

Econometric Analysis of Employment Generation Through Street Vending in Guwahati City, Assam

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Abstract

Street vending is part of the informal urban economy and is an important part of the economy in fast urbanizing cities like Guwahati where it helps to sustain livelihood. The present study empirically examines the street vendor's contribution to the employment generation in Guwahati city and also extends this study to comparatively analyze it across Northeastern states. The main goal is to understand the effectiveness of street vending in absorbing surplus labour and generating self-employment in the informal sector.

A cross sectional econometric approach is used to investigate the factors causing street vendors to be more or less employed. Both primary and secondary sources of data have been used to analyze the data and important explanatory variables that are included are capital investment, education level, hours of work, access to credit and market infrastructure. These variables are used in a multiple regression (OLS) model to estimate the relation between these variables and employment outcomes.

Overall, the empirical findings suggest that street vending is an important avenue for improving employment, but the impact differs across NE states as certain states are less well equipped to support street vending, have less street infrastructure, and are less developed in the market. States with more developed urban infrastructure, such as Assam, have more employment intensity than smaller, less urbanized states.

The study findings suggest that enhancing financial inclusion, upgrading urban infrastructure and formalizing street vending into the urban governance system are critical to the promotion of inclusive and sustainable employment growth in the informal sector.

Keywords: *Street Vending; Informal Sector; Urbanization; Employment Generation; Guwahati Economy; Labour Absorption.*

I. INTRODUCTION

Street vending is an important and growing part of the informal sector in developing countries and contributes to the livelihoods and urban employment. It is an important source of livelihood for millions of economically weaker sections people in India who do not have access to jobs in formal sector. The sector, in particular, is significant in the fast-growing cities where employment growth in the organized sector has not outpaced the population growth and rural-to-urban migration.¹

This is well reflected in the large urban centres in Assam, particularly in Guwahati, the biggest gateway to the North Eastern region of India. Street vending in the city has been on a gradual increase because of its urbanization, the influx of people and structural constraints of the employment market. Street vending in Guwahati is a broad spectrum of micro-entrepreneurial activities such as food stalls, retail trade and service based informal enterprises, which play an important role in the urban economy.

Even though it's economically significant, the sector remains informal and vulnerable. The street vendors often

¹ Roy, P. (2023). Urban informality in Indian cities.

face issues like eviction drives, non-recognition of their business, limited access to institutional finance, and poor urban infrastructure like designated vending locations and storage. These restrictions reduce their productivity and income security. However, the street vending system is still crucial in absorbing labour, mainly low and semi-skilled, hence decreasing the unemployment pressure in the urban areas.

Street vending, in this context, is a means of generating self-employment and to strengthening the informal economy in the city. It plays a key part in supporting livelihoods and complementing urban supply chains, and therefore is of an empirical and policy-relevant nature.

➤ *Objectives of the Study*

The study has the following 3 objectives:

- To explore Socio-economic and employment profile of street vendors of Guwahati City.
- To identify the factors affecting the level of employment generation in street vendors with an econometric model.
- To compare the contribution of street vending to job creation in Northeastern states of India.
- To propose policy measures to improve economic stability and growth potential of street vendors

II. REVIEW OF LITERATURE

Bhowmik² (2005) highlights that the street vendors have a significant role in the urban informal sector in the developing countries particularly in India. It is a significant job provider for the low income and low skill segments of a society, which are largely not represented in the formal labour market, the study notes. Street vending is a way of earning a livelihood and plays an important role in the urban supply chain in ensuring affordable food and services. Although the sector is significant economically, it is not well known and under regulated in formal policy frameworks. This lack of recognition results in street vendors being perpetually vulnerable, insecure and lacking in institutional support.

For Chen³ (2012), informal economy is not a marginal, transitional but rather a structural and integral part of developing economies. The study concludes that this informal sector, which involves activities such as street vending, is an important factor in the maintenance of livelihoods and the participation of disadvantaged groups in the economy. It focuses on the important role of the informal sector in reducing poverty as a source of absorbing labour in many developing countries, especially

in urban areas where formal sector jobs are scarce or low-paying. The author also stresses that informal work is not a temporary, but rather an unavoidable and integral part of the urban economic systems.

