

Analysis of the Development Model of the Street- Stall Economy under the Covid-19

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ABSTRACT. *Since the outbreak of the COVID - 19, China has quickly taken measures to control the spread of the epidemic throughout the country. However, with the implementation of control measures, a large number of enterprises were unable to start work, and the unemployment rate rose rapidly. Against this background, various parts of China have taken measures to encourage the economic development of street-stall and have achieved results. However, while stimulating the economy and alleviating employment problems, the street-stall economy has also brought many problems. This article uses the SWOT analysis method to carry out research on the street-stall economy, and puts forward relevant policy recommendations. The conclusion of this article has certain reference value for the regulation and development of the street-stall economy.*

KEYWORDS: *Covid - 19, Street-stall economy, Swot analysis*

1. Introduction

Research background

Since the outbreak of the COVID - 19, China has quickly taken effective measures to control and control the spread of the epidemic throughout the country, and has made outstanding contributions to the world's victory over the epidemic. However, at the same time, with the continuous implementation of the control measures, a large number of enterprises could not start work normally, Chinese economy has also experienced stagnation, and the unemployment rate has risen rapidly.

In order to restart the economy and alleviate the unemployment problem after the COVID - 19, the Chengdu government took the lead in promulgating relevant policies to encourage traders to operate in certain areas, and achieved remarkable results. Afterwards, measures to encourage the stall market spread quickly across the country. Henan, Xuchang, Hangzhou, Zhejiang, Nanjing, Jiangsu, and Hefei, Anhui, followed up, and opened some streets as the venues for street vendors. For a time, the street-stall economy became a hot topic.

Along with the fierce street-stall economy, many companies have also moved out and launched related products and services to quickly push the street-stall economy

into the air with greatest investment potential. Alibaba released the economic assistance plan for street-stall stalls, offering interest-free credit purchases of more than 70 billion yuan. JD.com launched the “Star Fire” plan to organize a source of quality goods worth 50 billion yuan. Wu Ling Hong Guang also launched a “wing open sales van” specially designed for stalls, and the stock price skyrocketed after the product was released, rising to 126%. Under the COVID - 19, the street-stall economy led the development of all walks of life.

2. Literature Review

Regarding the street-stall economy, there are few relevant studies at domestic and abroad. This may be because in recent years, Chinese government has implemented strong control measures on land stalls, and the land street-stall economy has gradually been marginalized. Therefore, few scholars have conducted research on this. However, there are still a few scholars who start from the perspective of management, law, etc. and have made in-depth thinking about the street-stall economy.

Jiang Yun (2009) analyzes the violent conflict between street vendors and urban management from three aspects of politics, management and law, and puts forward policy recommendations in combination with management models in other regions [1]. Ye Min (2019) gave a more detailed description of my country's street vendor governance dilemma. She believes that Chinese current governance of the street-stall economy presents a model of exclusion, which is quite different from the West [2]. He Bing (2008) used specific cases as an introduction to analyze the conflicts of interest of the government in the management of land stalls from the perspectives of urban management and street vendors, and in-depth consideration of the internal reasons [3]. Zhang Guoping (2008) believes that the traditional management mechanism has been unable to meet the needs of social development, he proposed a new governance model of social collaborative participation, allowing citizens, social organizations, government, etc. to participate in the management of street vendors [4]. Zhao Yingjun (2000) explored the street-stall economy from the perspective of property rights and game theory. He believes that the existence of the street-stall economy is a Nash equilibrium between the government and the vendors, and the street-stall economy can be improved by Pareto [5]. Ye Min (2016) compares the governance models of street-stall economy between China and India from the perspectives of law and politics. There are similarities between China and India, but there are also some differences. China has followed the path of administrative exclusion, while India has chosen the mode of political acceptance [6]. Duan Xiaoming (2014) elaborated on the current status of food vendors and problems in Chinese supervision. He suggested that the government can improve relevant laws and regulations as soon as possible, adjust the supervision system and strengthen education and publicity on food safety [7]. Wang Hui (2018) believes that sporty governance can quickly deal with some social problems, but it is not durable and resilient. Once the operation is suspended, the illegal operation of the street vendors will quickly resurrect. From the perspective of institutional change, he revealed the mechanism of transformation from sporty governance to long-term governance [8]. Wang Xiao (2015) conducted an in-depth

