Unethical practices of businessmen and street vendors: A review

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Abstract This study is a literature review on the topic of "unethical practices of businessmen and street vendors" in India. This study aimed to examine the existing related research and identify the key challenges and limitations faced by street vendors in India, as well as the impact of unethical practices on the economy, society, and environment. The study also reviewed the solutions proposed to address the problem of unethical practices among businessmen and street vendors in India, including government regulation, corporate social responsibility, ethical leadership, and consumer support for legal and ethical vendors. The literature review process involved searching for and identifying relevant research articles, books, reports, and other sources on the topic. The sources were then analyzed and synthesized to identify key themes and findings. This study provides an overview of the literature on the topic of unethical practices among businessmen and street vendors in India and highlights the need for continued efforts to address this problem through a multifaceted approach that includes government regulation, consumer education and activism, and support for vendors to operate legally and ethically.

Keywords: business, consumers, black money, unethical vendors, tax system

1. Introduction

This study is a literature review on the topic of "unethical practices of businessmen and street vendors" in India. This study aimed to examine the existing related research and identify the key challenges and limitations faced by street vendors in India, as well as the impact of unethical practices on the economy, society, and environment. The study also reviewed the solutions proposed to address the problem of unethical practices among businessmen and street vendors in India, including government regulation, corporate social responsibility, ethical leadership, and consumer support for legal and ethical vendors. The literature review process involved searching for and identifying relevant research articles, books, reports, and other sources on the topic. The sources were then evaluated for relevance, credibility, and quality, and the most relevant and reliable sources were selected for inclusion in the review. The sources were then analyzed and synthesized to identify key themes and findings. This included identifying challenges and limitations faced by street vendors in India, as well as the impact of unethical practices on the economy, society, and environment. This study provides an overview of the literature on the topic of unethical practices among businessmen and street vendors in India and highlights the need for continued efforts to address this problem through a multifaceted approach that includes government regulation, consumer education and activism, and support for vendors to operate legally and ethically.

1.1. Background of the Study

Unethical vendors are a significant problem in the business world. These vendors engage in practices that are detrimental to their clients, customers, and wider community. These practices can range from fraud and embezzlement to exploitation and environmental destruction. One example of an unethical vendor is Enron, an energy company that engaged in widespread accounting fraud in the early 2000s. Has the company inflated its profits and hid its debt, leading to one of the largest corporate bankruptcies in history. Due to Enron’s unethical business practices, many of its investors and employees lost a large amount of money. Another example of an unethical vendor is Nestle, a food and beverage company that has been accused of exploiting developing countries for its own resources. Nestles have been accused of depleting local water sources, polluting the environment, and exploiting child labor (Ruggie, 2008). These practices not only harm local communities but also damage the reputation of the company and the entire industry. Furthermore, some vendor companies also indulge in unethical behavior, such as human rights violations. For example, in 2011, Bangladeshi workers in a factory that produced clothing for Walmart and other major retailers were subjected to dangerous and inhumane working conditions (International Labor Rights Forum, 2011). These conditions included forced overtime, a lack of fire exits, and inadequate safety equipment, leading to a tragic factory fire that killed more than 100 workers. To combat the problems of unethical vendors, businesses and consumers must be vigilant and take action to hold these vendors accountable. This can be done by not buying or using products or services from companies that do not do business honestly, by giving money to groups that promote honest business practices, or by...
pushing for stricter rules and laws to protect workers and the environment. Unethical vendors pose a significant threat to the business world and society as a whole. These vendors engage in practices that are detrimental to their clients, customers, and wider community. Examples of such vendors include Enron, Nestle, and Walmart. To combat the problems of unethical vendors, businesses and consumers must be vigilant and take action to hold these vendors accountable.

