

REVIEW

Street Stall Economy in China in the COVID-19 Era: Dilemmas and the International Experience of Promoting the Normalization of Street Stall Economy

Weining Li^{1*} Sirui Zhang² Weizhe Ou³ Yujin Zhang⁴

1. Department of Business, Qingdao Hengxing University of Science and Technology, Shandong, 255000, China
2. Department of Business, Nanjing University of Information Science and Technology, Nanjing, 210044, China
3. Guangdong University of Finance & Economics, Guangzhou City, Guangdong, 510000, China
4. School of International Trade and Economics, Central University of Finance and Economics, Beijing, 102206, China

Received: 26 August 2021; **Accepted:** 14 September 2021; **Published:** 20 October 2021

Citation: Weining Li, Sirui Zhang, Weizhe Ou, et al., Street Stall Economy in China in the COVID-19 era: Dilemmas and the International Experience of Promoting the Normalization of Street Stall Economy. *Journal of Economic Science Research*, 2021, 4(4), 3634. <https://doi.org/10.30564/jesr.v4i4.3634>

Abstract: Compared with those major policies that need to be practiced over the years, the street stall economy is more like a special means after the epidemic, resulting in a “short and brilliant” heat. Nevertheless, the street stall economy revives is facing several dilemmas. This paper reveals the dilemma of the prosperity and development of the stall economy before and after the epidemic, followed by the international experience and enlightenment of promoting the normalization of street stall economy, ranging from street vendor’s legal status and road administrative promotion to street food safety and environmental protection. To sum up, employment is the foundation of people’s livelihood and the source of wealth, hence, stall economy plays an indispensable role to create a win-win working world and promote the formation of a sustainable economic.

Keywords: COVID-19, Street stall economy, Informal economy

*Corresponding Author:

Weining Li,

Department of Business, Qingdao Hengxing University of Science and Technology, Shandong, 255000, China;

Email: 3437445904@qq.com

DOI: <https://doi.org/10.30564/jesr.v4i4.3634>

Copyright © 2021 by the author(s). Published by Bilingual Publishing Co. This is an open access article under the Creative Commons Attribution-NonCommercial 4.0 International (CC BY-NC 4.0) License. (<https://creativecommons.org/licenses/by-nc/4.0/>).

1. Introduction

Due to the sudden emergence of COVID-19 in the Lunar New Year of 2020, the government had strengthened preferential policy support for the street stall economy to speed up the recovery of China's battered economy. As the policy promoted by leaps and bounds, stall economy became all the rage among the bulk of young people and micro-enterprises notably amid this onrushing COVID-19 pandemic for their dominant and positive economic benefit. Through the ages, the Street stall economy is an important part of the informal economy in the world, but it is not always supported by laws and regulations in China. Recently street stall economy is making a comeback in China to reboot the coronations-stricken economy, ranging from street vendor's legal status and road administrative promotion to street food safety and environmental protection. Therefore, solving the regulatory dilemmas on street vendors' legal status, road administration, food safety and environmental protection in the post-COVID-19 era are highly topical issues^[1]. This essay discusses these dilemmas by analyzing international countries' actual situations and then draws international experience and enlightenment from the whole world to provide directions to promote the normalization of the street stall economy in China.

2. The Dilemmas behind the Street Stall Economy

2.1 Difficulties in China before the COVID-19 Era

The stall economy shows many good characteristics, such as flexibility, convenience, and temporary. First, flexibility means the street stall business can be conducted at any location and at any time, and even the things sold can be different every day. These changes are due to changes in the needs of surrounding customers. Moreover, convenience means that vendors can place their stalls in places with a lot of people, such as residential areas, downtown streets, etc. Meanwhile, temporary means that the stall is an unregistered informal business behavior. However, at the same time, these characteristics and advantages have brought some problems to a society, which means the Street stall economy has been facing several dilemmas for many years.

2.1.1 Space Squeeze Caused by Flexibility

Before COVID-19, although street stall is highly active in China, it is not always supported by laws and regulations^[2]. As we all know, most street vendors tend to concentrate in areas of high population density, offering a variety of foods, clothing, printed things, second-hand goods, daily necessities, and so on. The establishment of

stalls in these public areas where traffic flow is relatively concentrated will further aggravate the contradiction of poor traffic congestion on public roads^[3]. Hence, to relieve street congestion caused by vendors, the Urban Management and Law Enforcement, which called Chengguan in China, who imposed a fine to unlicensed street vendors, were responsible for the implementation of ordinances and stopped the contravention of city regulations.

