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Study on the Formalized Development of the Street Stall Economy-based on Domestic and International Experiences and Perspectives

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Abstract: The ground-floor economy has a long history as a significant part of the informal economy. Due to the dependence on its own social status and relationship to the government's political and economic objectives, it has developed precariously in recent years. In the face of post-epidemic problems, a shortcut is to learn from international experience. This paper used the structural theory and drew from the secondary data, demonstrating the background of informal economy and exploring the rational ways to maintain and develop street vending. Spatialization, legalization and network digitization are proven international approaches, which display the empirical and theoretical implications to urban practice and studies.

Keywords: Street stall economy, Post-epidemic, International experience, Spatialization, Legalization, Pluralistic autonomy, Network digitization

1. Introduction

Informal trading activity is an ingrained element of metropolitan area, along with the relatively low thresholds, risks and costs. Additionally, street vending, as the uncontrolled part of an informal economy, occupies

vacant sites and roads stated by Ghatak and Chatterjee^[1]. In the process of rapid urbanization and globalization, most countries have experienced a shift in the treatment of the street hawkers from hostility to tolerance^[2]. According to Huang^[3], exclusionary policies, mainly characterized by violent evictions and location restrictions, have been

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implemented less frequently in recent years. Especially in the post-epidemic period, encouraging the development of the street stall economy is the epitome of how countries preserve employment, protect people's livelihoods and promote economic recovery. Moreover, it is a vivid portrayal of how countries focus on economic and social development while ensuring epidemic prevention and control. For example, according to the Chinese government website^[4], at the conclusion of the third session of China's 13th National People's Congress, the premier stressed the need to revive the street stall economy, which has promoted the construction of related facilities.

Although there is room for encouragement and policy advocacy for the development of the post-epidemic ground stall economy, there are still a series of potential contradictions and conflicts that need to be managed and resolved by the government with a rational system and in an appropriate manner. Han^[5] demonstrates that they include limited public space, need for regulation and safety, ineffective regulation and traditional shop operations. The current group of new ground stall owners stimulated by the street stall economy clearly poses a dilemma for urban governance: either promote them to compete with shop operators for a share of profits, or allow them to grow to compete with the original owners. According to Yuan^[6], in the stock market, the former may trigger different forms of unemployment and the latter may lead to social conflict. The drawbacks and social problems of the ground-stall economy will become increasingly apparent, and what urban governance needs to do is to prepare policies and long-term planning.

Based on the above realities, it is important to find reasonable ways for the street vending economy to develop and sustain, rather than just existing to alleviate employment during the epidemic. Therefore, Chen and Rui^[7] think that authorities also face significant challenges - namely, how to revitalize the ground floor economy while preventing counterfeit products, fighting food safety crimes and preventing urban pollution. However, many of the previous references describe deeply the benefits as well as the disadvantages of the informal economy, but rarely integrate and provide global approaches to modern development. This essay will demonstrate some relatively effective modes that deserve to be emulated by countries around the world. With the aim of exploring feasible international solutions, this study is likely to fill the research gap and provide some reference for social research and policy designation by the authorities.

2. Approaches

2.1 Spatialization

The full and effective use of urban public space is a major initiative to improve the ground floor economy. Due to the non-viability of the ban policy and the incompatibility with the national goal of building a harmonious society and promoting people's livelihood, many countries currently adopt an inclusive and encouraging attitude and policy. Huang, Xue and Li^[8] conclude that the emerging policy of tolerance is essentially a mixture of ambivalent politics, setting certain spatial areas where stalls are allowed, but placing most of these areas on the periphery, without taking into account the needs of the traders' clientele. As Hanser describes^[9], the behaviors may bring some conflicts in response, including resistance from stall vendors, even exaggerated bystander solidarity, challenging street-level administrative authority. Therefore, it is urgent to mitigate the conflicts that arise through spatial management.

Firstly, Singapore's ground stall management system is more mature, and the stalls are subsumed into urban planning, divided into prohibited, controlled or permitted areas. At the same time, trading centers of different sizes are set up, making full use of the time difference to make full use of the space^[3].

In addition to plan places reasonably, some easily overlooked spaces can be fully utilized. For instance, according to All India Institute of Local Self-Government^[10], one way to spatialize roads in India is to ban parking on both sides of the road and place the stalls in an organized manner. At the same time, the government will look for places to accommodate vendors as much as possible, including alcoves, niches, recesses, etc. In the absence of such sites, lands will be acquired from the edge of the road of private owners in accordance with the current policies, calculating the area to be occupied for the sale of cargo space and the allotment.

Creating regional characteristics is a crucial step in the process, especially building into important tourist attractions. According to Xie, Wang and Tang^[11], many countries around the world use special areas in cities to form ground stall bazaars, covering the country's most vibrant marketplace flavors. Thailand's weekend bazaar is known as the largest open-air bazaar in Southeast Asia, with 15,000 stalls that gather Thai specialties such as clothing, handicrafts and snacks. Additionally, the European "stall economy" has a long history of development and has been integrated into the culture of the city, becoming a national calling card. The typical examples of "stall economy" in Europe are flea markets,

Christmas markets and open-air vegetable markets for the grassroots. The earliest Christmas markets can be traced back to the 15th century. In solving problems between the economic development of the ground stalls and urban management, European countries regulate the place, time and scale of ground stall trading and implement strict planning and management to serve the public while maintaining the normal order of the city. As a result, this spatial management with national characteristics will increase the visibility of the city and attract tourists from all over the world, generating significant economic revenues.