Unethical business practices by businessmen and vendors have been a persistent problem in many countries, including India. These practices can be bad for the people and organizations involved as well as for the community as a whole. Research has shown that unethical business practices, such as fraud and corruption, can lead to decreased trust in institutions and the government and harm the economy (Abded Gupta, 2016; Lambosdorff, 2007). Studies have also shown that unethical business practices can lead to decreased employee morale and productivity (Chiu et al., 2016; Trevino Nelson, 2007). Unethical practices by vendors, such as the sale of counterfeit goods, the illegal occupation of public spaces, and the exploitation of employees, have been shown to harm both consumers and legitimate businesses (Indian Brand Equity Foundation, 2019; Indian Ministry of Housing and Urban Affairs, 2019; International Labor Organization, 2017). Additionally, unethical practices by vendors and businessmen can also lead to negative environmental impacts, such as pollution and waste (Elkington, 1997; Javalgi et al., 2008). To address the problem of unethical business practices, several solutions have been proposed. These include increasing government regulation and enforcement of laws as well as encouraging corporate social responsibility and ethical leadership within organizations (Abded Gupta, 2016; Chiu et al., 2016; Trevino Nelson, 2007). Consumers also play a role in promoting ethical practices among vendors and businessmen by supporting those who operate in a legal and ethical manner and refusing to purchase goods from vendors who engage in unethical practices (Indian Ministry of Housing and Urban Affairs, 2019; International Labor Organization, 2017). Unethical business practices by businessmen and vendors are persistent problems that can have negative consequences for both individuals and organizations, as well as for the wider community. Some of the proposed solutions include more government regulation and enforcement of laws, corporate social responsibility, ethical leadership, and consumer support for legal and ethical vendors.

Street vending is a significant source of livelihood for many people in India; however, it is often associated with several challenges and limitations. Research has shown that street vendors in India face several challenges, including lack of legal recognition, limited access to credit and financial services, and lack of access to basic infrastructure and services such as toilets and waste disposal (Indian Ministry of Housing and Urban Affairs, 2019; Indian government’s policy on micro and small enterprises and street vendors; and the Ministry of Micro, Small, and Medium Enterprises, Government of India). Furthermore, street vendors often operate informally, which can make it difficult for them to access legal and financial services and can lead to their being subject to harassment and evictions by local authorities (Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014, No. 29 of 2014). Studies have also shown that street vending can have negative impacts on the environment, including litter, pollution, and congestion (Javalgi et al., 2008; Elkington, 1997). However, research also indicates that street vending can also have positive impacts on local economies by providing employment and income opportunities, particularly for marginalized and vulnerable groups, such as women and low-income communities (Indian Ministry of Housing and Urban Affairs, 2019; Indian government’s policy on micro and small enterprises and street vendors, Ministry of Micro, Small, and Medium Enterprises, Government of India). To address the challenges faced by street vendors in India, several solutions have been proposed. These include providing support and resources for vendors to register their businesses and pay taxes, as well as enforcing laws and regulations related to the use of public space and the sale of goods (Indian Ministry of Housing and Urban Affairs, 2019; Street Vendors (Protection of Livelihood and Regulation of Street Vending) Rules, 2014). Additionally, the government can establish a formal credit system for street vendors to access bank loans, vendor credit cards, and other financial services. This approach will help vendors manage their cash flow, invest in their businesses, and ultimately increase their income. Furthermore, the government should establish a street vendor welfare board to provide vendors with social security benefits, such as pensions and health insurance. Street vending is a significant source of livelihood for many people in India; however, it is often associated with several challenges and limitations, including lack of legal recognition, limited access to credit and financial services, lack of access to basic infrastructure and services, and negative impacts on the environment. To address these challenges, solutions such as providing support and resources for vendors to register their businesses and pay taxes, enforcing laws and regulations related to the use of public space and the sale of goods, establishing a formal credit system, and establishing a street vendor welfare board have been proposed.

1.2. Objectives of the Study

1. To examine the literature on unethical practices of businessmen and street vendors
2. To identify the key challenges and limitations faced by street vendors in India.
3. To understand the impact of unethical practices on the economy, society, and environment.
4. To review the solutions proposed to address the problem of unethical practices among businessmen and street vendors in India.
5. To analyze the effectiveness of government regulation, corporate social responsibility, ethical leadership, and consumer support in promoting legal and ethical practices among businessmen and street vendors in India.
6. To identify gaps in the literature and areas for future research.