Husmanns⁴ (2004) deals with some of the important measurement issues regarding the informal sector, and argues that informal workers and street vendors are often 'statistically invisible', because they are not formally registered and documented. This invisibility causes serious lack of information on the labour market and hinders the reliability of labour statistics in developing economies. The study highlights the importance of reliable and standardized labour force surveys to adequately reflect the size and profile of informal jobs. It also emphasizes the need for better statistical frameworks to better understand the dynamics of the informal sector, help shape policy choices and drive the design of effective interventions to create jobs and provide social protection.

Many developing economies are heavily dependent on informal labour markets, as can be seen by the fact that informal labour markets constitute a significant share of total employment (ILO⁵ 2018). In this context, street vending is one of the most common modes of livelihood especially in cities, where employment opportunities are restricted. The report also calls attention to the lack of social protection, legal recognition, and institutional support for street vendors, thereby exacerbating their economic and occupational vulnerability. It also highlights that if there are no regulatory protections, vendors face income insecurity, eviction threats and restricted availability of welfare and financial services.

Sharma⁶ (2021) explores the characteristics of urban informal employment in India, and finds that street vending is a relevant coping mechanism for migrants, low-income groups and economically marginalized. The study contends that the need for informal livelihoods is driven by the rapid urbanization and lack of formal employment opportunities for many people. It also emphasizes the importance of urban governance – such as city regulations, licensing and eviction policies – on the growth and sustainability of street vending. The study finds that while the availability of supportive urban governance and inclusive planning processes can improve opportunities for livelihoods, restrictive policies can bring a greater sense of insecurity and economic vulnerability to vendors.

In the study on street vendors in the city of Guwahati, Gogoi⁷ and Thakur (2022) identify a range of consistent problems, such as frequent drives to clear the streets of vendors, lack of formal credit facilities and poor institutional and legal support. These problems result in

² Bhowmik, S. K. (2005). Street vendors in Asia. *Economic and Political Weekly*.

³ Chen, M. A. (2012). The informal economy: Definitions, theories and policies. *WIEGO Working Paper*.

⁴ Husmanns, R. (2004). Measuring the informal economy. *ILO Working Paper*.

⁵ ILO. (2018). *Women and men in the informal economy*. Geneva: International Labour Organization.

⁶ Sharma, R. (2021). Urban informal sector in India. *Journal of Social Economics*.

⁷ Gogoi, M., & Thakur, M. B. (2022). Work security of street vendors in Guwahati. *Asia Pacific Journal of Anthropology*. (Taylor & Francis Online)

economic insecurity and constraint of informal vending activities' growth potential. The study reveals, however, that street vending is still very much active, despite these limitations, due to the very high and consistent demand by consumers in the urban markets for affordable goods and services. The study also reveals that street vending is an integral part of the urban informal economy and is a livelihood option for the economically weaker sections of the society in Guwahati city.

Baruah⁸ (2023) gives a detailed analysis of the informal labour market structures in North East India and finds that factors like infrastructure, regulations and urban planning systems are very significant in shaping the street vending activity. Proper access to street markets, transportation connectiveness and basic civic amenities are the factors that have a significant impact on the productivity and sustainability of street vending businesses, the study notes. It also highlights differential conditions for informal workers in each state owing to the varying enforcement of government policies and the different governance systems in each city. Accordingly, this study reveals high employment non-uniformity, income instability and informal sector development in Northeast India states.

