

## Street vending in Hanoi -

### Reconciling contradictory concerns<sup>1</sup>

Street vending has a long tradition in Hanoi. It has created jobs and helped increase the income of many poor people from Hanoi and surrounding provinces. The quantity of products sold through this market chain has accounted for a significant proportion of fresh fruit and vegetable sales in Hanoi. However, this activity causes a lot of disadvantages including traffic congestion, environmental pollution, visual pollution and reduced food safety.

It is important to effectively manage street vending to reduce these significant negative effects. This MDB discusses some key issues and proposes some solutions as alternatives to eradicating street vending entirely.

#### Social role of street vending

There are a significant number of street vendors active in Hanoi. According to a census carried out in 2006, there are

estimated 5,600 vegetable street vendors and 5,900 fruit street vendors in greater Hanoi. These figures include mobile street vendors and fixed vendors selling at informal markets.

Table 1. Estimated number of fruit and vegetable street vendors in Hanoi (2006)

	Area (km <sup>2</sup> )	Number of vegetable street vendors			Number of fruit street vendors		
		Total	Mobile	Fixed	Total	Mobile	Fixed
Total vendors in "old" Hanoi*	84	3500	1500	2000	4000	2900	1100
Total vendors in "new" Hanoi**	186	5600	2100	3500	5900	3700	2200

Note: \* For limits of the city as defined before June 2004

\*\* For limits of the city as defined after June 2004

In 2004, street vending represented around 32% of the vegetables traded, and 38% of the total employment in the vegetable distribution sector. These figures rise to 46% and 52% when taking into account the expansion of the Hanoi metropolitan area that happened in June 2004. For lychee distribution, street vending accounts for 68% of the quantity distributed and 40% of employment in fruit distribution sector within the old Hanoi limits.

Street vendors are an especially important source of fresh food for consumers, and for the poor in particular. Surveys conducted in Quynh Mai District in 2005 showed that 80% of food purchases by poor households are made from street vendors (either mobile or fixed) due to their low price, proximity, friendliness of the vendors, and the freshness of the products.

#### A subsistence strategy for

#### peri-urban dwellers

A majority of the street vendors (90%) come from rural areas on the periphery of Hanoi. They cannot generate enough income from their farms to feed their family and street vending represents their main income, supplementing food and income generated by the farm. The rest of the street vendors are Hanoi residents with limited incomes e.g., retired women. For these women also street vending is a means of existence. The majority of street vendors (60%) buy their products in urban wholesale markets, the rest buy either from rural wholesale markets or farms (12%), or sell their own products (22%).

The income from street-vending takes a large proportion in the total income of each household. The average income of a street - vendor is about 10millionVND/year, accounting for 54% of the household. There are some

situations that they work regularly with good health, they can earn about 22 millionVND/year, however, some people earn less than 4 millionVND/year.

#### A precarious business

The difficulties faced by street vendors mostly relate to the illegal nature of their business, which means that they are liable to be stopped by the police. Fines paid to the police are from 25,000 VND to 40,000 VND. These are used for street sanitation. At times, their scales (if they have one) or the goods they are selling may be confiscated, which occurs most frequently if a street vendor is fined in the recent past and caught selling again. The frequency of stoppages by police increases at holiday times. The amount confiscated commonly represents 200,000 VND, however, it may go as high as 1,000,000 VND in the case of some high-value fruit vendors.

#### Alternatives to street vending as a livelihood

Asked about what they would do if they had to cease their method of income, 16 of 60 vendors, over 45 years old, expressed their expectation of staying at home and desire to have more farm land, in which there are 3 women who expressed they would like to use their earnings for non-agricultural activities. Some of the informants would like to look for new jobs, such as workers in enterprises (25 persons, below 30 years old), maids, or sales persons/shop-assistants. Half 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 Vending in Other Countries

The practice of street vending, as an illegal activity subject to official threats and fines, is not specific to Viet Nam. Many countries in Asia and Africa have declared street vending illegal, usually on the grounds of impeding traffic or posing a threat to public health. Yet

<sup>1</sup> This study is undertaken by Nguyen Thi Tan Loc, Hoang Bang An (Fruit and Vegetable Research Institute), Paule Moustier (Centre de Coopération Internationale en Recherche Agronomique pour le Développement), Ho Thanh Son, Phan Sy Thanh (Centre for Agrarian Systems Research and Development, Food Crops Research Institute), Ho Quoc Khanh (Hanoi Trade Department), and Luu Tat Thang (Thanh Xuan People's Committee), members of Malica consortium (Markets and Agriculture Linkages for Cities in Asia). More information about the study can be found at [www.markets4poor.org](http://www.markets4poor.org)

some actions that support street vendors have been successfully implemented in various contexts.

