

The Impact of COVID-19 on Informal Employment and the Measures Taken by the Chinese Government: The Analysis of Street Vending Economy in Nanjing

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ABSTRACT

To revitalize Chinese economic activities under the influence of the pandemic, the Chinese government adjusts the policies and attitudes about street vending. Taking Nanjing as a typical example of a city of street vending, the paper expounds in-depth on the positive impact of street vending on the economy after the pandemic. Meantime, it also describes the new management policies of street vending made by the Nanjing government to develop with a good trend. In addition, the paper directly reflects Nanjing people's views on street vending and the resulting behavior through professional data. Finally, through the analysis of the advantages of street vending, it proves that the support from street vending in the Chinese economy is non-negligible after the pandemic.

1. Introduction

The pandemic has seriously affected Chinese economic development, such as tourism and industries; unemployment in these industries has increased sharply, and many companies are even facing bankruptcy. According to national employment data announced by the National Bureau of Statistics, 2.29 million new jobs were created in urban areas nationwide in 2020, down 950,000 year-

on-year. The national urban registered unemployment rate was 3.66% at the end of the first quarter, making the employment situation severe^[1]. Chinese central and local governments have adjusted and optimized the attitudes and policies toward the street vending economy based on the current condition. For the macro-economy, the pandemic has caused a tremendous impact on Chinese economy and society, so protecting people's livelihood and employment has become the priority at present. The street

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vending economy plays an irreplaceable role in stimulating the vitality of GDP because of its superiorities that are low cost, low threshold, and a wide variety of consumption.

Street vending could appeal to large-scale crowds due to the distinctive and cheap nature of the goods sold. Face-to-face communication between vendors and consumers will also enhance opportunities for human contact and relieve mental and economic pressure after the pandemic. Thus, it is affirmed that the existence and development of street vending can effectively save social resources, reduce management costs, and achieve social stability and development.

Recently, the street vending economy has been rising as China prepares to resume economic and social activities affected by the coronavirus. It has been a hot topic in recent years to solve the economic status of street vendors, the regulatory dilemma of road administration, and the influence of street vending in the city. Through the analysis of the economic impact of street vending, the new policy of the government, the view of the masses, and the inherent advantages, the paper discusses the plight of the regulations and the development of the street vending economy, which provides a reference for the management of street vending in big cities in China.

2. The Impact of the Pandemic on the Economy of the Street Peddlers

Under the strong impact of the pandemic, the positive trend of pandemic prevention and control in China has been consolidated. However, maintaining the achievements of the pandemic prevention and control and preventing the resurgence of the pandemic remains arduous.

The Chinese government stresses restoring economic and social order in an all-round way with great efforts, ensuring stability in six areas, which is “six guarantees”. For the first time, the “six guarantees” were published forward: ensuring employment, ensuring primary livelihood, ensuring market entities, ensuring food and energy security, ensuring the stability of industrial and supply chains, and ensuring operation at the community level.

As most products are backlogged during the pandemic, many products cannot be circulated. In other words, the supply chains of commodities encountered a severe challenge. Since the street vending economy is a kind of employment approach that all people can participate in, it can reduce employment pressure. The street vending economy, providing a platform, can effectively boost consumption, thus solving the backlog of products and restoring

the supply chain to regular operation. Therefore, when the stable status of supply chain operations is guaranteed, the issues of relative industries, like employment in manufacturing factories, will be relieved, which is one of the influential driving forces for the delicate operation of our economy.

From the viewpoint of consumers, the variety of products and relatively low prices of street vending, from snacks, fruits, vegetables, meet the needs of low consumption levels. From the operators’ viewpoint, the operating costs of street vending are low, and there are no other fees such as rent employee wages. The universality is a dominant feature of street vending, achieving short-term economic growth and circulation. Since the pandemic is not yet entirely over, it is urgent to restore the current everyday life of the people. However, the street vending economy generally exists primarily as multiple street vending and is more lively and bustling, increasing social vitality and human activity to some extent, even restoring pre-pandemic economic status.

