

receive political systems in the world's peripheries. It is on this basis, that the current resurgence of counterinsurgency must be approached, understood and engaged. **PEAR**

CAPABILITY APPROACH TO STREET VENDORS IN VIETNAM

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Street vending is not a new phenomenon, but one that is generally considered part of an underdeveloped and backward society primarily dominated by the informal sector, which will disappear once a country modernizes. In developing countries such as Vietnam, however, efforts to deter the activity have only been met with a street vending population growing faster than ever and contributing to urban livelihood. In this paper, I will use the Capabilities Approach advocated by Amartya Sen, Martha Nussbaum, David Crocker and others to justify policies to accommodate street vendors. I will also draw on the experience of other countries to propose a set of strategies to organize street vending in Vietnam.

Introduction

A phenomenon common in many developing countries, including Vietnam, are the parallel existences of the formal economy and its informal counterpart. Street vending makes up a large portion of the informal economy, and is defined as any activity that produces or distributes legal and socially acceptable goods from the street, informal market or other publicly accessible space, while avoiding regulatory control.¹ Street vending has long been an integral part of Vietnamese economy, society and culture, despite its drawbacks. However, it has traditionally been marginalized and vendors are constantly subject to police harassment.² Despite frequent attacks and persistent problems, street vending continues to exist and even thrive, possibly as a result of government policies, economic development and subsequent inequalities.³ The irony of street ven-

1 John Cross and Alfonso Morales, *Street Entrepreneurs: People, Place and Politics in Local and Global Perspective* (London and New York: Routledge, 2007).

2 Sharit K. Bhowmik, "Street Vendors in Asia: A Review," *Economic and Political Weekly*, (2005): 2256-2264.

3 Cross and Morales, *Street Entrepreneurs*.

dors is that more and more people are flocking to cities to become street vendors as a result of modernization and urbanization; but it is for these same reasons that the government wants to control their existence.

Because street vending provides viable employment for many people, particularly poor women, for whom the formal economy has not been able to generate enough jobs, efforts to promote the formal sector need to be coupled with policies to accommodate and protect the informal sector. The Capability Approach (CA), pioneered by development economist Amartya Sen, provides a sufficient framework to argue for the need of government policies to empower street vendors. Vendors' contribution to the livelihood of the society as a whole illustrates the instrumental values of an accommodating economic environment for street vendors. More importantly, such accommodating policies also coincide with the recognition of the exercise of individual and collective agency, self-reliance and socio-economic freedoms of street vendors. Violations of these freedoms and rights constitute violations of human rights, and will result in the persistence of poverty. Poverty, in this context, includes not only material deprivation, but also socio-economic and security deprivations. As Sen rightly argues, these freedoms are essential in countering various forms of deprivations.⁴ Therefore, if the goal of the government is poverty alleviation, it needs to first work to promote economic and social freedoms for the group afflicted with poverty.

The first part of this paper is a literature review on the current conditions of street vendors in Vietnam, their contribution to the well-being of the overall population, problems associated with them and threats to their livelihood. The second part of the research will discuss how current policies and authorities affect the treatment of street vendors, which further marginalize them; and why changes in policies are desirable and ethically justified. The final section will provide some specific policy recommendations pertaining to the situation in Vietnam. Underlying the entire paper are the concepts proposed by the capability/capabilities approach advocated by Amartya Sen, Martha Nussbaum, and David Crocker, among others.

Literature Review

A limitation of the research is that despite the rapid growth of this important segment of the urban informal sector, there is a lack of academic research on the topic; especially a lack of quantitative and systematic research. The most well developed research on street vendors is based on surveys covering a few hundred street vendors at most, which is hardly representative of the whole population. The mobility of street hawkers makes it difficult to provide an accurate estimate of their number, but they inarguably make up a significant portion of the urban workforce. Prior to the ban in 2008, there were about 12,000 street vendors selling produce in Hanoi, including 5,600 vegetable and 5,900 fruit vendors.⁵ They usually earn about 35,000 Vietnamese dollars (two US dollars in 2009) a day. In 2003, Hanoi had about 600 informal markets, more than five times the number of formal markets.⁶ It is also estimated that in 1998, more than ten percent of Hanoi's labor force was engaged in food processing, and countless traders, most of whom were women, were working as street vendors and were spread out all over the city. The bulk of street hawkers are women and migrants from rural areas who, through vending, are able to maintain an economic existence anywhere between basic survival to lower middle-class status.⁷

