

# Contextualizing and Comparing Street Vending Economy in Shanghai and New York City, Examining Impacts Given By the COVID-19 Pandemic, and Relative Policy Insights

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## Abstract

According to the Informal Economy Monitoring Study Sector's Report, there are more than 2 billion people worldwide who work in the informal sector. Among them, 50% of people in the Global South make a living through street vending (Roever). Street vendors are visible and vigorous figures in urban public spaces, selling clothes, food, handmade artifacts, and so on. They play an essential role in urban-based livelihoods, providing diverse goods and services, making the economy thrive and the city livelier. Also, they take up public space, making up noise, dirt, and disorder. The COVID-19 pandemic has struck a hard one on street vendors worldwide. As citizens avoid face-to-face contact, turning to work and study from home, dooming street vending businesses, making vendors struggle to survive. This paper examines the evolution of street vending in Shanghai and New York City in the context of their history, features, contributions, regulations, impacts given by COVID-19, and innovative measurement in the post-COVID- era.

## Keywords

Street vendors; Informal Economy; COVID-19; Urban restructuring.

## 1. Introduction

Street vending is a form of informal economy exercising in urban public areas which are primarily taken by unskilled workers. It is the result of cities' failure to offer the same amount of jobs for less-educated outsiders, immigrants who swarmed in with urbanization. As a result, a huge unemployment gap appears and street vending, as a major form of the informal economy, makes up a large part of the gap, reducing urban poverty while maintaining urban safety. The COVID-19 hurt street vendors with a slump of customers given lock-down orders. What factors initially contributed to their very first presence in cities? What do they contribute to the city as a whole? How do municipalities regulate them? How do they manage a livelihood during the pandemic? Is there a shift in the governance of street vendors in the post-COVID-19 era and the implications within and beyond? Zooming in on street vending dynamics in Shanghai and New York City, before, under, and after the pandemic, this paper offers explanations to all questions above. Through contextualizing each city's historical-cultural background and regulating mechanism the municipality adopts, this paper summarizes and compares, and contrasts the similarities of street vending in two cities and the ways that they are unique. Finally, this paper explores new regulations of street vendors and innovative forms of street vending in the post-COVID-19 era.

## 2. History, Size, and Features of the Street Vending in SH & NYC

Street vending in Shanghai and New York City appeared as a result of globalization and urbanization in the late 19th century and early 20th century. With the introduction of new technology and vast transportation methods, urban regions became core areas where

organizational practices take place and competitive units gather. Both Shanghai and NYC built their own trading ports in the late nineteenth century, attracting worldwide capital. The city's thriving image was super engrossing in radio stations and on newspapers, drawing a swarm of laborers from other parts of the country and immigrants from Europe. Old Days newspapers described Shanghai as "a foreign mansion towering high into the sky. Businessmen running errands with foreigners, having coffee by the Bund. Ladies dancing at clubs in exquisite cheongsam." These absorbing lines attracted a large number of people from other provinces of China, most emigrated with their families longing to earn a better living.

Both street vending in Shanghai and New York City were primarily taken by incoming outsiders, unskilled immigrants who failed to find themselves decent jobs and turned to street vendors for livelihood. Shanghai Archives Bureau indicates that in Dec. 1949, there were 84623 vendors, and this number increased to 190000 by 1955. Among the newly added vendors, migrants took 45%, of which 80% were farmers (Dong). As for New York City, there were about 10,000 people who made a living as street vendors in New York City in the early eighteenth century (Gannon). The number surged in later decades with the swarm of immigrants. Until today, there are about 20,000 street vendors in NYC according to The Street Vendor Project.

Most popular street vendors in both cities sold breakfast and snacks in which factory workers often stopped by and grabbed themselves fried breadsticks. A glimpse into the snacks food vendors sell in Shanghai is typical of the ones in southeast China, which do not vary much throughout decades. However, the ones sold by New York City's food vendors could reflect the evolution of the city's population composition. From oysters and clams in the late 19th century to hotdogs and Hadal nowadays, immigrants brought their hometown food to NYC which often appeared in food carts (Gannon).

