

By Invitation

Legal Reforms for the Self-Employed: Three Urban Cases

Martha Alter Chen, Roopa Madhav & Kamala Sankaran

Four out of five urban workers in modern India are engaged in the informal economy, and half of these are self-employed. This article examines what legal reforms are needed for home-based producers, street vendors and waste pickers who together represent one-fifth of the urban workforce. The article describes the conditions of employment and work processes of these groups, and introduces key organizations of these workers. It then examines the legal demands of these organizations, grouped under: municipal, sector-specific, employment or commercial, and macro-economic. Finally the article draws out lessons for legal reforms for the self-employed including the need for legal identity and incorporation into economic planning.

Martha Alter Chen is Lecturer in Public Policy, Harvard Kennedy School, Affiliated Professor, Harvard Graduate School of Design & International Coordinator, WIEGO Network. E-Mail: martha_chen@harvard.edu. **Roopa Madhav** is Associate Professor, School of Habitat Studies, Tata Institute of Social Sciences. E-Mail: mroopam@gmail.com. **Kamala Sankaran** is Professor, Faculty of Law, University of Delhi. E-Mail: kamala.sankaran@gmail.com

Introduction

The need to balance job creation with basic protection for workers — to make economic growth inclusive — is a major challenge for the early 21st century. In India, as in most countries, labor laws rest on the assumption of a clear employer-employee relationship, and commercial laws rest on the assumption of incorporated enterprises with documented accounts. But eighty per cent of the urban workforce in India is informal, and half of urban informal workers are self-employed (Chen & Raveendran, 2011, updated 2014). The mismatch between the existing legal frameworks around employment and the existing employment structure creates a major challenge for policy makers and calls for significant legal reform.

Labor laws rest on the assumption of a clear employer-employee relationship.

At the beginning of the 21st century, employment grew at a faster rate per year in urban India than in rural India (Chandrasekhar & Ghosh, 2007). As of

2004-05, over half (54%) of the urban working age (15+) population was in the labor force, either actively working or actively seeking work: 79 percent of men and 24 per cent of women (ibid). But since 2004-05, there has been a marked slowdown in employment growth in both rural and urban India. By 2011-12, just under half (49%) of the urban working age population was in the labor force: 76 per cent of men and 21 per cent of women (Chen & Raveendran, 2011, updated 2014). This slowdown in employment growth was accompanied by a decline in self-employment, which had been growing. By 2011-12, the shares of self-employment and wage employment in total urban employment had reverted to their 1999-00 levels: at 42 and 58 per cent, respectively (ibid).

However, the urban informal workforce was almost evenly divided between self-employment (51%) and wage employment (49%) in 2011-12. There are three main categories of the self-employed: employers (who hire others), own account workers (who run single person or family enterprises without hired workers), and unpaid contributing family workers. In 2011-12, 38 per cent of the urban informal workforce (39% of men and 31% of women) were own account workers; 11 per cent (8% of men and 20% of women) were unpaid contributing family workers; and only 3 per cent of men and 0.5 per cent of women were employers (ibid).

This article examines what laws and regulations impinge on — and what legal reforms are needed for — three groups of informal self-employed in urban India:

home-based workers, street vendors and waste pickers. In 2011-12, these three groups combined represented one-fifth of the total urban workforce in India: home-based workers (15%), street vendors (4%) and waste pickers (1%). Home-based work was particularly significant for women: representing almost a third (32%) of the female urban workforce. The article describes the conditions of employment and work processes of these three groups, and introduces key organizations of these workers in India. It then examines the legal demands of these organizations of workers. Finally it draws out some lessons for legal reforms for the self-employed in India and elsewhere. This article draws on findings and recommendations from three multi-country initiatives led by the global network WIEGO (Women in Informal Employment: Globalizing and Organizing): an on-going program to improve official national statistics on informal employment around the world; a 2012 study of urban informal workers in 10 cities/9 countries (including waste pickers in Pune and home-based workers plus street vendors in Ahmedabad); and a multi-year project on law and informality in four countries (Ghana, India, Peru and Thailand). Many of the sector-specific findings, as well as recommendations of the 10-city study and the 4-country project, are common across the different cities and countries. In other words, what is detailed below about legal reforms for home-based workers, street vendors and waste pickers is not unique to India.

