

Research on the Management of Mobile Stalls through Classified Management: A Case Study of Yiwu City

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Abstract: Mobile stalls, integral to the informal economy, play a significant role in the economic and social development of urban areas. Nevertheless, the temporary and unregulated nature of these stalls yields issues such as environmental pollution, food safety, and encroachment upon public spaces. Drawing on classified management theory and using Yiwu City as a case study, this research proposes a governance framework for mobile stalls that harmonizes social inclusivity with the maintenance of urban order through tailored governance strategies. The study suggests that by categorizing stalls based on region, type, and time. Governance efficiency can be enhanced, effectively reconciling the conflict between urban public space management and the livelihoods of vendors. This research offers novel insights for the governance of mobile stalls in Yiwu City and provides a reference for managing the informal economy in other urban contexts.

Keywords: Management of Mobile Stalls; Classified Management; Yiwu City; Urban Governance

1. Introduction

In the global process of urbanization, mobile stalls have emerged as a vital component of the informal economy, particularly in developing countries and emerging market economies, where they have become a commonplace feature of urban landscapes. These stalls not only provide a diverse array of goods and services to urban residents, catering to the consumption needs of low-income groups, but also play a significant role in alleviating employment pressures and fostering social mobility. With lower barriers to entry, mobile vending offers a crucial livelihood source for many individuals who struggle to access formal labor markets,

including low-skilled workers, women, immigrants, and other marginalized groups. However, the transient and informal nature of these stalls often clashes with urban management and planning, giving rise to issues such as environmental sanitation and public safety, thus presenting a complex challenge within urban governance.

In light of these complexities, this study proposes a flexible governance framework centered on classified management. By differentiating the treatment of stalls based on their location, type, and impact on urban order, this approach aims to address the intricacies of the informal economy and contribute to sustainable urban development.

2. Literature Review

2.1 The Informal Economy and Mobile Stalls

Mobile stalls, as a crucial component of the urban informal economy, make significant contributions to meeting residents' needs and alleviating employment pressures[1]. These stalls provide low-cost job opportunities for marginalized groups and facilitate a diverse array of goods and services for urban residents in a flexible manner[2]. However, their unregulated expansion has led to various governance challenges, including traffic congestion, environmental pollution, and food safety concerns[3,4]. Furthermore, the uneven competition between mobile stalls and formal businesses raises issues of equity[5]. In terms of governance, some scholars advocate for the establishment of designated legal operating zones and more flexible enforcement measures to mitigate conflicts[2], while others propose the adoption of classified management to address the diverse needs of different types of stalls[6].

2.2 Governance Models for Mobile Stalls

(1) Enforcement-Based Model:

Enforcement-based governance relies on the foundation of law, with urban management departments or enforcement agencies taking responsibility for strict prohibition and penalties against unauthorized operations and encroachment. Its advantage lies in swiftly addressing the threats posed by mobile stalls to urban order and public safety, such as traffic congestion, hygiene issues, and food safety hazards[7]. However, the strict prohibition measures can exacerbate conflicts between stalls and enforcement personnel, leading to social discord and public dissatisfaction[8]. Neglecting the social and economic backgrounds of stalls and their livelihood needs often results in recurring problems, with short-lived and limited governance efficacy[9].

(2) Flexible Management Model: The flexible management approach emphasizes mitigating conflicts in stall governance through education, guidance, and negotiation, while recognizing the contributions of stalls to the urban economy and society[10]. Its strength lies in reducing enforcement conflicts, enhancing trust between city managers and stalls, and promoting sustainable development of the informal economy[11]. Flexible management allows stalls to legally operate in specific areas, easing livelihood pressures and enhancing the inclusivity of public spaces[12]. However, the implementation of flexible management can be challenging, especially in the absence of adequate legal and policy support, potentially leading to loose governance and difficulty in maintaining long-term order[1]. Additionally, enforcement effectiveness can be influenced by external factors such as the professionalism of enforcement personnel, policy coherence, and public opinion pressure[13]. In areas with a large number of stalls and complex management, the resources for implementing flexible management may struggle to meet demands[14].

(3) Exploration of Integrated Management Model: In recent years, some cities have been exploring a balance between enforcement-based and flexible management approaches by employing an integrated management model to enhance governance effectiveness. For instance, stringent control measures in core commercial areas are implemented alongside the allowance of designated legal mobile stall zones in remote areas[15]. This model integrates the strengths

of both approaches, maintaining urban public order while safeguarding the livelihood needs of stalls.

