



# A Study on the Policy Adjustment of Urban Street Vendor Management in the Post Epidemic Era-A Case of Corrective Action of Sijing Night Fair in Shanghai

Yunran Wang

Aquinas International Academy, California, USA

Lucienne.Wang@hotmail.com

**Abstract.** In the post-epidemic era of COVID-19, the global economy faces significant challenges, including rising unemployment and reduced consumption. Affected by both international and domestic factors, China's economy has been hit hard, many enterprises have gone bankrupt, some foreign-funded enterprises have moved away, unemployment has soared, and consumption and expectations have been downgraded. At the 2020 two session, the country made it clear that the top economic priority of expanding domestic demand. The street vendor economy can make up for the problem of formal employment to a certain extent, drive the happiness of urban residents. Through a literature review, a field survey and a detailed case study of the Sijing Night Fair in Shanghai, this study examines the role of the street vendor economy in the city and its importance, especially its potential to alleviate formal employment problems to a certain extent and to enhance the well-being of urban residents. The findings analyze the impact and effectiveness of refined management strategies on Shanghai's street vendor economy and look at future policy adjustments to promote the sustainable development of the sector.

**Keywords:** Street Vendor Economy; Sijing Night Fair; Urban Employment; Post-Epidemic Era; Urban Policy Adjustment; Street Vendor Management.

## 1 Introduction

### 1.1 Research Background

From the first large-scale outbreak of the coronavirus in the first half of 2020 to the official declaration of the end of the pandemic in February 2023, the epidemic raged around the world for more than three years, bringing a huge impact to the human world. Even after the end of the COVID-19 pandemic, people are still worried about its high infection rate and fatality rate. However, the novel coronavirus has not been eradicated, and the world is still hearing about various variants of the cold virus, followed by Ebola, monkeypox and other new viruses [1,2]. The epidemic has completely changed people's lives and habits, and the world has changed.

© The Author(s) 2024

K. Zhang et al. (eds.), *Proceedings of the 2024 3rd International Conference on Economics, Smart Finance and Contemporary Trade (ESFCT 2024)*, Advances in Economics, Business and Management Research 305, [https://doi.org/10.2991/978-94-6463-548-5\\_21](https://doi.org/10.2991/978-94-6463-548-5_21)

The global economy fell into new crisis after the epidemic, the most serious global economic crisis since 1870 [3,4]. In the post-epidemic era China's economy is facing diverse negative factors from home and abroad, therefore increasing domestic demand has become the key to economic growth. According to the estimate of the National Bureau of Statistic, the total number of unemployed people in China in the first quarter of 2022 is about 35 million [5]. People's disposable income and their expected income have decreased, while social consumption has been degraded.

## 1.2 Problem Statement and Objectives

This paper focuses on the discussion of promoting the economic development of urban street vendors in the post-epidemic era, and using Shanghai Sijing Night Fair as a key case study. Furthermore, the paper discusses on measures of reinforcing management of street vendors, adjustment of urban economic structure, stimulating domestic demand, increase employment rate. Taking into account the mobility and diversity of traders in the street vendor economy and the fact that the specialization of the street vendor economy in different regions is obvious, the ways of case analysis, interviews and other methods are used in the paper which is on the background of Shanghai city.

## 2 Post-Epidemic Era

The concept of post- epidemic era appeared firstly at a press conference held by China's State Council Information office on April 16, 2020 [6]. Lian Weiliang, deputy director of China's National Development and Reform Commission, said, "we are now in a hard period of beating back the epidemic and stabilizing the economy, meanwhile we should seize opportunities to push social change and transformation."

The "post- epidemic era" is defined as the era that coronavirus epidemic has ended. In the post - epidemic era, the epidemic has not completely disappeared, and people's life has not recovered as before. The awareness of health management has been improved. The mode of remote office work is increasable used. At the same time, e-commerce platforms and online shopping became the main consumption channels. In general, we can't go back anymore.

Wang Zhuli, a scholar defined the post-epidemic era began from April first, 2020. This paper will regard the date as a time node to discuss below topics.

