

Comparative Analysis of Economic Governance Models for Street Vendors Across Urban Scales—A Case Study of Suzhou, Jiaxing, and Taicang

Maoyuan Wang^{1,a}, Lujia Yang^{2,b*}, Chuanjie Li^{3,c}

¹Beijing Information Science and Technology University, Electrical Engineering and Automation, School of Automation, Beijing, 100192, China

²Hubei University of Technology, International Economics and Trade, School of Economics and Management, Wuhan, 430070, China

³Wuhan University of Technology, Geographic Information Science, School of Resources and Environmental Engineering, Wuhan, 430070, China

Abstract: With the rapid advancement of urbanization, the street vendor economy, as an important component of the informal sector in cities, plays an indispensable role in promoting employment, activating markets, and meeting diverse consumer needs. However, the unregulated expansion of the street vendor economy has posed urban management challenges, including issues related to environmental hygiene, traffic order, and urban safety. This study explores and compares the patterns and differences in the economic governance of street vendors across cities of varying scales, offering a theoretical basis and practical guidance for urban management. By integrating urban governance theory with desktop research, we define the concept and attributes of the street vendor economy. Following this, we select representative cities of various scales as research objects. Subsequently, we conduct a comparative analysis of the impacts and challenges posed by different urban governance models. Furthermore, we discuss the economic, social, cultural, and policy factors that lead to these differences. Lastly, this study provides strategic suggestions for the economic governance of street vendors in cities of different scales, emphasizing the importance of maintaining a balance between social inclusiveness and economic development.

1 Introduction

1.1 Research Background

The street vendor economy refers to an economic form formed by setting up street vendors to generate income [1]. During the National Two Sessions in 2020, Yang Baoling, a deputy to the National People's Congress, proposed to activate the "street vendor economy" and "road economy". Since then, the "street vendor economy" once again entered the public vision and quickly became popular throughout the country. Due to its low cost, minimal technological requirements, and reduced risk factors, the street vendor economy has effectively assisted certain urban low-income groups in addressing their livelihood challenges. However, its disorderly development has also been criticized, mainly for occupying public space, affecting traffic order and city appearance [2].

1.2 Literature Review

The research results of Chinese scholars on the governance of urban mobile vendors mainly focus on four aspects: the necessity of the existence of urban mobile

vendors, the behavior of mobile vendors, the governance models of mobile vendors, and the management methods of mobile vendors [3]. On an international scale, Amy Hanser (2016) studied the conflict between street vendors and urban management, as well as how to promote new forms of urban management and planning [4]; Chaitawat Boonjubun's article (2017) investigates the unintended consequences of Bangkok's 'Reclaiming pavements for pedestrians' plan, highlighting how the removal of street vendors in the old town decreased street safety and examining the vendors' survival strategies and conflicts with authorities, other vendors, and gangsters [5]; Riani, R.D.; Situmorang, R.; and Supriatna, Y.'s study (2021) examines the characteristics of street vendors in Serang City's Royal Market area, highlighting issues with unclear regulations and enforcement [6].

Most studies focus on specific cities or types of cities, lacking comparative analysis between cities of different scales. This article will compare and analyze the governance models of cities of different scales, construct governance models that include multiple governance subjects, and explore the interactive relationships among various subjects.

1.3 Problem Statement and Expected Results

^a2016364534@qq.com; ^{b*}Corresponding author: 2948878250@qq.com; ^c329695@whut.edu.cn

We utilized the permanent urban population as the benchmark data and carefully selected cities of various sizes within the Yangtze River Delta economic region. Our objective was to minimize the geographical separation between the selected cities to mitigate the influence of divergent local customs and governance modes. In this study, we chose Suzhou (a mega-city with a permanent population of 5.1251 million), Jiaxing (a type II metropolis with a permanent population of 1.5187 million), and Taicang (a medium-sized city with a permanent population of 586,830) as research objects. The data mentioned above are sourced from the seventh national population census in 2020. Afterward, a comparative analysis was conducted among the three cities based on relevant theories of urban governance.

2 The Current Situation of the Street Vendor Economy

Following the 2020 National Two Sessions, numerous provinces and cities nationwide have sequentially implemented policies and regulations aimed at promoting the street vendor economy's growth.

The role of the street vendor economy is significant. The street vendor economy provides employment opportunities for a large number of low-income urban people. Particularly for those lacking formal vocational skills and educational backgrounds, street vending serves as their primary source of income. Furthermore, the street vendor economy has enhanced the city's market vibrancy by offering a diverse range of goods and services to cater to various consumer needs, particularly in the low- and middle-income areas of the urban landscape. Vendors usually use public spaces in cities for business activities, which improves the efficiency of urban space utilization to some extent.

