

Promotion of Public-Private Dialogue to Maintain Poor-friendly Fruit and Vegetable Street Vending in Hanoi

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ABSTRACT

In Vietnam, the marketing of fruits and vegetables is characterised by a diversity of distribution chains, including formal markets, street vendors, shops and supermarkets. The government is promoting the expansion of supermarket distribution and was planning to eliminate all informal trade at the time of research. Yet, the experience of other countries shows the role of urban informal trade as a provider of employment for the poor. In some other countries street vending has been successfully integrated into urban planning thanks to the organisation of street vendors and dialogue with authorities. Research was carried out in Vietnam to test whether such integration is possible given the local economic, social and political context. The evaluation of the role of street vendors in employment and food distribution was based on a census of fruit and vegetable street vendors in selected Hanoi districts, in-depth interviews of a panel of street vendors and review of experiences in other countries. This led to a discussion paper on the advantages and constraints of street vendors and recommendations to support this business. The discussion paper was the basis of dialogue between authorities in Hanoi, a panel and street vendors and researchers. Among the main results is demonstration of the dominant role of street vending for fruit and vegetable distribution and the limited alternative employment opportunities for the peri-urban farmers involved in these activities. Street vending indeed poses some problems in terms of control of hygiene and traffic fluidity. The stakeholders' workshops helped the Hanoi authorities agree to a restricted tolerance of street vendors in selected areas, with the setting of concerted rules on public-private rights and responsibilities.

Key words: street vendors, poverty, Hanoi, vegetables, fruits

INTRODUCTION

The objective of the paper is to help decision-makers involved in domestic food trade at the country and city levels to find solutions to the various conflicting issues raised by the fruit and vegetable street vendors as they presently operate in Hanoi. It is indeed necessary to reconcile the poverty alleviation and employment objectives—to which street vendors provide a positive although precarious answer—and the traffic and health problems that may be posed by their present activity, now declared illegal. A compromise is proposed between a *laissez-faire* approach and the more radical approach of eradicating this business.

Although Vietnam is praised for its success in poverty alleviation, poverty and unemployment are still major concerns for the government and donors (see World Bank 2007

for the following figures). In 2004, the poverty rate was estimated at around 20 percent (while it reached 58 percent in 1993). Vietnam would like to achieve the status of a middle-income country by 2010, i.e. increasing the present GDP of 600 dollars to a level in excess of 1,000 dollars per year. Poverty in Vietnam is mostly rural. The rural poverty rate is 25 percent compared to 4 percent in cities. Yet urban poverty is underestimated as most of the migrants are not registered and do not benefit from social services. Cities are growing at a rate of 3 percent per year, although urbanisation remains limited in comparison with other Asian countries (25 percent in 2002 compared to an average of 36 percent for Southeast Asia). Reducing rural as well as urban poverty is one of the four pillars—termed social inclusion—in Vietnam’s 2006-2010 Socio-Economic Development Plan.

Food distribution is well known to be a key factor for the social inclusion of the poor, as it creates small-scale business activities and impacts on the access of the poor to food commodities. During the past ten years, the food sector has experienced major changes in Vietnam. The reforms implemented in the framework of the *đổi mới* or “renovation” policy, have been reflected by spectacular economic growth, particularly in cities. In 2002, 70 percent of the GDP was concentrated in the towns, accounting for 46 percent of the domestic food market in terms of the value of goods (Moustier et al, 2003). These changes have caused an increase in the demand for more diverse and better quality products especially in urban areas. The food distribution sector has adapted to these changes and has now taken on a diversity of forms. In Hanoi, a person can have access to food through a variety of means ranging all the way from street vendors to air-conditioned hypermarkets, with options of shops and fixed market stalls in between. Yet this diversity is currently threatened by the government’s clear promotion of modern distribution and the planned eradication of informal trade including street vendors. According to Regulation 36CP on traffic order and safety (dated February 2003), street vending has been prohibited, mostly for traffic reasons. The planned fast increase of supermarkets and elimination of temporary markets and street vendors is indicated in the strategy of the Domestic Trade Department of the Ministry of Trade from the present until 2020, on the grounds of “modernisation” and “civilisation” (Vietnam Ministry of Trade, 2006).