The organization and legislation of street vendors appears to be a prerequisite for successful support to this business. In 1995, Streetnet was established on an international basis. In Nepal, a union of street vendors was established in 2000. In Korea, this was done in 1988. Spatial allocation is another positive action that can be implemented. This involves the limitation of street vending to certain roads, and has been undertaken in Colombia, the Philippines, and Singapore. These actions can be implemented in concert with the provision of various services to the street vendors: healthcare (Mexico), primary training (India), sanitation (FAO), job-search assistance, etc.

### Negative impacts of street vending

Street vending has a number of positive impacts, including employment generation, poverty reduction and the efficient distribution of food throughout the city area. However, street vending activities also cause a lot of disadvantages including traffic congestion, environmental pollution, visual pollution and reduced food safety. Traffic congestion, difficulties in disposing of waste generated by street vendors and attracting migrant people from rural places to urban areas are the reasons given for declaring street vending illegal.

As the Vietnamese population becomes increasingly urbanized and the population density in the largest cities (including Hanoi) increases, the challenges posed by street vendor activity become more serious.

According to responses from street vendors themselves, negative impacts can be reduced by being more careful while moving, selling goods on regulated roads only, effectively packing or covering fruits that are cut for sale and consumption, and enhancing their own awareness of sanitation and preservation of the environment.

### Recommendations

Design of a pilot project in Thanh Xuan district supporting area-restricted street vending:

- designation of a key contact organisation/office in charge of street vendors' business, the women's Union being a possibility
- designation of a Group of contact

street vendors to facilitate dialogue with district authorities

- definition of banned and authorised areas for street vending, based on discussions between planning officials and a panel of street vendors
- training of street vendors on road traffic codes and hygiene

The bases of such a project have already been submitted by Malica/M4P to Hanoi People's committee, which approval is still waited for.

*Nguyen Thi Tan Loc (FAVRI) and Paule Moustier (CIRAD)*

### Talking heads

#### Concerns about cultural aspects and food distribution network



Street vending plays an important role in the food distribution network, particularly in areas which lack formal food distribution points. Street vending is very advantageous to consumers because it is convenient, it meets consumers' demands and serves them right at their doorsteps. Now there are many more street vendors than there were before but there are not many "traditional" street vendors left. We used to have traditional street vendors which partly contribute to the specificity of our culture such as Pho Ganh, Com Vong...

*Mr. Do Gia Phan, Vice President, Vietnam Standard and Consumers Association*

Street vending in Viet Nam also carries in it cultural elements, like buskers in other countries. Along the role of "main arteries" played by markets and supermarkets, street vending is like the "capillaries" of the food distribution system. The main point is to keep these capillaries clean and healthy. Street vendors may not be well-educated, but it doesn't mean their cultural levels are low. In fact, street vendors are easy to get along with buyers due to their close communication. Street vending carries in it cultural elements, then why do we treat it so mechanically and rudely?

In our urban areas now, there are a lot of failures in market allocation due to non-coordinated planning; new markets do not meet people's demand and are abandoned and wasted. In the cities there are a lot of street vendors which fill the gap of consumers' demand for food,

while in rural areas there are almost no street vendors, because rural markets are established based on people's practical demand.

*Mr. Tran Le, Reporter, Viet Nam Economic Times*

### Social role of street vending

Most of street vendors now come from rural areas. They often use baskets or bicycles-bike to carry commodities to sell to buyers who often have low income such as elderly people, retired people and workers. Most street vendors are hard-working; they leave their homelands due to unemployment or lack of employment.

In rural areas now, there is a phenomenon of farmers abandoning agricultural land. But it is not a thing to worry about. In fact it's a signal for us to adjust the agriculture policies. We have had Resolution 10 to free up the agricultural labor system and the Renovation policy ("Doi Moi") to liberate the markets. Till now, food products have been abundant and farmers tend to enrich themselves via commerce and businesses rather than agricultural production. Agricultural inputs (such as fertilizer, pesticides...) are becoming more costly, while earnings from agricultural products are declining. This inevitably results in farmers leaving rural areas to migrate to cities. One example is Lac Dao village in Hung Yen province, which used to be known as wine-producing village. The village now produces rice balls sold by street vendors to office staff and workers in the cities. This somewhat reflects the self-motivation of rural villagers in the market economy.

*Mr. Tran Le, Reporter, Viet Nam Economic Times*

### Management concerns

Street vending exists in every corner of Thanh Xuan district, even in main or commercial streets. We find difficulties in dealing with this issue because it happens due to peoples' practical need. The district authority is well aware of it and has reserved some spaces in markets for farmers to sell their produce (they have to pay some fees to use in sanitation work). In streets where street vending is banned, the baskets and commodities of violating street vendors can be confiscated. This action is carried out intensively in streets with heavy traffic but not often in streets with light traffic. I think we cannot ban street vending entirely, but only in some

important places such as State offices and tourist attraction points.