However, the disorderly expansion of the street vendor economy has also brought about a series of social problems, such as urban traffic congestion, environmental sanitation problems, urban safety hazards, etc. The existence of these problems poses challenges to urban management. Many cities lack effective management and reasonable planning of the street vendor economy, and the current policies and regulations are often inconsistent with the actual situation of the street vendor economy, resulting in poor governance effects.

With the popularity of mobile payment and social media, the street vendor economy has begun to integrate more technological elements. Some innovative business models such as online booking and electronic payment have emerged. Moreover, the COVID-19 pandemic's impact on the street vendor economy has resulted in a reduction in street vendors' incomes on one hand, while also driving the industry toward a more standardized and hygienic direction on the other.

3 Economic Governance Model for Street Vendors in Suzhou: Stalls Set up outside Shops and Centralized Night Markets

Suzhou is one of the important cities in the economic circle of the Yangtze River Delta. Developed economy, superior geographical location, convenient transportation, and other multiple advantages have injected more vitality into the prosperity of Suzhou's street vendor economy. It is located in the Yangtze River Delta region, one of the most economically dynamic and open regions in China. In recent years, Suzhou's economy has experienced rapid growth, particularly in the manufacturing, service, and high-tech industries, leading to a significant influx of people into the city.

As per data released by the Suzhou Municipal People's Government, the permanent population and urbanization rate of Suzhou have shown an increasing trend from the end of 2020 to the end of 2022. With the process of urbanization and the increase of population density in Suzhou, people's demand for low-cost goods and services has also increased, providing a broader market for the street vendor economy in Suzhou. In terms of transportation, Suzhou boasts a well-established transportation network, with various modes of transportation such as railways, highways, and waterways interconnected. The Beijing-Shanghai Expressway and Shanghai-Nanjing Intercity High-speed Railway make the commuting between Suzhou and major cities such as Shanghai and Nanjing very convenient. It also facilitates the transportation of goods, which can reduce logistics costs and contribute to the economic development of street vendors. In addition, Suzhou is a key tourist city in China. The prosperity of tourism and the huge flow of people have created favorable conditions for the prosperity and development of the street vendor economy.

In recent years, the Suzhou municipal government has been actively seeking ways to support the development of the street vendor economy. Since 2020, Suzhou has launched the pilot work of "setting up stalls outside stores" and "centralized night markets" during specific nighttime periods, and by September 2021, Suzhou has set up 53 pilot areas with 1,967 outdoor stalls. In November 2022, the Suzhou Municipal People's Government issued the "Guiding Opinions on Further Enhancing Support for Commercial Operators to Engage in Special Business Activities". The "Opinions" clearly stated that it is necessary to coordinate economic development with urban management, stimulate the relationship between commercial vitality and urban appearance, and achieve moderate openness, effective management, and good results. The policies include the following key points: a) empowering qualified commercial carriers to conduct business within a reasonably planned scope; b) restricting vendor activities around residential areas until 10:00 PM, while allowing for nighttime and all-day holiday vending elsewhere; c) promoting the establishment of "centralized night markets" with local characteristics; d) simplifying and optimizing the approval process for outdoor activities that occupy roads; e) moderately increasing the number of shared bicycles near night economic clusters; f) comprehensively enhancing the city's nighttime appearance; g) ensuring cleanliness and hygiene in public spaces; h) daily operations shall be strictly managed; i) offering guidance services to address the personalized needs of commercial carriers. In order to implement the

management and actively explore a new economic governance model for urban vendors, Suzhou has set up convenient evacuation points and centralized management of vendors. Suzhou has significantly improved its management of street vendors, effectively addressing the issue of wandering vendors that previously impacted the city's appearance. Moreover, cleaning personnel have been equipped to regularly clean up the evacuation points, cameras have been installed in the evacuation areas, and a management method combining manual inspection and technical monitoring has been adopted. These measures not only standardize the street vendor economy but also preserve the urban ambiance.

3.1 Current Situation and Problems of Street Vendor Economic Management in Suzhou

3.1.1 Elevated Supervisory Challenges

With the increase in the number of vendors and diversification of business models, the difficulty and cost of supervision have also increased, and government supervision is facing greater challenges. Additionally, the street vendor economy often has the characteristic of low cost, and the products sold sometimes fail to meet the standards of market supervision and management, resulting in a regulatory blind area. Therefore, the government needs to strengthen supervision and guidance on street vendors to effectively protect the rights and interests of consumers.