2.2 Legalization

After sufficient flexibility in planning the extent of the space where the trader should be, its status and the related regulations should be confirmed.

First, something has to be done at the national level to regulate the legalized informal economy. Currently, the legal status of the hawker economy is not fully recognized, which is one of the dilemmas in regulating it in the post

epidemic era, demonstrated by Song ^[12]. For example, regulations and enforcement of road management, environmental protection, and street food safety need to be strengthened. The specific implementation method can refer to the U.S. practice. According to Xie, Wang and Tang ^[11], the United States allows licensed operations and strictly regulates hawkers by law. Its legal provisions for the management of vendors are very detailed, specifying the responsibilities of each relevant department. The U.S. Department of Agriculture has issued a set of USDA Farmers Market Rules and Procedures and Operating Guidelines, mainly through fixed market trading locations and hours, strict food safety regulations and unified management of the AMS department to regulate the street stall economy. Authorities can consider encouraging stalls to go to the organizers in advance to apply, no stall fees. Then if the stall earns money, take the initiative to declare whether their stall makes money for tax purposes. In fact, it is a model to encourage the growth of self-employed.

In addition to the national level, individual vendors should also be conscious of their regulated activities. Roever and Skinner ^[13] state that in many areas, merchant



Figure 1. Emerging Europe; Bakery in London - Wrobel (2015)

Source: Wrobel, A. (2015) 'Bakery in London' Emerging Europe, Retrieved from: <https://emerging-europe.com/voices/the-great-london-food-scene/attachment/bakery-stall-in-borough-market-london/>

federations are used in place of collective activities. They act as a bridge between the state and individuals, facilitating the rationalization of the policy-making process and the training of traders. For example, the main reason for the exclusion of street vendors is linked to the lack of hygiene, which affects the process of attracting foreign investment to the city. The existing literature finds that inadequate knowledge of food safety and personal hygiene is a major cause of health problems, such as infrequent hand washing and insufficient cooling, according to Ghatak and Chatterjee^[1]. This requires unions or NGOs to provide the necessary training to vendors before they can be licensed, proving that they pass a test on business skills and food handling procedures. Vendors need to be educated to gain a sense of social responsibility and expertise in order to gradually change their image in the minds of society as dirty and untidy. Only formalization at the national level and legalization at the individual level can seize this opportunity and grow sustainably.



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USDA FARMERS MARKET 2019 Rules and Procedures and Operating Guidelines

Figure 2. USDA Farmers Market rules and procedures and operating guidelines.

Source: USDA Farmers Market rules and procedures and operating guidelines. Retrieved from: <https://www.ams.usda.gov/sites/default/files/media/USDAFarmersMarketRulesandProceduresandOperatingGuidelines.pdf>

2.3 Pluralistic Autonomy

In order to manage mobile vendors more effectively, in addition to formulating policies through the government, the community, the mobile vendors themselves and various NGOs can all participate in the relevant management process, forming a pluralistic governance situation and achieving joint and coordinated governance.

Public participation, through community assistance, is an important part of hawker management. The community is essentially a grassroots organization with self-management and co-ordination capacity, mainly by the residents, and is an important way for the government to bring policies to the people. In the case of mobile

vendors, communities can play a fundamental role in their management. Specifically, the government can use the community as the basic unit and bring a relative part of the mobile vendors in the area in terms of property and organization. Zhu, et al,^[14] describes that community can support people with skills to set up stalls according to the demographic situation. Therefore, communities and their residents can manage certain vendors, which is closely related to their lives in a dynamic way. Furthermore, a monitoring mechanism can be established so that many disputes can be resolved in a timely manner, reducing unnecessary conflicts in the management of urban and regional mobile vendors.

As described in the legalization above, the community can provide a series of systematic training for mobile vendors, just like the Chamber of Commerce, which will further improve hawkers' quality and strengthen the relationship between the community and vendors. The system will reduce the natural resistance of mobile vendors to the management of the vendors and promote the community-based and grid-based management of mobile vendors. For example, communities in Singapore have played a strong role in the governance of vendors, providing training in the community and establishing 24-hour monitoring rooms. India has responded to the neoliberal zeitgeist by establishing a policy of partial community autonomy, reported by Ray, Clarke and Waley^[15]. The establishment of these community systems, although with a smaller focus, has greatly increased the sense of belonging of the residents and inspired them to participate in the management of the vendors, which has laid the foundation for the management of mobile vendors.

