



Necessity of Inclusion of Hawkers and Local Retailers in National Economy

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Abstract:

Inclusion of Hawkers and Local Retailers in national economy is a highly crucial issue to discuss. It is basic balance to the formal financial ecosystem. Despite playing a pivotal role in the unorganized sector, hawkers and Local Retailers are frequently remained marginalised in the financial policy. They rarely take into account by the government in fact it is the only factor that strengthens the local economy and indirectly supports the nation and national economy. This paper attempts to examine the inclusion of these groups and their importance in the national economy. It also investigates the implications for modern financial systems and the need of taking into consideration the Hawkers and Local Retailers in national economy. This paper also highlights the challenges faced by hawkers and local retailers and suggests policy makers to consider their potential for national economic growth.

Keywords: *Hawkers, Local Retailers, Economy, Nation, Financial, Local.*

Introduction:

Hawkers and local retailers are the backbones of India's informal economy that indirectly contributes significantly to generate the employment and GDP of the country. Despite playing an important role in the national development they remained out of the policy making and planning of the nation. Hawkers and local retailer's motivation can take the nation to another level of development if we formally included their existence in the financial policy. "Their exclusion from formal financial systems limits their growth and economic stability". (Rangarajan, 2008). The forming the policy by including them can be a great step towards the economic development. Fostering the hawkers and

local retailer's businesses benefits society in many ways. Generating the employability at local level settles the local economy and living standard of common people. Ignoring the basic such idea can damage the economy. Boosting the Hawkers and local retailer with legalities of financial policies leads to the better GDP of the nation. The daily finance generation is the key feature of the Hawkers and local retailer that maintains the finance of local people and supports to build up a better life. The government should recognise their integrity with the national financial system and accordingly set their inclusion in the national economy to the better advancement of the nation. Dr. B.R. Ambedkar's *The Problem of the Rupee* (1923) "underscores the importance of

monetary stability and inclusive financial systems for economic progress". Dr. B.R. Ambedkar's focused on stability of middle class business people. He insists to robust policy frameworks to enhance hawkers and local retailer's integration into the national economy. Hawkers and local retailers are integral to India's economic development. It provides goods and services to millions of people in their everyday life. According to the National Sample Survey Office (NSSO, 2018), the informal sector employs over 80% of India's workforce, with hawkers and local retailers constituting a substantial portion. "Despite their economic contribution they face systemic exclusion from formal financial services, including credit, insurance and digital payment systems". (Singh et al., 2020). They are excluded from government's financial services such as credit, insurance and digital payment systems, despite the fact that they make a significant contribution to the nation's economy they always ignored by the government. The percentage of considering these forms of businesses is equal to zero. Hawkers and local retailers represent a significant portion of the informal economy in many countries. According to the International Labour Organization (ILO), over 60% of the global workforce operates in the informal sector, contributing to around 30-40% of GDP in emerging markets (ILO, 2018). "Despite their economic significance, these groups often lack access to basic financial services such as savings accounts, credit, and insurance". (Demirguc-Kunt et al., 2018). This exclusion limits their growth potential and perpetuates economic disparities. In fact the government should have some schemes

to develop hawkers and local retailer's business. This may indirectly increase the standard of livings and boosts the country's economy. Their inclusion in the economic policies provides opportunities to access financial services of the nation. It enables hawkers and local retailers to participate in the national economic activities effectively. It not only benefits hawkers and local retailers but it also welfares to the government by paying charges and taxes. Inclusion of hawkers and local retailers will be a tax payer increasing step for the governments.

Dr. Ambedkar's *The Problem of the Rupee* provides valuable insights into the role of monetary policy in ensuring economic stability. He argued for a managed currency system to address India's financial vulnerabilities, emphasizing that a stable and inclusive monetary system is vital for equitable economic growth (Ambedkar, 1923). He always insists to revise the financial policies with contemporary requirements to include the hawkers and local. Ambedkar's focus on the integration of marginalized groups into the economic mainstream is particularly relevant to hawkers and local retailers. According to him there should be financial equality in the society. Hawkers and local retailers deeply connected to the local people and local problems. It is necessity of inclusion these hawkers and local retailers maintain well financial balance in the society. Policies with the inclusion of all classes and categories of the society help to develop the country. Some of the prominent schemes run by the government plays important role to foster the hawkers and local retailer's economy. Microfinance institutions (MFIs)

have shown promise in extending financial services to hawkers and local retailers. "Tailored microcredit schemes for hawkers and local retailers can provide the capital needed for business expansion". (Yunus, 2007). Additionally, government supported the initiatives like the Pradhan Mantri Mudra Yojana (PMMY) can be expanded to include targeted involvements for these groups. According to the contemporary changes in the business of hawkers and local retailers expansion of financial services is needed. Taking into consideration the patterns and types of hawkers and local retailer's business government provides enough schemes and services.

The Role of Hawkers and Local Retailers in the National Economy:

Hawkers and local retailers play a vital role in national economy.

1. It provides self-employment, opportunities and create jobs in local communities, especially for low-skilled and less educated laborers.
2. Hawkers and retailers act as intermediaries, bringing goods to consumers in remote or underserved areas.
3. It helps Hawkers and Local Retailers to enhance the access to goods and services.
4. The informal sector's contributions are significant, with hawkers and retailers playing a substantial role in contributing to increase the GDP of the nation.
5. Hawkers and local retailers often represent entrepreneurial initiatives that puts the foundation for small and medium enterprises (SMEs).

Strategies and Recommendations for the Inclusion of Hawkers and Local Retailers:

The following suggestions and recommendations are

1. Microfinance institutions (MFIs) have emerged as a powerful tool to provide small-scale credit to informal workers. For example, Grameen Bank in Bangladesh has successfully extended loans to hawkers and small retailers.
2. Mobile technology has revolutionized the local business but most of Hawkers and Local Retailers existed in remote areas for them with platforms of technology should provide.
3. Governments should create policies that mandate financial institutions to serve the Hawkers and Local Retailers. Government should expand the services like India's Pradhan Mantri Jan Dhan Yojana (PMJDY) to provide banking access.
4. Collaborations between governments and financial institutions or NGOs may create systematic financial services for hawkers and local retailers.
5. Educational institutes organise financial literacy sessions that can teach hawkers to have financial management, savings and credit and financial services effectively.

Conclusion:

Hawkers and local retailers are crucial to India's economy. Dr. Ambedkar's insights in *The Problem of the Rupee* underscore the need for an inclusive financial ecosystem to harness their potential

fully. Integrating hawkers and local retailers into the national financial policy benefits India to achieve more equitable and sustainable economic growth. Challenging the barriers to inclusion of hawkers and local retailers through innovative strategies and collaborative efforts can unlock significant economic and social benefits. Such attempt fosters financial ecosystem of the nation that contributes the equitable growth and sustainable development of country.

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