3.1.2 How to Strike a Balance Between Citizens' Interests and Demands

Some citizens have expressed dissatisfaction with the noise and traffic congestion caused by the operation of street vendors and raised different demands for the existence and management of street vendors. This requires the government to consider how to better address the demands of citizens.

3.1.3 The Survival Dilemma of Street Vendors

In the process of operation, some vendors may face fierce market competition and rising rental costs, which may lead to difficulties for some people in managing and even survival pressure.

3.1.4 Conflict between the Needs of Urban Planning and Development and the Survival Needs of Street Vendors

Urban planning and governance strive to uphold social order and enhance the aesthetic appeal of the city. Nonetheless, the vendor economy is inherently mobile and adaptable. Certain vendors must select specific times or densely populated areas to market their products due to the unique nature of their trade. These characteristics of vendor economy challenge the requirements of modern urban planning and happen to contradict urban governance.

Therefore, striking a balance between urban spatial order governance and the livelihoods of vendors is a challenge that needs to be addressed.

4 Economic Governance Model for Street Vendors in Jiaxing: Convenient Setting up and Assessment of Stalls

Jiaxing is one of the important cities in the Yangtze River Delta, with a superior geographical location. It borders Shanghai to the east, Suzhou to the north, Hangzhou and Huzhou to the west, and the sea to the east. The transportation infrastructure here is also exceptional, with railway lines extending in all directions, including the Shanghai-Hangzhou Railway (Shanghai-Kunming Railway) and the Shanghai-Kunming High-Speed Railway. Moreover, ongoing construction includes the Nantong-Suzhou-Jiaxing-Ningbo High-speed Railway and Hangzhou Airport High-speed Railway. The shipping conditions are even more superior, and it was once planned and constructed as the "Oriental Port" by Mr. Sun Yat-sen in "The Basic Principles of National Reconstruction". By the end of 2022, Jiaxing has achieved an astonishing 41.216 billion tons per kilometer of cargo turnover through various transportation methods other than railway transportation.

Owing to the convenient transportation of Jiaxing, its industrial form is gradually showing a development trend dominated by the secondary and tertiary sectors, with the primary, secondary, and tertiary sectors advancing together. Since 2017, the permanent population of Jiaxing has been increasing year by year. According to the seventh population census data, as of midnight on November 1, 2020, the permanent population of Jiaxing has reached 5,400,868. With the increase in population, the formal sector in cities is gradually unable to meet employment needs. As an important component of the informal economy in cities, the street vendor economy plays a role in mobilizing market economic vitality and meeting employment needs. In guiding the development direction of the street vendor economy and the scope and time planning of street vendors, the local government mainly provides policy support and guidance.

4.1 Current Situation and Problems of Street Vendor Economic Management in Jiaxing

Jiaxing City adopts a socially encouraging approach towards the street vendor economy, demonstrating strong inclusiveness towards the tertiary industry, namely the retail industry of consumer goods, which accounts for a certain proportion of the street vendor economy. On the one hand, street vendor planning in Jiaxing has played a certain role in the development of the tourism industry. By 2022, Jiaxing has boasted three national 5A-level scenic spots, occupying the top position in Zhejiang Province in terms of quantity. The ten national 4A-level scenic spots, notably the Yanguan Tide Viewing Area renowned for the Qianjiang River Tide, serve as vital natural attractions bolstering Jiaxing's tourism industry. In the context of multiple natural and cultural landscapes supporting the

development of the tourism industry, the characteristic cultural and creative products sold by vendors in the scenic spots and the related food culture disseminated not only enrich the industrial structure of the tourism industry but also indirectly improve the flexibility and diversity of the economic form of the vendor economy. On the other hand, Jiaxing officially issued the "Plan for Setting up Convenient Stalls and Introducing Stalls into the City" in 2012. According to the "Plan", Jiaxing has divided different numbers of convenient stalls in many districts of the city. Additionally, the "Implementation Plan of 2012 Jiaxing Urban Road Public Space for Convenient Stalls" has also been released. The "Implementation Plan" has made detailed planning and requirements for the road sections, density, and types of stalls. This has helped achieve a harmonious balance between urban aesthetics and local livelihoods, simplifying the complexity of the vendor economy and empowering it to infuse Jiaxing's market with vitality.

