Street vending - a perpetual hustle: How street vendors in Hanoi’s Walking Street negotiate their existence

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Abstract: Street vendors make up an important part of the Vietnamese informal economy and carry a trait of the country’s urban DNA. However, they have long been the target of many regulations to create a modern and civilized city of Hanoi. By revisiting the discourse about formality and informality, private and public space, this paper discusses how street vendors negotiate their existence in Hanoi’s public space. With a case study at the Hoan Kiem Lake Walking Street in Hanoi, the findings shifted the focus of previous works from the discussion about what is informal and what is not, to how informality expands itself economically, socially, and politically in an urban environment. In addition, the public perception of street vending was considered to provide a comprehensive understanding of the situation. This research also dedicates a part of it to shed a light on the informal sector during the global pandemic caused by SARS-CoV-2.

Keywords: Street vendor, informality, informal workers, public space, public policy, urban, Vietnam

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Introduction

Hanoi is a city full of contradictions that is trying to mould its identity in the globalized era while struggling to maintain its values. Walking the streets of Hanoi, either in the bustling narrow lanes of the Old Quarter or between skyscrapers in the Southeastern districts, we can easily find street vendors on every corner, selling all different types of goods. Street vendors provide a wide range of products and services to citizens from different classes, hence make up an important part of the supply chain of goods and services for the urban population. Besides, the image of street vendors has appeared in commercial videos promoting Hanoi tourism and is often depicted in literature and music. It is so ubiquitous, and thus iconic for this city’s culture.

Despite the convenience that they provide to the urban folks, street vendors usually struggled to navigate their existence in Hanoi where their business practice has been considered illegal by the municipality. Understanding how Vietnam’s informal economy workers work and socialize helps enrich the contextual picture of a diverse economy. Furthermore, understanding informal workers’ livelihood should be an important focus of governance. Recognizing this uncomfortable juxtaposition between the old and the new images of Hanoi, this study deconstructs the myth of street vendors by deciphering their negotiation process for existence and tracing the new perception of this group of workers among Hanoi citizens.

Empirical research was carried out for the case study at the Hoan Kiem Lake Walking Street in Hanoi or Phố đi bộ Hồ Hồ Kiếm Hà Nội (will be referred to as the Walking Street in this article) which was established initially as a pilot project in September 2016 by the People’s Committee of Hanoi. This experiment of the public space was to achieve the following goals to “[...]build and maintain community spaces, improve the living environment, promote the value of tangible and intangible cultural heritages, contribute to preserving, honoring, and introducing history, culture, and people of Hanoi,” as stated in Plan 159/KH/UBND. The Walking Street (WS) covers 16 streets around and adjacent to the Hoan Kiem Lake and is closed to all vehicles from 7 PM on Friday until midnight on Sunday every week. Citizens coming to this area on the weekend can expect public sport and art events and book fairs. Hoan Kiem Lake, also known as Sword Lake among foreign tourists, forms the historical and cultural centre of Hanoi lying right next to the Old Quarter. Hence, this is the number one destination for leisure and cultural activities not only for tourists, both domestic and international, but also for locals. The WS remained a pilot until January 2020, when Hanoi People’s Committee finally decided to make it official, taking into account the impressive impact it has on the local economy, especially the tourism sector (14/QD-UBND). However, WS was shut down twice from February 7, 2020 until May 15, 2020 and from August 21, 2020 until September 18, 2020 to stop the spread of the COVID-19 pandemic.

The empirical research for the case
study in this thesis was conducted during the COVID-19 pandemic, shortly after Vietnam ended the first national lockdown in 2020, during which no trading activities were allowed to operate. At the time of the field research, even though almost all restrictions had been lifted, the Vietnamese border remained close for international tourists. Hence, street vendors’ lives were turned upside down and left with dreadful outcomes, like many other branches of the economy. Therefore, a part of this study is also dedicated to shedding a light on the informal sector during these difficult times.

This research adopted the qualitative approach to gain new insights into the operation and negotiation process that street vendors must perform to secure their business and understand the general perception of street vending activities. To collect data for this research, semi-structured interviews were conducted with street vendors and an expert interview with the local security. These interviews were accompanied by participant observation to provide additional descriptive information to fill the gaps of knowledge gained from the interviews. Finally, a survey was conducted with visitors at WS to gain their perspectives.

