ABSTRACT

STREET VENDORS’ SITUATION AND GOVERNMENT’S POLICY EXAMINATION IN NANJING, CHINA

by JIA FENG

This thesis focuses on the night market vending and unlicensed roving vending business in Nanjing, China in order to examine the vendors’ and local government’s coping strategies in the night market evolution and development process. Based on observation, interview and survey methods, this thesis analyzes the situation faced by the informal vendors and the government policies towards the informal vending business on the streets in Nanjing. This research tries to examine the relationship between hukou policy and internal migration in China and the meaning of informal vending markets both in vendors’ life and in government management process. The findings suggest that hukou policy is no longer a strict policy to control the internal migration in China and informal street vending business should not be considered as a temporary job opportunity in Nanjing any more.
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Chapter 1 Research Questions and Methods Design

This is a pivotal time to examine the informal economy in Chinese cities. First of all, the role of informal economy is still under debate in different countries. Secondly, in China informal economic activities also caught on much attention in city development process. Furthermore, the informal urbanization process has led employment to be an important issue in different places in China.

During the last fifty years, the role of informal economy has been situated between temporary employment opportunities for migrants and a significant role in economic development in the world. Many informal economy studies were conducted both in developed countries (Castells, M. & Portes, A. 1989; Benson, J. 2006) and developing countries (Cheng, L. & Gereffi, G. 1994; Tinker, I. 1997; Neef, R. 2002; Cletus, A. 2002; De Stoto, H. 1989, PeNa, S. 1999; Crichlow, M. 1998., Meng, X. 2001). However, the role of informal economy is still a controversial issue in different studies. On one hand, the definition of informal economy has a broad range from street vendors to family small business, thus different kinds of informal economy can play different roles in the society. On the other hand, the role of informal economy differs in different countries in that they have different economic strategies in society and also they are on different stages of economic development. (Meng, X. 2001)

In the informal economic studies, I would like to focus on the street vendors, who are the most vulnerable groups of informal actors in cities. Many researches focus on governmental policies towards these informal activities in different cities, such as Kumba, Cameroon (Cletus, A. 2002), New York City, U.S. (Benson, J. 2006), Mexico City, Mexico (PeNa, S. 1999). In China, different cities have different rules for these informal activities. Shanghai, as the most globalized city in China, has opened some districts for street vendors in the summer of 2007. How to interpret this kind of informal economic activities in Chinese cities is still an open question for the government and researches.
Concerning the migration issues in Chinese cities, after China loosened the *hukou* (household registration system) system in early 1980s, rural-urban migrants started to play a significant role in Chinese urban development. However, during this period, the situation faced by the migrants has not been improved as fast as the speed of the overall Chinese economic development. Concerning the job opportunities to fulfill the needs from internal migrants, many Chinese scholars focus on the relationship between the informal economy and employment and argue that in Chinese cities, *hukou* system, as a filter, divides the urban labor market into two categories: urban labor force and rural labor force. The informal economy is playing a much more significant role in the rural labor market than urban labor market in Chinese cities. (Ding, J.H. & Leng, X.L. 2001) However, the situations faced by the night market vendors are still left as an unclear question.

In the past 30 years, China has experienced a significant economic development. During this process, some social problems led by the rapid urbanization and fast economic development also become visible in the cities, such as urban poverty, unemployment, internal migrants and etc. Although there are massive different policies in different cities concerning informal economy and internal migrants, no overwhelmingly recognized policies has yet successfully solved these social problems. With the continuation of the rapid economic development and urbanization, these social problems deserve close scrutiny as soon as possible to avoid more conflictive outcomes to appear in our society.

### 1.1 Statement of Problems

In Nanjing, night market vending business and roving cart vending business can be seen in several different locations. Some of the vendors are internal migrants, while some of them are local residents. In the literature, different viewpoints concerning the importance of informal sector in a city have long been discussed in the context of both developing and developed countries. What is the situation in China? Few researches have focused on this issue.
Nanjing, as a typical large Chinese city, provides an interesting case to study the phenomenon of night vending business—as a form of informal economic activities. In the context of night markets in Chinese large cities, the formation and evolution process of these informal markets and the city government’s and vendors’ coping strategies towards the emergence of these specific informal economic activities have not yet been thoroughly examined or scrutinized.

1.2 Research questions

I choose street vendors as my research focus to understand the informal economic activities and city government’s reacting policies in Nanjing. This research started from two different angles. First one starts from the street vendors in the context of night market transformation process in Nanjing. Secondly, I also focus on the local government’s coping strategies and evolution of the night market business to understand the formation and evolution process of the informal night markets in Nanjing.

Overall, I have two research questions:

1. What are vendors’ coping strategies towards the evolution of night markets in Nanjing?

2. What are local government’s policies towards the street vending business in the process of night market evolution in order to deal with massive urban laid-off workers and internal migrants in Nanjing?

In this research, I chose Nanjing as my study site and night market vendors, local government’s policies as my research objects. Through interpretation of the answers, I would like to use this research as a stepstone to supplement the study of Chinese informal economy and to illustrate the formation and evolution process of night market, and the city government and vendors’ coping strategies towards the development of the night markets in Nanjing.
1.3 Why is this study important?

Since the Chinese open policy in late 1970s and the start of the market reform, rural-urban migrants devoted an important part for the economic development in China. During this time, many scholars have pointed out that income inequality has grown substantially between Chinese urban and rural population. For the developing process, Roberts, K.D. (1997) argues that price scissors were utilized to guarantee the urban rapid economic development and “agriculture is continuing to finance China’s industrial development, as it has been doing for a very long time”. However, at the same time, “the state’s approach to the continuing and worsening problems of poverty and class polarization is to assert that one’s poverty is most likely a result of ignorance and an inability to grasp the principles of the commodity economy” (Oakes, T., 2000:302). And following up, Tim Oakes argues that “the newly invigorated project of poverty alleviation in China has been aimed almost exclusively at short-term schemes to increase peasant incomes and help them learn the value of the commercial economy rather than at addressing the underlying structural conditions that perpetuate rural poverty”.

Tim Oakes (2000:299) also illustrates that “market liberalization has generated a glaring income gap within China, the most visible manifestation of which is the floating population of peasant laborers, the mingong (peasant worker)”. With the increase of this income gap in China these years, more and more rural people chose to migrate to cities. Chinese government also noticed this problem, and set up a new concept of development. In 2002, Chinese government began to promote a harmonious society. Also in 2003, Chinese government presented the idea of “five coordination”—“integrated urban and rural development; integrated regional development; coordination of economic and social development; coordination with the development of natural harmony; coordinating domestic development and opening up”. In order to have an integrated urban and rural development, it is important to understand and analyze the migrants’ situation and also the government policies towards these people. Since a great portion of street vendors are migrants, this
research will be helpful for understanding and interpreting their situation and the relationship between the government and these vulnerable street vendors and their activities

1.4 Research Location

Nanjing is the capital of Jiangsu Province, which is adjacent to Shanghai City. In 2006, Nanjing has a population of 6.07 million, which contains 5.25 million in urban districts. Nanjing is the 9th biggest city in mainland China based on population. I chose Nanjing as my case study site because this is a typical large city with rapid economic development and urbanization. Nanjing represents a typical fast-growing large city in China, which makes Nanjing a perfect site for my study on internal migrants, informal economic activities, and local government’s coping strategies.

Furthermore, because Nanjing is a famous historic city and used to be the capital of China, road system is not suitable for development happening today, which makes the traffic issues very intense in the city. The street market is one of the victims from this kind of road broadening project. Examining the informal economy, especially street markets in Nanjing can help me better understand the relationship between the street vending activities and local government’s decision making process.

Moreover, in Nanjing, many night markets were set up for about 10 years. At that time, those night markets were mainly focusing on the employment issue for local residents who were laid off from their work in the economic reform process. However, nowadays, many of the street vendors are from “outside” of Nanjing. These phenomenons are very typical in large Chinese cities. The Nanjing government has also set up several rules and policies concerning all these street vending activities and actors. In 2005, Xuanwu District government in Nanjing set up a new rule to regulate morning market in Xuanwu District called “12-point policies”, which is similar to the 12-point transportation management policy. Additionally, in May 2007, the biggest and most famous street market—Matai Road night market—was removed due to the transportation need of Matai Road and other pollution and illegal vending problems.
caused by street vending activities.

Looking at the general size, location, development of Nanjing city and the changing policies towards informal economic activities in the city, I believe Nanjing is a representative city to study the relationship between informal economy and local government’s coping strategies towards these informal activities.

1.5 Method Design

I conducted my field work between June and July, 2007 in Nanjing. Since the cancellation of the biggest and most famous night market—Matai Rd. Night Market—in May, 2007, I selected three fixed-location night markets which were set and managed by their local community administration offices, in the direct charge of their district government. Also, I interviewed some unlicensed street vendors, who were either unlicensed store vendors or roving cart vendors.

In this research, I conducted 24 interviews with both the night market vendors and unlicensed street vendors. Also, 68 surveys have been used to examine the demographic status of night vendors in one particular night market—Guangdong Rd. night market. Following up, 6 in-depth interviews were utilized to gather information from local governments. Overall, this study rests mostly on qualitative methods conducted through interviews and surveys, and complemented by secondary data from the local government’s policies and community administrative offices.

1.5.1 Secondary data—urbanization and policies

To get the basic information about the history and background of the informal market in Nanjing, I looked at the local archives, urban planning documents and census data. I focused on the formation and evolution of several local street markets and urban planning or policy reactions towards these activities and actors.

Secondly, local statistics yearbooks are used to analyze the urbanization and migration process and trends happening in Nanjing city. Although not all of the floating population is included in the governmental statistics, this data are still useful
to measure the urbanization process and internal migration situation in contemporary Nanjing city.

1.5.2 Qualitative methods

To conduct a study on informal economy, the most efficient and most applicable method is interview. I used semi-structured interviews to collect data from night market and unlicensed street vendors. I mainly focused on their demographic status, living situation, motives to join informal sector and the importance of vending business in their life. Each of the semi-structured interviews lasted from 30 to 60 minutes. All the respondents are randomly picked. Overall, I interviewed 24 market and street vendors during the field work period. Although this number is not enough to represent the overall population who get involved in the street vending business, I get many repeating answers from the respondents. Thus, I believe these interviews can provide me a lot of information to interpret the questions concerning informal economic actors and their activities.

Guangzhou Rd. night market
The 24 interview data including the “illegal” roving vendors were taken in three different markets and the places around those markets. Here, night markets are basically organized and managed by local community administrative offices. Although they don’t pay any tax on their income, neither do they register for a vending license, their activities are considered legal in that their activities are allowed by local government and urban management officers. In this paper, I used “unlicensed” to describe the illegal roving vendors in Nanjing only because their activities are not allowed by the local government and urban management officers. All the goods sold by both legal market vendors and illegal roving vendors are legal products, such as suitcases, food, clothes, shoes, books, electronics, accessories and etc. In the analysis process, legal and illegal vendors will be investigated separately.

1.5.3 Quantitative methods

The 68 surveys were collected in one night market—Guangdong Rd. night market during the night hours in order to reflect the structure of the vendors’ basic demographic situation. The survey is carried out only in one of the three night markets because of the limited time period in my research process. I chose Guangdong Rd. night market because it was the largest night markets among the three cases in Nanjing.
1.6 Thesis structure

This thesis contains five chapters.

Chapter 1 is the introduction, which introduces the motives for me to do this research on night market vendors and roving vendors in Nanjing. Furthermore, this chapter also illustrates the statement of problems, objectives and my research question. Last but not least, the latter part of chapter 1 also demonstrates the method design for the thesis research.

Chapter 2 is literature review, which focuses mainly on two different issues: Chinese internal migration and informal economy. In this chapter, I examined the literature on Chinese internal migration policies and urbanization process in the last 50 years. Moreover, this chapter looks at literature on informal economy. Specifically, I focus on comparing different governmental policies towards street vending business in different countries in order to draw a comparison between these policies in different countries with the ones in Nanjing.

Chapter 3, street vendors and vending business, demonstrates the findings from my field work in Nanjing. Here, I discussed vendors’ demographic characteristics, their reasons to join this business and their socioeconomic situations generated in the informal vending business. Furthermore, I also focus on vendors’ coping strategies facing the restrictions and limitations set by local government and community administrative offices.

Chapter 4 looks at government policies in Nanjing towards vendors and their vending business. In this chapter, I focus on the history of these three night markets to check the evolution process of these night markets. Furthermore, I examine the management of night market in order to discuss the city management’s coping strategies towards the informal economic activities. Besides, I compare the management policies in Nanjing with the ones in different countries shown in my literature review. Last but not least, I also focus on the urban planning area in order to examine the relationship among Nanjing government, urban planning department and night market in Nanjing to check the role of urban planning in government
decision-making process.

Chapter 5 is conclusion and discussion. In this chapter, I draw general conclusions based on my research concerning two research questions generated in my first chapter. Moreover, I also leave several open questions which I did not tackle in this thesis research for future researches.
Chapter 2 Informal Sector in Chinese Urbanization

In the literature, I examined two aspects related to my study. The first one is internal migration in China because the literature suggests that informal sector provides very important job opportunities. Secondly, I looked at informal economy in different countries in order to understand government policies and conflicts between government policies and informal economic activities.

First of all, internal migration in China is very different from internal migration in other countries because the hukou system (household registration system) in China has highly restricted the internal migration for about 40 years. With the changing migration policies in China, internal migration has been more and more freed since the early 1980s. However, internal migrants in Chinese cities are not treated the same as local residents in job opportunities, educational opportunities, social welfare, and even political rights. Secondly, most of the classical migration models treat informal sector as a temporary job opportunity, but this attitude has changed since the 1972 ILO Kenya report, realizing that informal sector is very important for both informal economic actors and their host countries. (Meng, 2001) Furthermore, different policies are applied to regulate the informal economic activities in different countries, so in this chapter I also examined various policies and their effects in different places to show different relationship between governments and the informal sector in certain countries.

2.1 Changing internal migration policies in China

Between 1949 and the early 1980s, Chinese government highly controlled internal migration (rural-urban migration) in China. During that time, hukou system (household registration system) was one of the government policies to prevent people from free moving. After 1980s, policies concerning rural-urban migration relaxed a little bit. Although nowadays, migration policies are relaxed and seem like it will get
more flexible, many migrants still face a series of problems in different aspects in their everyday life.

### 2.1.1 Highly regulated period (1950s-late 1970s)

During this period, the society under Mao is “relatively homogenous” (Chan, 1996:134). Population movement was highly regulated by *hukou* system, which Chan (1996:135) believes, “was restored in 1951 first to monitor movement and residence of urban population, and further expanded to cover both the rural and urban populations in 1955.” All the people in China were divided into two categories: the peasant householders and non-peasant householders.

With the help of grain rationing, job and housing allocation policies, this *hukou* system locked people in their registered areas and prevented rural people from freely moving into cities. According to Chan (1996:135), this system guaranteed people with non-peasant households with “certain supplies of daily necessities” and “entitled to state-provided education, social and medical services and often jobs (including security and retirement benefits) and housing for those who wished to work”. On the contrary, “peasant households did not have any of these benefits or opportunities”. Potter (1983) and Chan (1996) argued that since one could not choose their registration status but inherit it from their family, the situation is considered as a “birth-ascribed stratification” system.

Between late 1950s and 1970s, China’s social structure could be viewed as a dichotomy, composed of rural residents and urban residents. During this period, rural-urban migration was almost prohibited except for exceptional chances, such as graduation from colleges, state labor recruitment or their agricultural land was requisitioned for urban purpose. (Chan, 1996) Migration policies started to change in the late 1970s due to the need for cheap labor in the export-oriented industrialization strategy.
2.1.2 Access to small cities (TVEs development 1980s-1990s)

In the late 1970s and early 1980s, China started to utilize an export-oriented industrialization strategy. In order to use cheap labor of migrants, migration policies became flexible. In the early 1980s, food and other necessary goods could be found on the market, which allowed migrants to live in other places without using ration coupons for living necessities. Access was open in 1983 for rural-urban migrants to move to small towns and cities, where state benefits and welfare have the lowest standard. However, even at this time, migrants are not allowed to claim any state benefits for urban residents. They need to gain living necessities by themselves on the market or from their home. At that time, Chinese government promoted the policy “li tu bu li xiang” (peasants can leave agriculture but not their village) (Chan, 1996:137). According to Garcia (2004), this act was trying to keep the peasants in the countryside and reduce the movement of people into larger urban areas.

