



Are Formalized Management and Job Transfer the New Solution for the Perfect Fit Between the Street-Stall Economy and the City?

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Abstract. Under the impact of the COVID-19 epidemic since 2020, the global economy has suffered a setback, and China's economy has grown slowly. In order to stabilize the employment of residents and promote economic recovery, the street-stall economy has become a new driving force. However, as the size of the street stall expands and the number of vendors increases, a series of problems have also emerged, such as problems concerning the environment, noise and food safety, making people pay attention to this informal economy. With the development of modern society, job transfer and transformation have become a new way to solve these problems. **Using the method of desk research, this essay will discuss the management of existing vendors, explore the solution of job transfer system to lead them to company job position as well as use formalized management system to supervise the vendors who continue to operate.** In the future, the new street-stall economy will probably become a new landscape of the city.

Keywords: Street-stall economy · Vendor · Employment pressure · Job transfer · Formalized management

1 Introduction

After the Middle Ages, countries all over the world gradually began the process of urbanization, and informal employment emerged as a common phenomenon in worldwide urbanization development. As a part of informal employment, the street-stall economy plays a crucial role in the urban employment system. It is an informal economic activity in which individual workers earn income by selling legal goods in urban public spaces.

The world has been suffering from the continual COVID-19 epidemic, and the domestic and foreign economies are in a state of depression. The 2020 Government Work Report expressed an extremely severe economic situation, with domestic consumption and investment as well as import and export declining, employment pressure increasing, and the unemployment rate rising to an average of 5.8% (As shown in Fig. 1)

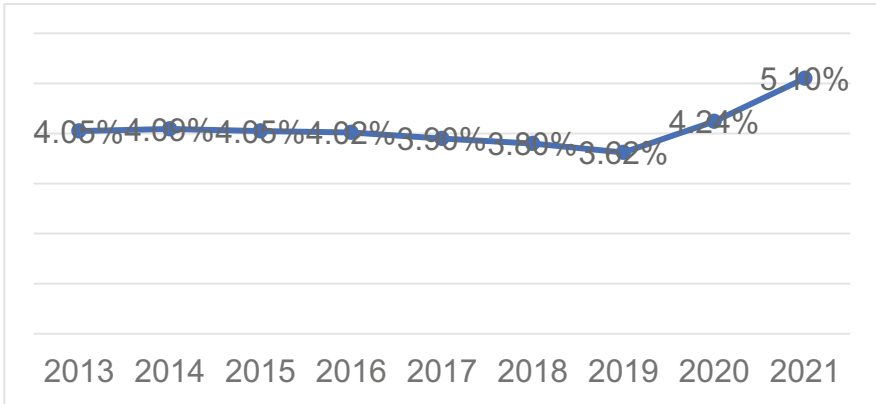


Fig. 1. Urban Unemployment Rate in China, 2013–2021 (self-painted)

[1]. In the second quarter, the unemployment rate decreased due to work resumption. The employment situation, however, was still severe, small and medium-sized enterprises were facing difficulties, and risks in the financial sector were accumulating, with the impact spreading from the national level to the residents. The central government has therefore clarified the policy direction of “stability in six areas” and “security in six areas”, and leading e-commerce companies have also started to provide assistance. Jingdong’s “Spark” street-stall economy support program, Ali 1688’s street-stall economy assistance program, Baidu’s “hundred stalls plan” and so on are actively helping society to cope with the difficulties. From an individual point of view, the number of unemployed people has increased sharply and people from all walks of life have lost their livelihoods. Against this backdrop, Premier Li Keqiang affirmed that the street-stall economy has a significant impact on China’s livelihood in the post-epidemic era and is an effective means to promote economic development under the current circumstances. However, the vendors vary greatly in their income range, and some of them even have no business licenses in some areas. The safety hazards of the open-air environment, coupled with the high mobility of the stalls, make it difficult for consumers to locate the vendors precisely to defend their rights and compensate for their losses. Meanwhile, the problem of occupying roadways caused by the high flow of people in the street-stall economy would cause congestion, and the possible losses incurred from safety accidents would be difficult to estimate [2].