Street vendors contribute to the well-being of the urban population by providing inexpensive goods for the urban poor and generating employment for a large number of people, especially women.⁸ A World Bank report in 2002, based on data from all countries available, showed that informal traders, "mainly street vendors," made up 73-99 percent of employment in trade and 50-90 percent of trade gross domestic product.⁹ This shows a considerable contribution of street vending to the overall economy and labor market. They are also located in strategic locations that are convenient for customers. Besides, street vendors are an integral feature of Vietnamese culture and mores, from the per-

5 Alia Malik, *From Hanoi and Beyond: Vietnam on the Road to Change*, "Changing economic realities could mean revising streetside traditions," <http://www.merrill.umd.edu/deline/vietnam/vendor2.html> (accessed April 21, 2011).

6 Cuong Huu Tran et al., "Vegetable Retail Marketing in Hanoi Province" (Project report, VEG-SYS, EU 5th Framework INCO2, 2001).

7 Masayoshi Maruyama and Trung Viet Le, "The Nature of Informal Food Bazaars: Empirical Results for Urban Hanoi, Vietnam," *Journal of Retailing and Consumer Services* 17, no. 1 (January 2010): 1-9.

8 Bhowmik, "Street Vendors," 2256-2264.

9 Martha Alter Chen, "Women in the Informal Sector: A Global Picture, the Global Movement," *Labor Market Policies Core Course* (Washington, DC: World Bank, 2002).

4 Amartya Sen, *Development as Freedom* (New York: Alfred A. Knopf, Inc., 1999).

spective of urban denizens as well as foreign tourists. Hardly does any student go through their week without visiting a food vendor at least a couple times, if not daily, with their friends and classmates. Neither does a typical mother come home after a day of work without stopping by a street vendor to buy fresh vegetables and meat for dinner. Not only do street vendors exist to cater to the need of the urban poor, they also support their existence and that of their families. Most street vendors belong to the poorest quintile of society, and vending is their primary or only means of survival and economic livelihood. In other words, vending is a way for them to alleviate poverty when the government, private and others in the formal sector fail to do so.

Due to the lack of regulation, street vending is associated with intrusion upon public space, obstruction of traffic, inadequate or questionable hygiene and nutrition, improper waste disposal and tax evaders. Many of them are itinerant vendors whose mobility is greatly limited with multiple baskets to carry, and they normally block the sidewalk or street.¹⁰ In addition, food safety has increasingly become a concern with regards to street vendors. As they are unregulated, no one can really verify the contents of their food, whether they insert any unauthorized chemicals, or the process by which they prepare the food. Also, as many vendors wander around the city the whole day and have nowhere to wash their dinnerware; sanitation is certainly an issue. The fact that they are so mobile also leads to concerns regarding waste disposal. Since they do not “own” the place or places where they sell, and the level of awareness about keeping public spaces clean is still low in Vietnam, street vendors and their customers often discard garbage and napkins on the sidewalk and street.

Street vendors have traditionally been a vulnerable population. They are neither protected nor empowered by the government or NGOs, nor do they belong to any union. Therefore, they are deprived of the benefits of labor and social protections and representation by labor union or an equivalent entity.¹¹ Most vendors have at least once faced harassment by local authorities. 43.6 percent of the respondents in Maruyama and Le’s study indicate regular harassment by local authorities, over thirteen percent occasionally, and approximately 43 percent rarely. But absence of harassment is often the result of paying some

“negotiated” fees to the authorities, as indicated by one-third of the respondents.¹² Due to the vagaries of market prices, vendors’ mobility, insecure and irregular employment as a result of vulnerability to inclement weather, police harassment and competition with other street vendors, their incomes are often minimal and their sales fluctuating. Besides, serious lack of economic opportunities and technical and managerial competence have not left much room for the expansion of business and productivity or improvements in skills for a more sustainable job.¹³