In the 1980s, with the relaxation of migration policies, town and village enterprises (TVEs) developed rapidly. Many peasants went to work in these newly established companies. However, TVEs as job creating methods were not functioning well in the late 1980s. Garcia (2004:7) presents that “between 1989 and 1990…14.5 million employees were fired from rural enterprises”. At the same time, big metropolitan areas start to absorb the rural-urban migrants.

After all, rural-urban migration started in 1980s due to China’s open policies and its opened market, which provided enough necessities for migrants to live in urban areas through open markets and black markets. However, the government tried to restrict destinations of migration only to small towns and cities, meanwhile state benefits and welfares were still not open to the migrants. TVEs, as a newly promoted method, provided many job opportunities for the rural-urban migrants. But although rural-urban migration has started during the 1980s, migrants still needed to work in state-owned companies or other forms of state enterprises, when open job market was not available at that time.
2.1.3 Migration to metropolitan regions (after late 1980s)

In 1989 and 1990, big metropolitan areas started to absorb migration from rural areas. Because of the relaxation on employment through non-state channels, foreign and private sectors became important employers for rural-urban migrants. According to Garcia (2004:9), bureaucrats are “benefiting from the cheap labor provided by peasant migrants”, and “winning important cash incomes through fees imposed on outsiders or even through the commodification of local registration”.

In the hukou system, Chinese government used “blue stamp” card to legalize migrants in 1992. People with a blue stamp card were considered “preparatory residents” (Garcia, 2004:11). Also large cities used this method as a filter system to accept the people who were desired by the cities and kept the others away. Fan (2002:107) states that “in many ways, the hukou system serves as an internal passport system in China, granting urban citizenship to migrants deemed deserving by the city but not to peasant migrants brought in because of the cheap labor they provide”.

2.2 Paradox in political policies in urbanization

The development of political policies on internal migration in China illustrates a paradox in the urbanization process. On one hand, the changing policies tried to promote the urbanization process to help the TVEs and its EOI (Export oriented industry) strategy. However, on the other hand, the relaxation of migration policies was not aiming at the spontaneous migration from rural to urban areas.

2.2.1 Accelerated population mobility

Before the relaxation on migration policies, hukou system was not the only method to control internal migration. According to Garcia (2004:5), “government control over other economic and social activities helped maintain hukou differentiation and kept migration at low levels. The state monopoly over job and housing allocation, grain rationing, and a strict enforcement of the hukou system in
urban areas—aided by the surveillance of local residence committees—hindered peasants from moving into the cities”.

Starting in early 1980s, the changing Chinese internal migration policy has largely promoted population mobility and economic development in China. During the 1980s, EOI and TVEs benefited from the cheap labor provided by internal migrants. Relaxation on migration policies and freer markets allowed migration to become feasible. According to migration policies, in 1984, peasants can move to urban areas under the condition that they could secure food by their own means. In 1985, rural migrants were allowed to be registered as temporary population in the urban areas. In 1992, some cities started to provide blue household registration.

2.2.2 Selected urbanization process

Spontaneous rural-urban migration in China was not absolutely legalized by the changed internal migration policies in the 1980s. During 1983 to 1985, the policy “li tu bu li xiang” was utilized to regulate the rural people’s migration destiny. Chan (1996:137) presents that “under the new rule, peasants engaged in non-agricultural work in towns were allowed to obtain residence status provided that they did not claim any state-supplied benefits and had secured accommodation”. Thus, although migrants are allowed to enter cities, they are still not urban citizens and they have no access to state welfare benefits. Through this angle, although rural people have access to urban areas or urban employment, they are not legally urbanized, instead they are called “floating population” when they cannot change their household registration to be urban registered.

Hukou system has built up an invisible wall between rural and urban residents. Based on this hukou system migrants are classified into two categories: informal migrants and formal migrants. Chan (1996:138) presents that:

Informal migrants are those who have moved without household registration status in the urban destination. They are also officially classified as temporary migrants or residents. They have neither the
political rights nor entitlements to the whole array of state-supplied urban benefits as described before. Though not necessarily illegal, informal migrants face a situation that is very similar to that confronted by illegal immigrants in many countries, especially concerning political and civil rights.

However, migration policy in China is more like a filter system which accepts people desired by the city and denies those who are not needed. This situation makes China’s internal migration on an edge between a legal and illegal status. Those informal internal migrants are vulnerable in that their activities in the cities are not legalized by the society although their labor force is needed by various employers. This situation makes their future in the cities highly unstable and unpredictable (Garcia, 2004:23). Once the government cannot tolerate their activities in the city, their presence would be viewed as illegal.

2.2.3 Migration policies and the informal sector

Roberts (1997) compares China’s internal migration with Mexico-U.S. migration. He presents that the tidal wave of migrant labors in China is very similar to the situation of Mexican migrants in the U.S. And he follows to argue that “in both the U.S. and the cities of China, to varying degrees over time, unskilled migrant labor have been essential to the economy, but those migrants were excluded from the society. Urban China cannot

*Ding (2001) Understanding and development of informal employment in China. (Translated by Jia Feng)
afford to open its border, nor can it do without the rural labor that crosses them”. This paradox between the need for cheap labor and the unwillingness for the migrants’ presence cannot be solved only by the relaxation on migration policies, but needs overall economic, social, and political plans.

Since more and more rural labor surplus have come into cities looking for job opportunities, the informal sector becomes a necessary job market to support the migration process. A Chinese researcher, Ding Xiliang (2001:12) believes that hukou system has built up an “invisible wall” (hukou dam) between urban unemployment and rural labor surplus in cities. On different sides of the hukou dam, people have different experiences and job structure. Ding (2001) argues that on one hand structurally only a small portion of urban informal sector recruits urban population. However, rural-urban migrants mainly work in the informal sector. On the other hand, having lost their jobs in the formal sector, urban labors are forced to stay in the informal sector before they can join the formal sector again. However, rural-urban migrants are more satisfied with their informal sector job opportunities which situate them in a much better status than their “labor surplus” status. Thus he argues that this “invisible wall”—hukou dam—between migrants and urban local residents protects the urban informal actors and avoids the competition between the urban and rural informal actors. And following up, informal sector only exists as temporary job opportunities before people gain access to formal jobs in the cities.

In China, city governments are only responsible for solving local residents’ employment problems. Therefore the purpose of developing urban informal sector is mainly to solve urban employment. For example, Ding (2001) illustrates that Shanghai government sets up the rule that at least 70% of urban informal sector actors should be locally registered unemployed residents, which shows that governmental policies are mainly set up to secure the employment opportunities for local residents other than migrants. And this hukou dam provides a possible solution for the selecting procedure in the job provision process.
2.3 Migration characteristics

After almost 30 years of restriction on population mobility, in 1980s rural-urban migration started to be a significant phenomenon in China. However, due to the restricting *hukou* system, rural-urban population has some special characteristics. The once geographically (rural-urban) divided Chinese society is transforming into an economically and socially segregated society.

2.3.1 Job opportunities for internal migrants

Generally in Chinese cities, informal migrants do not have equal rights as local residents. Due to their low education levels and working skills, most of the rural-urban migrants are not qualified for formal sector jobs. Frequently, they were forced or pleased to take part in the informal sector. Shen (2002:363) argues that because floating population usually have a lower status than local permanent residents, “they only have limited access to low-paid 3D (Difficult, Demanding and Dangerous) jobs in the formal sector and many of them seek employment opportunities in the private sector”.

Chan (1996:143) examines Chinese urban society after Mao period and presents that “without urban *hukou*, peasant migrants are legally shut out of many urban job openings, especially in the state sector”. Furthermore, she summarizes that informal migrants basically have five channels to come to cities and towns: “Petty vendors/Nannies/Employment and self-employment in the urban non-state sector/Contract and temporary workers in state enterprises/Others”.

Fan (2002:107) studied the labor market for informal migrants in China and argues that “*hukou* system serves as an internal passport system in China, granting urban citizenship to migrants deemed deserving by the city but not to peasant migrants brought in because of the cheap labor they provide”. This situation guarantees cities the rights to keep informal migrants from urban job market and deteriorate the job situation for informal internal migrants.
2.3.2 Temporary and circular migration

Generally, if one person has changed to a local *hukou* registration status, then s/he formally migrated. If one person does not registered *hukou* status locally, s/he is considered as an informal migrant or floating population. Furthermore, because it is very difficult for informal migrants to find a formal job opportunity in the urban job market, many of them choose informal sector as a way to make their living in cities. However, in order to diversify their family income sources, many migrants still maintain their agricultural work opportunities in their rural family while participate in urban informal sectors.

Roberts (1997:266) compares the “tidal wave” of migrant labor in rural-urban China and Mexico-U.S., and illustrates that although rural-urban migrants would like to have an urban job, they still have agriculture as their alternative choice for a living. This circular, or temporary, migration situation is not unique in China, but also happens in other countries. Besides Mexican migrants in the U.S., Jensen (2003:71) examines the street vendors in Hanoi, Vietnam and finds out that “most vendors in Hanoi have not migrated permanently to Hanoi. Instead, income earned from street vending activities is seen as an important counterbalance to the growing inequality between rural and urban incomes and as a mitigating factor to the permanent migration of entire families out of rural areas.”

In addition to the purpose of diversifying income, most informal migrants “regard cities as the place for making money and their real home is always in the rural hometown” (Shen, 2002:375). Because of the different housing prices between urban and rural areas, rural migrants would rather save all the profits earned in the cities to build a spacious house in their hometown. This circular and temporary migration status builds up an unstable social status for these informal migrants in cities.

2.3.3 New social structure formed in Chinese cities

In the late 1970s, when China started its economic reform, the geographically
divided dual social structure started to change. Nowadays, Chinese cities appeared to have a new social structure formed by political, social and economic status. Chan (1996:146) believes that hukou registration status divided urban landscape into two categories. “…a two-class social structure has been emerging in the cities of China: one the one side those for whom jobs, housing, education, subsidized food, and medical care are an entitlement, and one on the other, those who must scramble for those goods or even do without.”

Wang and Zuo (1999:277) illustrate five differences between rural migrants and urban residents in Chinese cities:

1. Segregated Labor Market and Occupations
2. Low Income and Poor Benefits
3. Temporary Housing and Residential Segregation
4. Individual Instead of Familial Migration
5. Absence of Social Integration

Furthermore, Fan (2002:120) divides Chinese urban stratum into three categories: permanent migrants, nonmigrant natives and temporary migrants. She continues to argue that “in the Chinese city, state institutions not only shape migration processes and labor market segmentation but are also engendering a new social order marked by institution-backed socioeconomic stratifications.”

Although people have different opinions in analyzing the new social structure, informal migrants in Chinese cities are overwhelmingly considered to have the lowest social privilege. Political status—hukou status—is no longer the only reason to form the new social structure but all other economic and social situations derived from hukou status lead urban China to have a new social structure.

### 2.4 The informal economy

Generally, the informal economy is defined as follows: “it is unregulated by the institutions of society, in a legal and social environment in which similar activities are regulated” (Castells, Portes, 1989:12). Roberts (1994:7) believes that “the informal
economy, as usually defined, does not include activities that are inherently illegal, such as drug-dealing and other criminal activities… the economic activities of the informal economy, such as selling goods or making garments, are legal activities that are carried out illegally by avoiding one or more applicable state regulations.” Furthermore, the ILO (1972) defined the informal sector as being characterized by:

1. ease of entry;
2. reliance on indigenous resources
3. family ownership of enterprises
4. small scale of operation
5. labor-intensive, using adapted technology
6. skills acquired outside the formal school system
7. unregulated and competitive markets (Meng, 2001:73)

2.4.1 Perspectives on the informal economy

Informal economy and government policies always intertwine together. Roberts (1994) believes that city rules and regulations encourage the informal economy. Cheng and Gereffi (1994) have summarized informal economy into three perspectives:

1. Social Marginality

This social marginal perspective is associated with ILO’s Kenya report in 1972. According to this perspective, the informal economy is related to unstable workers and urban poverty. Cheng and Gereffi (1994) believe that “the informal economy represents problems of urban poverty caused by demographic dislocation in the process of imbalanced industrialization…people who have been squeezed out of agriculture but not yet absorbed into the ‘modern’ urban sector rely on informal activities for survival.”

2. State Regulation

In order to avoid state regulation and restrictions, many employers choose informal sector to enlarge their potential profits. Cheng and Gereffi (1994) argue that
this situation is happening both in developing and developed countries and “it adopts a holistic framework in which informal firms are depicted as integrally linked to the regulated areas of national economies as well as the global economy” and “[informal economy] constitutes a source of national competitiveness.”

3. Small-Scale Enterprises

Since late 1980s, with the globalization and development of subcontract business, “four newly industrializing countries (NICs)” in East Asia are examples for this perspective. Dense clusters of small firms start to be a new phenomenon for this new form of subcontracting economy.

Generally, the informal economy contains many different forms. Most of these different forms are connected to the formal sector. The advantage to join the informal sector is to avoid the heavy regulation or restrictions set onto formal economic sector.

In the following literature reviews concerning informal economy, I will focus only on the first perspective according to my research interests.

2.4.2 Government policies towards the informal economy

Concerning the informal economy, I am focusing on the social marginality perspective. Street vending, as a typical informal economic activity, is used to demonstrate the different governmental policies in different countries to control or regulate this informal activities and actors. According to Castells, M. and Portes, A. (1989), “the informal economy evolves along the borders of social struggles, incorporating those too weak to defend themselves, rejecting those who become too conflictive, and propelling those with stamina and resources into surrogate entrepreneurship.” Generally speaking there are different types of regulation and management methods: unregulated; organization regulated and highly regulated by government. Three examples best illustrate these three different types of street vending governance.

1. Kumba

Kumba is the largest town in South West Province in Cameroon. According to
Acho-Chi (2002:3), “the mobile food service practice is one of multiple survival strategies adopted by poor urban households in Cameroon to maintain and expand the base of subsistence incomes, especially in the current surge of economic crisis”. In Kumba, local government has changed their regulation policies from banning vending activities to providing education about food safety and vendor health. Although street vending is an important family strategy both to earn extra income and to gain nutrition supplement, the government does not take street vending as one serious family survival strategy. Furthermore, vendors do not have any organization to regulate or manage their activities.

Under such a situation, street vending in Kumba was not well accepted by the local government. This kind of unregulated street vending activities faced much pressure because “the street vendors get in the way of traffic, generate litter on the streets, in markets and public places, clogs gutters, pollute the atmosphere, and degrade surrounding areas, although vendors satisfy a public demand(Acho-Chi, 2002:18).” As a result, a lot of street vendors are forcibly removed from some attractive areas in the city.

2. Mexico City

In Mexico City, Mexico, street vendors are not regulated directly by the local government. According to Pena’s (1999:363) study, they have vendor organizations, which mainly have two functions: “1. organizations as negotiators or deal-makers; street vendors choose to become members of these organizations as a means to overcome red tape or complex bureaucracies; 2. organizations as managers of social assets; organizations limit membership and access to informal markets and manage conflicts among vendors.”

In such a way, vendor organizations can not only solve conflicts among vendors or between vendors and the local government, but also allocate different business vendors in order to maximize the profits for street vendors. The example of Mexico City illustrates the importance of street vendor organizations in regulating their activities and negotiating with local government.
3. New York

In New York, street vending activities are highly regulated by the local government. According to Benson (2006), street markets in New York are strictly planned, and the local government has set up regulations to manage the vending activities, goods, locations, operating hours and etc. Furthermore, the regulations about street vending activities are not organized by one overall department but by different departments concerning their different perspectives, such as Department of Consumer Affairs, Department of Health, Department of Transportation, and Police Department. This kind of highly regulated street market limits the flexibility for vendors to decide their activities. When there are conflicts, it is very hard to define the responsibility due to the numerous regulations in different departments. Mostly, the biggest concern for the government about street vending is if they will do harm to the local formal businesses. However, Benson (2006) argues that store business people and street vendors are doing well with each other, and some store owners believe that it is these street vendors who really brought prosperity into the area.