3. Analysis of Street Vending Economy during the Pandemic in Nanjing

Since January 2020, the impact of the pandemic has inevitably affected the lives of Nanjing citizens, with consumption and income being significantly affected. The loss of jobs and reduced sources of income have also led to a downgrading of consumption in all sectors. Under the pandemic, the store economy has been under heavy pressure. After closing down, closing stores, surrendering rents, the street vending economy becomes its first choice. Compared to other industries with high costs and significant initial investments, the low-cost, low-risk “street vending” provides a new way of employment and entrepreneurship for entrepreneurs who urgently need cash flow to stop the bleeding under the pandemic.

3.1 Policy Background of the Street Vending Economy

On May 1, 2020, the Nanjing Urban Management Bureau issued the “Guidance on the Management of Temporary Outside Vending During the Pandemic Prevention Period”, which requires that temporary outside areas are marked and vending are numbered. Also, business items and hours should be publicized clearly, and garbage should be adequately sorted and collected on-site. The open setting of outside the vending areas, size, period are reviewed by the department of urban management. Once found by occupied businesses, unlicensed mobile vending, and other law violations, the department of urban manage-

ment will firmly investigate and punish them.

Based on the existing 3400 street vending, the vast majority of them are located in the commercial complexes around the open spaces, such as Fuzimiao, Xinjiekou, and other vital commercial areas that support the economy [2,3]. The vending time is mainly concentrated on the holiday and daily nights. Nanjing ranked top six among Chinese cities in cultural participation, night retail, and night economy leadership in 2020, reflecting that night-time street vending in Nanjing has done exceptionally well. In Nanjing's street vending economy, cultural consumption is a unique night market economy. Whether it is the street snacks of Nanjing and local souvenirs, these are all cultural consumption. Taking the night market economy along the Qinhuai River in Nanjing as an example, tourists and citizens can satisfy their demand for shopping commodities, and feel the expression of aesthetics of Traditional Chinese culture in the night market. Hence, as one of the types of street vending, the night market fosters social activity and Nanjing economic vitality.

On December 15, 2021, the government of Pukou District of Nanjing proposed solving the stubborn problems of urban management, such as taking the road for mobile breakfast vending, littering, affecting traffic. The local government set up more than 100 convenient breakfast spots, established information files for operators, set up stalls with unified standards, promoted standardized timing, fixed point, and fixed responsibility for street vendors [4]. Meanwhile, the local government further strengthened the management of daily inspection, constantly standardized the business order of merchants, effectively solved the stubborn problems of mobile vendors, and made the city order and prosperous [5].

Nanjing mainly adopted a policy based on supporting street vending to prevent disorderly vending caused by traffic, noise, and other problems that are prone to public complaints.

3.2 Analysis of the Street Vending Economy

Background: Since the spring 2020, the pandemic situation in China has improved, and the post-pandemic era has arrived. Some small and medium-sized enterprises have stopped production. To promote economic recovery and stable employment., Nanjing government has put forward "to create a new scene of consumption, appropriate relaxation of temporary outside restrictions" requirements.

Objective: To understand the residents' attitudes and views on the street vending economy, formulate relevant

systems and policies, promote the rapid recovery and development of the economy, foster the distinctive culture of Nanjing.

Methods: From June 11, 2020, to July 11, 2020, the Nanjing Municipal People's Government website conducted a questionnaire survey on "the unwinding and development of street vending economy in Nanjing" [6].

According to the survey results on developing the "street vending economy" organized by the Nanjing government, 56.2% of people in Nanjing would spend money at street vending (Figure 1). The survey results show that 47.9% of people spend 1-2 times a week at the vending, 32.2% spend 3-5 times a week at the vending, and 8.3% spend more than five times a week at the street vending (Figure 2).