Home-Based Workers

Home-based workers produce goods or services for the market from their own

homes or adjacent grounds and premises: stitching garments and weaving textiles; making craft products; processing and preparing food items; assembling or packaging electronics, automobile parts, and pharmaceutical products; selling goods or providing services (laundry, hair-cutting, beautician services); or doing clerical or professional work, among other activities. Although they remain largely invisible, home-based workers are engaged in many branches of industry and represent a significant share (14%) of the urban workforce in India, particularly among women workers (32%).

Inadequate housing is a commonly cited problem by home-based workers.

For home-based workers, whose home is also their workplace, housing is an essential productive asset. Inadequate housing is a commonly cited problem by home-based workers. A small house hampers productivity: as the home-based worker cannot take bulk work orders because she cannot store raw materials and her work is interrupted by competing needs for the same space of other household members and activities. Poor quality housing allows goods and raw materials to be damaged. Monsoon rains force home-based workers to suspend or reduce production, as equipment, raw materials or finished goods get damaged when roofs leak or houses flood; products (e.g. incense sticks) cannot dry due to leaks and humidity; and orders are reduced due to decreased demand and/or difficulties associated with transport during the rains (Chen, 2014).

When the home is also the workplace, basic infrastructure services are essential for the productivity of work, especially electricity and water. The accessibility and cost of public transport is also a key factor for home-based workers who commute to markets on a regular, if not daily, basis to buy raw materials and other supplies, to negotiate orders, and to sell finished goods. A recent study of home-based workers in Ahmedabad (India), Bangkok (Thailand) and Lahore (Pakistan) found that transport accounted for 30 per cent of business expenses; and of those who had to pay for transport, one quarter operated at a loss (ibid). The distance between the home-based worker's home and the market, contractor, or customers she deals with is critical, affecting the cost of transport. When home-based workers are relocated to peripheral areas they often have poor access to public transport and their transport costs rise sharply.

There are two basic categories of home-based workers: independent self-employed workers who take entrepreneurial risks; and sub-contracted workers who depend on a firm or its contractors for work orders, supply of raw materials and sale of finished goods. This second category of home-based workers, the sub-contracted workers, is officially referred to as "homeworkers". Since they are not directly supervised by an employer, provide their own workspace and equipment, and cover many of the non-wage costs of production including power and transport, homeworkers are often classified as self-employed. However, because they are

dependent on a firm or its contractor for work orders, raw materials, and sale of finished goods, they are sometimes classified as wage workers. In reality, sub-contracted home-based workers – or homeworkers – occupy an intermediate status in employment between fully independent self-employed and fully dependent employees (Raveendran et al, 2013: 2). Also, many self-employed home-based workers are not fully independent: as they have limited access to capital, knowledge of markets, bargaining power, and control in commercial transactions.

Because they work at home, both groups of home-based workers tend to remain isolated from other workers in their sector (apart from those in their neighborhood) and to have limited knowledge of markets and market prices. These factors limit their ability to bargain for more favorable prices and piece rates or to negotiate with government for basic infrastructure and transport services.

While home-based workers are present in most branches of economic activity, they are concentrated in manufacturing, trade and repair services: in India in 2011-12, 73 per cent of women home-based workers were in manufacturing, 14 per cent in trade, 4 per cent offered education services, and 3 per cent provided lodging or ran small eateries (Raveendran et al, 2013). Among women home-based in the manufacturing sector, 29 per cent produced hand-rolled cigarettes (*bidis*), 26 per cent stitched or embellished garments, 22 per cent wove textiles, 6 per cent produced food or beverages; 7 per cent produced wood or cork

products (mainly incense sticks), and 5 per cent made furniture (ibid). Compared to women home-based workers, a lower percent of men home-based workers were in manufacturing (41%) and a higher percent were in trade (35%) and other services, including repairs (6%) (ibid).

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Home-based workers and their activities are affected by government policies and practices, notably land allocation, housing policies, basic infrastructure services, and public transport. This is because their homes are their workplaces; and they have to commute to markets and transport supplies/goods to and from their homes. Legal reforms should support policy interventions that upgrade settlements with large concentrations of home-based workers to ensure they have adequate shelter, water, sanitation and electricity. If and when home-based workers and their families have to be relocated, efforts should be made to ensure the relocation sites have, from the outset, adequate shelter, basic infrastructure, transport services, and access to markets.

Home-based workers also need legal rights and protections against unequal and, often, exploitative value chain practices and relationships. Home-based workers have limited scope for negotia-

tion or leverage: due in large part to their isolation in their homes but also to exclusionary urban policies or practices and to unequal or exploitative value chain dynamics. To demand and secure their rights, home-based workers need increased bargaining power, which comes with being organized and being invited to have a seat at the policymaking, rule-setting or negotiating table. Thus, for home-based workers, belonging to their own organizations and having supportive intermediaries are critically important.