2 Management Planning of Vendors

2.1 Socio-economic Factors for the Emergence of Vendors

On the one hand, the development of the times, the advancement of technology, the natural growth of the population, and the transfer of the rural labor force have caused an oversupply of labor, thus leading to extensive unemployment. On the other hand, the economic downturn and the emergence of capital-intensive industrialization have created a shortage of job opportunities, occasionally accompanied by extreme situations, such

as unlimited exploitation and oppression by employers overwhelming employees and forcing them to leave their jobs, creating a state of imbalance between job search and job supply and demand. Unemployment then became the ultimate result of these problems, and the street-stall economy thus emerged as a favorable means of solving or alleviating the situation.

2.2 Management Planning Model Chart for Vendors

(See Fig. 2).

2.3 Model Interpretation

Vendors are encouraged to take the initiative to provide their personal information, including their professional status, family background, age, and origin. For vendors with a lack of motivation, the government can communicate with the city administration department to collect relevant information in the process of conducting daily inspections. The vendors can generally be classified into three groups. The first group is those who actively respond to the calls of the government or enterprises for positive transformation.

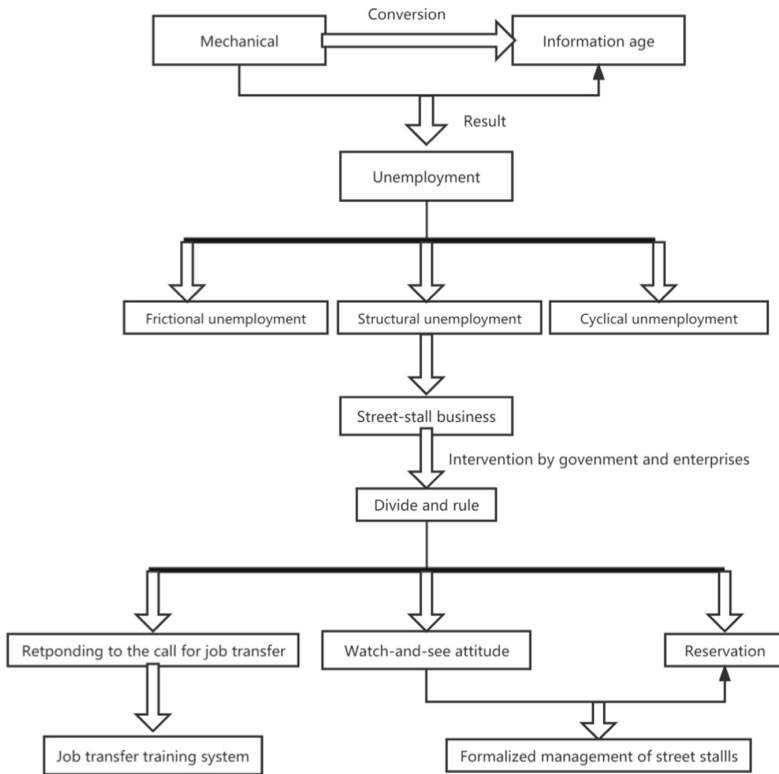


Fig. 2. Management Planning Model Chart for Vendors (self-painted)

The second group denotes those who temporarily take a wait-and-see attitude due to a lack of recognition of both their current situation and the benefits of the training model. The third group refers to those who have reservations about the training and decide to run their stalls as they are clear about their goals. For the group responding positively, the government or enterprises can provide free training first, so that the vendors can work normally in the company. After a period of time, when the vendors' families and work are stabilized as a whole, the government or enterprises can charge a portion of the salary as a training fee, thus making a virtuous circle and achieving a win-win situation for both the vendors and the government or enterprises.