### 2.1 Global Economic Trends in the Post- Epidemic Era

During the COVID-19 epidemic, many countries have introduced various measures and policies to restrain spread of epidemic, such as lockdown, restrictions on movement and gathering activities of people. While these measures have been worked, they have also greatly affected global economy. People have been forced to stay at home, construction projects has been halted. The world economy was affected profoundly by the

collapse of the global travel and restaurant industry. The epidemic brought about economic uncertainty and withdrawal funds by investors which led to financial market falling sharply.

It was followed by a slowdown in global economic growth. According to the IMF's forecast, "global growth in 2020 has fallen to -3% to -6% comparing with estimate of 3.3%" [7]. The coronavirus pandemic has caused the deepest economic downturn since 1870.

## 2.2 China's Economy Situation in the Post-Epidemic Era

China has gradually emerged from COVID-19 epidemic, however, GDP growth has slowed down and its economic growth remains sluggish by influence of domestic and international economic environments. Multiple factors have affected the growth potential of the Chinese economy.

In 2022, China's all kinds of enterprises faced severe pressure to survive. Big companies like Tencent, JD.COM, Alibaba were carrying out large-scale layoffs to slim down their size. Many small and medium-sized enterprises had to close. Domestic resident income and consumption have shrunk significantly. The average of urban unemployment rate was 5.7% in the first half of 2022 and 5.8% in the second quarter. The actual unemployment rate is likely to be even higher. The contradiction between local government revenue and expenditure has increased significantly. Many local governments are facing fiscal constraints, civil servants' salaries have been lowered, and debts of local government are overdue. From January to April in 2022, China's top 10 cities with fiscal strength experienced negative growth. Some experts said the country had gone into consumption hibernation.

The State Council Information Office held a press conference on the operation of the national economy of May on June 15, 2023. "In generally, the youth unemployment rate is at top", said Fu Linghui, spokesman for the National Bureau of Statistics and director of the Department of Comprehensive Statistics of the National Economy. Looking at the unemployment data, the national youth unemployment rate climbed to 20.8% in May from 20.4% in April, a year-on-year increase of 0.4%. The real figure is likely higher. This is accompanied by a decrease in disposable income, a decrease in future expectations, and a huge impact on consumption.

All industries have been affected to a greater or lesser extent, take the logistics and transportation industry as an example. First, the operating cost of enterprises increased accordingly. The global supply chain, which is China's dominant industry, has also been hit, causing part of the industrial chain to shift to Southeast Asia. The foreign companies cut their investment and even planned to transfer their companies to other countries because of reduced profitability. Basing on a survey by the European Union Chamber of Commerce in China, 60 % of respondents said they would lower their revenue expectation for 2022 due to China's strict epidemic prevention measure, and around 23% of European companies are considering shifting future investment to other markets. 60% of foreign -fund companies in China reported they lacked labor force and parts supplies.

### **3 Introduction of Vendor Economy and the Management Policies**

#### **3.1 Concept and Current Situation of China's Vendor Economy**

The vendor economy, as a distinctive economic form, has been in existence since ancient times. It represents the informal economic activities conducted by individual laborers in urban public spaces, generating income through the sale of legitimate goods. This self-employment model is characterized by its flexibility and convenience, providing residents with added convenience. Despite being often perceived as an unfavorable factor impacting the city's appearance and environment by urban managers due to its marginal nature within the cityscape, the vendor economy brings new vitality and dynamism to urban economies.

Vendor economy have existed for thousands of years. Many historical cities in China are rich in profound culture connotation and retains the characteristics of Chinese culture, such as Nanjing Fu zi Temple, Yangzhou Dongguan Street, Suzhou Guan Qian Street, Shanghai Chenghuang Temple, etc. In the early 1980s, over 10 million educated young individuals flocked back to urban areas, overwhelming enterprises and factories with an excess of unemployed youth. Consequently, a call for self-reliance and independent management was made to these educated youths, leading to the emergence of the renowned concept of "self-employment" across the nation. Notable examples include Wuhan Hanzheng Street, Yiwu small commodity market, Zhang Huamei's fool melon seeds business, among others. It is even rumored that Liu Chuanzhi from the Chinese Academy of Sciences sold electronic watches on a pallet car.

