Impacts on Street-Stall Economy and Supporting Policies for Informal Workers from the Epidemic Perspective

-- Taking Harbin as an Example

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Abstract. Under the influence of the COVID-19 epidemic, China's economic development is sluggish and even stagnant. In this case, the informal economy sector was significantly impacted in many ways, particularly the street-stall economy which serves as an important part of the informal economy sector. This paper analyzes the impacts of the COVID-19 epidemic on the street-stall economy and the supporting policies released by the government and relevant departments for informal workers based on an investigation of government documents. And some pieces of advice are proposed for the sustainable development of the street-stall economy and informal workers.

Keywords: COVID-19; Street-stall Economy; Informal Employment.

1. Introduction

In 2019, China's total GDP reached CNY 99.1 trillion and USD 10,276 according to the average rate, approaching CNY 100 trillion and having passed the USD 10,000 mark. Specifically, the primary industry (agriculture) accounted for 7.1% of CNY 7.0467 trillion, up 3.1% from 2018; the secondary industry (industry) accounted for 39% for CNY 38.6165 trillion, up 5.7%; and the tertiary industry (dominated by the service industry) accounted for 53.9% for CNY 53.4233 trillion, up 6.9%. However, an unexpected global pandemic arose to bring significant impacts on the world economy, particularly China as the largest developing country and the second largest economy. In this context, China has been upholding its traditional spirit of constant self-improvement and hard work, attaching great importance to the coronavirus as its first discoverer worldwide by issuing policies and regulations to comfort the people and building module hospitals to receive patients infected methodically. With a shared, benevolent purpose, the people helped the nation to manage to control the epidemic and promote the national economy to recover gradually and increase. Compared with the negative growth situation in many countries, China's GDP increased to CNY 101.5986 trillion by 2.3% in 2020, about which I assume that the high emphasis on it by the government is essential. In the post-epidemic era, however, China's economic development was still greatly impacted. Thus, this paper aims to analyze the effect of the COVID-19 epidemic on the street-stall economy and explore the supporting policies for informal workers from the epidemic perspective.

2. Theoretical Overview

2.1 Informal Employment

The urban employment system involves formal employment and informal employment, and informal employment consists of the observed sector and the unobserved sector. While the former includes some private enterprises and individual enterprises, the latter indicates the employment activities that are not on the list, including stall keepers, motorbike taxi drivers, family workshops, housekeepers, and security guards. Among these, stall keepers serve as an important part.

2.2 Street-Stall Economy

A definition of the informal economy is required prior to the discussion on the street-stall economy. In this case, the informal economy includes any business activities that do not conform to or do not

fully conform to government regulation and therefore are not on the regular statistical list. It differs from the illegal economy, which is illegal in the production and transport processes as well as the final products, for its processes may be illegal yet its final products are legal. Street-stall economy is a typical form of the informal economy. It is an informal economic activity, by which individual workers, including fixed vendors and mobile vendors according to whether they have a fixed business location, sell legal products in urban public space for income.

3. Impacts on Street-Stall Economy in Harbin

3.1 Positive Impacts

3.1.1 Entrepreneurship & Employment

As the population keeps increasing, the rural labor force is transferring to cities and towns where the number of jobs remains relatively constant to incur labor surplus, and the job shortage became even more intensive when the economic growth was impacted by the epidemic, industrialization of capital intensive industries, and the replacement of man by machines. There was a surge in the unemployed population because of the combined pressure of oversupply of labor and job shortage, and that was when the street-stall economy was considered advantageous for its low entry barrier, high flexibility, and low risk to attract a large number of individuals unemployed to increase the employment rate. From the neoliberalism perspective, otherwise, it was a rational choice for vendors to enter the street-stall economy to respond to overregulation and a product of the free market. It was not a passive choice for being unemployed or exploited but rather an active choice for a free society under the rule of law and entrepreneurship. Above, the street-stall economy offered low-cost entrepreneurial opportunities for college students and fresh graduates to gather experience.

3.1.2 Tourism Development

The low entry barrier-featured street-stall economy allows the fact that most of the practitioners are local folks who are familiar with local cultures. To some extent, the most direct and effective way to contact the culture of a place is to walk into its streets and markets. By capturing this characteristic, the street-stall economy may motivate the vitality of local tourism. Visitors may experience the local cultural atmosphere to improve their degree of satisfaction. In this case, a snack street named "Shida Night Market" in Harbin is an internet-famous site that fully presents visitors with its local food culture and ice-snow culture to satisfy their vision of an ice city. Thus, the street-stall economy promotes the development of the local tourism industry and improves the popularity of Harbin.