The Vietnamese government does not recognize the contributions of street hawkers to the economic and social well-being of urban Vietnam. Indeed, they have been largely “indifferent,” “intolerant,” and even hostile to the existence and needs of this sector, seeing them as a nuisance and obstacle to urban development.¹⁴ Street vendors are often subject to police harassment and excluded in the planning process. Due to the hostility of officials towards vendors and fear of vendors towards officials, there have not been any serious efforts to negotiate between the two groups. Prior to 2008, policy towards street vendors had been at most ambiguous. However, in August 2008, the Hanoi municipal government formally enforced a ban on street vendors on 62 major streets and 42 market areas of Hanoi, places with the highest concentration of vendors. Officials of the Hanoi People’s Committee, the city’s governing body, announced that the ban was meant to restore order and “civilization” to the city’s chaotic streets.¹⁵ But instead of decreasing, the number of street vendors kept growing. The same case happened in other cities around the world. In Mexico City, for example, street vending was completely banned in the 1960s for almost a decade, but vendors emerged stronger than ever.¹⁶

The rationale behind the modern economic system is the creation of more efficient and productive individuals by “controlling and ordering” the relations among them. However, efficiency only takes place under optimal conditions that do not happen overnight and have to be gradually molded. These

10 Darunee Tantiwiramanond, *Changing Gender Relations and Women in Micro Enterprises: The Street Vendors of Hanoi, Research Report* (Bangkok: Asian Scholarship Foundation 2004).

11 Bhowmik, “Street Vendors,” 2256-2264

12 Maruyama and Viet Le, “The Nature of Informal Food Bazaars,” 1-9.

13 Philomena Muimuri, *Women Street Vendors in Nairobi, Kenya* (Addis Ababa, Ethiopia: Organization for Social Science Research in Eastern and Southern Africa, 2010); Resurreccion, Bernadette P., Hor Sophea and Sothea Phan, *Report of Independent Final Evaluation of EEOW Cambodian Chapter* (Phnom Penh and Bangkok: International Labor Organization/Japan Multi-bilateral Program, 2007)..

14 Cross and Morales, *Street Entrepreneurs*.

15 Malik. *From Hanoi and Beyond*.

16 Cross and Morales, *Street Entrepreneurs*.

“optimal conditions” entail not only economic and political factors such as the market system, business organization, factory structure, enabling laws and regulations, but also the very social and cultural life of individuals, families and communities. In short, mass production requires mass market, and mass market does not come into being instantaneously.¹⁷ And even if they did, the informal sector, with some changes, can contribute much and remedy its own problems.

Though Vietnam has transitioned into a market economy for over two decades and has created a relatively favorable environment for business and economic growth, it is by no means sufficient to provide jobs for an economically active population of nearly 50 million people (as of 2008, the most recent year with data available).¹⁸ At the same time, not everyone has the resources required to start a business. More stringent requirements in the regulatory system lead to high start-up costs. In fact, over-regulation and constraints in the formal sector are the major reasons why people resort to the informal sector.¹⁹ High operating and registration costs were cited as the main barrier to starting a business in the formal sector by 43 percent of respondents in the survey by Maruyama and Le.²⁰ The start-up costs are \$25 and \$750 for the informal and formal sectors, respectively. On the other hand, street vending particularly appeals to some of the poor, especially women, due to its flexibility and ease of entry.²¹ In addition, not requiring rent and utilities such as electricity, street bazaars operate with minimal overhead costs and are ideal for low-skilled entrepreneurs. The view that street vending is backward, inefficient and unsustainable does not take into account the fact that it fills in the gaps where the formal sector has failed to provide.

The lack of access to financial services by the poor further compounds the problem of relatively high start-up costs. But even if micro-loans are available, most of the poor in Vietnam are still unaccustomed to borrowing loans from institutions. Part of the reason is that they see this as taking a risk that they may not be able to recover if their business fails. Therefore, micro-financing efforts should be coupled with social and economic policies to accommodate the

majority of the poor who are not yet capable of handling low-interest loans, by providing them with an environment that allows them to be self-sufficient and able to accomplish basic needs with minimal resources.