The majority of participants in this economic trading sphere belong to a group with an Engel coefficient exceeding 45%. Sellers only require minimal upfront costs to achieve short-term gains. Buyers are not overly concerned about product quality but rather prioritize low prices which partially address residents' basic needs. For instance, ground vendors offering shoe repairs or locks are often scarce in major cities. This informal market compensates for formal market deficiencies while boasting low trial and error costs as well as low entrepreneurial thresholds and risks—providing convenience for individual entrepreneurship.

Supporting both the "street economy" and "night economy" has become an increasingly popular choice—especially amidst post-epidemic consumption recovery when the service industry faces significant challenges. Operating compliantly, roadside vendors can alleviate employment pressures to some extent. Simultaneously, this "market economy" not only enhances citizens' lives by providing convenience but also plays a vital role in stimulating market vitality while promoting consumption and invigorating overall economic growth.

#### **3.2 The Significance of China's Street Vendor Economy and Management Policies**

The National People's Congress and the Chinese People's Political Consultative Conference (NPC & CPPCC) in 2020 emphasized that the priority of economy is to expand

domestic demand. Faced with a wave of unemployment, the government and enterprises should actively take measures to expand domestic demand and stimulate consumption, thereby creating more jobs and providing new employment opportunities for the unemployed. The development of the vendor economy has once again entered the vision of various city managers. With its own advantages, the vendor economy plays an irreplaceable role in the national economy. Vendor economy was once banned by some metropolis policies because vendors were thought to destruct city appearance. However, it also has other function of improving urban economic structure in the post-epidemic era. Vendor economy created business opportunities while heightening happiness of urban life.

The renewed of the vendor economy has benefited from the policy of the central government. "China requires that street markets and mobile vendors should not regard as evaluation index of civilized cities for adapting to the epidemic prevention", the Central Civilization Office announced. Vendor economy was a growing trend in the post-epidemic era, which also became a source of driving domestic demand.

It was reported that more than 100,000 jobs have been added and 98% of restaurants downtown has returned work since Chengdu boosted the vendor economy. Shanghai, a metropolis which is known for its strict management of street vendors, has also issued policies to support street vendors. Hangzhou has taken same measures as Shanghai. The most remarkable case is Zibo, a city in Shandong province, which had gained a reputation for its barbecue vendors. 5409 thousand tourists from other cities arrived Zibo to taste their barbecue during the National Day holiday.

Among the holidays of May in 2023, Zibo became remarkable due to its renowned barbecue. Zibo experienced a significant surge in tourist quantity, with Zibo Railway Station witnessing a record-breaking number of passengers reaching over 83,000 on a single day. The success of Zibo's barbecue industry exemplifies how small vendors can seize substantial business opportunities. Despite being a third-tier city in China, Zibo has managed to attract tourists from various regions such as Guangdong and the north-east who are willing to travel long distances for unique experience. This phenomenon has sparked discussions among city administrators.

Compared with the traditions and characteristics of Zibo barbecue, we'd rather pay more attention to valid policies and management measures for the barbecue vendor economy. In order to develop the market economy, the Zibo municipal government has made a big move to promote tourism and local economic development. All departments of the municipal government have unified command and formulated a series of effective management measures during May Day Holiday. For example, the price of hotel was limited; free parking throughout the city during holidays; set up a barbecue association; held Zibo Barbecue Festival; release barbecue coupon of 250,000 yuan; Publish barbecue map; free shuttle; opening high-speed train of barbecue bus, and so on. The refined management has become widely known.

### 3.3 The Present Situation of Shanghai's Vendor Economy and the Management Policies

#### 3.3.1 The Present Situation of Shanghai's Vendor Economy.

Shanghai, as China's super first-tier city, has a resident population of more than 25 million and a floating population of 3 million. It is not only the most modern and globalized city in China, but also one of the most crowded cities in China, with a huge population density. The vendor economy often takes advantage of the flow of people and is mostly located in high-density neighborhoods, which further intensifies the contradiction between the living space of residents and the management of urban public space.