Informality and street vending in Vietnam

Since street vending is a part of the larger informal economy, the study revisited the academic discourse of informality and formality. Three main concepts of informality are widely accepted in academia. The first concept argues that informality was born out of necessity to employ workers who fail to integrate into the formal economy, making the informal economy the residual economy (Cling et al. 2010). Hart (1973) drew the line between the two equivalent groups: wage-earning and self-employment to differentiate formal workers and informal workers accordingly. The second approach of informality sees this sector as a part of the capitalist system, together with formality. However, informality is subordinate to formality by providing cheap labour and product supplies to enhance the productivity of the latter (Portes and Haller 2005). The third concept of informality was introduced by de Soto in 1989. He argued that informality was the choice of entrepreneurs to break away from the centralized bureaucracy and interfere with the formal economy. What endows the notion of formality is the centralized state with its hierarchy and legal system that tries to regulate all economic activities. The formal sector, in its true form, is the collection of all economic activities that conform to the prescribed rules. The non-conformist economic activities then fall into the category of informality. Simply put, there exists no informality without formality (Portes and Haller 2005). Roy (2009) also stated that “[Informality does not] lie beyond planning; rather it is planning that inscribes the informal by designating some activities as authorized and others as unauthorized (cited in McFarlane & Waibel, 2012: p. 4)”.

State control and regulation of the economy lay the ground for the informal economy’s formation and development. Here lies a paradox of state
control that “official efforts to obliterate unregulated activities through the proliferation of rules and controls often expand the very conditions that give rise to these activities” (Portes and Haller 2005). Without a formal regulation, the informal economy relies heavily on social ties by virtue of social networks or mutual trust. Under a socialist regime, where the state is deeply involved in the market, informal activities must be even more socially embedded to avoid malfeasance by business partners and to remain “underground”. In this kind of environment, solidarity bonds among partners are strengthened with the threat of state surveillance and repression (ibid.).

In Vietnam, despite the lack of comprehensive studies and statistics regarding informal workers, it is undeniable that this sector employs an outstanding share of the labour market and contributes a significant part to the national GDP, up to 26.9% in 2019 (Hao 2019). Out of many different types of informal economy businesses, street vending is among the most common types. Statistics regarding the number of Hanoi’s street vendors are still lacking due to the limited studies and the nature of their business. After Doi Moi, the economic transformation in 1986, a significant influx of rural-urban migration resulted in an increasing number of street vendors in big cities like Hanoi and Ho Chi Minh City (Mitchell 2008). Doi Moi is the set of policies that marked the critical transformation of the country’s centralized state socialism to a market economy or “market socialism”, manifested in the layoffs at state-owned enterprises and an open-door policy for foreign investment and joint ventures (Drummond 2000; Jensen & Peppard 2003). Simultaneously, it opened up opportunities to engage in the informal sector, especially in urban areas (Earl 2010; Drummond 2000; Jensen & Peppard 2003). Most street vendors in Hanoi are female, married with children, and have an average age ranging from 30 to 45 years and an average educational attainment of pre-secondary school (Truong 2017, p: 7; Turner & Schoenberger, 2012: p: 10; Jensen & Peppard, 2003; p: 73). While fixed-stall vendors are mostly permanent residents of Hanoi, most itinerant vendors commute every day from Hanoi’s outskirts or areas adjacent to Hanoi. Street vending is subject to income insecurity (Truong 2017). Street vendors interviewed by Turner and Schoenberger (2012) typically earned VND35 000 (US$2 in 2009) a day, roughly equating to VND10 million (US$570) annually. However, this number fluctuates strikingly due to weather conditions, the number of the days worked, access to products, and so on (Turner & Schoenberger 2012). Studies in the past pointed out some common motivations for people to trade on the streets. Being underemployed in rural areas is one of them. Vendors from rural areas stated that they could not rely on agriculture to provide for the family because they did not possess much cultivable land and had time outside of the crop season. The acquisition of agricultural land for industrial and commercial purposes has also been a problem in rural areas, which pushed these workers out of agriculture. Nev-
Nevertheless, while it seems to many people that street vending is the last resort to secure their livelihoods, this type of work is also a choice for many others who pursue independence and flexibility (Truong 2017). Street vending is often associated in state media with lawlessness, as being disorderly and uncivilized, as causing a bad influence on the city image, or as a marker of underdevelopment. Since 2008, various regulations have been promulgated to wipe out street vendors from Hanoi’s public space and strengthen the control of businesses operating on the sidewalk and housefronts. In 2017, Hanoi authorities started a campaign to “liberate” pavements from street vending and spill-outs of stores and businesses to restore the “modern and civilized” image of the capital city. “Modern and civilized” are the most common terms used by the authority to denote the ultimate goal of city planning along with “green-clean-beautiful” (Báo chính phủ 2020; Người lao động 2020). Nevertheless, the implementation has never been exhaustive and, hence, the outcome has only been temporarily effective and constantly challenged by the coping mechanism of the street vendors. This mechanism, with the core formed by the negotiation process, has been the motivation for further discoveries in the setting of the Walking Street around Hoan Kiem Lake.

