

# China Economy

## The return of street vendors

- **“Street vendor economy” to help revive the economy.** Amid unprecedented employment pressures caused by the pandemic, China has turned to “street vendor economy” to boost the economy. This policy change was piloted by Chengdu city government in Mar 2020 and then promoted by Premier Li Keqiang during the “Two Sessions” in May. Several provinces and municipalities closely followed up afterward, allowing roadside booths, food stalls, mobile vendors in designated areas as long as the latter satisfy sanitary conditions and don’t interrupt traffic or local life.
- **Primary goal is to offer job support.** We believe the intention of encouraging street vendors is primarily to expand job opportunities. The outbreak of COVID-19 took a toll on employment and household income growth. Low-income, low-skilled service sector employees and migrant workers are among the hardest hit populations according to our previous report ([link](#)). By YE18, 153 million people were employed in wholesale and retail sector. Street stalls and mobile vendors are therefore ideal for these displaced employees to become self-employed in a convenient and economically viable way. According to the local government, Chengdu has added over 100,000 job posts by allowing street businesses and mobile vendors.
- **A supplementary channel of retail sales.** Street businesses take many forms and have unique strengths compared to other sales channels. To individuals, mobile vending is rent-free and flexible to adapt to customer demand. To existing brick-and-mortar stores and shopping malls, setting up open-air promotion stalls lower the risk of reinfection (which prohibits people from entering crowded malls or indoor places) and these stalls are located nearside traffic to access customers easily. We believe street vendors will complement existing sales channels and cater to diversified customer demand. However, we do not expect roadside businesses to replace or shuffle existing channel distribution of retailers.
- **Will street stands sweep across the nation? We think the decision should be made with caution by local governments.** While night markets and street vendors are more or less in the blood of some cities (e.g. Chengdu), other cities may find that the push for street vendors may incur additional regulatory and social cost, and may interrupt existing urban and road infrastructures. Moreover, local authorities and city planners should consider how to revoke such decision if it is just meant to be a temporary move in abnormal times.
- **Call for all-rounded and city-specific measures to boost small businesses and employment.** Every city is uniquely equipped with its own strengths and characteristics. Besides encouraging individuals to become street vendors, we believe there are other options to provide relief for small business owners and employees. For example, local government can urge temporary rent removal, cut fee & tax, or distribute coupons to encourage consumption at smaller shops. Supporting small business and alleviating employment pressures call for an all-rounded set of policy moves, among which “street vendors” is just one of the options.

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**Figure 1: Pro-street vendor policies**

Nationwide policy guidelines		
20 Mar 2020	国务院办公厅《关于应对新冠肺炎疫情影响强化稳就业举措的实施意见》	支持多渠道灵活就业。合理设定无固定经营场所摊贩管理模式，预留自由市场、摊点群等经营网点。
28 May 2020	李克强总理答记者问	“就业是最大的民生，对于一个家庭来说这是天大的事情……两周前，我看到报道，西部有个城市（成都），按照当地的规范，设置了3.6万个流动商贩的摊位，结果一夜之间有10万人就业”。
May 2020	中央文明办	在今年全国文明城市测评指标中，已明确要求不将占道经营、马路市场、流动商贩列为文明城市测评考核内容。
Policies of selected cities		
Mar 2020	《成都市城市管理五允许一坚持统筹疫情防控助力经济发展措施》	允许设置临时占道摊点摊区、允许临街店铺越门经营、允许大型商场开展占道促销、允许流动商贩贩卖经营、允许互联网租赁自行车企业扩大停放区域；坚持柔性执法和审慎包容监管。 <b>截至5月21日，成都设置临时占道摊点、摊区2234个，允许流动商贩经营点17891个，增加就业岗位超10万个。</b>
May 2020	陕西省《促进市场消费积极应对新冠肺炎疫情影响若干措施》	在确保安全的情况下，允许城区临街店铺出店经营，允许在居民居住集中区开辟临时摊点摊区，允许流动商贩在一定时间和区域占道经营。
May 2020	南京市	在原有3400个临时摊点基础上，再次在134个地方增设1410个临时外摆摊位。
27 May 2020	长春《关于在城市管理领域实施助力经济发展八项措施的通知》	鼓励支持发展夜市经济，开办夜市、拍档；鼓励支持开办便民市场，可开办临时占道市场；允许大型商场店外促销；允许临街商家店外促销宣传；允许快递企业临时占道派送；免除商家相关费用；实行审慎包容监管，全力做好服务保障。
Jun 2020	河南郑州市《关于贯彻以人民为中心发展思想进一步做好为民造福工作的意见》	培育夜间经济有序发展市集。充分利用广场、公园等公共场所和闲置土地，按照定时间、定地点、定业态、定费用、定管理的原则，设立市集和特色跳蚤市场。
5 Jun 2020	《上海市城市管理行政执法局关于优化营商环境的指导意见》	推进夜市经济发展，支持特色小店开展“外摆位”经营，对外摆时间、摆放范围等实施精细化管理。推进柔性执法。

Source: Government Work Reports, CMBIS

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