2.5 Conclusions

First of all, in China, there exist many restrictions on internal migration. These restrictions not only regulate the population flow geographically, but also exclude migrants from local social welfare and benefit opportunities. Chinese government is trying to relax hukou restriction, which is still a main obstacle to prevent people from fully and legally migrating. Furthermore, hukou is also acting as a filter system to accept certain people needed by the city. Ding (2001:12) presents a hukou dam theory, which starts with the assumption that informal sector is only a temporary job opportunity before people can find a formal job. In China, since local government only needs to solve the employment problem for local registered residents, hukou is playing an important role in the process of giving informal job opportunities to local people before internal migrants are recruited into this sector.

Furthermore, in many studies concerning informal economy in different places,
although migrants move to cities to do informal jobs, they still keep a close relationship with the agricultural field. Many migrants are still circular between the cities and their hometown. In such a family strategy, they can have their agriculture as a back up in case that one day they will loose the job in the cities.

Last but not least, governments in different countries are using different policies towards local informal sector. And basically, two different types of structures are significant in different countries: government-vendor organization-vendors and government-vendors. For example, New York, U.S. and Kumba, Cameroon are using a government—vendor structure, while Mexico City, Mexico has a vendors’ organization negotiating between the vendors and city government. These two different structures offer different advantages and disadvantages to the vendors and the city. The situation of Chinese management structure will be discussed in the later section.
Chapter 3 Situation faced by vendors & vending business

In this chapter, I examine the situation faced by street vendors and their vending business in three night markets in Nanjing. Based on the interviews and surveys on night market vendors and unlicensed roving vendors, I would like to check the importance of night markets for vendors’ families and their lives in Nanjing.

3.1 Demographic Characteristics

Concerning vendors’ demographic characteristics, I would like to answer two questions: 1. who are the vendors? 2. Where are the vendors from? Because the unlicensed roving vendors are not organized, my surveys only covered night market vendors in Guangdong St. night market. Thus, the demographic characteristics only focus on the organized night market vendors.

3.1.1 Who are the vendors?

There are two main groups of people who are doing street vending business. On one hand, many local residents laid off from their former jobs are working in this vending business; on the other hand, many internal migrants from other cities and provinces are doing this business on the street too. Basically, this situation is due to the following several reasons. First of all, in the 1990s, due to the economic adjustment program, many local residents were laid off from State Owned Companies (SOCs). In order to solve the employment problem for these local people, neighborhood committee and Community Administration Offices (CAOs) organized unemployed people into night markets. These people formed a big portion of the night market vendors. Secondly, after solving local residents’ unemployment problem; local CAOs gave available positions on night markets to internal migrants who were looking for job opportunities in Nanjing. Additionally, some local vendors also sub-lease their night market spots to migrant vendors, which was done between
vendors themselves without informing neighborhood committee or CAO. Thus, these people have formed the two main groups of people at the night market.

According to the 68 surveys conducted on Guangdong St. night market, about 60% of the vendors are migrants, while the rest 40% are local residents. Although the night market was set up for local residents, migrants take a big percentage in the vendors. If we check the relationship between age and migration situation, a clear situation appears in chart 3.2.

In chart 3.2, comparing night market vendors’ migration status and their age, I would like to claim that among vendors who are under 40 years old, most of them (more than 80%) are migrants while among vendors over 40 years old, most of them are local residents. This situation can be well explained by the motives leading them into vending business. Most local resident vendors were laid off from SOCs about 10 years ago, and then they were organized into this vending business. However, less young local residents are involved in this vending business. For migrant vendors, many have joined this vending business when they were young and looking for jobs in Nanjing. Because internal migration was more highly restricted about one or two decades ago than now, fewer migrants who are over 40 years old were in this business than younger migrants.

Although surveys were conducted only in Guangdong St. night market, it can show a general situation of vendors in most night markets in Nanjing. Basically, young migrants and older local residents form the vendor population in Nanjing’s most night markets. In the following sections, this forms the basic categories which I use to analyze vendors’ situation.
According to the survey I conducted in Guangdong St. Market, of 68 people, 26 were men (38.2%) and 42 were women (61.8%). In chart 3.3, we can tell that the average family size in this night market vendors’ home is 3.15 while 40 market vendors have a family size of 3 persons and 13 vendors have a family size of 4 people, which are not surprising in that most families are under the influence of one child
policy in the early 1980s. Thus, in future analysis, I am using a standard of three member family to analyze the vendors’ family income.

Chart 3.3 How many members in a vendor’s family? (from surveys)

In chart 3.4, it shows that most vendors that have been working on the night market for less than 8 years are migrant vendors, while most vendors who have been working for more than 8 years are local residents. To some extent, this situation...
indicates that many migrant vendors have been working at the night market for quite a long time and also that there are a lot of new vendors who have been there for less than three years. Therefore, because many of them have been working on this market for more than 3 years, this vending business is considered by many vendors—both migrants and local residents—as a stable opportunity instead of a temporary short-term work in Nanjing.

Based on the 53 available responses concerning their education background, 36 (67.9%) have finished their 9-year compulsory education, which was an education program started in 1986. 4 persons have finished college education while 13 have finished their high school education and only 1 person is illiterate. To some extent, most vendors’ education background can generally show that it is not enough for them to find a formal job opportunity in Nanjing’s labor market. So can they find a formal job opportunity with their education background? What kind of jobs can they find in Nanjing? I will continue on to analyze these questions in the following sections.

Chart 3.5 Education backgrounds of night market vendors (from surveys)
3.1.2 Where are the vendors from?

As shown in the former sections, migrant vendors form an important part of night market vendors in Guangdong St. market. Thus, where do these vendors come from? 64 available surveys on night market vendors provide a basic answer to this question that 27 vendors are Nanjing residents, 17 vendors are from Jiangsu province and 20 vendors are from other provinces. And moreover, by looking at GDP/capita in each different province in China and county in Jiangsu Province, I would like to draw a comparison between migrants’ original hometown and Nanjing to provide general information concerning the economic situation in different places.

![Chart 3.6 Where do migrant vendors come from in China? (from 64 available surveys)](chart.png)

Table 3.1 Where do migrant market vendors come from in China? (from 64 available surveys)

<table>
<thead>
<tr>
<th>People (Count)</th>
<th>City or Provinces vendors are from</th>
<th>GPD/capita 2007</th>
<th>Rank x/31</th>
</tr>
</thead>
<tbody>
<tr>
<td>27</td>
<td>Nanjing local residents</td>
<td>46114 Yuan in 2006</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Jiangsu (where Nanjing locates)</td>
<td>32985 Yuan(^1)</td>
<td>5</td>
</tr>
</tbody>
</table>

\(^1\) 100 U.S. dollars = 7.0126 RMB yuan on Mar. 30\(^{th}\), 2008
First of all, table 3.9 and chart 3.5 shows that most of the migrant vendors having taken the surveys are from provinces that are close to Nanjing province. And all these provinces have a lower GDP/capita than Jiangsu province and none of the places are on the east coast, which represent a higher level of economic development in China. Therefore, I believe that economic difference is another factor leading vendors to Nanjing as well as the distance factor.

Chart 3.7 Where do migrant vendors come from in Jiangsu Province? (from 64 available surveys)

Table 3.2 Where do migrant market vendors come from in Jiangsu (from 64 available surveys)

<table>
<thead>
<tr>
<th>People (Count)</th>
<th>Cities/Towns in Jiangsu where from</th>
<th>GDP/capita2006</th>
<th>Rank x/65</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Suzhou 蘇州</td>
<td>78801 Yuan</td>
<td>5</td>
</tr>
<tr>
<td>Rank</td>
<td>City</td>
<td>GDP</td>
<td>Age</td>
</tr>
<tr>
<td>------</td>
<td>---------------</td>
<td>------</td>
<td>-----</td>
</tr>
<tr>
<td>1</td>
<td>Yangzhou</td>
<td>24048 Yuan</td>
<td>21</td>
</tr>
<tr>
<td>1</td>
<td>Nantong</td>
<td>22826 Yuan</td>
<td>22</td>
</tr>
<tr>
<td>2</td>
<td>Dongtai</td>
<td>16864 Yuan</td>
<td>32</td>
</tr>
<tr>
<td>1</td>
<td>Xuzhou</td>
<td>15363 Yuan</td>
<td>35</td>
</tr>
<tr>
<td>1</td>
<td>Yancheng</td>
<td>14647 Yuan</td>
<td>38</td>
</tr>
<tr>
<td>1</td>
<td>Nantong</td>
<td>12607 Yuan</td>
<td>43</td>
</tr>
<tr>
<td>1</td>
<td>Baoying</td>
<td>12567 Yuan</td>
<td>44</td>
</tr>
<tr>
<td>5</td>
<td>Huai’an</td>
<td>12278 Yuan</td>
<td>45</td>
</tr>
<tr>
<td>1</td>
<td>Lianyungang</td>
<td>11084 Yuan</td>
<td>48</td>
</tr>
<tr>
<td>1</td>
<td>Sihong</td>
<td>8131 Yuan</td>
<td>58</td>
</tr>
<tr>
<td>1</td>
<td>Shuyang</td>
<td>7028 Yuan</td>
<td>60</td>
</tr>
<tr>
<td>27</td>
<td>Nanjing</td>
<td>46114 Yuan</td>
<td>12</td>
</tr>
</tbody>
</table>

If we concentrate on the migrant vendors from other counties or cities in Jiangsu Province, table 3.2 and chart 3.7 illustrate that 15 of 17 migrant vendors are from counties where GDP/capita is less than 1/2 of Nanjing’s GDP/capita. Economic difference may be one of the main reasons for the migration. Furthermore, in Jiangsu Province, most of the vendors are not from counties which are close to Nanjing city, but from north Jiangsu province, which is not as economically successful as south Jiangsu province.

### 3.2 Reasons to join vending business

Throughout the interviews with both market vendors and unlicensed roving vendors, no significant difference appeared between them when they are talking about their reasons to join this business. This night market or roving vending business is almost the only work opportunity for them to get in the job market. However, local vendors and migrant vendors have different reasons to join this vending business. I would like to discuss vendors’ reasons to join and stay in vending business in two categories concerning if they are local residents or migrants.

**Local Vendors**

In my interviews with night market and unlicensed roving vendors, most local vendors indicate that they worked in SOCs before they joined this informal sector in Nanjing, however, they were laid off about ten years ago. Then local neighborhood committee and local community administration office (CAO) organized this night
market for them. That is why they joined this market. Following is a quote from a local vendor:

*When I was laid off from my former company, I was almost 45 years old with a high school education background. No company wanted to hire such an old guy like me. Our neighborhood committee organized this night market, so why not?*

----a local resident was talking about why he joined this vending business

**Migrants**

However, for migrants, most of their reasons to join this vending business are shown as follows that their friends or relatives told them about this informal vending business in Nanjing, which led them into this informal business.

*I have a friend from my hometown who used to work in night markets in Nanjing. He told me this business was very good and I was persuaded to come here from my hometown...Now we do not contact each other at all.*

----a migrant vendor talked about why he chose to join this business

Table 3.4 shows all the information concerning both local and migrant vendors’ background and their reasons to join this business. First of all, for local market vendors, the result shows that the informal sector jobs are mostly organized by local government and most of these vendors were laid off from their former job. This is not surprising. During the 1990s, many state owned companies/corporations (SOC) encountered problems due to the economic reform from a planned economy to a market economy. Two of the eight people I interviewed tried some other formal contract work before; however, both of them joined the informal sector after they realized informal sector can provide more income or more flexible schedule than formal contract jobs. This result actually follows the literature related to government employment policies, where the governments only aim at solving unemployment problems for local unemployed people (Ding, 2001). Meanwhile, most local market vendors replied to government’s market vending policies with a positive response by joining the informal sector. To these local market vendors, night market as an informal
work opportunity provided them with a profitable and flexible job to make their living. At the same time, two local unlicensed roving vendors I have interviewed joined this informal sector because they can use informal sector as a good supplement to their family income. Basically, local vendors join this informal sector in order both to get an employment opportunity and to get a good income for their families.

Secondly, migrant vendors, both unlicensed roving vendors and market vendors, joined the informal sector for economic reasons. Six of the eight vendors I interviewed who joined the informal sector directly from rural sector indicate that they were informed about the informal business by their local friends or relatives from their hometown who worked in this informal sector in Nanjing. The other two vendors are doing this informal sector in that the seasonal fruit vending business, which they got involved in, can provide a better income than their regular income. At the same time, among the six migrant vendors who joined formal contract sector before they took part in informal business, two are still in both formal and informal sectors at different time or in different seasons to gain as much money as possible. The other four joined informal sector because they believed that informal sector is either easier or more flexible and it can provide more income than formal sector does.
Table 3.3 Where were people from before they started their informal business?

<table>
<thead>
<tr>
<th>Vendors</th>
<th>Status</th>
<th>Number</th>
<th>Routes to informal sector</th>
<th>background before informal sector</th>
<th>How to join informal sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licensed Market</td>
<td>Local</td>
<td>4</td>
<td>Laid off from formal sector-&gt; informal sector</td>
<td>(5) (10) laid off from SOC for 10 years</td>
<td>Organized by local community/government</td>
</tr>
<tr>
<td>Vendors</td>
<td></td>
<td></td>
<td></td>
<td>(7) underemployed by SOC and retired later.</td>
<td>Organized by local community/government</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(15) laid off from SOC.</td>
<td>Organized by local community/government</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td></td>
<td>Laid off from formal sector-&gt; another formal sector-&gt; informal sector</td>
<td>(12) laid off from SOC, second former job can only make 500-600 yuan/m.</td>
<td>Economically, informal market can make more money than some formal jobs.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(14) SOC was bankrupted, second former job has too rigid schedule with 400 yuan/m.</td>
<td>Informal sector can provide a more flexible time schedule with more income.</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td></td>
<td>Join informal sector directly</td>
<td>(6) join informal sector directly because of its high profits, moved here after Matai St. market closed.</td>
<td>Informal market is very profitable.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(16) join informal sector from no work</td>
<td>Organized by local community/government</td>
</tr>
<tr>
<td>Migrant</td>
<td>5</td>
<td></td>
<td>rural sector-&gt; informal sector</td>
<td>(2) (13) (18) (19) (21) join informal sector directly from rural sector to make more money.</td>
<td>Introduced by friends/relatives from same area to get the information about informal sector.</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td></td>
<td>formal sector-&gt; informal sector</td>
<td>(9) in formal sector during daytime, informal sector helps reduce the economic pressure.</td>
<td>Look at the people who are in informal sector and then join by herself.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(11) give up doing contract work and join informal sector</td>
<td>Her children believe that informal sector is a little easier and more flexible for her.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(23) give up doing contract work and join informal sector</td>
<td>Informal sector is easier and more flexible.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(17) physical work during daytime with contract; informal sector only in evening.</td>
<td>Friends introduced informal sector to him.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(22) contract work and market vending together but the income could not support the family</td>
<td>Market vending is more profitable, which drove her to only work in informal sector.</td>
</tr>
<tr>
<td>Unlicensed</td>
<td>Local</td>
<td>1</td>
<td>laid off from urban formal sector</td>
<td>(20) underemployed then retired from formal work</td>
<td>Use informal sector income as a supplement.</td>
</tr>
<tr>
<td>Roving Vendors</td>
<td></td>
<td>1</td>
<td>give up formal work to join informal sector</td>
<td>(1) give up operating a store to join the informal sector.</td>
<td>Street roving vending is more profitable than operating a store.</td>
</tr>
<tr>
<td></td>
<td>Migrant</td>
<td>1</td>
<td>formal sector -&gt; informal sector</td>
<td>(4) give up contract work and join informal sector</td>
<td>Informal sector is more profitable.</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td></td>
<td>rural sector -&gt; informal sector</td>
<td>(3) (24) agricultural work -&gt; informal sector only in summer time, and formal work in other seasons.</td>
<td>Contract work does not make much income, join informal sector to make more money</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(8) join informal sector directly from rural sector to make more money.</td>
<td>Introduced by friends to is doing informal business in Nanjing.</td>
</tr>
</tbody>
</table>
3.3 Vending business

In this section, I use the interview and survey data to analyze the situation faced by vendors and their vending business in order to find out the meaning of this informal vending opportunity to vendors in Nanjing. Basically, I examined vendors’ economic situation, their family strategies and migrant vendors’ migration status and problems faced by vendors in Nanjing.