2.1.2 Conflict with the Formal Market Caused by Convenience

Compared with regular shopping malls and supermarkets, the street stall market is located closer to the residential area, and people move closer to the active area. The freedom of business hours is not restricted, which provides residents with great aspects. In addition, the lively night market and low-cost products have put a lot of pressure on the formal market. Therefore, some regular operators will drive away from the vendors in front of their shops and even have physical conflicts.

2.1.3 Potential Goods Safety Issues Caused by Temporary

From the temporary characteristics of the vendor economy, it can be seen that the range of vendors is very wide, ranging from students to elderly people. Most of them use their free time to come out to set up stalls, not as a daily job. Therefore, most of the vendors' products have not undergone quality and safety inspections. Especially food, if it causes physical discomfort after eating, it cannot be held accountable. The introduction of food safety regulations will suppress the part of vendors because originally, they rely on low-cost operations. To improve food safety, changes in materials and processing methods are needed.

2.2 A Variety of Issues Raised in the Post-COVID-19 Era

In the post-COVID-19 era, however, the street stall economy gains more support from the government to reboot the economy and support employment^[4]. In the post-COVID-19 era, when the epidemic situation is slightly controlled but the employment situation is not very clear, setting up a stall has become a feasible income-generating option for many people, and some even call it "China's vitality". Nevertheless, such vitality is based on the chaos and confusion that affects the appearance of the city, and sanitation conditions are not guaranteed, so, understandably, the government regulated it and the

stall economy gradually disappears. Therefore, whether to retain or cancel the stall is the test of the management and balance of local governments. To some extent, in the post-COVID-19 era, China's street vendors are facing the following difficulties in their economic revival. First of all, the quality of goods cannot be guaranteed. Second, it gives a negative impact on the sanitation development of the whole city. Third, it causes traffic jams. Fourth, it is difficult to protect rights when there are quality and food problems. Fifth, there may be uncontrollable problems such as short weight, price fraud, and so on. Additionally, although it is temporarily placed, it also occupies public land for business activities. In the end, there are many retail vendors, which are difficult to manage. It is apparent to everyone that the impact on food safety is of vital importance. For example, as early as 2009, the Chinese government enacted the "Food Safety Law", and has undergone several amendments since then, but there are no clear and effective regulations on the management of street vendors. For street vendors, they have not registered with the relevant departments, even if something goes wrong, they can run away, it is difficult for the government to hold them accountable. Under the guidance of this kind of psychology, some merchants are willing to take risks to obtain greater profits and used low-cost raw materials like drain oil, which seriously violated consumers' right to life and health^[5].

3. The International Experience and Enlightenment

3.1 Experience on Street Vendor's Legal Status

The old saying "The fireworks in man's world touch the hearts of ordinary people" holds for international economic development in these years, but many fundamental questions have yet to be resolved in China such as street vendors' legal status. However, from the perspective of developed countries, a stall economy is not a low-level economy, which is a normal business type. Meanwhile, the developed country also supports the street vendors' right to work. For instance, Borough Market, founded in the 13th century, as a food business card in London, is not only a food market for diners but also a raw material market respected by countless famous chefs. And Portland farmers market in the United States is located on the campus of Portland State University which is deeply loved by everyone because of locally grown organic agricultural products, meat, fish, and other self-made products. To some extent, the prosperity of the foreign stall economy is precise because of the protection of stall vendors by law.

Thankfully, we are building up laws and regulations needed to reverse this situation so that, such potentially inconvenient relations become a thing of the past. In my opinion, one of the most economically significant trends of the post-COVID-19 era has been the legalization of street vendors, which is beneficial to increase Gross Domestic Product. Compared with forcibly removing or fully liberalizing the street stall economy, treating the street vendors correctly and opening the market to them reasonably can play a better role in the development of the street stall economy in the post-COVID-19 era. The Constitution of the People's Republic of China can make people voluntarily opt for careers, occupations, and trade that imposes reasonable restrictions on the exercise of the right in the public interest. Furthermore, the Employment Promotion Law of the People's Republic of China also encourages the proper rights of workers to employ themselves, which implies the proper position of all types of street vendors should be recognized by laws and regulations. These government policies are not only positive and inclusive, but also seek the balance between workers' security and economic development, create a win-win working world for the government, enterprises, and individuals, and promote a sustainable economic and social ecosystem take shape.