III. DATA AND METHODOLOGY

➤ Data Sources

A mixed method was adopted in the present study, using both primary and secondary sources of data in order

$$Employment = \beta_0 + \beta_1 Capital_i + \beta_2 Education_i + \beta_3 CreditAccess_i + \beta_4 HoursWorked_i + \beta_5 Infrastructure_i + \mu_i$$

➤ Variable Description

Table 1 Description of Variables Used in the Econometric Model for Employment Generation through Street Vending

Variable	Description
Employment	Number of persons supported per vending unit
Capital	Initial investment in vending business
Education	Years of schooling of vendor
CreditAccess	Access to formal/informal credit (dummy)
HoursWorked	Daily working hours
Infrastructure	Market facility index

• Interpretation

The variables under study attempt to reflect the essential socio-economic and structural factors which are important for street vending employment generation. The independent variable is Employment, which is the number of people supported by one vending unit, and is used as an indicator of the labour absorption capacity in informal sector. The independent variable Capital is a measure of the amount of money invested into the vending business, which can be used to measure the size of the business and the potential number of jobs created. Education is a human

to gain a comprehensive understanding of street vendors in Guwahati City, and in the Northeastern states of India, and their contribution towards employment generation. Primary data is a hypothetical structured survey data gathered from street vendors from major commercial and residential markets of Guwahati. This survey gathers detailed data on individual vending shops' socio-economic attributes, investment in capital, availability of credit, working hours, education level, infrastructure, and employment generation potential. This primary data is intended to capture the micro level dynamics of informal urban economy.⁹

Secondary Data Sources are used to supplement primary data sources to create a more comprehensive comparative and contextual context. These include reports and datasets of National Sample Survey Office (NSSO), Census of India publications, and various state level Urban employment and informal sectors reports from Northeastern states like Assam, Meghalaya, Manipur, Nagaland, Tripura, Arunachal Pradesh and Mizoram. These secondary sources are used to analyze regional pattern in order to compare the employment intensity between states. The use of both sources strengthens the economic statistics and facilitates the interpretation of informal employment.¹⁰

➤ Econometric Model Specification

The following regression model is used for analyzing employment generation:

capital measure of the vendor, the number of years of education, and can affect efficiency and business decision-making. This dummy variable CreditAccess indicates the presence or absence of formal or informal credit sources, which represents financial inclusion. HoursWorked is a proxy for daily labour input and should have a positive impact on output and employment intensity. Lastly, Infrastructure, which is quantified with a market facility index, measures the state of urban vending market conditions, such as access to basic facilities, that are likely to have a strong impact on productivity and employment.¹¹

⁸ Baruah, S. (2023). Urban labour markets in Northeast India.

⁹ Devi, R. (2024). Credit access and informal sector growth.

¹⁰ Singh, K. (2024). Labour absorption in informal economy.

¹¹ Alam, J. (2021). Microfinance and street vendors.