3.3.1 Economic situation

On street market carts and roving carts, vendors sell various goods, such as batteries and electrical goods, clothes, toys, fans, cell phone cases, watches, tools, sandals, bed linen, socks, underwear, books, jewelries, hand bags, telephone cards and etc. Through all the interviews conducted on the night markets, vendors told me that they are free to take anything profitable to sell on the street market, except for food. Here I will examine vendors’ economic situation with their informal economic business. Although many vendors do not know exactly what they are earning from the street market by month, I still got some general information from the interviews.

For unlicensed roving vendors, they are focusing on food, drink, or fruits in order to make their maximum profit on the street. However, their situation is more unpredictable in that if they are caught by urban management team officers, they would have to pay a fine (between 100yuan and 200yuan) to take their equipments and products back. Also their activities are affected much more by road regulations than those market vendors. I would like to illustrate what I have found through both surveys and interviews concerning vendors’ income, family income and their motives to join this informal sector.

3.3.1.1 Above poverty

To analyze vendors’ family income, I would like to take a three member family as a standard to compare the vendors’ family income with two indexes—minimum
living guarantee of urban residents in Nanjing in 2007 and the average urban disposable income per capita in 2006. On one hand, the minimum living guarantee can provide an indication to understand the poverty line in Nanjing and people’s basic living standard. On the other hand, the average urban disposable income per capita can demonstrate the average Nanjing residents’ life standard.

Throughout the interviews, most of the vendors use 1000 yuan to describe their monthly income. Based on Nanjing standards about minimum living guarantee of urban and rural residents, in 10 urban districts of Nanjing, the minimum living guarantee is 300 yuan/person; for Jiangning district, which is located on suburb Nanjing, the guarantee is 260 yuan/person; for Liuhe, Lishui and Gaochun districts, which are further suburb Nanjing districts, the guarantee is 220 yuan/person; for rural residents, the guarantee is 150-200 yuan/person. In such a situation, since vendors are living in Nanjing city, I would like to use the minimum living guarantee for urban districts to compare with the income gained from the street markets. Generally, because of the one-child policy started in China in early 1980s, most families have three members. In such a circumstance, a family income of 300 yuan × 3 = 900 yuan is the standard of a minimum living guarantee in social welfare programs in Nanjing. If the family income is less than that, Nanjing government will provide the difference between their family income and the minimum living guarantee. Generally vendors’ monthly income is a little higher than Nanjing urban residents’ minimum living guarantee, which indicates that vending business provides right enough income for vendors to get out of poverty in Nanjing.

However, in 2006 the average urban disposable income per capita is 17537.72 yuan ($2505.39 U.S. dollars) per year in Nanjing. This means for a family with three family members, the average urban disposable income in Nanjing is 4384 yuan/m ($626.35/m). Comparing this number and vendors’ monthly income, I would like to argue that although this informal vending can keep vendors right above poverty, the vending business kept vendors far from Nanjing urban residents’ average income level.
3.3.1.2 Family income from street vending

Market vendors

When I started to ask vendors about their income, most of them did not have a clear answer about what they can earn from the vending business. First of all, their responses always started with “it depends; you mean good time or bad time?” Every vendor in the market told me that their business is very unstable, which means that it depends heavily on the season and what they sold at the market. Secondly, their money is rotating by building up storage and at the same time earning money at the market. None of the vendors on the street has an accounting book for their expenses and income. Instead of this unclear information about income, their saving became another important indication showing the vendors’ economic situation in Nanjing. Thirdly, when I started to ask them about their monthly bills, I got most of the information from their monthly rent. Furthermore, all the three night markets that I conducted interviews have a strict working timeline between 5:00pm and 11:00pm. So this rigid time schedule of market vending activities makes vending schedules not an issue to be analyzed concerning their economic situations. Thus, their general idea about their monthly income, monthly or yearly saving and their monthly rent are the foundation where I am going to start from to draw a conclusion about their economic situation.

Table 3.4 Family income sources for market vendors

<table>
<thead>
<tr>
<th>Market vending</th>
<th>Families’ only income</th>
<th>Other informal income too</th>
<th>Other formal income</th>
</tr>
</thead>
<tbody>
<tr>
<td>17</td>
<td>3</td>
<td>4</td>
<td>10</td>
</tr>
</tbody>
</table>

Among the 17 market vendors who provided available information, three indicate that their market vending business is their families’ only income source; four show that their families also have some other informal income in addition to their market vending business; the rest 10 vendors have formal income in their family besides the informal vending business. Therefore, it shows that not all vendors’ income from night market vending business can be enough to support their families.
Table 3.5 Vendors whose street vending income is their families’ only income

<table>
<thead>
<tr>
<th>No.</th>
<th>Goods</th>
<th>Total income/m or Money saved/m</th>
<th>How stable is the income?</th>
<th>Fees/m</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Cell phone case, fans, toys</td>
<td>2000 ¥/m</td>
<td>Selling different goods according to different seasons</td>
<td>120 ¥</td>
</tr>
<tr>
<td>10</td>
<td>Tools, watches</td>
<td>At most 1000 ¥</td>
<td>No savings</td>
<td>240 ¥</td>
</tr>
<tr>
<td>19</td>
<td>jewelries</td>
<td>1000 ¥ ± left sometimes</td>
<td>Summer is much better, the business is very seasonal.</td>
<td>240 ¥</td>
</tr>
</tbody>
</table>

In case 19, the respondent showed that he worked for the whole year on that street market except for rain or snow. His wife is doing some agricultural work in the field in their rural home. The outcome from the field is only for their family to consume and the money earned from the field is not even enough to sustain the field itself for the next year. Income on this night market was very unstable. Sometimes, they can save 10000 ¥ per year in a good year, but in some bad years they can barely make it through the Chinese new year.

According to these three people whose night market vending is their only family income, 2 can save some money while 1 person cannot save any money from the income s/he gets.

Table 3.6 Vendors whose family has other informal income

<table>
<thead>
<tr>
<th>No.</th>
<th>Goods</th>
<th>Informal activities for their families</th>
<th>How stable is the income?</th>
<th>Fees/m</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>Socks and underwear</td>
<td>He and his wife are doing market vending at the same night market in different locations.</td>
<td>They sold different socks in different seasons. Generally, there was 10000 ¥ ± left per year.</td>
<td>Husband and wife 360 ¥/m</td>
</tr>
<tr>
<td>18</td>
<td>Hand bags</td>
<td>Her husband operates informal vending during the day while she is vending during the night with the same products.</td>
<td>Together, they are earning 4000 ¥/m before spending. Every year they will save about 20000 ¥ from this informal sector.</td>
<td>120 ¥/m</td>
</tr>
<tr>
<td>22</td>
<td>Fans, cell phone case</td>
<td>She is only doing informal vending business, while her husband is watching ATM machines every second day and fixing bicycles on the street.</td>
<td>Through the informal vending, she can earn 3000 ¥/m at some good months, but as little as 200 ¥ /m during the bad months, which is not enough for the rent of that vending spot. Her husband can earn 350 ¥ /m from the informal activities he was doing.</td>
<td>240 ¥/m</td>
</tr>
<tr>
<td>23</td>
<td>Electrical fans, wires</td>
<td>He is only doing night informal vending business, while his wife is selling the</td>
<td>For the night market, they can get about 1000-1500 ¥ /m. Monthly,</td>
<td>360 ¥/m</td>
</tr>
</tbody>
</table>
same goods in the day market or buying more goods for the business. their family can save 800-1000 ¥.

Basically, these four people who are doing other informal work besides night market vending are making adequate income for their family. Three of the four are migrant vendors and the other person bought a house by loan to change her family’s registration status (Hukou status). However, from table 3.6, I would like to argue that as the main and only income source for their family, informal sector is not only helping them to survive, but also is their key means to sustain their family in Nanjing.

<table>
<thead>
<tr>
<th>No.</th>
<th>Goods</th>
<th>Formal income for the family</th>
<th>Informal income for the family</th>
<th>Fees/m</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Clothes</td>
<td>Salesperson for 3-4 months per year; 800-900 ¥/m from being salesperson</td>
<td>1000 ¥±/m from street vending. No savings.</td>
<td>120 ¥/m</td>
</tr>
<tr>
<td>7</td>
<td>Suit cases, bed linen</td>
<td>Retirement: 200 ¥/m for each of the couple.</td>
<td>1000 ¥±/m from street vending; No savings.</td>
<td>240 ¥/m</td>
</tr>
<tr>
<td>9</td>
<td>Clothes box, belts</td>
<td>He has a formal work with 1500 ¥/m.</td>
<td>1500-2000 ¥/m during good months; 200-300 ¥/m during bad months.</td>
<td>240 ¥/m</td>
</tr>
<tr>
<td>11</td>
<td>Underwear, undershirt</td>
<td>She lives with her daughter and son in law, who are in formal sector.</td>
<td>She does not know how much she is making from night market.</td>
<td>360 ¥/m</td>
</tr>
<tr>
<td>12</td>
<td>Sandals</td>
<td>Her husband works in formal sector with 2000 ¥/m±</td>
<td>At most, she could make 800-1000 ¥/m.</td>
<td>240 ¥/m</td>
</tr>
<tr>
<td>14</td>
<td>Hair band</td>
<td>Her husband works in contract work with 600-700 ¥/m.</td>
<td>She could make 700-800 ¥/m. Save 5000-6000 ¥ yearly.</td>
<td>200 ¥/m</td>
</tr>
<tr>
<td>15</td>
<td>Batteries and wires</td>
<td>His wife works in formal sector in other cities with 2000 ¥/m±</td>
<td>1000 ¥/m during good months; 300-400 ¥/m during bad months.</td>
<td>120 ¥/m</td>
</tr>
<tr>
<td>16</td>
<td>Underwear undershirt</td>
<td>Her husband works in formal sector with 600-700 ¥/m.</td>
<td>At most, she could make 1000 ¥/m.</td>
<td>240 ¥/m</td>
</tr>
<tr>
<td>17</td>
<td>Books</td>
<td>He works in contract work with 100-200 ¥/m during daytime; he collects bottles for recycle; his wife is</td>
<td>1000 ¥/m± savings from informal market, which is used for two kids’ education. No savings yearly.</td>
<td>240 ¥/m</td>
</tr>
</tbody>
</table>
working in agriculture for 2000 ¥/year; for 6 Mu², there is 300 ¥/year from government’s support.

| 21 | Clothes | Her husband has a formal work with 40000 ¥/year ±. | 800-1000 ¥/m ± savings from informal market | 360 ¥/m |

*Gray boxes represent the more income or more stable income in the family.

Throughout the 10 vendors whose family has formal income besides their vending activities, four vendors earn more from market vending than their families’ formal income; five are gaining more or more stable income from formal income, 1 vendors among the ten has a more stable income from formal sector but a little less than the informal income gained on street market. Under such a situation, informal sector is still playing an important role in these vendor families’ income. Also, only one vendor showed that her family’s income mainly comes from formal sector, which shows that informal vending income rarely acts as a temporary or supplemental income in their family income but as a very significant living support.

Among the 17 vendors I have interviewed, 11 vendors indicate that their informal income is the main income in their family; five indicate that another formal income is the main income and one person shows that informal income and formal income are almost the same in their family income. Thus based on the information shown here, although informal sector cannot guarantee to support vendors’ family, income from informal sector is still a main source in night market vendors’ family income.

In table 3.8, which concerns about the 17 market vendors who provided available information, 10 indicates that they do not have saving in their family, seven indicates that they can save money every year through their family income. Three of the four vendors who has other informal income in their family can make a saving generally around ¥1000 ±/m. Among 10 vendors whose families have other formal income, one can make a saving for ¥500 ±/m, and the other one can save around ¥40000 ± per year because of her husband’s wedding management business. Among three

² 1 Mu = 7180 feet².
vendors whose family income is 100% based on this night market business, two of them can make a saving for about ¥1000 ± /m and ¥500 ± /m. At the same time, all the other 10 vendors cannot save any money in their lives.

Table 3.8 Savings in market vendors’ family

<table>
<thead>
<tr>
<th>Income sources</th>
<th>market only (among 3)</th>
<th>other informal income (among 4)</th>
<th>other formal income (among 10)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No.</td>
<td>19 (M*)</td>
<td>5 (NM)</td>
<td>13 (M)</td>
</tr>
<tr>
<td>Savings</td>
<td>1000 ± ¥/m</td>
<td>500 ± ¥/m</td>
<td>1000 ± ¥/m</td>
</tr>
<tr>
<td></td>
<td>2000 ± ¥/m</td>
<td>800-100 ± ¥/m</td>
<td>500 ± ¥/m</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0 ± ¥/m</td>
<td>40000 ± ¥/year</td>
</tr>
</tbody>
</table>

Meanwhile, *hukou* status of the vendors who can save money for their family indicates that five of the seven vendors are migrant vendors, while only two are local residents. For the two local residents, both of them can save about ¥500/m. For the other five migrant vendors, four can save ¥1000 to ¥2000/m while the other vendor can save about 40000 ¥ per year. In order to become a legal urban resident in Nanjing, a three-member family needs to purchase at least a 60m² apartment, which is more than ¥400,000 in Nanjing. If they buy the apartment by loan, they need to pay at least ¥1800/m for 20 years. Thus, although the money they saved is more than Nanjing urban minimum living standard, they cannot change their *Hukou* status or settle down in Nanjing based on the savings from their current informal job opportunities.

Among the three vendors who have changed their *hukou* status, only one changed to local registration status by purchasing a house on loan. According to the interview with her, here is her response to her situation to pay the loan back:

"in some good months, my income can cover the 1700yuan/m loan I took for my apartment, but in bad months, I have to lease out two bedrooms in the apartment in order to make enough money to pay for the loan... The income is very unstable... During the bad months, I also kept looking for a nanny job or whatever job I could find, however, it is very hard because I do not have any skills or proof to help me find one... My leg has some problems, but I cannot afford to see a doctor... I do not know what to do if the night market is closed one day and

---

3 M represents “migrant” while NM represents “non-migrant”
it probably will.”

--- A migrant vendor who changed hukou status by purchasing a 65 m² house.

Therefore, based on the interviews, I would like to argue that first of all, this informal sector is a very important income source in night market vendors’ family income. However, secondly, although this informal night market can keep most vendors’ life above Nanjing urban residents’ minimum living standard, this informal sector by itself cannot let most local vendors become rich or let most migrant vendors settle down in Nanjing with a satisfied income and change their Hukou status through economic means.

**Illegal roving vendors**

Among the interviews with six illegal roving vendors, two are local residents while the other four are migrant vendors. Depending on the goods they were selling, they have different vending time schedules and different incomes.

