

*Addressing the ‘tragedy of commons’ by creating social capital:
Some Experiments and Experience with the Street vendors in
Orissa*

*D.V.Ramana¹, Xavier Institute of Management, Bhubaneswar-751010, Orissa,
India, ramana@ximb.ac.in*

¹ The paper captures the on-going journey of the researcher. The researcher acknowledges the support extended by the Xavier Institute of Management and also thanks the members of the faculty who have been a constant source of support.

Section-1

Introduction

Deepak used to run his barber shop in a very unhygienic condition few years back, no electricity, no place for the customers to sit and even there was no place to clean the tools (scissors etc). Now he has a shop in the vending zone, with space for the waiting customers; and most important he has the power connection (See the Case study: Annexure-1).

Rohit 's small scooter repairing shop was in dilapidated condition. No place to keep his tools, and there was no electricity connection. But that was the past, today he too has a small shop in the vending zone with electricity connection and his business improved

Saranga Sahoo having tiffin centre at Xavier Square for last 7 years and he too recently shifted to the new vending zone. He is from Dingeswar (Nayagada). His family consists five members. He looks after his mother and father His monthly income used to be less than Rs 2,500, now he is relatively better off.

Though their businesses are different, the size of the investment different, and they come from different background, all of them have experienced the benefits of social capital. Deepak, Rohit and Saranga like thousands of other migrants came to the capital city to eke out their living. Some get to work like wage earners and many end up as the petty vendors with or without permanent place of business.

Such movement of human labour poses several challenges and opportunities to the urban world. Is vending on the streets legal?, will street vending become a burden on the urban society and create more problems for the society?, will such problems antagonise the urban society and which in turn put pressure on the government to declare the street vending illegal?, should the street vending be banned? Many such questions require serious deliberations. The present research is an effort to find answers to some of the questions.

The setting of the research is, Xavier Institute of Management (XIMB), a well known business school of India situated in the capital of the State of Orissa. The institute has been set up as a partnership between the Society of Jesus and the Government of Orissa¹. The Institute is known for its social orientation. It is known as institute with a human face. There are several small mini/micro businesses around the campus and the researcher has been observing these enterprises for last two decades: initially as a customer, a silent observer and more recently as an action researcher.

The paper documents the journey of the researcher and a group of vendors and links it with the relevant theoretical underpinnings. The paper makes an effort to answer the following questions:

- How to conceptualize the social capital in the context of the street vending?
- Can an institutional support play a role in strengthening the social capital?
- Will social capital help in addressing the 'tragedy of common'?

Related Literature

This section provides a brief idea of the related literature which the researcher has been referring to with an effort to understand the street vendors and the street vending. The researcherⁱⁱ has not made any exhaustive literature survey but made an effort to understand some of the relevant papers. The relevant literature reviewed for this paper can be divided into three categories: papers relating to the street vending, social capital, and action research. The author has also referred to few papers relating to the 'tragedy of commons'.

One can come across several terms, such as street vendors, informal business, mini or micro enterprises, in the literature. Such terms have caught the attention of the researcher for quite some time. One of the influential papers was of Todaro(1969) who had viewed the street vending as an intermediary stage between peasantry and urban employment. The paper continued to influence the research relating to the informal workers (Walsh 2010).This group of people have no proper status, being neither capitalist nor urbanized working class. All the vendors around XIMB belong to this category. All of them got into business as they could not get any job in the capital city.

Some papers examined the benefits of bringing the informal sector workers in into the framework of the law. According to Faundez(2009) the protection of the state will empower and benefit those workers. The Peruvian economist Soto (2000) characterised the urban informal sector as one which is full of entrepreneurial activity and in which the participants might be able to improve their lot if they were only able to register their assets and hence obtain leverage from them. Walsh (2010) undertook secondary source based study to answer when should the informal economy be supported and when should it be regulated on the basis that its low standards and semi-legal status damage the economy and society as a whole? The author says the answer is not definitive.

There were views on the other side too. Some researchers like Davis (2007) critically examined the role of the informal workers and questioned their role and benefit to the society. He was of view that the increasingly slum-strewn streets of the urbanizing and developing world as not being conducive to self-improvement by members of the informal sector. Instead, they are places in which such work as is available is constantly sub-divided by an excess of supply of labour, endlessly topped up by new arrivals from outlying areas. According to this perspective, it is almost impossible for individuals to escape from poverty without a widespread upheaval of the existing social order Walsh(2010).

Other than the literature on the street vendors the researcher has extensively used Stringer's (1996) hand book on action research. The researcher used the model suggested in the hand book to conceptualise and convert the action research into the present paper.

Similarly for understand the concepts and tools of measuring the social capital, the researcher depended on the World Bank's publication by Grootaert et al (2002). Another paper which was referred and extensively used was that of Mladovsky et al (2007). Mladovsky's paper enabled the

researcher to understand the application of the frameworks of social capital. In the paper the author applied social capital frameworks to health insurance sector.