3.2 Experience on Road Administrative Promotion

As mentioned in the previous article, stalls in places with a lot of people and random walking will cause traffic jams. In response to this problem, foreign countries have implemented corresponding measures.

3.2.1 Japan's Management Measures

According to the Japanese Road Traffic Law, all kinds of vendors must comply with the regulations and operate legally after approval^[6]. This means that only if the stalls on the road are approved in advance can they be set up at the time and are permitted by the police. Otherwise, any obstruction to road traffic is "absolutely prohibited". At the same time, the road management law is very clear and humane. For example, the scope of police supervision is limited to "public roads." If vendors set up stalls in the station square, they do not need to obtain the approval of the police, but only need to obtain the approval of the railway company and the station, because this is the railway company's "private land" and does not fall under the jurisdiction of the police.

3.2.2 Korea's Management Measures

The Korean government's management measures

for mobile vendors have generally adopted a regional management approach^[7]. That is, the government divides urban areas into three categories: The first one is “absolutely prohibited area”, which mainly includes the main lanes and sidewalks of the road. The second category is “relatively prohibited area”. Such are certain restrictions on the size, timing, and scope of business stalls, advance registration is required. The third category is “inducing area”. Generally, it includes the open space outside the urban center far from the residential area, and there are fewer vehicles, and the roads in the market are naturally formed, but there are also restrictions on the corresponding time and scope.

3.2.3 America’s Management Measures

The United States has relatively high barriers to entry for mobile vendors. This high threshold is not just for the need to maintain the appearance of the city, but for comprehensive requirements such as hygiene, safety, legal registration, and taxation^[8]. The strict management of the United States tends to be more regular, but it also retains the original characteristics of the stall economy, and at the same time avoids road congestion caused by random stalls. Of course, under clear regulations, any small mistakes by vendors may result in penalties.

3.3 Experience on Regulating Street Food Safety

It is not difficult to find that many countries have set up separate operation and management regulations for street food stalls, such as Vancouver and Washington. Singapore attaches great importance to the management of street food stalls which has established a perfect system, and the management of food hygiene is particularly strict. At the same time, it stipulates that all street vendors must have a physical examination and take food hygiene courses. In 1997, Singapore implemented a rating system for stalls. Consumers can judge the health status of stalls according to the level, which is one of the effective measures to strengthen the self-discipline of vendors and the supervision of public opinion

In addition, the management measures in Calcutta, India believe that the permit system and mobile kiosks are effective measures to ensure the cleanliness of street food. Safety management measures for selling street food in Latin America include routine management procedures and personnel training of street food, education of street food producers and traders, etc. These experiences have important reference significance for promoting the standardization of the street stall economy.

Huang tingjun and other scholars pointed out that stall

economic vendors should do a good job in health work, including commodity quality management, commodity after-sales management, etc. The goods shall be priced, the quality shall meet the national standards, and the source of the goods shall be registered. At the same time, the quality of commodity supervision requires the government to establish channels for consumer feedback, establish a multi-level feedback mechanism, standardize the feedback process, and ensure the interests of consumers^[9].

3.4 Experience on Enhancing Environmental Protection

The environmental problems left over by the street stall economy, which are crucial to the solution of economic difficulties of the street stall economy, have been attached importance to and given measures by many countries. As for urban mobile vendors, South Korea mainly implements “zonal” management with a division of three regions. The first category is “absolutely-prohibited areas”, including areas having a serious impact on city and traffic, like main roads, railway stations, bus stations, squares, and auxiliary trunk lines, etc. The second category is “relatively-prohibited areas”, aiming at less traffic-harmful areas with restrictions on size, scope, and operating time of stalls. The third category is “induced areas”, which refers to areas that have little impact on the city’s appearance and traffic, including vacant space in urban centers, roads on both sides of rivers and streams, and roads in traditional markets. In induced areas, the Government generally allows vendors to set up stalls under the supervision of time and scope of operation^[10]. With this method, the government encourages land-stage economies to meet the needs of citizens while avoiding damage to the urban environment.