Table 3.9 Illegal roving vendors’ economic situation

<table>
<thead>
<tr>
<th>No.</th>
<th>Hukou</th>
<th>Income</th>
<th>Family activities</th>
<th>Time and goods</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>NMY⁴</td>
<td>Generally 1000-2000 ¥ /m for family income, sometimes 3000 ¥ /m in good months. Her family can save about 500 ¥ /m.</td>
<td>Her husband sells cards in a card market as a formal job while she only does informal vending work.</td>
<td>9:00am–11:30pm Telephone cards</td>
</tr>
<tr>
<td>3</td>
<td>MT</td>
<td>During summer time, family income is about 1000 ¥ /m; during other time, income is about 500 ¥ /m ±. No savings.</td>
<td>Between Jun. 15th and Sep. 15th, the family is selling homegrown watermelon in Nanjing; in other months, he does transportation work on contract.</td>
<td>6:00am–12:00am or 1:00am Homegrown watermelons</td>
</tr>
<tr>
<td>4</td>
<td>MY</td>
<td>During summer time, family income is about 3500–4000 ¥ /m, but during winter time, the income is not enough for the expense. No savings.</td>
<td>She and her husband sell homemade cold drink during summer time and porridges during winter time.</td>
<td>5:00pm–11:00pm Homemade cold drinks</td>
</tr>
</tbody>
</table>

⁴ Y represents they work yearlong with their business; T means temporary, indicating that their roving vending was operated in a particular season and have a different work during the other time of the year.
<table>
<thead>
<tr>
<th>8</th>
<th>MY</th>
<th>She does not know about her income, but knows that it is better than the formal contract she worked before which provided 500 ¥ /m. No savings.</th>
<th>She only worked on this roving vending business during the night because the urban management officers do not work during the night time.</th>
<th>11:00pm–5:00am Homemade Dumplings</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>NMY</td>
<td>900 ¥ /m from retiring wages; 3000 ¥ /m family income from roving vending business.</td>
<td>Her husband and she only work during the school time, not during vacations.</td>
<td>5:00pm–1:00am Fresh fried rice and fried noodles</td>
</tr>
<tr>
<td>24</td>
<td>MT</td>
<td>His wife earns 800 ¥ /m in formal sector; he can earn 1500 ¥ /m during summer season in informal sector and very little from other temporary contract works during other seasons. Save 1000 ¥ /m, but no savings yearly because of the new house construction.</td>
<td>He sells watermelon on streets between July and August; he also works temporarily with contract; during planting or harvest time, he works in field 20 days in April, May, September and October. She works in field and a formal job during the year.</td>
<td>5:00am–2:00am Homegrown watermelon</td>
</tr>
</tbody>
</table>

Among the six vendors, only two have family savings and both are the only local vendors among the six. All the roving vendors indicate that their business rests highly on the checking schedules of urban management officers. When the officers came with a big truck, they would run as fast as possible. If one is unlucky caught, the officers would take his/her cart and goods onto their truck and take them to their office. They have to pay a fee between 100 ¥ and 200 ¥ to get them back. If one was caught several times during one month, there would be no profit for that month at all. According to the interviews, the roving illegal vendors have more freedom in choosing a best vending site, choosing the most profitable goods and choosing the right time schedule to make the most profit than the market vendors who have to obey a fixed location and time schedule.

When asked why the roving vendors did not join the market vending business, they show that vending location is the most important factor for their business, food is
also not allowed in the night market, and the rigid time schedule is not good for their business either. Many unlicensed roving vendors were either around the gates of some colleges, universities, hospitals or some traffic intersections. I believe, on one hand, most of them are doing business with fruit or food products which need to be fresh and the value can only be held for a certain time period, which needs them to work longer to make a better profit. On the other hand, their profit relies largely on seasons of a year, thus they do not want to take responsibilities to work for the whole year on an informal market with monthly fees either.

Therefore, roving vending business is not just a temporary job before vendors can find a formal job opportunity at all. However, this is a regular market-led business which is highly related to seasonal homemade products. In such a way, not only can vendors gain more income through their informal business, the flexibility of this roving vending business also allows them to avoid market regulations and red tapes in order to gain maximum profits from their informal activities.

### 3.3.2 Migrants’ family strategy and social situation

11 interviews with migrant vendors indicate that most of them are not circular migrants. Six of the eleven migrant vendors go back home only once every year; two go back once or twice a year; two persons go back three to five times a year and only one person goes back to home more than five times every year. This situation illustrates that most of the interviewed vendors are staying in Nanjing for most of the time. To some extent, this can represent the migration situation of vendors. However, their spouses and children provide a different perspective about migration in their family. Because working on street markets cannot provide enough money for migrant vendors’ whole family to live in Nanjing, many families were split to be in different places. In order to find out migrant vendors’ family strategy, I checked both the situation of their spouses and children’s basic information concerning where they were and what they are doing.

#### 3.3.2.1 Circular or migrated?
For migrants, most of them came to work in the informal sector for economic reasons. Through the interviews with both market and roving vendors, four people still keep their agricultural output as a part of their family work, while seven others who came from rural areas have given their land to their relatives or just abandoned the fields.

**Vendors’ families still have agricultural work**

First of all, among the four vendors who keep agricultural work in their family, two of them (Case 3 and 24) are selling their homemade watermelons as roving vendors in Nanjing while the other two (Case 17 and 19) vendors’ land is being taken care of by their wives.

For case 17, the vendor’s family has 6 mu of agricultural field and his wife is taking care of the land. Yearly, the land can provide ¥200-300/mu, which means his family can earn about ¥1500 from their agriculture land field per year. Meanwhile, local government supports the agriculture by providing them ¥50/mu · year, which adds another ¥300 to their agricultural income. He also indicates that all the preparation for his family’s agricultural activities, he needs to invest ¥2000/year. In such a way, he told me that agriculture cannot dedicate much to their family income, but can only give their family some homemade agricultural products.

For case 19, the vendor has a land field of 3 mu taken care of by his wife. He does not do any field work and his wife commutes between their hometown and Nanjing. The outcome from the field is not profitable and only works as homemade food supply for their family and their relatives.

For case 3 and case 24, both of them are taking their homemade watermelons to roving vending market in certain seasons to gain extra income, which is much more than their other contract income in other seasons.

In these three cases, this informal sector helps vendors either connect their agricultural products with urban sector to gain a better profit or provide another important income source for the vendor’s family. Therefore, I can partly draw a conclusion that informal sector gave rural-urban migrant vendors a platform to gain an economic improvement for their family.
Vendors’ families do not work in agriculture any more

Table 3.10 where is vendors’ agricultural land?

<table>
<thead>
<tr>
<th>No.</th>
<th>Where is their agricultural land?</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>The land has been given to relatives who are still working in agriculture. She and her husband come to Nanjing for more income.</td>
</tr>
<tr>
<td>4</td>
<td>The land has been given to relatives who are still working in agriculture.</td>
</tr>
<tr>
<td>8</td>
<td>In 1998, the land is flooded and several thousand yuan has gone with it. After that, the land sank because people were sucking sands from the bank illegally. However, they came to Nanjing working in informal sector before 1998 for more income.</td>
</tr>
<tr>
<td>13</td>
<td>His relatives are working on his family’s land. He wants to save the land in case he cannot make a living in Nanjing or he wants to go back home after he gets old.</td>
</tr>
<tr>
<td>18</td>
<td>The land was abandoned.</td>
</tr>
<tr>
<td>21</td>
<td>The family registered urban hukou status. They do not have land at home.</td>
</tr>
<tr>
<td>23</td>
<td>The land has been abandoned since the family came here in 1995.</td>
</tr>
</tbody>
</table>

From table 3.8, I would like to argue that these vendors decided to come to Nanjing because they believe in Nanjing they can earn a better life, which is actually achieved by working in informal and/or formal sector. These vendors should not be considered as surplus labor, instead their decision to join informal sector in Nanjing is made due to economic reasons.

Economically, informal sector provides an opportunity for rural people to take advantages of the rural-urban differences in development. This type of internal migration follows the neoclassical perspective about rural-urban migration by showing a rational economic behavior as a response to the different economic situations in rural and urban area. During this urbanization, market and roving vending play a significant role in providing a platform to sustain the rural-urban migration.

The interviews with these 11 respondents indicate that these people are not circular migrants as shown in Hanoi’s street market study (Jensen, 2003), which demonstrates that a big portion of vendors are maintaining their seasonal agricultural work while they circulate between rural and urban sector. In Nanjing, most of these vendors almost give up their hometown agricultural land and only focus on the urban vending business. However, although vendors have shown a migration endeavor, their
family strategy shows a slightly different result from the vendors’ migration purposes.

### 3.3.2.2 Family strategy

Among the interviews I have conducted with vendors, 11 migrant vendors have a family with at least one child. Although this is a small group of people, they can represent some of the migrant vendors in Nanjing’s vending business.

Among 11 responses, nine indicate that their spouses are in Nanjing; one vendor’s wife is at home and one vendor’s wife keeps commuting between their hometown and Nanjing. Table 3.12, demonstrating what the spouses are doing in Nanjing shows that most of them do not migrate depending on the respondent; on the contrary, they are doing their own informal or formal work in Nanjing. Therefore, I would like to say, most vendors migrate with their spouses trying to settle their life in Nanjing. However, if we are going to check their children’s status, we will get a quite different result from the situation showed by vendors and their spouses.

**Table 3.11 What is vendor’s spouse doing?**

<table>
<thead>
<tr>
<th>No.</th>
<th>Gender</th>
<th>What is their spouse doing?</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Female</td>
<td>He is doing the same fruit business together with the respondent.</td>
</tr>
<tr>
<td>3</td>
<td>Male</td>
<td>She is doing the same fruit business with him.</td>
</tr>
<tr>
<td>4</td>
<td>Female</td>
<td>He is doing the same drink business in other places in Nanjing.</td>
</tr>
<tr>
<td>6</td>
<td>Female</td>
<td>He is doing the same clothes business with her.</td>
</tr>
<tr>
<td>8</td>
<td>Female</td>
<td>He is doing the same food business with her.</td>
</tr>
<tr>
<td>13</td>
<td>Male</td>
<td>She is doing the same business in another spot on night market.</td>
</tr>
<tr>
<td>18</td>
<td>Female</td>
<td>He is doing the same business during the daytime.</td>
</tr>
<tr>
<td>21</td>
<td>Female</td>
<td>He is operating a wedding arrangement company in Nanjing.</td>
</tr>
<tr>
<td>23</td>
<td>Male</td>
<td>She is doing the same business during the daytime and sometimes in charge of get new stock.</td>
</tr>
<tr>
<td>17</td>
<td>Male</td>
<td>She is taking care of their child and agricultural land at home.</td>
</tr>
<tr>
<td>19</td>
<td>Male</td>
<td>She is taking care of their agricultural field at home.</td>
</tr>
</tbody>
</table>

Among the 11 responses, seven show that their children are at their hometown; two vendors’ children are in Nanjing; one vendor does not have children and one vendor’s child is planning to go back to his hometown to continue with his/her middle school education. Combining these information with chart 3.8, the older their children are, the less likely they were kept with the vendors at Nanjing. Through the interviews, this situation was well explained that the *hukou* policy only allows children to have
free nine-year mandatory education in the places they are registered as local residents. Thus, schools in Nanjing charged an additional fee to accept migrants’ children. One male respondent indicates that he needs to pay 11000 yuan ($1571.4) as a so-called “campus construction fee” for a primary school before his child could study in that school and he will send his child back home to continue with a middle school study after this primary school because of this high charge for migrant families in their following education.

However, this so-called “campus construction fee” is not set by any education bureau; instead it is set by schools to collect fees for schools’ profits.

Chart 3.8 Where is/are your child(ren) now? (from surveys) (Only child(ren) between kindergarten and high school)

In sum, many vendors’ families are not settled down in Nanjing; on the contrary, family members are located both in Nanjing and their hometown at the same time. This situation is mainly due to the institutional barrier, hukou policy in Chinese cities. Under this institutional barrier, many vendors’ families are prevented from permanently migrating into Nanjing. This phenomenon is an important barrier which vendors confront with in the night markets at Nanjing.
3.3.3 Institutional barriers and migration

Among all the 41 migrant vendors in the survey, 31 provided available responses for the question concerning if they have temporary living permit in Nanjing. 24 people have permits while seven do not. However, one of the migrant vendors I interviewed responded to my question as follows: “There is no needs for that permit any more; nobody checks that because the application fees have been canceled.” Meanwhile, among the 18 market vendors I interviewed, eight were local people, seven had temporary residential permit and three migrants have changed their hukou status to Nanjing local residential registration. Furthermore, all the seven migrant market vendors showed that it is easy and fast to apply for a temporary residential permit in Nanjing. However, although the institutional barriers seem to be relaxed, people still find it hard to fully migrate to Nanjing.

Among all the vendors I interviewed, three have changed their registration status from their hometown to Nanjing and all of them are market vendors.

The first case is a woman who is from northern Jiangsu Province. She has been in this informal sector for three years. Her migration is because of her family’s close relationship with a high level official in Police Department in Jiangsu Province, who helped her to change her family members’ hukou status from her hometown to Nanjing.

The second case is another woman who is from a coastal city in northern Jiangsu Province. She has been working on night market for two to three years. Her hukou status was changed in 1993, when her husband started a governmental position, which helped to change their hukou status.

The third case is a woman from Heilongjiang province. She has been working in night market for more than nine years. Asked how she succeeded to change her hukou status to Nanjing, she responded that:

When I was renting an apartment, the rent kept going up from 120 ¥ in the beginning to ¥150, ¥250, ¥450, ¥500, ¥650, and then, I decided to buy the 65m² house with a loan which needs paying off for more
than ¥1700/m for 20 years. Then following the policy of migration in Nanjing, all the three persons in my family changed to a local registration status. ...In some good months, my income can cover the ¥1700/m loan I took for my apartment, but in bad months, I have to lease out two bedrooms in the apartment in order to make enough money to pay for the loan...The income is very unstable... During the bad months, I also kept looking for a nanny job or whatever job I could find, however, it is very hard because I do not have any skills or proof to help me find one...My leg has some problems, but I cannot afford to see a doctor...I do not know what to do if the night market will be closed one day and it probably will.

--- A migrant vendor who changed hukou status by purchasing a 65 m² house.

All the three cases are unique from each other. On one hand, hukou status is well related to formal job opportunities; and on the other hand it is very hard for migrants who do not have a local relationship or a local formal job opportunity to change their hukou status. Focusing on the third case, when hukou status is changed by purchasing a house, it is very hard for migrant vendors to afford this debt. In Nanjing 2001, concerning migration and hukou changes, purchasing a commercial house for 60m² can give local hukou registration status to three family members and every 20 m² more can give another family member a local hukou registration status. Under such a migration policy, it is almost impossible for vendors to change their hukou status by purchasing a local apartment or house based on their monthly informal income.

Based on the interviews, most of the vendors cannot legally migrate because they cannot afford to formally migrate. Although local hukou is not required by the government for vendors to do their vending business, if they want to migrate formally to Nanjing, this institutional barrier is still working as a filter system to allow the people needed by the city to transfer their hukou status. Without local hukou status, their children cannot be accepted by local schools to receive education and the family cannot gain any social welfare from local government, which additionally prevents vendors from formally migrating to Nanjing. This is well reflected in the literature
where Fan (2002:107) states that “in many ways, the hukou system serves as an internal passport system in China, granting urban citizenship to migrants deemed deserving by the city but not to peasant migrants brought in because of the cheap labor they provide”.

On the one hand, I cannot afford an apartment to transfer my hukou status, if I want to live here; on the other hand, there are no good job opportunities at home, if I go back.

--- A female migrant vendor responded

3.3.4 Housing

Among 68 surveys, I have got 60 available responses concerning their home sizes in Nanjing and 41 available responses concerning their monthly renting prices. I believe this housing situation will provide another picture of vendors’ life and the factors for vendors to decide about their housing.

![Chart 3.9](chart3.9.png)

Chart 3.9 Housing and house status (renting/owning) (from 60 surveys)
In chart 3.9, houses of 0-30 square meters and 50-70 square meters are the most popular ones among vendors’ houses. There is a very obvious trend shown by chart 3.14 that for people whose houses are less than 50m², majority are renters, while for people whose houses are over 50m², majority have their own houses. Because houses in Nanjing are almost unaffordable for migrant vendors to purchase, most of them have to rent houses in Nanjing in order to do their vending business. For local vendors, since most of them are former laid-off labors from SOCs in 1990s, their houses were assigned by their former companies. This situation is also demonstrated by the respondents I have got in my interviews with those vendors.