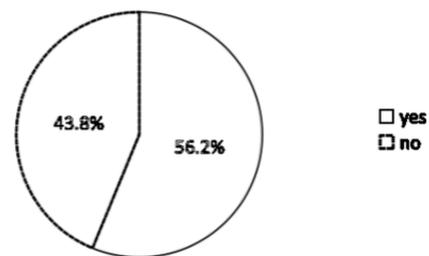


Figure 1. Whether or not to spend money at the street vending

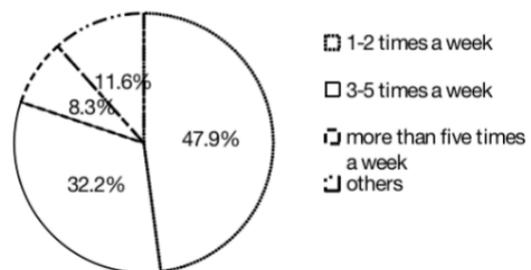


Figure 2. How often at the vending

The survey results indicates that the participants generally buy five categories of goods from the street vending: food and beverage snacks (46.3%), vegetables and meat (36.4%), toys (28.9%), flowers, birds, fish, and insects (22.3%), and daily necessities (20.7%). (The interviewers may choose more than 1 choices in this survey.)

If there is a problem with the goods purchased at the vending, 34.7% will admit they are bad luck and not pursue the matter, 33.9% will depend on the situation, 18.2% will seek complaints from the relevant departments, and 13.2% will go back to the vending owner (Figure 3).

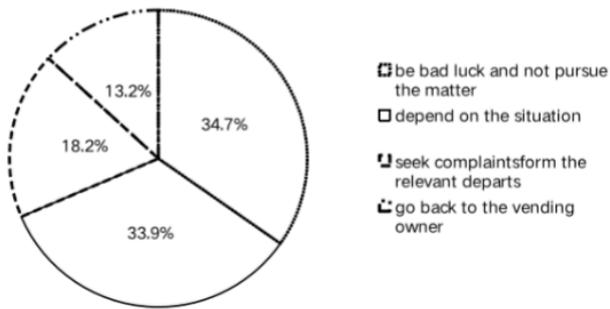


Figure 3. If there is a problem with goods, what the customers will do

Among those who participated in the survey, 37.2% of people did not set up a street vending but have the idea; 29.8% of people had set up a street vending but now do not set up; 26.4% of people did not set up a street vending, and did not think about it; there are 6.6% of people who have set up a street vending and adhere to the present (Figure 4).

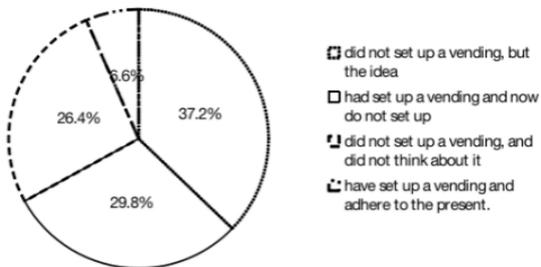


Figure 4. The thought of setting up a vending

Of the 121 people who participated in the survey, 38.8% knew that Nanjing had relaxed the temporary restrictions on outside vending and added 1,410 temporary street vending. 38.0% of the people lived in the community, workplace, or frequent places around the recent addition of mobile vendors. If they go to a vending, most people will choose food and beverage snacks (34.7%), toys (30.6%), daily necessities (28.9%), vegetables and meat (24.0%), clothing and footwear (19.8%), and other goods.

The survey results exhibit that more than half (52.1%) of the respondents support relaxing the management of mobile vendors. In the opinion of the survey participants, the relaxation of the “street vending economy” may have traffic and food safety hazards (43.0%); city and environmental health problems (35.5%); speculators disrupting the market order (33.1%); leasers raising prices and speculating on vending fees (31.4%); security problems (31.4%) and other problems (Figure 5), but also beneficial to increasing employment and promoting social-economic recovery (52.1%); meeting the living needs of low-income people (49.6%); promoting the development of the night-

time economy (39.7%); making urban life more convenient and smoky (32.2%), and safeguarding people’s livelihood needs and releasing consumption potential (29.8%) (Figure 6).