A multilevel coping mechanism for existence

From an economic point of view, the reality in the case study confirms what many scholars suggested, that street vending activities are involved with minimum investment and commodity (ILO 1972; Hart 1973); yet demonstrate a certain degree of strategic planning through their daily operation. This planning was manifested through their choice of goods and services, their choice of location regarding market competition, and the effect of clustering. Each seller only sold one or one type of products with the most common types being toys, snacks, and beverages along with various services like sketching, riding hoverboards, and electric cars. These street vendors’ setup was diverse, highly flexible, and reflected the typical “guerrilla” style of street traders in Vietnam. In this regard, street vendors can be divided into three groups: itinerant, semi-itinerant, and static. The itinerant group is made of traders who carry their commodity with them and are always on the move, mostly on foot or on bicycles. The semi-itinerant group comprised of vendors who owned a mobile setup but remained static most of the time. There are a few fried snack sellers who carry their stoves around on a bicycle or a trolley allowing them to move quickly if the patrol comes. The fixed group includes vendors who always stayed static. These are tea stalls with many seats operated on a large premise or small ones popping up right next to benches around the lake. The simplest setup comprised of just a cooler box or a mat to display souvenirs and toys.

The decision of location is not just random but rather a strategic decision. All street vendors interviewed chose their location due to the high traffic of visitors. During the day, areas with
more shade naturally lure more pedestrians and hence, more traders. During the evening, large streets like Đinh Tiên Hoàng become the venue for various activities and are packed with visitors and sellers. Despite the high density, there was always a certain distance between them to avoid conflict and minimize competition. These tactics were calculated and experimented thoroughly in order to maximize profit and improve productivity.

Interviews and observation indicated that there is a social bond between street vendors. “People are mostly somewhat friendly to each other, there haven’t been real problems between us even though sometimes things get spicy if one thinks the others want to interfere on her territory or steals away her customers”, said one female vendor selling drinks, which sums up perfectly the social aspect of the scene. Vendors were seen having lunch together, keeping their eyes on each other’s goods when one was off for a break, and alerting each other when the police are on patrol. Nevertheless, conflicts of interest are inevitable. From time to time, there are quarrels between vendors selling the same types of products due to competition or disputed territories.

“I know that this is illegal and they (police officers) are just doing their job, but there is no other way for me,” said one tea vendor when being asked about his opinion on security units. On the one hand, security officers must impose a fine on a certain number of vendors to meet their assigned target. There are unspoken rules of how to behave when they come and where to hide commodities. “If you are unfamiliar around here, chances are you will get caught,” the police officer explained the common practice. On the other hand, security officers also consumed goods from these vendors and accepted to be a part of this negotiation process. Older street vendors rarely got fined. They are more vulnerable and often ask for “sự thông cảm” (compassion) from officers who are mostly in the age group of their children and grandchildren. “We all know each other, you know, we are also close to each other in a way,” said the police officer towards his relationship with street vendors. Other types of agreements happening in the “grey zone” tie security and street vendors together with their personal interests. The fixed stall vendors operating on a large premise with significantly higher revenue pay a bribe towards the ward security unit monthly. “The higher the revenue, the higher the bribe,” goes the common understanding. Sometimes, these sellers are family and friends of someone within the security unit. Some of these vendors also act like “secret agents” for the security unit and have the responsibility to inform of any suspicious activities or individuals in their areas. In exchange, they are allowed to operate peacefully with a monthly “fee.”