### 3. Street Vendors' Contributions in SH & NYC

Street vendors' contributions to urban life go beyond the money they made by self-employment. They also offer citizens more options of what to eat, drink, and wear, offering daily goods at a comparatively lesser price. In megacities like Shanghai and New York City, street vending generates demand for a wide range of services by other informal workers like security guards, recyclers, and others who cannot afford to shop at supermarkets. Also, they generate demand for services provided by formal sector public and private actors, including transportation and suppliers from whom they source their goods. A 2012 report of NYC estimates that around 17,960 jobs were provided through street vending, as well as 71.2 million

dollars in taxes and 192.3 million dollars in wages (Carpenter). Aside from the vibrant street vendors brought to formal and informal markets, they also contribute to the city's cultural genes which are embedded in the collective memories of citizens. A famous writer Ailing Zhang once wrote about the street cries in her novel, calling it a very special memory of Old Shanghai. "Approaching dawn, street vendors begin hawking, selling breakfast: 'Beancurd Jelly! The word jelly stretches the sound, wandering across alleys, waking up citizens with an inviting smell of Tofu and fried rolls" (Chen).

While NYC's genes vary accordingly to newly migrated populations. Street vending, in a down-to-earth way, not only promotes immigrants' civic engagement but upgrades the overall quality of life in communities. According to the annual report of the NYC government in 2018, NYC is home to 3.1 million immigrants which is the largest number in the city's history and one-third of the residents today are immigrants. Among those, immigrants who engage in street vending for a living achieve a sense of belonging to the city. Although a lot of them are still undocumented illegal immigrants, through selling hometown food and necessities, street vendors gain new skills and build their own connections in the city (Nonko). Also, citizens of

similar cultural roots can enjoy their hometown food in NYC while supporting their fellow's businesses.

Acknowledged that the uplifting role street vendors play in contributing to urban-based livelihoods, making the economy thrive and the city livelier, they do often take up public space, creating noises and congestion while degrading urban sanity. In Shanghai, most vendors are moving, in danger of being expelled by the public security guy called Chengguan. When Chengguan is approaching, you could see the vendors running away. It is common to see the police scold, abuse, extort or even beat vendors, making citizens feel undesirable, contradictory to the modern and orderly image the municipalities intended to build. Street vendors in NYC received similar harsh treatment, being regularly assaulted and kicked out by the NYPD, some even being subjected to physical abuse from the police. Contrary to the purpose of maintaining urbane security, the violent expulsion of street vendors could contribute to disputes, even police's use of excessive force, making citizens feel insecure and anxious.

#### **4. Regulations of street vendors in Pre-COVID-19 Era of SH & NYC**

Given all the noises, filth, and disorder street vendors have made to urban public spaces, both Shanghai and NYC municipal once harshly evicted the street vendors in order to build a cleaner, order, and modern city. As a result, the relationship between the street vendors and municipal managers is historically hostile. In China, the pursuit of building a "modern", "ideal" and "hygiene" city is prevalent in the first decade of the 21st century in order to attract domestic and international investors and tourists, promoting economic development and social progress. Street vendors are the undesirables of the urban landscape in this discourse of urban renewal since they are symbolic of "backwardness" and harbor "dirt" which is a stumbling block to build a sanitary city. Given the pursuit of the central government in building Shanghai the paradigm of sanitary cities nationwide, district governments gave outright eviction orders to street vendors instead of drawing legal areas of street vending practices, let alone considering demands of local communities. As a result, street vendors in Shanghai often receive fines, facing relocations to marginal trading sites, and ongoing harassment.

In NYC, the municipality regulates street vendors by giving out licenses. However, the process of obtaining the license from the Department of Consumer Affairs and the Department of Health is complicated and requires months to complete. As a result, a huge amount of street vendors failed in legitimizing their business, living in the fear of being harassed and arrested. An official NYC street vending fact sheet states that " a person must obtain a license from the Department of Consumer Affairs. Unfortunately, with a legislative cap of only 853 licenses, and a waiting list of thousands, the chance of obtaining a license at this time is unlikely" (NYC Government). Different additional IDs are required for different types of street vendors. For instance, food vendors must obtain both the food vending license and a permit from the Food Unit/Cart from the Department of Health in order to legitimize their businesses. The complexity of licensing made most street vendors flinch and thus their businesses were illegal.