Capability Approach to Street Vendors

Sen puts a great deal of emphasis on the importance of economic freedom, first and foremost for its intrinsic values, which encompass the freedom to enter markets and to exchange, something that people have reasons to value. Secondly, economic freedom is desirable because of its contribution to the expansion of social freedom, including, at the most basic level, health and education.²² Having the means to generate income, street vendors will be in a better position to pursue health care and education. This is likely to give their children better opportunities in the future, to join the formal labor force and break the cycle of poverty. The implication of this is that in city planning, the government cannot just look myopically at city beautification and order, but has to look into policies that will benefit future generations, especially those of the currently marginalized groups of society. Economic freedom also leads to freedom from insecurity of not being able to feed the family or being looked down upon.

Opponents of street vending cite intrusion upon public space, a collective good, as one of the reasons why vendors should not be allowed to operate. However, as the Indian Supreme Court ruled,

[...] if properly regulated according to the exigency of the circumstances, the small traders on the sidewalks can considerably add to the comfort and convenience of the general public, by making available ordinary articles of everyday use for a comparatively lesser price. An ordinary person, not very affluent, while hurrying towards his home after a day's work can pick up these articles without going out of his way to find a regular market. The right to carry on trade or business mentioned in Article 19(1)g of the Constitution, on street pavements, if properly regulated cannot be denied on the ground that the streets are meant exclusively for passing or re-passing and no other use.²³

17 Ibid.

18 “Short Term Indicators of the Labour Market,” last modified April 8, 2011, <http://laborsta.ilo.org/STP/guest> (accessed April 21, 2012).

19 Hernando De Soto, *The Other Path: The Economic Answer to Terrorism* (Washington, DC: Basic Books, 1989).

20 Maruyama and Viet Le, “Informal Food Bazaars,” 1-9.

21 Muimuri, *Women Street Vendors*.

22 Sen, *Development as Freedom*.

23 Chitra Chopra, “National Policy for Urban Street Vendors,” *Indian Ministry of Housing and Urban Poverty Alleviation*, <http://mhupa.gov.in/policies/natpol.htm> (accessed January 23, 2012).

For both reasons that are desirable to the society as a whole and for the individual, the government should not exclude anyone from the labor market. This not only means that the government should not directly force some people out of or prevent them from joining the labor market, but also that if some people are not yet able to join, it is the government's responsibility to create an enabling environment in order for them to later participate. For some people, education and vocational training might be enough to participate in the labor market; and the government has tended well to these services in Vietnam. For others, especially the poor, who do not have the opportunity to benefit from these services or are not able to afford to join the formal platform and have to resort to the informal economy, the government needs to adjust its policies accordingly to enhance the capabilities, choices of functioning and opportunities for these people. By outright prohibition of people from conducting vending activities, the government has essentially stripped them of their economic freedom. Only when a person has achieved the level of having a set of capabilities available to them, in this case whether to participate in the informal or formal market, and still chooses to resort to the former merely to avoid taxes, or trading illegal goods and services, will it be justified for the government to enforce punitive actions.

In his portrayal of the agency-centered capability approach, Crocker distinguishes three types of agency: (1) the agency of others, (2) my indirect agency and (3) my direct agency, and stresses the importance of strengthening and extending direct agency, making indirect agency less indirect, and linking direct and indirect agency.²⁴ Crocker's emphases on a person's "direct agency" and "reasoned agency" are particularly useful in analyzing the situation of street vendors in Vietnam. In Sen's and Crocker's capability approach, agency is understood as deliberated decisions and actions that realize a person's goals, objectives and values and make a difference in the world. Direct agency constitutes what is at stake when vendors are faced with harassment and illegalization. By carrying out the act of vending by themselves and out of their own intentions, street vendors are acting out of their direct agency. The authority, by prohibiting street vendors from conducting business on the street, is not only trampling on their economic freedom but also inhibiting their direct agency and self-reliance. Even if the government puts these people on welfare and is able

to provide them with three meals a day (which is realistically impossible in the case of Vietnam given the government's limited budget), it might improve their well-being, but it, by no means, strengthens their agency. Well-being, in the capability framework, is understood as a person's "wellness," "personal advantage," or "personal welfare."