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7. To provide an overview of the literature on the topic of unethical practices among businessmen and street vendors in India and to inform policymaking and advocacy efforts to promote ethical practices and protect the rights of all stakeholders.

2. Methodology

A literature review was used as the research methodology for the study searches. A literature review is a method of collecting, evaluating, and synthesizing existing research on a specific topic. In this case, the topic was "unethical practices of businessmen and street vendors" in India. The literature review process involved searching for and identifying relevant research articles, books, reports, and other sources on the topic. These sources were then evaluated for their relevance, credibility, and quality, and the most relevant and reliable sources were selected for inclusion in the review. The sources were then analyzed and synthesized to identify key themes and findings. This included identifying challenges and limitations faced by street vendors in India, as well as the impact of unethical practices on the economy, society, and environment. The literature review also examined the solutions proposed to address the problem of unethical practices among businessmen and street vendors in India, and the research methodology used in the studies reviewed was also taken into account. The sources used in the literature review were primarily peer-reviewed journal articles, government reports and policy papers, and books on the topic. The research cutoff date was 2021, and the search was conducted primarily in English. The above research methodology is widely used to provide an overview of the literature on a specific topic and to identify gaps and areas for future research. It also allows for the synthesis of existing knowledge and the identification of key findings and trends in the literature.

3. Unethical practices of vendors in India

Unethical practices by vendors are a significant problem in India, and they can have negative consequences for both the vendors themselves and the wider community. These practices can include activities such as fraud, exploitation, and environmental destruction. One of the most prevalent unethical practices among vendors in India is the sale of counterfeit goods. Many vendors sell fake or imitation products such as clothing, electronics, and personal care items. These goods are often of poor quality and can be dangerous to use. Furthermore, they frequently harm the original brand's reputation and cause revenue loss. According to a study by the Indian Brand Equity Foundation, the Indian economy loses approximately 9.2 billion dollars every year due to counterfeiting and piracy (IBEF, 2019).

Another unethical practice among vendors in India is the illegal occupation of public spaces. Many vendors set up stalls on sidewalks, streets, and other public spaces without obtaining the necessary permits or paying for the use of the space. This not only violates local laws and regulations but also causes congestion and obstructions for pedestrians and vehicles. Furthermore, vendors often engage in illegal activities such as littering, urinating, and defecating in public spaces, which can lead to health hazards and unsanitary conditions (Indian Ministry of Housing and Urban Affairs, 2019). Moreover, many vendors in India engage in exploitative practices, such as underpaying their employees or using child labor. These practices not only violate labor laws but also exploit vulnerable members of the community. According to a report by the International Labor Organization, child labor is prevalent in the retail and wholesale sectors in India, including street vending (ILO, 2017). Furthermore, some vendors in India also engage in environmentally damaging practices, such as the use of plastic bags and the disposal of waste in public spaces. These practices not only harm the environment but also impact the health and well-being of the community. To combat the problem of unethical practices among vendors in India, the government should take steps to regulate the vending industry. This can include enforcing laws and regulations related to the use of public space and the sale of goods, as well as providing support and resources for vendors to operate legally and ethically. Additionally, the government should increase efforts to combat the use of black money in the economy as a whole, such as by implementing a cashless system for transactions and strengthening regulations against money laundering. Consumers can also play a role in promoting ethical practices among vendors by refusing to purchase counterfeit goods and supporting vendors who operate in a legal and ethical manner. Consumers can also help protect the environment by pushing for stricter environmental laws and rules.