There are many organizations of women home-based workers in India and a South Asia regional network of home-based workers (Home Net South Asia) headquartered in India (see www.homenetsouthasia.net). The Self-Employed Women's Association (SEWA), a trade union of some 2 million informal women workers, has organized home-based workers in 11 states of India. It is the lead organization in the regional network. SEWA has led the way in advocating for social protection and pension coverage to home-based workers; negotiating welfare boards for different categories of home-based workers; and negotiating higher piece rates for sub-contracted home-based workers who manufacture incense sticks, *bidis*, and garments.

Street Vendors

Street vendors offer a range of goods and services from streets and other open public spaces. They represent 4 per cent of the urban workforce across India (Chen & Raveendran, 2011, update 2014). In large cities such as Mumbai

and Delhi there are 250 thousand or more street vendors (Bhowmik, 2014). Some street vendors come from castes or communities for whom street vending is a hereditary occupation. Others are migrants or laid-off workers for whom street vending affords low-end but steady employment. Also, many home-based producers of garments, textiles, crafts or cooked food sell their goods in street markets. Street vendors offer working people, and even middle class consumers, a convenient place to buy goods at low prices; serve as key links in the wider urban distribution system; and enrich the cultural life of cities.

In India and elsewhere, there are three basic categories of street vendors: those who buy goods, typically from wholesalers, and sell them at a margin (e.g. those who sell fresh fruit and vegetables); those who make, manufacture, or transform goods and sell them directly to consumers (e.g. cooked food vendors); and those who provide or perform services from a street or other open public space (e.g. barbers) (Roever, 2014). Those who buy-and-sell "are challenged to find good prices from suppliers; keep other costs, such as transport and storage, to a minimum; and sell at volume to generate profit" (Roever, 2014: 10). Those who transform goods "must find a place to make their goods, usually at home or in the street, but sometimes at a workshop or other unused space; then they must find a place to sell them to consumers. They must also find a place to store unsold goods, or to store the equipment used to make the goods (such as portable stoves or juice machines for

cooked food or prepared drink vendors). The work of these vendors entails value addition and is sometimes more dependent on workplace infrastructure, such as electricity and running water, than buy-sell traders” (ibid: 10). Service providers tend to “have fewer challenges when it comes to transporting goods, although they may need machinery or tools to be stored at or transported safely to their vending post. However, they are often reliant, like manufacturers, on electricity and/or need either specialized training or substantial access to capital to purchase the necessary machinery, tools or inputs” (ibid: 11).

Within these basic categories, street vendors can be further differentiated by a) whether they sell perishable or durable goods; b) whether they work on their own, with family workers, or with hired workers; c) whether they are independent, tied through credit-purchases to a wholesaler, or sell on commission for formal retailers; and d) whether they sell in central business districts or more peripheral areas, around wholesale markets, near transport nodes, religious institutions or educational institutions, or near residential areas.

More so than home-based workers, street vendors are directly affected by the regulations and policies of city governments and the practices of city officials. Across most cities of India, and other countries, government policies or practices undermine the ability of street vendors to pursue their livelihoods. Abuse of authority by the police and local officials is the most common com-

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plaint: this “includes police harassment, demands for bribes, arbitrary confiscations of merchandise, and physical abuse. These practices tend to take place in urban policy environments that do not define a role for street trade or offer a viable space to accommodate it. In that context, street traders also rank the lack of a fixed and secure workplace and evictions from (or demolitions of) existing workplaces among the most significant negative drivers” (ibid: 25). A study of street vendors and public space in Ahmedabad found that local leaders collect “protection” money each day, week or month from street vendors in their market areas which they hand over to the police after taking their cuts: the amount paid differs by whether the street vendor sells from the pavement or from a push cart (Brown et al, 2012).

Where cities attempt to regulate street vending, the licensing and permitting practices and their associated taxes, fees, tolls and levies have a significant impact on vendors. Most vendors “pay all manner of tolls, levies, and fees – as well as bribes – to use public space” (Roever, 2014: 26). But most street vendors lack urban infrastructure services at their vending sites, including running water and toilets, electricity, and waste removal. “Prepared food vendors must cook at home or ferry water to their

stalls, street tailors and hairdressers stop working when the power goes out, and market vendors spend time and money organizing ad-hoc waste removal systems where city services fail” (Roever, 2014: 26). The fact that most cities do not consult with street vendors around such practices only compounds the problem.