The situation of street vending as an illegal activity subject to a number of threats is not specific to Vietnam, as many countries in Asia and Africa have declared street vending illegal, usually for traffic or health reasons. Street vendors are involved in the activity because of difficulties in finding employment in the city. They are typically rural migrants or urban residents who lost their jobs. In Asia their number has kept increasing in the last five years because of rising problems of employment in cities, where it is estimated that informal jobs outnumber formal jobs in most cities. Increasing formal employment and eliminating informal employment is the usual policy of Asian governments. But given the high figures of informal employment and the difficulties in terms of expertise and credit enabling informal workers to engage in the formal sector, it may be more effective to upgrade the informal sector (Bhowmik, 2005).

The experience of other countries shows cases of successful integration of street vending in urban planning thanks to the organisation of street vendors and dialogue with authorities. The organisation of street vendors into advocacy groups is documented as the first step towards legalisation, albeit partial. Such organisation may be a spontaneous reaction to particularly violent events of eviction, the result of NGO support or—much more rarely—an initiative of the municipality. In India the lobbying campaign (initiated by the World Bank) and the National Alliance of Indian Street Vendors led to street vending being declared legal in 2003 (Pandya, 2002). In Kenya, an IDS research project led to the establishment and registration of the Kisumu Alliance of Street and Informal Traders (KASVIT) (Mitullah, 2003). In 1995, the “streetnet” network at the international level was created to involve

various street vendor associations and raise their visibility and power of expression (the network is presented on: <http://www.streetnet.org.za>).

Spatial allocation is another positive action that can be implemented. This involves the limitation of street vending to certain roads, as has been undertaken in Kenya (Mitullah, 2003), the Philippines and Singapore (Bhowmik, 2005). In Kenya, the actions were based on the work done by the the Institute for Development Studies in cooperation with the University of Nairobi from 1999 to 2003, with many interactions with public and private stakeholders. A national workshop involved four urban councils, government departments, street vendors groups (women and self-help groups) and agencies supporting street vendors.

Research was carried out in Vietnam to test whether such integration of street vending into urban planning is possible, given the local economic, social and political context. The promotion of public-private dialogue has been sought, based on a shared appraisal of the situation and issues raised by street vending in Hanoi, which is a prerequisite for a shared plan of action (Thoyer and Tubiana, 2001).

MATERIAL AND METHOD

The social and economic role of fruit and vegetable street vending was first evaluated, after which public-private dialogue was initiated on this issue. It should be stated that an estimation of the number of hawkers, i.e., mobile street vendors, as well as fixed retailers, had been carried out by the team of an EU-funded project (Vegsys) in 2003 (Wijk and al, 2006; Gia and al, 2003). The enumeration of hawkers and fixed retailers was carried out in a sample of 36 official and unofficial markets, in urban and peri-urban areas, and then extrapolated using the 2001 market enumeration by the Hanoi Department of trade. It generated the following figures: 7370 fixed retailers and 7356 hawkers. The study also generates interesting data on the socio-economic characteristics of the two categories of hawkers. Yet one of its shortcomings is that it only considers vendors selling in or around identified (formal and informal) market places, not the vendors selling along streets.

We conducted various surveys to quantify the importance of fruit and vegetable street vending as regards employment and food distribution. The first survey took place in 2004, with a count made of vegetable vendors in October and then litchi vendors in July. Two districts were selected for a complete count of street vendors: Hoan Kiem and Cau Giay. Hoan Kiem is a central district with a population of varying incomes, while Cau Giay is a more recent working-class district. It is assumed that averaging the density of street vendors in these two districts provides a proxy for the average density of street vendors in Hanoi. Market retailers, shops and stalls were also counted in these districts. Data on the number of market traders and supermarkets were gathered at the Hanoi level from the Department of Trade (year 2004). Data on quantities sold was gathered on a sample of street vendors and market, shop and supermarket traders.