Unethical practices by vendors are a significant problem in India, and they can have negative consequences for both the vendors themselves and the wider community. These practices can include activities such as the sale of counterfeit goods, the illegal occupation of public spaces, exploitative practices, and environmentally damaging practices. To combat the problem of unethical practices among vendors in India, the government and consumers must work together to promote ethical practices by enforcing laws and regulations, providing support and resources for vendors to operate legally and ethically, and advocating for stricter environmental regulations and laws.

3.1 Street vendors in India

Street vending is a vital source of livelihood for many people in India; however, not all street vendors operate in an ethical manner. Street vendors’ unethical behavior can have negative consequences for both vendors and the larger community. One of the most common unethical behaviors among street vendors in India is the illegal occupation of public spaces. Many vendors set up stalls on sidewalks, streets, and other public spaces without obtaining the necessary permits or paying for the use of the space. This not only violates local laws and regulations but also causes congestion and obstructions.
for pedestrians and vehicles. Furthermore, vendors often engage in illegal activities such as littering, urinating, and defecating in public spaces, which can lead to health hazards and unsanitary conditions. Another unethical behavior among street vendors in India is the sale of counterfeit goods. Many vendors sell fake or imitation products such as clothing, electronics, and personal care items. These goods are often of poor quality and can be dangerous to use. Furthermore, they frequently harm the original brand’s reputation and cause revenue loss. Additionally, street vendors in India often engage in exploitative practices, such as underpaying their employees or using child labor. These practices not only violate labor laws but also exploit vulnerable members of the community. To address the problem of unethical behaviors among street vendors in India, the government should take steps to regulate the street vending industry. This can include enforcing laws and regulations related to public space occupancy and the sale of counterfeit goods. Additionally, the government should provide street vendors with help and resources to help them work in a legal and honest way. Furthermore, consumers can also play a role in promoting ethical practices among street vendors by refusing to purchase counterfeit goods and supporting vendors who operate in a legal and ethical manner. Street vending is a crucial source of livelihood for many people in India, but unfortunately, not all street vendors operate in an ethical manner. Unethical behaviors such as illegal occupation of public spaces, selling counterfeit goods, and exploitative practices can have negative consequences for both vendors and the wider community. It is important that both the government and the people of India work together to encourage street vendors to act honestly.

3.1.1 Street vendors and black money in India

Street vending is a significant source of livelihood for many people in India; however, the use of “black money” or undeclared income by street vendors is a common problem. Black money refers to funds that are obtained through illegal or unethical means and are not reported to the government for tax purposes. The use of black money by street vendors has several negative consequences for the vendors themselves, the government, and the wider community. One of the main reasons why street vendors use black money is to avoid paying taxes. The informal nature of street vending means that vendors do not always have the necessary documentation or registration to operate legally. As a result, they often avoid paying taxes on their income. However, this not only violates the law but also robs the government of much-needed revenue. Furthermore, it also puts vendors who do pay their taxes at a disadvantage, as they are forced to compete with vendors who are able to keep their prices low by not paying taxes. Another reason why street vendors use black money is to avoid scrutiny by authorities. Many street vendors engage in illegal activities such as selling counterfeit goods, occupying public spaces without permission, or breaking other laws and regulations. Using black money allows them to operate without fear of being caught and punished by the authorities. This not only harms the reputation of the vendors but also undermines the authority of the government. The use of black money by street vendors also contributes to the problem of income inequality in India. Street vending is often a last resort for those who are unable to find formal employment. However, the use of black money by vendors allows them to operate outside of the law, which gives them an unfair advantage over other vendors who operate legally. This can make it so that the most vulnerable and marginalized people in the community cannot make enough money to live well. To address the problem of black money among street vendors in India, the government should take steps to formalize the street vending industry. This can include providing support and resources for vendors to register their businesses and pay taxes, as well as enforcing laws and regulations related to the use of public space and the sale of goods. Additionally, the government should increase efforts to combat the use of black money in the economy as a whole, such as by implementing a cashless system for transactions and strengthening regulations against money laundering. Furthermore, consumers can also play a role in promoting ethical practices among street vendors by supporting vendors who operate legally and ethically. This can include looking for vendors who have proper registration and documentation and avoiding vendors who sell counterfeit goods or occupy public spaces illegally. Street vending is a crucial source of livelihood for many people in India; however, the use of black money or undeclared income by street vendors is a common problem. The use of black money by street vendors has several negative consequences for the vendors themselves, the government, and the wider community. The government and consumers must work together to promote ethical practices among street vendors in India by formalizing the street vending industry and supporting vendors who operate legally and ethically. Furthermore, to address the problem of black money in India, the government should increase efforts to combat the use of black money in the economy as a whole, such as by implementing a cashless system for transactions and strengthening regulations against money laundering.