The license regime for street vending is opaque and repressive.

When they operate without a license, street vendors in India are considered illegal under most municipal acts: leaving them subject to treatment as criminals under the Indian Penal Code and to rent-seeking in the granting of licenses. But the license regime for street vending is opaque and repressive. Many cities have inappropriate license ceilings: for instance, in Mumbai, where there are an estimated 250,000 street vendors, the municipal corporation arbitrarily fixed a ceiling of only 14,000 licenses; and even these were not issued for many years (Bhowmik, 2000). In Kolkata, street vending without a license is a non-bailable offense (*ibid.*)

Estimates suggest that street vendors occupy only two percent of urban land but are legally barred from doing so. A 2000 study of street vending in seven cities of India found that only two cities, Bhubaneswar and Imphal, made provisions for street vendors in their city plans (*ibid.*). The other five cities, Ahmedabad, Bangalore, Delhi, Kolkata, Mumbai and Patna, earmarked spaces in their plans

for hospitals, parks, offices, residential colonies, and bus and rail terminals but excluded the vendors who naturally congregate around these areas, providing essential goods and services at low costs. Increasingly, cities around India, and elsewhere, are allocating public space for large-scale modern retail – malls and shopping arcades – while continuing to neglect small-scale traditional retail.

Because they congregate in public spaces street vendors come to know their common harsh treatment by local authorities. Because they often are banned or evicted from their vending sites street vendors know the value of collective action. As a result, more so than other groups, street vendors have organized themselves into trade unions and associations. The National Alliance of Street Vendors of India (NASVI) based in Delhi, is a federation of 715 street vendor organizations, trade unions and support organizations (NGOs). SEWA has large numbers of street vendors among its members across in many cities across 11 states of India. SEWA and NASVI led the long campaign for a national law of street vending, passed in March 2014, and continue to advocate for the law to be implemented.

Waste Pickers

Roughly one per cent of the urban workforce in India is engaged in waste collection and recycling (Chen & Raveendran, 2011, updated 2014). Waste pickers are those who do the primary collecting and sorting of waste, reclaiming reusable and recyclable materials.

Waste pickers may collect household waste door-to-door or from the curbside; commercial and industrial waste from dumpsters; or litter from streets and urban waterways. Some work on municipal dumps.

Treated as nuisances by authorities and with disdain by the public, waste pickers are usually ignored within public policy processes and frequently suffer low social status and self-esteem. They are particularly susceptible to violence by the police. They may face exploitation and intimidation by middlemen, which can affect their earnings. Most crucially, they are negatively impacted by the privatization of municipal solid waste management services which increases competition for waste and makes the recycling activities of waste pickers illegal.

Handling waste poses many health risks to workers. These are even greater for informal workers due to their unprotected exposure to contaminants and hazardous materials on a day-to-day basis. Risks include contact with fecal matter, paper saturated by toxic materials, bottles and containers with chemical or health residues, contaminated needles, and heavy metals from batteries (Cointreau, 2006). A lack of worker protection and poor access to health care aggravate these risks. Waste pickers face great risks of injury, especially those who work at open dumps and may be run over by trucks or become the victims of surface subsidence, slides and fires. They are also exposed to great quantities of toxic fumes. Waste pickers also endure ergo-

nomie hazards such as heavy lifting, static posture and repetition, and may have high incidences of low back and lower extremity pain (ibid.).

There are many organizations and a national alliance of waste pickers in India. Many of these organizations are legally incorporated and/or function as a trade union or cooperative, collectively bargaining for access to waste and waste collection contracts. If they secure a contract, these organizations then legally incorporate a cooperative and/or function as a cooperative, collectively providing a service. What is distinct about the organizations of waste pickers is that they have to both collectively bargain for access to waste and waste collection contracts and, if they receive a contract, collectively provide a service. The organizations have to perform, that is, the functions of both a trade union and a cooperative.