A second survey took place in 2006 to pinpoint the variability in the number of fruit and vegetable vendors. The objective was also to gather data in two new urban districts (Long Bien and Hoang Mai district), which have been defined as urban Hanoi districts since June 2004, so that it would be possible to make some correction in the average density of street vendors calculated back in 2004 on the basis of Hoan Kiem and Cau Giay districts only, thus perhaps not representative of the density in more rural districts. The count took place in May 2006 (except for Cau Giay, in September 2006). A street vendor is defined as “a person who offers goods for sale to the public without having a permanent built-up structure from which to sell” (Bhowmik, 2005). This includes mobile street vendors as well as more fixed vendors selling in informal markets (or “toad” markets)—these two categories actually overlap, as many vendors combine fixed and mobile vending.

A qualitative survey was conducted on 60 street vendors operating in Hoan Kiem (30) and Cau Giay (30), 30 selling vegetables and 30 selling fruit. Interviews mostly dealt with the

role of street vending in livelihood strategies, advantages and difficulties related to street vending, as well as the street vendors' proposals to deal with the concerns of the municipality. In the sample, 40 sell carrying baskets, 20 transporting produce on bicycles. The majority (93 percent) are women.

A 20-page discussion paper was prepared for the Hanoi trade authorities. It documents the importance of fruit and vegetable street vending in Hanoi in terms of employment and food supply, as well as possible negative impacts in terms of traffic and food safety. The difficulties that the present legislation poses for street vendors are also presented. The experience of other cities in the world and their way of dealing with street vending is reviewed. The paper concludes with a list of recommendations, some of which also focus on the social, health and traffic challenges posed by street vending. The discussion paper was debated during two meetings, one on October 24, 2006 at the Department of Trade of Hanoi (chaired by the head of the department) and one at the People's Committee of Thanh Xuan District on November 22, 2006 (chaired by the head of the district Department of Trade). The meetings were attended by the heads of departments and technical divisions dealing with agriculture and trade and included persons from market management boards, public security, the Department of Health, the Women's Union, the People's Committees of different districts (Hanoi, Hoan Kiem, Hai Ba Trung, Cau Giay, Ba Dinh, Dong Da and Thanh Xuan), as well as a panel of street vendors (11 in the first meeting, two in the second meeting), plus the researchers involved in the study.

MAIN RESULTS

The social role of Hanoi fruit and vegetable street vending

1. The quantitative importance of street vending. The count of fruit and vegetable street vendors in selected districts of Hanoi shows the paramount importance of this business both in terms of employment and food distribution. The number of vegetable street vendors is estimated at between 2,100 (2004 census) and 5,600 (2006 census) if we consider the boundaries of Hanoi as defined after 2004 (including Hoang Mai and Long Bien). If we take the boundaries of urban Hanoi as defined before 2004, the number of vegetable street vendors was estimated at 956 in the 2004 census and 3,470 in the 2006 census. The total number of fruit street vendors is estimated at 3,980 in 2006 with the old Hanoi definition and 5,900 with the new Hanoi delineation. The estimated total of 11,500 fruit and vegetable street vendors with the new Hanoi delineation includes 5,800 mobile street vendors and 5,700 stationary street vendors.