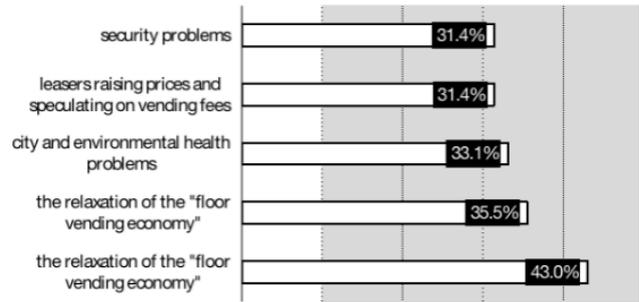


Figure 5. The problems of relaxing the “street vending economy”

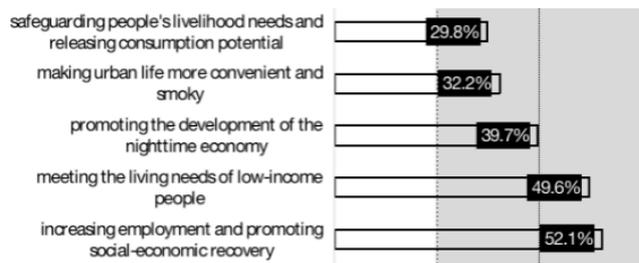


Figure 6. The advantage of relaxing the “street vending economy”

In the opinion of the survey participants, some measures can be managed in “street vending economy”, such as clarifying the scope of merchant vending, giving mobile vendors a good business area (42.1%); developing a strict access mechanism and withdrawal mechanism (38.8%); strengthening the management of vendors, prohibiting the occupation of blind alleys (38.8%); increasing the punishment of opportunists and protecting the right of legal stores to operate (34.7%); standardizing the setting of outside facilities and scientific setting of outside hours (33.9%).

Conclusion: The majority of citizens hold a supportive attitude towards relaxing the regulation of the street vending economy. More than half of the residents believe that street vending is suitable for employment and economic recovery. In order to better develop the street vending economy, the respondents put forward their suggestions for the management measures of the land sharing economy.

4. Advantages of the Development of the Street Vending Economy during the Pandemic

To begin with, the street vending economy alleviates the pandemic’s economic impact and employment pressure. Street vending operation costs and the employment

threshold are low. It is highly inclusive, which to a certain extent solves the work problems of laid-off workers, migrant workers, and some college graduates with employment difficulties. Therefore, it has positive social significance and is conducive to establishing social civilization.

Furthermore, the price of commodities in the street vending economy is generally low, which meets the consumption needs of low-income groups and enhances the vitality of the consumer market. Low-income groups lack purchasing power, thus making the low-income groups more inclined to buy at a lower price for the same quality of goods, resulting in smaller price elasticity of demand for goods. However, the relatively low price of vending products meets the consumer group's needs, which is the inherent reason why street vending endure.

Third, street vending is conducive to timely and convenient to meet the needs of people. The flexibility of street vending makes it easier for consumers to meet their consumption needs. Near subway stations and high-speed stations with large passenger flow, street vending enables consumers to get the goods or services they need in a brief time.

Based on these merits, Nanjing Development and Reform Commission emphasized in "preliminary arrangements and tasks of Nanjing National Economic and Social Development Plan 2020": vigorous developing night economy, and creating 500 projects of "Jinling at Night". Improving the consumption environment in Confucius Temple and upgrading the traditional business district in Xinjiekou are typical policy examples. The existence of the night market greatly meets the night consumption needs of the citizens produces a flourishing atmosphere and vitality in Nanjing^[7].

Finally, the street vending economy stimulates new vitality in the cultural restructuring of the city and reflects the unique urban culture. Today's street vending economy enriches urban culture with its unique form and content, showing the urban landscape.

5. Conclusions

The pandemic brings a threat and provides an opportunity for the transformation of the street vending economy and the implementation of the legitimacy policy. Under the background of the sharp increase in unemployment, the widening gap between the rich and the poor, between urban and rural areas, and the increasingly fierce competition in the formal market, the street vending economy is of strategic significance to alleviate the current social employment pressure in China^[8]. As an essential part of the market economy, the existence of the street vending economy has an irreplaceable position^[9]. From the supporting attitude of the Nanjing government to the

street vending economy during the pandemic, Nanjing's economic growth and development are inseparable from street vending. We need to consider integrating the street vending economy with urban planning and public management. Accordingly, the cities use the low cost and flexibility of the vendor economy to build a Chinese-style city with a developed economy, thriving culture, and flourishing society.

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