Regarding the public perception of street vendors, most citizens expressed a positive view on the subject with a demand for more organization and order in the future. Despite being ruled illegal in this space, street vending activities contributed to a certain degree to the creation of a vibrant and welcoming public space. The fact that some street vending activities, such as selling twisted balloons, tò he, and portrait drawing services, as well as flea mar-

Figure 5: Itinerant vendors selling toys having a break together on Đông Kinh Nghĩa Thúc.
kets, were planned strategically in this area indicated a positive influence on the overall objectives of the Walking Street. In fact, the first pedestrian zone of Hanoi, Hàng Ngang - Hàng Đào, is a night market. Moreover, street vending is widely seen and known as an iconic trait of Vietnamese urban life. Regarding hygiene concerns, considerate regulations should be implemented properly. The findings from the survey takes issue with the vision of “modernity and civilization” that Hanoi authority strives for. If the future means the pushback of street vendors out of the public space, public order in terms of hygiene and traffic regulations might be restored to a certain degree. However, the cultural values and appreciation of an inclusive community, which are difficult to measure, will be put under threat. The phase-out of street vending is a crisis for the street vendors because, on the one hand, it takes away their livelihood. On the other hand, it causes damage to the public and the unique trait of the city.

Impacts of the COVID-19 pandemic

For many own-account street vendors, the pandemic has left them with devastating consequences. In March 2020, before the lockdown worldwide, the number of foreign visitors coming to Vietnam dropped by a whopping 68.1% compared to March 2019 and 63.8% compared to February 2020 (General Statistics Office cited in Tạp chí tài chính 2020). Having always been living hand-to-mouth, they were left with no income whatsoever and minimum saving when the national lockdown came. According to their observation and estimation, the number of vendors dropped by half after the lockdown. The lack of foreign tourists hit the street sketchers and souvenir sellers the hardest as this group had always been their most prominent set of customers.

The second reason for the decrease in income is visitors’ hesitation upon spending money in the WS. 28.2% of people asked said that they came to the WS less often after the lockdown, and 24.7% cut down on their consumption in this area. Despite the area being remarkably busy on some evenings, visitors were less likely to spend money on goods from street vendors. The reasons mentioned mainly touched on hygiene concerns and decreased income.

The security units apparently took that matter into consideration and approached vendors with more tolerance after the lockdown, as reported by both sides. A financial aid package of 62.000 billion VND was granted by the government to aid the heavily impacted groups during the pandemic. According to Resolution 42/NQ-CP, street vendors who were not allowed to work during the lockdown are eligible for financial aid of 1 million VND per person per month for up to three months. The resolution should be implemented by the ward level authority for people who reside in their area. However, no one interviewed had received this aid despite being confirmed by the ward authority beforehand. Until August 19, 2020, 100,916 informal workers in Hanoi, including street vendors, motorbike taxi drivers, waste pickers, etc., had been granted aid with the total amount of 102 billion VND, according to the Hanoi Department of Labour, War Invalids and Social Affairs (Tuổi trẻ 2020).

Discussion

The multilevel coping mechanism born out of the necessity of the informal workers constantly transforms and adapts itself to current regulations and the enforcement thereof, which was created to maintain the dichotomy of informality and formality, or to keep this economic group on the informal side. This finding is in harmony with Roy’s view on informality as a deregulated system, which “indicates a calculated informality, one that involves purposive action and planning, and one where the seeming withdrawal of regulatory power creates a logic of resource allocation, accumulation, and authority” (Roy 2009). Nevertheless, the case study
did not point out a complete withdrawal of regulatory power but rather a space of negotiation where both regulatory power and informality co-exist. It is in this sense that “informality, while [being] a system of deregulation, can be thought of as a mode of regulation” (ibid.).