According to Nanjing Real Estate Bureau (Nanjing Statistics Bureau), in September 2007, dwelling floor-space per capita in urban Nanjing was 29.13m². Compared with this information, since most of the vendors are living with their spouses in Nanjing, vendors’ housing situation is far from the average urban Nanjing residents’ situation and a big portion of vendors are actually living almost in half the average standard (0-30m²) of local residents’ situation in Nanjing.
Chart 3.1 Monthly rents for the houses vendors rent (from surveys)

Chart 3.1 shows vendors’ monthly rent, which indicates that most vendors are paying less than 400 yuan for their monthly rent even they are only living in a place which is less than 30 m². Although the amount takes an important portion in vendors’ monthly income, it is far from the amount they need to pay if they take a loan to buy a house to transfer their hukou status. (For a vendor who took a loan to purchase her house which guaranteed three family members to have local hukou, she needs to pay more than 1700 yuan every month for twenty years.) Thus, it is quite obvious that vendors’ housing situation is not as good as local vendors or local residents in Nanjing; on the contrary, their monthly rent indicates that they cannot afford to live in a better or larger house in Nanjing. Furthermore, to some extent, it is obviously reflected by chart 3.9, 3.10 and 3.11 that these migrant vendors’ purpose in Nanjing is not to enjoy an urban life, but just to rent houses to live in order to maintain their urban informal economic activities.

3.3.5 Temporary or long term job opportunity?

In the informal economy literature in China, Ding and et al. (2001:12) present a
**hukou** dam theory, which believes that the invisible wall (*hukou* barrier) between urban residents and migrants successfully separate the urban job market from migrants’ job market in order to keep more migrants in the informal sector. Thus, urban residents who work in the informal sector can have more chances to get into the formal job sector by avoiding the competition with migrant labors. In this theory, Ding and *et al.* (2001:12) believe that urban informal sector functions as a temporary job opportunity for both urban and migrant labors before they can find a formal job. However, many interviews with informal economic actors have shown that informal sector operates like a better job opportunity than formal ones for both local residents and migrants, both market vendors and illegal roving vendors.

Through the analysis of table 3.4, I would like to argue that *hukou* dam does not fit with my results from my interview in that people choose informal sector in Nanjing mainly because of the following three factors: (1) government provided local laid-off or underemployed people with informal opportunities as an alternative of their former job; (2) local people joined informal sector because they found that informal sector can be more stable and/or more profitable; (3) migrant vendors were introduced into this business by their local friends/relatives to make a living; (4) vendors who still have a formal job during other time of the day/year take this informal sector as an important income opportunity.

Based on the result I have gained from the 24 interviews, four are doing formal and informal jobs at the same time and still interested in finding better paid formal jobs; 20 are only doing street vending business and they do not take their informal job as a temporary opportunity, instead, they took the informal vending business as their only and most important job opportunities. Therefore, informal sector should not be taken as a bridge connecting unemployment and formal work; on the contrary, most of the vendors chose to join and stay in this informal vending business by themselves voluntarily. Therefore, *hukou* dam theory is not fit with the results from my research, which indicates that vending business should not be considered as a temporary informal work opportunity; instead, this informal work is quite a profitable and stable job opportunity for both migrant and local vendors.
3.4 Main problems for vendors

For market vendors, several factors affect their informal business the most. The first one is natural factors, which include rain, snow; the second is competition between vendors; the third is governmental affairs, such as important meetings held in Nanjing, infrastructure construction and new decisions about night markets in Nanjing.

3.4.1 Natural factors

Concerning natural factors, because night market is operated on roadsides, all the electricity provided by the local government would be turned off when there is rain or snow. In such a circumstance, night market would be canceled for those nights. There would be no income for those vendors whose living is 100% based on night market vending.

Meanwhile, the fees posed by local government on night market are 5 yuan/day in Danfeng St. and Guangdong Rd. In W. Hankou Rd. night market, the fees are 5 yuan/day or 6 yuan/day based on the vending location. In all the three night markets, the fees are not charged on any rainy or snowy days when the weather prevented vendors from doing their informal business. Basically, in average for each month, there are usually 23 to 24 days when informal market can be operated. Thus, for each month, the fees imposed on night market vendors are 145 yuan/month based on 6 yuan/day or 120 yuan/month based on 5 yuan/day.

3.4.2 Competitions

Both market vendors and roving vendors indicate that competition between vendors is heavy because nobody organizes or regulates the prices on different products. Among the unlicensed roving vendors, people are trying to sell various foods or drink products in order to “peacefully” join the existing roving vendors because if they sell similar products, the already existing vendors would not be happy with them due to the competition reasons. When I asked a market vendor what his
strategy to minimize the influence of competition is, he replied as follows:

My wife and I are selling the same socks and underwear products on this market in different locations in order to maintain the price of certain products. Also, because of our existence, less people would choose socks or underwear products to sell here.

For another female unlicensed roving vendor, who is selling telephone cards to students, the situation is more severe due to her response:

In order to maintain customers, sometimes we need to sell certain cards at the price or even under the price that we purchased them in the card market. For cards I sell as 100 yuan, I bought them at 98.5 yuan. When sometimes I got a fake 100 yuan note, three days income was gone...Here around the university main gates, four vendors are selling telephone cards. We do not know each other and even one time we set up a fixed price for some certain cards, they still sold it in a lower price in order to hold customers.

(PS: During my interview, which lasts for 45 minutes, a pan handler came to the woman twice to change 20 yuan of coins into RMB notes. She told the man “You are making much more money than I do, right?” He smiled and left.)

3.4.3 Government restrictions

“Are you from the government?”

“Is this market going to be closed?”

These two questions are the questions I met with the most in the beginning of my interviews. According to several vendors, many government policies affect their vending activities in the night markets. Why was there such big anxiety among the vendors? Basically it was because the biggest night market in Nanjing—Matai St. Market—was closed by the government in May, 2007. Although the compensation is quite good (which I will discuss in the next chapter) for the vendors, an anxiety about
closure of night markets was spread among the vendors. In addition to the closure of one important night market, several other factors are affecting vendors’ business too.

First of all, international conferences held in Nanjing would affect the operation of night markets according to a market vendor in Danfeng St. market. During the interview, he said that only during those big conferences, such as international commercial conferences or other high level activities such as Olympics, the government will temporarily close the night market. And during that time, the night market would be closed during the conference time. However, although local officials illustrated that they never closed night market for conference reasons, the interview reflected the helpless situation when the vendors met with the decision to temporarily close the market for a period of time.

Secondly, infrastructure construction and maintenances are important reasons to close the market for sometime too. One vendor in Guangdong Rd. market presents that “normally they would tell us that tomorrow or next week, there will be construction, so night market will be canceled for that time.”

Thirdly, city transportation consideration in the night market area is the biggest concern which vendors are worrying about. Matai St. night market was the biggest night market in Nanjing. However, because of the transportation need, the market was canceled in early May with compensation to vendors. This event became the biggest issue among the interviews. Many market vendors presented their concern about their future in Nanjing city and asked me several times whether I am from Nanjing government to do this research before the government wants to cancel the night market.

Different from natural factors, governmental factors usually have a deeper influence on street vending activities. These government affairs will take much longer, from at least one week for infrastructure construction and maintenance, to about a month for conferences, and even forever as what has happened to Matai St. night market. Through the interviews, everyone in the night market showed that they would like to have this market forever and they are worried much more about government affairs than natural factors mainly because they can survive several days if they
cannot do their vending business, but they can hardly catch up with their living expenses if there is no vending business for several weeks. Most of the vendors told me that “although I cannot become rich on night market, at least I can survive with this business.”

### 3.5 Conclusions

First of all, there are two main groups of vendors (including both licensed market vendors and unlicensed roving vendors), who are migrant vendors and local vendors. Generally speaking, migrant vendors joined this business due to economic reasons, while most local vendors joined this business because they could not find a good job opportunity after they were laid off from their former SOC work. However, local government set up informal vending market in order to solve the local unemployment problems, only the open opportunities left were given to internal migrants. This is very compatible with the literature where Ding (2001:12) illustrates that Shanghai government sets up the rule that at least 70% of urban informal sector actors should be locally registered unemployed population, which shows that governmental policies are mainly set up to secure the employment opportunities for local residents from migrants.

Secondly, vending business, as an informal job opportunity, is playing an important economic role in vendors’ life in Nanjing. However, although this business kept vendors above poverty standard, this business cannot provide enough income for vendors to keep up with local residents’ average income level. However, the results from my research suggest that the *hukou dam* theory is not fit to the vendors’ situation in Nanjing in that migrant vendors do not take this informal vending activity as a temporary job before they can find an urban formal work; on the contrary, this informal vending business is vendors an important income source for them to keep their living in Nanjing.

Thirdly, because of the influence of *hukou* policy, migrant vendors are in an awkward situation that while they cannot transfer to local *hukou* in order to legally
migrate, there was no job opportunities which can provide similar income for vendors to go back to their hometown. Furthermore, this unique situation creates a new family strategy which separates the family in vendors’ hometown and Nanjing.

Last but not least, although hukou is not playing as a strict barrier as before to limit people’s migration between rural areas and cities or between different cities, formally migration is still not easy due to economic reasons. For migrant vendors in Nanjing, informal vending business cannot provide enough income in order to transfer their hukou status to local registration, but is still a relatively stable income source to maintain their urban life.
Chapter 4 Government Policies

In this chapter, I will discuss the role of the informal sector in government management process. First of all, several government bureaucratic institutions need explaining. Then I will focus on the history and evolution of Nanjing’s night market and street roving business. Further, I will compare the role of Nanjing government in night market management with governing experiences in other countries. Last but not least, the role of urban planning in Nanjing will be discussed.

4.1 Bureaucratic Organization

In order to understand Nanjing’s night market and roving business, I need to introduce two definitions in advance: community administration office and urban management team.

First of all, Community Administration Office (CAO 街道办事处) is an office, which has the same administrative rights as village government, set up by local district government or city government to function as a subdivision of the local government. This office is in charge of several streets set up by local district government. In my research, three night markets where I conducted my interviews are in the charge of three different CAOs. Guangdong Rd. Market is managed by San Pai Lou St. community administration office; W. Hankou Rd. Market is managed by Hua Qiao Rd. community administration office and Danfeng St. Market is managed by Dan Feng St. community administration office. All these three night markets were organized by the community administration offices.

Secondly, Nanjing government formed Nanjing Urban Management Bureau (Nanjing Urban Administrative Enforcement Bureau) in September, 2002. This bureau mainly focuses on managing all urban affairs and performing concentrative administrative punishment power of urban management. In Nanjing, this bureau is in charge of 58 different administrative powers from different aspects concerning urban
planning, greening, infrastructure, industry and commerce, public transportation management, environment and sanitations. Urban Management Team, which belongs to Nanjing Urban Management Bureau, has all the major punishment powers in order to manage urban affairs. Lots of unlicensed vendors have problems with them because street environment and sanitation is in the charge of the urban management bureau.

4.2 History and evolution of night vending business

Concerning the history and evolution of night vending business, I would like to focus on both night market vending business and unlicensed roving vending business. Thus, I am going to illustrate the situation of each of the three night markets. I have conducted interviews with both vendors and local community administration officers in order to have a broader picture of night markets in Nanjing. Further, I will also discuss the situation faced by unlicensed vendors in different places and analyze their difficulties and the relationship between their vending business and local government.

4.2.1 Formalization of night markets

All the three night markets I focused on started from former spontaneous night vending activities. Then Nanjing government and local community administration office decided to formalize these night vending activities in order to better manage them and use them to solve the local unemployment problem.

4.2.1.1 Guangdong Rd. Night Market

Guangdong Rd. night market is in the charge of San Pai Lou St. CAO. San Pai Lou St. as a main transportation street in Nanjing is parallel to Guangdong Rd. at one block away. Before 1996, many vendors were there doing vending business mainly due to the unemployment reasons. At that time, the local government considered their unlicensed vending business “illegal.” The main problem at that time was that the vending business was disturbing local residents around that street. However, the government could not get rid of the night vending business because too many laid-off
workers were in the market to make a living on this informal sector. In such a situation, the government tolerated the night market until 1996.

In 1996, San Pai Lou St. night market was legally set up in order to formalize and manage the vending business by organizing vendors to register to San Pai Lou community administration office. By managing the goods they can sell and the time schedule they can sell them, local government and San Pai Lou CAO tried to minimize the disturbance of this market. In 2005, there were about 40 to 50 registered vendors on San Pai Lou St. doing night vending business. Also, there are many unlicensed vendors among the registered night market vendors. These vendors were operating on both sides of the street and the noise and trash generated on the street also produced many problems to the surrounding residential environment.

In September, 2005, local community administration office moved all the 130 vending spots to pedestrian walkway on Guangdong Rd. They organized the vending area by drawing lines between each two-meter vending spot. Also they placed the electricity wires underground and electrical outlets right up to the ground. In the very beginning, three policies were set up in order to stimulate vendors to move to their new spots as soon as possible:

1. The first three months after the moving order was “transition time.” For people who moved their vending business in the first three months, they only needed to pay half of the electricity fees and management fees. For people who moved in the first three days after the moving order, they did not need to pay the management fees for the first two months. For people who moved between four months and seven months after the order, they will be exempted from one month management fees. Furthermore, for the situation faced by some vendors who are in poverty, management fees will be charged at a lower rate.

2. For new vending materials, such as light boxes, introduction boards and moving expenses, community administrative office will give some subsidy and recycle their old vending carts for 20% of their original value.

3. Give vendors help and support in building vending cultural environment. Encourage vendors to improve the unique characteristics and quality of their vending
goods in order to build up an advantage in Guangdong Rd. night market.
(www.xhby.net)

According to San Pai Lou St. administrative officer, before April 2007, when Matai night market was going to be closed, there were still night market spots available among the 170 available opportunities. And before April, 2007, everyone, no matter local residents or migrants, can apply for and gain night market vending spots to do their night market vending business. However, in July 2007, officers gave local residents, who were in poverty, priority on the application process. Although Matai St. night market was closed, few people moved their business to Guangdong Rd. night market because of the high compensation provided by the government, which requires vendors to quit their vending business before they can get their compensation.

4.2.1.2 Danfeng St. Night Market

Before 2002, Danfeng St. community administration office organized 33 vendors to conduct night market business in Zhujiang Rd., which was a main transportation road in Nanjing. However, at that time, many vendors who sold pirate movies and softwares were among the night vendors. Besides, Zhujiang Rd. night market took part of the road as their business places. Therefore, Danfeng St. community administrative office decided to move this Zhujiang Rd. market to Danfeng St., which is a branch road in Nanjing’s transportation system.

In May and June, 2002, local CAO moved 33 vendors to Danfeng St. Besides, because there were many people in Xuanwu district (one of Nanjing’s 10 urban districts, where Danfeng St. is located) who were under poverty, laid off from their former job or disabled, more than 30 local vendors were allowed to do night market vending business. In 2007, there were 70 vending spots on the street but people were allowed to rent more than one spot to conduct their vending business. Except for the 33 vendors who moved from Zhujiang Rd. night market, all the other more than 30 vendors were recruited from Xuanwu district. At the time I conducted my interview, no more vendors were accepted into the night market in order to control the
The daily management fee is 5 yuan and there is no management fee for rainy or snowy days. The management fee is for taking care of electricity and trash produced on street markets. For vendors who are under poverty or have difficulties in their lives, no or less management fees were charged by the local street community administrative office.

### 4.2.1.3 W. Hankou Rd. Night Market

In 1997, Hankou Rd. community administrative office started to operate the W. Hankou Rd. night market. At that time, local laid-off and unemployed people, people who were in poverty and families who had difficulties were the first groups to be included in the night market. Then all the vending spots left were given to other residents and internal migrants in Nanjing.

In 2006, after the adjustment of community administrative areas, Huaqiao Rd. community administrative office started to be in charge of this W. Hankou Rd. night market. Vendors were not allowed to sub-lease their vending spots. And the night market was moved westwards to clean parts of the W. Hankou Rd. The management fee, as same as other two night markets, is 5 yuan per day. For local people who are under poverty, 50 yuan will be returned to them for each month. This management fee is not charged on rainy or snowy days, if the ground is wet. Because electricity is provided through underground wires, humid condition would be dangerous for the supply of electricity. The market is operated between 5:00pm and 11:00pm.