SEWA has been organizing waste pickers since the late 1970s, beginning in Ahmedabad city but now covering cities across several states: Bihar, Gujarat, Delhi, and more. SEWA has created nearly 90 waste pickers cooperatives to help its members negotiate collective work contracts and access to credit, training, and markets. The Kagad Kach Patra Kashtakari Panchayat (KKPKP) Union in Pune has also created a waste picker cooperative which has secured a contract for collecting and sorting waste from the Pune Municipality. Hasiru Dala, an organization of waste pickers in Bangalore, has teamed up with the IT sector to create

a cloud-based technology whereby households and firms that generate waste can procure waste management services directly from waste pickers and their organizations. Safai Sena is an association of waste pickers in Delhi supported by Chintan, an environmental research and action group. The Alliance of Indian Waste Pickers (AIW), a national network of 35 organizations in 22 cities, facilitates peer support, learning and advocacy among waste picker organizations and support NGOs.

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Individually and collectively, these organizations have made the case – and generated credible evidence – that waste pickers collect, recover and recycle a sizeable share of the waste generated by cities and, thus, contribute to both cleaning the cities and reducing carbon emissions.¹ But municipal governments across India continue to issue solid waste management contracts to private companies who compete with the waste pickers for waste and do not reclaim recyclables, thus contributing to carbon emissions.

¹ A 2009 report by Chintan estimates that informal recycling in Delhi reduced carbon dioxide (CO₂) emissions by 962,133 tons last year — roughly equivalent to taking 175,000 vehicles off the road (Chintan, 2009).

Legal Demands

The common legal rights that all three sectors demand and have pursued include the right to identity and dignity as workers, the right to work, the right to organize and to have their organizations represented in relevant policy-making and rule-setting processes, and the right to social protection coverage. There are ongoing legal struggles - with some victories - to extend the right of identify as workers to include own account workers and unpaid contributing family workers and to expand the right to work to include the right to livelihood. Organizations of informal workers are gaining increased official recognition and, to a lesser extent, increased representation in official policy-making and rule-setting processes.

In India, as elsewhere, there is greater reception to the demand for social protection than to the other legal demands of informal workers (Sankaran & Madhav, 2013). In India, several states have been willing to set up welfare funds and to invite companies to contribute to industry-specific welfare funds; to expand existing funds and schemes; to set up new health and pension schemes for informal workers. The national health insurance program, Rashtriya Swasthya Bima Yojna, is being extended to cover informal workers, including construction workers, domestic workers and street vendors. But the rules and procedures of this program are not very favorable for these workers or easy to navigate.

Indeed, “a complex range of sector-specific regulatory laws impact workers

in the informal economy, especially own-account workers and the self-employed more generally” (ibid: 5). For example, the right to access public resources - whether waste, urban space, or urban services (basic infrastructure and transport) - is fundamental to all sectors: key legal battles pit the privatization of these public resources against the demands for the right to livelihoods of informal workers (ibid).

The laws and regulations that impinge on urban informal workers, especially the self-employed, can be broadly categorized as follows:²

- *municipal regulations* that specify who can do what, where; determine access to - and use of - public resources; and balance conflicting needs and uses
- *sector-specific regulations* that govern specific sectors (e.g. manufacturing, trade, waste)
- *employment and commercial regulations* that govern economic transactions and relationships
- *macro-economic regulations* and policies that govern taxation, expenditure and investment.

What follows is the specific legal demands of the three groups of urban informal self-employed under each of these categories:

² This typology is an expanded version of a typology of regulations developed by Kamala Sankaran and Roopa Madhav who directed the 4-country project on Law and Informality of the WIEGO network and its local partners in each country (Sankaran & Madhav, 2013).

Municipal Regulations

Overly strict separation of land uses (such as single-use zones) can negatively impact the livelihoods of urban informal workers.

Zoning, land allocation, and relocation policies: Overly strict separation of land uses (such as single-use zones) can negatively impact the livelihoods of urban informal workers. It is important to promote a balanced mix of uses that fruitfully interact with each other. In regard to home-based production and street trade, “it is important to distinguish not only land uses but also the scale of the uses – because, for example, a small tailor workshop may enrich a residential neighborhood while a sewing factory may cause undue nuisance” (Nohn, 2011:4). Distinguishing both land uses and the scale of uses would allow policy makers to better address the needs of home-based workers and street vendors. In the case of home-based work and street vending, “it may be advisable to let neighbors decide whether or not such activities are desirable in the neighborhood” (ibid). Most critically, evictions and relocations of homes and other workplaces, especially to the periphery of cities at a distance from markets, contractors and customers, pose a direct threat to the livelihoods of the urban self-employed.

