Marginal Revolution: Role of Intermediary in Integration of Street Vendors in Formal Economy

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Abstract

In this paper, using an institutional theory perspective, we contribute to the body of knowledge about the process of transition from informal to formal economy through the study of SEWA's involvement in empowerment of street vendors in India. By shifting our research in the context of institutional voids and deep poverty, we draw attention to the role of intermediaries in empowering disempowered actors in an informal economy. Through our case study, we identify three processes through which the non-marginalized actor achieves empowerment of the street vendors: (i) creation of collective identity among street vendors; (ii) regulatory entrepreneurship that involves initiating and influencing creation of national laws regulating street vendor activities; and, (iii) making sure that the law becomes available and meaningful to the vendors.

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