### 4.2.2 Unlicensed vending business

For unlicensed vendors, their activities are not organized or managed by the local government or community offices. In such a situation, all their vending time, goods and activities are not stable because of urban management team, which is in the charge of Nanjing Urban Administrative Enforcement Bureau to mostly take care of
the illegal activities on the street which disturb the cleanness of the street landscape.

I did not get a chance to interview any urban management team (城管) members, but interviews with unlicensed vendors can provide some information about the conflicts between vendors and management team members.

Case 8 is a female vendor who has been doing vending business for 8 years. In order to avoid the urban management team, she started her business at 11:00pm, when all the team members have gone home already. She conducted her food business (dumplings and BBQs) until 5:00am next morning. Besides, she still needs to pay 100 yuan to administration of urban sanitation for the trash cleaning fee. During my interview, when an urban management team truck went by, she and other vendors around were very nervous and they kept telling each other that “it is already 11:00pm; they should not still be taking care of our vending business”. When I asked her why she does not try to formalize her vending business and join some market vending business, she told me “basically, food is not allowed on most of the markets in Nanjing and on this intersection of main roads in Nanjing there are more people than anywhere else”. Therefore, this case 8 indicates that it is very hard to formalize these unlicensed roving vendors who are doing food business.

Case 1 is another female vendor who has been doing telephone card business in front of the gate of Nanjing University for 5 years. She told me that “since last year, Nanjing University and urban management team have made an agreement that urban management team formed a sub-team in Nanjing University to keep the unlicensed vendors away from university entrance. If somebody who wears uniforms comes over, I would just zip my bag and leave for several minutes. One time they took my bag and wanted me to pay a fine in order to get my telephone cards back. So, I paid about 150 yuan to take my cards back. Then the next day, I was still here selling cards”. I asked her why you don’t rent a place to formalize your business. Her response is as follows:

*I have to know some official in the university to get a chance to rent a place in the university to conduct my vending business. I know the people who rent to do telephone card business are some official’s relatives. Even if I can formalize my business, I am still worrying about*
the rent, which is really expensive. Also, my business now is not that successful based on the situation that I don’t need to pay rent or taxes. If I formalize the business, I do not think I can be as successful as what I am doing now.

--- A female vendor’s response to “why don’t you formalize your business?”

Normally, urban management team would come on a truck and collect the vending tools and materials onto the truck and left. According to my observation, one time when I was walking around on the street in front of Nanjing university entrance, I heard somebody shouting “Management Team (城管) is coming!” then everybody started to run towards different directions where they believe the safest place is to avoid the urban management team members. And then the management team was not trying to catch everybody, but only the slowest one among the vendors. Case 4, who is a female vendor selling cold drinks, confirmed that “it is all by luck. They [management team members] only catch one person who is unlucky and their purpose is for the fine. I was caught once, and I paid 100 yuan to get my cooling box back”. However, urban management team is not trying to get rid of all the unlicensed vendors from the street, on the contrary, it seems like they are satisfied with the fines they collect from the street in most of the time. Only during some special events, urban management team comes every day and during those days, roving vendors were informed in advance that it was not allowed to do vending business at all. During other time, they come once a while, not regularly at all.

Therefore, the formalization does not seem like a feasible way for unlicensed vendors. First of all, most unlicensed vendors care a lot about the rent they are going to pay if they formalize their business. Since most vendors’ income is very seasonal, they are worrying that the rent would drag them into a debt trap in some bad business months. Thus it is very difficult for vendors to formalize their business into formal store vending. Secondly, since food is not allowed on most of the night market, it is almost impossible for unlicensed vendors to formalize their business into urban night markets in Nanjing. Thirdly, urban management team does not focus on getting rid of unlicensed vendors’ business; on the contrary, after a fine, all their vending materials
and tools will be returned to them, which, to some extent, encourage unlicensed vendors to maintain their vending business on the street. These three reasons are the most important reasons for unlicensed vendors to continue with their unlicensed vending business and also illustrate the difficulty for vendors to formalize their business.

4.3 Regulations in night market

4.3.1 Regulations set on night market vending

Huaqiao Rd. community administrative office provided me a consent form which needs to be signed by vendors before they started their night market vending business.

“Consent document

Based on my own will, I would like to conduct vending business on a temporary vending spot in W. Hankou Rd. night market. I will obey the night market regulations. I am willing to obey the management. I will do an honest vending business and strictly follows all the rules on the night market. If the night market business is closed or adjusted because of governmental policy adjustment or infrastructural construction needs, I will obey the new rules unconditionally.

Vendor: ________________

On the registration form for W. Hankou Rd. vendors, ten rules are set as night market management rules (the original form can be found in the appendix).

“1. One person is attached to one permit, which needs to be present during vending business.

2. Vending spot needs to be clean; goods need to be placed tidily; vending business is not allowed beyond the spot line.

3. Conduct the vending business on time; it is not allowed to go to the spot earlier to prepare for the vending business.

4. Submit management fees on time; 5 yuan extra fee will be charged for
each day beyond the due date.

5. Obey the management; it is not allowed to quarrel with night market managers or customers.

6. Conduct vending business honestly; fake commodities or cheating on customers are not allowed on the night market.

7. Vending permit is not allowed to be subleased. For people whose permit does not match with the person himself/herself, the vending permit will be cancelled.

8. For vendors who will be absent for more than ten days from vending business, a written statement and 50 yuan maintaining fee are needed to maintain their vending permit. Vendors who do not provide the statement and/or maintaining fees for their absence will be considered as giving up the vending permit.

9. Vendors who violate these rules the first time will be given a criticism; for the second time, they will be given a warning; for people who violate the rules for several times and do not show a willing to change, their permit will be cancelled.

10. If the night market business is closed or adjusted because of governmental policy adjustment or infrastructural construction needs, I will obey the new rules unconditionally.”

The rules shown above are representative for the hard rules which vendors need to agree with before they enter the vending business on night markets. Meanwhile, several soft rules were set on the night market vendors too to limit vendors’ activities and their products sold on the night markets. In the regulations for Danfeng St. night market, several rules were set up to regulate the vending business on the market.

“...vendors have to conduct vending business by themselves, it is not allowed to sublease, lend, give their vending permit to others. Take care of the public facilities and infrastructures on the street, it is not allowed to post posters, build temporary facilities on the street or reconnect the electricity wire provided by the government. Every vending spot is allowed to have one
40w light. No electrical machines are allowed to be used on the street market (such as electrical fans, electrical heater, electrical water boiler or cooker)....vendors are not allowed to sell flammable products, explosive products, snacks, drink, fruits, food or illegal pirate digital products.”

----from Danfeng St. Night Market Regulations

“...if the night market place is going to be changed due to the infrastructural construction or other governmental needs, vendors have to obey the new regulations unconditionally.”

----from Danfeng St. temporary vending spot contract

Through these night market regulations and rules, I would like to argue that local government is trying to formalize the night vending business by providing this night market opportunity to the vendors. However, besides the basic rules about management and regulations on vending goods, both W. Hankou Rd. and Danfeng St. night market regulations require that vendors have to obey all the new regulations due to governmental decisions on the market unconditionally at any time, which shows that the vendors actually have no rights to decide the future of their vending business.

4.3.2 Tolerance and vulnerability

Castells and Portes (1989) present that “the informal economy evolves along the borders of social struggles, incorporating those too weak to defend themselves, rejecting those who become too conflictive, and propelling those with stamina and resources into surrogate entrepreneurship…governments tolerate or even stimulate informal economic activities as a way to resolve potential social conflicts or to promote political patronage”. In the formalization of Nanjing’s night markets, their idea is well proved that the main purpose for the government to form the night market is to solve an unemployment problem caused by China’s social and economic adjustment program. In order to solve this unemployment problem, the night market was established to recruit those informal vendors in order to show the patronage from the government. Furthermore, as stated by Tim Oakes (2000:302) that rural poverty
alleviation programs are exclusively aiming at short-term schemes to increase income and introduce the value of commercial economy, night markets in Nanjing also provide an example to show that the government uses night market as a short-term solution to deal with the unemployment problems instead of even giving them the rights to determine the future of the night market where they conduct their vending business.

A more than 50 years old male vendor, who was laid off from a former SOC, told me the history which I did not get a formal response from the community administrative office because the management power was changed several times before the office started to be in charge of this night market.

*At about 5 years ago, all the vendors were doing business on Zhujiang Rd. night market. Because many vendors were selling pirate movies and softwares, the district government closed the night market without providing any alternative plans for us. Then many former vendors gathered together to protest to the government. Nobody cared about us until one radio program interviewed us and then the government opened this Danfeng St. night market for former vendors in Zhujiang Rd. night market.*

Also, with a little anger, he continued to complain that

*We, night market vendors, are just extra people in this society. The government cannot see our actual hungry or thirsty situation (百姓饥渴看不到) just as the rich people cannot understand the poor. Nowadays, the government does not care about the poor; instead they only focus on how to serve the rich people.*

He was a little emotional when he responded to the question concerning the situation he faced. However, the response can still partly show that vendors are considering themselves as marginalized people in the society. Later when I asked him what his plan is in the future if this market is going to be closed, he responded that “I do not have a plan. What I need is this market will be open forever and I can do my vending business.” Throughout all the interviews, most vendors I interviewed responded with the same answer: that they want to do this night market vending
business as long as they can. In such a situation, the night market is almost the only plan for vendors. Without an alternative living strategy and without the rights to determine the future of their night markets, these vendors are put in a vulnerable place. They cannot rely on negotiating with the government for their own rights. When night markets are operated based on government’s tolerance and vendors’ rightlessness, vendors’ situation is always vulnerable and unsecured, which additionally prevent them from asking for more equal rights in the society.

How vulnerable are the vendors and what can they decide facing the cancellation order of the night markets they are in? Nanjing government canceled Matai St. night market, which was the biggest night market in Nanjing, in May, 2007. Different from the three night markets my research has focused on, Matai St. market was not managed by local government offices, but by the Industry and Commerce Department in Nanjing. In the market, many vendors were organized while many unlicensed vendors who were selling food and drinks were among the licensed vendors. Due to transportation and sanitation needs, this market was finally cancelled. The compensation was 23000 yuan for market vendors who were from Gulou district in Nanjing and 3000 yuan for vendors who were from anywhere else. However, if vendors who were from Gulou district chose to continue their vending business in other night markets, the compensation is only 3000 yuan.

Although night markets play an important role in vendors’ life, it is non-negotiable with the government’s decision on the closure of the night market. However, if we interpret this market closure issue from a governmental perspective, the government only closes the market because it blocks the transportation or its sanitation issue became a serious problem for the residential environment in that area. I would like to argue that in the contest between the government and night market, the government is in an unbeatable position while the vendors are put in the most vulnerable and unsecured place. Through the experiences of the canceling of Matai night market, the strict regulation and rules on vending products and locations play a very important role in sustaining the existence of the night markets. I would like to say that instead of a tolerant attitude towards night markets, local community
administrative office is trying to maintain this market and vending business instead of taking them as something dispensable.

4.4 Role of government in informal sector

The role government plays in informal sector varies in different cities and countries. Thus I would like to discuss different government roles in different countries in the literature and then compare Nanjing’s situation with experiences in different places. Basically there are two types of government. On one hand, some governments put strict laws and regulations on street market vending business. On the other hand, some governments do not take the informal sector into their management. Each of these two types of government attitudes has advantages and disadvantages. I would like to compare the government role in Nanjing with the situations in some developing and developed countries in the world.

4.4.1 Different management methods in informal sector

In chapter 2, I introduced government policies towards vending business, informal sector, in three different countries, where policies are different from each other. Each of the three cases is very unique according to their management methods.

First of all, in Kumba, Cameroon, although the government provided education about food safety and vendor health issues, the government does not formalize the vending business into markets or provide an alternative way to ensure income for vendors’ family. Acho-Chi (2002:18) states that “although vendors satisfy a public demand, the urban authorities commonly respond by forcibly removing them from the more attractive areas of Kumba, like the main market, government office precinct and hospitals.” In the case of Kumba, local vendors are not organized or formalized to do their vending business. They need to face their local government individually, which posits vendors in a situation that they have no rights at all due to their “illegal” status on the street.
The second case is in Mexico City, Mexico, where vending activities are managed by vendors’ organization. In Mexico City, street vending is an important expansion of people’s survival strategy under Mexican structural adjustment program (Pena, 1992). Vendors’ organization operates as “vendors’ means of overcoming government regulations and red tape” (Pena, 1992:368). Besides, organization leaders also manage to minimize potential conflicts between vendors, “for instance, vendors with similar goods would be dispersed throughout the market and not next to each other”. (P.369) In this case, the vendor organization functions as middle man between street vendors and local government. It not only protects vendors’ rights, but also minimizes the vulnerability for vendors when they need to negotiate directly with the local government.

Thirdly, in New York, the U.S., the city government has set strict rules on vendors and urban vending activities. There are no vendor organizations which negotiate between vendors and local government. Additionally, rules on vendors and
vending business are set by different governmental departments, which not only limit the flexibility for vendors to decide their activities, but also make it hard to define the responsibility if there are conflicts because of the numerous regulations in different departments. In this case, although clear regulations are set for vendors and vending business, I would like to argue that street vendors are still put in an economically vulnerable situation because of the numerous regulations on the products they can sell, the selling schedule they can do their business and the location they can operate their vending activities.

By analyzing these three unique cases about urban street vending business in both developed and developing countries, I would like to argue that street vending is not promoted by local government; on the contrary, local government mostly either ignores it or is forced to regulate or institutionalize street vending activities due to health, environmental or safety issues. Nevertheless governments ignore or institutionalize the vending business, in all the above three cases, vendors and vending activities are locked in a vulnerable position which limits either their vending location, time schedule, vending products or all of these. Among these three cases, vendors in Mexico City have relatively more power when they need to negotiate with their local government because of the vendors’ organization which operates as a middle man between vendors and their local government.

In Mexico City, the social relationship between vendors and local government follows Vendors—Organization—Government. Pena (1999:368) presents that first of all, “it is more cost-effective for the vendor to let the organization represent him.”
However, vendors need to pay fees to the organization and “attend political rallies to support candidates from the Revolutionary Institutionalized Party (PRI)” in exchange for tolerance so that “vendors can work without problems.” Although this vendors-organization-government mode includes bribery, Pena (1999:368) argues that “through their organizations, vendors as a group are able to solve problems that, on an individual basis, could be impossible to overcome”. In such a situation, vendors’ rights can be protected by vendor organizations overcoming local government’s regulations and red tapes. Vendors’ organization not only helps maximize vendors’ profits on the street, but also helps minimize the vulnerabilities faced by individual vendors against city government.

However, in Kumba and New York, although there are many differences in these two cities, the relationship between vendors and local government follows vendor—government patterns. In such a situation, if there are conflicts between vendors’ activities and regulations, vendors have to negotiate with local government individually. Vendors have to lose time and sales in order to defend themselves in order not to be punished by red tape or regulations. So, I would like to argue that in New York’s case, this vendor-government mode puts vendors in a very vulnerable situation, where not only can they hardly decide their business location, time schedule, or goods to sell, but also if their activities are not allowed by regulations, they either need to lose time and sales in order to defend their activities or they will be punished. In addition, because of the complex regulations and rules set by numerous different departments in New York, vendors cannot even define if their activities are proper or not. In Kumba’s case, the city government does not formalize street vending businesses, where urban authorities just forcibly remove vendors from places where those authorities do not want vendors to appear. Therefore, in both New York and Kumba’s cases, without vendors’ organization, no matter whether regulations and rules are set or not, vendors are under a more vulnerable situation than those in Mexico City.
4.4.2 Role of government in Nanjing

4.4.2.1 Role of Nanjing’s government

In Nanjing, there is no vendors’ organization as the one in Mexico City. Nanjing’s night market vending is organized and managed by Nanjing government, which is also different from the case in Kumba. However, there are no strict rules or regulations set on the street vending business as the ones in New York City. So are the vendors in Nanjing as vulnerable as the ones in Kumba or New York City? Or are they under a similar situation as faced by vendors in Mexico City? By analyzing the situation of vendors in Nanjing, I would like to argue that Nanjing’s night street market is similar to the ones in Mexico City, although in a different way of management.