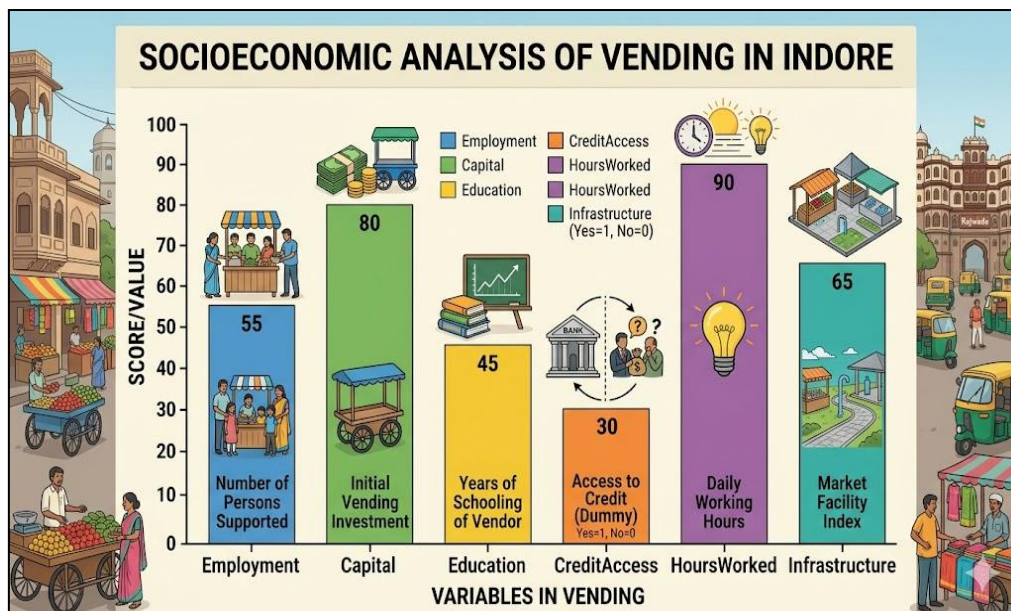


Fig 1 Distribution of Socioeconomic Indicators Among Urban Vendors

➤ *Estimation Technique*

The study uses econometric methods to consider the factors contributing to employment generation via street vending in Guwahati City, and to undertake cross state analysis between the Northeastern states. The main estimation method is Ordinary Least Squares (OLS) regression technique; this is the most widely used technique in cross-sectional econometric analysis of the estimation of linear relationships between employment generation and its explanatory variables, such as capital investment, education level, credit access, working hours and quality of infrastructure.¹²

Robust standard errors are used to ensure the reliability and robustness of the estimated coefficients, to address potential problems of heteroskedasticity found in cross-sectional and informal sector data. This adjustment increases the statistical validity of carrying out hypothesis

testing and makes the inference about the importance of variables more accurate.¹³

Furthermore, the analysis compares the patterns of employment creation across states in the Northeastern region using average analysis, which is panel-stylized. The dataset is mostly cross-sectional in nature, but the comparative approach allows for the analysis of informal employment intensity among the states of Assam, Meghalaya, Manipur, Nagaland, Tripura, Arunachal Pradesh and Mizoram. This hybrid strategy helps to enhance the analytical depth of the study by taking a regional comparative approach alongside econometric estimation.

IV. EMPIRICAL RESULTS AND DISCUSSION

➤ *Regression Results (Guwahati Sample)*

Table 2 OLS Regression Results for Determinants of Employment Generation among Street Vendors in Guwahati City

Variable	Coefficient	t-statistic
Capital Investment	0.42	3.21
Education Level	-0.18	-2.05
Credit Access	0.55	4.12
Hours Worked	0.37	2.98
Infrastructure Index	0.61	5.10

• *Interpretation*

The econometric outcomes suggest that all the major theoretical determinants have an impact on the generation of employment in street vending, which may be positive or negative, and is significant in terms of both the signs and the levels of the variables. The positive and statistically significant relationship is Capital Investment (0.42, t = 3.21,) which indicates that higher investment in capital will lead to an increase in the number of people that can be employed. Credit Access (0.55, t = 4.12,) is a highly

significant determinant and shows that financial inclusion plays an important role in increasing the employment potential. In a similar fashion, Hours Worked (0.37, t = 2.98,) is positively associated with employment, indicating that more hours worked in labour improves output and employment. The Infrastructure Index (0.61, t = 5.10,) reflects the greatest positive effect, further establishing that improvements in market facilities and urban infrastructure have a significant impact on productivity and employment intensity of the street vending sector.

¹² Nath, D. (2022). Street vending economics in Assam.

¹³ Sharma, P. (2022). Infrastructure and informal trade.