4. Unethical vendors in Tamilnadu

Unethical vendors in Tamil Nadu, India, engage in a variety of practices that are detrimental to both the vendors themselves and the wider community. These practices can include activities such as fraud, exploitation, and environmental destruction. One of the most prevalent unethical practices among vendors in Tamil Nadu is the sale of counterfeit goods. Many vendors sell fake or imitation products such as clothing, electronics, and personal care items. These goods are often of poor quality and can be dangerous to use. Furthermore, they frequently harm the original brand’s reputation and cause revenue loss. According to a study by the Indian Brand Equity Foundation, the Indian economy loses approximately 9.2 billion dollars every year due to counterfeiting and piracy (IBEF, 2019). Another unethical practice among vendors in Tamil Nadu is the illegal
occupation of public spaces. Many vendors set up stalls on sidewalks, streets, and other public spaces without obtaining the necessary permits or paying for the use of the space. This not only violates local laws and regulations but also causes congestion and obstructions for pedestrians and vehicles. Furthermore, vendors often engage in illegal activities such as littering, urinating, and defecating in public spaces, which can lead to health hazards and unsanitary conditions (Indian Ministry of Housing and Urban Affairs, 2019). Moreover, many vendors in Tamil Nadu engage in exploitative practices, such as underpaying their employees or using child labor. These practices not only violate labor laws but also exploit vulnerable members of the community. According to a report by the International Labor Organization, child labor is prevalent in the retail and wholesale sectors in India, including street vending (ILO, 2017). Furthermore, some vendors in Tamil Nadu also engage in environmentally damaging practices, such as the use of plastic bags and the disposal of waste in public spaces. These practices not only harm the environment but also impact the health and well-being of the community. To combat the problem of unethical practices among vendors in Tamil Nadu, the government should take steps to regulate the vending industry. This can include enforcing laws and regulations related to the use of public space and the sale of goods, as well as providing support and resources for vendors to operate legally and ethically. Additionally, the government should increase efforts to combat the use of black money in the economy as a whole, such as by implementing a cashless system for transactions and strengthening regulations against money laundering. Consumers can also play a role in promoting ethical practices among vendors by refusing to purchase counterfeit goods and supporting vendors who operate in a legal and ethical manner. Consumers can also help protect the environment by pushing for stricter environmental laws and rules. In conclusion, unethical practices by vendors are a significant problem in Tamil Nadu, India, and can have negative consequences for both vendors and their customers.

5. Inclusion of the street vendor in the tax system

In India, street vendors are typically required to pay taxes to operate legally. However, the tax system for street vendors can be complex and difficult for vendors to navigate. To include the street vendor tax system in India, the government should take several steps to make the process more accessible and efficient. One step the government can take is to simplify the process of registering street vendors. This can include reducing the number of required documents, streamlining the application process, and providing assistance and resources for vendors to register their businesses. Additionally, the government can also make the process of paying taxes more transparent by clearly communicating tax rates and deadlines and providing a clear explanation of tax laws and regulations. Another step the government can take is to provide incentives for street vendors to pay taxes. This can include offering tax breaks for small businesses, providing financial assistance for vendors to purchase necessary equipment or improving their stalls. Additionally, the government can also offer vendors training and resources to improve their businesses and increase their income. The government can also establish a formal credit system for street vendors to access bank loans, vendor credit cards, and other financial services. This approach will help vendors manage their cash flow, invest in their businesses, and ultimately increase their income. Additionally, the government can establish a street vendor welfare board to provide vendors with social security benefits, such as pensions and health insurance. Furthermore, the government should also enforce laws and regulations to ensure that street vendors are paying taxes. This can include giving vendors regular inspections and audits to ensure that they are following the law and paying their taxes, as well as giving them fines if they are not. To include the street vendor tax system in India, the government should take steps to simplify the process of registering street vendors, make the process of paying taxes more transparent, provide incentives for street vendors to pay taxes, establish a formal credit system, enforce laws and regulations to ensure that street vendors are paying taxes, and establish a street vendor welfare board to provide vendors with social security benefits.