Street vending a global phenomenon: India is no exception

Street vending is an universal phenomenon. Street vending in different names and different sizes can be seen in America (Keettles,2004), Thailand (Nirathron, 2006); Vietnam (Welsh, 2010). Street vending is equally popular in India too: Gandhi and Parvesh (2004), NASVI (2004)

India is no exception. According to the National Policy on Urban Street Vendors:Reports and Recommendations (2006), street vendors form a very important component of the urban informal sector in India. According to a study conducted during 1999-2000, by the National Association of Street Vendors of Indiaⁱⁱⁱ (NASVI), Mumbai has the largest number of street vendors numbering around 250,000. Kolkatta has more than 150,000 street vendors. Ahmedabad and Patna have around 80,000 each and Indore, Bangalore and Bhubaneshwar have around 30,000 street vendors.

In most Indian cities the urban poor survive by working in the informal sector primarily due to poverty, but also due to a variety of factors such as lack of gainful employment in the rural areas, shrinkage of employment in the formal sector, and low levels of skill and education required for the better paid jobs in the formal sector. Street vendors are mainly those who are unsuccessful or unable to get regular jobs. They try to solve their problems through their own meagre resources. The NASVI study mentioned above report an average earning for street vendors (in 2000) between Rs. 40 and Rs. 80 per day, for work over 10 hours a day, under gruelling conditions.

National Policy for Street vendors

A National Task Force for Street Vendors was set up by the Ministry of Urban Development and Poverty Alleviation in 2002. This resulted in a National Policy for Street Vendors which was approved by the Cabinet in January 2004. Key features of this policy are as follows:

- Lays down rules for 'regulation' instead of 'prohibition' of street vending. Licensing to be replaced by a simple registration process.
- Recommends adoption of a system of registration of hawkers and non-discretionary regulation of access to public spaces.
- Requires setting up of Ward, Zonal and Town Vending Committees with representation of street vendor organisations and by other stake holders. These committees are to provide tehbazaris to 2.5 per cent of working population in an area.
- Mandates that street vendors cannot be evicted in the name of beautification or cleaning drives. They can be evicted only if the land is needed for explicit public purpose. It also states that if vendors are evicted, they should be simultaneously rehabilitated to restore their livelihood to previous level.

- Stresses the need for easy access to credit and insurance as also water and sanitation.
- Emphasises self-governance by vendors of hawker zones.
- Calls for amendments in police and other laws which are archaic and are being misused by municipal and police officials to harrass vendors with a view to collecting bribes.

This policy was further strengthened by the Sengupta Commission(2006), which says the overarching objective to be achieved through this Policy is to ‘Provide and promote a supportive environment for earning livelihoods to the vast mass of urban Street Vendors while ensuring that such activity does not lead to overcrowding and unsanitary conditions in public spaces and streets’. The Commission further strengthened the policy after getting the feedback from different stakeholders. Street vendor caught the attention of the Prime Minister too. In a letter^{iv} to the chief minister

Legal world and Street Vending

The legality of the street vending has been an issue for long time. Government has not declared street vending as illegal, courts gave different judgments in different contexts, and the police has the power to evict the street vendors. In such a confused situation the street vendors continue doing their business and keep them prepared for any eventuality.

The street vending community has an interesting relation with the highest court of the land. One of the classic judgments of the Supreme Court (Sodhan Singh versus NDMC:1989 case) ruled that: *“If properly regulated according to the exigency of the circumstances, the small traders on the side walks can considerably add to the comfort and convenience of the general public, by making available ordinary articles of everyday use for a comparatively lesser price. An ordinary person, not very affluent, while hurrying towards his home after a day’s work can pick up these articles without going out of his way to find a regular market. The right to carry on trade or business mentioned in Article 19(1)g of the Constitution, on street pavements, if properly regulated cannot be denied on the ground that the streets are meant exclusively for passing or re-passing and no other use.”* This judgment acts a backbone for getting the legal rights for street vending . It gives the strength for the local activists and civil societies to take the cause of street vending as an important agenda.

However, the honorable court has also cautioned about the flip side of street vending. In one of the latest decisions (Sudhir Madan & others versus MCD & others:2006) the Supreme court has ruled that: *“We have also to keep in mind the principle that the right to use the pathway, footpath etc. is that of the citizens. No hawker can claim a right to defeat the rights of other citizens. The hawkers are large in number, but the population of citizens is many times more than that of hawkers and, therefore, the fundamental rights of the citizens cannot be put in jeopardy by permitting hawkers and squatters to block roads, footpaths, public parks, etc., etc. The Authority, which frame a scheme, has to keep this paramount consideration in mind. Consistent with the rights of citizens, if it is possible to provide any space to hawkers, squatters etc., that may be done consistent with the policy to be framed by the concerned Authority. The Authority will have to consider on what principles hawking and no hawking zone have to be carved out. It will also have to consider in which zones no hawking activity can be permitted. It will also have to consider what nature of goods can be sold by hawkers, squatters, etc. so that cleanliness is aintained and at the same time free flow of traffic*

and movement of pedestrians is not obstructed.....” This decision highlights the operations problems in the unplanned growth of the street vending and stresses the need for proper planning and involvement of the relevant stakeholders in creating vibrant street vending activities.