*Mr. Luu Tat Thang, Vice President, Thanh Xuan District People's Committee, Hanoi*

### Street vending as a subsistence strategy

My family has a small area (around 2 ao) for agricultural production. Earnings from that are quite low and insufficient for the family expenditures. I started to become involved in street vending work during the spare time during cultivation and after harvest. Street vending is the means to help us make ends meet.

*Ms. Tran Thi Thanh, street vendor in Thanh Xuan District, Hanoi*



We often sell our own agricultural produce, but if that are not available, then we buy products from wholesale markets. Usually we use bicycles for transport. As the house in Ha Tay is not very far, we drive here by motorbike in the morning, take the bicycles for street vending and then return home for farming work in the afternoon. Sometimes, we are chased by police, particularly in big events such as the General election, APEC... If caught by the police, we are fined from VND 20,000 - 50,000, sometimes our commodities and basket are confiscated. We just earn VND 20,000 - 50,000 a day, so if we are fined then there will be no benefit for that day. Sometimes we come to the market, but there is no free space inside. We are finally expelled and go to sell outside.

*Ms. Do Thi Mai, Song Phuong, Hoai Duc, Ha Tay (street vendor in Thanh Xuan district, Hanoi)*

### Negative impacts of street vending

Now only street vendors who are Hanoian can be allocated to regulated markets. Street vendors from other provinces account for more than 80 percent of street vendors in Hanoi and they are classified as illegal migrants. The invasion of a rural lifestyle brought by the street vendors creates difficulties in waste management, traffic congestion and brings a bad image to the city. Also acceptance of street vending means going against the prevailing legislation (e.g. Traffic code) and other regulations in Hanoi. I think the city should strictly monitor the enforcement of policy on migrants to Hanoi, and adopt a strategy of planning and investment in simple markets with

low fee collection to accommodate the business of Hanoian residents; and move agricultural wholesale markets to peri-urban areas.

*Mr. Nguyen Hoai Nam, Division of Planning and Investment, Hoan Kiem District People's Committee*

Street vending is a type of food business, therefore it should meet certain criteria as stipulated by the Government with regard to the food industry, i.e. having permanent selling places and ensuring traffic security as well as food safety. At present, there are around 16,000 food-selling points in Hanoi. This poses problems for the control of food safety in the city.

*Mr. Han Tu Do, Division of Inspection, Hanoi Department of Health*

In regard to food safety, most street vendors just take products from traders provided that the products are fresh and clean. Thus we cannot blame the street vendors themselves for reduced food safety, it should be the responsibilities of producers and the market management authorities. For some reasons, people talk about the negative effects of street vending on urban traffic, sanitation, reduced food safety, but without street vending, will these problems disappear?

*Mr. Tran Le, Reporter, Viet Nam Economic Times*

### Street vending in Viet Nam compared with other countries



As compared with other countries, street vending in Viet Nam is much more developed. This fact corresponds to the habits in Viet Nam to buy fresh food at the door steps and also the fact that many people don't have employment in the city.

In Thailand now most of the food is distributed in markets, supermarkets and there are not many street vendors any more. But it may not be very positive for the poor in Thailand as the people have to pay high price for food and high price for transport to go to the market. In general, the more country is developed, the less important the street vending is, but it's not always at the advantage of the poor. The role of the government is very important in this trend. In Europe, there are some differences across the countries. In France or Italy, markets in the street are still quite important, especially for the fresh food like fruits and vegetables. In other countries like Germany or

England, markets play a very small role and most of the food is sold in supermarkets. The government of France is trying to limit the speed of supermarket development, and limits the number of supermarkets in an area.

Retail food distribution in Viet Nam is diverse and adaptive to different purchasing powers as well as cultural factors. For those people who do not have much time and small budget, street vending is quite convenient, but for other people with higher purchasing power, they may prefer to go to some markets or some supermarkets. In Hanoi at the same time we can find supermarkets, markets, shops and street vendors. This shows the diversity which is quite positive and should be promoted.

*Paule Moustier, Food market Researcher, CIRAD, Markets and Agriculture Linkages for Cities in Asia*

### Recommendations

We know that street vending is not allowed according to the Government's regulations. However, without doing street vending, we will not have sufficient incomes for education and bringing up our children and maintaining our lives.

We look forward to having the facilitation from relevant authorities for the continuation of street vending. In the short-term, please do not seize the fruits and vegetables of the street vendors when they are sanctioned. Also please indicate streets and areas allowed for street vending such as unoccupied areas in some collective residential sites, etc.