3 Formalized Management

3.1 Current Problems in the Development of the Street-Stall Economy

(1) Occasional product quality disputes make it difficult to protect consumer rights. Since the quality of items sold by vendors is not audited by the State Bureau of Quality and Technical Supervision, many consumers do not buy the products, with their concerns being food safety. When there are problems with the quality of goods, the personal power to defend their rights is weak and the process is cumbersome. For small vendors who are, not supervised by the Food Inspection Service, they run their business in open-air areas with high traffic flow. Dust on the ground, generated garbage, automobile exhaust and other air pollutants are all factors that affect food safety. Secondly, consumers cannot be sure whether the raw materials of the vendors come from formal channels. In order to increase profits and reduce costs, some vendors choose unlicensed small workshops to purchase low-priced food raw materials and semi-finished products [3]. Some vendors do not know that small workshops are unlicensed, but compared to regular workshops, the low price of small workshops is their first choice. When buying food from street stalls, users cannot guarantee that the food they buy is from a proper source or that the food is handled hygienically. They wonder if the vendors are responsible for food safety problems. Street stall goods can not only rely on the moral constraints of merchants, and perfect system is the fundamental development of an industry.

(2) Public resources have been occupied and residents' lives have been disrupted to some extent. Vendors are divided into fixed and mobile vendors, of which mobile ones account for a large proportion and some of them have relatively weak awareness of their rights and responsibilities, resulting to a certain extent in the risk of "tragedy of the commons". Road-occupied businesses, noise nuisance, and damage to the environmental health of the city are very likely to bring great inconvenience to the life of surrounding residents. In the evening, the area of the night market is very noisy. People who come here often drink late, and the noise will affect the rest of the citizens. However, the night market is open at night, which is the feature of the industry. In addition to the night market has a lot of noise, other street stalls operating noise is not the merchant, is the consumer. Because a large number of street stall products attracted a lot of people, people's bargaining, people's laughter. This noise is inevitable because when you buy and sell, you communicate, when the market is very big and there are too many people, these sounds will become noise.

(3) The street-stall economy diverts customers from nearby stores, affects local economic development, reduces local government tax revenue, and increases local financial pressure. The initial investment of mobile vendors only requires a tricycle, one person, a set of stoves, a few tables and chairs. Some vendors pay management fees and sanitation fees for their stalls, but overall fees are much lower than store rents, causing discontent among store owners who pay high rents. As the street-stall economy has the “illegal” characteristics of the informal economy, vendors without business licenses will not be able to issue invoices, thus making it impossible for local taxation authorities to impose taxes on them.

(4) The street-stall economy involves many departments and results in great difficulties in government management. Street stalls are mainly divided into fixed and mobile stalls, and the fixed stalls may lead to sub-letting and arbitrage, which is inconsistent with the original intention of developing the street-stall economy, making it imperative to combat stall speculation. Although the size of a single stall is small, it involves a number of government management departments.

As technology develops, it is possible to use the development principle of “integrating the Internet and the street-stall economy” to develop the stall economy by combining the policies of Chengdu and other national cities in dealing with urban vendors. The details are as follows.

3.2 Countermeasures

After the outbreak of the COVID-19 epidemic, the Chengdu government took the lead in resuming production and work. The issued *Chengdu Measures of Five Permits and One Insistence to Coordinate Epidemic Prevention and Control to Boost Economic Development* states that vendors can operate reasonably and freely under the premise of ensuring safety, not occupying fire exits and other major traffic paths, not infringing on the interests of others, and meeting epidemic prevention and control requirements for good cleanliness and hygiene. For violations of the law, flexible law enforcement is adopted, with persuasion being the priority. This measure has increased employment by more than 100,000 people, and Chengdu’s economy has grown tremendously, giving a good start to formalized operations [4].

With the continuous development of technology, a digital operation model of the street-stall economy can be advocated, in combination with the policies of Chengdu and other national cities that treat urban vendors, to develop the street-stall economy. The details are as follows.

- (1) A responsibility mechanism for the cleanliness and hygiene of vendors and an on-site rapid disposal mechanism for public complaints are established. The separate information feedback system is matched to each stall to collect consumer evaluations and give feedback to the vendor on suggestions for rectification [5].
- (2) Digitalization. The government or enterprises cooperate with giants of Gaode Map and Baidu Map to jointly provide effective locations and time intervals for vendors by using the big data from the maps. Owing to the local characteristics of urban planning, each region should combine the realities of different street-stall business

scopes and adopt measures suiting the local conditions in terms of taxation, qualification, product or service quality, market management, business hours, business space, etc., to set up a series of rules for the street-stall economy in line with the characteristics of the local urban areas. For example, fruit and vegetable morning market, breakfast market, food and beverage night market, household goods night market are set up exclusively, and the relevant operating hours are issued together in the software.

