

WAYSIDE STALLS IN LAKHIMPUR DISTRICT OF ASSAM: AN ECONOMIC ANALYSIS OF INFORMAL RURAL ENTREPRENEURSHIP

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ABSTRACT:

Informal economy is a striking factor in rural India to support livelihood, especially where there is agrarian uncertainty and less formal jobs. This paper focuses on economic form, contribution of wayside stalls to livelihood, and developmental importance of wayside stalls in Lakhimpur district of Assam. The paper examines the variations in income, diversification of products sold, cost structures, and participation by the entrepreneurs based on primary data collected during field visit and interviews of 25 wayside stall operators combined with secondary data comprising of government reports and academic studies. The results indicate that wayside stalls, although using low-capital and informal structures do yield a stable auxiliary income, enhance agricultural connections of the region, and more young educated rural population is being pulled into the value-added sphere. The paper contends that wayside stalls help bring localized economic recovery, through diversification of rural livelihood, lessening of market intermediaries and increasing income resilience. Policy recommendations include recognition of formality, access to credit, skill training, and infrastructure as a way of enhancing sustainability of informal businesses operating in rural areas.

KEYWORDS: *Informal Economy, Wayside Stalls, Rural Entrepreneurship, Assam, Livelihood Diversification, Economic Turnaround.*

1. INTRODUCTION:

Informal sector has been the most important source of employment in most developing economies especially in rural areas where the formal job opportunities are limited. The Indian economy has a significant number of workers who depend on informal economic activities like street vending, petty trade and small scale retailing. These activities act as survival mechanisms and also as adaptation to structural constraints in the agricultural sector and the labour markets.

Assam is a special example where agriculture still engages most of the rural population, but the incomes of the farms do not increase because of the discontinuous land areas, frequent floods, and poor productivity. Here, other informal forms of retailing like wayside stalls have become significant sources of livelihood. The wayside stalls, which are generally situated on the road

sides or on the residential property, sell locally produced farm and grocery products such as vegetables, rice, pulses, milk, mustard oil, fruits and honey etc.

The Lakhimpur district with the majority of the population being rural and an economy mainly based on subsistence farming is a good place to study the economic importance of such businesses. This paper examines the functioning of wayside stalls as micro-economic units and their role in integrating the local agriculture as well as their role in diversifying incomes and turning around a rural economy.

2. Objectives of the Study:

The study aims to:

1. Look at the economic performance and income-generating ability of wayside stalls in the Lakhimpur district.
2. Examine the relationship between wayside stalls and local production of agriculture.
3. Determine the contributions that youth and household labour make to informal rural entrepreneurship.
4. Bring out the major issues that wayside stalls operators are grappling with.
5. Recommend policy implications of enhancing sustainability and development of rural informal businesses.

3. Review of Literature

The informal economy has been known to be a very significant part of both employment creation and survival sustenance in the developing economies. Hart (1973) has given early conceptualization about the informal sector when he defined informal economic activities as income generating strategies embraced by individuals who are not in the formal wage employment. As opposed to considering informality as residual or marginal phenomenon, Hart stressed the adaptive and functional purpose of informality in situations that are marked by low formal absorption of jobs. This school of thought is still relevant in the explanation of small and household based economic activities in rural and semi-rural areas.

Later academic work has built on this realization through emphasis on the entrepreneurial and livelihood stabilizing nature of informal action. Literature on street vending and petty trade underscores the fact that street vending and petty trade activities are often not capital-intensive, have flexible labour models, and are tightly linked to local demand patterns. In his extensive study of street vendors in global urban economy, Bhowmik (2010) claims that informal retailing is a very important buffer against unemployment and income insecurity. His main work is on urban settings, but the analytical information on low entry barriers, household labour involvement, and survival-cum-entrepreneurial motivation are all applicable in informal retail practices in rural settings.

The role played by informal vending in larger livelihood systems is also highlighted by policy-oriented research. The contribution of the street vendors in the distribution of food in the area, the creation of jobs, and the income-generation of the families that are vulnerable is recorded in the Informal Economy Monitoring Study which was conducted by Women in Informal Employment: Globalizing and Organizing (WIEGO, 2012). Another issue that the study illuminates is the constant problems of the informal vendors such as their not being recognised by the law, openness to economic shocks and social protection. The results are useful as they are

used to analyse informal retail establishments like wayside stalls, which are similar in terms of their informality, weakness and economic importance.