Police and vendors

Section 34 of the Police Act empowers the police to remove any obstructions on the streets. Even licensed street vendors can be evicted under this law. In order to overcome these restrictions street vendors organize themselves into unions or local associations who negotiate with the local authorities (the officers in the municipal wards and police stations) for occupying public space. This invariably means offering rents (bribes) to the authorities for warding off eviction drives or forewarning them of impending drives. There are other forms of extracting rents. In some cases local musclemen, more often than not with the backing of local political leaders, collect protection fees through threats. The above mentioned Act is a classic example of how a well meaning Act for peaceful civic life has become a source of rent-seeking through extraction of bribes (National Policy on Urban Street Vendors: Reports and Recommendations: 2006).

So street vending is one of the oldest and popular form of earning livelihood all the world for people belonging to the economically backward classes. Most of the countries have not declared the street vending as illegal but at the same time have not come out clearly any policy to protect them.

Section II

Xavier Vending Zone^v: An On-Going Action Research

It is a zone with a difference. It is different because it has evolved over a period with a participation from the small local vendors, the local management institute XIMB and the local public representative. The vendors in the zone deal with several goods and services required by the people in the neighbourhood. The customers of the vending zone include students, academicians, researchers, construction workers, and other visitors to the locality. The zone is strategically located on the main road which connects to various organisations like: XIMB, Loyola School, NISWASS, Women' Polytechnic College, Gopabandhu Institute in the capital of Orissa.

Methodology

The experiment of the researcher can be explained using the action research methodology. According to Stringer (1996) the community based action research is a collaborative approach to inquiry or investigation that provides people with the means to take systematic action to resolve specific problems. The author stresses that this approach to research favours consensual and participatory procedures that enable people to (a) to investigate systematically their problems and issues, (b) to formulate powerful and sophisticated accounts of their situations. And (c) to devise plans to deal with the problems at hand. The action research framework of “Look, Think, and Act” as suggested in the handbook captures the experiment.

First Stage: Look

According to Stringer (1996) the objective of this stage is to assist the stakeholders in describing their situation clearly and comprehensively. There are several frameworks for formulating descriptive accounts. However, for this paper the researcher used the 'collaborative descriptive accounts' framework to get the snap shot of the context.

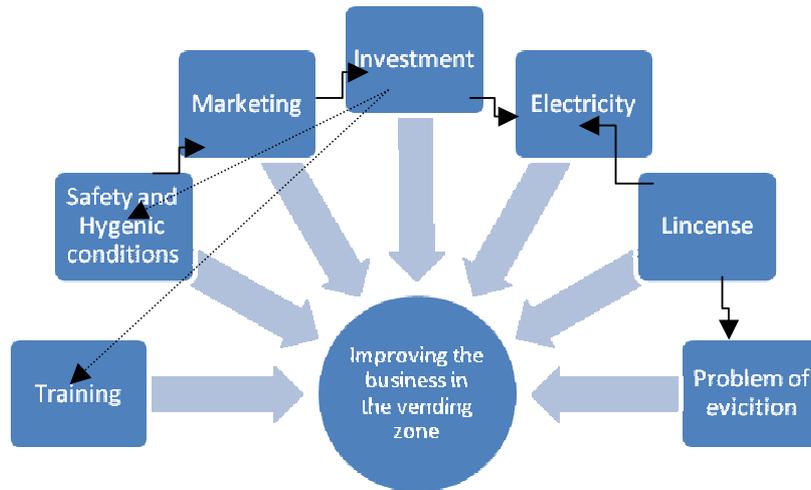
The research was based on a qualitative approach using semi-structured questionnaires . First it was planned to take the help of a professional development research group to collect the necessary information. However, the researcher realized the importance of using a local person to facilitate the process of preparing the descriptive accounts. So the researcher took the help of a young graduate (son of the President of the Vending Zone). The questionnaire was written in English and then translated into Oriya. The researcher conducted interviews in Oriya were then interpreted back into English. The researcher engaged the interviewees in conversation surrounding the issues identified on the questionnaire and to probe for further information.

One of the limitations of the paper was that the interviewer and data collector was not a professional researcher and the necessary training was not provide so the outcome of the data collection was not robust. However, the experiment gave an opportunity to the researcher to engage the local unskilled persons in the data collection and interviewing the local people. Despite the limitations the process added value to the larger agenda of involving the local community and gave the young person an opportunity to understand the people around him. Some of the important observations:

- Most of the vendors are from rural areas
- Most of the vendors started the business since they could get any other job in the city.
- Most of the vendors have not bank account or insurance policies.
- Most of the vendors are the sole earning members of the family.
- Most of the vendors have not legal electricity connection
- Most of the vendors are worried about the eviction threat from the municipal corporation.
- Most of the vendors are interested in improving their business skills.
- Most of the vendors would like to avail bank loans but are not in position to provide the necessary guarantee

Second Stage: Think

Stringer says the task of the researcher in this phase is to interpret and render understandable the problematic experience of the stakeholders . Like in the first phase, there are different frameworks for interpretations. The researcher, for this paper, uses the framework of 'concept mapping'. Based on the findings of the first phase, the researcher constructed the following concept map.