Access to - and use of - public resources and services: most self-employed informal workers in urban areas rely on access to public resources for their livelihoods: for example,

- public land and housing for home-based workers
- public space for street vendors
- waste for waste pickers
- public space/warehouses for sorting and storage for street vendors and waste pickers
- basic infrastructure services at their homes for home-based workers and at their natural markets for street vendors
- public transport for all three groups

The policies and regulations that determine access to public resources and services are often biased against the working poor in the urban informal economy, who are not considered to be productive and are not, therefore, included in most urban plans or local economic development plans. Most critically, privatization of public resources and services often poses a direct threat to the livelihoods of the urban self-employed.

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On the other hand, policies, legislation and regulations that seek to protect the sustainable use of public resources and the environment may contribute to protecting livelihoods of the urban informal self-employed. For instance, policy or regulatory choices to protect the environment through composting and recovery of recyclables can protect the

livelihoods of a large number of waste pickers. Similarly, policy or regulatory choices to protect public green spaces might also support the livelihoods of street vendors by allowing them to vend around these spaces as part of the cultural landscape. Also, policy or regulatory choices to protect the environment might support home-based production, which leaves less of a carbon footprint than production in workshops and factories.

Balance of conflicting needs and users: Some legal and regulatory frameworks seek to balance competing interests of different groups - citizens, informal workers, other economic actors. Here are two key examples that affect street vendors:

- use of public space, such as sidewalks - street vendors
- public health regulations - street food vendors

Citizens have the right to use sidewalks and to be assured that street food is safe. In such cases when competing interests are legitimate, the legal demands of street vendors need to be carefully chosen and negotiated.

Sector-Specific Regulations

Informal workers and their activities are affected by laws, regulations and policies that govern specific sectors of the economy: some of these fall under the jurisdiction of municipal governments, others under state or provincial

governments, and still others under the national government. Regulations that govern specific manufacturing industries should in principle cover home-based workers in those sectors: for example, home-based workers who produce hand-rolled cigarettes (*bidis*) should be entitled to certain protections and benefits mandated in two laws from the 1960s governing the *bidi* industry. Also, welfare funds set up for workers in specific manufacturing industries should cover home-based producers in those industries. But in both cases, home-based producers need to be organized and have supportive intermediaries to leverage these protections and benefits.

Street vendors are impacted by the regulations governing the location, management and fee structure of wholesale markets. Marketing costs at the wholesale markets include market fees, commission fees, loading and unloading charges. How much is incurred by sellers to or buyers from these markets is determined by local multi-stakeholder committees that manage wholesale markets and often differ for sellers/buyers of different goods such as fruits versus vegetables. And, as noted earlier, waste pickers are directly impacted by whether or not municipal governments decide to privatize solid waste management or retain public responsibility for social waste management.

Employment & Commercial Regulations

In the 10-city study of the urban informal economy, in addition to hostile

government policies and practices, unfair practices by suppliers, buyers and competitors were identified as key negative drivers in the urban informal economy (Chen, 2014; Roeber, 2014). There are few regulatory frameworks that address value chain dynamics and relationships and those that exist typically address the concerns of sub-contracted, not self-employed, informal workers. Yet the informal self-employed are also often dependent on other actors in the value chain and this dependence renders them vulnerable to exploitation. Home-based workers often rely on specific suppliers or buyers as they lack market knowledge; street vendors often rely on specific wholesalers who sell them goods on credit; and waste pickers often sell to specific waste traders as they too lack market knowledge: in all such cases, the informal self-employed are not able to negotiate reasonable prices for what they buy or sell or protect themselves when the goods they buy or supplies they are given turn out to be of poor quality.

Macro-Economic Regulations

In addition to hostile government policies or practices and unfair value chain dynamics, fluctuating demand and rising prices are key macro factors that impact negatively on the urban informal economy (Chen, 2014; Roeber, 2014). Therefore, ensuring steady markets and reasonable prices for their inputs and products is of critical importance to the informal self-employed. Whether or not prices should be set by governments or markets is hotly debated. Other accepted domains of macro-economic regulations and policies

Fluctuating demand and rising prices are key macro factors that impact negatively on the urban informal economy.

- taxation, expenditure and investment - are not particularly sensitive to the specific needs of the informal self-employed (Sankaran & Madhav, 2013). The whole issue of taxation and the informal economy needs to be better understood and addressed: most informal workers pay taxes and operating fees of various kinds but feel they get little in return from the government (Chen, 2014; Roever, 2014). The informal self-employed who pay value added tax (VAT) on supplies cannot easily claim tax rebates to which they might be entitled if their enterprises were legally incorporated (Valodia, 2014). Further, one important means to increase and stabilize demand for the goods and services of the informal self-employed is government procurement, notably: contracts to supply goods and services to public institutions such as schools or hospitals; and also contracts to provide waste management services.

