



Informality and the state's ambivalence in the regulation of street vending in transforming Guangzhou, China



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ABSTRACT

Street vending faces uncertain state responses in contemporary Chinese cities, though it plays an important role in sustaining the livelihood of urban migrants. Building on the critical perspective that understands informality as a production of the state, this paper explores the nature of the regulation of street vending in Guangzhou since 1949. The state's regulatory practices are characterized by what we call historical ambivalence and geographical ambivalence, which refer to the inconsistency in policies, which fluctuate between soft and hard approaches over time, and the mix of contradictory regulatory measures applied in different urban spaces, respectively. Ambivalence is generated because the state addresses street vending in ways that attain the overarching objective of urban policies. In particular, the exclusion of street vendors in present-day China is not historically natural but driven and sustained by the government's pursuit of a good city image favorable for attracting capital in the context of intensifying inter-urban competition. The definition of informality is not a neutral classification. Rather, declaring when and to what extent an informal practice is tolerable depends on what the state desires in a specific historical circumstance.

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1. Introduction

Informality is one of the key issues facing cities in the 21st century and one of the major challenges to urban policies (Porter, 2011; Gaffikin and Perry, 2012). There are a large number of urban populations in the world that make a living from informal economic activities and settle in informal communities (Davis, 2004; ILO, 2002). As an economic form of informality, street vending prevails in many countries of the Global South (Bhowmik, 2005; Brown, 2006; Bromley, 2000) and has become a particular object of concern for the International Labour Organization (ILO) and the global research policy network "Women in Informal Employment: Globalizing and Organizing (WIEGO)" (ILO, 2002; Nirathron, 2006; Skinner, 2008). The academic interest in street vending arises from the fact that an increasing number of rural-to-urban migrants have to live in this urban informality while suffering uncertain and mostly hostile state regulation (Cossa, 2008; Donovan, 2008; Popke and Ballard, 2004). In China, many municipalities adopt an exclusionary policy for street vendors to create an attractive investment climate and secure

urban order. However, this policy not only leads to the reduction of available income opportunities for disadvantaged urban migrants but also generates a mass of street violence as a result of vendors' resistance. The politics of street vending has thus become a contested urban frontier in present-day China.

This paper investigates the nature of the state's responses to street vending in Guangzhou, China. Contrasting the commonplace view, i.e., characterizing informality with the lack of state regulation (Castells and Portes, 1989), this paper takes a critical perspective that understands informality as being produced by the state. This perspective argues that there is no pre-defined boundary between formal and informal practices. Rather, the declaration of what is formal and informal and whether an informal practice is tolerable and should be authorized or is intolerable and therefore should be prohibited is the prerogative of the state authorities (Roy, 2005, 2009a; Varley, 2013). The paper therefore brings to the fore the role of the state in understanding informality and shifts attention to the question of the relationship between the state and informal practices.

This paper tries to contribute to the literature by looking at the relationship between the regulation of street vending and the political purposes of the state in Guangzhou and in different historical circumstances of China since 1949 and by connecting the regulation to current urban policies spurred by neoliberalism. The use

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of neoliberalism here does not refer to China's embracement of neoliberal orthodoxy (He and Wu, 2009). In fact, whether this concept is appropriate to theorize China's development practices remains debatable (Peck and Zhang, 2013; Lim, 2014). Rather, the paper expresses the influence of neoliberal logic in contemporary urban development, such as the pursuit of a good city image through street vending policy. Moreover, because the state is seen as an actor in the critical perspective, we incorporate related literature on the practice and development of the state to form a theoretical ground for understanding the regulation of street vending in the Chinese context. It is mainly argued that the way the state regulates street vending is embedded in its responses to the overarching objectives of urban policies shaped in national and global contexts. This argument enables us to go forward with a critical understanding of the politics of street vending, which relates to the notion of informality as a device that serves to uncover the nature of the state and challenge contemporary urbanism (Roy, 2011; McFarlane, 2012).

2. Critiques of informality

Urban informality has attracted enduring attention from development, planning and urban theories since the early 1970s (McFarlane, 2012). The research of informality is centered on how it should be understood and approached as an object of study (Bunnell and Harris, 2012). Influenced by the theory of economic dualism, early views understand informality as socio-economic activities that take place outside and separately of the formal economic system (Hart, 1973). Certain features define informal sectors and distinguish these sectors from formal ones (ILO, 1972). Seen in this light, informality is often equated with marginality and poverty and then used to characterize the underdevelopment of developing countries (Moser, 1978; Sethuraman, 1997). Of importance, therefore, is the question of how to reduce informal activities through the accelerated development of formal economies.