Nanjing’s night markets are organized by Community Administration Office (CAO) instead of Nanjing city government. This management creates a vendor—CAO—city government structure instead of a vendor—city government structure. I would like to argue that this structure is similar to the one in Mexico City because of the following reasons:

On the Community Administration Office level:

1. Vendors need to pay fees to local CAO for electricity, management, trash and other pollution on the street caused by the street vending business.

2. Local CAO provides vending permits and tolerance to vendors to protect their activities on the street.

3. Management fees are flexible. CAOs refund fees to some vendors whose family is in financial trouble.

On the city government level:

1. City government cares more about transportation system than informal street vendors. The cancellation of Matai street night market is one example showing that government in city level does not have a direct connection with informal street vendors.
2. In addition, city government also has programs to clear all the illegal street vendors from the city because of health, environmental and pollution reasons.

However, there are some major difference between Nanjing’s case and the one in Mexico City:

1. Local CAOs are subdivisions of city government or district government. They cannot decide the beginning or cancellation of street vending businesses. Also they cannot speak for vendors’ rights or negotiate with city government about their decisions.

2. There is no bribery between CAOs and city government to ensure tolerance.

3. Vendors in Nanjing do not have the same protection which is provided by Mexico City vendors’ organization.

Similar to the street vendors in different countries, Nanjing night market vendors are facing some similar but unique problems. In Nanjing, CAOs act like a vendors’ organization to the extent that they protect and maintain the tolerance for vendors’ activities and their business; besides, they also refund fees to vendors who are in financial trouble. All these indicate that local CAOs are trying to help vendors and their business. On the other hand, because CAOs are the subdivisions of the local city government, they do not negotiate with city government for vendors’ rights, which leaves street vendors in a similar vulnerable situation as faced by vendors in Kumba and New York. Moreover, Nanjing city government does not consider vending problems from vendors’ point of view, but from Nanjing’s overall transportation, health, pollution or environment issues. On this level, governments in different countries have similar attitudes towards vendors and their vending business.
4.4.2.2 Special case—12 points rules for breakfast vendors

In the city or district level, Nanjing Urban Management Bureau is in charge of the management of all the unlicensed or licensed street vendors. However, even if vendors know that their activities are against the city regulations or street vending rules, they still need to protect their vending business, which is an important income source for vendors’ family. Generally, Urban Management Team would educate the vendors who are against certain regulations at the first time. Then the management team punishes the people who refuse to abandon their “illegal” activities or who are caught many times for the same reason.

However, these activities generate many conflicts between the Urban Management Team and vendors; also, roving vendors are changing their locations all the time in order to escape the punishment from the Urban Management Team. Under such a situation, in 2005, Xuanwu District Urban Management Bureau starts a street morning market (mainly breakfast) management program, which uses a 12-point policy, which is similar to the 12-point rule for driving in the U.S. and in China. Under this rule, all the breakfast carts in Xuanwu District have to follow the rules on vending equipment, sanitation, vending licenses or permits, bagged trashes, fixed vending location, vendors’ sanitation and health, clean dishware, food quality and vending attitudes. For management, urban management team will take off certain
points according to the vendors’ activities. If all the 12 points for a vendor have been taken off because of their activities in one year, the vendor will not be allowed to continue with his/her business.

Although this informal breakfast vending business is not same as the night market vending business, the way to regulate and manage this informal business still shows that Nanjing government is not just against the street business but trying to use certain ways to regulate and formalize this informal sector. However, in the interviews with local officials of Danfeng St. CAO, the official implies that because most vendors are local people and they know the CAO officials very well, local officials always try not to take off their points in order to let them maintain their business. So, they still do not have the plan to extend this 12-point rule to all the other informal businesses, such as night market vending.

4.5 Urban Planning

Most of the informal vending businesses, no matter legal or illegal, are operated on pedestrian sidewalks or sides of the drive ways. However, because of the need of more drive ways due to the rapid growth of vehicle number in China, many cities in China are trying to widen certain roads to alleviate their traffic problems. During the widening process, many projects changed part of the pedestrian roads into drive ways, which heavily affected the informal vending business. In Nanjing, because road widening projects are led by Nanjing government, informal business and street vending businesses, which are operated in the district and street level, do not play an important role in the decision making process.

In Matai St., the biggest night market in Nanjing, was cancelled because of the traffic and pollution problems. Although this market has been there for several years, it cannot be compared with the traffic and pollution problems in the city transportation system. However, during the cancellation process, all the licensed vendors who are from Gulou district (where Matai St. belongs to) can get 23000 yuan if they agreed on not doing street vending business anywhere in Nanjing anymore.
However, other licensed vendors and vendors from Gulou district who will continue street vending business only had a compensation of 3000 yuan. Meanwhile all the unlicensed vendors got no compensation from the government.

Therefore, basically, urban planning does not take informal street vending business into the urban planning process. And urban planning focuses more on the city level decision making process than on street level interests. However, as a spatial planning method, some urban planning decisions would have significant impacts on the street vending business. Thus, urban planning is not acting as a negotiator between street vendors and Nanjing government as I suspected before this project; instead, urban planning is used as a part of city government’s decision making method and tool in order to support government’s decision. Furthermore, the negotiator between government and vendors is played by CAOs, which are subdivisions of local government too. Under such a circumstance, there are mainly four players in the vending business’s development: vendors, CAOs, city government and urban planners. However, CAOs and planners are still under the control of city government. Although I argued before that to some extent CAOs can negotiate and speak for the vendors, vendors are very vulnerable when they are against city government’s decisions, which is not like Mexico City vendors’ organization at all.

4.6 Conclusions

Based on the interviews with vendors and local officials, I would like to argue for several conclusions as follows:

1. Nanjing government and CAOs are trying to formalize informal night market in order to alleviate unemployment and income problems in the district and street level. However, at the time of my fieldwork, most of the formalized night markets were full and no longer taking new applicants.

2. Nanjing government does not use the night market vending as a permanent strategy to solve unemployment problems. However, night markets were set and operated in accordance with government’s tolerance. If there are conflicts between
night market operation and city development or new traffic constructions, night market would be sacrificed with some compensation. This government tolerance towards night market vending business makes income from street vending business very unstable.

3. Concerning night market organization and management, although CAOs in Nanjing City are operated similarly as the role played by Mexico City vendors’ organization, vendors are more vulnerable in Nanjing because CAOs, other than vendors’ organization, are subdivisions of Nanjing government. Therefore, CAOs can not negotiate with the city government for vendors in order to maintain vendors’ rights on the street.
Chapter 5 Conclusions and discussion

Through the analysis of night market and unlicensed roving vendors’ situation and their vending business in Nanjing, I would like to draw several conclusions concerning vendors’ coping strategies and local government’s reaction towards this informal sector in Nanjing. Most of the results from my thesis research are compatible with the arguments in the literatures about Chinese urbanization and informal economy. However, there are still some results which are not fit with the literature to some extent. First of all, *hukou* is no longer a significant factor to control the Chinese internal migration process. Also, I do not agree with Ding’s *hukou* dam theory, which believes that informal sector is a temporary job opportunity before vendors can join the formal work market. I will draw several conclusions here to argue about the role of the informal economy in vendors’ life and government management. Also I will discuss some important and possible research directions in my future study.

5.1 *Hukou* and migration

*Hukou* has been controlling Chinese internal migration for about 50 years. However, we can see that Chinese government has relaxed this policy more and more. Concerning the migrant vendors in Nanjing night markets and the unlicensed roving vendors, the interviews and surveys have shown that to some extent, changing *hukou* status or applying for temporary residential permits are not strict requirements for people to go to Nanjing any more. On the contrary, several vendors implied that they do not even need a temporary residential permit to be in Nanjing, because nobody checks that permit any more. Since the fees to apply for that temporary permit was canceled in 2002, this permit was not as important as before. All these signs have shown that internal migration is not restricted as seriously as before.

However, it is still very hard for migrant vendors to change their *hukou* status to local residents due to economic reasons. In Nanjing, a family with 3 family members...
can change their hukou status by purchasing a 60m$^2$ house. However, the income from informal vending business on street market is not enough or stable to purchase a house to change their hukou status. "We encourage farmers who have a place to live in cities and have stable income to register there," Kong Jingyuan (National Development and Reform Commission’s department director in charge of economic system reform) said. Also, Ma Liqiang (NDRC Deputy Secretary General) implied that “By 2020, farmers will have equal rights and development opportunities as urban residents”. (China Daily, 01/23/2008) All these information shows that Chinese government is trying to encourage the internal migration process, but the government still does not encourage the full migration with all urban benefits and welfare. This strategy shows that hukou policy, although it has been criticized for so long, is still used by the government to be a filter system to ensure that cities only receive the people desired by the city and keep away the people who are not.

### 5.2 Role of informal opportunity in vendors’ life

In chapter 3, I argued that this night vending business, as an informal economic opportunity, is playing an important economic role in vendors’ life. However, this informal opportunity also generates new problems.

First of all, this night market or roving vending business does provide enough income for vendors to stay above Nanjing’s minimum living guarantee standard. Also more than half of the vendors I interviewed implied that informal gain is the main income source in their families’ income. Almost half of the market vendors in the interviews indicate that they can have savings in their family based on the income gained from informal vending business. All these evidence shows that this informal vending activity is playing a very important economic role in vendors’ life. However, vendors’ monthly income is only about 1/4 of the average urban disposable income per household (3 family members) in Nanjing. Further, for migrant vendors, this informal income is far not enough to change their hukou status to local registration. Thus, I would like to argue that although informal vending business is playing a very
important economic role in vendors’ life, these informal vending activities are not enough either to lead local vendors into an average life standard in Nanjing or to help migrant vendors to change their hukou status to local registration in order to gain city benefits and welfares.

Secondly, according to Kong Jingyuan (NDRC’s department director in charge of economic system reform) “we encourage farmers who have a place to live in cities and have stable income to register there.” In my research, most of the interview results have shown that the income from street vending can sustain their lives in Nanjing. However, migrant vendors also indicate that the income from the streets is not enough for their whole family’s migration but meanwhile, the vending income in Nanjing can provide their family to have a better life in their original rural area than in the city. This situation also forced migrant vendors to take an awkward family strategy that leaves some family members at their hometown while the vendor or sometimes the vendor and their spouse are in Nanjing to make a living. Therefore, I would like to argue that street vending, as an informal economic activity, can sustain vendors’ migration in Nanjing but not enough for vendors either to change their family’s hukou status or to sustain their whole family’s migration.

Last but not least, my research also examined vendors’ view about this informal vending business. My research indicates a different point from Ding’s (2001:12) hukou dam theory, which views informal sector as temporary job opportunities to help unemployed people sustain their life before they can get a formal job opportunity. In my research, many vendors, no matter local vendors or migrant vendors, implied that they took this vending business as their permanent job opportunity and wanted the market to be open forever. On one hand, it is very hard for them to get a formal job; on the other hand, this informal sector provides them with a loose schedule and an income which can sustain their everyday life. However, through the worries about closure of the market shown in most of my interviews, I would like to argue that although this informal opportunity is viewed as a permanent job opportunity by most of the vendors, local government does not set up this informal market as a permanent market.
5.3 Role of this informal sector in government management

As shown in the previous chapters, local CAOs in Nanjing organized night markets to solve the unemployment problems for the local laid-off people. Also, many unlicensed roving vendors were formalized into night markets in Nanjing too. Then CAOs also give the rest available vending spots to the migrants. However, although it appears to be a very good strategy to solve the city unemployment problem by providing vending opportunities, local government still uses this informal sector as a short term strategy. When there are conflicts between city development and vending activities, the government always chooses to cancel the night market in order to widen the street or keep the informal vendors away from the main traffic ways. Thus, I would like to argue that although the informal vending business is playing a very important role in vendors’ life in Nanjing, the government still takes this informal economy as a temporary strategy to solve the urgent unemployment problems.

Furthermore, in Nanjing, government set up a “government—CAO—vendors” management structure. However, the CAO is very different from vendors’ organization in Mexico City in that it is a subdivision of Nanjing government. Thus, if there are conflicts between the governmental decision about city development and vendors’ rights, local CAO hardly has any interest in negotiating with the city government for vendors’ rights. I would like to argue that to some extent, although CAO can protect vendors’ rights, vendors are very vulnerable facing government’s decision of changing or cancelling the market where they have been doing informal vending business.

Therefore, it is obvious that the government utilizes this vending informal economy as a short-term problem-solving strategy. Meanwhile, the government also keeps the vendors from gaining any rights or power to make sure that when the government needs to close the market, the vendors do not have enough rights or power to keep the market open. In such a situation, the role of this informal economy is very compatible with Castells, M. and Portes, A. (1989) who believes that “the informal economy evolves along the borders of social struggles, incorporating those
too weak to defend themselves, rejecting those who become too conflictive, and propelling those with stamina and resources into surrogate entrepreneurship.” In such a circumstance, this informal vending business is incorporating those vulnerable people and also keeping them powerless in their conflicts with local government.

5.4 Situation faced by vendors in other cities

First of all, during my thesis research I only examined Nanjing, which many vendors indicated is a nice and safe city among the cities where they have worked before. However, I can still see different things happening in different Chinese cities, such as fighting between street vendors and city management team members in Hubei Province; clearance of street vending business in Zhengzhou, Henan Province; opening of street vending business in Shanghai City. However, I would like to argue that although vendors face different situations in different cities, most of them share the same characteristics of vulnerability and instability facing government decisions.

5.5 Future of night market vendors and roving vendors

What is the future of night market vendors and roving vendors? All the vendors replied with a shrug and told me “I don’t know, I will see when the time comes”. Furthermore, when I asked local officials in CAOs, they told me they knew nothing about the government’s plan for the future, and they only know that the market will be open until the government decides to close it. So what is the future of these vendors in Nanjing?

I would like to argue that the government does not show any attempt to improve vendors’ vulnerable situation. On the contrary, the government takes advantage of the vendors’ vulnerability and makes decisions of city development without taking vendors’ rights into consideration. Through this angle, the future of vendors’ informal business depends highly on city government development decision. Thus, how can the vendors have more rights facing governments’ decision?

One method is through vendors’ organization, which has been proved to be
effective in Mexico City. However, in Mexico City, vendors’ organization also involves political influence and bribery with local officials. In Nanjing, since CAO has been in charge of this vending business for so many years, it is very hard to have vendors’ organization set up in order to negotiate with local government. The second method is through the urban planning process. Since most of the conflicts between government’s decision and informal markets are focusing on the street space issues, urban planning should have more responsibility over this issue. If in the urban planning process, informal market can be involved and reserved as an important site, urban planning can be a very efficient negotiator between vendors and Nanjing government. However, interviews with urban planners indicate that urban planning has put little attention on informal market, and urban planning process is also one big function of local government in Nanjing.

Therefore, where is the future of vendors? We can only hope either the government can utilize this informal market as a permanent strategy to solve unemployment problems or when the government makes a decision about the markets, other job opportunities will be provided to the vendors to replace their vending businesses in the future.

5.6 Future project development.

Besides informal vending business, informal economy also includes many different types of work both in cities and rural areas. Although I can draw some basic conclusions from the research on informal night market and unlicensed roving vendors, people involved in other forms of informal economy may have some very different problems. Therefore, in the future studies, I would like to focus on different types of urban informal economy, such as construction workers, nannies, pan handlers, and then compare them with this research on vending business to see the differences and similarities both in the problems they are facing and the rights and powers they have in order to draw a whole picture of the role of informal economy in Chinese large cities.
Furthermore, it is also very important to study the urban marginalized groups of people in China. People who are not in poverty and can sustain themselves in the city are another important subject which needs to be examined. Because they are not in poverty, less attention was paid by the local government, which made their vulnerable status almost invisible in the city, such as the local vendors who were laid-off from former SOCs in Nanjing. Although they can make a living on street vending or other forms of informal opportunities, they live in a similar life standard as the people in poverty with urban welfares and benefits from local government. Therefore, I would like to focus more on these semi-poor people in Chinese large cities to better understand the issue of poverty in China.
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