The conceptual map helped the vendors to visualize the major influences that need to be taken into account for addressing their problem of improving their business. The entire process did not happen in one sitting. The researcher had several rounds of meetings and interactions with individual members and over the period arrived at the above concept map. The researcher observed progressive development in the camaraderie among the members. Such observations are in line with the argument that the community-based action research is not just a tool for research but also a resource for building a sense of community (Stringer, 1996).

Third stage: Act

After understanding the stakeholders' concern and preparing the concept map, the researcher got some clarity about the work to be done. According to the action research methodology, the stage of 'action' follows the stages of 'look' and 'think'. In the stage, the researcher has to turn to processes that can enable the people concerned to formulate practical solutions to the problems on hand (Stringer, 1996).

Based on the findings of the preliminary survey (Look) and the conceptual map (Think) the researcher, in consultation with the members of the stakeholders, made the following list of activities that needed special attention:

Interaction with the Government	•Cancellation of the eviction orde
Interaction with the Municipal authorities	•Collection of the license fee •Permission to operate at new location
Interaction with the electricity company	•Provision of electricity connection
Interaction with the banker	•Arrangement of funds for capital expenditure
Interaction with the construction contractor	•Expiditing the process of construction work
Interaction with the professionals	•Developing training programmes
Interaction with the other stakeholder	•Communication with the world at large

In order to execute the above activities a small team was set up. The members of the team were selected by voting. Though, the vending zone is not a legal entity the members followed the normal election method to create the executive team. The owner of the garage was elected the president of the zone, the carpenter was elected as the treasurer and stationary shop owner was elected as the secretary of the team. The researcher facilitated the process and did not take any position in the organization structure. It is called 'informal organisation' because it is not a registered body. However, it operated as an formal organization, for example it conducts regular meeting of the members and maintains proper minutes of the meetings etc.

Efforts to convert the informal organization into a formal organization failed as the members were completely in the darkness about the future. *If we cannot stop the eviction then we may have to leave this place and go back to our village, so why waste time and money in forming a legal body. said one of the vendors,* when asked by the researcher, why are they not interested in forming a legal body.

Based on the above action plan each team started doing it work. In order keep each informed about progress there used to be regular meeting. Most of the meeting used to take place in one of the class rooms. The researcher was of the view that such actions also demonstrated the support of the institute and also helped in handling the group dynamics.

Interactions with the government, municipal corporation, and electricity utility

The researcher had regular meetings with the executive team and periodic meetings with all members. The team divided the above work among the members. However, the researcher had to play an active role in the interactions with the government, municipal authorities, and the power utilities.

It seems the official position of the researcher had a positive effect on the outcome of the interaction with government officials,the municipal authorities, and the electricity utility. After several interactions with the relevant officials the team could get the following results:

- Demolition of the vending zone was stopped.

- Vendors were allowed to construct the shops facing the main road
- Vendors were given legal connection for electricity

All details of the communication with the stakeholders can be found [on the official site of the project](#). However, one of the major limitations of achievement was that the vendors did not receive any official order to continue as the vendors from the municipal corporation. The researcher is quite apprehensive about the future of the zone. The vendors are fully aware of the situation. The members approached the municipality authorities with several requests to accept the license fee but the municipality authorities did not so. *We have set up a committee consisting of representatives from the government, municipality, and the police to streamline the process of license fee collection*, said one of the officials of the Bhubaneswar Municipal Corporation.

Interactions with the bankers

Researcher realized the importance of arranging funds. The construction of shop at the new vending zone required each member to invest a minimum of Rs. 20,000 and then they required some working capital to do their business. Most of the members found it difficult to arrange the money for capital expenditure. The early stage of the research finding has revealed that 90% of the vendors of the zone had no bank account. So it was difficult for the vendors to get loan on their own. After several rounds of meetings with the members, the researcher and the executive team met some of the nationalized banks, however could not succeed in convincing the banks to provide financial support to the vendors. Reluctance of the bank to lend was due to the lack of any proof about the credit worthiness of these vendors.

The researcher got some hope after a meeting the managing director of the state cooperative bank (<http://www.oscb.coop>). The managing director said there is a possibility of lending to this category of vendors through a loan scheme called Swarojogar . However, he said, there is a need for some form of guarantee before loans can be given to the vendors.