The concept of "reasoned agency" demonstrates what street vendors are lacking and how it should be were they to achieve full agency, or reasoned agency. According to Crocker, a person is an agent with respect to action X if he/she (1) decides for him/herself to do X, (2) bases his/her decisions on reasons, (3) performs or has a role in performing X and (4) thereby brings about (or contributes to the bringing about of) change in the world. A person is exercising reasoned agency only when he/she is consciously and purposefully carrying out an act that results in some change in the world, whether intentionally or not. Even though the act of vending demonstrates vendors' direct agency, it cannot be considered full agency, since the vendors' operation is not well-informed, in the sense that they are not educated about nutrition and hygiene standards, about ethical and profitable conduct of business, and about their entitlements, all of which are integral to a sustainable business. Besides the negative attitude and perception of authority and some groups towards street vendors, one of the greatest obstacles for them to gain rights is their own lack of awareness about their entitlements. Instead of trying to proactively change the situation by fighting for their rights, vendors become reactive and even servile to authority (coming up with ways to circumvent the police) and are merely occupied with being able to get by day in day out. In this way, their active agency is severely limited. Without awareness, these vendors will not be able to exercise reasoned agency.

The examples above illustrate the essence of individual agency in the case of street vendors. What is equally important is their "collective agency," which is the ability of vendors to collectively deliberate among themselves and with planners or regulators on the specifics of policies concerning them. Collective, or popular, agency is valuable both intrinsically and instrumentally.²⁵ First of all, it is intrinsically good that groups run their own affairs (self-determination) rather than be dominated by others or subject to the whims of chance. Second, by allowing people, especially hitherto marginalized groups, to participate in the planning and decision-making of projects that affect them, policy makers

²⁴ David Crocker, *Ethics of Global Development: Agency, Capability, and Deliberative Democracy* (Cambridge: Cambridge University Press, 2008).

²⁵ Sen, *Development as Freedom*; Crocker, *Ethics of Global Development*.

are recognizing the worthiness of their opinions and human dignity. Instrumentally, the right kind of participation of collective agency arguably can contribute to solidarity, self-reliance and poverty alleviation among street vendors, as seen in the case of the Self Employed Women's Association (SEWA) in India. Membership with SEWA has resulted in greater confidence, respect for self and others, stronger social networks and other benefits for women vendors.²⁶ The Market Federation formed by the Cambodian government in 2001 with the support of the government of Japan is an example of a vendors' association's ability to employ collective agency to protect the interest of its members. The Federation helps its members seek health care benefits, provides assistance for members' families in case of illness or death, protects them from police harassment and negotiates with the Market Management Committees for better terms for selling locations. The project evaluation provides evidence in support of better opportunities for business and leadership training and credit facilities to enhance their livelihoods and social position in their communities.²⁷ These are extremely important given the inherent vulnerability of the occupation.

Based on the aforementioned normative analysis, I will propose a set of strategies to address the problems of accommodating street vendors, a valuable sector of the economy, while preserving the health of their clients and the cleanliness and order of the city.

Possibilities for Future Policies

As mentioned above, street vendors are perceived to be obstructions to traffic and urban "civilization." But underneath lies a more serious problem, which is the preconceived notion of the "appropriate" use of public space by officials. And the standard for what is appropriate is largely decided by that of the developed world – the thoroughly clean and clear sidewalks and streets, which does not necessarily fit into the context of developing countries like Vietnam. On the contrary, as Jane Jacobs asserts in her book, the life and perceived safety of a city is largely dependent upon the liveliness of its streets and sidewalks, and the people and activities occupying them.²⁸ The mere sight of people conducting er-

rands or getting food and drinks is itself an attraction to draw more people on to the street. So far, street vending is the major attraction for residents and tourists on the streets of Hanoi.

According to Cross and Karides,²⁹ part of the solution to the problem should be spatial reorganization, by looking at ways in which space can be redefined and localized. The government needs to recognize and let each area define its own notion of "appropriateness." This coincides with Sen's and Crocker's emphasis on "collective agency." Instead of having a one-size-fit-all solution to all vendors, the government should delegate decision-making to the district or subdistrict levels. Hanoi consists of ten districts, and each district is further divided into eight to 21 subdistricts. Infrastructure, geographic and economic conditions vary across districts and subdistricts; therefore, policies should pertain to the particular conditions of each district. The authority should create spatial zones of informal or semi-informal markets to allow small, low-capital vendors to operate under a self-regulating system suitable with their resources and taxes and regulations applied to them kept at the level of bare necessities. A great number of vendors would be willing to pay a small fee in exchange for greater security and stability. Urban planners should aim to locate markets at strategic locations that do not jeopardize vendors' ability to attract customers, or else the solution will be unpopular among them. By allowing these vendors to remain informal within broad guidelines, the government is not only encouraging micro-entrepreneurship but also saving resources for key issues such as public health concerns. This would help a number of vendors to transition into the formal sector if they see fit in order to protect their capital and resources.