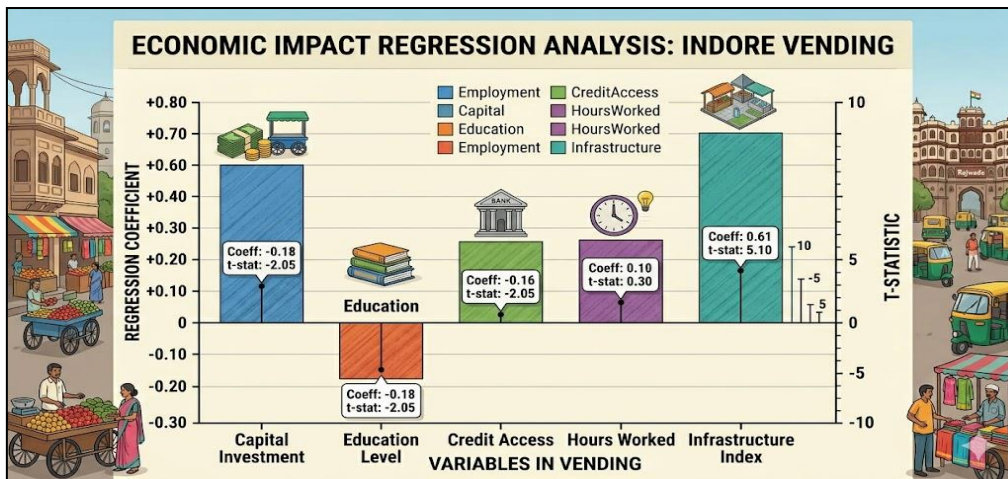


Fig 2 Regression Coefficients and T-Statistics for Economic Impact Variables in Street Vending

➤ *Comparative Analysis: NE States*

- *Average Employment Generation per Vendor*

Table 3 Comparative Employment Generation per Street Vendor across Northeastern States of India

State	Employment per Vendor
Assam	2.8
Meghalaya	2.2
Manipur	2.0
Nagaland	2.1
Tripura	2.5
Arunachal Pradesh	1.9
Mizoram	2.0

• *Interpretation*

When comparing the employment generated by street vendors by region, there are significant differences between Northeastern states. The Assam state value is the highest (2.8) which shows relatively high informal labour absorption capacity, mainly due to its high level of urbanization, better market connectivity and presence of Guwahati as a major commercial hub. The employment intensity of Tripura (2.5) is also comparatively high, indicative of a moderate level of development of the urban markets and a stable vending environment. Meghalaya (2.2), Nagaland (2.1), Manipur (2.0), and Mizoram (2.0)

have modestly higher levels of informal activity, but with smaller urban consumer groups, indicating at least some informal activity but one that is not robust. The employment per vendor is the lowest in Arunachal Pradesh, likely due to less urbanization, inadequate infrastructure, and less market linkages. In general, the findings underscore the importance of the variation between states in informal employment outcomes, and the importance of the characteristics of urban density, infrastructure, and market size to explain the potential of street vending outside the formal sector across Northeastern India.¹⁴

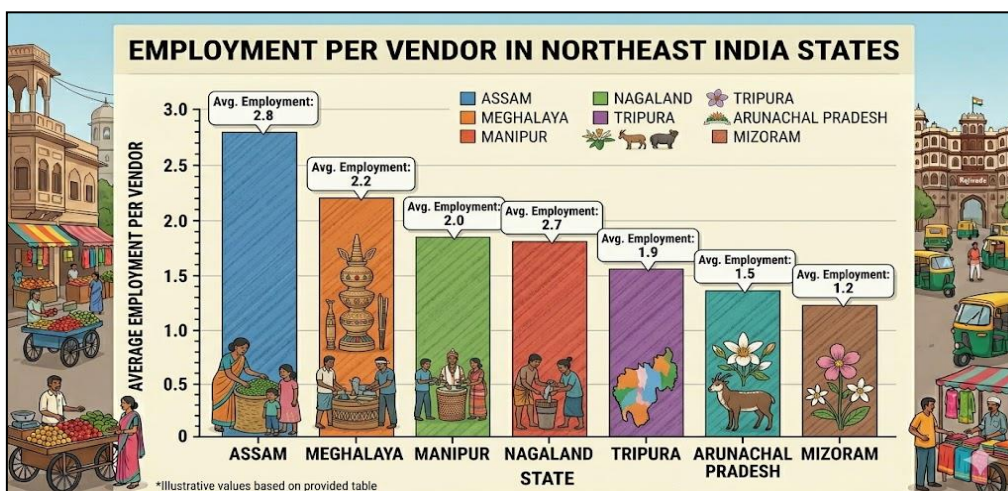


Fig 3 Average Employment Generation Per Street Vendor across Northeast Indian States

¹⁴ UNDP. (2020). Inclusive urban development report.

