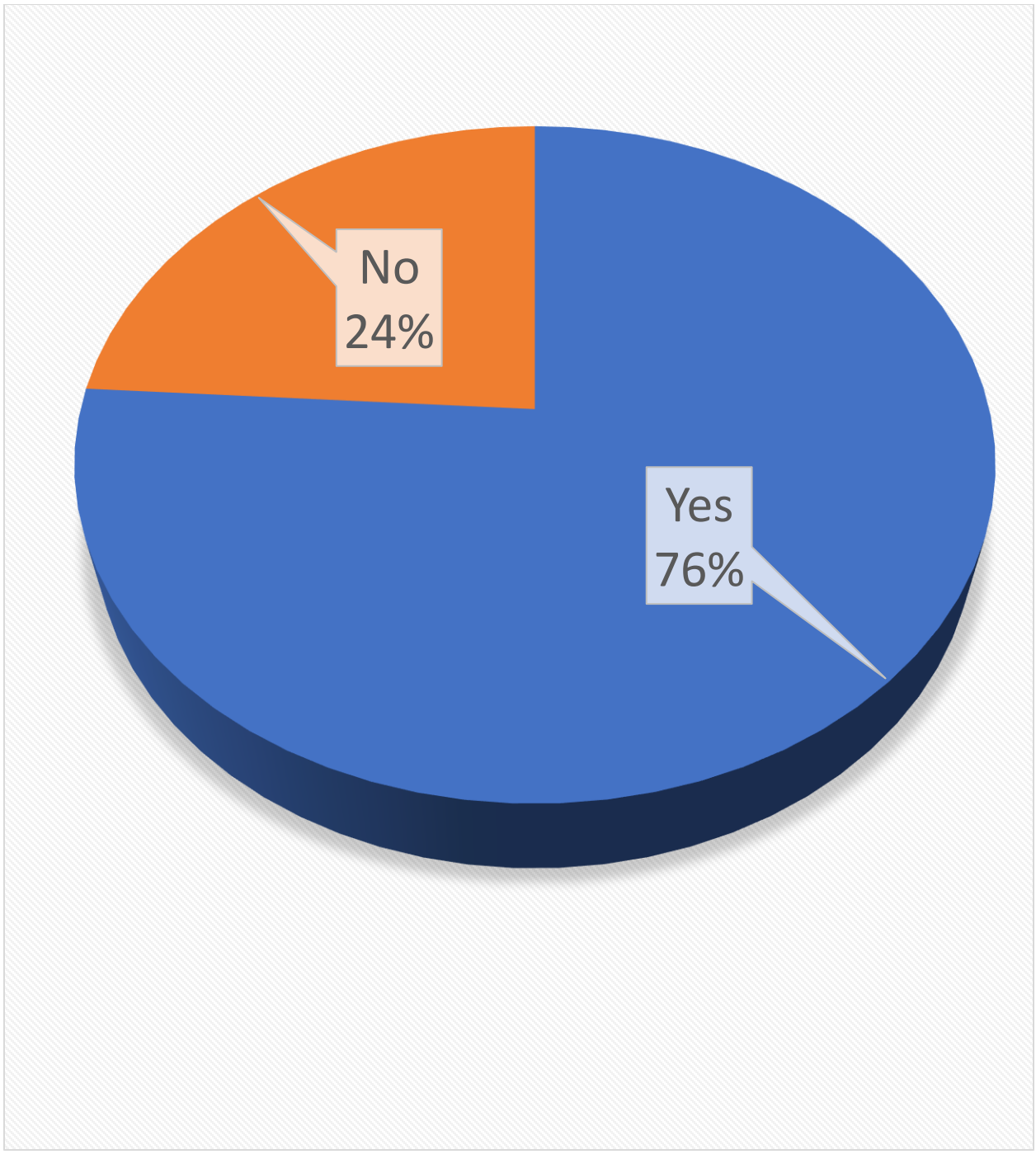


Figure 3 Smartphone usage pattern of respondents

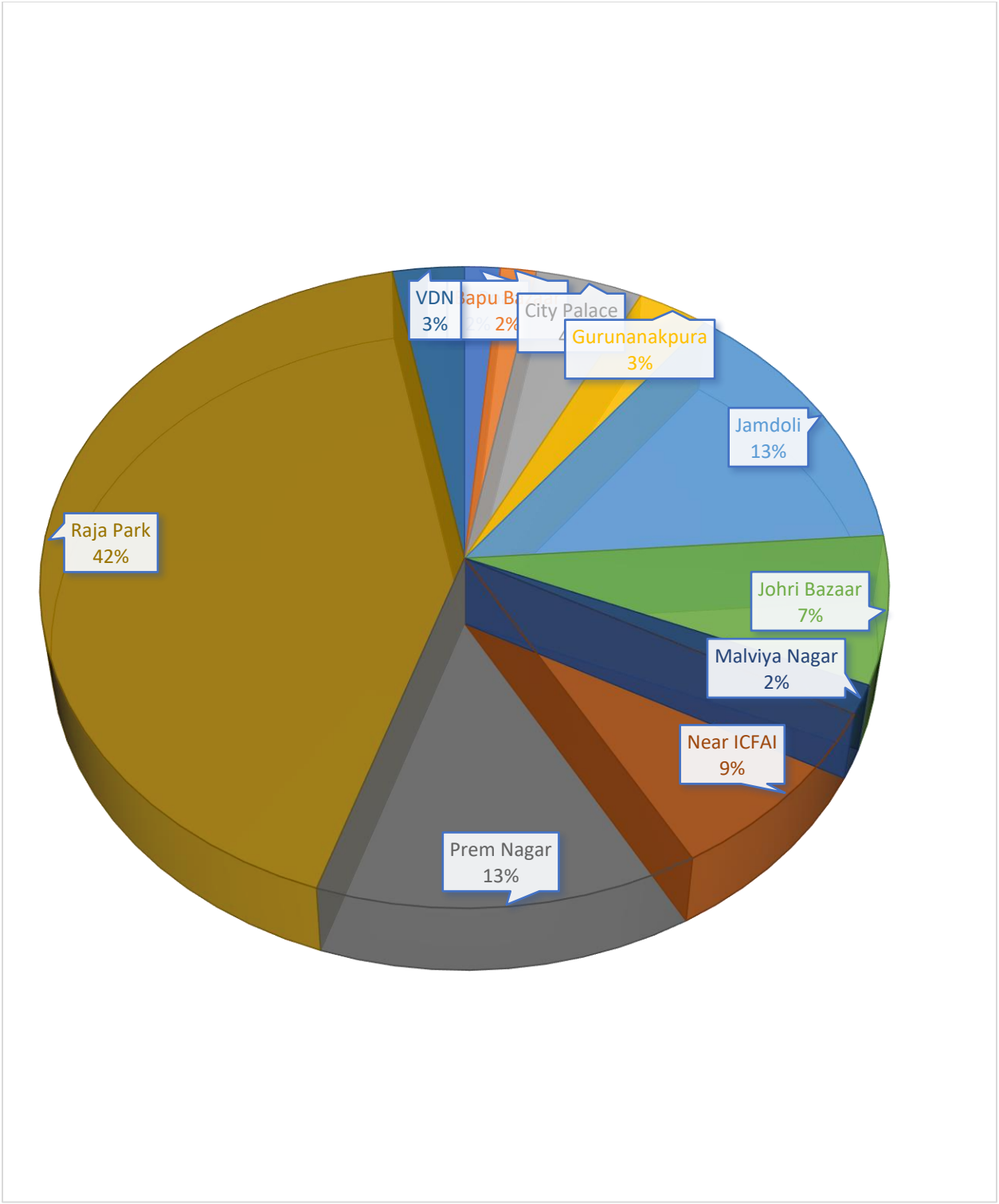


Figure 4 Locational profile of respondents

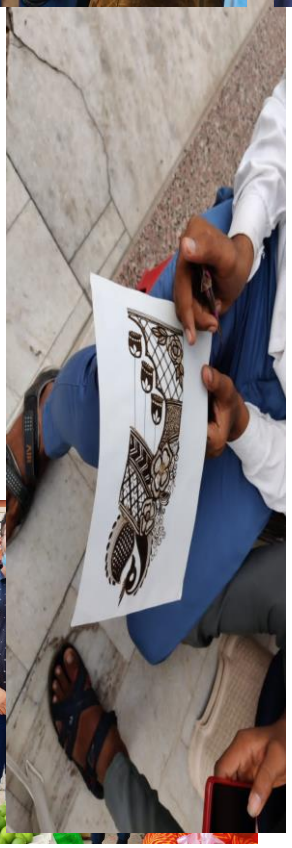
Annexure C

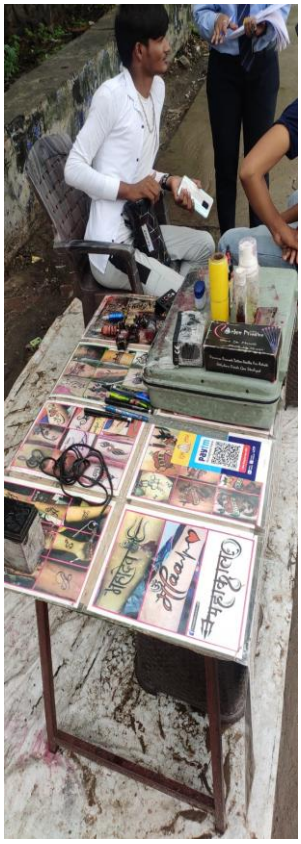
Program

Tentative Agenda for August 5, 2022

09.30 onwards	Arrival of participants and registrations. Short Exhibition of the digital transformation initiatives in the region	
10.00 - 10.30	**Tea**	
10.30 - 11.00	**Inaugural Session**	Welcome by Prof. (Dr.) H P Singh, VSM, President, ICFAI University, Jaipur
	A Short Introduction to FES and its Future of Work project	By Mandvi Kulshreshtha, FES India
	What is CeDT? A Short Introduction	By Sanjay Fuloria, ICFAI Business School (IBS), Hyderabad
	Why Digital Street?	By A V Vedpuriswar, Senior Advisor, ICFAI Group