#### **5. COVID-19's Impact on Street Vendors in SH&NYC**

Both street vendor businesses in New York City and Shanghai have experienced their poorest performance during the COVID-19 pandemic. Given lockdown calls, travel restrictions, and risks to catch the deadly virus, people are much less willing to go out, making the once buzzing commercial streets few of people. In adapting to the tough situation, some street vendors in Shanghai have turned to e-commerce while those in NYC have found mutual support in one another, building collective voices in urging the government's attention and subsidy.

In China Daily's audio interview with Zhu, a street vendor who sells clothes, bags, and household supplies in downtown Shanghai, he disclosed that his total revenue from early January to early May is about ten percent compared to usual years. Though he had given all his products a big discount, the few customers still made Zhu's business dismal. He has thought about switching to e-commerce like some of his fellows, selling pajamas in particular as people spend most of their time at home. Sadly, Zhu failed to adapt quickly to operating business online due to his poor computer skills and unreliable source he could take goods from.

Given the pandemic, many people have left NYC and worked remotely from home, slumping the demand for food and goods offered by street vendors. In addition, most street vendors in NYC are self-employed who are ineligible to apply for loans or unemployment subsidies. Without promising income and access to financial relief, street vendors felt a huge lack of support. According to Emily, a New-York based reporter's interview with a Midtown Manhattan vendor who used to make lunch for office workers on their lunch break: "We are self-employed... we don't get any unemployment, we don't get small business support, and there are no customers...It has been very difficult for us to survive." Many vendors just dwell in public squares, holding signs and loudspeakers, urging for municipal attention and help.

## 6. New Governance & Emerging Forms of Street Vendor Economy in post-COVID-19 Era

Instead of shutting down all the street vendors as a whole, both Shanghai and NYC municipalities advocate street vending in the post-COVID-19 era in order to ease the high unemployment rate, resuming the economy, and fulfilling citizens' needs. New measurements, regulations, and innovative forms of street vending are emerging in both cities. The Street Vendor project was initiated in NYC, connecting a web of 20,000 street vendors working together defending their rights and advocating for changes. Also, this organization publishes reports and files lawsuits to raise public awareness about the street vendors. Their efforts had paid off. In June 2020 the NYC mayor has decided to move enforcement of code violations of street vendors from the NYPD. In January 2021, the NYC Council voted to increase the street-vendor permit. Tickets have been given out to about 1800 NYC street vendors to formalize their business instead of paying punitive fines. Through reconstructing vendors and organizing street and flea markets, not only the economy is resuming, but NYC's citizen's need for virtual social interactions was met.

The rebound of street vending and the emerging new stall economy in Shanghai is the central government's aim to resume the economy while satisfying citizen's eagerness to build in-person connections after staying at home for a few months. According to statistics, up to June 2020, at least 27 cities, including Shanghai had explicitly encouraged the development of the street stall economy (Zhang). Delicate, lively, down-to-earth is Shanghai's genes and the ideal vibe its citizens pursue. In meeting these characteristics, the municipality has upgraded the street vending to a diverse motif stall economy such as weekend markets, vintage stall gathers, etc. Different from street vending, such gatherings are well-regulated, temporal, and high-end practices which involve brands and individual creators. Hanging out with friends to stall markets is the new fashion of today's young people in Shanghai.

## 7. Conclusion

The emergence of street vending in Shanghai and NYC is the result of globalization and urbanization. Both were taken primarily by the underclass, namely the immigrants from other parts of the country or the world who are unskilled and less-educated. Street vendors contribute to the very essence of urban life, promoting economic development while satisfying citizens' daily and social needs. Vigorous and lively as they are, they also give rise to noises,

riots, and dirt in urban public spaces which are contradictory to the orderliness and modernness municipals strive to build. Both Shanghai and NYC officials were harsh in shutting down street vendors in the pre-COVID-19 period. During the pandemic, the street vendors in both cities had huge livelihood struggles given the slump in customers. Noticing that street vending is the very core

of urban life, connecting citizens and rebounding the economy, both Shanghai and NYC officials advocate the practices of street vending in the post-COVID-19 era. NYC municipalities are offering more licenses while Shanghai's governors are upgrading street vending to creative stall markets which are popular among the youth.

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