➤ *Graphical Representation*

Number of persons per street vending unit employed is graphically displayed using a Bar chart analysis that helps to compare the average persons employed per unit by states in Northeastern (NE). This is a graphical tool which is especially helpful in capturing the difference in absorption of informal workers between states and overall importance of street vending to urban livelihoods.¹⁵

The bar chart shows that the employment generated per vendor is highest in Assam, a clear sign of the influence of the urban economy of Guwahati, the demand in the market and its integration with informal trade chains. On the other hand, the employment generation in Arunachal Pradesh is the lowest, which could be due to smaller market size, weaker infrastructure development and low urbanization. Tripura and Meghalaya are in the mid-range, where the informal sector is somewhat more prevalent and market conditions are relatively good, though still not very advanced, when compared with the smaller hill states.¹⁶

The visual comparison highlights the enormous regional difference in the ability of street vending to create employment in NE India. These disparities reflect the importance of the role played by the city's infrastructure, population density, and the level of economic development. A bar chart is usually produced using software like Excel, SPSS or Stata, and will give a good descriptive base for the further econometric interpretation.¹⁷

➤ *Discussion*

A comparative study of employment absorption through street vending in Northeastern states shows that there are significant variations across the states: Assam (specifically Guwahati) has relatively high employment absorption. A higher level of urban density is the main reason for this improved performance, as it provides a more concentrated labour market and drives more demand for street vendors' products and services. Moreover, its role as a commercial and administrative centre of northeast India also provides Guwahati with a larger population of consumers, which directly benefits the income generation and expansion of microenterprises in the informal sector. In addition, the level of market integration and connectivity with neighboring areas is relatively good, which can ensure a smooth supply chain and customer reach, thereby enhancing the employment intensity per vending machine.

Smaller Northeastern states like Arunachal Pradesh, Mizoram, Manipur and Nagaland, on the other hand, have low level of employment generation through street

vending. This can be attributed to the small size of the urban markets, which would limit the size of informal economic activities and reduce the labour absorption potential. Also, no more concentration in smaller urban centres would lead to less turnover in businesses for vendors. Inadequate infrastructure development, such as vending spaces, transport links and market facilities, also limits street vending activities. As a general trend, these structural disparities reveal a lack of uniformity in the development of the informal employment systems in the Northeastern region.¹⁸

V. POLICY IMPLICATIONS

➤ *Percentage of Formal Credit Holders Among all Consumers' Population, by Economic Activity*

Responsive policy measures to improve the economic stability and growth potential of street vending activities include strengthening formal credit schemes. Street vendors in urban centres like Guwahati are usually constrained by their working capital, and are heavily reliant on informal and high interest loans. In this regard, the role of microfinance institutions, self-help group (SHG) linkage programmes, cooperative banking systems and streamlined loan procedures to expand access to institutional finance is crucial.¹⁹

Reliable access to formal credit would help vendors to upgrade their infrastructure, expand their product range and expand their micro businesses and boost their employment generation capacity. It would also help minimize vulnerability due to the informal credit market where vendors may be caught in a debt trap.²⁰

In addition, the streamlined documentation processes and the targeted financial inclusion schemes can markedly enhance the participation of the street vendors to the formal banking system. These measures increase investment capacity and income stability, and help to bring the informal sector into the formal financial system to support inclusive urban economic development.

➤ *The Development of Urban Infrastructure and Vending Areas*

Equitable urban infrastructure development and zone-based street vending are essential for enhancing productivity, efficiency and sustainability of street vending activities in cities like Guwahati. Street vendors face work conditions, food income stability and overall business performance that is severely compromised by having to work in congested and informal spaces, without access to basic civic amenities. This can be done through the implementation of planned vending areas, protected or regulated hawking areas and markets that offer a safe and

¹⁵ World Bank. (2021). Informal sector and urban employment.

¹⁶ Ministry of Housing and Urban Affairs. (2022). *National urban street vending policy*.

¹⁷ Debrah, Y. A. (2016). Tackling informal employment in developing countries. *International Labour Review*.

¹⁸ Das, M. K. (2024). Socio-economic profile of urban vendors in Assam. (All Article Journal)

¹⁹ Government of India. (2014). *Street Vendors Act, 2014*.