3.1.3 Harmonious Development of Society

With its unique charm, the street-stall economy created job opportunities for the unemployed and drove tourism development. In this context, it is safe to say that the street-stall economy has maintained social harmony and stability. In a field survey, a vendor noted, “we have a low operating cost and are free from the expenses of transfer, decoration, rent, wages for employees, and taxes. The trial-and-error cost is favorable. Most importantly, it allows us, the unemployed, to have a job and make money! And I believe that the number of thieves and the crime rate would go up without street-stall economy." Thus, the street-stall economy was a great contributor from the social security perspective.

3.1.4 Urbanization

The rapid development in cities and towns has intimidated the great rural labor force, they are concerned that they might lose their jobs due to their labor skills and qualities do not match urban development plans. However, the rise of the street-stall economy as an emerging industry endowed them with hope, encouraging them to leave rural areas to make living in cities and thereby accelerating the urbanization process.

3.1.5 Inspiration for Physical Stores

The increasing number of stall customers for convenience, lower product prices, and other advantages provided by the street-stall economy can be unfavorable to physical stores that suffer from rent and utilities cost. Compared with stall keepers, physical stores lose the price advantage, and their fixed location naturally restricts their geographic advantage. Losing both of the advantages, physical stores shall make more efforts on their products to provide more appealing products and services or inject new sci-tech elements into their products and services, seeking a way to upgrade their shops.

3.2 Negative Impacts

3.2.1 Environment & Traffic

The benefits from the street-stall economy come along with some negative impacts on mostly the environment and traffic. From the environmental dimension, some stall keepers would not collect the packages or food waste produced during their business after work, which incurs great troubles for sanitation workers. The disaster of garbage would be common in case of no timely scavenging. Such a practice highly damages the local environment and the image of a city in the eyes of people. From the traffic dimension, profit-seeking stall keepers prefer to set their stalls in transport hubs or places with a higher flow of people. Still, these sites are of great significance to urban traffic, and serious traffic confusion can be triggered if occupied, impacting, more or less, commuting and riding.

3.2.2 Food Safety

The acquisition and transport of stall products are unknown. It is hard to guarantee food safety, particularly in food stalls. Vendors may try to cut costs in food raw materials for higher profits by using, for instance, illegal cooking oil and expired food. Notably, people's food safety is challenged.

4. Supporting Policies for Informal Workers in Harbin

As Premier Li Keqiang once noted, “street-stall economy is the air of the worldly life.” To respond to the appeal of promoting the development of the street-stall economy, Harbin Government has released a series of supporting policies for informal workers. For instance, 52 temporary vending areas (including 5295 stalls) in the Jiangbei integrated development area of Harbin New Area were authorized to better boost consumer confidence and the market economy. According to the actual conditions, these vending areas would open at four in the morning or nine in the evening, significantly expanding the opening hour of informal workers and meeting the needs of various residents and stall keepers. At the same time, temporary roadside stall business areas were permitted in concentrated residence communities. The policy aimed to guide self-markering farmers to standardize their business and permit that mobile vendors sell their products in side streets and small lanes, which extended the business range of mobile vendors. Besides, Harbin has issued the Notice on Ten Measures to Invigorate Circulation and Promote Consumption Using Urban Public Space issued by Harbin Municipal Government to implement the Guidance on Launching Activities to Invigorate Circulation and Promote Consumption Against the COVID-19 epidemic: (1) expand the range of vending areas by opening more vending areas based on other areas with corresponding business conditions to set more stalls and attract mobile vendors into the standardized vending areas and increasing the opening hour for eligible morning and night markets; (2) develop temporary vending areas. Cities, counties, and districts in Heilongjiang shall set temporary vending areas in eligible stadiums, parks, squares, out-of-service plant areas, and school playgrounds, etc., and apply specific rules for each area to enable an orderly operation; (3) set temporary community markets; (4) permit off-store businesses; (5) carry out promotion activities; (6) allow deliverymen to work on roadsides temporarily; (7) reduce or waive business fees. Related fees can be waived for the stalls in morning markets, night markets, temporary vending areas, community markets and off-store operators; (8) implement a friendly supervision mechanism. Enterprises and storefronts shall abide by the business commitments, and law enforcement agencies shall educate, persuade and warn those who break the

commitments and terminate their operating and promotion activities if they do not abide by the commitments after education, persuasion, and warning; (9) carry out a negative list approach; (10) guarantee good services.

5. Conclusion

In general, the COVID-19 epidemic has incurred both great positive and negative influences on the street-stall economy in Harbin, which requires us to consider this subject dialectically. In this case, it shall deepen the positive impacts and explore the essences of the negative ones, gradually improving the systems and mechanisms and reducing the negative influence as far as possible. While the national policies actively promote the street-stall economy, informal workers should take full advantage of the benefits of the policies to develop the street-stall economy, and at the same time, strictly adhere to the baseline and firmly resist illegal and unethical behaviors.

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