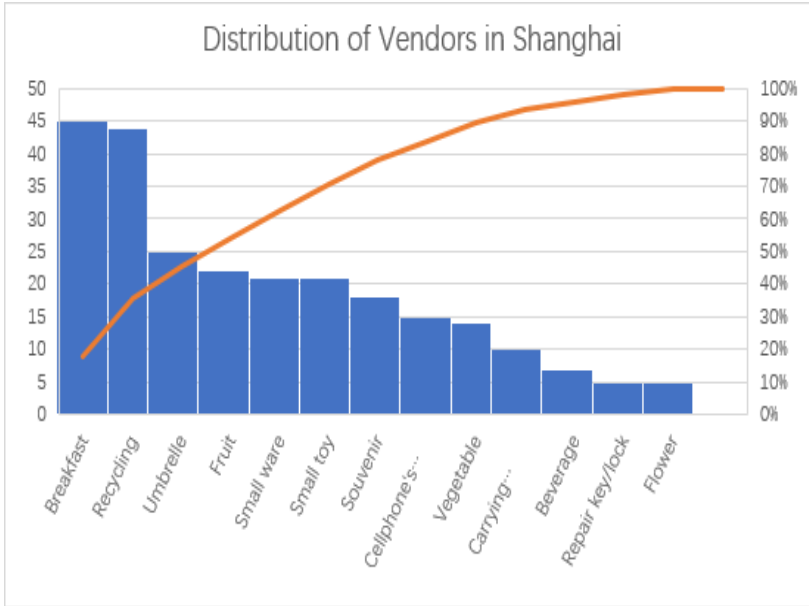
For a long time, Shanghai has shut down many vendor markets for speeding up the urbanization process. For example, Shanghai closed the Shanghai Huating Road clothing market because of the construction of roads; The former Tongchuan Road aquatic products market was transformed into Shanghai Zhenru sub-center, etc. Those old vendors market used to be a very favorite gathering point of Shanghai citizens, and became an eternal memory in the hearts of residents. The city blocks are cleaner and smoother, but they feel like they lack some of the fireworks of old Shanghai life. In 2003, Yu Ling, a local writer in Shanghai, collected and wrote 100 small shops in Shanghai, which disappeared now.

According to the data of the Urban Management Department, there are more than 50,000 vendors in various forms in Shanghai at present, and the employed population is more than 150,000, mainly distributed in the densely populated areas, such as the subway entrance, railway stations, bus stations, schools, communities, commercial streets. In terms of the generalized economy of vendors, the actual number of people involved is much higher than expected. Among them, famous Nanjing Pedestrian Street, Yu Garden, Zhapu Road, Wujiang Road, Sijing night market, Qibao Old Street, South Korea Street, etc., the important position of the vendor economy in Shanghai can be seen.

As shown in table 1, from the point of view of the distribution of Shanghai vendors, according to the density arrangement are: Huangpu, Putuo, Jing 'an, Xuhui, Pudong, Changning, Hongkou, Songjiang, Minhang.

**Table 1.** Sample distribution area of vendors in Shanghai.

District	Huangpu	Putuo	Jingan	Xuhui	Pudong	Changning	Hongkou	Songjiang	Minhang
Number of vendor	84	44	40	38	28	20	18	14	8



**Fig. 1.** Sample distribution of vendor types.

There are also many different specific types of Shanghai's street vendor economy, Figure 1 suggests that Shanghai mobile vendors mainly operate the types of breakfast, waste recycling, rain gear, small commodity sales, food sales, shoe repair, umbrella repair, daily turnover between 100 yuan to 800 yuan, ranging from peak season. Profit margins are 30 to 40 per cent. Age distribution of vendors is from 20 to 70, with 20 percent of them registered in Shanghai and most of the rest from Jiangsu, Anhui, Henan and other places. Annual income ranges from 100,000 to 300,000 yuan yearly. Most of them were forced to choose vendor economy for earning a living. They are deserved society's attention and sympathy as an indispensable part of city.

Vendor economy with large volume is also a problem for Shanghai's market regulators because Urban Administration Bureau (UAB) and Urban Healthy Association (UHA) have limited human force. The street vendors always play "cat and mouse games" and "fight as a guerrilla" in order to survive. The author has interviewed vendor owners at random in several market, and the vendors' evaluation of UAB is mostly negative. Many people adopt a positive attitude to admit their mistakes, or send presents, or pretend to conform, and have to maintain their inherent lifestyle.

In addition, a large number of catering services use online ordering based on internet technology, the usage of door-to-door vendor types are also increasing. The traditional management of the public sector are not obviously fit for current business model.