Legal Reform in Action

What does it take to bring about legal reforms in support of informal workers? Consider the case of legal reforms for street vendors. In the late 1990s, SEWA and the National Alliance of Street Vendors of India (NASVI) conducted studies on street vending in seven major cities of India (Bhowmik, 2000). The findings of this study were presented at a large meeting of street vendors in Delhi in 2001, or-

ganized by SEWA and NASVI in collaboration with the Ministry of Urban Development. At this meeting, the government promised to set up a taskforce to draft a national policy on street vending. This policy was approved by the cabinet of India in 2004. The same year, the government set up a National Commission on Enterprises in the Unorganized Sector (NCEUS), which was mandated, among other tasks, to review the national policy on street vendors. A new policy was approved in 2009.

While SEWA and NASVI had advocated for the national policy, they felt that a national policy was not enough: that street vendors also needed legal rights. They argued that street vending was not just an issue of urban policy but rather an issue of the legal right to livelihood (Bhowmik, 2014). They began organizing meetings and demonstrations of street vendors in all their constituencies across India to demand a uniform law to protect the livelihoods of street vendors by regulating street vending in an appropriate and transparent way.

The Street Vendors (Protection of Livelihoods and Regulation of Vending) Act was passed by the Lok Sabha (Lower House of the Parliament of India) in September 2013 and by the Rajya Sabha (Upper House) in February 2014, and received the assent of the President of India in March 2014. The Act aims to provide livelihood rights and social protection to street vendors and to regulate and improve the prevailing license system. "The Act states that no existing street vendor can be displaced until the local authorities conduct

a census of street vendors in the concerned urban centre. All existing vendors have to be provided with permits for conducting their business and a Town Vending Committee (TVC) will supervise the activities of the vendors. This committee, which will be the main policy making body on street vending, comprises municipal authorities, policy, the health department and other stakeholders. Representatives of street vendors will constitute 40% of its membership and women will comprise 33% of the street vendors' representatives" (Bhowmik, 2014:1).

The Act came into force on May 1, 2014. NASVI, SEWA and street vendors around the country welcomed this Act as a major victory as it mandates that street vendors should be protected, not just regulated, and specifies clear procedures for regulation and registration, including the local vending committees with street vendor representatives.

Legal Reforms for the Self Employed

Legal reforms in support of the informal workforce in general, and the self-employed in particular, will require transforming the debates and mindsets about the informal economy. So long as the informal economy is viewed as illegal or even criminal and informal workers are blamed for being illegal or criminal, they will continue to remain under the punitive, rather than the protective, arm of the law. And yet most of the working poor in India are engaged in the informal economy where they are trying to earn an honest living in a hostile regulatory environment.

What is required is focused and sustained attention to determine which policies, laws and regulations impinge - directly or indirectly, negatively or positively - on workers in each sector of the informal economy. This will require on-going efforts to ensure that informal workers in all sectors are visible in labor force and other economic statistics, that in-depth case studies of specific groups of informal workers are prepared, and that organizations of informal workers have a voice in relevant policy-making and rule-setting processes. It will also require that informal workers and their activities are recognized and valued as the broad base of the workforce and economy in India and are incorporated into economic planning at all levels of government.

Legal reforms for the informal workforce in general, and the self-employed in particular, will also require transforming existing legal and regulatory frameworks. Here are some common issues or themes for future legal reforms that have emerged from the legal struggles summarized in this article:

Legal Recognition

Underpinning the many legal demands raised by different groups of informal workers is a primary demand for legal recognition and status (Sankaran & Madhav, 2013). This demand for legal recognition has several inter-related dimensions. First, informal workers want to be recognized as being legal, not illegal. Through their legal struggles, they try to highlight that the existing regulatory frameworks force them to operate illegally: if their residential area

is zoned for single-use (home-based workers), if not enough licenses are issued (street vendors), or if waste is privatized (waste pickers), these informal workers and their activities are considered illegal. Second, informal workers want to be recognized as economic agents who contribute to the economy, to the city, to society and want to be integrated into local economic development and city plans. Third, they want legal recognition of their organizations and the related right of representation. Fourth, most informal workers, with the exception of employers who hire others, want to be recognized as workers³ and, more specifically, to have their organizations recognized by the Workers Group in the tripartite system of the International Labor Organization.