2.3 Classified Management in Public Policy

The theory of classified management demonstrates its flexibility and efficacy in addressing complex public policy issues. Its core principle lies in adopting differentiated management measures based on the characteristics of the governance subjects, thereby enhancing the precision and adaptability of policy implementation[16]. Some scholars apply the "street-level bureaucrat" theory to reveal the discretion exercised by frontline enforcement personnel in policy execution, which serves as the foundation for the practice of classified management[17]. As this theory has evolved, its applications have gradually expanded to cover areas such as environmental governance and urban management. For instance, in environmental governance, classified management effectively distinguishes between different sources of pollution, optimizing resource allocation and improving execution efficiency[18]. Shah (2006) [19] emphasized that classified management aids in resolving the implementation challenges posed by one-size-fits-all policies, particularly in the context of accelerating urbanization. It adapts to the increasingly complex socio-economic structure through flexible management models. The theoretical underpinnings of classified management also encompass policy network and collaborative governance theories[19]. Rhodes (1997)[20] posited that addressing complex policy issues necessitates collaboration among multiple stakeholders; classified management enhances cooperation efficiency by finely delineating governance subjects. Ostrom (1990)[21] suggested that through the diverse participation of stakeholders, classified management can establish a more resilient and adaptive policy execution mechanism.

Despite the evident advantages of classified management in both theory and practice, Rothstein (2008) [22] cautioned that excessive reliance on the subjective judgments of implementers may lead to inconsistent standards, thereby affecting the fairness and transparency of policies. Consequently, the effective implementation of classified

management relies on a sound oversight mechanism and clear standards to avoid arbitrariness in enforcement and deviations in governance[23].

3. Methodology

3.1. Literature Review

Literature review forms the foundation of this study. By comprehensively reviewing existing literature, including academic papers, government reports, and legal documents, the research aims to identify current trends and challenges in the management of mobile stalls both in China and internationally. This process facilitates the construction of a conceptual and theoretical framework for governing mobile stalls.

3.2. Policy Analysis

By examining local government regulations, urban management ordinances, and policy initiatives, this study evaluates the effectiveness, coherence, and limitations of the existing governance framework. Special attention is given to how these policies reflect national trends and their alignment with urban management and global best practices.

4. The Current Governance Landscape of Mobile Stalls in Yiwu

4.1 Overview of Mobile Stall Landscape in Yiwu City

Yiwu City, renowned as the world's largest hub for small commodity wholesale, relies significantly on the presence of mobile stalls to sustain its urban dynamics. These stalls not only cater to the diverse consumption demands of local inhabitants and visiting traders but also serve as a crucial means of livelihood for marginalized demographics. The spatial distribution, types, and urban ramifications of these mobile stalls epitomize a nuanced and emblematic dimension within the city's fabric.

(1) Geographical Distribution: Mobile stalls in Yiwu City predominantly cluster within bustling precincts, including commercial avenues, crossroads, industrial zones, and communal centers. These bustling stall locales can be categorized into three principal types: the first category encompasses hotspots hosting over ten stalls, typically situated in vibrant commercial quarters or adjacent to

construction sites; the second category entails spots with five to ten stalls, such as in proximity to educational institutions, railway stations, and trade fair complexes; the third category pertains to spots with fewer dispersed stalls, commonly found at village entrances and community hubs, serving as local service nodes.

(2) Stall Varieties: The majority of Yiwu City's mobile stalls specialize in culinary offerings, constituting approximately 80% of the cohort, featuring a diverse array encompassing barbecues, quick meal options, and freshly squeezed juices, while fruit stalls constitute about 20%. Besides, a few stalls engage in vending non-food merchandise like clothing and bedding, albeit in lower numbers, these are often concentrated in nocturnal marketplaces or areas of dense mobile stall congregation.

(3) Temporal Distribution: Operational rhythms among mobile stalls adhere to a discernible pattern. Breakfast stalls typically commence operations from 6 a.m. to 8 a.m., while lunch stalls witness peak activity around midday, from 11 a.m. to 12 p.m. Post 4 p.m., coinciding with escalating foot traffic, a myriad of stalls come to life, with late-night food stalls persisting until around 1 a.m.

4.2 Challenges in Current Governance

The governance of mobile stalls in Yiwu City is currently beset by three core challenges: legal ambiguity, enforcement conflicts, and social tensions. These issues not only reflect deficiencies in the governance framework but also underscore multi-faceted conflicts of interest during the enforcement process.