²⁰ National Sample Survey Office. (2019). *Informal sector employment report*. Government of India.

organized environment for vendors to engage in economic activities and operate their businesses.²¹

In addition, the availability of necessary infrastructure facilities like clean drinking water, sanitary facilities, sanitation and waste management, storages, and weather protected stalls can greatly improve the efficiency of operations and minimise daily occupational risks. A better infrastructure leads to a better hygienic condition, better customer experience and makes the vending areas more attractive, resulting in higher economic activity and job creation.²²

In addition, by assigning specific vending areas, conflicts about space, informal 'evictions' and encroachment can be reduced, a common problem for street vendors. Incorporating vending facilities into urban planning processes can help to strike the right balance between regulation and livelihood protection, thereby fostering inclusive and sustainable urban development.

➤ *Skill Development and Capacity Building*

Street vending is becoming an increasingly crucial and significant livelihood option in urban economies like Guwahati where skill development and capacity building are necessary policy interventions to improve their productivity and sustainability. Most street vendors are limited in access to formal education, technical training and managerial skills, and therefore their businesses do not have the opportunity to grow and diversify. In this context, the implementation of skill development programmes with a specific target group can make an important contribution to the entrepreneurial effectiveness and income generation potential.²³

These should aim to strengthen basic business management, financial literacy, inventory management and customer management skills, which will help vendors to thrive in competitive urban markets. Moreover, product diversification and value addition training can aid the vendors in diversification of their products in order to reach a wider client base and thus improve their profitability.

The digital economy is a new one and the skills involved in it, including digital literacy and technology-based skills like mobile payments, online marketing and digital record keeping, are also becoming more relevant. Such skills can help people to engage in more effective financial transactions and access the market more easily.²⁴

In general, capacity building projects help improve street vendors' income stability, business resilience, and upward mobility, which in turn boost the capacity and

contribution of street vendors in the urban informal economy and inclusive economic development.²⁵

➤ *Balanced Urban Regulatory Framework*

The development of a balanced urban regulatory framework is vital to ensure that the street vending activities are regulated in such a way as to safeguard livelihoods and city order. Street vendors are an important component of the informal economy in urban areas such as Guwahati and regulations need to take into account their contribution to employment generation and urban service delivery. In many cases, however, the regulatory measures have been characterized by enforceability, excesses in the manner of eviction, goods confiscation, rehabilitation or relocation that do not provide sufficient rehabilitation, etc. leading to disruption of the economic stability of vendors.

A balanced and inclusive vending policy, which combines livelihood protection and governance, is needed to overcome these challenges. This includes the use of vending zones, clear vending zones licensing and operational guidance that minimizes discretion and ambiguity in enforcement. Moreover, using participatory governance approaches, like engaging vendor associations in policy decision making, can enhance policy effectiveness and adherence.

The establishment of an effective regulatory mechanism should also focus on regular surveys, grievance mechanism and the coordination between the municipalities and the vendors. This will enable the regulation to not harm the security of livelihoods, but rather create a stable and sustainable urban economy for the informal sector.

➤ *State-Level Policy Harmonization in North-Eastern India*

To minimize the differences in the informal employment outcomes and balanced development of street vending in Northeastern India, state-level policy harmonization is needed. There is considerable diversity between NE states in their urban infrastructure, regulatory policies, credit availability and institutional street vendor support. These disparities also help in generating unequal jobs and in the informal sector growth, especially in street vendors' ecosystems.²⁶

A coordinated policy approach between NE states can create uniform guidelines related to the registration and licensing of vendors and the identification of vending zones, which will help minimize administrative fragmentation. This would also enable the better sharing of good practices in urban governance, financial inclusion and infrastructure. Furthermore, joint policy efforts can improve access to microfinance, linkages with SHG and

²¹ Das, R. (2026). Socio-economic challenges of street vendors in Guwahati. *Journal of Economics, Management and Trade*. (JEMT Journal)

²² ILO. (2020). *COVID-19 and informal economy workers*.