Comparing these figures with the number of other points of sale (market retailers, shops and stalls, supermarkets) shows the major role of street vending in employment as well as access to food (see Figures 1 and 2). Given the low number of employees per individual point (except for supermarkets), the distribution of employment among the various types of outlet is similar to the distribution of the number of points. Indirect employment generated by markets and supermarkets has little effect on the distribution of employment, although it is slightly higher for supermarkets. When taking the limits of Hanoi as defined before 2004, street vending accounts for around 32 percent of retail quantities traded and 37 percent of employment created by the vegetable retail trade, while supermarkets represent 1 percent for both (0.6 percent and 1.3 percent), shops 9 percent for both, retail markets 58 percent and 53 percent. Figures are even higher for litchi street vending. The retail sale of one ton of vegetables per day gives jobs to 13 street vendors, while big supermarkets only provide employment to four employees for the same volume.

2. The importance of street vending in the livelihoods of the poor. A majority of street vendors (89 percent) come from rural areas in the periphery of Hanoi. They cannot generate enough income from their farms to feed their families and street vending is their main source

of income, supplementing home-grown food and income generated by the farm. The remaining street vendors (11 percent) are Hanoi residents of limited income, such as retired women. For these women also, street vending is a means of subsistence. On the whole, 60 percent of street vendors rent a room in Hanoi (mostly near Long Bien Market) while 28 percent go back to their villages every day and the rest are urban residents. Ninety-three percent of fruit street vendors are farmers, the rest are retired persons. Farm size is 1,300 m² on average and the size of the household is 4.5, which is similar to the average for peri-urban areas of the Red River Delta. In the Red River Delta, previous research has shown that a small-size farm does not provide sufficient income for households which remain dependent on off-farm income (D.T. Anh, 2005). Moreover, the interviewed street vendors mostly grow two crops of rice and their land is basically unsuitable for growing vegetables (only 470 m² on average of seasonal vegetable land for the vegetable street vendors). In contrast with the rural background of street vendors, fixed market retailers interviewed by Wijk and al (2006) have a background either as an industrial worker or as a small trader.

The difficulties faced by street vendors mostly relate to the illegal nature of their business, which is conducive to harassment by the police and subsequent money loss. Fines paid to the police vary from 25,000 VND to 40,000 VND. The fines collected are used in the municipality's waste disposal budget. Their scales (if they have one) or the goods they are selling may be confiscated, which occurs most frequently if a street vendor had been fined in the recent past and is caught selling again. Frequency increases at holiday times. The amount confiscated commonly amounts to 200,000 VND; however, it may go as high as 1,000,000 VND in the case of some high-value fruit vendors. Asked about what they would do if they had to cease their income-generating activity, 16 out of 60 vendors over 45 years old expressed their expectation of staying at home and desire to have more farm land, including three women who expressed the desire to use their earnings for non-agricultural activities. Some of the informants would like to find different jobs, such as working for a company (25 persons below 30 years old), maids or sales persons/shop assistants. Half of the surveyed vendors indicated that they would like to have fixed places for selling their produce (at least outside the farming season). However, such expectations are unrealistic due to their lack of funds especially and lack of acquaintances in the market sector specified.

Street vendors are the main suppliers of food for low-income consumers. This is shown by a survey conducted in 2005 on 110 households in Quynh Mai district (Figuié and Truyen, 2006), with an average income of 350,000 VND/month. Ninety-five percent of these households purchase food—fruit and vegetables in particular—at least several times per week from informal markets, and 32 percent from mobile street vendors. The figure is less than 8 percent for the other points of distribution where they may go a few times a month (for shops and stalls) or never (as is the case of supermarkets for 61 percent of households). Sales from informal markets account for 82 percent of the food expenditures for the poor households interviewed. Proximity to home, low price and the possibility to buy on credit are the reasons mentioned for purchases from street vendors. On the other hand, lack of quality and diversity is presented as the weak point of this outlet compared with shops and supermarkets.

When considering households of average income in Hanoi, the frequency of purchase from the street vendors is lower than for poor households, although still high. In 2003, it was estimated that 35 percent of Hanoi households buy from street markets at least once a week, while the percentage is 45 percent for other markets, and 10 percent for shops or supermarkets (PRUD, 2003).