In addition, in Germany, if vendors intending to set up stalls in the market, they are required to contact the market organizers and pay stall fees and utilities, and waste disposal costs^[11], which solves the environmental problem to some extent.

Drawing experience from South Korea and Germany, China could take the following measures. Firstly, the stallholders need to register to achieve status legalization and transparency. A fixed area and period are essential for not only the relief of street chaos and other issues but also the distribution of economic trend standardization. Besides, the local urban planning authorities can also set up relevant regulatory departments, which maintain urban order, ensures the distribution of economic and social-economic output, promotes the inner cycle of urban and regional economic systems, and achieves accurate management eventually. Furthermore, establish a regional health re-

sponsibility system. That is to set up a special pilot where operators work in the unity of health and safety responsibility^[12]. Last, charge fees for garbage clean-up and other matters in residential or urban centers from low-paid stalls.

4. Conclusions

Street stall economy is an important part of the informal economy^[13]. In the context of entrepreneurship and innovation, the street-stall economy is the primary driving force for the development of all walks of life and makes both positive and negative contributions to the corona-stricken economy in the post-COVID-19 era. With the development of a competitive street-stall economy, A lot of aspects are encountering difficulties of regulating street stall economy concerning vendors' legal status, road administration, food safety, and environmental protection. Efforts have been made to solve these dilemmas. Firstly, to resolve the problem of street vendors' legal status, designated laws and regulations for street vending activities can be introduced. This regulatory method can also help to promote road administration. Besides, the government also can adopt a regional management approach, lift the barrier to entry for street vendors, and soon. Secondly, establishing a multi-level feedback mechanism, paying stall fees, and registering the source of the goods is a good way to realize food safety and environmental protection. As we gain evidence and experience with each of these approaches, we are moving closer to being able to trigger the prosperity of the street stall economy.

Author Contributions

Weining Li contributed to the conception of the study, wrote the manuscript and modified; Sirui Zhang performed the data analyses and contributed to fix syntax errors; Weizhe Ou contributed significantly to analysis and manuscript preparation; Yujin Zhang helped perform the analysis with constructive discussions. We have the same contribution to this article.

References

[1] Liao, Y. & Shi H. Traffic and sanitation problems in

- Dalian night market, 2020.
- [2] Bell and Loukaitou-Sideris. Sidewalk informality: An examination of street vending regulation in China, 2014.
- [3] Wang Yan. How does the refined management of the city tolerate the market economy—based on the empirical investigation and research of the central area of Shanghai[J]. *China Development Observer*, 2018(13): 47-51.
- [4] China Daily. Shanghai kicks off night festival to stimulate economy, 2020.
- [5] Pengcheng Shen. School of Economics, Anhui University of Finance and Economics, Anhui, 233000, China.
- [6] Wang Yanwei. “Fall economy” should be developed with high quality[J]. *Financial Expo (Fortune)*, 2020(07): 22-23.
- [7] Liang Bo. The enlightenment of management methods of mobile vendors in foreign cities to my country's related work[J]. *China Price*, 2009(08): 49-51.
- [8] Wen Zhi. The fireworks of different countries in the “market economy”[J]. *Financial Expo (Fortune)*, 2020(07): 82-83.
- [9] Huang tingjun, Wang Shiyong, Chen Ziwei, Yang XINGRAN, Liu Xin. Exploration and analysis of standardized governance model of urban stall industry in China under the background of stall economy[J]. *Quality exploration*, 2020,17 (04): 53-60.
- [10] Lu Hongyan. Experience and Enlightenment of Urban Mobile Vendors governance at home and abroad. *Journal of Tianshui School of Administration*, 2016, 17 (06): 29-32.
- [11] Xiong Ying, Sun Liyuan, Li Danni, Yang Wei, Shu Xiaohui. Research on the economic development of China's land distribution and countermeasures under the new crown epidemic -- take the first and second-tier cities as an example of modern commerce, 2021 (11): 18-20.
- [12] Zhou Yuxuan, Gu Yayilan, Xu Yiqing, Mo Di. Management and Enlightenment of German Mobile Traders[J]. *Shanghai Business*, 2021 (05): 82-83.
- [13] Reid et al. A study of Chinese street vendors: How they operate, *Journal of Asia-Pacific Business*, 2010,11 (4): 244-257.