analysis of the “business license “ governance model in Wuhan and the operation mode of “ Set up a street vendor company “ in Wenzhou City, fully affirming the advanced nature of these two governance models, and absorbing experience and enlightenment[9]. Liu Xinyu (2006) analyzed the governance of street vendors from the perspective of property rights economics, and proposed to reclassify the property rights. He believes that the government should recognize the rights of street vendors and reduce the cost of applying for stalls, and give the community more supervision right [10].

Regarding the street-stall economy, most scholars start from the conflict between the government and street vendors or the issues of management, but there is little research on the development model of the street-stall economy under the COVID - 19. This article is just based on this, using SWOT analysis to carry out in-depth analysis of the advantages, disadvantages and opportunities and challenges faced by the street-stall economy, and put forward relevant policy recommendations.

3. Swot Analysis

3.1 Strengths

(1) Stimulate the economy and ease unemployment

Under the COVID - 19, affected by the control measures, many companies have not started construction for a long time and are on the verge of bankruptcy, and have to lay off a large number of employees. Against this background, Chinese unemployment rate has also risen rapidly, and a lot of unemployment has become another major problem following the outbreak. Because there are no requirements for education and skills in the stalls, and there is no pressure from rents, the threshold is very low, which allows people who have lost their jobs to quickly and flexibly find employment. Therefore, many local governments quickly formulate relevant policies and openly distribute them to small vendors to alleviate the unemployment problem to a certain extent.

(2) Solve the survival of the unemployed

Street selling has always been an important way for low-income groups to make a living. Street vendors sell their own products or wholesale cheap products to support their families. For those who are unemployed and low-income groups, they have no ability to purchase expensive daily necessities and food, and the cheap goods from street vendors has solved their survival problems to some extent.

(3) Bring the Harmonious atmosphere back to the city

With the further development of urbanization, people's living standards are constantly improving. The stall street-stall economy has been severely regulated due to its own problems such as blocking traffic, polluting the environment, and affecting the appearance of the city. The street-stall economy has gradually become the edge economy of the city. However, compared with shopping malls and supermarkets, the

street-stall economy also has its own unparalleled advantage, that is, it has a strong “Harmonious atmosphere”. Except for temple fairs and gatherings held during the New Year or large-scale events, this kind of “Harmonious atmosphere” is rarely seen. Therefore, the “Harmonious atmosphere” brought by the street-stall economy is even more precious.

3.2 Weaknesses

(1) There is no unified standard that affects the appearance of the city

Unlike brick and mortar stores, stalls are highly random in time and place, and it is difficult to standardize them. Therefore, many problems have arisen, mainly in terms of blocking traffic, destroying the environment, and affecting the appearance of the city. Many street vendors like to go to places where there is a lot of traffic, and they are very casual about the placement of stalls. There is no regulation, which seriously affects the smooth flow of urban traffic. In addition, the vendors will generate a lot of garbage in the process of operation, and few people will take the initiative to clean up. This unregulated operation not only caused pollution, but also had a negative impact on the city's appearance.

(2) Food safety issues

As early as 2009, Chinese government enacted the “Food Safety Law”, and has undergone several amendments since then, but there are no clear and effective regulations on the management of street vendors. For street vendors, they have not registered with the relevant departments, even if something goes wrong, they can run away, it is difficult for the government to hold them accountable. Under the guidance of this kind of psychology, some merchants took the risk without hesitation and used low-cost raw materials like drain oil, which seriously violated consumers' right to life and health.

(3) After-sales service issues

Street vendors have no fixed stalls and go wherever there are many people. They have a strong liquidity. Therefore, few people will sell products in a stall for a long time. Once the product has a problem, it is difficult for consumers to find a business, and after-sales service cannot be guaranteed.