Requirement of guarantee as condition to sanction the loans forced the researcher to look for ways to address the problem. After several rounds of discussions with some of the faculty members of the Institute, researcher designed and developed an fund by the name of Xavier Guarantee Fund (See Annexure_II). Some members of the faculty body of XIMB contributed to the fund and the management of the institute made a matching contribution. Based on the guarantee fund the OSCB sanctioned and disbursed loans to the vendors.

Interaction with the other stakeholders

Communication with the members and the outside world is one key components of any action research. Communication with the members of the vending zone was done through regular formal and informal meetings. Using the press was an important means of keeping the world informed about the initiative. However, members of the zone and the researcher were not in the favour of using the press. So the researcher created a web site:<http://sites.google.com/a/ximb.ac.in/xvz/>. The site was maintained on the Institute's server as the members had no funds for outsourcing the web related work. All communications between the researcher and the municipal authorities and the Government of Orissa have been made available on

the site. Moreover, the researcher created a feature of newsletter on the website to share all activities in the vending zone <http://sites.google.com/a/ximb.ac.in/xaviervendingzonenewletter/>

Position of the researcher

The researcher positioned himself as a facilitator and did not present himself as an individual but as a representative of an institute. The strategy helped the researcher in getting the legitimacy and necessary support from different stakeholders. Because of such positioning the researcher got the support from the XIMB too. The Dean (Administrator) joined the researcher in most of the meeting with the Government of Orissa and the Municipal Corporation. The letters to various authorities were jointly signed by the researcher and the Dean (Administrator). The Institute also allowed the researcher to use its class rooms for various meetings and for conducting training programmes for the vendors. As mentioned in one of the above paragraphs, the institute also made a matching contribution to Xavier Guarantee Fund. Positioning as the representative of the Institute helped the researcher in getting the necessary permission to meet the government officials without much difficulty.

Section II

Revisiting the Research Question and Way Ahead

Does the informal institutional support create the required social capital to address the tragedy of commons?

Let us first examine whether street vending is a case of ‘tragedy of commons’. Tragedy of commons is the powerful hypothesis given by Garrett Hardin that designating a resource as an open access commons will lead to over-use and in the long run creating problem for every one. According to Hardin, each user’s rational pursuit of her own self interest leads to an over-exploitation of the community-owned resource, and the entire community suffers. The land on which the street vendors do their business is a public place. The street vendors get the right to do the business but they don’t pay any charge for the land they use. Since they don’t pay any charge for using the place, there is an assumption that they will not take any interest in maintaining the place and moreover, they create huge trash which may negatively affect the people who use path and stay around the vending area and disrupt the traffic too. Since the vendors have no legal status there is a also a possibility that they may intentionally default in repaying the loans.

So the street vending provides a case for testing the validity of Hardin’s hypothesis. If the argument is valid then there is a need to test the role of the informal institutional support in reducing such tragedy by strengthening the social capital.

However, before we test the validity of the Hardin hypothesis let us examine the role of informal institutional support in social capital around the street vending. We will use the Woolcock’s (1998,2001, 2006) social capital policy framework and examine the role of the institutional support provided by the researcher in on-going action research as described in the above section.

The concept of social capital was popularized by Putnam. According to Putnam (1995) social capital is the property of a group or community, district or even nation and constitutes features of social organizations: networks, norms, and social ties that facilitate coordination and cooperation for mutual benefit. He argues that informal networks of civic engagement build social capital which in turn facilitates

improved governance (Putnam et al, 1993). Coleman (1988, 1990) brought in the concept of relationship between actors and among actors. Woolcock's framework (1998, 2000) classifies four types of social capital. Such classification has been used to examine the role of informal institutional support to the street vendors in the neighbourhood to create the social capital.

Bonding and Bridging social capital at the micro-level

This constitutes expectations between individuals, the trustworthiness of structures, information channels, norms, and effective sanctions that can prevent unproductive behavior (Coleman, 1988). The members of the vendors operating outside the campus were operating as individuals with their own expectations and problems. First step taken by the researcher was to understand the dynamics and bring them under one umbrella. There were more than hundred vendors around the campus but after several interactions with the vendors the researcher could see the presence of two different groups. The researcher started working closely with the group which was relatively more proactive than the other. The group over a period of time emerged as cohesive group of vendors (Xavier Vending Zone). Mladovsky et al (2008) in their paper mentioned that groups characterised by high levels of bonding social capital could provide enterprising individuals with psychological support and high levels of trust, lowering the transaction costs in enterprise. The researcher too observed such a phenomenon in the XVZ. Because of the trust among the members the President got more than expected support from all the members in the early days. Such support motivated the president to put more time and energy in the process.

However, the researcher also observed some temptation to misuse the trust of the members. Presence of the invisible hand of the institute (in this case, XIMB) in the form the researcher often reduced such misuse. The researcher feels that the researcher in the individual capacity cannot create such effect in managing the negative aspects of the social capital.