(1) Legal Ambiguity: The existing legal provisions governing mobile stalls in China are relatively vague and underdeveloped, which complicates local authorities' ability to act within a clear legal framework during enforcement. Although the *Measures for the Investigation and Punishment of Unlicensed Operation* stipulates penalties for unlicensed operations, it fails to clearly delineate the circumstances warranting prohibition or leniency. This legal uncertainty introduces complexities into the governance of mobile stalls, compelling enforcement personnel to rely on administrative orders or local policies for subjective judgments, thereby leading to inconsistent enforcement standards. For

instance, given that many mobile stalls are low-income or vulnerable individuals, stringent enforcement may incite social discontent, whereas lax enforcement could result in a loss of control over governance. This legal ambiguity creates significant instability, placing both enforcement officers and stalls in a gray area concerning legal boundaries.

(2) **Enforcement Conflicts:** Enforcement conflicts have emerged as a pressing issue in the management of mobile stalls. In Yiwu City, law enforcement personnel often encounter violent resistance or collective protests from stalls. These conflicts are partly fueled by the economic pressures that stalls face, but they also reflect the rigidity and inflexibility of enforcement methods. Coercive measures such as forced prohibitions or fines tend to exacerbate tensions, particularly in the absence of flexible management and humane handling mechanisms, leading stalls and the public to perceive enforcement actions as unjust. Additionally, insufficient coordination among enforcement and management personnel contributes to these conflicts. A lack of smooth collaboration and information asymmetry within enforcement agencies often results in arbitrary and inconsistent actions. Such issues not only undermine the effectiveness of enforcement but also cultivate antagonistic sentiments between stalls and enforcement staff.

(3) **Social Tensions:** The issue of mobile stalls has precipitated extensive social tensions in Yiwu City. Conflicts of interest among stalls, residents, shop owners, and management have intensified the complexities of governance. Stalls typically view their operations as a means of survival, while neighboring businesses perceive the presence of mobile stalls as unfair competition threatening their interests. Concurrently, residents express grievances regarding issues such as obstruction, noise, and sanitation, creating a multifaceted social conflict. The government faces public opinion pressures when addressing these social tensions; stringent prohibitions on stalls risk being criticized for lacking humanitarian concern, while insufficient governance can lead to allegations of ineffective urban management. Particularly in a city like Yiwu, steeped in the culture of small commodities, the stall issue transcends

mere economic considerations, engaging public sentiment and historical identity, thereby further complicating social tensions.

5. A Classified Management Approach to Mobile Stalls

5.1 The Concept of Classified Management

The foundation of classified management theory stems from the notion of precision governance within modern public administration theories. At its core, this concept revolves around classifying and handling management subjects based on their characteristics and needs to achieve more precise and efficient governance. In the intricate realm of urban governance, a uniform management model often struggles to effectively address diverse governance requirements. Classified management offers a solution for this complexity. By categorizing management subjects according to their nature, function, and social impact, adaptable policy tools can be flexibly employed in different contexts to optimize resource allocation and enhance management efficiency. Mobile stalls, as part of the informal economy in cities, possess a dual nature of economic benefits and social issues. Conventional "one-size-fits-all" management models, such as blanket bans or stringent enforcement, frequently struggle to balance the contradictions between economic development, livelihood needs, and urban public space order. Hence, classified management presents a flexible governance approach. By categorizing stalls based on scale, operating types, social impact, and stall backgrounds, tailored management measures can be devised for different types of stalls.

5.2 Principles for Applying Classified Management

In the governance of mobile stalls, the essence of classified management lies in the stratified and typified oversight of stalls based on their distinct characteristics, aiming to achieve a nuanced and dynamic governance model. This study, through an analysis of mobile stalls in Yiwu City, proposes the following three core principles of classified management: the Principle of Stall Type, the Principle of Regional Variation, and the Principle of Public Space Impact.

(1) **Principle of Stall Type:** Mobile stalls can

be classified into various categories based on their operational nature, such as food stalls, daily goods stalls, and service stalls. In Yiwu City, food stalls constitute a significant proportion and carry higher risks concerning hygiene and food safety, necessitating focused regulation. In contrast, stalls selling daily necessities pose less direct impact on the urban environment and may be managed with relatively lenient measures. Thus, the foremost principle of classified management is to establish corresponding management standards and supervisory measures according to the type of stall. For instance, food stalls should be subject to stringent health standards and entry permits, whereas daily goods stalls could focus more on regulating their use of public space in terms of both extent and duration.

(2) Principle of Regional Variation: Different areas exert varying pressures on urban management regarding mobile stalls, thus necessitating differentiated management strategies. In Yiwu City, in key areas such as commercial centers and school surroundings, where foot traffic is dense and transportation is hectic, the presence of stalls can lead to congestion, safety hazards, and environmental concerns, warranting strict controls, or even the prohibition of stalls altogether. Conversely, in industrial zones and around residential communities, where foot traffic is more scattered, a moderate relaxation of regulations may be feasible, allowing for the designation of legitimate operating areas to meet public demand while reducing management costs. Therefore, the second principle of classified management is to delineate access and regulatory levels for stalls based on the functional characteristics and population density of the areas, ensuring that stall management aligns with actual needs.