3.3 Opportunities

Since Premier Li Keqiang expressed affirmation of the street-stall economy, many provinces and cities have issued relevant policies to further relax the supervision of the street-stall economy, and the street-stall economy has received great policy support. Not only the government, but also some large Internet companies in China have launched related products and services to escort the stalls economy. It is worth mentioning that, at present, the street-stall economy has begun to affect the capital market, and the concept stocks of the street-stall economy have appeared on the stock market. The stocks related to them have risen rapidly, and the street-stall economy

may become the next good opportunity.

3.4 Threats

After implementing the street-stall economy, the biggest challenge is to prevent and control the epidemic. Compared with shopping malls and supermarkets, the environmental sanitation of the stalls is poor, and the road there is crowded. Once an infected person is mixed into the crowd, it is very likely to cause large-scale infection of COVID - 19, and the previous efforts to prevent and control the epidemic will be wasted. In addition, the real economy is also affected by the street-stall economy. After experiencing this epidemic, the real economy has been hit hard, and many companies are also facing the risk of failure. Encouraging the street-stall economy at this time will undoubtedly put the real economy into a more difficult situation.

4. Recommendations

4.1 Specification of Place and Time

Considering that it is now in a special period and the epidemic prevention and control work has not been completed, it is particularly important to choose the location of the stall. If the stall is on a narrow road, it will easily cause congestion and risk of infection. Therefore, when planning, the government must set up stalls on wider roads, and also need to control the distance between stalls to prevent them becoming too crowded when the stalls are open. In addition, in order not to affect the appearance of the city, the government should also arrange the time for the fair, and try to concentrate and unify it as much as possible. If the business hours are open all time and all of the street vendors' working time is scattered, there will be scattered booths in the night market. Not only is there no Harmonious atmosphere, but it will affect the appearance of the city.

4.2 Specification of Business Scope

The commodities sold on the stalls are mainly low-end items, and there are also some counterfeit and shoddy products, which may have an adverse impact on the market order. Regulating the business scope of street vendors can alleviate the appearance of counterfeit and shoddy products to a certain extent. In addition, the surrounding environment of the stalls is poor, and hygiene is difficult to guarantee, which is very suitable for the breeding of viruses and bacteria. In terms of food safety, we must make good regulations and strictly control. Once it is not properly controlled, it may cause a second outbreak of the epidemic, which is not worth the gains.

4.3 Management Specifications

When the stalls are open, the government should do a good job of supervision and management, arrange for the urban management to supervise the stalls in real time, strictly control the distance between stalls, prevent crowds from being too dense, and require uniform wearing of masks and other protective equipment to effectively prevent and control the epidemic. The government should also promulgate specific management regulations to punish non-standardized vendors, and resolutely put an end to acts that occupy the road and damage the environment.

4.4 Aftermarket Specifications

The lack of after-sales service is one of the disadvantages of the street-stall economy. Since there is no unified standard, even if there is a problem after sale, it is difficult to find the responsible party. In order to solve this problem, the government should make statistics on the vendors and issue them a business license in advance, and if there is a report from the masses, they should contact the street vendors in time to do their job.

5. Conclusion

The street-stall economy has existed in China for many years, but the reason why he can fire all over the country overnight is not that the street-stall economy can bring huge economic benefits to China, because during the COVID - 19, he is related to the survival of countless people at the bottom The problem. While stimulating the economy, the street-stall economy has also alleviated the huge problems caused by unemployment. Under such conditions, it is necessary to encourage the street-stall economy. But at the same time, we should also realize that the street -stall economy is a double-edged sword, and the benefits it brings are food safety issues, service after-sales issues, and appearance and market issues. As for the street- stall economy, it can neither be banned across the board, nor let it be left alone. The government should follow the principles of convenience, benefit and non-disturbance, and reasonably set up, standardize and arrange for epidemic prevention and control and ensure safety. However, once the epidemic has passed and the economy has recovered, stalls are no longer the main source of income for the bottom-level people. At this time, stricter control is required to ensure the healthy development of the economy.

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