	Methodology of the Project Introduction to the Program for the Regional Consultation	By Shweta Jain, Dean, ICFAI Business School (IBS), Jaipur
	Introduction to the Methodology for the Digital Street Project	By Shailendra Singh Bisht, ICFAI Business School (IBS) Hyderabad
11.00 - 11.15	**Digital Street Ambassadors' Felicitation**	
11.15 - 11.30	**Keynote Speaker**	Shri. Shanti Kumar Dhariwal, Cabinet Minister-Government of Rajasthan, Local Self Government, Urban Development & Housing, Law & Legal Affairs, Legal Consultancy Office, Parliamentary Affairs, Elections.
11.30 - 11.45	**Interaction with Guests**	**Vote of thanks**
11.45 - 12.00	**Tea / Coffee Break**	
12.00 - 13.00	**Open Space Dialogue - Fish Bowl**	A Fishbowl conversation used as open space dialogue will be played out in this session. The idea is to have an open dialogue and develop understanding of the terms used in digital transformation. Two main components- • Shared Experiences coming from the leadership in the ecosystem • Lived Experiences from the grass root participants at multiple level
13.00 - 14.00	**Lunch Break**	
14.00 - 15.30	**Focussed Group Discussions**	The participants will be divided into multiple groups. A research team member will host each group. The participants will be asked to share information from their digital transformation journey to be documented as case study under the project. These sessions would be audio-recorded.
15.30 - 16.00	**Tea Break**	
16.00 - 17.30	**In-depth Interviews**	The research team will conduct personalised in-depth interviews with the selected participants to extract more information about their digital transformation journey.
17.30 - 18.00	**Feedback and High Tea**	


अग्रवाल पेंट भण्डार






भवानी नेचुरल सोडा शिकंजी