In respect to stall themselves, they have a clear understanding of the stall economy. The realization of self-management contributes to the sustainable development of the local economy and avoids missing some potential problems. Firstly, representatives of hawkers can set up food stall industry associations to promote the local economy, establish communication channels between subjects and help them understand information in the first place. Secondly, members of the industry association can conduct regular inspections in order to maintain the hygiene and good community environment. According to Xie, Wang and Tang^[11], for businesses that perform well, financial subsidies and product promotion can be provided, while businesses that violate the rules will be subject to a certain degree of financial punishment or suspension of business for rectification.

In addition to autonomy of social subjects, markets also play an important role in the internationally managed

vending economy. According to Wang ^[16], if the act of urban spatial governance is understood as the distribution and coordination of spatial rights in time and space, the negative externalities of the ground stall economy reflect the violation and seizure of public spatial rights by private spatial rights. Due to the special nature of the post-epidemic period, the state conceded a certain amount of public power. The transfer of power becomes a competitive act between the subjects of private rights. In fact, it is an affirmation of private rights and an allowance for the market competition mechanism introduced by private rights. For example, Singapore provides basic hawker facilities and regulations and gives hawkers a self-competitive market atmosphere. Stalls in advantageous areas are acquired by vendors with stronger economic power, and in order to increase customer traffic, vendors will generate their own service level and maintain the surrounding environment. Furthermore, Nowosielski and Nowosielska ^[17] state that markets in the Depok municipality, Indonesia creatively developed an open, self-organizing system to manage complex tasks involving market operations. Although the above measures have a great deal of theoretical basis, cooperation among stakeholders is still needed to maximize the benefits of informal economic activities in public space.

2.4 Network Digitization

Street stall economy not only reflects the city's social governance capacity, but also tests the ability to analyze economic data. In terms of digital networks, the main reference can be China's approach.

First of all, the vendor's purchase channels can be combined with the digitization of the network. Commodity food quality and safety issues are the pain points of the "stall economy", but also the management of the difficult points. According to CNR News ^[18], Suning Group launched the "Night Shopping Partner" market support program for ground stalls. It provides 100 billion yuan of localized direct supply of traceable high-quality goods, involving local specialties, fresh produce, original agricultural products and other categories; open the national Carrefour, Suning small store stores 10,000 cold storage services. This range of Chinese e-commerce practices provides some assurance of food safety and a street-level economy.

Electronic payments play an indelible role in promoting facilitation. Digital payments are prevalent in parts of Asia, particularly China, and have proliferated globally during the epidemic. Alegado ^[19] explains that greater use of electronic transactions could bring up to 3 percentage points of growth to the German economy. As a result, this



Figure 3. Food Stall Under Autonomy - Admin (2014)

Source: Admin, S (2014) "Food Stall" Retrieved from: <https://startacus.net/culture/how-to-start-a-street-food-stall#.YTXENT--s2w>

convenient way of consumption can stimulate economic recovery and development. According to Yu and Pan ^[20], in the case of this change in the mainstream consumption pattern, merchants should show QR codes to consumers for code payment, and should also provide after-sales service contact information, thus further formalizing and professionalizing the development.

Lastly, the use of networked knowledge can also be related to the supervision and control of the sector. Huang, et al. ^[21] states that in the past, the state organized the relevant departments for the management of vendors and the removal of work, in China called chengguan. However, this form of management was ineffective because of the mobility of vendors and the associated small bribery activities, which led to the failure to clean up public space. Relevant departments can assist in urban management through digitalization. On the basis of more “flexibility” and “humanity”, the government can further utilize its wisdom and ability to manage public services and effectively reconcile the interests of all parties. For example, according to Yingyun Intelligence ^[22], authoritative agencies register ground stall owners through the small program for online management, and at the same time set up integrity scoring to encourage or preferential treatment for operators with good market integrity, and vendors with many complaints will be disqualified from operating. This set of practices requires a certain level of technology while minimizing the risk of network operations. It will take some time to fully achieve this networked coverage. However, if the goal is once achieved, it will bring great convenience to the relevant supervisory authorities and will regulate the daily business activities of the vendors.



Figure 4. customers were shopping at the temporary stalls in Xuanhua street, Jiyuan, Henan province - Zhao (2020)

Source: Zhao, X (2020) ‘Developing ‘Street Stall Economy’’, *dahe.cn Photo*, Retrieved from: <https://en.dahe.cn/2020/07-29/697485.html>

3. Conclusions

In summary, street stall is the most prominent subset of the informal economy stated by Onodugo ^[23]. Although it has a range of problems affecting the urban environment and food safety, it undeniably makes a significant contribution to enhancing economic vitality as well as urban smokiness. Improving the informal economy by taking into account what has worked in other countries - spatialization, legalization, pluralistic autonomy and digitization of networks. Make full use of unused space, while giving vendors a certain legal status. Main subjects work together in a competitive market condition. In the networked environment, the online and offline are connected, so that the “ground stall economy” and the “digital economy” can interact in a positive way. This approach requires close cooperation among all departments and the improvement and upgrading of relevant technologies. A complete and mature system can be formed to promote the sustainability of the hawker economy, not just a transient product to promote employment in the post-epidemic period. This study complements the study of the vending economy from an international perspective and has implications for the process of informal economy reform in the relevant sectors.

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