In Indian terms, it is always evident in the official macro-level data that informal jobs are prevailing more especially in the country districts. According to government publications, the number of rural households engaged in agriculture and non-farm informal activities is a significant percentage and relies on the need to stabilize money flow and risk management. On the state level, Economic Survey of Assam (Government of Assam, 2024) points out that the rural populations still rely on agriculture but there are also new non-farm sources of livelihood. The report mentions that although there has been high production of vegetables, fruits, pulses and oilseeds, there is limited access to organized markets particularly in rural and prone to flood areas.

Likewise, the Statistical Handbook of Assam (Government of Assam, 2024) gives evidence of discontinuous agricultural plots, intermittent changes in incomes, and poor industrialization in the rural areas. Such structural characteristics give rise to situations whereby localized informal retail processes are critical in the process of connecting producers and consumers. Small household-based retail outlets used as the direct sales outlets of farm produce as well as suppression of additional income to rural family members in such contexts.

Although the existing literature provides a considerable amount of information about informal employment, street vending and rural diversification of livelihoods, the majority of an empirical research is based on urban street vendors or composite informal employment pattern. Empirical studies of rural wayside stalls as a separate unit of the economy, especially in Assam, are rather limited on the micro-level. In particular, the role of wayside stalls in the combination of agriculture with local markets, household-level labour rotation, and stabilization of income following a household level has not been well researched by the existing scholarship.

This gap is filled by the current research by looking at wayside stalls within the rural livelihood systems in the Lakhimpur district of Assam as such micro-enterprises. The integration of the primary field data with the available theoretical viewpoints of informality and secondary data, which is offered by the official sources, makes the study a continuation of the informal economy research to rural roadside retailing and its contribution to local economic revival.

4. Methodology:

The current study has a mixed-method research design that combines both quantitative and qualitative designs in an effort to give a holistic picture of the role of wayside stalls in rural livelihood among the inhabitants of Lakhimpur district.

4.1 Primary Data Collection:

Primary data were collected using direct field notes and semi-structured interviews using a purposive sample of 25 wayside stall vendors. These respondents were chosen in different locations within the district so as to represent different geographical and operation environments. The interviews were based on the following critical dimensions:

- Types and variety of products sold;
- Trends of sales volume and revenue generation per day;
- Site-specific location benefits and related operations expenses (rent, utilities, and maintenance);

- Home-based participation and involvement of young people in the operation of stalls.

The interviews were supplemented with field visits that allowed checking the information reported in the interviews and observing the dynamics of operations.

4.2 Secondary Data Sources:

Authoritative official publications and other scholarly sources were used as the source of secondary data which helped contextualise the primary findings as a part of the overall trends in the economy. Principal sources included:

- Economic Survey of Assam (2023-24), published by the Directorate of economics and statistics, Government of Assam
- Statistical Handbook of Assam (2024), published by the governmental Directorate of Economics and Statistics, Government of Assam;
- Some of the other sources used: peer-reviewed research articles, government reports and policy documents related to agriculture, informal economy and rural livelihoods in Assam.

These sources provided a macro-indication about the production of agriculture, employment rate, and the contribution of the informal sector.

4.3 Analytical Approach:

The gathered information was analysed in a dual framework. The quantitative components, which are mainly the sales, income, and cost structure, were examined through the method of descriptive statistics, such as the central tendency measures, frequencies distribution, and cross tabulations. Interpretation of qualitative data, which was the interview narratives, was done based on the themes in an attempt to explain the experience of operators, their challenges, and how these challenges are addressed.

The combination of the two datasets was used to support triangulation whereby micro level information on the wayside stall operators could be systematically linked with district and state-level economic trends recorded in secondary sources. This will increase the strength and policy applicability of the findings.

5. Findings and Discussion:

This section gives empirical evidence of 25 wayside stalls studied in Lakhimpur district and relates them to the dynamics of an informal economy in rural areas and the turnaround of the local economy.

5.1 Operational Character of Wayside Stalls:

The study area has wayside stalls which are small household-based retail outlets. Each stall has a person per stall although the operator might vary over the various time periods of the day or season. No indication of joint operation.