6. Final considerations

In conclusion, the above searches revealed that unethical practices by businessmen and street vendors are a significant problem in India and can have negative consequences for both the vendors themselves and the wider community. These practices can include activities such as fraud, exploitation, and environmental destruction. Research has shown that street vendors in India face several challenges, including lack of legal recognition, limited access to credit and financial services, and lack of access to basic infrastructure and services such as toilets and waste disposal. Unethical practices by vendors, such as the sale of counterfeit goods, the illegal occupation of public spaces, and the exploitation of employees have been shown to harm both consumers and legitimate businesses. To address the problem of unethical practices among businessmen and vendors in India, the government should take steps to regulate the vending industry. This can include enforcing laws and regulations related to the use of public space and the sale of goods, as well as providing support and resources for vendors to operate legally and ethically. Additionally, the government should increase efforts to combat the use of black money in the economy as a whole, such as by implementing a cashless system for transactions and strengthening regulations against money laundering. Consumers can also play a role in promoting ethical practices among vendors by refusing to purchase counterfeit goods and supporting vendors who operate in a legal and ethical manner. Consumers can also help protect the environment by pushing for stricter environmental laws and rules. Finally, future research on this topic should aim to provide a comprehensive
understanding of the problem, identify effective solutions, and inform policymaking and advocacy efforts to promote ethical practices and protect the rights of all stakeholders.

7. Future Research

Future research on the unethical practices of businessmen and street vendors should focus on several key areas. One area of research could be to investigate the effectiveness of current regulations and laws in preventing and addressing unethical practices among businessmen and street vendors. This could include analyzing the enforceability of laws and regulations as well as evaluating the effectiveness of penalties for noncompliance. Another area of research could be to study the impact of government and private sector initiatives aimed at promoting ethical practices among businessmen and street vendors. This could include evaluating the effectiveness of programmes such as corporate social responsibility initiatives or initiatives aimed at providing support and resources for vendors to register their businesses and pay taxes. Additionally, future research could also investigate the role of consumers in promoting ethical practices among businessmen and street vendors. This could include studying the effects of consumer education and awareness campaigns as well as the effectiveness of consumer boycotts and other forms of consumer activism.

Furthermore, research on the impact of technological advances on the business practices of street vendors and businessmen, such as the use of cashless transactions, digital payment systems, and online platforms for vendors, could be of interest. Finally, research on the impact of unethical practices on the environment and public health can be taken into consideration. This could include studying the impact of pollution and waste on the environment, as well as the impact of unhealthy food vending on public health. Overall, future research on the unethical practices of businessmen and street vendors should aim to provide a comprehensive understanding of the problem, identify effective solutions, and inform policy-making and advocacy efforts to promote ethical practices and protect the rights of all stakeholders.

8. Implications of the study

Overall, the study implies that there is a need for continued efforts to address the problem of unethical practices among businessmen and street vendors in India and that a multifaceted approach is needed that includes government regulation, consumer education and activism, and support for vendors to operate legally and ethically.

Ethical Considerations

This article in its full form or in part is not submitted to any other journal.

Conflict of Interest

Authors declare no conflict of interests.

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Indian government’s policy on micro and small enterprises and street vendors, Ministry of Micro, Small and Medium Enterprises, Government of India.


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