Possible negative impacts

Street vending is perceived by the trade authorities at the national, city and district levels as having various negative impacts, as reflected by the legislation: 1) traffic congestion;

2) lack of food safety; 3) attraction of illegal migrants to Hanoi; and 4) bad image of the city. Yet these alleged problems are quite difficult to assess. As regards traffic congestion, according to the head of the Police Division of the Hanoi People's Committee, street vendors often stop in the middle of intersections and block traffic. Yet it may be well argued that traffic congestion in Hanoi has other much more serious causes, in particular the lack of compliance with traffic rules by motorbike drivers. Moreover, buying from supermarkets imply transport by motorbikes or cars while many consumers walk to get access to street food (this point was made in the oral presentation of Wijk and al, 2006).

Food safety has various dimensions, among the first being the amount of chemical residues such as fertilisers and pesticides in the products bought. As the sources of supply used by street vendors and fixed formal market retailers are similar, that is mostly from the night wholesale markets, the food safety of commodities would normally be similar. This is confirmed by the analyses of pesticide residues carried out by FAVRI in 2004-2005. Out of a total of 25 samples from street vendors near 19-12 Market and 23 from Cau Giay fixed formal retailers, one offending case was found in the sample from street vendors (i.e. 0.4 percent), and two in the Cau Giay sample (i.e. 8%) (Chien and Moustier, 2006). The major difference in pesticide residues is between products sourced from ordinary market or street stalls and "safe vegetable" stalls, shops and supermarkets, not between informal and formal trade. Another dimension is the problem of waste collection that may be aggravated by street vendors selling on the tarmac, but this has not been assessed.

As regards the problem of attracting migrants, it may be said that street vending is actually helping farming households keep their basis in the countryside because it provides them with some additional income. As for the bad image of the city, this was never mentioned by any consumers interviewed in Hanoi. The image of street vendors is actually used in a number of Vietnam tourism promotion campaigns.

Recommendations for the Hanoi street trade

Based on the appraisal and review of experiences of other countries, three sets of recommendations were developed in the discussion paper to reconcile the conflicting interests between social street vending and the concerns of the Hanoi People's Committee regarding traffic fluidity, food hygiene and unregistered migration: (i) setting up a street vendors' association to act as an interface with the Hanoi authorities; (ii) demarcating authorised vending space that is not disruptive of traffic and where waste disposal, training on use of urban space (traffic and hygiene rules) as well as tax collection can be organised; (iii) promoting street vendor inclusion with credit and training programmes.

The results of the stakeholders' workshops

The meeting at the Department of Trade in Hanoi concluded that the issue and approach of research, including the need to find compromises between conflicting interests in the city, are highly relevant. While some participants had a negative image of street vending and felt it should be eradicated, opinions were more balanced at the end of the meeting. This is due to the presentation given by the researchers on the positive impacts of street vending, possible solutions to balance the negative impacts and also due to feedback from street vendors presenting their business as a no-choice option and their willingness to operate a more stable business. The meeting concluded that the Department of Trade should formulate a plan to coordinate with the research group to develop regulations for street vendors. A follow-up discussion with the Hanoi Department of Trade came up with the idea that a pilot district should be selected for evaluating possible action regarding street vending restriction/tolerance in some areas. Thanh Xuan was finally selected for this purpose.

In Thanh Xuan, the meeting participants showed a more positive attitude toward street vendors. They all acknowledged, even the police representatives, the necessity of street

vending as a means of subsistence. They came to the conclusion that the development of street vending should be controlled, not eradicated. Banning major thoroughfares from street vendors, while tolerating it on other ones, was considered as a good strategy. Assistance to street vendors in various areas including training in sanitation was considered as useful. As for establishing an association, this suggestion was thought to be relevant but difficult to implement in the short term, especially due to the administrative costs it would involve. Thanh Xuan district representatives indicated that they were prepared to have Thanh Xuan be a pioneer district for supporting actions relating to street vending in Hanoi, with the assistance of the research group.