The dualistic view is subjected to considerable criticism for its neglect of the formal–informal relationship (Rakowski, 1994). One alternative perspective designates informality as income-generating activities that are unregulated in an economic environment where similar activities are regulated (Castells and Portes, 1989; Chen, 2007). This view could be termed as functionalism because it contends that the existence and development of an informal economy results from its functional linkages to a formal one. It emphasizes the unregulated nature of informal economies in contrast to the concern of the dualist view regarding the characteristics of informal sectors. Another perspective, called legalism, sees informality as the people's spontaneous response to the state's overregulation (de Soto, 1989). Whereas functionalism focuses on explanations of how linkages between informal and formal economies are produced in the latest capitalism (Castells and Portes, 1989), legalism is concerned with the entrepreneurial spirit, flexibility and autonomy of the informal (Maloney, 2004). However, both of them generally take the state as a "background" or a pre-given factor in the research of informality.

In recent years, some research on informality has brought to the fore the role of the state. Roy (2005, 2011) understands informality as being produced by, rather than as something beyond, the state. She argues that the state itself has the power to "determine what is informal and what is not, and to determine which forms of informality will thrive and which will disappear" (Roy, 2005: 149). The idea of the lack of regulation depends on only the assumption that the effect of government is understood in terms of a visible presence, but in fact, it is the government that sets the conditions of the possibility for informality (McFarlane, 2012). The state's

selective enforcement of regulation, the suspension of relevant laws and the partial authorization of informality testifies to a "calculated" informality, a "system of deregulation" that is in essence a "mode of regulation" (Roy, 2009a: 83; Varley, 2013). This perspective is distinct from the notions of the absence of the state and the state's overregulation; it connotes an effort to construct the state as an actor rather than a pre-given factor in explaining the development of urban informality. It has been specified that the boundary between formal and informal practices is not permanently fixed but in a state of flux, and it can be contested and negotiated (Roy, 2009a; Schindler, 2014). Recent studies have disclosed the inconclusive nature of the state's projects in disposing of social practices such as informal housing and street vending (Ghertner, 2008; Schindler, 2014; Wu et al., 2013; Wang et al., 2009). The exploration of the relationship between the state and informality has thus become the focus of scholarly research and has served as a lens through which to uncover the shifting urban relationship between authorized and unauthorized practices and theorizing the nature of the state (Roy, 2011; Schoon and Altrock, 2014).

This paper aims to contribute to the understanding of informality as a production of the state by investigating the regulation of street vending in transforming Guangzhou since 1949. By exploring the state's motivations behind those regulatory practices in different historical circumstances, the paper argues that the definition of informality is not a neutral classification but rather one made and remade by the state to satisfy its political purposes. The state's regulatory practices are characterized by what we call historical ambivalence and geographical ambivalence, which refer to inconsistency in policies, which fluctuate between hard and soft approaches over time, and the mix of contradictory regulatory measures applied in different urban spaces, respectively. They can be understood by disclosing the relationship between the regulation of street vending and the political purposes of the state.

Because the state is viewed as an actor, it is important to include a discussion on the practice and development of the state in the research on the regulation of street vending. At least three aspects on the state should be underlined. First, as Scott (1998) reveals, the state has always had the aspiration to keep its subjects, particularly those who are mobile and consequently ineligible, under its control for the sake of governance and development. He argues that the possibility for the state to reconstruct social practice in ways that benefit its goals comes from the combination of the unrestrained use of the power derived from authoritarianism and a weakened civil society that lacks the capacity to resist (Scott, 1998). Scott's insight on this combination is helpful for understanding the conditions under which street vending is regulated in China. Whereas Ma (2009) characterizes Chinese authoritarianism in that key decisions are made by the top leadership and quickly enforced nationwide, we understand it in terms of the political appointment system. In this system, local governments are more accountable to the party-state or the Chinese central government than to the citizens because local politicians are directly appointed by the former rather than elected by the latter. The state in this paper thus refers to the city governments, which act on behalf of and are subject to the central state. This is helpful for understanding the subjection of street vendors' interests in urban policies framed by the national strategy. Because of this political appointment system, the landscapes of the regulation of street vending in Guangzhou are very different from those in the context of Latin American cities such as Mexico City, where the vending policies are often contested, negotiated and fragmented due to the competition among different parties to which street vendors are affiliated (Cross, 1998). Moreover, due to the restrictive regulation of civil society organizations in China, there is lack of organizational power that enables street vendors to disrupt adverse policies imposed on them. This is distinct from what

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