*Ms. Dao Thi Nhung, street vendor in Cau Giay district, Hanoi*

We sympathize with the street vendors as poor citizens but they have to comply with the regulations. The police do not have enough staff to chase all street vendors, and we do not have the heart to fine them. It would be easier if street vending was authorized on a restricted basis with streets where street vending is strictly prohibited clearly identified. It is easier than to establish quotas for numbers of street vendors in every street.

*Mr. Phung Van Phu, Public Security of Thanh Xuan District, Hanoi*

Street vending should be recognized as an occupation. For those who sell frequently in an area, there should be business registration and card granted to them. This will help the market management team to control as well as to provide them with some support such





as documents, training ... Besides, streets where street vending is allowed should be identified; regulations on sanitation, food safety should be made clear to street vendors.

There should also be regulations on street vending issued by the city authority to apply consistently in the entire district or city.

From the pilot implementation, the district can assign staff to monitor, draw lessons and implement in wider area if successful. This pilot plan should be implemented flexibly with actions specific to each particular site such as residential areas or tourist points ... Street vendors should also use other means of transport like trolley to avoid visual pollution. The fact that street vendors are chased by the police and their goods are confiscated sometimes causes social discontent. If I were a policeman maybe I have to do that, but in the position of street vendors or viewers, I think no body wants to do so. *Mr. Luu Tat Thang, Vice President, Thanh Xuan District People's Committee, Hanoi*

I think we should not encourage street vending, it should be restricted and improved to be more civilized. In residential areas, there should be a retail distribution network such as convenience shops. Our present food distribution system is not sufficient and not convenient, consumers have to come to toad markets, street vendors or supermarkets (for rich people) to buy some retail products. Only some traditional types of street vending such as Pho Ganh and Com Vong should be promoted.

The establishment of street vendors' association is not feasible because there are too many street vendors; they are not professionals but working in their leisure time only. Thus it's difficult also to provide them with some support in terms of training due to unfrequent attendance and difficulties in management. The most important point is to have better social management capacity. There should also be a study to upgrade street vending, help them change to new jobs, and mobilize them to a more appropriate profession structure.

*Mr. Do Gia Phan, Vice President, Vietnam Standard and Consumers Association*



The radical solutions, I think, should come from the rural areas, rather than solutions in the cities. We should facilitate the formalization of new businesses in rural areas

which will create a lot of employment for farmers, and encourage land agglomeration.

The pilot implementation of street vending authorized in some areas may make street vending lose its nature, because it should be mobile rather than being fixed. This kind of solution still comes from subsidy thinking that wants to assign locations for business people. It's just like the case with toad markets when clearing one and another one appears, this solution may not respond rightly to street vendors as well as consumers' behaviors. Thus, it is necessary to study consumers' behaviors carefully to have appropriate solutions.

*Mr. Tran Le, Reporter, Viet Nam Economic Times*



Now the markets in Hanoi are overcrowded. There is an essential need to expand and build more markets in rural areas or increase the size of market buildings in urban areas.

We are also making a list of toad or temporary markets which should be cleared (particularly those near important points such as State offices, tourist sites and international offices). For markets formed in residential areas, there should be a unit assigned by the local authority to control in order to keep it on time, avoid traffic congestion and disorder. Street vendors may be banned in main and commercial streets, and if possible be allowed only in small alleys in residential sites. The municipality tends to have flexible policies rather than extreme way of entire eradication, but this cannot be done overnight.

Formerly the establishment of street vendors' association is not feasible because their status is not recognized by the law. However, the Government issued Decree no. 39/2007/ND-CP on 16th March 2007 to regulate street vendors. Thus, street vending has been considered legal and it's possible to have an association. It's difficult for this association to have a separate office, its operation should closely with that of other organization such as the Women

union. Besides, the management scheme of this association should also be taken into account.

*Mr. Ho Quoc Khanh, Head of Trade Management Division, Hanoi Department of Trade*

In some countries like Singapore and India, the authorities have succeeded in having some dialogue with the street vendors and provide them some support, some training, credit and define some areas where they can sell. These types of action are quite positive. In Viet Nam this situation is different because the streets are quite narrow and traffic jams can occur more easily. Another difference is that the government is not really in favour of organization or association between the street vendors. Thus it's more difficult for the street vendors to get organized and have some dialogue with authorities. There should be other ways, such as selecting some contact persons for the street vendors to communicate with the administration. For the traffic jam problem, there should be some education for the street vendors on how to move and how to cross the streets. As Viet Nam is quite specific in the nature of the road and the importance of street vending, street vending should be integrated into the urban planning.

*Paule Moustier, Food market Researcher, CIRAD, Markets and Agriculture Linkages for Cities in Asia*

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