Why such bonding was not seen among the other vendors operating in the neighborhood? The only reason for the bonding, among the members of XVZ, that the researcher could identify was the imminent threat by the municipal corporation to demolish of their shops. No such problem was there for the other group of vendors who were operating on the inner road which did not caught the attention of the municipal authorities.

Mladovsky et al (2008) mentioned that there must be two basic dimensions of social capital at the community level: inter-group ties and extra-group network. Such extra-community business relations were free from the potentially overwhelming demands the close community place on successful members of the group. Extra-community bridging contacts counter the negative effects of the social capital (Porteas and Sensenbrenner, 1993).

Researcher observed such extra-community relationship over the period. When other vending zone of the Bhubaneswar became aware of the experiments and experience of the XVZ they started taking interest in the experiment. Some outsiders (office bearers of other vending zones) made extra efforts to get in touch with the president of the XVZ and the researcher. Such initiatives of the outsiders motivated the president of the XVZ to extend his hand too. He got encouraged to play a larger role in the city level associations. Over the period the president of the zone consolidated the extra-community relationship. Such extra-community relationship should have helped the XVZ directly. However, the researcher did not see any such benefit till date. One of the benefits that the researcher expected was the support of the extra-community

in getting the license from the municipal corporation. But till date the municipal corporation did not collect the license fee from the members of the XVZ.

Researcher observed the presence of the institutional support for the XVZ helped in attracting members of the outside communities and create the extra-community relationship. However, the researcher did not see any direct help coming from the extra-community relationship.

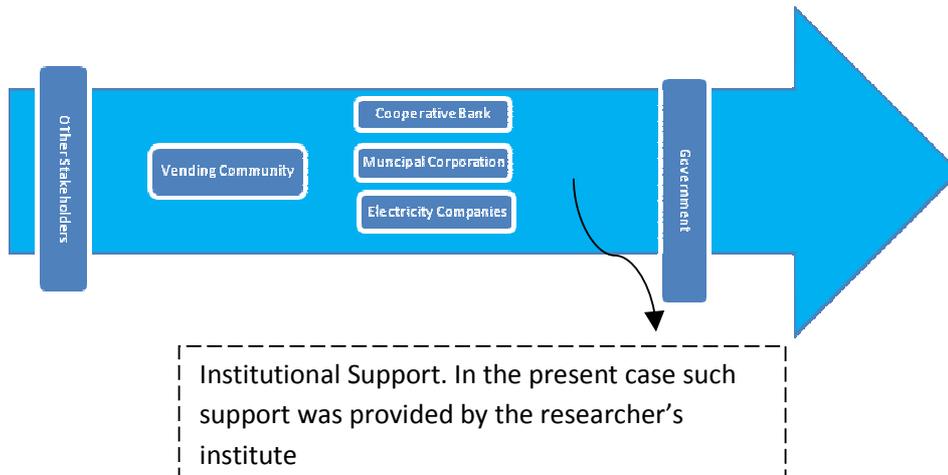
Bonding and Bridging social capital a the macro-level

According to Putnam, social capital is instrumental in promoting effective government (Putnam et al., 1993). Other researchers mentioned that the norms of cooperation and networks of civic engagements among ordinary citizens can be promoted by public agencies and used for developmental ends (Evans, 1996). Some of the observations of the researcher about the bonding and bridging efforts of the XVZ at the macro lever are as follows:

- Members made every effort to develop a good working relationship with the municipal corporation but did not succeed fully.
- Members developed a reasonably good equation with the local corporator (the local representative on the municipal corporation).
- Members developed a good equation with the electricity company.
- Members established working equation with the advertisement companies which contribute towards the salary of the person who cleans the place.
- Members established a very good working relationship with the local branch of the State Cooperative Bank (OSCB).

Research observed that for bonding and bridging relationship with the external bodies the institutional support of the researcher's organisatio played an important role.

Let us get back to the question whether the institutional support helps in addressing the tragedy of commons. The researcher is of the view that because of the tacit institutional pressure the members of the XVZ made an extra effort to make the vending zone free from garbage. The researcher also motivated the members to enter into an agreement with the advertising agency to provide support for employing a person who can clean the place on a regular basis. The most tangible result was the decision of the new managing director of the OSCB for not applying the ban on the Swarojagar loans to the members of the vending zone^{vi}. The following figure shows the role of the informal institutional support in strengthening the social capital.



Can an individual or a meta organization such as the federation of vending zones provide the institutional support as provided by the researcher's organization (in this case XIMB). Though it is difficult to answer the question in 'yes' or 'no' one can get some idea by observing the other vending zones which have been in operation with out the institutional support as enjoyed by the Xavier Vending Zone. Some of the key observations based on the interactions with the members of the vending zone are as follows:

- Though there is a city level body for the vendors it is very difficult to involve the office bearers in addressing the specific problems of a particular vending zone;
- There will be tendency for the office bearers of the city level body to protect their position as they come to that position after being a vendor for some time.
- Because of the distance between the vendors and the office bearers there will be an asymmetry of information and such asymmetry may provide incentive to indulge in corruption.
- There is no incentive for the city level body to make concerted effort to strengthen the vendors through training and other developmental activities.
- There is no incentive for the city level office bearers to reduce the information asymmetry between the various policy making bodies and the different vending zones.
- Because of the geographical distance between the vendors and the office bearers of the city level association there is no incentive for addressing the tragedy of commons.