Socially speaking, the negotiation process involved a huge effort to establish and maintain a support system among street vendors, other workers, registered business owners, and house owners within Walking Street and the adjacent area. Through these social connections, they were able to cut down certain expenses on transport and paying fines, save time significantly, secure the stability of their business, and protect each other from the threat of local police. Despite the difficulty of assessment, the social connections certainly provide mental support for street vendors throughout their perpetual hustle. This finding emphasizes what Portes and Haller (2005) stated about the solidarity bonds under a socialist regime.

Like many other regulations applied for public space in Vietnam, the law for the WS regarding street vending is not only fuzzy but also not exhaustive in practice. The contested nature of public space in Hanoi, together with the decentralized approach in regulation implementation, gives space for mediation and negotiation to street vendors. Koh (2016) argued that even though the ward local administration was set up for effective mobilization of people on the micro-level, because of the power mechanism, it becomes a daily tool of mediation that allows society to negotiate state policies and laws. “In Vietnam, local officials often have to play dual roles of being party-state agents and of being a part of the local community. When the values of these two roles clash, mediation of state power often occurs” (Koh 2006: 9). The lack of solemn and exhaustive implementation of regulations combined with bribery and social bonds open a huge gap for informal economic activities to thrive. Street vendors are generally banned from operating but able to get financial aid from the state to help them when not being able to work during the pandemic time. This contradictory reality indicates the inconsistency of the legal framework and serves as an argument to challenge the informality and formality divide.

This study argues that the difficulty of policymaking and implementation of such in the informal sphere arises with the ambivalent nature of public and private space in the Vietnamese urban context, which is not recognized in the language of the law. In Vietnam, public space is produced by the party-state, the citizens, and the private economic sector (Kürten 2008). Hence, it is also a space where different values and conceptions of its stakeholders collide. Gramsci’s ideological hegemony dictates that the ruling group presents ideas and values that are perceived as “natural” or “common sense” by the rest of the society (cited in Kürten 2008). In Hanoi, the capital of a party-state, the implementation of public orders in public space partly reinforces this ideological hegemony serving the undeniable interest of a group of citizens, to which the street vendors do not belong. The political and economic space, in which the street vendors are located, gives them very limited legal means to influence decision-making (Turner & Schoenberger 2012). However, there is a saying in Vietnamese that explains the reality quite precisely: “phép vua thua lê làng”, which literally means that the laws of the king must surrender to the rituals and culture of the village. The saying applies to many cases where centralized laws fail to triumph over local unspoken yet long-lasting and well-practiced rules. Trading, religious festivals, performances, music, gambling, and family events have been performed historically on the streets, on pavement, or in alleyways of Vietnam (Thomas 2001). Street vending, in this sense, is a cultural practice that shapes Hanoi’s urbanity, woven in the city’s social fabric. Thus, street vending cannot be easily eliminated by the rules made by the people who sit in their ivory tower, imagining a public order for a more “modern” and “civilized” image of the city.

Conclusions

This study deconstructs the myth of street vendors by deciphering their negotiation process for existence and tracing the new perception of this group of workers among Hanoi citizens. The findings challenge and extend the previous framework of the formality/informality dichotomy pioneered by the works of Hart (1973), de Soto (1989), Castells and Portes (1989) and Roy (2009). The field research findings shifted the focus from the discussion about what is informal, and what is not, to how informality expands itself economically, socially, and politically in a contested environment with a connection to the discourse of public space.

The representativeness of this study might be restricted due to some limitations and shortcomings. The small sample size of street vendors and visitors could limit the insights gained from the field research. Due to its diverse and ever-changing nature, street vending is difficult to keep track of and to be depicted exactly and holistically. Being seen as illegal, some street vendors hesitated to share all the details about their day-to-day hustle. “Sometimes the good intention might lead to unfortunate outcome,” said one vendor about her experience with a journalist. Regarding local police, local public security, and the Hoan Kiem Lake Area Management Board, the contact was just minimum, leaving many laws implementation processes unexplained.

This study hopes to contribute to a growing body of literature concerned with urban informality in contemporary Vietnam. Moreover, it aims to bring more compassion, what many street vendors often wish from the authorities to the discourse about informality and the law-making process. Looking further into the future, an inclusive and welcoming urban environment, in which all citizens can contribute and prosper, should be considered the crucial goal for Hanoi development plans.

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References


Figure 7: A section of the Walking Street with relatively low street vending activities on a Saturday afternoon.