Table 1: Operational Characteristics of Wayside Stalls (n = 25)

Aspect	Observation
Mode of operation	Single operator at a time
Joint operation	Not observed
Labour source	Household members
Location	Roadside / home-front
Rent paid	Nil (majority)
Daily operating hours	6–8 hours

Source: Field Survey

This system reduces the fixed expenses and enables flexibility in distribution of labour. Rational household-level cost minimisation is manifested by the absence of rent and hired labour that increases economical viability even with low sales.

5.2 Household-Based Labour Rotation:

Though there is only one person working in the stall at a given time, the work of taking care of the stall is shared among the members of the household according to their availability, agricultural activities and household duties.

Table 2: Pattern of Stall Operation across Time Periods

Pattern	Observation
Same operator throughout the day	Limited cases
Rotation within the day	Common
Rotation across days/seasons	Very common
Reason for rotation	Farming work, household duties

Source: Field Survey

This rotational system allows households to mix agriculture, domestic work as well as vending without any permanent withdrawal of labour to any activity. This flexibility increases continuity of income and livelihood risk is minimized.

5.3 Product Composition and Agricultural Linkages:

The products that are sold in wayside stalls are majorly locally produced which is similar to the agricultural profile of the district. This exhibits great backward relationships between agricultural activities and informal retailing.

Table 3: Major Products Sold at Wayside Stalls

Product Category	Percentage of Stalls Selling
Vegetables (including potato)	88
Rice	72
Pulses (daal, black gram)	64
Fruits	68
Milk (packed/local)	52
Mustard oil (local)	48
Honey	36

Source: Field Survey

Selling locally made products, wayside stalls serve as the micro-level marketing channels, which decrease the reliance on intermediaries and enhance the local value retention. The occurrence of mustard oil and honey suggest the value addition in the informal sector.

5.4 Sales Pattern and Income Contribution:

Booth stalls bring in small but frequent revenues, to house hold cash flow and consumption requirements.

Table 4: Sales and Income Pattern of Wayside Stalls

Indicator	Range / Observation
Average maximum daily sales	~₹1,500
Lean-period daily sales	₹600–₹800
Monthly household contribution	₹6,000–₹10,000
Income nature	Supplementary but stabilizing
Seasonal fluctuation	High

Source: Field Survey

Even though the income level is not high, there is a stabilizing factor, which is the regularity of earnings in the household economies. This additional income assists in the evening out of agricultural periods or climatic shocks.

5.5 Youth Engagement and Nature of Informal Entrepreneurship:

The participation of the youth is selective and periodic and is usually associated with value-added products and peak demand periods.

Table 5: Youth Involvement in Wayside Stalls

Aspect	Observation
Youth-operated stalls (periodic)	Limited but present
Common activities	Fruit juice, honey
Nature of involvement	Part-time / seasonal
Motivation	Income support, self-employment

Source: Field Survey

The youth engagement is an opportunity based informal entrepreneurship but not a distress employment. Although small-scale, this kind of interaction helps to form skills and promote economic dynamism in the region.

5.6 Wayside Stalls and Local Economic Turnaround:

Wayside stalls, individually small, however, bring about livelihood diversification and economic sustainability in the rural setting.

Table 6: Contribution of Wayside Stalls to Local Economic Turnaround

Dimension	Observed Contribution
Household income	Stabilization
Livelihood structure	Diversification
Agricultural marketing	Local absorption
Employment	Self-employment
Economic resilience	Improved

Source: Field Survey

The aggregate effect of wayside stalls contributes to a micro-level economic recovery, which enhances, and fortifies local markets, decreases income exposure, and enforces changes in livelihood in a largely agrarian economy.

5.7 Synthesis:

The results affirm that wayside stalls are micro-enterprises that are based on agriculture, are low-cost and flexible. They are not important in terms of generating high incomes, but stabilizing incomes, labour flexibility, and their integration with local systems of production. All these aspects make the rural economies in the Lakhimpur district more resilient.

6. Policy Implications and Recommendations:

According to the present findings of the study, wayside stalls are relevant in maintaining a balanced livelihood among the rural people as well as enhancing the local market systems within Lakhimpur district. Their possible role in the long-term rural economic development is, however, limited by informality, lack of institutional support as well as susceptibility to environmental and market shocks. References to the empirical evidence, the policy implications and recommendations are as follows.