Limitations and learnings: Way forward

The paper documents the ongoing journey of the researcher. The process is still on and the observations may change at the later stage too. One of the limitations of the paper is that the researcher is not a trained social-development researcher. The entire exercise started as an action resulting out of the personal concern and got converted into an action research. As mentioned in the paper the services of a young

person from the locality was taken for the purpose of collecting data. Though the decision has helped the young person in getting an exposure the world of social research, the presence of well trained data collector would have added more value to the findings.

Despite the limitations of the study, the paper stresses the importance of the role that a local institute can play in creating the necessary social capital in the neighborhood. The paper also strengthens the argument that the institutional support also helps in addressing the tragedy of commons in case of a local vending zone.

Annexure I: Deepak Barik: The Barber

t 2, Xavier vending zone, Xavier square, one can see a small barber shop flanked by green iron structures from three sides, measuring 8*8 square feet area and a wide opening facing the main road towards Patia. The anatomy of the shop gives space to two big mirrors, two wooden chairs, a table fan, a CFL, a radio set and a shelf containing all the vital components of a barber's shop viz. Shaving cream, scissors etc. and a bench just outside the shop with an Oriya local daily kept over it for the waiting customers. Mr. Deepak Barik – the smiling 31 year old, spluttering tobacco droplets from his mouth, welcoming his customers all the day from 7 a.m. till 9.00 p.m. for a hair-cut, body massage etc., would not give you the slightest of the indication about his tight-rope life walk.

If this stage of his life is to be compared with that of an adolescent 14 year old boy at a small village in Jagatsinghpur district of Orissa long time back, the current situation definitely gives a hopeful picture. He moved out of his village at a tender age with a hope to change his life but destiny had a different opinion. With huge uncertainty of the availability of job, he decided to make his "home"-the tree, his point of occupation. His traditional knowledge came to his rescue.

He started his barber's shop beneath the shadow of a Banyan tree along the roadside, with two bricks and a small mirror which the customer had to handle on their own. With no competition from any other end he now had better earnings that could arrange for two square meals and some savings to buy a wooden chair and a big mirror that he nailed in the broad trunk of the tree.

It is said that with bigger horizons comes bigger challenges. He grew as his income grew, and simultaneously grew his worries as he had frequent encounters with some difficult customers like the local goons, the officials and staffs from the Bhubaneswar Municipal Corporation (BMC). The insecurity was not ready to detach itself from his life. He often had to shut down his shop for hours which might continue for as long as a week due to raids by BMC officials or "taxes" levied by some "forces". Secondly, many people would also not visit his shop due to its location and deprivation of basic, hygienic resources. Income was under extreme pressure and his life once again was engrossed with worries pertaining to making both ends meet.

In the absence of any medium, doing business with self-esteem was becoming almost impossible. However, Mr. Barik was keenly observing an activity among other vendors of Xavier Square-who were equally insecure about the future of their ventures due to similar reasons. Many vendors were invited inside the Xavier Institute of Management for meeting with "Sirs" for some group making. Reluctant yet curious, Mr. Barik joined other vendors in the initiative, where he came to know about the process of organizing all the vendors into a Cooperative. However vendors were having their own concerns and fear like their shops being evicted or equipment or inventories being confiscated. Scenario was not very optimistic as the livelihood of 39 vendors like Mr. Barik was at stake.

Once vendors were organized, an application was made to then BMC Commissioner, Ms. Aparajita Sarangi about creating one dedicated vending zone. The request was duly approved. Help came from expected and unexpected quarters with Corporater of the Area, Mr. Premanand Jena providing documentary support to the vendors who were lacking documents to avail credit facility from Bank.

Orissa Cooperative Bank, Kalinga Hospital branch issued loan to 22 vendors under the Orissa Govt scheme of Self-Employment called SWAROZGARO. Dr. D.V. Ramana, faculty, XIMB became Guarantor for the vendors and a sum of Rs. 2,52,501 was deposited as fixed deposit in the Bank as the Xavier Guarantee Fund, contributed by faculties and staff of XIMB.

Previously unexpected benefits have been observed due to the development of the area, with revenues coming from the commercial hoardings over the shops. The area which was previously dark and an unutilized patch of land, is now a bubbling business hub although of a different sort.