The market economy has played a significant role in alleviating employment pressure and ensuring employment and people's livelihood. However, with the change in the street vendor scale, the street vendor economy inevitably presents a certain degree of disorder. The challenge for the government lies in effectively managing the street vendor economy to prevent disorderly development.

4.2 Assessment Requirements for the Problems Caused by Street Vendor Economy Issued by Jiaxing

The Jiaxing municipal government has proposed innovative solutions to address this problem. As the "Plan" was issued, the Jiaxing Municipal Urban Management Law Enforcement Bureau also released the "Assessment Rules for Setting up Convenient Stalls and Introducing Stalls into the Market" in 2012, which adopted a scoring system for the assessment of fixed stalls and mobile stalls

within the area. For the convenience stalls, the assessment is made daily based on personnel, positions, timing, road sections, and responsibilities. Stalls with an average assessment score of 95 or above can be prioritized in the approval process in the following year. Stalls with scores below 70 will be disqualified in the next year. This assessment method in Jiaxing has standardized and ordered the setting up of stalls.

4.3 Development Prospects of Street Vendor Economy in Jiaxing City

As the saying goes, coins have their pros and cons. Due to the limitations of Type II big cities, Jiaxing City leans towards a fixed and orderly management model for street vendors. Although it ensures the balance and stability between the city's appearance and economy, it indirectly loses the flexibility and the promotion of market vitality that the street vendor economy should bring. Further mobilizing the market vitality of the street vendor economy and promoting the standardized yet flexible development of the tertiary industry is the next challenge that Jiaxing City needs to face.

5 Economic Governance Model for Street Vendors in Taicang

Taicang City, a county-level city in Jiangsu Province, may not be vast in scale, but its distinctive geographical location and level of economic development have positioned the street vendor economy as a significant component of urban development. The street vendor economy in Taicang mainly serves the daily life of local residents, with a variety of commodities, including food, daily necessities, small accessories, etc. The street vendors are mostly distributed near residential areas, streets with convenient transportation, and markets. As show in table 1.

Table 1 Information of vendors in Taicang City [3]

Age distribution of street vendors				
	Less than 30 years old	30-40 years old	45-60 years old	More than 60 years old
Number of people	15	22	19	6
Ratio (%)	24.58	36.07	31.15	9.8
Types of business of stall owners				
	Vegetables	Snacks	Dresses	Sundry goods
Quantity	10	14	15	13
Ratio (%)	16.37	22.95	24.59	21.31
The business purpose of the stall owner				
	For the family	For the children	The need for survival	To earn extra money
Quantity	43	27	9	7
Ratio (%)	70.49	44.27	14.76	11.48
The composition of the stall owner				
	Laid-off workers	Farmer	Habitual loafer	Part-time vendor
Quantity	25	16	13	7
Ratio (%)	40.98	26.23	21.31	11.48

Source: Zhou J. Research on the management of urban mobile vendors in Taicang City, Jiangsu Province [D]. Jiangsu: Southeast University, 2014.

5.1 Current Situation and Problems in the Economic Management of Vendors in Taicang City

5.1.1 Outdated Management Concepts and Crude Management Methods

The management of vendors in Taicang City is mainly handled by departments such as the Administration for Industry and Commerce and the Comprehensive Administrative Law Enforcement Department of Urban Management. However, these departments face challenges with outdated management concepts and simplistic management objectives in handling mobile vendors. Additionally, some management methods are overly rudimentary, relying primarily on administrative penalties and lacking flexible management approaches.

5.1.2 Difficulties in Law Education and Law Enforcement

In the process of managing mobile vendors, legal education and public awareness efforts face challenges due to vendors' limited understanding and compliance with laws and regulations. Law enforcement also presents challenges. On one hand, the city's image must be upheld, while on the other, mobile vendors' livelihoods should not be compromised. The difficulties in establishing designated vending areas primarily stem from high demand but limited space, as well as the complexity of selecting suitable locations for these areas.

5.1.3 Short-term Urban Planning and Construction

The urban planning and construction of Taicang could not be run in the long term, and the setting up of mobile vendors lacks planning and constraint mechanisms. This leads to the repeated prohibition of mobile stalls, which has a negative impact on urban environmental hygiene and road traffic.

