Kashmir's Informal Markets Face an Economy of Unequal Opportunity and Risk

Anania Singhal, Ankur Singh, Deepanshu Mohan, Najam Us Saqib and Zahid Iqbal Shah

14/Aug/2026

From harassment and bribery to gendered hierarchies and unequal asset ownership, informal vendors navigate a reality ridden with inequalities.

Street vendor selling seekh-kabaab in Srinagar, Photo: Wikimedia Commons.

This is the third article in a three-part series based on a field project to understand informal work in Kashmir and its impact on vulnerability and marginalisation amongst vendors. Focusing on two critical city-markets of Batamaloo and Hazratbal Dargah in Srinagar, the series looks at how informal workers negotiate livelihood, precarity and everyday life in a socially and politically sensitive region. Read part 1 and part 2.

The informal market in India is often portrayed as one of the most accessible segments of the economy. With relatively low capital requirements and few formal barriers to entry, success is commonly assumed to depend on effort, persistence and entrepreneurial initiative. Yet our survey of informal vendors in Srinagar suggests a more complicated reality. Beneath the apparent openness of street vending lie distinct hierarchies of risk, access and opportunity.

The survey reveals that these inequalities are not random. Access to vending spaces, exposure to harassment, ownership of productive assets and earning opportunities are all distributed unevenly across vendors. What emerges is an informal economy governed by its own hierarchies, where security, bargaining power and opportunity are shaped by far more than individual effort alone. One of the clearest examples can be seen in the relationship between informal payments and vendor security.

The ‘bribe paradox’

More than 80% of vendors who reported payment-related arrangements also reported frequent harassment. Here, harassment primarily refers to being asked to move or shift their carts, which authorities generally explain as necessary when roads or passages are blocked.

Those assigned space by an authority figure also reported harassment, approximately 32%. Vendors with long-term arrangements reported more harassment than those with official contracts. At the same time, vendors who are well connected with local authorities claim to receive greater respect and better treatment.

These findings do not establish bribery or identify any individual involved in illegal payments; they reflect only the vendors’ reported experiences and perceptions.

This challenges the idea that informal payments necessarily provide security. In Srinagar, reported payments do not appear to guarantee tenure or protection from relocation. Rather, the findings point to continuing uncertainty, discretionary regulation and unequal access to local authorities.

Carts at Hazratbal Market. Photo: Najam Us Saqib and Zahid Iqbal Shah.

Harassment as structured risk

Some differences in harassment by origin were also found. Non-local vendors, particularly outside of Kashmir valley, voiced complaints about high levels of harassment, about 50%. The figures were much lower among local residents of Srinagar, around one-third.

This indicates that social capital is an informal barrier. Local vendors may be involved in networks of kinship and/or neighbourhood networks that can be used to solve conflict and/or negotiate terms. As non-locals are not as embedded, they appear to be more susceptible to enforcement volatility.

The result is the creation of an “outsider premium,” not in income, but in vulnerability.

The missing middle in Batamaloo

One of the most interesting demographic trends revealed by the survey is the lack of vendors who are between the ages 26 and 35 in Batamaloo. While the age group below 25 was well represented, with a significantly-sized group aged 36-55, but there was virtually no representation for the age group between the two.

From a labour market perspective, it is a reduction in size of the most economically active age group. Individuals in their late 20s and early 30s possess a combination of physical strength and experience and might be able to merge assets. Their absence raises questions about the sustainability of street vending as a sustainable livelihood.

However, it is important to not that this could be because they have shifted elsewhere, taken up gig work or have ceased to live in the area due to ongoing harassment and income insecurity. Although the survey does not present a concrete answer, the trend is undeniable.

The market is not balanced by a stabilising middle segment between the adolescents and older players.

A street cart at Batamaloo. Photo: Najam Us Saqib and Zahid Iqbal Shah.

Ownership and the apprentice trap

The ownership patterns corroborate this demographic story. Less than half of the vendors who owned their stalls were under 25 years of age. Whereas, the ownership rate for those over 35 was in the 90th percentile.

This suggests a clear intergenerational divide in asset accumulation. Younger vendors are more likely to be using rented or borrowed infrastructure, most commonly in family arrangements. They take operational risks but do not necessarily make equity.

Most vendors under 25 also indicated that vending was their a secondary source of income and not a livelihood.

Gendered segmentation and income concentration

Women made up about 20% of our sample, yet were overrepresented in certain product categories.

Women outnumbered men by almost two to one in the food sector. Higher-capital items like household goods and seasonal goods, on the other hand, were overwhelmingly male dominated. In one of the seasonal goods categories, our survey found 27 male vendors and no woman vendors.

Though Hazratbal had a higher proportion of vendors who earned more than Rs 2,000 per day, it was more male-dominated in durable goods categories. Batmaloo had greater concentration of women in low margin food trade.

This gendered occupational clustering has direct income implications. Women's bargaining power is structurally limited if they are overrepresented in perishable sectors.

Male vendors can deal with fluctuations in demand and have seasonal cycles for non-perishable products. In Hazratbal, almost 85% of male vendors were in the highest income group, while this was not the case for women.

The informal architecture of the two markets

The Batmaloo-Hazratbal comparison brings informal architectural factors into play. Hazratbal has a regular flow of pilgrims and hence has more high value trade. Batmaloo, on the other hand, is primarily a transit market and has a larger percentage of younger vendors and lower income earners.

A street shop at Hazratbal. Photo: Najam Us Saqib and Zahid Iqbal Shah.

Nevertheless, the vulnerability structure of both markets is similar. Harassment patterns, divisions of ownership and gendered segmentation are not isolated events, but part of a more extensive informal architecture.

Rethinking informality

The romantic narrative of the street economy as an alternative to exclusion in the formal sector is complicated by our survey. What comes out is a system containing multiple hierarchies. Risk is categorised by how the person enters the market, vulnerability by where they are from, opportunity by the person's age and earnings potential by their gender and product categories.

None of this implies that street vending is powerless or unyielding. Vendors keep on innovating regardless of these constraints. However, resilience should not be confused with structural fairness.

Policy discussions that only address legalisation and do not enforce discretion, asset concentration and gendered segmentation risk formalising inequity, not solving it. The lack of the 26-35 age group in Batamaloo could be the most obvious indicator of this.

Deepanshu Mohan is Dean and Professor of Economics, O.P. Jindal Global University. He is a Visiting Professor at the London School of Economics (LSE) and a Visiting Research Fellow at the University of Oxford. Najam Us Saqib is an Assistant Lecturer at IDEAS, Office of Interdisciplinary Studies and an Assistant Director at Centre for New Economics Studies (CNES). Zahid Iqbal Shah is a PhD candidate at Central University of Kashmir and was associated as a Field researcher on this project. Ankur Singh and Anania Singhal study Economics and Design and Architecture respectively and are Research Analysts with Centre for New Economics Studies (CNES).