DISCUSSION AND CONCLUSIONS

Street vending is a provider of low-cost food and employment for the poor. “One section of the urban poor, namely, street vendors, subsidises the existence of the other sections of the urban poor by providing them cheap goods, including food” (Bhowmik, 2005, p. 2256). The advantage of street vending is also the provision of fresh food with low recourse to transportation, hence non-polluting. A majority of street vendors are peri-urban farmers, so this activity helps to reduce both urban and rural poverty while helping peri-urban rural households to stay in the countryside and only taking up temporary accommodation in Hanoi. Hence the radical move of eradicating street vendors would have a major negative impact on the poor as farmers, traders and consumers. Yet the concerns of Hanoi administration in terms of traffic and hygiene should be taken into account as these aspects are the grounds for their present negative perception of street vending, despite the fact that the negative impacts of street vending on traffic and food safety are difficult to assess.

The dialogue between researchers, public authorities and street vendors, based on a shared vision of the problems and possible solutions, proved to be time-consuming in terms of preparation but was highly successful. A major outcome of the meetings has been the establishment for the first time of direct interactions between street vendors and Hanoi authorities. This action has helped to increase the city and district authorities’ awareness of the negative impacts that radical eradication of street vending would cause. A foundation has been laid for new regulations on street vending in Hanoi to make the activity legal although subject to restrictions, with Thanh Xuan to serve as a pilot area.

This action will be facilitated by the new decree dated March 16, 2007, issued by the government on “people carrying out independent, permanent and unregistered trade activities”. The decree contains various articles relative to unauthorised areas, hygiene and order placed under the responsibility of the different administrations. The regular interactions of the research group with the city and district trade authorities, and the feedback on the orientations of domestic trade policy until 2010, have contributed to this first official recognition of informal trade activities—even though it includes numerous restrictions.

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Fig. 1. Share of Hanoi vegetable retail points in employment and quantities in October 2004 (urban districts as defined before 2004)

Source: Census by VASI, MALICA/MMWB4P, October 2004.

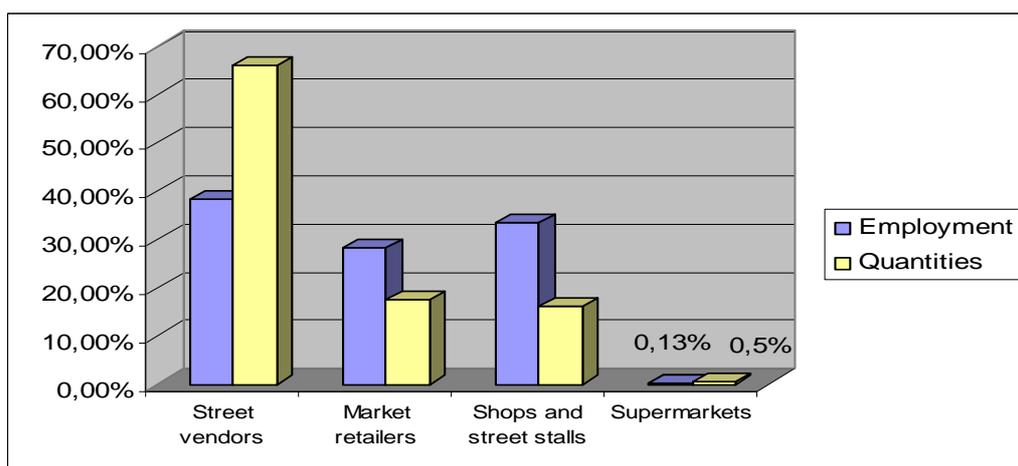


Fig. 2. Share of Hanoi litchi retail points in employment and quantities in October 2004 (urban districts as defined before 2004)

Source: Census by RIFAV/MALICA, July 2004 and extrapolation to all urban Hanoi according to area size