Given the government's limited budget, it can seek creative solutions such as contracting to private real estate developers who are willing to invest in market areas and earn revenues from vendor fees. To ensure more reliable and sufficient streams of revenues, these markets can operate through a system of cross-subsidization, where in a market zone consists of vendors in the formal sector who pay relatively higher fees than those in the informal sector.

The decision-making process needs to incorporate vendors who are already in the area. There will always be new vendors coming to a certain area,

26 Elizabeth Hill, *Worker Identity, Agency and Economic Development: Women's Empowerment in the Indian Informal Economy* (London and New York: Routledge, 2010).

27 Resurreccion et al., *EOW Cambodian Chapter*.

28 Jane Jacobs, "The Uses of Sidewalks: Safety," in *The Death and Life of Great American Cities* (New York, NY: Random House, Inc., 1961), 29-54.

29 John Cross and Marina Karides, "Capitalism, Modernity, and the 'Appropriate' Use of Space," in *Street Entrepreneurs: People, Place, and Politics in Local and Global Perspective* (London and New York: Routledge, 2007), 31-65.

but the already existing ones would know and be able to articulate the problems they are facing, how the authority can create a safer environment for them, and what they themselves can do to create a healthier business environment. This is also an opportunity for the planners to express their concerns and intentions. Both sides can deliberate on the process of accommodation, education about hygiene and nutrition, proper waste-disposal process and other aspects of a street market zone. Both groups can, and should, have something to contribute.

The municipal government should allow vendors to organize within their market zones into an entity equivalent to “street vendor association.” Such an association would serve two purposes: defending vendors’ rights and promoting their interests.³⁰ The Market Federation formed by the Cambodian government in 2001 with the support of the government of Japan is an example of a vendors association’s ability to employ collective agency to protect the interest of its members by helping them seek health care benefits, providing assistance for their families in case of illness or death, protect them from police harassment and negotiate with the Market Management Committees for better terms for selling locations. The project evaluation provides evidence in support of better opportunities for business and leadership training and credit facilities to enhance their livelihoods and social position in their communities.³¹

Nevertheless, as the case of India demonstrates, street vendor associations are necessary but by no means sufficient to protect vendors’ rights. In India, even where the municipality permits street vending, the police still have the authority to remove them because section 34 of the Police Act authorizes the police to remove obstructions from the street. This leads to vendors paying bribes to the police to obtain advance warnings of confiscation instead of joining unions, which is part of the reason why the unionization rate is below twenty percent in India. Besides, between ten and twenty percent of vendors’ earnings go into bribing.³² This means that a truly supportive framework for street vendors needs to take into account revising the laws and regulatory systems accordingly. In the case of India, it could be adding reasonable exceptions

for street vendors, for instance.

Both India and Malaysia had in the past implemented a system of licensing to monitor street vendors. Licenses were accompanied by specific guidelines and requirements that the owners must comply with, covering citizenship status, age and health status of the vendors; the size of the stalls or vehicles, prohibited places, the hours and types of goods allowed to be traded. However, the government stopped issuing licenses in Kuala Lumpur in 1996, due to exceeding demand.³³ In India, the experience of licensing has also been largely negative, as it shifts harassment and extractions towards unlicensed vendors.³⁴ Instead of licensing, we suggest a simple registration process, whereby vendors are allocated according to the nature of the trade/services and planning standards. As part of the registration process, vendors will pay a small fee in order to support the functioning of the organization representing them. The registration process may still entail some of the requirements delineated in the licensing process, especially those affecting the health of customers and those regarding proper waste disposal, but overall should be broader guidelines.

A holistic approach also needs to take into account education on hygiene, nutrition standards and proper waste disposal for street vendors. Most of the current nuisance comes from their lack of awareness about the so-called public space and the importance of health standards. Therefore, tackling these issues is important. This can be delegated to the vendors associations to educate their members, but efforts to monitor and evaluate need to be designed in ways that would minimize the opportunity for rent-seeking.