- (3) The highly qualified personnel are gathered to popularize the legal provisions, regulations and rules regarding the supervision of the vendors online and offline. There are two popularization channels. One is to invite college students to act as volunteers and explain to the vendors, and the other is to promote the “Helper for Vendors” mini program to vendors with higher education levels, allowing them to learn the rules and regulations online. Vendors who comply with the law and regulations can receive a certificate of excellent vendor from the government to solicit more customers.
- (4) Vendors are encouraged to improve their self-learning capabilities, operate business-related APPs, and study to disclose basic information such as production, processing and transportation of goods through online interactive platforms, thus better promoting their goods.
- (5) Supervision and guidance are combined to facilitate governance. Efforts are made to learn and develop Chengdu’s guidelines of “five permits and one insistence” and “eight mechanisms”. Stall speculation is strictly combated.

The attitude of the entire prohibition is hardly beneficial to the development of any city. Only when the city gives space for the survival and development of the street stalls, and individuals can face this business opportunity with a positive attitude, can the street-stall economy become a market that addresses the employment of a large number of unemployed people and facilitates the lives of residents, becoming a special landscape that reflects the vitality of the city.

4 Conclusion

The street-stall economy is a business model that has long coexisted with the people. In the current post-epidemic era, China’s economy is still in a state of recovery, and the street-stall economy features a unique necessity of existence, as its small investment, high flexibility, low employment threshold and other special advantages provide a new way for many unemployed residents to make a living and subsidize school students and failed business owners. Many of the problems caused by the street-stall economy today have forced society to think deeply about this phenomenon. However, job transfer under the leadership of the government or enterprises has emerged to solve some of the grassroots livelihood problems and further boost the economy, thereby contributing to the great revival of China’s economy.

Based on the supplier management theory, this paper proposes a “divide and rule” management plan for the economic entities of the stall.

- 1.1 People who are actively transforming. These groups of people usually respond positively to government and business calls and can quickly adapt to new models. For such groups, they should be included in the transfer system for classification and management.
- 1.2 People with a wait-and-see attitude. This group of people is usually in a position of “information asymmetry”. After the propaganda within one’s ability, these groups of people can be included in the formalized management system of the street-stall economy.
- 1.3 People who decide to enter the street-stall economic management system. On the one hand, these groups of people come from those who have already been trained, and on the other hand, they come from those who have the intention of being a street vendor. This group of people can be directly included in the formalized management system of the stall economy.

After the above “divide and rule”, the government can basically establish a management system to deal with the unemployed. In this system, formalized management and job transfer programs can be in line with urban management and in line with urban development.

2. Shortcomings and Prospects

2.1 Limitations

First, this research is based on the results generated from desktop research. Although the data is abundant, it is inevitable that there are omissions in the research. China has a vast land and abundant resources and various economic forms. The performance and management of the stall economy in different places are also quite different. Not being able to analyze the characteristics of local (cities) land-sharing economic policies is a lack and insufficiency for this article.

Second, the sample representation of the study was uneven. In fact, more than 90% of the research materials and literature are based on the data of large and medium cities, and almost no small cities where the street-stall economy is dominant, which leads to the skewed distribution of the results. This uneven representation of the sample (cases) studies may have influenced the results of the research analysis.

Third, due to the limitation of time and energy, the final research problem did not include the comparison of other urban street vendors’ economic management and management refinement schemes, such as the “double shift” operation mode in Tongchuan City, Shaanxi Province. Some niche management models are also developing urban vendors according to local conditions and have better economic development.

2.2 Recommendations for future research

First, due to the limitations of research, it may be necessary to carry out follow-up research in the future to collect and analyze the economic cases of street-stall cities that have used the formalized management mode of transition management. This will help to improve the accuracy and rigor of the research and to revise the plan.

Second, another research direction is to compare the international and domestic stall economy, in order to find a universal balance between the stall economy and urban development.

Third, this study is a desk research, and empirical research methods can be used for more in-depth analysis in the follow-up.

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