### **3.3.2 The Management Policies of Shanghai's Vendor Economy.**

After the end of the epidemic, the Shanghai government gradually loosened economic policy of street vendors and decided to refine management policy, instead of the previous policy. Encourage the economic development of street vendors by adjusting policy. In 2022, Shanghai revised the "Regulations on the Management of Shanghai City Appearance and Environmental Health", which allows vendors to set up stalls at night markets. "Avoid single evaluation" became a principle of legislative base. At the same time, the regulations also stipulate that "town governments may designate public areas for setting up stalls and marketing their own products." We can see that the Shanghai government bureaus have changed from the "complete prohibition" on vendor economy to "moderately relax" and "well-organized stalls", which has relaxed the space for vendor economy and encouraged more people to set up stalls on the streets. "We should explore methods and practices to develop the night economy and experience economy." The relevant person in charge of the Shanghai Municipal Greening and Appearance Bureau said.

According to the data of the research group of China Academy of Commerce, there were nearly 100 markets established by market organizers in Shanghai in 2020, which mainly distributed in Xuhui District, Jing'an District, Huangpu District, Pudong New Area Expo Park and Lujiazui Financial Center. These markets had gained official approval, in which anyone could sell product on established stall without preconditions.

From 2020 to 2023, four sessions of "May Shopping Festival" and "June 6 Nightlife Festival" have been held. At the same time variety of markets have been launched in various districts of the city, and live markets have been carried out in Douyin APP, Meituan Dianping APP, XiaoHongshu APP, etc., and the list of influencer of markets have been released, creating market IP, and increased passenger flow and retail sales.

## **4 Case Study: Rectification Case of Shanghai Songjiang Sijing Night Fair**

### **4.1 Overview of Shanghai Songjiang Sijing Night Fair**

Shanghai Songjiang Sijing Town allows and supports businesses to develop outdoor stalls under laws and regulations in order to develop night economy after the COVID-19 epidemic. The shop operators of Sanxiang Square spontaneously develop outdoor stalls in front of the shops, which are favored by consumers, and are popular for a while, and the passenger flow is large, thus forming a night market with scale effect, which is called the treasure night market by residents in Shanghai.

Because the Sijing night market street is a spontaneous market, the level of hardware is insufficient, the lack of management, not only poor health conditions, but also frequent friction between the vendors, causing pressure on the local and social. In order to balance between the city's appearance and environment, a more refined urban governance system and governance capacity are needed.



## 4.2 Renovation Plan and Policy Recommendations

The government of Sijing Town has a clear attitude, sticks to guide and encourage the vendor economy, and has formulated a strategy to build the first high-level night market in Songjiang District. As a result, the "Sijing Night Market Special work renovation Plan" and "Main Measures to further standardize the management of Sijing Night Market" were introduced. Support the operation of the outdoor stalls, active "night economy", and participate in the management and operation of the night market by the town's company, so as to assure food safety. The ultimate goal is to take Sijing Sanxiang Night Market as an extension of Sijing Ancient Town and create a new landmark for the integration of culture, travel and business. Sanxiang Night Market will also specially invite design teams to integrate environmental improvement plans; Strictly regulate the entry threshold, avoid the homogenization phenomenon of night market operation, and introduce high-quality businesses.

Learning from experiences of domestic and foreign stall-holder management, Sijing town has established the "Block Governance Alliance and "Business Autonomous Alliance". The Sijing Night Market manager invited relevant departments, as well as various groups such as universities, regional party building units, merchants, and residents to participate in administration. It also invited the consultant team of famous universities in Shanghai to support for community administration.

Apart from facility renovation, the Sijing town government has made full efforts in management by clarifying 11 functional departments.

The measures of "clear powers and responsibilities, and multiple co-governance" have formed a governance model of "flat management" and "integrated operations".

Renovation plan:

1. As for the market supervision office, the responsibility of the controlling of food safety risks should be undertaken by means of sending detection vehicles, spot checking and regular inspections;

2. As for Police stations and urban management authorities, restricting plan, zoning and classification of gateways for instance, should be detailed. Meanwhile, holidays and other important periods of high flow should be taken into account, with a simultaneous adjustment of allocation of police force.

3. As for property management company, infrastructure such as sewer line should be dredged in order to keep the site clean.