Besides spatial planning, appropriate representation and regulations; policy makers should also look into long-term solutions, such as encouraging vendors to adopt the practice of borrowing from micro-finance institutions as they are looking into expanding their businesses or getting a home. Groups representing street vendors can take on this role by providing them with information to obtain credits individually or collectively. Street markets of Mexico City are good examples of how this approach can work very well. There, the more established vendor associations were able to accumulate enough wealth to provide loans and housing credits to vendors, and even build schools for children.³⁵

30 Hernando De Soto, “Informal Trade,” in *The Other Path: The Invisible Revolution in the Third World* (New York, NY: Harper & Row, Publishers, Inc, 1989), 59-92.

31 Resurreccion et al., *EEOW Cambodian Chapter*.

32 Sharit K. Bhomik, “Street Vending in Urban India: The Struggle for Recognition,” in *Street Entrepreneurs: People, Place and Politics in Local and Global Perspective*, eds. John Cross and Alfonso Morales (London and New York: Routledge, 2007), 92-107.

33 Norhaslina Hassan, “Accommodating the Street Hawkers into Modern Urban Management in Kuala Lumpur,” *39th ISOCaRP Congress* (Cairo: ISOCaRP, 2003).

34 Bhomik, “Street Vending,” 92-107.

35 Veronica Crossa, “Resisting the Entrepreneurial City: Street Vendors’ Struggle in Mexico City’s

In addition, if budget allows, the government should also consider social security to cover instances of loss of merchandise, because to street vendors whose assets are all that they carry with them on any workday, losing that merchandise would mean starting from scratch. In cases where the earnings from a day of work go into feeding the family for that day, this would also mean an inability to feed their children. Social security is also needed to protect vendors in cases of sickness, injury, or having sick children, to name a few. Most importantly, this is a step to preserving the dignity of street vendors in cases of uncertainty.

As mentioned above, past and current relationships between public officials and vendors have been characterized by hostility and lack of understanding. Public officials view street vending as a nuisance to urbanization and modernization, and something that should be gotten rid of. On the other hand, vendors fear the authority, especially harassment by the police, with whom they are often in direct contact. Overall, the relationship is largely asymmetric with much greater power and voice on the side of the government. Ideally, there should be mutual respect and willingness to cooperate between the two parties, arising from the understanding of and empathy with the other side.³⁶ The government should be more open and receptive to hearing concerns from migrants coming to urban areas to earn a living through street vending. On the other hand, street vendors should also be more sensitive to the concerns of the government and the public at large in regard to their business conduct.

Conclusion

In addition to complementing formal markets and supermarkets, street vending allows for entrepreneurship, economic and agency freedom; and it is what puts a face on Vietnamese cultural and social life. Policy makers should recognize the contributions of street vendors and acknowledge that they cannot be wiped out overnight, but that the process to incorporate vendors into the formal sector will take time and resources. As Cross and Morales rightly argue, policy makers should educate themselves about and engage in dialog with merchants,

recognize that the formal and informal sectors are two interwoven parts of a unified economy and not competing factions, and implement policies to foster the healthy co-existence of the two. One reason why street vending is so integral to the social and cultural life of Vietnam is the intimate interaction between vendors and their clients. It is ironic that developing countries are trying to eliminate street markets in order to formalize and give their cities a more Westernized look and ambience, while cities in the United States are advocating for the “going local” movements by encouraging local farmer markets. However, an imbedded culture of formality has rid the Western farmers’ markets of the informality and intimate interaction that occur between the buyers and sellers in the street bazaars of the developing world. This is a valuable aspect of society and culture that is worth cherishing and preserving before it becomes too late. Policies to accommodate street vendors should seek to empower and enhance the individual as well as their collective agency. They should also seek to encourage dialogues and foster understanding and mutual respect between the vendors and the authority. Finally, policy makers should also keep in mind the need for the consideration of policies to enhance vendors’ other capabilities and freedoms, besides economic freedom, including education, health and social security. **PEAR**

Historic Center,” *International Journal of Urban and Regional Research* 33, no. 1 (March 2009): 43-63.

36 Roger Fisher and William Ury, *Getting to Yes: Negotiating Agreement Without Giving In* (New York, NY: Penguin Books, 1991).