5.2 Economic Management of Vendors in Taicang City

Taicang City has issued a series of management regulations for the street vendor economy, aiming to regulate the business behavior of street vendors and ensure the orderliness of urban management. In October 2017, the "Implementation Measures for the Registration and Management of Taicang Food Vendors" was issued. Furthermore, Taicang City set up a dedicated urban management department responsible for the daily supervision of the street vendor economy. Through regular inspections and stall rental management, the management of the street vendor economy was strengthened. For example, in March 2022, the Comprehensive Administrative Law Enforcement Bureau of Ludu Street in Taicang City carried out a special rectification action on mobile vendors along Jiangnan Road under its jurisdiction. In December 2023, the Urban Management Bureau of

Taicang City launched a special rectification action on the safety hazards of liquefied gas tanks for mobile vendors.

However, as cities begin to lift the ban on "roadside stalls", balancing commercial operations with urban management has become an urgent issue that needs to be addressed. Afterward, a small white car with the "Taicang Food Vendor Information Publicity Card" and health certificate appeared on the road in Taicang City. In 2019, 76 convenient breakfast trucks built by the Municipal Urban Management Bureau appeared on the streets. Nowadays, these breakfast trucks equipped with fire extinguishers have become beautiful scenery in Taicang.

The street vendor economic governance model in Taicang City reflects the possibility of achieving coordinated development between the street vendor economy and urban management through innovative management measures and community participation in small cities with limited resources. The case of Taicang City shows that smaller cities can ensure the livelihoods of street vendors while maintaining the cleanliness and order of the city through flexible governance strategies.

6 Comparative Analysis of Governance Models in Cities of Different Scales

The economic governance of street vendors in cities of different scales faces different problems and challenges. For example, there are regulatory blind spots in Suzhou, and the government needs to strengthen supervision and guidance on street vendors to protect the rights and interests of consumers. In the management of the street vendor economy in Jiaxing City, there is a balance problem between urban planning and governance and the flexibility of the street vendor economy, which challenges the requirements of modern urban planning. The urban planning and construction of Taicang City is relatively short-term, which also affects the management of the street vendor economy.

The laws and policies of Suzhou are relatively comprehensive, emphasizing the integration of the street vendor economy with urban planning and tourism. The policy adaptability is strong, and the management structure is mature. There are specialized policies and measures to support the development of the street vendor economy, which can coordinate resources from all aspects and promote the integration of the street vendor economy with other economic activities in the city. In an economically developed big city, the social and economic environment provides favorable conditions for a thriving market, creating diverse demands for the street vendor economy and raising the bar for management standards. The policies of Jiaxing City focus more on the combination of the tourism industry and street vendor economy, as well as the provision of convenient services. Through assessment rules and the establishment of convenient street vendors, the management agencies have effectively regulated the street vendor economy, while promoting the development of the tourism industry. The socio-economic environment has played a positive role in promoting the development of the street vendor economy. The regulations and policies of Taicang City pay more attention to the standardized

management and community participation of the street vendor economy to meet the specific needs of small cities, such as the convenient breakfast truck project. The management agency improves the effectiveness of management through community participation and innovative projects (such as the convenient breakfast truck), reflecting the flexible response characteristics of small cities. The socio-economic environment pays more attention to the daily needs of communities and residents, and the street vendor economy serves more for the lives of local residents.

Cities of different scales adopt different governance models of street vendor economy due to their varying levels of economic development. The size and population density of cities also affect the choice and effect of governance models for the street vendor economy. The governance concept and management ability of local governments towards the street vendor economy are also one of the important factors affecting the governance model of the street vendor economy. These factors will vary among cities of different scales, resulting in differences in the governance models of the street vendor economy. These different factors need to be taken into account when governance policies for street vendor economy are formulated, so as to strike a balance between social inclusiveness and economic development.

7 Conclusion

Through a comprehensive study of the dependence of street vendor economy and its governance models in three cities, we found that the proportion of street vendor economy in the tertiary industry varies among cities of different scales. Specifically, small-scale cities in the process of urbanization rely more on informal economic modes such as street vendor economy to meet the employment demand. Nevertheless, given the large scale of stalls, achieving standardization and regularization of stalls is more challenging for cities like Taicang. Generally, the management model of vendor economy in small-scale cities is outdated and not flexible enough. Cities like Suzhou and Jiaxing, which have reached a higher level of urbanization, tend to have more standardized and reasonable management and planning for street vendors. However, this may lead to a loss of the flexibility and economic dynamism inherent in the vendor economy.

With the acceleration of urbanization and the continuous development of the social economy, the governance of the street vendor economy will face both challenges and opportunities. It is expected that future studies can use more diversified data and adopt a broader perspective to explore the synergistic progress of the street vendor economy and urban development. Moreover, these studies should strive to provide a scientific foundation and novel insights for devising more effective management strategies and promoting sustainable growth of the street vendor economy.

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