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Access Rights

The livelihoods of informal workers, especially the self-employed, depend on

³ The right of own account workers to be recognized as workers, belonging to the Working Group of the International Labor Organization, was endorsed in Clause 4 of the ILO Resolution on Decent Work & the Informal Economy, 2002 which reads: "Workers in the informal economy include both wage workers and own-account workers. Most own-account workers are as insecure and vulnerable as wage workers and move from one situation to the other. Because they lack protection, rights and representation, these workers often remain trapped in poverty" (ILO, 2002).

access to resources, especially to public resources and services. As noted throughout this paper access to key public resources are essential to the livelihoods of the three groups: for home-based workers, housing in central locations; for street vendors, vending sites in good locations, ideally in existing natural markets around transport nodes, institutions, and residential areas; for waste pickers, access to waste and also to solid waste management contracts; for home-based workers and street vendors, basic infrastructure services at their workplace; for street vendors and waste pickers, space to sort and store goods. And for all three groups, accessible and affordable public transport is essential. Evictions from established places of work as well as privatization of public resources and services are major threats to their livelihoods. For urban informal workers, most of these access rights are governed by municipal regulations: a mix of the regulations governing the resources themselves, including balancing competing users and interests, as well as regulations governing who can do what, and where.

Municipal Regulations

Urban informal workers demand more inclusive municipal laws, policies and plans that take into account their contribution to the city economy and integrate their needs. In addition to integration into city plans and local economic development, each group of urban informal worker needs municipal governments to guarantee certain specific rights: home-based workers need housing rights

and mixed-use zoning of the areas where they live and work; street vendors need licenses (or permits) and secure vending sites, ideally in the natural markets where they have always vended; and waste pickers need access to waste and the right to bid for solid waste management contracts. Underlying all of these sector-specific demands is a common struggle against the tendency of municipal governments to privilege formal commercial enterprises over informal commercial enterprises and the leisure and consumption of the rich over the work and production of the poor. What is needed is a fundamental transformation of the vision of cities to embrace economic diversity - the informal and traditional alongside the formal and modern - and a fundamental transformation of the political economy of cities to reduce the disadvantage of the working poor in the urban informal economy.

Employment & Commercial Rights

A key, but challenging, area of legal demands by informal workers is for rights pertaining to their working conditions as well as their economic relationships and transactions. Many informal workers do not operate within the bounds of traditional labor jurisprudence, which is premised on establishing an “employer-employee relationship”, notably the self-employed but also sub-contracted workers and even some informal wage workers (such as domestic workers).

But the informal self-employed also do not operate within the bounds of traditional commercial jurisprudence which

is premised on formal establishments of a certain size. Therefore, in their legal struggles, many organizations of informal workers turn to the state to be the arbiter and regulator of working conditions and relationships. But governments and the organizations of informal workers have struggled to formulate an effective response to this demand (Sankaran & Madhav, 2013). More can, and should, be done to modify and extend employment and commercial regulations to match and cover the various types of informal workers.

Finally, legal reforms for the informal workforce in general, and the self-employed in particular, will require fundamental rethinking regarding regulations and the informal economy. To begin with, there is a common assumption that the informal economy - and those who work in it - are outside the reach of the state or its laws. But, as the evidence presented in the article has illustrated, the informal workforce and their activities are not outside the reach of the state or its laws. Rather, often they are inside the punitive arm of the law but outside the protective arm of the law.

The informal workforce and their activities are not outside the reach of the state or its laws.

Secondly, labor and employment laws have limited salience for the informal self-employed. In urban India in 2011-12, only 3 per cent of men informal workers and half a per cent of women informal workers hired others. The vast ma-

jority of the informal self-employed are own account workers or unpaid contributing family workers (Chen & Raveendran, 2011, updated 2014).

Thirdly, a wide range of policies, laws and regulations have salience for the informal self-employed: from municipal to sector-specific to commercial regulations to macro-economic. What is required to reduce the legal risks and barriers faced by the working poor in the informal economy - and thereby to increase their earnings and productivity - is to assess and monitor the impact of all laws, regulations and policies on their livelihoods and lives. At present, most laws, regulations and policies relating to the functioning of cities and the economy ignore the productive roles and contributions of the working poor, relegating them to the domain of social policies. What the working poor in the informal economy want and need is legal recognition and legal protection as economic actors as well as integration into economic planning at all levels.

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