(3) Principle of Public Space Impact: The occupation of public space by mobile stalls is one of the central issues in governance. Stall operators necessitate the use of public spaces such as roads and squares; however, this practice can, to some degree, disrupt urban traffic order, environmental hygiene, and public safety. Thus, the third principle of classified management is to implement varied governance approaches based on the extent of stalls' impact on public space. For stalls that occupy public roads and obstruct traffic, enhanced inspection and enforcement are

essential to ensure free passage in public thoroughfares. Conversely, for stalls that minimally occupy public space and have a negligible environmental impact, flexible admission policies may be applied by establishing regulated operating hours and designated locations.

5.3 Policy Design and Implementation

5.3.1 Strict Regulation in Key Areas

In urban focal points such as schools, hospitals, and transportation hubs, mobile stalls can pose significant threats to public safety and urban order by introducing food safety risks and contributing to traffic congestion. Thus, stringent regulatory policies must be enforced in these zones. Firstly, clear legal guidelines should be established to prohibit or limit the establishment of mobile stalls, ensuring the maintenance of order and environmental hygiene in these critical areas. Additionally, leveraging smart city management systems, such as the real-time monitoring technologies adopted in Yiwu City, can facilitate round-the-clock surveillance of key locations. This allows for the timely identification of unauthorized stalls, enabling swift enforcement actions.

Furthermore, law enforcement agencies should collaborate with other relevant departments, such as transportation and public security, to establish a joint enforcement mechanism that incorporates frequent inspections and management in vital areas. For instance, in proximity to schools, designated enforcement personnel can be assigned to rigorously target unlicensed food vendors, safeguarding the health of students. Strict penalties, including fines and confiscation of goods, should be imposed on non-compliant stalls, along with media exposure of serious violations to bolster regulatory deterrence.

5.3.2 Flexible Management in Non-Key Areas

In contrast, within non-focal areas, mobile stalls not only exert a relatively minor impact on urban order but also cater to the daily needs of residents, while even providing employment opportunities for the low-income groups. Hence, a more adaptable management model should be employed in these locales. By delineating designated operating zones for mobile stalls, a portion of their activities can be legalized in non-focal areas.

The crux of flexible management lies in

minimizing the negative impacts of stalls through policy guidance and rational planning, while fully harnessing their economic and social value. Regulatory authorities, based on the actual operational conditions of mobile stalls, can lay out appropriate operating schedules and demarcate specific areas, permitting stalls to operate legitimately during designated periods and in non-core zones. Moreover, the government can ensure that these stalls operate within a relatively regulated environment by providing essential infrastructure such as water and electricity supply as well as waste management facilities. For minor infractions, a more lenient enforcement approach centered on education and guidance should be adopted to prevent disproportionately impacting the livelihoods of vendors.

5.3.3 Execution and Supervision of Classified Management

The successful implementation of classified management hinges on robust execution and supervision mechanisms. Initially, local authorities should establish clear guidelines for classified management, classifying mobile stalls into different categories (such as stalls under strict supervision, permitted stalls, and prohibited stalls), and outlining the management standards and procedures for each category. Enforcement agencies must provide systematic training for enforcement personnel, ensuring their thorough understanding and precise implementation of classified management policies to reduce arbitrary enforcement.

Furthermore, public engagement should be enhanced by establishing a reporting platform that encourages citizens to report violations related to mobile stalls, thereby strengthening social oversight. Simultaneously, the government should prioritize educating and guiding stall owners, disseminating knowledge of laws and regulations, offering entrepreneurial training, and boosting vendors' compliance awareness and self-management capabilities.

6. Discussion and Conclusion

The study has brought to light the profound impact of classified management in the governance of mobile stalls and its far-reaching implications for urban administration. Classified management, by

segmenting mobile stalls based on dimensions such as region, time, and scale, has introduced a flexible and targeted approach to governance. This not only circumvents the shortcomings of "one-size-fits-all" enforcement but also effectively harmonizes the maintenance of urban public space order with the rights of vendors to sustain their livelihoods. Moreover, the research underscores how classified management, with its tailored policy designs, can cater to the diverse needs of various interest groups.

Nevertheless, as this study is centered on a singular urban case, Yiwu City, its generalizability to other urban settings may be constrained. Therefore, future investigations should delve into the adaptability of classified management across multiple cities through comparative analyses. While the study heavily relies on literature and policy scrutiny, the absence of empirical data validation suggests that further confirmation of its efficacy could be achieved through interviews and comprehensive surveys.

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