39 Deepaks have found a new life in the shape of the XVZ which is mere a cluster of small, identical structures offering things of basic necessities, for a passerby, but it is everything for those people who are waiting inside to serve you. Their smile reflects the level of security that they can sense now. Hope smiling through their faces is large enough to motivate others to come in support of many who really need attention from the society as they are always ready to offer their services in return. Days are no more same in Xavier Square and in 39 families! *(Case let has been prepared by the student volunteers of Social Responsibility Cell of Xavier Institute of Management, Bhubaneswar)*

Annexure II : Xavier Guarantee Fund: Introduction

Micro and micro enterprises find it extremely difficult to tap the existing banking system to support their business. Most of these enterprises are owned by person with very poor economic background without any proper academic background. These enterprises help them in meeting their livelihood. Most the owners of these enterprises do have any other asset to provide as security to the banks to access the loan. Therefore, banks also ignore them and treat them as un-bankable. Non-availability of bank funds forces these entrepreneurs to tap other costly sources of funds from the local money lenders.

Xavier Gurantee Fund(XGF) is an initiative of the faculty members and other stakeholders of the Xavier Institute of Management, Bhubaneswar to meet the needs of the micro and mini enterprises in the neighborhood. The fund is driven be driven by the social objectives without ignoring the economic aspects of money management.

Xavier Guarantee Fund: The Corpus

The corpus of the XGF consists of the capital raised from the shareholders of the fund. Efforts will be made to make every faculty member, student, alumni and staff a contributor to the Fund. The Institute will also be requested to contribute to the fund as the initial capital. Based on the requirement the banks can also be tapped for raising the fund. The shareholder will have the right to vote.

Xavier Guarantee Fund: Part of the Larger Programme

Providing financial support is not the end by itself and no economic activity can survive only with money. The XGF will make contribution towards the development of the all aspects of the enterprise and the entrepreneur.

Support to the Enterprise: Financial support: Direct and Indirect/Marketing support/Networking support

Support to the Entrepreneur Education to the family/Insurance to the person and family/Awareness about the health and other allied issues

Xavier Gurantee Fund: Different Financial Services

The fund may design, develop, and deliver different types of products to achieve its overall objective of supporting the local enterprises and entrepreneurs. The funds financial activities will be guided by the needs of the entrepreneurs rather than the maximization of the returns of the shareholders. Every effort should be made to protect the capital and recover the cost. The shareholders should be motivated to look for very long term return, the growth of the fund, and supporting the local enterprises rather than sole objective of increasing their return on capital.

Guarantee Support

One of important objectives of the XGF is to establish a link between the bank and small and micro enterprises. Guarantee fund helps in achieving such objective.

Under this support service the XGF will fund guarantee toward to banks for extending the loan to the micro/mini enterprise. The entrepreneurs need money but fail to provide the necessary collateral. The XGF will provide the required guarantee to the bank. So with small amount of guarantee support the XSeed Fund will help in channelizing loans to the micro/mini enterprises. XGF thus helps both the banks and the micro/mini enterprises by providing the necessary guarantee. Banks may feel confident in extending the loans in the presence of the guarantee of the XGF and the entrepreneurs also develop confidence in interacting with the bankers.

Xavier Gurantee Fund: Development Support

XGF will not remain as funding agent only. Since the fund has been conceived in an academic institute and all the stakeholders of the academic institute will contribute towards the creation and development of the fund it will undertake several developmental activities. Some of the important activities that the XSeed Fund can take up are as follows:

- Training for the entrepreneurs/Educational services for the children of the entrepreneurs/Creating awareness about insurance and savings

Note prepared by the researcher for internal discussion before launching the fund

Notes

ⁱ: The Xavier Institute of Management, Bhubaneswar owes its origin to a Social Contract between the Government of Orissa and the OJS (Orissa Jesuit Society). The Management of the institute is in the hands of a Governing Board, consisting of representatives from the Jesuit Society, Government of India, Government of Orissa and eminent industrialists and educationists. For more details visit <http://www.ximb.ac.in/>

ⁱⁱ The researcher is an accounting teacher having interest in social issues. He teaches financial accounting at one of the well known management institutes of the country. The interest in the social issues is manifested in the form of several action. The researcher takes keen interest in observing people ([see the blog](#)) and also participates in several actions in the neighborhood ([see the related link on learning community](#))

ⁱⁱⁱ Beginning as a Network in 1998, The National Association of Street Vendors of India (NASVI) was registered in 2003 under the Societies registration Act of 1860 to bring together the street vendor organizations in India so as to collectively struggle for macro-level changes which had become imminent to support the livelihood of around 10 million vendors which stand severely threatened due to outdated laws and changing policies, practices and attitudes of the powers that be. NASVI is a national federation of street vendor organizations. It is a coalition of Trade Unions, Community Based Organizations (CBOs), Non Government Organizations (NGOs) and professionals. For more details visit <http://www.nasvinet.org>

^{iv} Refer to the PM's official letter to the state chief minister: <http://pmindia.nic.in/prelease/pcontent.asp?id=989>

^v As a part of the action research a web site was created to keep the stakeholders informed about the developments in the zone and also to get feedback and suggestions to understand the street vending better. <http://sites.google.com/a/ximb.ac.in/xvz/>

^{vi} Letter to this effect is available on the XVZ's website.

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