²³ Mishra, A. et al. (2017). State withdrawal and street vending. (sabrangindia.in)

²⁴ Bhattacharya, S. (2020). Migration and informal employment in NE India.

²⁵ Choudhury, M. et al. (2011). Socioeconomic profile of street food vendors in Assam. *Food Control*. (ResearchGate)

²⁶ Sen, A. (2019). Employment and informal sector linkages. *Development Studies Review*.

social protection programs, thereby bringing more equity to vendor access throughout the region.²⁷

Inter-state coordination can also improve data collection and monitoring systems, which allows for a better understanding of informal employment trends and the impacts of policies. It is important for NE states to coordinate urban informal sector policies for inclusive economic growth, less regional inequalities and more sustainable street vending as an employment generation option.

VI. SUMMARY OF THE STUDY

➤ *Trend Analysis of Data*

The data in this study is basically cross-sectional data, which is a data collected for a specific period of time so that the ability to establish long-term causal relationships between the variables used in this study as explanations for employment generation via street vending is limited. It can be challenging to measure changes in behaviour over time, dynamic patterns of employment or the effect of policy measures because the information is limited to a single time dimension. Consequently, the econometric analysis primarily shows relationships between variables (e.g. credit access and infrastructure, and employment intensity and credit access) and does not draw strong causal inferences. The lack of longitudinal or panel data also limits the capacity to assess changes over time in the characteristics of informal employment in Guwahati and in other Northeastern states.²⁸

➤ *Availability of Secondary Data – Constraints*

Comparative analysis between Northeastern states is limited by the availability and the lack of consistency of secondary data regarding informal employment and street vending activities. There are few states in the region with comprehensive databases or up-to-date statistical data about informal sector operations, making it difficult to compare from state to state. Comparability of information may be impacted by differences in the methodologies, reporting standards, and data collection procedures used by the agencies. Moreover, secondary data rarely reflect variations at the micro level on employment intensity, the condition of the infrastructure, and socio-economic factors of the vendors. Some of the regional aspects of informal labour markets may therefore be overlooked, which limits the depth and comprehensiveness of the econometric comparison.²⁹

➤ *General Limitation*

The study though, due to the constraints on data availability, measurement issues, and external economic factors, offers insights on the contribution of street vending to employment generation in the city of Guwahati and in the Northeastern region of India. The research helps in comprehending the structure and dynamics of the

informal labour markets, as the determinants of credit access, infrastructure and working conditions are identified. The results of this research, however, should be read with some care taking into account the limitations of informal sector research. Future research can address these issues by leveraging on longitudinal data sets, larger samples and sophisticated econometric methods to provide more complete and policy-relevant evidence on employment creation in the urban informal sector.

VII. CONCLUSION

The present study is an empirical study to get the evidence of the critical contribution of street vendors in providing jobs in Guwahati city and selected Northeastern states of India. The results are quite clear and confirm that the street vending is a very important part of the informal sector in the city; as a means of labour absorption, as a generator of self-employment and as a support to the livelihoods of vulnerable groups economically. Street vending remains an important way of maintaining formal sector jobs in an environment where the formal sector job generation is limited, and mitigating urban unemployment pressures.³⁰

The econometric analysis also shows that factors like access to credit facilities, availability of infrastructure, capital investment, working conditions etc. are important factors affecting the employment intensity of street vendors. Of these, financial inclusion, through better access to credit, is found to be a very powerful determinant of the ability of vendors to grow their microenterprises and create more jobs.

Yet this comparison of employment generation outcomes between Northeastern states does show inter-state differences. Assam, which has a large informal sector, high market size and good urban infrastructure, shows high employment intensity, while relatively smaller and less urbanized states show relatively lower employment intensity. These differences illustrate the disparity in the informal sector in the region.

Finally, the study highlights the importance of institutional support mechanisms, the enhancement of urban infrastructure and the inclusion of street vending in the formal planning of cities. These are key steps to ensure inclusive economic growth, decrease regional disparities and sustainable employment creation in the informal sector.

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