6.1 Wayside Stalls identified as Rural Micro-Enterprise:

The wayside stalls are to be legally accepted as the rural micro-enterprise and not as a transitory or peripheral activity. The current policy frameworks, including the Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014 are mostly urban-focused. Such structures must be adjusted to the rural setting by recognising home-front and roadside stalls as a different form of informal retailing. This would help in eliminating uncertainty, harassment, and insecurity that stall operators have to endure because they are not formally recognized.

6.2 Access to Credit and Financial Inclusion:

The analysis reveals most wayside stalls have low start-labour up capital and are dependent on household capital. Their access to institutional credit is limited which limits their product diversification or the ability to make basic improvements. Rural informal retailers should be offered micro-credit schemes, self-help group links ups and easy access to vendor-specific financing. Even modest working-capital assistance can help to stabilize the income and to allow expanding the enterprise gradually.

6.3 Skill Development and Value Addition:

The policy interventions should aim at developing skills to do value-added activities especially to the youth and willing members of the household. Food processing, hygiene, packaging, pricing

and basic marketing training can help increase the quality and returns of products. Activities like fruit juice preparation, local oils processing, and marketing of honey would enhance the backward links with agricultural sector and other support sectors.

6.4 Infrastructure and Climate Resiliency:

Due to the tendency of flooding in the Lakhimpur district, wayside stalls are very susceptible to the environmental disturbances. Losses in poor conditions can be minimized by providing the basic infrastructure like raised platforms, simple storage facilities, stall designs that are weather resistant. Incorporating the informal retailers into the local disaster-mitigation and insurance plans would further promote resilience.

6.5 Gender-Sensitive and Household-Based Interventions:

Wayside stalls will be run under household based labour rotation needs; policy intervention there must be tailored to domestic needs and time, especially on women. More flexible working hours, access to health coverage, and a place in the social security systems would not interfere with the family dynamics and would enhance the level of participation and well-being.

6.6 Enhancing Local Market Interconnections:

The creation of linkages between wayside stalls and local producer groups, cooperatives and weekly markets may improve the consistency of supply and income potential. The formal inclusion could be enhanced in the long term by the gradual adoption of digital payment systems as well to increase efficiency in transactions and financial transparency.

7. CONCLUSION:

This paper has studied the economic contribution of wayside stalls within the Lakhimpur district in terms of informal rural entrepreneurship and local economic turnaround. Through primary field-based information gathered on 25 wayside stalls and reinforced by secondary sources, the paper shows that wayside stalls can be used as low-cost household-based retail outlets and are closely affiliated with local agricultural production.

The results indicate that even though wayside stalls earn relatively small amounts of money, they are economically important with respect to stabilizing incomes, diversification of livelihoods and labour flexibility. The rotational working of stalls which is based at the home allows families to integrate agriculture, domestic and informal retailing without any permanent withdrawal of labour by one of these activities. This malleability is especially significant in an agrarian and flood-afflicted land where the uncertainty of income is a chronic problem.

Wayside stalls also become micro-marketing mediums to the domestic products like vegetables, rice, pulses, mustard oil and honey and hence, it can reduce the reliance on the intermediaries and empower local value chains. The small yet significant participation of rural youth in value added activities like selling fruit juices and selling honey is a sign of developing types of opportunity based informal entrepreneurship. All these characteristics lead to a micro-level economic turnaround through the improvement of household resilience and strengthening local market systems.

In spite of the significance, wayside stalls are limited by informality, volatility of income, lack of institutional credit and social protection. Their contribution can only stabilize at the subsistence level and not at sustainable growth unless the policy recognizes them and gives special attention.

The paper highlights the importance of rural sensitive policy responses in which wayside stalls are perceived as part of rural economy. These enterprises can largely be improved in the area of sustainability and development through formal recognition, access to micro-credit, value addition through skill development, and provision of basic infrastructure.

8. Future Research Limitations and Scope:

The research is premised on a small sample size and uses a descriptive method, which hinders statistical extrapolation. Future studies can broaden the sample to cover other districts, use longitudinal designs to study the mobility of incomes and research how digital integration and market connections can enhance the strength of informal rural firms. The cross-regional comparative study of informal retail dynamics in different rural settings would also be enhanced with the help of comparative studies across regions of North East India.

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