4. System of Community Level Self-Governance should be made full use of. City Transportation Center can set up a community volunteer service team to improve the efficiency of neighborhood governance.

5. It's undoubtedly essential for market regulatory authority to audit stall qualification. Only the stores that meet the requirements can get the "Shanghai Food Stall Temporary Operation Publicity Card", which ensure food safety from the first stage.

In March 2023, the rectification of Sijing Night Market was completed. Nearby residents have reported that "the Sijing night market became clean, tidy and orderly, and shopping experience is much better!" Each stall has hung out a permission of "Shanghai food stall temporary operation". A stallholder that had sold egg pie for many years thought the rectification improved health situation and management of market."

The improved management has attracted popularity to the Sijing night market, invigorated the local economy, created 29 jobs and added more than 250 parking lots. Local residents felt the warm living atmosphere again.

## **5 Outlook of Shanghai's Future Vendor Economy**

Shanghai's vendor economy will have huge breakthrough under the government's support policy in the future, which had grown freely before. It is expected that more large enterprises join the trend in aid of new science and technology. Vendor economy could be large-scale, modern and entrepreneurial accordingly.

### **5.1 More Financial Support from Large Enterprises**

The first step is to give financial support for stallholders. Alibaba has issued a plan to support the vendor economy, providing more than 70 billion yuan on credit purchase without interest for 30 million stallholders. Jingdong also released the "Sparkling plan" for recovering vendor economy. "National store fireworks plan" from Tencent Wechat Pay aimed at 50 million of small stallholders online to offline.

Suning's "Night Shopping Partner" program provides stallholders with local specialties, fresh and agricultural products, as well as providing 10,000 freezers and free cold-chain logistic. At the same time, some automobile manufacturers have also prepared a new type of vending cart for stallholders.

### **5.2 More Technological**

With coming of era of new technology, the vendor economy has gone far beyond the previous definition and scope, and has been continuously carried forward by the Chinese people, such as: online used goods, old book sales APP, Salty fish, Love recycling, Confucius old book network; There is no need for online selling points of the store; Breakfast carts, kiosks, weekend trunk sales, and so on. Young people can run their own internet vendors without leaving home, and try to start own business.

## **6 Conclusion**

The vendor economy is inclusive, which gives a direction to the frustrated, a new opportunity to those planning to start a business, and a way to increase the income of their families. In the post-epidemic era, urban commercial activities are limited, and the flexible vendor economy carries the vitality of a city, which not only warms people's hearts, but also brings hope to many people's lives. However, at the same time, we need more reasonable and effective management policies and approaches to better safeguard the development of the street vendor economy, and we should make use of more forces and more diversified tools to promote the healthy development of the street vendor economy.

## References

1. Burns, R. B. (2023). The Human Impact of the COVID-19 Pandemic: A Review of International Research.
2. Mohiuddin, A. K. (2023). Escalation of war and conflicts among the COVID-19 pandemic, natural disasters, and economic crises: A global health concern. *American Journal of Biopharmacy and Pharmaceutical Sciences*, 3. doi:10.25259/AJBPS\_21\_2022.
3. James, H. (2023). Seven crashes: The economic crises that shaped globalization. Yale University Press.
4. Loots, E. (2024). 1 The history of globalisation between 1870 and 2020. *Economic Shocks and Globalisation: Between Deglobalisation and Slowbalisation*, 1.
5. Ioannidis, J. P., Zonta, F., & Levitt, M. (2023). Estimates of COVID-19 deaths in Mainland China after abandoning zero COVID policy. *European journal of clinical investigation*, 53(4), e13956. <https://doi.org/10.1111/eci.13956>.
6. Chen, S., & Tian, X. (2024). What's "positive" during Shanghai's COVID-19 Lockdown? Ideology, Collectivism, and Constructive Journalism in China. *Journalism Studies*, 1-20. <https://doi.org/10.1080/1461670X.2024.2331513>.
7. Gatti, R., Lederman, D., Islam, A. M., Nguyen, H., Lotfi, R., & Mousa, M. E. (2024). Data transparency and GDP growth forecast errors. *Journal of International Money and Finance*, 140, 102991.

**Open Access** This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits any noncommercial use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

